This presentation contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding guidance, our future results of operations or financial condition, business strategy and plans, user growth and engagement, product initiatives, and objectives of management for future operations, and the impact of COVID-19 on our business and the economy as a whole, are forward-looking statements.

In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “going to,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation on our current expectations and projections about future events and trends, including our financial outlook and the ongoing COVID-19 pandemic, that we believe may affect our business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks, uncertainties, and other factors, including those described in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent periodic report filed with the SEC, which is available on the SEC’s website at www.sec.gov. Additional information will be made available in our periodic report that will be filed with the SEC for the period covered by this presentation and other filings that we make from time to time with the SEC.

In addition, the forward-looking statements in this presentation relate only to events as of the date on which the statements are made and are based on information available to us as of the date of this presentation. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, including future developments related to the COVID-19 pandemic, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. A reconciliation of GAAP to non-GAAP measures is provided in the appendix of this presentation.
# Third Quarter Financial Highlights

## Revenue
- Revenue increased 57% YoY to reach $1,067 million in Q3 2021.
- Average revenue per user increased 28% YoY to reach $3.49 in Q3 2021.

## Operating Performance
- Operating margin improved to (17)% in Q3 2021, compared to (25)% in Q3 2020.
- Adjusted gross margin\(^1\) improved to 60% in Q3 2021, compared to 58% in Q3 2020.
- Net loss improved by $128 million YoY to $72 million in Q3 2021.
- Adjusted EBITDA improved by $118 million YoY to $174 million in Q3 2021.
- Adjusted EBITDA margin\(^2\) improved to 16% in Q3 2021, compared to 8% in Q3 2020.

## Cash
- Operating cash flow was $72 million in Q3 2021, compared to $(55) million in Q3 2020.
- Free Cash Flow was $52 million in Q3 2021, compared to $(70) million in Q3 2020.
- Ending cash, cash equivalents, and marketable securities were $3.5 billion as of September 30, 2021.

---

\(^1\)Excludes stock-based compensation expense and other payroll related tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time.

\(^2\)We define Adjusted EBITDA margin as Adjusted EBITDA divided by GAAP revenue. See Appendix for reconciliation of net loss to Adjusted EBITDA.

Numbers throughout presentation may not foot due to rounding.
Business Highlights

The Snapchat community is active, engaged, and growing:

- DAUs were 306 million in Q3 2021, an increase of 57 million, or 23%, year-over-year.
- Year-over-year growth in DAUs has exceeded 20% for four consecutive quarters.

We invested and innovated in our camera and augmented reality platforms:

- We released the next generation of Scan, adding new categories of intelligence to Scan and allowing Snapchatters to access our powerful visual search capabilities right from the Camera home screen.
- In Q3 2021, five of our new augmented reality Lenses driven by SnapML, our machine learning platform in Lens Studio, generated more than 1 billion impressions each, achieving over 11 billion impressions in total.
- We featured nine new community try-on Lenses for Fashion Week, drawing inspiration from unique trends within the major Fashion Week cities to showcase virtual outfits.
- We partnered with SignAll to introduce three AR Lenses teaching Snapchatters how to fingerspell in American Sign Language.
- We partnered with Sotheby’s to launch the ‘The Final Christo: Original Works for The Arc de Triomphe’ Lens, allowing Snapchatters to experience Christo and Jeanne-Claude’s artistic rendition of the Arc de Triomphe from anywhere in the world.

We invested in our content offerings:

- Content submissions on Spotlight more than doubled relative to the prior quarter.
- We launched Spotlight Challenges in the U.S., our newest addition to the Creator Fund that rewards top-performing submissions for specific content categories with monetary prizes.
- In Q3 2021, 15 different Discover partners each reached over 50 million unique Snapchatters.
- We launched new Discover channels in 14 different countries, including 22 new channels in each of India and the U.K.
- Two of our new Snap Originals, “Meme Mom” and “Honestly Loren”, reached over 10 million viewers each.
Business Highlights (Continued)

We expanded our product and partner ecosystem:

- We introduced 3D Bitmoji in Profiles, which enables Snapchatters to express themselves with a 3D version of their digital avatar, and over 170 million Snapchatters have engaged with their 3D Bitmoji Profile since launch.
- We introduced My Places, a new feature on the Snap Map where Snapchatters can find personalized recommendations of places to eat and visit based on their friends’ interests.
- We launched our Run for Office Mini, allowing Snapchatters in the U.S. to explore hundreds of opportunities to run for public office based on their interests and location.
- We partnered with HBO Max to launch a new Mini where Snapchatters in the U.S. can stream full-length episodes of popular HBO Max shows simultaneously with their friends.
- We launched our Birthday Mini, allowing Snapchatters to see their friends’ birthdays and send personalized greetings, which was used by over 10 million Snapchatters in the first 21 days after launch.

