

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.

KENNY MITCHELL, CHIEF MARKETING OFFICER

Thank you, Jack.

Hi, I'm Kenny Mitchell, the Chief Marketing Officer here at Snap. So far, you've heard from Jacob about how we are growing our community and deepening engagement. You've also heard from Jack about our product strategy and the role that communication and friendship play in driving engagement. Now, I'm excited to talk with you today about why Snapchat is so powerful for marketers.

I just might be the only one in this room who thinks about marketing all day every day...and have done so for more than two decades, for powerhouse brands like Gatorade, McDonald's, and now Snap. Because of this, I have a unique perspective on what is keeping my friends and fellow CMOs up at night.

First off, it's establishing and maintaining relevance with their target consumer. Nearly all marketers aspire for their consumers to see themselves in their brand and for the brand to be salient to them and their lives. As the media landscape has gotten more complex, finding the right ways to drive that relevance has become more difficult.

Today's consumers have endless content and entertainment options. On top of that, they now expect communication — from their friends and family, and from brands — to be visual, authentic, and personal.

And so, to be successful, businesses like ours have to help brands find the right consumer at the right moment through immersive and engaging solutions that help drive that relevance.

That sounds difficult enough. But there's another tension that marketers think about constantly: "How do I manage my investments between driving short-term business results and building my brand for the long-term?" It's the performance vs. brand marketing conundrum. This challenge is particularly acute given the pressure on marketing budgets in this macroeconomic climate. But the reality for these marketers is they have to find ways to be great at both.

This plays really well to Snapchat's advantage. We have a sophisticated ad platform with innovative ad formats that can help drive brand relevance, and we're continuing to invest in our direct response measurement that drives incremental return on ad spend, which is critically important to advertisers.

For marketers, this is one of the reasons why Snapchat is positioned so well. But what makes this all possible? Let's look at our community, what drives them here, and what makes them so attractive to brands.

Our mission at Snapchat is to enhance real relationships between friends, family, and the world. In short, our platform and technology aim to help to make things better. We're the antidote to traditional social media because we've built a place where we can freely share our perfectly imperfect moments with those closest to us. In fact, 75% of people come to Snapchat to interact with their closest circle, and staying connected with friends and family is the #1 global reason for using Snapchat.

Snapchat is an authentic environment. A private environment. And best of all, it's a happy environment. In fact, a staggering 91% of Snapchatters are happy when using Snapchat, and it is the happiest platform compared to our competitors. And, candidly, it's no surprise our community is so happy — Snapchat enables connection with the people and things Snapchatters care most about in a fun and creative way, so Snapchatters feel comfortable being their real selves. That happy mindset is what's fueling community growth, with over 375 million daily active users. And it's all built on the foundation of friends, family, and the real world.

So, Snapchat is about real relationships... but that alone isn't what makes it a great platform for our advertising partners. It's the real influence that comes with those real relationships.

Take a second to think about the most influential people in your life.

For me, it's my best friends from college and high school, my wife, my 16-year-old daughter, and my brother and sisters. My friends and family. They influence the news I read, the music I listen to, the shows and movies I decide to watch, the things I care about. But they're also a major influence on how I spend my time and money. That goes for all of us and the whole Snapchat community. Case in point, my daughter Snapped this photo. She's trying on lipstick from a brand that allowed her to try a new shade in AR. And guess what she got in her Christmas stocking?

Our friends and family are our guides to new cities, who we turn to for restaurant recommendations, they influence the books we buy, and how and where we shop. You'll see friends posting stories with new sneakers on and inspiring friends to go out and buy the same ones. Families Snapping each other movie posters and then going out and buying tickets together.

Their advice and recommendations mean more because they know us better than anyone else. And in return, we trust them and their recommendations over anyone else. That's why, when Snap Ads show up alongside the stories of your friends and family, or when you are sent a Snap from a friend with a Starbucks Lens, you are more receptive to that message and the recommendation hits a bit different.

This is why Snapchat Ads provide increased relevance vs. other platforms, resulting in Snapchatters being 45% more likely to recommend brands and 34% more likely to purchase products advertised.

