

This is an excerpt from an event on February 16, 2023. Please refer to the forward looking statements disclaimer provided at the beginning of the event read by David Ometer.

JACK BRODY, VICE PRESIDENT OF PRODUCT

Thanks, Jacob. Hi, everyone. It's great to be here with you today.

I'm Jack Brody, VP of Product, serving our product and design teams across Snap.

While Jacob just spoke to our growth strategy, I'm excited to dive much deeper into the product itself.

I've been at Snap for almost nine years, and I'm so grateful to work on a product that hundreds of millions of people use to communicate with their closest friends and family.

For an entire generation, and more, Snapchat enhances relationships with friends, family, and the world. Snapchatters tell us they feel comfortable, happy, and connected when using our service.

By focusing on meaningful communication between friends, we set ourselves apart from other platforms that center almost entirely on content consumption. This unique approach leads to high frequency usage, deep engagement, and resilient retention. For example, here in the US, Snapchatters open Snapchat nearly 40 times per day, on average.

And each time they open the app, they're met with our camera, which is the homescreen on Snapchat. This puts creation and augmented reality at the forefront of the Snapchat experience, leading to a much higher proportion of Snapchatters creating content each day than you'll find on other platforms. In fact, over 60% of Snapchatters who open Snapchat each day create Snaps. That's because the moment a Snapchatter opens our app, they're ready to capture and share the world from their perspective.

As Jacob discussed, opening to the camera also powers a messaging flywheel. After you capture a moment, you want to share it with a friend. As simple as this sounds, this is what really makes Snapchat tick, with over 5 billion Snaps created every day, on average.

And because our messaging platform is so important to our community, we're always looking to improve it. In 2022, we shipped Chat improvements at a faster velocity than ever before. We made Chat easier to use by making 24-hour Chat History the default mode for all conversations. We made Chat more fun with Bitmoji reactions and message threading. And we made Chat more useful, enabling Snapchatters to send Snaps to any friend in their contact book, even if that friend hasn't yet signed up for Snapchat.

We also made Chat safer for our teenage community. In August, we released a new in-app parental tool, called Family Center, which empowers parents to see all of the friends their teens are communicating with on Snapchat, and report any concerning accounts directly to our teams to investigate.

In September we released our Snapchat for Web experience globally, bringing our core messaging and video calling experiences to your computer. We can't wait to continue to bring more of Snap to this surface.

Messaging has always been an important driver of retention for Snapchat, but with constant improvements like these, its value has only increased over the years. Today, 88% of Snapchatters who Snap or Chat to a friend will use the app every day for the next 7 days. And in the last year, the number of conversations between unique pairs of friends has grown by over 30%.

And, as Jacob described, because Snapchat fosters such frequent conversations, our visual messaging platform drives engagement across our entire app ecosystem.

Over the past 10 years, we've leveraged the success of visual communication as the foundation on which to build more and more value for our community.

To do this, we've taken things people love, want, and need to do daily and worked to make them better through design and technology. By continuing to focus on daily behaviors, we've built a service that has incredibly deep engagement and drives long-term retention. And through this process, we've created a variety of new products and platforms that have vastly extended the value and use cases of Snapchat.

Take Stories for example. In 2013, the norm for digital platforms was permanent public sharing, shown in reverse chronology, and rarely with video. We changed this with Stories, so people could post what they're up to, ephemerally, in the order it happened, and with full-screen, vertical video. Today, Stories continue to provide immense value for our community.

Or take the Snap Map, which helps Snapchatters answer the question of "What are my friends up to?" and is now increasingly becoming a go-to destination for discovering new places. Snapchatters love our Map, and over 300 million use it monthly. And because we offer a social map, not a navigation map, we have a very high frequency of use. Daily Map users open the map 6 times per day, on average, to see what their friends are up to and meet up. And through our recent investments in new Place discovery features, more and more of their time is spent on our Map uncovering new restaurants, date night destinations, and fun places to hang out with friends.

Powering this momentum in Place discovery improvements is our new underlying Map infrastructure, called the basemap. Tailoring the basemap to our needs has improved performance, decreased hosting costs by an order of magnitude, and paved the way for significant product enhancements. This full

control over our basemap enabled the launch of features like Personalized Places, which shows places that are popular with friends or that the community considers “Top Picks.” We also launched Place Stories on the basemap and updated Place Profiles to emphasize videos from Snapchatters. Now, we’re pleased to introduce 3D to the Map to highlight places and make the Map more personal, fun, and alive. Over the past year, improvements like these have increased engagement with Places on the Map by over 100%.

