

*This is an excerpt from an event on February 23, 2021. Please refer to the forward looking statements disclaimer provided at the beginning of the event read by Betsy Frank.*

## **EVAN SPIEGEL, CO-FOUNDER AND CHIEF EXECUTIVE OFFICER**

Welcome and thanks everyone for joining us.

It's amazing to be here at our first-ever Investor Day, 9 years after our founding. And what a 9 years it's been. Sitting at my dad's dining room table all those years ago, Bobby and I could never have imagined creating a business that reaches so many people. Each day, we serve 265 million daily active users and we've had a ton of fun transforming the way people live and communicate around the world through our service.

One of the most exciting things about technology is that it fundamentally changes the way we express ourselves. As a child, I remember playing with Kid Pix on our family's first Macintosh and being captivated by how quickly I could create artwork and then - with the click of a button - start anew. The transformative potential of technology to enrich our lives and support our community has inspired our mission at Snap: to contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

What the Macintosh and Kid Pix - and eventually Photoshop - did to empower my creativity as a child laid the foundation for what the Snapchat camera is now doing for people around the world. And it's extraordinary how fast it's happening. The camera was once a tool for documenting important moments, but it has now become a powerful platform for self-expression and visual communication. There are 5 billion Snaps created each and every day. And because the Snapchat Generation is 150 percent more likely to communicate with pictures rather than words, the camera will become even more central to the way we interact and build relationships with our friends and family.

That is why, over time, the camera has provided opportunities to grow and expand our business. We started with Stories, which helped our community express themselves by sharing pictures and videos from their day with all their Snapchat friends - in chronological order, and without likes or comments. We rejected norms that defined social media at the time and invented new ones that are consistent with our values. This taught us the importance of having a vision and sticking with it. But Stories also showed us that other companies could take our most popular innovations and quickly copy them. This was a meaningful lesson. It fundamentally reshaped how we think about our business and inspired our long-term strategy, which is focused on evolving our new product innovations into scaled platforms that we believe are more defensible.

Now 9 years into our journey, we've developed a number of unique platforms. They bring value to our community, and they are also more difficult to replicate. It's one thing to design an augmented reality lens that pushes the bounds of creativity and enhances self-expression. But we've worked to serve a community of independent creators around the world and give them the tools to innovate. And when we do that, we unleash the power of our platform with over 1.5 million lenses created with Lens Studio, and more than 200 million people engaging with AR every single day.

Our strategy is to take product innovations like augmented reality Lenses and evolve them into platforms by building tools for creators and developers and providing distribution for their creations to reach the Snapchat community. We've laid a foundation for this to happen more broadly by organizing our platforms into five main screens of our application: Camera, Map, Chat, Stories, and Spotlight. These are represented in the Action Bar on Snapchat, and I'd like to briefly introduce them.

Snapchat opens to the camera, which we believe represents our greatest opportunity to improve the way people live and communicate. Our camera is used to create Snaps to send to friends or add to Stories; post on our Map; and submit to Spotlight. So our camera is already capable of extraordinary things. But it is augmented reality that is driving our future - a future that Bobby will bring to life in more detail in just a few minutes. In the past few years, our substantial investments against our vision for augmented reality have put us in a position to lead the industry, and we're doubling down on this strategy in 2021. Augmented reality has evolved from something fun and entertaining into a real utility. Our camera can solve math equations; scan wine labels to find ratings, reviews and prices, tell you the name of the song you're listening to, and so much more. Last quarter, we signed a partnership to enable more than 200 beauty brands to upload thousands of SKUs to our camera, enabling our community to safely try on and shop for makeup during the global pandemic. And we've barely scratched the surface of what's possible.

Stories is another important platform for Snap. Despite substantial competitive pressure, Stories has become our largest driver of revenue. It's a place where people share their Snaps with their friends in narrative form and watch content from professional publishers and influencers. We generate the vast majority of our revenue from Snap Ads inserted in between those Stories. And these ads allow our community to take direct actions by swiping or tapping, and they've become an important tool for direct response and brand advertisers.