We expanded our offering for advertisers:

- We launched our ‘Open Your Snapchat’ marketing campaign, which invites both consumers and advertisers to experience augmented reality, unlocking hundreds of custom experiences localized to several different markets across the globe.
- We introduced Snapchat Trends for advertisers, which highlights popular keywords shared among the Snapchat community and helps advertisers better engage their audience.
- We introduced Campaign Lab, which allows advertisers to better track and analyze their split tests to gain insights for future campaigns.
- We announced The AR Lab, our partnership with WPP to help clients build and deliver immersive experiences on Snapchat using AR.
- We announced the launch of Arcadia, our new global creative studio for branded AR, which will develop new technology and deliver impactful and effective AR experiences to brand and agency partners.
Revenue by Geography
(in millions, unaudited)

Total revenue for geographic reporting is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity. This allocation is consistent with how we determine ARPU.

1 North America includes Mexico, the Caribbean, and Central America.
2 Europe includes Russia and Turkey.
Numbers throughout presentation may not foot due to rounding.

Q3’21 REVENUE INCREASED 57% YOY TO $1.1 BILLION
TRAILING TWELVE MONTHS REVENUE INCREASED 73% YOY TO $3.7 BILLION
We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average Daily Active Users for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter.

1 North America includes Mexico, the Caribbean, and Central America.

2 Europe includes Russia and Turkey.

Numbers throughout presentation may not foot due to rounding.

GLOBAL DAU INCREASED 57 MILLION, OR 23%, YoY
Average Revenue Per User (ARPU)
(unaudited)

We define ARPU as quarterly revenue divided by the average Daily Active Users. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity.

1 North America includes Mexico, the Caribbean, and Central America.
2 Europe includes Russia and Turkey.
Numbers throughout presentation may not foot due to rounding.

GLOBAL

- Q2'20: $1.91
- Q3'20: $2.73
- Q4'20: $3.44
- Q1'21: $2.74
- Q2'21: $3.35
- Q3'21: $3.49

+28%

NORTH AMERICA

- Q2'20: $3.40
- Q3'20: $5.49
- Q4'20: $7.19
- Q1'21: $5.94
- Q2'21: $7.37
- Q3'21: $8.20

+49%

EUROPE

- Q2'20: $1.10
- Q3'20: $1.43
- Q4'20: $1.91
- Q1'21: $1.48
- Q2'21: $1.95
- Q3'21: $1.92

+34%

REST OF WORLD

- Q2'20: $0.89
- Q3'20: $0.95
- Q4'20: $1.11
- Q1'21: $0.93
- Q2'21: $1.07
- Q3'21: $0.98

+3%

GLOBAL ARPU INCREASED 28% YoY
NORTH AMERICA ARPU INCREASED 49% YoY
Adjusted Cost of Revenue

Excludes stock-based compensation expense and other payroll-related tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time.

In Q1 2021, we updated the presentation of our cost of revenue composition.

Numbers throughout presentation may not foot due to rounding.

Adjusted Gross Margin

1 Excludes stock-based compensation expense and other payroll-related tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time.

In Q1 2021, we updated the presentation of our cost of revenue composition.

Numbers throughout presentation may not foot due to rounding.

ADJUSTED GROSS MARGIN IMPROVED 2 PPT YoY
Adjusted Operating Expenses\(^1\)

**Adjusted Operating Expenses as a % of Revenue decreased 7 PPT YoY**

**Adjusted Operating Expenses**

<table>
<thead>
<tr>
<th></th>
<th>Q2'20</th>
<th>Q3'20</th>
<th>Q4'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Development</td>
<td>68%</td>
<td>50%</td>
<td>40%</td>
<td>48%</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\)Excludes stock-based compensation expense and other payroll related tax expense, depreciation and amortization and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Refer to Appendix for a description of non-recurring items, including securities class actions legal charges. Numbers throughout presentation may not foot due to rounding.
Net Loss & Adjusted EBITDA

(dollars in millions, unaudited)

**Adjusted EBITDA**

- Adjusted EBITDA was $174 million in Q3 2021.
- Trailing twelve months Adjusted EBITDA was $456 million.