Finally, we saw the joy, delight, and expressiveness that Augmented Reality added to the conversations our community was having on Snapchat. For us, AR has always been grounded in reality — perfect for deepening relationships and making the world around us more exciting and easier to navigate. Approximately two of every three Snapchatters engage with AR on our service daily. Today, we offer our community millions of AR Lenses that enhance their Snaps and lower the barrier to sharing a feeling, mood, or a message with friends.

In the past year, we created several Lenses that were viewed more than a billion times each within their first week alone. AR is a key driver of our community growth, increasingly drawing new users to Snapchat. We see that over 70% of Snapchatters who download Snapchat engage with AR during their first day in the app.

Innovations like Stories, the Snap Map, and AR come together to power a highly engaged community across our broad suite of products.

Now, let’s dive into our content strategy.

Content is core to the Snapchat experience, and we offer two massively popular destinations — Stories and Spotlight — that attract a diverse set of creators, media brands, and audiences. Our content provides value to our community of hundreds of millions of Snapchatters and monetizable inventory for our advertising business, and it helps drive cultural relevance for our service.

From the beginning, our content philosophy has been unique. We built safety — for Snapchatters and for brands — into the fundamental architecture of our platform. We have long focused on curation and moderation and don’t allow unmoderated content to reach a large audience, limiting the virality mechanisms that can amplify negativity and misinformation. As a result, Snapchat is ranked as one of the friendliest social environments among large platforms.

Our content offering started with Friend Stories, which was a natural extension of our friend-centric communication platform. And like so many of our innovations, this has deeply resonated with our community, and Friend Stories remain extremely popular. Today, in the US, there are more Snapchatters viewing Friend Stories than ever before.

To continue to improve the value of Friend Stories, we are focused on three primary initiatives. First, we are consistently improving our ranking and recommendation models to surface the most relevant Stories for Snapchatters.

Second, we're investing in tools to make it easier for Snapchatters to post to their Stories, in order to increase overall story availability among friends. The number of Snapchatters with at least one Friend Story available to view has increased by over 15% year-over-year.

Finally, we're constantly adding new features to provide additional value. We recently launched Communities, a product for private groups in which members can add friends and post to a shared Campus Story. We started with colleges and high schools and will be rolling it out to more communities over time. We've now onboarded 1,400 colleges in the US, and will continue expanding to more universities around the world.

While Snapchatters remain highly engaged with Friend Stories, time spent watching Friend Stories globally continues to be a headwind to total content time spent, as Snapchatters' depth of engagement with Friends Stories decreased. Increasingly, Snapchatters are watching entertaining content like Partnered Content and Spotlight. So, we'll continue making Friend Stories a great way to stay connected with the friends you care about. But once you finish watching Stories from those friends, we'll make it easier for you to watch entertaining creator content. Said differently, Friend Stories from close friends bring people into our content experiences, but creator content represents an additional opportunity for growing overall time spent. And this isn't just theoretical — in the US, time spent per viewer for both Creator Stories and Spotlight have grown by large double-digit percentages in Q4 compared to last year.

This is why we're doubling down on creators. While Stories started as a broadcast communication product for friends, creators have adopted it at scale. And with the explosion in popularity of short-form video content over the past few years, we created Spotlight, a new entertainment platform showcasing the best of Snapchat.

Creators tell us they appreciate the breadth that our platform offers. With Stories, they're able to share their daily lives with their followers, in the moment, without the need for editing or other creative overhead, while with Spotlight, they have an opportunity to introduce themselves to new Snapchatters, show off their very best Snaps, and grow their audience.

Both Stories and Spotlight are valuable for creators and highly engaging for our community, and they reinforce one another in important ways. In our early research, we've found that Spotlight engagement is incremental and actually has a small but positive impact on Story viewership.

And, the more content a Snapchatter watches, the more likely they are to share that content with their friends. This, in turn, inspires more people to watch content, powering a virtuous flywheel of viewing content, sparking engagement with content, and inspiring both more communication and content creation. We see Snapchatters sharing videos they love with their friends as a unique advantage, given the underlying strength of our communication platform.

Creators in over 200 countries and territories are generating a wide variety of content experiences across numerous verticals, such as sports, comedy, lifestyle, and beauty.

We also have a history of strong partnerships with media partners around the world. Today, our content platform features hundreds of media partners from over 20 countries, and localized content in over 10 languages. Our partners include leading media companies like NBCU, Disney/ESPN, Channel 4 and MBC, sports leagues like the NFL and NBA, digital natives like Team Whistle and Jellysmack and trusted news brands including The Washington Post, Axios, and Axel Springer. This growing community of content partners is another way we provide engaging and entertaining content that's curated for our community and attractive to our advertising partners.

To better convey the opportunity we provide Creators, I'd love to tell you a bit about Sarati, a Texas-based creator on Snapchat.

