

Risk Factors Comparison 2023-05-24 to 2022-05-25 Form: 10-K

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Our business is subject to many risks and uncertainties, which may affect our future financial performance. In the past, we have experienced certain of the events and circumstances described below, which adversely impacted our business and financial performance. If any of the events or circumstances described below occur, our business or financial performance could be harmed, our actual results could differ materially from our expectations and the market value of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe could be material that may harm our business or financial performance. STRATEGIC RISKS Our business is intensely competitive. We may not deliver successful and engaging products and services, or consumers may prefer our competitors' products or services over our own. Competition in our business is intense. Many new products and services are regularly introduced, but only a relatively small number of products and associated services drive significant engagement and account for a significant portion of total revenue. Our competitors range from established interactive entertainment companies to emerging start-ups. In addition, the gaming, technology / internet, and entertainment industries have converged in recent years and larger, well-funded technology companies have strengthened their interactive entertainment capabilities resulting in more direct competition with us. We expect them to continue to pursue and strengthen these businesses. Their greater financial and other resources may provide larger budgets to recruit our key creative and technical talent, develop and market products and services that gain consumer success and shift player time and engagement away from our products and services, or otherwise disrupt our operations. We also expect new competitors to continue to emerge throughout the world. If our competitors develop more successful and engaging products or services, offer competitive products or services at lower price points, or if we do not continue to develop consistently high-quality, well-received and engaging products and services, or if our marketing strategies are not innovative or fail to resonate with players, particularly during key selling periods, our revenue, margins, and profitability will decline. We strive to create innovative and high-quality products and services that allow us to **grow the global online build-on-going and meaningful relationships with our community communities around our key franchises and reach more players**. However, innovative and high-quality titles, even if highly-reviewed, may not meet our expectations or the expectations of our players. Many financially successful products and services within our industry are iterations of prior titles with large established consumer bases and significant brand recognition, which makes competing in certain categories challenging. In addition, products or services of our direct competitors or other entertainment companies may take a larger portion of consumer spending or time than we anticipate, which could cause our products and services to underperform relative to our expectations. A significant portion of our revenue historically has been derived from products and services based on a few popular franchises, and the underperformance of a single major title has had, and could in the future have, a material adverse impact on our financial results. For example, we have historically derived a significant portion of our net revenue from sales related to our global football franchise, annualized versions of which are consistently one of the best-selling games in the marketplace. Any events or circumstances that negatively impact our global football franchise, **including Ultimate Team**, such as product or service quality, our transition to a new EA SPORTS FC brand, other products that take a portion of consumer spending and time, the delay or cancellation of a product or service launch, increased competition for key licenses, or real or perceived security risks, could negatively impact our financial results to a disproportionate extent. ~~The increased importance of live services, including extra content, to our business heightens the risks associated with the products for which such live services are offered. Live services that are either poorly received or provided in connection with underperforming games may generate lower than expected sales. Any lapse, delay or failure in our ability to provide high-quality live services content to consumers over an extended period of time could materially and adversely affect our financial results, consumer engagement with our live services, and cause harm to our reputation and brand. Our most popular live services are the extra content available for the Ultimate Team mode associated with our sports franchises and extra content purchased within Apex Legends. Any events or circumstances that negatively impact our ability to reliably provide content or sustain engagement for Ultimate Team, particularly FIFA Ultimate Team, or Apex Legends, would negatively impact our financial results to a disproportionate extent. We may not meet our product and live service development schedules and key events, sports seasons and / or movies that are tied to our product and live service release schedule may be delayed, cancelled or poorly received.~~ Our ability to meet product and live service development schedules is affected by a number of factors both within and outside our control, including feedback from our players, the creative processes involved, the coordination of large and sometimes geographically dispersed development teams, **evolving work models**, the complexity of our products and the platforms for which they are developed, the need to fine-tune our products prior to their release, ~~factors related to the COVID-19 pandemic~~, and, in certain cases, approvals from third parties. We have experienced development delays for our products and services in the past which caused us to delay or cancel release dates. Any failure to meet anticipated production or release schedules likely would result in a delay of revenue and / or possibly a significant shortfall in our revenue, increase our development and / or marketing expenses, harm our profitability, and cause our operating results to be materially different than anticipated. If we miss key selling periods for products or services, ~~particularly the fiscal quarter ending in December, for any reason~~, including product delays or product cancellations our sales likely will suffer significantly. ~~We also seek to release certain products and extra content for our live services such as our sports franchises and the associated Ultimate Team live service in conjunction with key events, such as the beginning of a sports season, events associated with the sports calendar, or the release of a related movie. If such seasons or events were delayed, cancelled or poorly received, our business and operating~~

