

April 30, 2020

### Twitter Announces First Quarter 2020 Results

Reports 24% Year-over-Year Growth in Monetizable Daily Active Usage (mDAU) and Total Revenue of \$808 Million

SAN FRANCISCO, California - Twitter, Inc. (NYSE: TWTR) today announced financial results for its first quarter 2020.

"In this difficult time, Twitter's purpose is proving more vital than ever. We are helping the world stay informed, and providing a unique way for people to come together to help or simply entertain and remind one another of our connections. We've delivered our strongest ever year over year mDAU growth," said Jack Dorsey, Twitter's CEO. "Public conversation can help the world learn faster, solve common problems, and realize we're all in this together. Our task now is to make sure we retain that connection over the long term with the many people new to Twitter."

"Revenue was \$808 million in Q1, up 3% year over year, reflecting a strong start to the quarter that was impacted by widespread economic disruption related to COVID-19 in March," said Ned Segal, Twitter's CFO. "We are shifting resources and priorities to increase focus on our revenue products and reduce expense growth, ensuring our resources are allocated against our most important work. Revenue product has been elevated to our top company priority, as the current environment validates and creates even more urgency around delivering more direct response ad formats."

#### First Quarter 2020 Operational and Financial Highlights

- Q1 revenue totaled \$808<sup>(1)</sup> million, an increase of 3% year-over-year.
  - Advertising revenue totaled \$682 million, up approximately \$3 million year-over-year.
    - Total ad engagements increased 25% year-over-year.
    - Cost per engagement (CPE) decreased 19% year-over-year.
  - Data licensing and other revenue totaled \$125 million, an increase of 17% year-over-year.
  - US revenue totaled \$468 million, an increase of 8% year-over-year.
  - o International revenue totaled \$339 million, a decrease of 4% year-over-year.
- Q1 costs and expenses totaled \$815 million, an increase of 18% year-over-year. This resulted in an
  operating loss of \$7 million and -1% operating margin, compared to operating income of \$94 million or 12%
  in the same period of the previous year.
- Q1 net loss was \$8 million, representing a net margin of -1% and diluted EPS of (\$0.01). This compares to net income of \$191 million, a net margin of 24% and diluted EPS of \$0.25 in the same period of the previous year. Excluding a \$124 million tax benefit related to the establishment of a deferred tax asset from an intra-entity

<sup>(1)</sup> Please note that the sum of advertising revenue and data licensing and other revenue does not add up to total revenue in Q1'20 due to rounding. The sum of US revenue and international revenue does not add up to total revenue in Q1'20, also due to rounding.

transfer of an intangible asset, adjusted net income was \$66<sup>(2)</sup> million, with adjusted net margin of 8% and adjusted diluted EPS of \$0.09 in the same period last year.

- Average monetizable daily active users (mDAU) were 166 million for Q1, compared to 134<sup>(3)</sup> million in the same period of the previous year and compared to 152 million in the previous quarter.
  - Average US mDAU were 33 million for Q1, compared to 28 million in the same period of the previous year and compared to 31 million in the previous quarter.
  - Average international mDAU were 133 million for Q1, compared to 105 million in the same period of the previous year and compared to 121 million in the previous quarter.

#### Outlook

Given the unprecedented uncertainty and rapidly shifting market conditions of the current business environment, we are not providing quarterly revenue or operating income guidance for Q2. Although we are also not updating our previously withdrawn full-year outlook for expense and headcount growth, capital expenditures, or stock-based compensation at this time, please note the following:

- Capital expenditures: While we remain committed to building out a new data center, recent developments
  may impact capex spend in full-year 2020. Current IT supply chain constraints are likely to affect timing of
  the buildout and elevated near-term capacity needs are driving increased spend on our existing
  infrastructure.
- SBC: Stock-based compensation expense is closely tied to headcount, timing of grants, and vesting. We
  have diminished visibility for full-year 2020 expenses with reductions in our hiring ramp underway, but we
  do expect SBC to grow sequentially in Q2 by 25% or more.

For more information regarding the non-GAAP financial measures discussed in this press release, please see "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures" below.

#### **Appendix**

#### First Quarter 2020 Webcast and Conference Call Details

Twitter will host a conference call today, Thursday, April 30, 2020, at 5am Pacific Time (8am Eastern Time) to discuss financial results for the first quarter 2020. The company will be following the conversation about the earnings announcement on Twitter. To have your questions considered during the Q&A, Tweet your question to @TwitterIR using \$TWTR. To listen to a live audio webcast, please visit the company's Investor Relations page at <a href="investor.twitterinc.com">investor.twitterinc.com</a>. Twitter has used, and intends to continue to use, its Investor Relations website and the Twitter accounts of @jack, @nedsegal, @Twitter, and @TwitterIR as means of disclosing material nonpublic information and for complying with its disclosure obligations under Regulation FD.

#### **Second Quarter Earnings Release Details**

Twitter expects to release financial results for the second quarter of 2020 on July 23, 2020, before the market opens at approximately 4am Pacific Time (7am Eastern Time). On the same day, Twitter will host a conference call to discuss those financial results at 5am Pacific Time (8am Eastern Time).

<sup>(2)</sup> Please note that Q1'19 net income less our Q1'19 tax benefit related to the establishment of a deferred tax asset from an intra-entity transfer of an intangible asset does not equal adjusted net income due to rounding.

<sup>(3)</sup> Please note that the sum of US mDAU and International mDAU does not add up to total mDAU in Q1'19 due to rounding.

#### About Twitter, Inc. (NYSE: TWTR)

Twitter is what's happening in the world and what people are talking about right now. From breaking news and entertainment to sports, politics, and everyday interests, see every side of the story. Join the open conversation. Watch live-streaming events. Available in more than 40 languages around the world, the service can be accessed via twitter.com, an array of mobile devices, and SMS. For more information, please visit about.twitter.com, follow @Twitter, and download both the Twitter and Periscope apps at twitter.com/download and periscope.tv.

#### **A Note About Metrics**

Twitter defines monetizable daily active usage or users (mDAU) as people, organizations, or other accounts who logged in or were otherwise authenticated and accessed Twitter on any given day through twitter.com or Twitter applications that are able to show ads. Average mDAU for a period represents the number of mDAU on each day of such period divided by the number of days for such period. Changes in mDAU are a measure of changes in the size of our daily logged in or otherwise authenticated active total accounts. To calculate the year-over-year change in mDAU, we subtract the average mDAU for the three months ended in the previous year from the average mDAU for the same three months ended in the current year and divide the result by the average mDAU for the three months ended in the previous year. Additionally, our calculation of mDAU is not based on any standardized industry methodology and is not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies. Similarly, our measures of mDAU growth and engagement may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology.