---

**NET LOSS**

- Net Loss Margin
  - Q2'20: (29)%
  - Q3'20: (12)%
  - Q4'20: (37)%
  - Q1'21: (15)%
  - Q2'21: (7)%
  - Q3'21: (72)%
- Net Loss
  - Q2'20: $(200)
  - Q3'20: $(113)
  - Q4'20: $(152)
  - Q1'21: $(287)
  - Q2'21: $(72)
  - Q3'21: $(326)

**Adjusted EBITDA Margin**

- Adjusted EBITDA Margin
  - Q2'20: $56
  - Q3'20: $117
  - Q4'20: $166
  - Q1'21: $174
  - Q2'21: $174
  - Q3'21: $174

---

1 We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and other payroll related tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.

2 We define Adjusted EBITDA margin as Adjusted EBITDA divided by GAAP revenue.

3 We define Net Loss leverage as the year-over-year change in Net Loss divided by the year-over-year change in GAAP revenue.

4 We define Adjusted EBITDA leverage as the year-over-year change in Adjusted EBITDA divided by the year-over-year change in GAAP revenue.
Diluted Net Loss Per Share & Common Shares Outstanding Plus Shares Underlying Stock-Based Awards
(in millions, except per share data, unaudited)

DILUTED NET LOSS PER SHARE¹

<table>
<thead>
<tr>
<th></th>
<th>Q2'20</th>
<th>Q3'20</th>
<th>Q4'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss</td>
<td>$(0.23)</td>
<td>$(0.14)</td>
<td>$(0.08)</td>
<td>$(0.10)</td>
<td>$(0.05)</td>
<td></td>
</tr>
</tbody>
</table>

COMMON SHARES OUTSTANDING PLUS SHARES UNDERLYING STOCK-BASED AWARDS

<table>
<thead>
<tr>
<th></th>
<th>Common Shares Outstanding</th>
<th>Shares Underlying Stock-Based Awards²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'20</td>
<td>1,616</td>
<td>153</td>
</tr>
<tr>
<td>Q3'20</td>
<td>1,624</td>
<td>139</td>
</tr>
<tr>
<td>Q4'20</td>
<td>1,630</td>
<td>126</td>
</tr>
<tr>
<td>Q1'21</td>
<td>1,629</td>
<td>110</td>
</tr>
<tr>
<td>Q2'21</td>
<td>1,681</td>
<td>104</td>
</tr>
<tr>
<td>Q3'21</td>
<td>1,698</td>
<td>93</td>
</tr>
</tbody>
</table>

YoY Change

<table>
<thead>
<tr>
<th></th>
<th>Q2'20</th>
<th>Q3'20</th>
<th>Q4'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>4.1%</td>
<td>3.7%</td>
<td>3.4%</td>
<td>2.6%</td>
<td>4.0%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

YoY Change excluding exchange shares³

<table>
<thead>
<tr>
<th></th>
<th>Q2'20</th>
<th>Q3'20</th>
<th>Q4'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>4.1%</td>
<td>3.7%</td>
<td>3.4%</td>
<td>2.6%</td>
<td>1.7%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

¹Diluted net loss per share is calculated using weighted average shares outstanding during the period.
²Shares underlying stock-based awards include restricted stock units, restricted stock awards, and outstanding stock options.
³YoY changes in Q2 2021 and Q3 2021 exclude approximately 38 million shares and 52 million shares, respectively, issued as part of the induced conversions of convertible notes.

Numbers throughout presentation may not foot due to rounding.

DILUTED NET LOSS PER SHARE IMPROVED $0.09 YoY
We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.

See Appendix for reconciliation of net cash provided by (used in) operating activities to Free Cash Flow.

Operating Cash Flow and Free Cash Flow in Q4'20 includes a $98 million payment for non-recurring legal charges related to the securities class action in 2019.

Numbers throughout presentation may not foot due to rounding.

