Forward-Looking Statements & Non-GAAP Financial Measures

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, our stock repurchase program, future stock dividends, business strategy and plans, user growth and engagement, product initiatives, and objectives of management for future operations, 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, geo-political conflicts, the COVID-19 pandemic, and macroeconomic conditions, 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 elsewhere 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 geo-political conflicts, the COVID-19 pandemic, and macroeconomic conditions, 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, dispositions, joint ventures, restructurings, legal settlements 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 Summary

**Revenue**
- Revenue increased 6% YoY to $1,128 million in Q3 2022.
- Average revenue per user was $3.11 in Q3 2022, compared to $3.49 in Q3 2021.

**Operating Performance**
- Operating margin was (39)% in Q3 2022, compared to (17)% in Q3 2021.
- Adjusted gross margin\(^1\) improved to 61% in Q3 2022, compared to 60% in Q3 2021.
- Net loss was $360 million in Q3 2022, including restructuring charges of $155 million, compared to $72 million in Q3 2021.
- Adjusted EBITDA\(^2\) was $73 million in Q3 2022, compared to $174 million in Q3 2021.
- Adjusted EBITDA margin\(^2\) was 6% in Q3 2022, compared to 16% in Q3 2021.

**Cash**
- Operating cash flow was $56 million in Q3 2022, compared to $72 million in Q3 2021.
- Free Cash Flow\(^2\) was $18 million in Q3 2022, compared to $52 million in Q3 2021.
- Cash, cash equivalents, and marketable securities were $4.4 billion as of September 30, 2022.

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\(^1\)We define adjusted gross margin as GAAP revenue less adjusted cost of revenue, and as a percentage, divided by GAAP revenue. Adjusted cost of revenue excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, 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 reconciliations of net loss to Adjusted EBITDA and net cash provided by (used in) operating activities to Free Cash Flow.

Quarterly information is unaudited.

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

We grew and deepened our engagement with our community:

- DAUs were 363 million in Q3 2022, an increase of 57 million, or 19% year-over-year.
- DAUs increased sequentially and year-over-year in each of North America, Europe, and Rest of World.
- Total time spent watching Spotlight content grew 55% year-over-year.
- Daily average time spent for Snapchatters 35 and older watching Shows and publisher content increased by more than 40% year-over-year.
- We expanded Snapchat for Web, making it available to our entire community to stay connected with friends and family when they’re at their computers.
- We introduced Snapchat’s Family Center, a new tool to help parents gain insight into who their teens are chatting with on Snapchat while protecting their privacy.
- We introduced our new Lock Screen Widget, available now with iOS16, which makes conversations with friends accessible with one tap from the lock screen.
- We launched Snapchat Sounds Creator Fund, providing monthly grants designed to recognize emerging, independent artists for the critical role they play in driving video creations, inspiring internet trends, and defining cultural moments.
- We announced the inaugural class of our Black Creator Accelerator, our first accelerator program designed to support and spotlight emerging Black creators on their journey to make content creation a full-time career.
Business Highlights

We are focused on expanding and diversifying our revenue growth:

- Snapchat+, our subscription service for exclusive, experimental, and pre-release features, reached over 1.5 million paying subscribers in Q3 and is now offered in over 170 countries.
- We joined Walmart Connect as an Innovation Partner, enabling advertisers to reach our large and engaged audience through our video and augmented reality ad formats.
- Clothing retailer American Eagle, leveraged catalog-powered Shopping Lenses that allowed Snapchatters to engage with and even purchase individual items in augmented reality, driving more than 11 million impressions with an average playtime of nearly 30 seconds.
- Furniture retailer Skeidar developed a Lens where Snapchatters could explore different types of outdoor garden furniture in AR, resulting in an increase of +21 points in brand favorability and +14 points in action intent, which in turn drove a 14x increase in return on ad spend.
- We continued investing in Dynamic Ads for Commerce and Travel, focusing on catalog onboarding experience improvements, machine learning improvements in ranking and delivery, and ad format updates that improve outcomes for advertisers.
- We continued investments in ranking and optimization to deliver measurable business outcomes to advertisers. We rolled out more than 15 new machine learning models, which improved performance, pricing, and conversion rate of App and Web-related bidding goals.
- We improved Snap Pixel performance and Conversions API (CAPI) coverage and the quality of server-to-server integrations by collaborating closely with customers and starting a program focused on our enterprise clients.
- We launched the capability to execute 2-layered Lift tests, which enables advertisers to measure aggregate ROI while simultaneously running A/B testing. We also improved in-app survey sample collection, which enables brand advertisers to more confidently measure the returns of their brand campaigns.
- We invested in our cross-border solutions which enable global advertisers to improve the personalization of ads for Snapchatters through multi-language ad sets and new first party location targeting options.
Business Highlights

We invested in our augmented reality platform:

- We unveiled several new features and capabilities in our latest Lens Studio release, including Spatial Persistence, Two Hands Tracking, Voice ML’s Question Answering Service, and Face Occlusion.