The numbers of mDAU presented in our earnings materials are based on internal company data. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring usage and engagement across our large number of total accounts around the world. Furthermore, our metrics may be impacted by our information quality efforts, which are our overall efforts to reduce malicious activity on the service, inclusive of spam, malicious automation, and fake accounts. For example, there are a number of false or spam accounts in existence on our platform. We have performed an internal review of a sample of accounts and estimate that the average of false or spam accounts during the first guarter of 2020 represented fewer than 5% of our mDAU during the guarter. The false or spam accounts for a period represents the average of false or spam accounts in the samples during each monthly analysis period during the guarter. In making this determination, we applied significant judgment, so our estimation of false or spam accounts may not accurately represent the actual number of such accounts, and the actual number of false or spam accounts could be higher than we have estimated. We are continually seeking to improve our ability to estimate the total number of spam accounts and eliminate them from the calculation of our mDAU, and have made improvements in our spam detection capabilities that have resulted in the suspension of a large number of spam, malicious automation, and fake accounts. We intend to continue to make such improvements. After we determine an account is spam, malicious automation, or fake, we stop counting it in our mDAU, or other related metrics. We also treat multiple accounts held by a single person or organization as multiple mDAU because we permit people and organizations to have more than one account. Additionally, some accounts used by organizations are used by many people within the organization. As such, the calculations of our mDAU may not accurately reflect the actual number of people or organizations using our platform.

In addition, geographic location data collected for purposes of reporting the geographic location of our mDAU is based on the IP address or phone number associated with the account when an account is initially registered on Twitter. The IP address or phone number may not always accurately reflect a person's actual location at the time they engaged with our platform. For example, someone accessing Twitter from the location of the proxy server that the person connects to rather than from the person's actual location.

We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy.

#### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or Twitter's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern Twitter's expectations, strategy, priorities, plans, or intentions. Forward-looking statements in this press release include, but are not limited to, statements regarding Twitter's future financial and operating performance, including its outlook, guidance and strategies to improve financial and operating performance, and reduce expense growth; the impact of the COVID-19 pandemic and related responses of businesses and governments to the pandemic on Twitter's operations and personnel, on commercial activity and advertiser demand across Twitter's platform, and on Twitter's operating results, as well as on worldwide and regional economies; Twitter's anticipated strategies, and product and business plans and its priorities, product initiatives, product development plans and allocation of resources, and Twitter's expectations regarding future capital expenditures and other expenses, including headcount growth and its investments in a new data center, and the timing of these expenditures. Twitter's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include the possibility that: the COVID-19 pandemic and related impacts will continue to adversely impact our business, financial condition and operating results and the achievement of our strategic objectives as well as the markets in which we operate and worldwide and regional economies; Twitter's total accounts and engagement do not grow or decline; Twitter's strategies, priorities, or plans take longer to execute than anticipated; Twitter's new products and product features do not meet expectations and fail to drive mDAU growth; advertisers continue to reduce or discontinue their spending on Twitter; data partners reduce or discontinue their purchases of data licenses from Twitter; and Twitter experiences expenses that exceed its expectations. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in Twitter's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the Securities and Exchange Commission. Additional information will also be set forth in Twitter's Quarterly Report on Form 10-Q for the fiscal guarter ended March 31, 2020. The forward-looking statements in this press release are based on information available to Twitter as of the date hereof, and Twitter disclaims any obligation to update any forward-looking statements, except as required by law.

#### **Non-GAAP Financial Measures**

To supplement Twitter's financial information presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, Twitter considers certain financial measures that are not prepared in accordance with GAAP, including revenues excluding foreign exchange effect, which we refer to as on a constant currency basis, non-GAAP income before income taxes, non-GAAP provision (benefit) for income taxes, non-GAAP net income, non-GAAP diluted net income per share, adjusted EBITDA, non-GAAP costs and expenses, adjusted net income (loss), adjusted net margin, adjusted diluted net income (loss) per share, and adjusted free cash flow. In order to present revenues on a constant currency basis for the fiscal quarter ended March 31, 2020, Twitter translated the applicable measure using the prior year's monthly exchange rates for its settlement currencies other than the US dollar. Twitter defines non-GAAP income before income taxes as income (loss) before income taxes adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, non-cash interest expense related to convertible notes, non-cash expense related to acquisitions, impairment (gain) on investments in privately held companies, restructuring charges, and one-time nonrecurring gain, if any; Twitter defines non-GAAP provision (benefit) for income taxes as the current and deferred income tax expense commensurate with the non-GAAP measure of profitability using the estimated annual effective tax rate, which is dependent on the jurisdictional mix of earnings; and Twitter defines non-GAAP net income as net income (loss) adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, non-cash interest expense related to convertible notes, non-cash expense related to acquisitions, impairment (gain) on investments in privately held companies, restructuring charges, and one-time nonrecurring gain, if any, and adjustment to income tax expense based on the non-GAAP measure of profitability using the estimated annual effective tax rate, which is dependent on the jurisdictional mix of earnings. Non-GAAP diluted net income per share

is calculated by dividing non-GAAP net income by non-GAAP diluted share count. Non-GAAP diluted share count is GAAP basic share count plus potential common stock instruments such as stock options, RSUs, shares to be purchased under employee stock purchase plan, unvested restricted stock, the conversion feature of convertible senior notes, and warrants. Twitter defines adjusted EBITDA as net income (loss) adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expense, net, provision (benefit) for income taxes, restructuring charges, and one-time nonrecurring gain, if any. Twitter defines non-GAAP costs and expenses as total costs and expenses adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets, non-cash expense related to acquisitions, restructuring charges, and one-time nonrecurring gain, if any. We have presented adjusted net income (loss) solely to exclude the income tax benefit from the establishment of a deferred tax asset related to an intra-entity transfer of an intangible asset in the three months ended March 31, 2019, and no other adjustments were made in the calculation of these measures. Adjusted net margin is calculated by dividing adjusted net income (loss) by GAAP revenue. Adjusted diluted net income (loss) per share is calculated by dividing adjusted net income (loss) by GAAP diluted share count. Adjusted free cash flow is GAAP net cash provided by operating activities less capital expenditures (i.e., purchases of property and equipment including equipment purchases that were financed through finance leases, less proceeds received from the disposition of property and equipment).