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**Operating Cash Flow and Free Cash Flow**

*in millions, unaudited*

<table>
<thead>
<tr>
<th></th>
<th>Q2'20</th>
<th>Q3'20</th>
<th>Q4'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
<th>Q3'21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capex</strong></td>
<td>-16</td>
<td>-15</td>
<td>-16</td>
<td>-11</td>
<td>-15</td>
<td>-20</td>
</tr>
<tr>
<td><strong>YoY Change</strong></td>
<td>231%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>-82</td>
<td>-70</td>
<td>-69</td>
<td>-116</td>
<td>-15</td>
<td>-52</td>
</tr>
</tbody>
</table>

**Free Cash Flow Improved $121 Million YoY**

**Free Cash Flow Positive Year to Date**
Financial Guidance

The following forward-looking statements reflect our expectations for the fourth quarter of 2021 as of October 21, 2021, and are subject to substantial uncertainty. This guidance assumes constant foreign currency rates and, among other things, that no business acquisitions, investments, restructurings, or legal settlements are concluded in the quarter. Our results are based on assumptions that we believe to be reasonable as of this date, but may be materially affected by many factors, as discussed in “Forward-Looking Statements & Non-GAAP Financial Measures.”

Q4 2021 Outlook

• Revenue is estimated to be between $1,165 million and $1,205 million.

• Adjusted EBITDA is estimated to be between $135 million and $175 million.
Appendix
Non-GAAP Financial Measures Reconciliation
(in thousands, unaudited)

### Free Cash Flow Reconciliation

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>$66,554</td>
<td>$54,828</td>
<td>$52,545</td>
<td>$135,886</td>
<td>$101,066</td>
<td>$71,552</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(15,757)</td>
<td>(14,727)</td>
<td>(16,447)</td>
<td>(10,851)</td>
<td>(14,623)</td>
<td>(19,036)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$82,321</td>
<td>$69,555</td>
<td>$68,992</td>
<td>$126,035</td>
<td>$115,709</td>
<td>$51,716</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(325,961)</td>
<td>$(196,853)</td>
<td>$(113,099)</td>
<td>$(280,882)</td>
<td>$(151,064)</td>
<td>$(71,959)</td>
</tr>
<tr>
<td>Add (deduct):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$(4,768)</td>
<td>$(2,801)</td>
<td>$(1,969)</td>
<td>$(1,137)</td>
<td>$(1,251)</td>
<td>$(1,257)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>24,727</td>
<td>28,212</td>
<td>29,176</td>
<td>5,031</td>
<td>4,554</td>
<td>4,031</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>$(3,576)</td>
<td>$(6,899)</td>
<td>$(23,471)</td>
<td>$(22,058)</td>
<td>$(42,202)</td>
<td>$(112,931)</td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>$(1,041)</td>
<td>909</td>
<td>18,127</td>
<td>1,440</td>
<td>$(1,875)</td>
<td>982</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>20,925</td>
<td>21,804</td>
<td>22,811</td>
<td>21,498</td>
<td>29,270</td>
<td>32,510</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>190,171</td>
<td>192,080</td>
<td>219,882</td>
<td>237,073</td>
<td>250,000</td>
<td>300,898</td>
</tr>
<tr>
<td>Payroll tax expense related to stock-based compensation</td>
<td>7,042</td>
<td>10,341</td>
<td>20,152</td>
<td>41,328</td>
<td>26,045</td>
<td>21,185</td>
</tr>
<tr>
<td>Adjusted EBITDA²</td>
<td>$(95,570)</td>
<td>$56,361</td>
<td>$165,609</td>
<td>$(1,709)</td>
<td>$117,403</td>
<td>$174,190</td>
</tr>
</tbody>
</table>

1. We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.
2. We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and other payroll related tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Securities class actions legal charges related to a preliminary agreement to settle the securities class actions that arose following our IPO. Charges recorded are net of amounts directly covered by insurance. These charges are non-recurring and not reflective of underlying trends in our business.

Numbers throughout presentation may not foot due to rounding.
We define Non-GAAP Net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense and other payroll related tax expense; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments.

Non-recurring items include securities class actions legal charges described in the preceding slide. Non-GAAP Net Loss and weighted average diluted shares are then used to calculate Non-GAAP diluted net income (loss) per share.

Numbers throughout presentation may not foot due to rounding.