- We made significant strides in the expansion and testing of our AR creation suite, and we have now onboarded over 15 new beta partners who are already designing Shopping Lenses created with our AR Image technology.

- To kick off the LA Rams season, we partnered with the LA Rams and SoFi Stadium to bring Snapchat Lenses to arena screens through a unique Camera Kit integration that applies AR experiences within the venue and broadcast environments, in 4K and real time.

- In celebration of Vogue’s 130th anniversary, we collaborated on several custom-built AR experiences for Snapchat x Vogue World in New York, leveraging our latest Snap AR technology, including sky segmentation and surface tracking, to heighten the realism of the effects.

- To celebrate HBO’s premiere of House of the Dragon, we worked with Lens Creators around the world to build custom Landmarkers that brought the show’s dragons off the TV and into the sky.

- We partnered with the German government to raise awareness about the climate crisis and the overwhelming amount of plastic waste produced each year by launching two new AR Lenses that help give the Snapchat community a voice on this important topic.
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.

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

GLOBAL DAU INCREASED 57 MILLION, OR 19%, YOY
REST OF WORLD INCREASED 45 MILLION, OR 34%, YOY
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.

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

2Europe includes Russia and Turkey. Effective March 2022, we halted advertising sales to Russian and Belarusian entities.

Numbers throughout presentation may not foot due to rounding.

Q3’22 Revenue increased 6% YoY to $1,128 million.
Trailing twelve months revenue increased 23% YoY to $4,600 million.
**Average Revenue Per User (ARPU)**

(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Q2’21</th>
<th>Q3’21</th>
<th>Q4’21</th>
<th>Q1’22</th>
<th>Q2’22</th>
<th>Q3’22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GLOBAL</strong></td>
<td>$3.35</td>
<td>$3.49</td>
<td>$4.06</td>
<td>$3.20</td>
<td>$3.20</td>
<td>$3.11</td>
</tr>
<tr>
<td><strong>NORTH AMERICA</strong></td>
<td>-11%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EUROPE</strong></td>
<td>-5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REST OF WORLD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-9%</td>
<td></td>
</tr>
</tbody>
</table>

**GLOBAL ARPU WAS $3.11 IN Q3 2022, COMPARED TO $3.49 IN Q3 2021**

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.

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

2Europe includes Russia and Turkey. Effective March 2022, we halted advertising sales to Russian and Belarusian entities.

Numbers throughout presentation may not foot due to rounding.
Adjusted Gross Margin and Adjusted Cost of Revenue\(^1\)

### Adjusted Gross Margin\(^1\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted Gross Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'21</td>
<td>55%</td>
</tr>
<tr>
<td>Q3'21</td>
<td>60%</td>
</tr>
<tr>
<td>Q4'21</td>
<td>66%</td>
</tr>
<tr>
<td>Q1'22</td>
<td>61%</td>
</tr>
<tr>
<td>Q2'22</td>
<td>61%</td>
</tr>
<tr>
<td>Q3'22</td>
<td>61%</td>
</tr>
</tbody>
</table>

\(^1\)We define adjusted gross margin as GAAP revenue less adjusted cost of revenue, and as a percentage, divided by GAAP revenue. Adjusted cost of revenue excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In Q3 2022, non-recurring items included restructuring charges of $14 million. See Appendix for further detail.

### Adjusted Cost of Revenue\(^1\) Composition (in millions, unaudited)

- **Infrastructure Costs**
  - Q2'21: $182
  - Q3'21: $149
  - Q4'21: $143
  - Q1'22: $146
  - Q2'22: $162
  - Q3'22: $160

- **Content & Developer Partner Costs**
  - Q2'21: $74
  - Q3'21: $78
  - Q4'21: $87
  - Q1'22: $73
  - Q2'22: $76
  - Q3'22: $74

- **Advertising Partner & Other Costs**
  - Q2'21: $182
  - Q3'21: $202
  - Q4'21: $212
  - Q1'22: $194
  - Q2'22: $201
  - Q3'22: $212

### Total GAAP Cost of Revenue

- Q2'21: $437
- Q3'21: $429
- Q4'21: $442
- Q1'22: $413
- Q2'22: $438
- Q3'22: $446

### Total Non-GAAP Exclusions

- Q2'21: $8
- Q3'21: $14
- Q4'21: $8
- Q1'22: $8
- Q2'22: $8
- Q3'22: $21

Numbers throughout presentation may not foot due to rounding.