Twitter is presenting these non-GAAP financial measures to assist investors in seeing Twitter's operating results through the eyes of management, and because it believes that these measures provide an additional tool for investors to use in comparing Twitter's core business operating results over multiple periods with other companies in its industry.

Twitter believes that revenues on a constant currency basis, non-GAAP income before income taxes, non-GAAP provision (benefit) for income taxes, non-GAAP net income, non-GAAP diluted net income per share, adjusted EBITDA, non-GAAP costs and expenses, adjusted net income (loss), adjusted net margin, and adjusted dilutive net income (loss) per share provide useful information about its operating results, enhance the overall understanding of Twitter's past performance and future prospects, and allow for greater transparency with respect to key metrics used by Twitter's management in its financial and operational decision-making. Twitter uses these measures to establish budgets and operational goals for managing its business and evaluating its performance. Twitter believes that revenues on a constant currency basis is a useful metric that facilitates comparison to its historical performance. Twitter believes that non-GAAP net income, non-GAAP diluted net income per share, adjusted EBITDA, non-GAAP costs and expenses, adjusted net income (loss), adjusted net margin, and adjusted diluted net income (loss) per share help identify underlying trends in its business that could otherwise be masked by expenses and one-time gains or charges that it excludes in non-GAAP net income, non-GAAP diluted net income per share, adjusted EBITDA, non-GAAP costs and expenses, adjusted net income (loss), adjusted net margin, and adjusted diluted net income (loss) per share, or the effect of the one-time income tax benefits related to the establishment of a deferred tax asset described above, which are non-operating benefits. In addition, Twitter believes that adjusted free cash flow provides useful information to management and investors about the amount of cash from operations and that it is typically a more conservative measure of cash flows. However, adjusted free cash flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of its ability to fund its cash needs.

These non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly titled measures presented by other companies.

**Contacts** 

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## TWITTER, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands) (Unaudited)

	March 31, 2020	Dec	ember 31, 2019
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,463,34	9 \$	1,799,082
Short-term investments	4,207,31	5	4,839,970
Accounts receivable, net	656,37	7	850,184
Prepaid expenses and other current assets	140,53	8	130,839
Total current assets	8,467,57	9	7,620,075
Property and equipment, net	1,081,37	1	1,031,781
Operating lease right-of-use assets	666,52	7	697,095
Intangible assets, net	64,56	5	55,106
Goodwill	1,269,63	3	1,256,699
Deferred tax assets, net	1,856,29	3	1,908,086
Other assets	134,75	7	134,547
Total assets	\$ 13,540,72	5 \$	12,703,389
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 183,92	1 \$	161,148
Accrued and other current liabilities	370,25	6	500,893
Operating lease liabilities, short-term	141,95	5	146,959
Finance lease liabilities, short-term	13,88	8	23,476
Total current liabilities	710,02	0	832,476
Convertible notes, long-term	2,706,03	8	1,816,833
Senior notes, long-term	692,24	0	691,967
Operating lease liabilities, long-term	582,87	2	609,245
Deferred and other long-term tax liabilities, net	25,36	6	24,170
Other long-term liabilities	28,56	2	24,312
Total liabilities	4,745,09	8	3,999,003
Stockholders' equity:	-	"	
Common stock		4	4
Additional paid-in capital	8,952,05	9	8,763,330
Accumulated other comprehensive loss	(157,99	7)	(70,534)
Retained earnings	1,56	1	11,586
Total stockholders' equity	8,795,62	7	8,704,386
Total liabilities and stockholders' equity	\$ 13,540,72	5 \$	12,703,389

# TWITTER, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands, except per share data) (Unaudited)

Three Months Er	ndec
March 31,	

		2020		2019	
Revenue	\$	807,637	\$	786,890	
Costs and expenses					
Cost of revenue		284,037		264,011	
Research and development		200,388		146,246	
Sales and marketing		221,287		205,799	
General and administrative		109,368		77,176	
Total costs and expenses		815,080		693,232	
Income (loss) from operations		(7,443)		93,658	
Interest expense		(33,270)		(37,260)	
Interest income		32,897		40,541	
Other expense, net		(7,719)		(436)	
Income (loss) before income taxes		(15,535)		96,503	
Benefit from income taxes		(7,139)		(94,301)	
Net income (loss)	\$	(8,396)	\$	190,804	
Net income (loss) per share:					
Basic	\$	(0.01)	\$	0.25	
Diluted	\$	(0.01)	\$	0.25	
Weighted-average shares used to compute net income (loss) per share:					
Basic		780,688		764,550	
Diluted		780,688		777,689	

### TWITTER, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands) (Unaudited)

(Unaudited)		ths Ended th 31,
	2020	2019
Cash flows from operating activities		
Net income (loss)	\$ (8,396)	\$ 190,804
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	120,649	113,474
Stock-based compensation expense	97,903	83,491
Amortization of discount on convertible notes	21,504	30,877
Bad debt expense	14,067	627
Deferred income taxes	(7,024)	14,364
Deferred tax assets establishment related to intra-entity transfers of intangible assets	_	(124,420)
Impairment of investments in privately-held companies	8,003	_
Other adjustments	(8,425)	3,446
Changes in assets and liabilities, net of assets acquired and liabilities assumed from acquisitions:		
Accounts receivable	168,932	103,633
Prepaid expenses and other assets	(6,252)	(9,284)
Operating lease right-of-use assets	38,749	35,433
Accounts payable	(14,480)	(12,879)
Accrued and other liabilities	(139,168)	(47,997)
Operating lease liabilities	(39,295)	(29,876)
Net cash provided by operating activities	246,767	351,693
Cash flows from investing activities		
Purchases of property and equipment	(122,667)	(83,026)
Proceeds from sales of property and equipment	1,623	1,956
Purchases of marketable securities	(1,233,530)	(1,635,142)
Proceeds from maturities of marketable securities	1,125,634	1,711,300
Proceeds from sales of marketable securities	722,253	34,358
Business combinations, net of cash acquired	(14,780)	_
Other investing activities	(12,389)	
Net cash provided by investing activities	466,144	29,446
Cash flows from financing activities		
Proceeds from issuance of convertible notes	1,000,000	_
Debt issuance costs	(14,662)	_
Taxes paid related to net share settlement of equity awards	(11,693)	(9,477)
Payments of finance lease obligations	(9,966)	(19,719)
Proceeds from exercise of stock options	305	95
Net cash provided by (used in) financing activities	963,984	(29,101)
Net increase in cash, cash equivalents and restricted cash	1,676,895	352,038
Foreign exchange effect on cash, cash equivalents and restricted cash	(11,948)	(146)
Cash, cash equivalents and restricted cash at beginning of period	1,827,666	1,921,875
Cash, cash equivalents and restricted cash at end of period	\$ 3,492,613	\$ 2,273,767
Supplemental disclosures of non-cash investing and financing activities		
Common stock issued in connection with acquisitions	\$ 1,312	\$ —
Changes in accrued property and equipment purchases	\$ 38,512	\$ 43,720
Reconciliation of cash, cash equivalents and restricted cash as shown in the consolidated statements of cash flows		
Cash and cash equivalents	\$ 3,463,349	\$ 2,247,661
Restricted cash included in prepaid expenses and other current assets	1,846	1,222
Restricted cash included in other assets	27,418	24,884
Total cash, cash equivalents and restricted cash	\$ 3,492,613	\$ 2,273,767

