

**TWITTER, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except par value)

	December 31, 2017	December 31, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents.....	\$ 1,638,413	\$ 988,598
Short-term investments.....	2,764,689	2,785,981
Accounts receivable, net of allowance for doubtful accounts of \$5,430 and \$7,216 as of December 31, 2017 and December 31, 2016, respectively.....	664,268	650,650
Prepaid expenses and other current assets .....	254,514	226,967
Total current assets .....	5,321,884	4,652,196
Property and equipment, net .....	773,715	783,901
Intangible assets, net.....	49,654	95,334
Goodwill .....	1,188,935	1,185,315
Other assets .....	78,289	153,619
Total assets.....	<u>\$ 7,412,477</u>	<u>\$ 6,870,365</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable .....	\$ 170,969	\$ 122,236
Accrued and other current liabilities.....	327,333	380,937
Capital leases, short-term.....	84,976	80,848
Total current liabilities .....	583,278	584,021
Convertible notes.....	1,627,460	1,538,967
Capital leases, long-term .....	81,308	66,837
Deferred and other long-term tax liabilities, net.....	13,240	7,556
Other long-term liabilities .....	59,973	68,049
Total liabilities .....	2,365,259	2,265,430
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, \$0.000005 par value-- 200,000 shares authorized; none issued and outstanding .....	—	—
Common stock, \$0.000005 par value-- 5,000,000 shares authorized; 746,902 and 721,572 shares issued and outstanding as of December 31, 2017 and December 31, 2016, respectively .....	4	4
Additional paid-in capital.....	7,750,522	7,224,534
Accumulated other comprehensive loss .....	(31,579)	(69,253)
Accumulated deficit.....	(2,671,729)	(2,550,350)
Total stockholders' equity .....	5,047,218	4,604,935
Total liabilities and stockholders' equity.....	<u>\$ 7,412,477</u>	<u>\$ 6,870,365</u>

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended December 31,		
	2017	2016	2015
Revenue .....	\$ 2,443,299	\$ 2,529,619	\$ 2,218,032
Costs and expenses			
Cost of revenue .....	861,242	932,240	729,256
Research and development.....	542,010	713,482	806,648
Sales and marketing .....	717,419	957,829	871,491
General and administrative .....	283,888	293,276	260,673
Total costs and expenses .....	<u>2,404,559</u>	<u>2,896,827</u>	<u>2,668,068</u>
Income (loss) from operations .....	38,740	(367,208)	(450,036)
Interest expense .....	(105,237)	(99,968)	(98,178)
Other income (expense), net .....	(28,921)	26,342	14,909
Loss before income taxes .....	(95,418)	(440,834)	(533,305)
Provision (benefit) for income taxes .....	12,645	16,039	(12,274)
Net loss.....	<u>\$ (108,063)</u>	<u>\$ (456,873)</u>	<u>\$ (521,031)</u>
Net loss per share attributable to common stockholders:			
Basic .....	<u>\$ (0.15)</u>	<u>\$ (0.65)</u>	<u>\$ (0.79)</u>
Diluted.....	<u>\$ (0.15)</u>	<u>\$ (0.65)</u>	<u>\$ (0.79)</u>
Weighted-average shares used to compute net loss per share attributable to common stockholders:			
Basic .....	<u>732,702</u>	<u>702,135</u>	<u>662,424</u>
Diluted.....	<u>732,702</u>	<u>702,135</u>	<u>662,424</u>

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**TWITTER, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Year Ended December 31,		
	2017	2016	2015
<b>Cash flows from operating activities</b>			
Net loss .....	\$ (108,063)	\$ (456,873)	\$ (521,031)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization expense .....	395,867	402,172	312,823
Stock-based compensation expense .....	433,806	615,233	682,118
Amortization of discount on convertible notes .....	80,061	74,660	69,185
Changes in bad debt provision .....	586	3,958	5,765
Deferred income taxes .....	(6,415)	(4,775)	(28,125)
Impairment of investments in privately-held companies .....	62,439	4,000	—
Non-cash restructuring .....	2,260	25,934	(3,194)
Other adjustments .....	2,907	16,150	1,438
Changes in assets and liabilities, net of assets acquired and liabilities assumed from acquisitions:			
Accounts receivable .....	2,668	(22,969)	(216,585)
Prepaid expenses and other assets .....	(13,974)	7,101	(50,170)
Accounts payable .....	8,371	(7,112)	76,355
Accrued and other liabilities .....	(29,304)	105,576	54,487
Net cash provided by operating activities .....	<u>831,209</u>	<u>763,055</u>	<u>383,066</u>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment .....	(160,742)	(218,657)	(347,280)
Proceeds from sales of property and equipment .....	2,783	—	—
Purchases of marketable securities .....	(2,687,214)	(2,908,611)	(3,683,488)
Proceeds from maturities of marketable securities .....	2,579,747	2,518,631	2,821,745
Proceeds from sales of marketable securities .....	124,826	183,154	383,413
Proceeds from sales of long-lived assets .....	35,000	—	—
Changes in restricted cash .....	3,594	(4,760)	(3,549)
Purchases of investments in privately-held companies .....	(825)	(81,502)	(10,500)
Business combinations, net of cash acquired .....	—	(85,082)	(51,644)
Other investing activities .....	(10,101)	(1,181)	(11,118)
Net cash used in investing activities .....	<u>(112,932)</u>	<u>(598,008)</u>	<u>(902,421)</u>
<b>Cash flows from financing activities</b>			
Taxes paid related to net share settlement of equity awards .....	(8,962)	(15,598)	(11,101)
Payments of capital lease obligations .....	(102,775)	(100,558)	(117,535)
Proceeds from exercise of stock options .....	9,444	7,540	17,361
Proceeds from issuances of common stock under employee stock purchase plan .....	23,920	24,431	39,295
Other financing activities .....	—	210	8,982
Net cash used in financing activities .....	<u>(78,373)</u>	<u>(83,975)</u>	<u>(62,998)</u>
Net increase (decrease) in cash and cash equivalents .....	639,904	81,072	(582,353)
Foreign exchange effect on cash and cash equivalents .....	9,911	(3,945)	(16,900)
Cash and cash equivalents at beginning of period .....	988,598	911,471	1,510,724
Cash and cash equivalents at end of period .....	<u>\$ 1,638,413</u>	<u>\$ 988,598</u>	<u>\$ 911,471</u>
<b>Supplemental cash flow data</b>			
Interest paid in cash .....	\$ 13,990	\$ 12,953	\$ 15,985
Taxes paid in cash .....	\$ 16,216	\$ 14,532	\$ 8,229
<b>Supplemental disclosures of non-cash investing and financing activities</b>			
Common stock issued in connection with acquisitions .....	\$ —	\$ 1,341	\$ 516,538
Equipment purchases under capital leases .....	\$ 123,235	\$ 100,281	\$ 31,215
Changes in accrued property and equipment purchases .....	\$ 16,387	\$ 5,738	\$ 3,902

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