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### Non-GAAP Financial Measures Reconciliation (Continued)

**Three Months Ended**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>(325,951)</td>
<td>(199,853)</td>
<td>(113,099)</td>
<td>(286,882)</td>
<td>(151,664)</td>
<td>(71,959)</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>7,376</td>
<td>8,422</td>
<td>9,727</td>
<td>10,445</td>
<td>14,363</td>
<td>19,148</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>186,171</td>
<td>162,080</td>
<td>219,882</td>
<td>237,073</td>
<td>256,600</td>
<td>300,808</td>
</tr>
<tr>
<td>Payroll tax expense related to stock-based compensation</td>
<td>7,942</td>
<td>10,341</td>
<td>20,152</td>
<td>41,326</td>
<td>25,045</td>
<td>21,615</td>
</tr>
<tr>
<td>Income tax adjustments</td>
<td>86</td>
<td>388</td>
<td>(511)</td>
<td>589</td>
<td>(199)</td>
<td>(208)</td>
</tr>
<tr>
<td><strong>Non-GAAP net income (loss)</strong></td>
<td>(124,374)</td>
<td>11,378</td>
<td>136,151</td>
<td>2,551</td>
<td>144,145</td>
<td>288,494</td>
</tr>
</tbody>
</table>

| Weighted-average common shares - Diluted | 1,447,022     | 1,466,420         | 1,484,277         | 1,501,836     | 1,547,234     | 1,580,966         |

### Three Months Ended

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP diluted net loss per share</td>
<td>(0.23)</td>
<td>(0.14)</td>
<td>(0.06)</td>
<td>(0.10)</td>
<td>(0.10)</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Non-GAAP adjustment to net loss</td>
<td>0.14</td>
<td>0.15</td>
<td>0.17</td>
<td>0.19</td>
<td>0.20</td>
<td>0.22</td>
</tr>
<tr>
<td><strong>Non-GAAP diluted net income (loss) per share</strong></td>
<td>(0.09)</td>
<td>0.01</td>
<td>0.09</td>
<td>0.00</td>
<td>0.10</td>
<td>0.17</td>
</tr>
</tbody>
</table>

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1. We define Non-GAAP Net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense and other payroll related tax expense; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments. Non-recurring items include securities class actions legal charges described in the preceding slide. Non-GAAP Net Loss and weighted average diluted shares are then used to calculate Non-GAAP diluted net income (loss) per share.
We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average DAUs for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter. DAUs are broken out by geography because markets have different characteristics. We define average revenue per user, or ARPU, as quarterly revenue divided by the average DAUs. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity. This allocation differs from our components of revenue disclosure in the notes to our consolidated financial statements, where revenue is based on the billing address of the advertising customer.

Unless otherwise stated, statistical information regarding our users and their activities is determined by calculating the daily average of the selected activity for the most recently completed quarter.

While these metrics are determined based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally. For example, there may be individuals who have unauthorized or multiple Snapchat accounts, even though we forbid that in our Terms of Service and implement measures to detect and suppress that behavior. We have not determined the number of such multiple accounts. Changes in our products, infrastructure, mobile operating systems, or metric tracking system, or the introduction of new products, may impact our ability to accurately determine active users or other metrics and we may not determine such inaccuracies promptly. We also believe that we don’t capture all data regarding each of our active users. Technical issues may result in data not being recorded from every user’s application. For example, because some Snapchat features can be used without internet connectivity, we may not count a DAU because we don’t receive timely notice that a user has opened the Snapchat application. This undercounting may increase as we grow in Rest of World markets where users may have poor connectivity. We do not adjust our reported metrics to reflect this underreporting. We believe that we have adequate controls to collect user metrics, however, there is no uniform industry standard. We continually seek to identify these technical issues and improve both our accuracy and precision, including ensuring that our investors and others can understand the factors impacting our business, but these and new issues may continue in the future, including if there continues to be no uniform industry standard.

Some of our demographic data may be incomplete or inaccurate. For example, because users self-report their dates of birth, our age-demographic data may differ from our users’ actual ages. And because users who signed up for Snapchat before June 2013 were not asked to supply their date of birth, we may exclude those users from our age demographics or estimate their ages based on a sample of the self-reported ages that we do have. If our active users provide us with incorrect or incomplete information regarding their age or other attributes, then our estimates may prove inaccurate and fail to meet investor expectations.
In the past we have relied on third-party analytics providers to calculate our metrics, but today we rely primarily on our analytics platform that we developed and operate. We count a DAU only when a user opens the application and only once per user per day. We believe this methodology more accurately measures our user engagement. We have multiple pipelines of user data that we use to determine whether a user has opened the application during a particular day, and becoming a DAU. This provides redundancy in the event one pipeline of data were to become unavailable for technical reasons, and also gives us redundant data to help measure how users interact with our application.

If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. We regularly review, have adjusted in the past, and are likely in the future to adjust our processes for calculating our internal metrics to improve their accuracy. As a result of such adjustments, our DAUs or other metrics may not be comparable to those in prior periods. Our measures of DAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.