### TWITTER, INC. RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (In thousands, except per share data)

(Unaudited)

**Three Months Ended** 

Non-GAAP intome and not income per share:         2020           Net income (loss)         \$ (8,396)         \$ 10,000,00           Exclude: Barrell from income taxes         (15,535)         56,55,50           Stock-based compensation expense         97,903         38,491           Amortization of acquired intangible assets         5,041         4,876           Non-cash interest expense related to convertible notes         21,504         30,877           Impairment on investments in privately-held companies         8,003         -17,258           Impairment on investments in privately-held companies         18,036         -17,258           Non-GAAP income before income taxes         18,036         -17,258           Non-GAAP income before income taxes         28,074         28,087           Non-GAAP protision (thenefit) for income taxes         8,045         28,088           GAAP basic shares         8,087         48,158           OAP, Dasic Shares         9,807         77,138           Dilutive equity awards (2)         9,807         77,138           Non-GAAP diluted shares (2)         9,807         77,138           Non-GAAP proting the equity awards (2)         8,032         8,045           Non-GAAP case (2)         8,032         8,045           Stock (2)			March 31,					
Net income (loss)         \$ (3,79)         (94,301)           Excludes Denfit from income taxes         (17,53)         (94,301)           Stock-based compensation expense         (17,53)         96,503           Stock-based compensation expense         97,803         38,491           Non-cash interest expense related to convertible notes         21,504         30,877           Impairment on investments in privately-held companies         116,916         21,508           Impairment on investments in privately-held companies         116,916         21,508           Non-GAAP provision (benefit) for income taxes (*)         2,936         72,829           Non-GAAP provision (benefit) for income taxes (*)         2,936         72,829           Non-GAAP privately awards (*)         2,936         72,829           On-GAAP diluted shares (*)         9,937         77,889           Obstitution (sol)         8,938         13,313           Non-GAAP privated privately awards (*)         9,937         79,318           On-GAAP diluted shares (*)         8,036         79,875         77,889           Obstitution (sol)         8,036         9,839         3,349           Stock (accessed EMIDA)         8,036         9,930         3,849           Stock (accessed Compensation expense				J. O 1,	2019			
Exclude: Benefit from income taxes         (7,139)         (94,301)           Income (loss) before income taxes         (15,538)         36,503           Stool-based compensation expense         97,903         38,3491           Amortization of acquired intangible assets         2,041         4,785           Non-cash interest expense related to convertible notes         2,041         4,785           Impairment on investments in privately-held companies         8,003         ————————————————————————————————————	Non-GAAP net income and net income per share:							
Income (loss) before income taxes         (15,53)         65,504           Slock-based compensation expense         97,903         38,3491           Amortization of acquired intangible assets         5,041         4,785           Non-cash interest expense related to comerbite notes         21,504         30,877           Impairment on investments in privately-held companies         8,003            Non-GAAP income before income taxes         116,516         21,506           Non-GAAP provision (benefit) for income taxes (°)         2,806         28,408           Non-GAAP income before income taxes         8,87,408         28,48,485           Non-GAAP chain come         8,87,408         28,84,85           GAAP basic shares         9,987         13,139           Dilutive equity awards (°)         9,987         77,768           Non-GAAP cilluted shares (°)         9,987         77,768           Non-GAAP cilluted shares (°)         9,987         3,341           Non-GAAP cilluted shares (°)         9,987         3,349           Non-GAAP cilluted shares (°)         9,983         3,349           Stock (°)         9,983         3,349           Depreciation and amortization expense         2,980         3,349           Stock (°)         9,983 <td>Net income (loss)</td> <td>\$</td> <td>(8,396)</td> <td>\$</td> <td>190,804</td>	Net income (loss)	\$	(8,396)	\$	190,804			
Slock-based compensation expense         97,903         83,491           Amortization of acquired intangible assets         5,041         4,785           Non-cash interest expense related to convertible notes         21,504         30,977           Impairment on investments in privately-held companies         8,003            Non-GAAP income before income texes         116,916         21,568           Non-GAAP income before income texes         8,7408         228,485           CAAP Basic shares         780,688         784,585           Dilutive equity awards (2)         9,017         777,682           Non-GAAP diluted shares (3)         790,675         177,686           Non-GAAP diluted shares (3)         8,03         13,03           Stock-based compensation expense         9,90,37         83,491           Beging the properties of the properties o	Exclude: Benefit from income taxes		(7,139)		(94,301)			
Amortization of acquired intangible assets         5,041         4,785           Non-cash interest expense related to convertible notes         21,504         30,877           Innpairment on investments in privately-held companies         8,003         ————————————————————————————————————	Income (loss) before income taxes		(15,535)		96,503			
Non-cash interest expense related to convertible notes         21,50%         30,877           Impairment ninvestments in privately-held companies         116,96         21,50%           Non-GAAP provision (benefit) for income taxes         22,50%         72,82%           Non-GAAP provision (benefit) for income taxes         87,00%         28,40%           Non-GAAP income before income taxes         780,688         28,45%           On-GAAP delitor for income taxes         780,688         76,55%           Non-GAAP diluted shares (h)         90,07         717,86%           Non-GAAP diluted shares (h)         90,07         777,86%           Non-GAAP diluted shares (h)         90,07         777,86%           Non-GAAP diluted shares (h)         90,07         777,86%           Non-GAAP diluted shares (h)         90,07         83,07           Stock-based compensation expense         91,00%         83,09           Slock-based compensation expense         91,00%         91,00%           Benefit from income taxes         97,00%         92,00%           Benefit from income taxes         92,00%         92,00%           Research and development         90,50%         92,00%           Cost of revowe         92,00%         92,00%           Cost of revowe         <	Stock-based compensation expense		97,903		83,491			
Non-GAAP income before income taxes	Amortization of acquired intangible assets		5,041		4,785			
Non-GAAP income before income taxes         116,916         215,656           Non-GAAP provision (benefit) for income taxes (1)         225,088         (72,828)           Non-GAAP income         \$87,408         \$28,488           GAAP basic shares         780,688         764,550           Dilutive equity awards (2)         9,987         13,139           Non-GAAP diluted shares (3)         9,987         777,689           Non-GAAP diluted net income per share         790,675         777,689           Non-GAAP diluted shares (3)         8,349         13,339           Non-GAAP diluted shares (3)         8,349         13,349           Non-GAAP diluted shares (3)         8,349         13,474           Relighted Ell Than (2)         1,20,499         113,474           Stock-based compensation expense         9,70,39         8,349           Depreciation and amortization expense (income), net         8,052         12,149         113,474           Interest and other expense (income), net         9,71,39         9,43,519           Benefit from income taxxes         8,052         1,504           Stock-based compensation expense         9,71,319         9,24,520           Research and development         9,575         46,261           Research and development<	Non-cash interest expense related to convertible notes		21,504		30,877			
