

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.

JACOB ANDREOU, SENIOR VICE PRESIDENT OF GROWTH

Thanks, Evan.

Hello! My name is Jacob and I lead Growth here at Snap. I'm excited to share our approach to growing our community by adding new Snapchatters, growing their engagement, and retaining them over time.

Growing our community and deepening engagement is important to the future of our business, as it strengthens our network effects and grows our overall revenue opportunity.

As Evan shared, the power of visual messaging has driven our growth to over 750 million monthly active users and 375 million daily active users globally.

And, we continue to expand our reach in highly monetizable markets, such as North America, where we have grown to over 150 million monthly active users.

Today, Snapchat reaches over 90% of 13- to 24-year-olds and 75% of 13- to 34-year-olds in over 20 countries. This includes the US, UK, Australia, Canada, France, the Netherlands, and Saudi Arabia.

This means we reach over 75% of 13- to 34-year-olds in countries representing more than half of the world's digital ad spend.

And our global community continues to grow, with 13 consecutive quarters of over 15% year-over-year daily active user growth. We have grown into one of the largest digital platforms in the world, more than doubling daily active users since our IPO. We've grown daily active users by over 40% — or 110 million DAU — since our 2021 Investor Day alone.

Despite our significant and growing reach, we believe we have a massive growth opportunity ahead.

In North America, Snapchat daily active users (DAU) represent approximately 25% of the 400 million smartphone market. In Europe, our DAU represents only 16% of the 560 million smartphone market. And in Rest of World, or outside of North America and Europe, DAU represents only 7% of the 2.5 billion smartphone market.

At our current growth rate, we see a path for Snapchat to reach over 1 billion people in the next two to three years.

Our service provides a sticky, compelling use case — fast, easy, fun visual communication with friends and family — and we have a proven track record of growing our Snapchat community. Let's talk about our approach to growth.

We think about growth in terms of three inputs: adding new Snapchatters, growing their engagement, and retaining them over time.

Let's start with how we're attracting new Snapchatters in our more established markets.

In our more established markets like the US, UK, France, Canada, and Australia, where we already have significant reach among 13- to 34-year-olds, our priority is to continue to attract young audiences as they receive their first smartphone and download their favorite apps for the first time.

Onboarding new Snapchatters at this important moment in their lives supports the long-term health of our community — we've found that when Snapchatters discover our service early on in their smartphone usage and start Snapping with their close friends, they are far more likely to remain daily active users on Snapchat. We'll touch on this flywheel in more detail a bit later.

To sustain our momentum with this critical demographic, we started with a simple question: Why does any Snapchatter join our service?

First, we know that Snapchat fosters relationships with real-life friends and helps drive conversations. We've seen that when a Snapchatter adds their friends on Snapchat, it is a strong indicator of long-term retention on our service.

Second, we know that visual messaging is a deeply compelling use-case that drives the flywheel for our entire ecosystem, because it attracts people into the service and then helps them discover our other platforms, such as the Snap Map, Stories, and Spotlight.

And finally, we know that Snapchat's unique architecture — by opening directly to our camera, not a news feed — drives not only visual messaging, but also our community's engagement with augmented reality.

As we continue to focus on this key demographic, we'll double down on improving and innovating on these engagement drivers for our service.

We also have the opportunity to onboard Snapchatters above the age of 35 who are completely new to Snapchat. Today, Snapchatters over 35 are connecting with Snapchat more than ever before, with both DAU and content time spent growth for this cohort outpacing overall DAU and content time spent growth. This supplements our strong retention of Snapchatters as they naturally "age with" us, growing our reach into older demographics.

Norway is a great example of an established market in which we have successfully onboarded and engaged an older demographic while maintaining our reach with the younger demographic. Over 50% of Norwegian DAU are 35 or older, and we reach over 45% of the 35+ population while reaching over 90% of 13- to 24-year-olds. And older users love Snapchat: over 60% of 35+ Norwegian DAUs communicate on a daily basis through Snapping or chatting and over 60% view Stories.

Growing our community in new markets where our reach is currently low is our largest opportunity for growth. Fast and easy communication with friends and family transcends borders, and the need to develop and maintain close friendships is universal.

We've found that our core product value of visual communication resonates globally, which creates a massive opportunity to grow our reach of Snapchatters in international markets.