We also see incredible potential for our Communications platform, which lives within the Chat screen and is easily accessible within the Action Bar. This isn't simply where our community expresses themselves through Snaps and chats. It's also where we've introduced two new offerings: Minis and Games. Minis are a new platform for social experiences. Snapchatters are already meditating together with Headspace and buying movie tickets with a Mini made by Atom. And Games like Ready Chef Go by Mojiworks and Aquapark by Voodoo are enabling friends to play together in real-time, creating

more opportunities for meaningful interaction. Minis and Games integrate partners who help our community play, learn, and have fun together, all within Chat – deepening our community’s relationships through shared experience.

We also elevated the Map to make it one of our core screens, and it represents a huge opportunity for our business. More than 250 million Snapchatters engage with our Map each month to find their friends and see what’s happening around the world. But this is only the beginning. We’ve started integrating businesses and schools into the Map, helping our community connect with Places and discover new ones. There are more than 35 million businesses on the Map, and a growing number of small businesses see our Map as a new way to build relationships with our audience.

The Snapchat Generation makes up 40 percent of global consumers and already wields \$1 trillion in purchasing power, and they are an important part of the fabric of our local communities. Our community is driving the future of our society, our culture and our economy.

Late last year, we also launched Spotlight, the newest platform on Snapchat. Spotlight empowers members of our community to inspire each other with their creativity and surfaces the most entertaining Snaps while making sure they are consistent with our values. We’ve been overwhelmed by the positive response from our community. Just a few months since launch, we are seeing 175,000 submissions per day with more than 100 million monthly active users. The creative tools in our application unlock new forms of self expression and creativity while also strengthening Spotlight as a growing platform.

The success of our platforms speak to the sustained value we bring to our community. And they also highlight the enormous growth opportunities for our business. In 2020, we generated \$2.5 billion in revenue during a challenging year. And we also met our goal of full-year Adjusted EBITDA profitability. What’s most exciting is that we’re positioned to continue our growth well into the future. Our meaningful operating leverage means we can reinvest ambitiously in our products and make big bets on the future of augmented reality.

We believe that AR represents the next major shift in computing, and we’re committed to leading the way. Despite the power of mobile phones, we’re still constrained by the four sides of a small screen. So our team is building towards a future that transforms computing by overlaying computing on the world through wearable technology and empowering new ways of interacting with technology including gestures, speech, and gaze. We’re entering a new era of self-expression and learning that will allow our business to make our most meaningful contribution yet to human progress.

We believe it is crucial for Snap to succeed as a business – not just for the sake of the company, our community and our investors. But because Snap will play an important role in defining the purposes and the practices of the next generation of technology platforms.

As computing becomes even more personal and even more deeply integrated into every aspect of our lives, we believe it is essential that technology and its accompanying business models reflect and enhance our shared humanity and society's most important values.

What is at stake here is trust, the key ingredient that ties humans and technology together to realize the benefits of technology's greatest potential. Snap is building a business that will contribute to a more positive vision of the future by empowering and protecting our community, and giving them new ways to have fun, express themselves and to enrich their lives. We have a fantastic team that is deeply committed to making this vision possible, and I'm so excited for you to meet a few of the folks who are driving our progress here at Snap.

Bobby, our Co-Founder, Chief Technology Officer, and dear friend will talk about our camera, augmented reality and the future of computing; he'll be followed by Jacob, our Vice President of Product, who will talk to you about the products we build and how we turn those into platforms. Peter, our Senior Director of Product, will share how we turn those platforms into businesses that are core to driving our success. And Jeremi, our Chief Business Officer, will share more about our long-term strategy for revenue growth; followed by Kenny, our Chief Marketing Officer, who will share insights into the marketing philosophy powering those efforts. You'll also get to meet the newest member of our executive leadership team, Ben, our SVP of Content and Partnerships, who will speak about our partner ecosystem. And he'll be followed by our SVP of Engineering, Jerry, who will highlight our cloud-based infrastructure strategy. And last but not least, our CFO, Derek will talk about our ambitions for long-term value creation. And then I'll be back with you at the end of the day to answer any questions.

Lastly, I'd just like to say thank you to all of our investors. We're so grateful for your tremendous support of our community and our long term vision for the future. And we are so thankful to partner with all of you. Have a great day, and I'll see you a little bit later.