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.

BOBBY MURPHY, CHIEF TECHNOLOGY OFFICER

Thanks, Jerry. It's great to be here with all of you today. I'm Bobby Murphy, the Co-founder and Chief Technology Officer at Snap.

As you have heard throughout our presentations today, we believe augmented reality represents the next major shift in computing. AR allows us to weave digital experiences into the world around us, evolving the way we use computing in our daily lives.

This transformation unlocks new opportunities for computing to make the world vastly more interesting, more entertaining, and easier to navigate than ever before.

Our AR products and services are driving major impact at scale today — on average, over 250 million people engage with augmented reality every single day on Snapchat.

Our community plays with AR Lenses billions of times per day on average.

And our AR creator community has built over 3 million Lenses using our Lens Studio software.

Having a large, enthusiastic AR audience and creator community enables us to innovate incredibly fast. AR creators and developers — including our own internal teams — can instantly deploy new AR experiences with cutting-edge technology to hundreds of millions of people, then quickly iterate based on what we learn.

We leverage insights from billions of daily Snaps created using our camera to develop and optimize new capabilities and creative concepts. For example, we can quickly assess whether a new face-tracking algorithm will improve AR engagement, what level of 3D asset quality delivers the best performance for a virtual try-on experience, or iterate through dozens of variations of a creative concept to uncover the one that will ultimately go viral.

This unique position has allowed us to develop a lead in augmented reality over the last decade by leveraging one of the world's most-used cameras, developing advanced technology and tools, and growing a vibrant AR creator ecosystem.

This innovation flywheel is largely powered by Lens Studio — a tool that allows anyone to create rich and complex AR experiences, and deploy them seamlessly to hundreds of millions of Snapchatters around the world, or within their own apps and websites through Camera Kit.

The response to Lens Studio has been truly inspiring. More than 300,000 creators and developers, from nearly every country around the world, are using Lens Studio to create millions of unique AR Lenses. We continue to be amazed by the creativity of our community, which reinforces our belief that long-term success in AR requires a vibrant developer ecosystem.

I want to highlight a few of our latest technical innovations available in Lens Studio, which are enabled by remarkable advances in computer vision and computer graphics that make it possible to understand and transform images and videos in new, sophisticated ways.

Let's dive into some important examples: scene understanding, scene interaction, and scene rendering.

First, with scene understanding, we develop and continue to improve machine learning models that understand the visual world.

These machine-learning models are able to perceive the names and shapes of objects in an image and render changes to it in a fraction of a second. So fast, in fact, that we can understand and edit each frame of a video before the next frame appears.

Let's take this video as an example. Computer vision detects a face and finds key points like the eyes and mouth. From this, we build a 3D Face Mesh, creating a custom-fit mask, so an AR experience can be layered precisely onto any face.

We've evolved this technology into our 3D Body Mesh capability, so AR clothing fits just like the real thing over people of all shapes and sizes.

Our technology understands the rest of the scene, too — like where the floor and walls are, or the objects and products in view — through capabilities like World Mesh and object detection.

And with Custom and City-Scale Landmarkers, we can even render AR experiences onto an expanding list of locations like Central London, Santa Monica, and many more.

Next, Lens Studio's scene interaction tools let people engage with AR Lenses in ways that mirror how we naturally interact with the world around us.

Gesture recognition and finger-tracking understand hand movements in the camera, so people can learn sign language or check out a whole different look with a swipe of their hand.

And two-hand tracking brings both of your hands into the scene.

Finally, the quality of rendering is improving rapidly, allowing us to place objects and apply effects that look increasingly realistic and feel like a true part of the real world.

Ray Tracing simulates how light behaves in the real world, reflecting the physical environment onto the digital object's surface, or even how light scatters inside a translucent object. For the first time, diamond jewelry, sleek sports cars, metallic space suits, and so much more can reach photorealistic quality on mobile devices, in real time.

Now that we've covered our progress with the underlying technology, let's walk through some examples of how we are developing augmented reality together with our community and our partners:

GoSpooky, a member of our Snap Lens Network, used enhanced scene understanding and SnapML to build this Lens, which replaces motor vehicles with digital gardens. Cityscapes become a canvas for considering our environmental impact.

Denis Rossiev, another member of our Snap Lens Network, developed this Imaginary Friends experience. With this Lens, Snapchatters can scan any object and turn it into a cartoon character using real-time AI. Denis won the Lens Fest Award in the Moonshot category for this Lens in December 2022.

Los Angeles-based Michael French created The Knowledge Pool Lens, transforming the fountain at the Los Angeles Central Library into a series of interactive educational lessons, just by scanning your library card.

AR Studio MousePack teamed up with ESPN to build a Lens that mimics the legendary "pick of the week" moment on ESPN's college game-day show. Each week, Snapchatters had six matchups to pick from, and fans could share their spirit by wearing the mascot head from their favorite team, celebrate their wins, and have fun with teammates and rivals alike. The experience was powered entirely through Snap tools, leveraging Lens Studio face-tracking technology, with results tracked through Lens Cloud storage.

And finally, Beam.AI built a fitness Lens to recommend exercises based on available gym equipment. They built their own ML classification model to recognize equipment including barbells, dumbbells, kettlebells, medicine balls, and exercise mats, and added 3D characters to demonstrate selected exercises, compressing them with our recently released Draco tools. The team also thought about how our VoiceML tools would let Snapchatters say what they wanted to work on in the gym.

We believe that augmented reality can deliver incredible value everywhere, not just on Snapchat. We are bringing AR beyond Snapchat through Camera Kit. Camera Kit enables external partners to bring AR into their own apps and websites, leveraging our technology, tools, and creator ecosystem.

We are excited about the growing demand from businesses using Camera Kit, and we're seeing early progress, with companies like Samsung delivering AR experiences through their native camera on Galaxy A devices, and the LA Rams SoFi Stadium using AR on their massive in-stadium Infinity Screen to surprise and delight fans on game day.

Each of these partners are providing unique, engaging, value-adding AR to their customers by building on top of our tools and infrastructure.

As we look ahead to the next five years, we'll build upon our early success with Camera Kit and create a business beyond Snapchat by allowing companies, developers, and entrepreneurs to solve their business needs through AR.

AR is a massive part of our mobile Snapchat experience today, and over time, we see even greater opportunities for new hardware to bring it into another dimension. This is what is driving our development of Spectacles, our wearable AR device.

Wearables are an important long-term opportunity, and we are seeing incredible early progress, with super-engaged early creators, rapidly advancing technology, and an increasingly clear view of how to develop the best, most usable, and most compelling AR device.

Over the past two years, hundreds of developers from 30 countries have experimented with our most recent generation of Spectacles. They are using Lens Studio, the same tool we use for mobile AR development, to create entirely new experiences for a wearable AR device — experiences that, for example, allow people to learn to read music, identify constellations, and more.

We have been working on Spectacles since 2014 and, today, are leaders in many key areas, like optics. We believe this positions us well to stay ahead as we continue to iterate around real-life experiences.

Over time, we'll release new versions of Spectacles, giving developers in our ecosystem the unique opportunity to build AR experiences on Snapchat, on other mobile and web apps through Camera Kit, and on new wearable hardware.

We'll have much more to share in the coming months.

I hope this gives you a better sense of the many things we are doing as a company to accelerate our lead in augmented reality, how each of our investments in AR fit together, and why we are so excited about the future of augmented reality.

Now, I'd like to turn it over to Derek to speak about our financials and how we think about investing in the future of our business.