### Adjusted Operating Expense Margin and Adjusted Operating Expenses

#### Adjusted Operating Expense Margin

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2'21</th>
<th>Q3'21</th>
<th>Q4'21</th>
<th>Q1'22</th>
<th>Q2'22</th>
<th>Q3'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>56%</td>
<td>57%</td>
<td>59%</td>
<td>45%</td>
<td>40%</td>
<td>46%</td>
</tr>
</tbody>
</table>

- 10 PPT

#### Adjusted Operating Expenses Composition

(Private, unaudited)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Research and Development</th>
<th>Sales and Marketing</th>
<th>General and Administrative</th>
<th>Total Non-GAAP Exclusions</th>
<th>Total GAAP Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$427 $126 $134 $167</td>
<td>$464 $127 $156 $182</td>
<td>$530 $141 $189 $199</td>
<td>$586 $161 $212 $235</td>
<td>$665 $199 $212 $255</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$610 $174 $192 $244</td>
<td></td>
</tr>
</tbody>
</table>

1We define adjusted operating expense margin as GAAP revenue less adjusted operating expenses, and as a percentage, divided by GAAP revenue. Adjusted operating expenses excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In Q3 2022, non-recurring items included restructuring charges of $141 million. See Appendix for further detail.

Numbers throughout presentation may not foot due to rounding.
Net Income (Loss) & Adjusted EBITDA
(dollars in millions, unaudited)

ADJUSTED EBITDA WAS $73 MILLION IN Q3 2022
TRAILING TWELVE MONTHS ADJUSTED EBITDA WAS $471 MILLION

1We 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; payroll and other tax expense related to stock-based compensation; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In Q3 2022, non-recurring items included restructuring charges of $155 million. 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 Income (Loss) leverage as the year-over-year change in Net Income (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.

Numbers throughout presentation may not foot due to rounding.
### Diluted Net Income (Loss) Per Share &
Common Shares Outstanding Plus Shares Underlying Stock-Based Awards

*(in millions, except per share data, unaudited)*

#### Diluted Net Income (Loss) Per Share

<table>
<thead>
<tr>
<th>Period</th>
<th>Q2'21</th>
<th>Q3'21</th>
<th>Q4'21</th>
<th>Q1'22</th>
<th>Q2'22</th>
<th>Q3'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted</td>
<td>$(0.10)</td>
<td>$(0.05)</td>
<td>$(0.22)</td>
<td>$(0.22)</td>
<td>$(0.26)</td>
<td>$(0.22)</td>
</tr>
</tbody>
</table>

#### Common Shares Outstanding &
Underlying Stock-Based Awards

<table>
<thead>
<tr>
<th>Period</th>
<th>Q2'21</th>
<th>Q3'21</th>
<th>Q4'21</th>
<th>Q1'22</th>
<th>Q2'22</th>
<th>Q3'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>1,681</td>
<td>1,698</td>
<td>1,702</td>
<td>1,708</td>
<td>1,737</td>
<td>1,701</td>
</tr>
<tr>
<td>Underlying Awards</td>
<td>104</td>
<td>93</td>
<td>83</td>
<td>75</td>
<td>92</td>
<td>95</td>
</tr>
</tbody>
</table>

---

1. Diluted net income (loss) per share is calculated using weighted average shares outstanding during the period. Diluted net income per share in Q4 2021 includes 64 million shares in excess of weighted average shares outstanding during the period primarily related to unvested or unexercised stock-based awards.
2. We define Non-GAAP net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense, payroll and other tax expense related to stock-based compensation; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments. Non-GAAP net income (loss) and weighted average diluted shares are then used to calculate Non-GAAP diluted net income (loss) per share. See Appendix for reconciliation of diluted net income (loss) per share to non-GAAP diluted net income (loss) per share.
3. Shares underlying stock-based awards include restricted stock units, restricted stock awards, and outstanding stock options.
4. YoY change excluding exchange shares represents year-over-year change excluding shares issued as part of the induced conversions of convertible notes.
**Operating Cash Flow and Free Cash Flow**