Non-GAAP provision (benefit) for income taxes (*)         29,508         (72,202)           Non-GAAP net income         8 87,408         28,48,455           CAAP Deals barees         780,688         780,688           Dilutable quity awards (*)         9,987         13,139           Non-GAAP diluted shares (*)         790,675         777,889           Non-GAAP diluted shares (*)         9,011         9,037           Adjusted EBITDA:         8,039         1,018           Non-GAAP diluted shares (*)         8,039         8,080           Stock-based compensation expense         9,793         8,341           Depreciation and amortization expense (norme), net         8,092         2,645           Benefit from income taxes         2,1139         9,933         13,341           Adjusted EBITDA         8,092         2,645         9,933         13,431           Adjusted EBITDA         8,092         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003         2,645         9,003	Impairment on investments in privately-held companies		8,003		_			
Non-GAAP relit income         \$ 87,00 mm         \$ 28,04 mm           GAAP basis shares         780,688 mm         780,088 mm         781,088 mm         781,088 mm         781,088 mm         781,083 mm         13,139 mm         13,137 mm         13,13	Non-GAAP income before income taxes		116,916		215,656			
Non-GAAP relit income         \$ 87,00 mm         \$ 28,04 mm           GAAP basis shares         780,688 mm         780,088 mm         781,088 mm         781,088 mm         781,088 mm         781,083 mm         13,139 mm         13,137 mm         13,13	Non-GAAP provision (benefit) for income taxes (1)		29,508		(72,829)			
Dilutive equity awards (°)         9,987         13,39           Non-GAAP diluted shares (°)         70,675         777,688           Non-GAAP diluted net income per share         \$0,11         \$0,375           Adjusted EBITOA:         \$0,101         \$0,307           Non-GAAP diluted net income per share         \$19,084         \$1,908           Stock-based compensation expense         \$120,648         \$13,474           Interest and other expense (income), net         \$120,648         \$13,474           Interest and other expense (income), net         \$211,009         \$20,000           Ago, and the expense (income), net         \$20,000         \$20,000           Stock-based compensation expense         \$15,004         \$16,000           Research and development         \$0,504         \$16,000           Sales and marketing         \$1,000         \$1,000           Total stock-based compensation expense         \$1,000         \$1,000           Total propertic	Non-GAAP net income	\$	87,408	\$	288,485			
Non-GAAP diluted shares (3)         770,689           Non-GAAP diluted te income per share         5 0.11         3 0.37           Adjusted EBITDA:         8         6,336         \$ 190,804           Stock-based compensation expense         97,903         8,434           Depreciation and amortization expense         120,649         113,474           Interest and other expense (income), net         8,092         (2,455)           Benefit from income taxes         271,109         290,622           Stock-based compensation expense (income).         3,104         3,104           Adjusted EBITDA         \$ 5,756         5,048           Research and development         60,587         46,261           Sales and marketing         18,899         18,059           General and administrative         18,899         18,056           Total stock-based compensation expense         \$ 9,790         8 3,491           Amortization of acquired intangible assets by function:         \$ 9,790         8 3,491           Total stock-based compensation expense         \$ 5,041         \$ 4,220           Sales and marketing         \$ 5,041         \$ 4,220           Sales and marketing         \$ 5,041         \$ 4,220           Sales and marketing         \$ 5,041 <th< td=""><td>GAAP basic shares</td><td></td><td>780,688</td><td></td><td>764,550</td></th<>	GAAP basic shares		780,688		764,550			
Non-GAAP diluted net income per share         \$ 0.37           Adjusted EBITDA:         \$ 190,804           Stock-based compensation expense         97,903         83,491           Depreciation and amortization expense         120,649         113,474           Interest and other expense (income), net         8,092         (2,845)           Benefit from income taxes         7,139         (94,301)           Adjusted EBITDA         \$ 211,109         2,9262           Stock-based compensation expense (income), net         8,095         2,9262           Stock-based compensation expense by function:         \$ 211,109         2,9262           Stock-based compensation expense by function:         \$ 5,756         \$ 5,048           Research and development         60,587         46,261           Sales and marketing         18,893         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         \$ 5,041         4,320           Sales and marketing         \$ 5,041         4,320           Sales and marketing         \$ 5,041         4,785           Total costs and expenses         \$ 5,041         4,785           Non-GAAP costs and expenses         \$ 15,041         4,785	Dilutive equity awards (2)		9,987		13,139			
Non-SAP idjusted resirone         \$ 0.13         \$ 0.37           Adjusted EBITDA:         Net income (loss)         \$ (8.396)         \$ 190.804           Not income (loss)         \$ (8.396)         \$ 190.804           Stock-based compensation expense         97.903         \$ 83.491           Depreciation and amortization expense         \$ 120.669         \$ 132.649           Interest and other expense (income), net         \$ 8.092         \$ 2.845           Benefit from income taxes         \$ 7,101         \$ 9.096.23           Adjusted EBITDA         \$ 211.109         \$ 290.623           Stock-based compensation expense by function:         \$ 211.109         \$ 290.623           Stock-based compensation expense by function:         \$ 5,048         \$ 5,048           Research and development         \$ 60.587         \$ 5,048           Research and developments and expense         \$ 18.39         \$ 1,002           Sales and marketing         \$ 18.39         \$ 1,002           Total stock-based compensation expense         \$ 7,002         \$ 4.32           Sales and marketing         \$ 5,041         \$ 4.32           Total amortization of acquired intangible assets by function:         \$ 5,041         \$ 4.32           Total const and expenses         \$ 5,041         \$ 4.32	Non-GAAP diluted shares (3)		790,675		777,689			
Net income (loss)         \$ (8,36)         \$ 190.040           Stock-based compensation expense         97,903         83,491           Depreciation and amortization expense         120,649         113,474           Interest and other expense (income), net         8,092         (2,845)           Adjusted EBITDA         \$ 211,109         \$ 20,0623           Adjusted EBITDA         \$ 5,75         \$ 5,048           Adjusted LBITDA         \$ 5,75         \$ 5,048           Research and development         \$ 60,587         46,261           Research and development         60,587         46,261           Sales and marketing         18,839         18,065           General and administrative         18,839         18,065           General and administrative         \$ 7,903         83,491           Total sock-based compensation expense         \$ 7,903         83,491           Morrization of acquired intangible assets by function:         \$ 5,041         4,202           Sales and marketing         \$ 5,041         4,202           Sales and marketing and expenses         \$ 5,041         4,202           Sales and marketing and expenses         \$ 1,603         4,605           Total anortization of acquired intangible assets         \$ 9,022         4,78		\$	0.11	\$	0.37			
Stock-based compensation expense         97,903         83,491           Depreciation and amortization expense         120,649         113,474           Interest and other expense (income), net         8,092         (2,485)           Benefit from income taxes         (7,139)         (94,301)           Adjusted EBITDA         \$ 211,109         \$ 290,623           Stock-based compensation expense by function:           Cost of revenue         \$ 5,756         \$ 5,048           Research and development         60,587         46,261           Sales and marketing         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         \$ 97,903         \$ 83,491           Amortization of acquired intangible assets by function:           Cost of revenue         \$ 5,041         \$ 4,220           Sales and marketing         \$ 5,041         \$ 4,320           Total amortization of acquired intangible assets         \$ 1,022         \$ 4,785           Non-GAAP costs and expenses         \$ 815,080         \$ 693,232           Less: stock-based compensation expense         \$ 97,903         \$ 83,491           Less: stock-based preperses         \$ 1,023         \$ 1,623 <t< td=""><td>•</td><td></td><td></td><td></td><td></td></t<>	•							