So, that's WHY brands advertise here: Snapchat is where real relationships create an environment where brands have real influence.

But what about WHEN?

There are over 55,000 Snaps created on Snapchat every second on average. The question is, when is the best time for brands to share their stories on Snapchat? And how do they build both long-term brand value and deliver short-term, measurable results? It's our job to help align brands' most important moments to our community's realest ones. Three key moments break through on Snapchat: Launches, Tentpoles, and Everyday Moments.

Brand-defining moments, like new product launches, include campaigns that often define the direction of the brand and bring them closer to answering newly identified consumer needs. A new flavor. A new phone. A new pair of shoes. For example, to support the launch of their Cactus Plant Flea Market Adult Happy Meals, McDonald's partnered with us to create an AR Lens experience that matched the cache of the brand and allowed McDonald's to reconnect with the Snapchat Generation and drive demand. In fact, the new menu item sold out in its first few days!

Then there are tentpole moments that further build brand equity and brand love. Top tentpole moments on Snapchat include sports, music and entertainment, and fashion and beauty. The top holidays celebrated on Snapchat are centered around friends and family: Halloween, Back-to-School Season, Ramadan, Christmas and New Year's Eve. Snapchatters flock to the platform to share their Halloween costumes, Super Bowl party food, and on and on. Brands who show up authentically in these moments end up resonating with millions of Snapchatters.

And then you have everyday moments. Snapchat is the #1 platform where people enjoy sharing what their daily life is actually like — moments both big and small. In fact, nearly 40% of our top days on Snapchat in key markets aren't associated with a major holiday or moment. This connects well for brands with an always-on strategy. As our community shares their daily rhythms, brands too can bring joy to their potential consumers in small but impactful ways.

Then, the question becomes HOW? How do you make your moments break through?

Put simply, brands advertise in two ways on Snapchat: with full-screen video formats and immersive augmented reality. These are attention-driving ad formats that also drive performance, and they are always high quality and engaging.

Take Snapchat's vertical videos: They earn 5x more attention compared to the Social Video norm. That's because Snapchat enables brands to tell their story in a brand-safe, curated, trustworthy environment where, as we noted, Snapchatters are happy and more receptive to messages.

You heard me mention earlier that one of the goals of most marketers is to allow people to see themselves in a brand, and we can uniquely deliver that. Our AR Lenses literally allow you to do that in a way that no other medium or technology can. It allows consumers to put themselves in the center of the brand's experience by doing things like, for example, trying on a massive range of products from the comfort of their home, which ultimately improves shopping confidence and reduces returns. Or by layering a brand's store right on top of their world, redefining what it means to engage. And brands are finding real success. For example, Snapchat's augmented reality Lenses garnered 4x more attention than Dentsu's benchmark.

If you're going to take away three key points from the last few minutes, they are:

Number 1: Why Snapchat? Because real relationships mean real influence. Snapchat has a huge and happy community. They're on Snapchat to connect with the people who matter most, those who influence their lives — and spending.

Number 2: When should brands be on Snapchat? When they need to connect to life's realest moments. Whether they're a brand's everyday moments or biggest ones, we can make sure they are reaching the right audience at the right time.

And last, but not least, number 3: How do brands reach their audience on Snapchat? With full-screen formats and immersive AR experiences that bring brands INTO the moment and the conversation. I've always believed that video and AR on Snapchat provides the most compelling creative canvas to tell brand stories and is only limited by their creative ambitions, and that is truer now more than ever.

Snapchat is uniquely poised to help brands deliver on their long-term goals while delivering short-term results. We connect them to the right audience through a powerful and creative suite of advertising solutions. All that helps CMOs like me sleep better at night.

After a quick break, our COO, Jerry Hunter, will talk about our strategy to support our advertising partners and the progress we've made. But first, let me tee-up just how enormous our opportunity is. The digital ad industry is valued at over \$550 billion, and growing. Ad budgets are shifting rapidly from traditional to digital marketing, and toward mobile in particular. And there is plenty more to go.

Thank you.