*(in millions, unaudited)*

<table>
<thead>
<tr>
<th>Q2’21</th>
<th>Q3’21</th>
<th>Q4’21</th>
<th>Q1’22</th>
<th>Q2’22</th>
<th>Q3’22</th>
<th>Capex</th>
<th>YoY Change</th>
<th>FREE CASH FLOW 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(101)</td>
<td>$72</td>
<td>$186</td>
<td>$127</td>
<td>$56</td>
<td>$(124)</td>
<td>$(15)</td>
<td>$(116)</td>
<td>$((41)%</td>
</tr>
<tr>
<td>Q2’21</td>
<td>Q3’21</td>
<td>Q4’21</td>
<td>Q1’22</td>
<td>Q2’22</td>
<td>Q3’22</td>
<td>Capex</td>
<td>YoY Change</td>
<td>FREE CASH FLOW 1</td>
</tr>
<tr>
<td>$72</td>
<td>$186</td>
<td>$127</td>
<td>$56</td>
<td>$(124)</td>
<td>$(116)</td>
<td>$52</td>
<td>$161</td>
<td>$(147)</td>
</tr>
</tbody>
</table>

1We 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.

Numbers throughout presentation may not foot due to rounding.

**FREE CASH FLOW WAS $18 MILLION IN Q3 2022, WHICH INCLUDES THE IMPACT OF $53 MILLION CASH PAID FOR RESTRUCTURING ACTIVITIES**

*(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. Numbers throughout presentation may not foot due to rounding.)*
Financial Guidance

Given uncertainties related to the operating environment, we are not providing our expectations for revenue or adjusted EBITDA for the fourth quarter of 2022.
Appendix
Non-GAAP Financial Measures Reconciliation – Quarterly
(in thousands, unaudited)

### Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$(151,664)</td>
<td>$(71,963)</td>
<td>22,556</td>
<td>$(350,624)</td>
<td>$(422,067)</td>
<td>$(359,502)</td>
</tr>
<tr>
<td>Add (deduct):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,251)</td>
<td>(1,257)</td>
<td>(1,554)</td>
<td>(3,123)</td>
<td>(8,331)</td>
<td>(18,445)</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>(42,282)</td>
<td>(122,631)</td>
<td>63,204</td>
<td>77,537</td>
<td>16,910</td>
<td>(71,961)</td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>(1,876)</td>
<td>992</td>
<td>13,831</td>
<td>8,510</td>
<td>8,999</td>
<td>9,241</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>29,270</td>
<td>32,610</td>
<td>34,863</td>
<td>38,109</td>
<td>79,291</td>
<td>54,008</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>255,800</td>
<td>300,608</td>
<td>297,564</td>
<td>275,444</td>
<td>318,810</td>
<td>310,500</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll and other tax expense related to stock-based compensation</td>
<td>25,045</td>
<td>21,615</td>
<td>19,493</td>
<td>22,451</td>
<td>10,020</td>
<td>9,581</td>
</tr>
<tr>
<td>Adjusted EBITDA$^2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$117,403</td>
<td>$174,199</td>
<td>$328,793</td>
<td>$64,468</td>
<td>$7,190</td>
<td>$72,640</td>
</tr>
</tbody>
</table>

### Free Cash Flow Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$ (101,086)</td>
<td>$ 71,652</td>
<td>185,528</td>
<td>127,459</td>
<td>$(124,081)</td>
<td>$ 65,945</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>(14,023)</td>
<td>(19,836)</td>
<td>(24,565)</td>
<td>(21,175)</td>
<td>(23,370)</td>
<td>(37,856)</td>
</tr>
<tr>
<td>Free Cash Flow$^3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$(115,709)</td>
<td>$ 51,716</td>
<td>$ 160,963</td>
<td>$ 106,284</td>
<td>$(147,451)</td>
<td>$ 18,109</td>
</tr>
</tbody>
</table>

1 Restructuring charges in Q3 2022 were composed primarily of severance and related charges of $91 million, stock-based compensation expense, lease exit and related charges, impairment charges, and contract termination charges. These charges are non-recurring and not reflective of underlying trends in our business.

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

3 We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.

Numbers throughout presentation may not foot due to rounding.
1 We define Non-GAAP net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments. Non-GAAP net income (loss) and weighted average diluted shares are then used to calculate Non-GAAP diluted net income (loss) per share.

2 Prior to Q4 2021, weighted average shares used in computation of diluted EPS primarily excluded unvested or unexercised stock-based awards, Convertible Notes, and Capped Call shares as they were anti-dilutive. Since Q4 2021, weighted average common shares used in computation of diluted EPS excludes Convertible Notes and Capped Call shares as they are anti-dilutive.

Numbers throughout presentation may not foot due to rounding.
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 technical issues 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.

Note Regarding User Metrics and Other Data (Continued)