Depreciation and amortization expense         120,649         113,474           Interest and other expense (income), net         8,092         (2,485)           Benefit from income taxes         (7,139)         9(3,301)           Adjusted EBITDA         \$ 211,009         \$ 290,623           Stock-based compensation expense by function:         \$ 5,756         \$ 5,048           Research and development         60,657         46,261           Sales and marketing         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         \$ 97,903         \$ 34,000           General and administrative         \$ 97,903         \$ 34,000           Total stock-based compensation expenses         \$ 97,903         \$ 34,000           General and administrative         \$ 5,041         \$ 4,320           Amortization of acquired intangible assets by function:         \$ 5,041         \$ 4,320           Cost of revenue         \$ 5,041         \$ 4,320           Sales and marketing         \$ 5,041         \$ 4,320           Total concretainty         \$ 5,041         \$ 6,322           Less: such schaesed compensation expenses         \$ 9,043         \$ 683,222           Less: stock-based compensation	,	\$	( , ,	\$	•			
Interest and other expense (income), net Benefit from income taxes         8,092 (2,845) (7,139)         (2,845) (94,301)           Adjusted EBITDA         211,109         20,052           Stock-based compensation expense by function:         211,109         5,756         5,048           Research and development         60,587         46,261         5,756         5,048           Research and development of acquired intensity         18,839         18,065         46,261           Sales and marketing         12,721         14,117 <t< td=""><td>·</td><td></td><td>*</td><td></td><td>•</td></t<>	·		*		•			
Benefit from income taxes         (7,139)         (34,301)           Adjusted EBITDA         \$ 211,109         290,623           Stock-based compensation expense by function:         \$ 5,756         \$ 5,048           Research and development         60,587         46,261           Sales and marketling         18,839         18,065           General and administrative         97,903         38,349           Total stock-based compensation expense         97,903         38,349           Amortization of acquired intangible assets by function:         5,041         4,320           Sales and marketing         5,041         4,320           Sales and marketing         5,041         4,785           Total amortization of acquired intangible assets         5,041         4,785           Non-GAAP costs and expenses         815,080         693,232           Less: stock-based compensation expense         97,903         (83,491)           Less: amortization of acquired intangible assets         4,785           Non-GAAP costs and expenses         97,903         (83,292)           Less: amortization of acquired intangible assets         2,041         4,785           Total const and expenses         97,903         (83,291)         693,232           Less: amortization of acq	·		•		•			
Adjusted EBITDA         \$ 211,109         \$ 290,628           Stock-based compensation expense by function:         Stock of revenue         \$ 5,756         \$ 5,048           Research and development         60,587         46,261           Sales and marketing         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         97,903         \$ 33,491           Amortization of acquired intangible assets by function:         \$ 5,041         4,320           Sales and marketing         \$ 5,041         4,320           Sales and marketing         \$ 5,041         4,320           Total amortization of acquired intangible assets         \$ 5,041         4,320           Sales and marketing         \$ 5,041         4,320           Total const and expenses         \$ 5,041         4,320           Total costs and expenses         \$ 1,504         4,785           Less: stock-based compensation expense         \$ 97,903         (83,491           Less: stock-based compensation expense         \$ 97,903         (83,491           Less: stock-based compensation expenses         \$ 12,136         60,4955           Adjusted fee cash flow:         \$ 246,767         351,693           Less: pu	Interest and other expense (income), net		•		(2,845)			
Stock-based compensation expense by function:         \$ 5,756         \$ 5,048           Cost of revenue         60,587         46,261           Sales and marketting         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         2 97,903         \$ 33,491           Amortization of acquired intangible assets by function:           Cost of revenue         \$ 5,041         \$ 4,320           Sales and marketing         \$ 5,041         \$ 4,320           Total amortization of acquired intangible assets         \$ 5,041         \$ 4,785           Total amortization of acquired intangible assets         \$ 5,041         \$ 4,785           Non-GAAP costs and expenses         \$ 815,080         \$ 693,232           Less: stock-based compensation expense         \$ 97,903         \$ (83,491)           Less: amortization of acquired intangible assets         \$ 97,903         \$ (83,491)           Less: stock-based compensation expense         \$ 97,903         \$ (83,491)           Less: stock-based property and expenses         \$ 71,216         \$ 604,955           Not at cash flow:         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         \$ 1,257         \$ 2,762 <tr< td=""><td>Benefit from income taxes</td><td></td><td></td><td></td><td>(94,301)</td></tr<>	Benefit from income taxes				(94,301)			
Cost of revenue         \$ 5,756         \$ 5,048           Research and development         60,587         46,261           Sales and marketing         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         \$ 97,903         \$ 33,491           Amortization of acquired intangible assets by function:         \$ 5,041         \$ 4,320           Sales and marketing         5 5,041         \$ 4,785           Total amortization of acquired intangible assets         \$ 5,041         \$ 4,785           Non-GAAP costs and expenses:         \$ 5,041         \$ 4,785           Less: stock-based compensation expenses         \$ 97,903         \$ 83,491           Less: stock-based propertization of acquired intangible assets         \$ 5,041         \$ 604,956           Adjusted free cash flow:         \$ 246,767         \$ 51,693           Less: purchases of property and equipment         \$ 1,623         \$ 1,956           Adjusted free cash flow         \$ 1,623         \$	Adjusted EBITDA	\$	211,109	\$	290,623			
Research and development         60,587         46,261           Sales and marketing         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         \$79,003         \$3,491           Amortization of acquired intangible assets by function:         \$5,041         \$4,320           Cost of revenue         \$5,041         \$4,320           Sales and marketing          465           Total amortization of acquired intangible assets         \$5,041         \$4,785           Non-GAAP costs and expenses:          46,5           Total costs and expenses         (97,903)         (83,491)           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         (97,903)         (83,491)           Less: superchases of property and expenses         \$246,767         \$35,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$(8,396) </td <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td> <td></td> <td></td> <td></td>	· · · · · · · · · · · · · · · · · · ·							
Sales and marketing         18,839         18,065           General and administrative         12,721         14,117           Total stock-based compensation expense         \$97,903         \$33,491           Amortization of acquired intangible assets by function:         \$5,041         \$4,320           Cost of revenue         \$5,041         \$4,320           Sales and marketing         \$5,041         \$4,320           Total amortization of acquired intangible assets         \$5,041         \$4,820           Non-GAAP costs and expenses:         \$5,041         \$4,825           Total costs and expenses:         \$15,080         \$693,232           Less: stock-based compensation expense         \$97,903         \$63,349           Less: amortization of acquired intangible assets         \$97,903         \$63,491           Less: amortization of acquired intangible assets         \$16,041         \$6,475           Total non-GAAP costs and expenses         \$246,767         \$35,693           Less: purchases of property and equipment         \$122,667         \$35,693           Less: purchases of property and equipment         \$1,623         \$1,956           Adjusted free cash flow         \$1,623         \$1,956           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$19,804<	Cost of revenue	\$	5,756	\$				