Sarati originally focused on fitness and lifestyle content, and began shifting her focus to family and parenting in 2022 after she welcomed her first child. Snapchat is a daily part of Sarati's content creation process. In 2022, she shared to her Story 362 days and posted to Spotlight more than 400 times. Her focus on Snapchat yielded serious results. Nearly 29 million Snapchatters watched a story from Sarati in 2022, and 13 million watched her on Spotlight, combining to generate 750 million views.

For professional creators like Sarati, Snapchat is the platform where you can reach your most engaged audience, while simultaneously growing it — sharing your more polished content with our whole community via Spotlight and more casual, everyday, or spontaneous moments on your Story. It's a platform that offers the flexibility to be yourself with your existing followers while providing the opportunity to introduce yourself to new ones. Over the last year, the number of Snapchatters subscribing to new creators via Spotlight increased by 225%, and the number of total daily subscriptions increased by 240%.

It's also a platform where Creators can build their businesses. We provide numerous monetization opportunities for our creators, through our Spotlight Reward Program, Spotlight Challenges, the 523 Black Creator accelerator, our Sounds Creator Fund, and mid-roll ads opportunities.

While Creator Stories have been around for a while, Spotlight is relatively new, yet its growth has been astounding. Spotlight already reaches over 300 million Snapchatters per month. In Q4, total time spent

watching Spotlight more than doubled from the year prior, and Spotlight submissions are up nearly 20% over the same time frame.

While the last two years have primarily focused on driving depth of engagement and retention for Spotlight, we're now bringing the product to an even broader audience on Snapchat. This year, we will focus on growing adoption of Spotlight to increase overall viewership and the potential reach for creators. We have a lot of headroom here. For example, we've seen that simple changes like badging the Spotlight tab when a creator you follow has posted increased Spotlight DAU by nearly 10%.

And, of course, a unique advantage of our content platform is that it's seamlessly connected to our massively popular communication platform. Leaning into this, we've made it easier to continue watching Spotlight from a video a friend shares with you. Because of this, since last May, the number of people watching Spotlight inside a chat with a friend has increased by 89%.

We will continue to invest in our creator community, offering them more powerful tools to grow their audiences and build their businesses. And we'll make it easier than ever for Snapchatters to find the most entertaining and engaging video content across Stories and Spotlight.

Before we move on, let's take a look at some of the exciting things happening across Stories and Spotlight...

...You can see why these products are so much fun to work on!

The high frequency communication on Snapchat has enabled Stories, the Snap Map, AR, Spotlight, and more to become incredibly engaging and retentive products in their own right. The whole of Snapchat is so much greater than the sum of its parts, and this has helped turn Snapchat into a daily communication tool for our community — it's deeply interwoven into their social fabric.

All of this has made us uniquely positioned to build a subscription service that offers new, exclusive, and experimental features directly to this extremely passionate audience.

We've done this with Snapchat+, our \$3.99-a-month subscription service. Launched last July, we already serve over two-and-a-half million subscribers. I'm particularly excited about Snapchat+ because it allows our team to rapidly experiment with innovative features, from helping Snapchatters customize the look and feel of their app, to giving special insights into their friendships. Every month or two, we surprise and delight subscribers with "drops" that bundle exclusive new features, so there's always something exciting to anticipate and show off to friends.

Take our recently launched Chat Wallpapers, which allows Subscribers to set their favorite photos as backgrounds for their conversations. Adorable photos of my 10-month-old are plastered across the background of an embarrassing number of my group chats. The intrigue among Snapchatters around

how to get this “superpower” once they see a friend use it drives massive interest in the service. Chat Wallpapers is one of the most recent Snapchat+ features, but already one of the most impactful in acquiring new subscribers.

Snapchat+ also gives us an early chance to test new features at scale, which we then refine over time as we learn how the community is engaging with them. I’m confident we will only continue to uncover and invent features that deliver increasingly sought after value to Snapchat+.

This holiday season, we experimented with gift subscriptions, new pricing models, and encouraged annual subscriptions with deeper discounts. Currently, we’re focused on growing subscriptions through contextual and value-driven upsells across the app. Most Snapchat+ features don’t have any built-in upsells yet, but those that do drive the majority of subscriptions, so we know this is a major opportunity.

At just over six months old, it’s important to recognize that Snapchat+ is truly still in its infancy. We’ve really only just begun to scratch the surface, in the value to Snapchatters and monetization potential, and we can’t wait to continue the momentum.

What’s next for the product team? We’re incredibly excited to continue evolving Snapchat to serve the needs of our community and support their closest relationships. In a competitive landscape, focusing on friendships, driving communication frequency, and offering compelling content from friends, creators, and partners, makes Snapchat truly one-of-a-kind for our large, growing, highly engaged audience.

With that, I’d like to turn it over to Kenny, who will share how marketers are using our products to connect with our community of more than 750 million people.