At our last Investor Day in 2021, I shared our early progress in India. Since then, we've continued our momentum in India, with both DAU and MAU more than doubling. We've also observed strong growth in our Creator program in India over the past year to reach over 1,000 Snap Stars in India today.

On the publisher side, local channels in India publishing premium content grew over 170% in 2022. Our strong traction with Indian content creators and partners is helping fuel growth in time spent on content in India, with time spent on Spotlight more than tripling, and time spent watching Shows increasing by over 55% in 2022.

India has also been home to some of our most viral AR Lenses, including "Pleasant" and "Smoke Flare," which each generated over 10 billion impressions. While there still remains work to be done in India, and in particular an opportunity to grow in key cities, we're excited about applying our expansion strategy from this region to markets around the world.

The key to our strategy in India and other growth markets is ensuring that Snapchat is highly localized and relevant for our community in each region. For example, when we first began our efforts in India, we hired local designers who understood local culture and nuances to build AR experiences for our service, and partnered with local content producers and Spotlight creators. We launched local AR education programs in high schools and conducted in-market research to better understand the needs of our community. We also improved the performance of Snapchat on regional telco networks, and on popular devices, and added deep in-app localization to make Snapchat truly feel "made for me," no matter where you are.

While our approach has always been to make the platform feel personalized for Snapchatters in a particular region, this doesn't necessarily mean creating entirely new features or products specific to a market. This is an important distinction as we double down on new markets — our focus is on enhancing the existing value of our core use-case and five platforms in ways that are specific and

relevant to each region. Having a universal set of values around how we design the platform for Snapchatters everywhere, as well as a clear path to making it accessible to new cohorts and markets, ensures that our growth is scalable and repeatable. Since the fourth quarter of 2020, our community outside of North America and Europe has grown by more than 80%.

In certain regions or markets where our reach is currently low, like Japan, Mexico, or Italy, we're taking the time to educate Snapchatters about our core product value to ensure that they understand how Snapchat can help them connect and communicate with close friends and family. We continue to partner with major handset OEMs like Samsung and Xiaomi, and local telcos like Movistar and Orange, to drive awareness through co-marketing and preload deals. We believe there is still significant untapped growth potential, given that our penetration in each of these countries is well below levels seen in our more established geographies.

I mentioned earlier that visual communication is the flywheel that drives engagement across the entire service and builds long-term retention. It all starts with friends, and in the most recent quarter, we saw an over 95% year-over-year increase in daily new users who have three or more friends. And, Snapchatters who talk to at least three friends over the course of a month retain at over 90% in the following month, on average.

Now, 11 years into our journey, we've developed a number of unique platforms that bring value to our community, which include our Camera, Map, Chat, Stories, and Spotlight. We've found that the longer Snapchatters use our service and the more platforms they interact with on Snapchat, the greater their engagement and retention. In fact, Snapchatters who engage with all five platforms come to Snapchat 6 days the following week.

Let's take two of our offerings — Memories and Stories — as an example. Both services are wildly popular individually. Snapchatters share Memories with their friends 280 million times a day on average, and there are more Snapchatters viewing Friend Stories than ever before but, used together, we see extremely high retention: as Snapchatters communicate and use Stories and Memories, they retain at 95% over the next month.

We also benefit from strong long-term retention. For the five years after a Snapchatter's first year on our service, annualized retention is approximately 90% on average. During critical moments in life — like starting at a new school, moving out on their own, or getting a new job — Snapchat offers a fast and fun way to connect with friends and deepen existing relationships, leading to strong engagement and retention across our service over time.

Our core product value of visual communication brings Snapchatters to our service every day, drives engagement, and over time, as our community experiences more parts of our service, their increased engagement becomes durable retention. This flywheel of engagement and retention is why over 375

million people come to Snapchat every day, while our total audience has grown to over 750 million monthly active users.

We've built a large, growing, and engaged community in many of the most valuable geographies in the world, with a demographic that is difficult to reach elsewhere. We've done this by delivering durable value for our community and retaining them at high levels, and we still have a significant opportunity ahead to grow our community in both our core demographics and markets, and in newer ones.

Next up, I'll welcome Jack to talk more about why Snapchat is an important part of so many people's lives.