General and administrative         12,721         14,117           Total stock-based compensation expense         \$ 97,903         \$ 83,491           Amortization of acquired intangible assets by function:         \$ 5,041         \$ 4,320           Cost of revenue         \$ 5,041         \$ 4,320           Sales and marketing         \$ 5,041         \$ 4,785           Total amortization of acquired intangible assets         \$ 5,041         \$ 4,785           Non-GAAP costs and expenses:         \$ 815,080         \$ 693,232           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (97,903)         (83,491)           Less: amortization of acquired intangible assets         \$ 71,136         604,956           Total non-GAAP costs and expenses         \$ 71,136         604,956           Adjusted free cash flow:         \$ 246,767         351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         (122,667)         (83,026)           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         190,804	·		•		•			
Amortization of acquired intangible assets by function:         \$97,903         \$83,491           Amortization of acquired intangible assets by function:         \$5,041         \$4,320           Cost of revenue         \$5,041         \$4,320           Sales and marketing         —         465           Total amortization of acquired intangible assets         \$5,041         \$4,785           Non-GAAP costs and expenses:         815,080         \$693,232           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total costs and expenses         \$712,136         \$604,956           Adjusted free cash flow:         \$246,767         \$351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         (122,667)         (83,026)           Adjusted free cash flow         \$1,623         1,956           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         8         8         1,956           Exclude: benefit from deferred tax asset (4)         (24,420)         (36,384)         66,384           GAAP diluted shares         780,688         777,689	· · · · · · · · · · · · · · · · · · ·		•		· ·			
Amortization of acquired intangible assets by function:           Cost of revenue         \$ 5,041         \$ 4,320           Sales and marketing         —         465           Total amortization of acquired intangible assets         \$ 5,041         \$ 4,785           Non-GAAP costs and expenses:           Total costs and expenses         \$ 815,080         693,232           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         \$ 712,136         604,956           Adjusted free cash flow:         \$ 246,767         351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         Net income (loss)         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — — (124,420)         — — (124,420)         Adjusted net income (loss)         \$ 66,384           GAAP diluted shares         777,689         777,689         777,689			•		•			
Cost of revenue         \$ 5,041         4,320           Sales and marketing         —         465           Total amortization of acquired intangible assets         \$ 5,041         4,785           Non-GAAP costs and expenses:         ***	Total stock-based compensation expense	\$	97,903	\$	83,491			
Sales and marketing         —         465           Total amortization of acquired intangible assets         \$ 5,041         4,785           Non-GAAP costs and expenses         ***         ***         ***         ***         ***         ***         ***         **         *** <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td> <td></td> <td></td> <td></td>	· · · · · · · · · · · · · · · · · · ·							
Total amortization of acquired intangible assets         \$ 5,041         \$ 4,785           Non-GAAP costs and expenses:         Total costs and expenses         \$ 815,080         \$ 693,232           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         \$ 712,136         \$ 604,956           Adjusted free cash flow:         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689		\$	5,041	\$	4,320			
Non-GAAP costs and expenses:           Total costs and expenses         \$ 815,080         693,232           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         \$ 712,136         604,956           Adjusted free cash flow:         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         66,384           GAAP diluted shares         780,688         777,689	· · · · · · · · · · · · · · · · · · ·		_					
Total costs and expenses         \$ 815,080         \$ 693,232           Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         \$ 712,136         \$ 604,956           Adjusted free cash flow:         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689	Total amortization of acquired intangible assets	\$	5,041	\$	4,785			
Less: stock-based compensation expense         (97,903)         (83,491)           Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         \$ 712,136         \$ 604,956           Adjusted free cash flow:         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)         4 (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689	•	_						
Less: amortization of acquired intangible assets         (5,041)         (4,785)           Total non-GAAP costs and expenses         \$ 712,136         604,956           Adjusted free cash flow:         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)         Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         777,689         777,689	·	\$	•	\$	•			
Total non-GAAP costs and expenses         \$ 712,136         \$ 604,956           Adjusted free cash flow:           Net cash provided by operating activities         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689	·		,					
Adjusted free cash flow:         Net cash provided by operating activities       \$ 246,767       \$ 351,693         Less: purchases of property and equipment       (122,667)       (83,026)         Plus: proceeds from sales of property and equipment       1,623       1,956         Adjusted free cash flow       \$ 125,723       \$ 270,623         Adjusted net income (loss) and adjusted diluted net income (loss) per share:       \$ (8,396)       \$ 190,804         Exclude: benefit from deferred tax asset (4)       — (124,420)         Adjusted net income (loss)       \$ (8,396)       \$ 66,384         GAAP diluted shares       780,688       777,689								
Net cash provided by operating activities         \$ 246,767         \$ 351,693           Less: purchases of property and equipment         (122,667)         (83,026)           Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689	Total non-GAAP costs and expenses	\$	712,136	\$	604,956			
Less: purchases of property and equipment       (122,667)       (83,026)         Plus: proceeds from sales of property and equipment       1,623       1,956         Adjusted free cash flow       \$ 125,723       270,623         Adjusted net income (loss) and adjusted diluted net income (loss) per share:       \$ (8,396)       \$ 190,804         Exclude: benefit from deferred tax asset (4)       — (124,420)         Adjusted net income (loss)       \$ (8,396)       \$ 66,384         GAAP diluted shares       780,688       777,689			040.707	•	054.000			
Plus: proceeds from sales of property and equipment         1,623         1,956           Adjusted free cash flow         \$ 125,723         \$ 270,623           Adjusted net income (loss) and adjusted diluted net income (loss) per share:         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689		\$	•	\$				
Adjusted free cash flow       \$ 125,723       \$ 270,623         Adjusted net income (loss) and adjusted diluted net income (loss) per share:       \$       (8,396)       \$ 190,804         Net income (loss)       \$ (8,396)       \$ (124,420)         Adjusted net income (loss)       \$ (8,396)       \$ 66,384         GAAP diluted shares       780,688       777,689			,		,			
Adjusted net income (loss) and adjusted diluted net income (loss) per share:         Net income (loss)       \$ (8,396)       \$ 190,804         Exclude: benefit from deferred tax asset (4)       — (124,420)         Adjusted net income (loss)       \$ (8,396)       \$ 66,384         GAAP diluted shares       780,688       777,689				_				
Net income (loss)         \$ (8,396)         \$ 190,804           Exclude: benefit from deferred tax asset (4)         — (124,420)           Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689	•	\$	125,723	\$	270,623			
Adjusted net income (loss)         \$ (8,396)         \$ 66,384           GAAP diluted shares         780,688         777,689	, , , , , , , , , , , , , , , , , , , ,	\$	(8,396)	\$	190,804			
GAAP diluted shares 780,688 777,689					(124,420)			
	Adjusted net income (loss)	\$	(8,396)	\$	66,384			
Adjusted diluted net income (loss) per share \$\\(0.01\) \$\\0.09\$			780,688					
	Adjusted diluted net income (loss) per share	\$	(0.01)	\$	0.09			

<sup>(1)</sup> The non-GAAP benefit from income taxes for the three months ended March 31, 2019 includes a benefit of \$124.4 million from the establishment of a deferred tax asset from an intra-entity transfer of an intangible asset.

<sup>(2)</sup> Gives effect to potential common stock instruments such as stock options, RSUs, shares to be issued under ESPP, unvested restricted stocks and warrants. There is no dilutive effect of the notes or the related hedge and warrant transactions.

<sup>(3)</sup> GAAP dilutive shares are the same as non-GAAP dilutive shares for the three months ended March 31, 2019.

<sup>(4)</sup> The benefit from deferred tax asset in the three months ended March 31, 2019 is related to the establishment of a deferred tax asset from an intra-entity transfer of an intangible asset.

### TWITTER, INC. RECONCILIATION OF GAAP REVENUE TO NON-GAAP CONSTANT CURRENCY REVENUE (In millions) (Unaudited)

Three Months Ended March 31.

		March 31,		ı
		2020		2019
Revenue, advertising revenue, data licensing and other revenue, international revenue and international advertisin revenue excluding foreign exchange effect:	g	_		
Revenue <sup>(1)</sup>	\$	808	\$	787
Foreign exchange effect on 2020 revenue using 2019 rates		1		
Revenue excluding foreign exchange effect	\$	809		
Revenue year-over-year change percent		3 %		
Revenue excluding foreign exchange effect year-over-year change percent		3 %		
Advertising revenue	\$	682	\$	679
Foreign exchange effect on 2020 advertising revenue using 2019 rates		1		
Advertising revenue excluding foreign exchange effect	\$	683		
Advertising revenue year-over-year change percent		— %		
Advertising revenue excluding foreign exchange effect year-over-year change percent		1 %		
Data licensing and other revenue	\$	125	\$	107
Foreign exchange effect on 2020 data licensing and other revenue using 2019 rates				
Data licensing and other revenue excluding foreign exchange effect	\$	125		
Data licensing and other revenue year-over-year change percent		17 %		
Data licensing and other revenue excluding foreign exchange effect year-over-year change percent		17 %		
international revenue	\$	339	\$	355
Foreign exchange effect on 2020 international revenue using 2019 rates		1		
nternational revenue excluding foreign exchange effect	\$	340		
nternational revenue year-over-year change percent		(4)%		
nternational revenue excluding foreign exchange effect year-over-year change percent		(4)%		
nternational advertising revenue	\$	301	\$	317
Foreign exchange effect on 2020 international advertising revenue using 2019 rates		1		
nternational advertising revenue excluding foreign exchange effect	\$	302		
nternational advertising revenue year-over-year change percent		(5)%		

<sup>(1)</sup> Note the sum of advertising revenue and data licensing and other revenue does not add up to total revenue in the three months ended March 31, 2020 and 2019 above due to rounding.