results could be materially adversely affected. Our industry changes rapidly and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services. Rapid changes in our industry require us to anticipate, sometimes years in advance, the ways in which our business can remain competitive in the market. We have invested, and in the future may invest, in new business and marketing strategies, tools and technologies, distribution methods, products, and services. There can be no assurance that these strategic investments will achieve expected returns. For example, we are investing in our mobile business through seeking to maximize our mobile live services, meaningfully expanding key franchises on the mobile platform and through mergers and acquisitions activity. Successfully monetizing mobile games is difficult and requires that we deliver valuable and entertaining player experiences that engage significant number of players or that we are able to otherwise monetize our mobile games. The success of our mobile games depends, in part, on unpredictable and volatile factors beyond our control including consumer preferences, competing games, new mobile platforms and the availability of other entertainment experiences. Such endeavors involve significant risks and uncertainties. No assurance can be given that the tools and technology we choose to implement, the business and marketing strategies we choose to adopt and the products, services and platform strategies that we pursue will achieve financial results that meet or exceed our expectations. Our reputation and brand could also be adversely affected. We also may miss opportunities or fail to respond quickly enough to industry change, including the adoption of tools and technology or distribution methods or develop products, services or new ways to engage with our games that become popular with consumers, which could adversely affect our financial results. Our product and service development process usually starts with particular platforms and distribution methods in mind, and a range of technical development, feature and ongoing goals that we hope to be able to achieve. We may not be able to achieve these goals, or our competition may be able to achieve them more quickly and in a way that better engages consumers. In either case, our products and services may be technologically inferior to those of our competitors, less appealing to consumers, or both. If we cannot achieve our goals within the original development schedule for our products and services, then we may delay their release until these goals can be achieved, which may delay or reduce revenue and increase our development expenses. Alternatively, we may increase the resources employed in research and development in an attempt to accelerate our development of new technologies, either to preserve our product or service launch schedule or to keep up with our competition, which would increase our development expenses. Stakeholders have high expectations for the quality and integrity of our business, culture, products and services. We and we may be unsuccessful in meeting these expectations or make business decisions to meet these expectations that impact our short-term financial results. Expectations regarding the quality, performance and integrity of our business, brand, reputation, culture, products and services are high. Players and other stakeholders have sometimes been critical of our industry, brands, products, services, online communities, business models and / or practices for a wide variety of reasons, including perceptions about gameplay fun, fairness, game content, features or services, or objections to certain of our practices. These negative responses may not be foreseeable. We also may not effectively manage our responses because of reasons within or outside of our control. For example, we have included in certain games the ability for players to purchase digital items, including in some instances virtual “packs”, “boxes” or “crates” that contain variable digital items. The inclusion of variable digital items in certain games has attracted the attention of our community and if the future implementation of these features creates a negative perception of gameplay fairness or other negative perceptions, our reputation and brand could be harmed and revenue could be negatively impacted. In addition, we have taken actions, including delaying the release of our games and delaying or discontinuing content, features and services for our games, after taking into consideration, among other things, feedback from our community or geopolitical events even if those decisions negatively impacted our operating results in the short term. For example, in response to the current conflict in Ukraine, we stopped sales of our games and content in Russia and Belarus, worked with our platform partners to remove our games and live services from their stores, and took other actions. These actions have had a negative impact on our financial results and may impact our future development processes. We expect to continue to take actions as appropriate, including actions that may result in additional expenditures and the loss of revenue. We aim to offer our players fun, fair and safe environments in which to play and invest in, and deploy, tools and technologies to promote positive play and facilitate players’ faith in their gameplay experience. Although we expend resources, and expect to continue to expend resources, to promote positive play, our efforts may not be successful due to scale, limitations of existing technologies or other factors. If our efforts are unsuccessful, negative sentiment about our business may increase and our brand and reputation may be harmed, scrutiny from governmental bodies and consumer groups may occur, and our financial and operating results may be adversely impacted. Certain of our games and features on our platforms support online features that allow players and viewers to communicate with one another and post content, in real time, that is visible to other players and viewers. From time to time, this “user generated content” may contain objectionable and offensive content that is distributed and disseminated by third parties and our brands may be negatively affected by such actions. If we fail to appropriately respond to the dissemination of such content, we may be subject to lawsuits and governmental regulation, our players may not engage with our products and services and / or may lose confidence in our brands and our financial results may be adversely affected bugs. Additionally, or our errors. Our products and services are extremely complex software programs and are difficult to develop and distribute. We have quality controls in place to detect defects, bugs or other errors in our products and services before they are released. Nonetheless, these quality controls are subject to human error, overriding, and resource or technical constraints. In addition, the effectiveness of our quality controls and preventative measures may be negatively affected by the distribution of our workforce resulting from evolving work models the COVID-19 pandemic. As such, these quality controls and preventative measures may not be effective in detecting all defects, bugs or errors in our products and services before they have been released into the marketplace. In such an event, the technological reliability and stability of our products and services could be below our standards and the standards of our players and our reputation, brand and sales could be adversely affected. In addition, we could be required to, or may find it necessary to, offer a refund for the product or service, suspend the availability or sale of the product or service or expend significant resources to cure the defect, bug

or error each of which could significantly harm our business **and operating results**. External game developers may not meet product development schedules or otherwise honor their obligations. We contract with external game developers to develop our games or to publish or distribute their games. While we maintain contractual protections, we have less control over the product development schedules of games developed by external developers. We depend on their ability to meet product development schedules which could be negatively affected by, among other things, distributed workforce models. ~~In addition, disputes occasionally arise with external developers, including with respect to game content, launch timing, achievement of certain milestones, the game development timeline, marketing campaigns, contractual terms and interpretation.~~ If we have disputes with external developers or they cannot meet product development schedules, acquire certain approvals or are otherwise unable or unwilling to honor their obligations to us, we may delay or cancel previously announced games, alter our launch schedule or experience increased costs and expenses, which could result in a delay or significant shortfall in anticipated revenue, harm our profitability and reputation, and cause our financial results to be materially affected. Our business depends on the success and availability of consoles, **systems platforms** and devices developed by third parties and our ability to develop commercially successful products and services for those consoles, **systems platforms** and devices. The success of our business is driven in part by the commercial success and adequate supply of third- party consoles, **systems platforms** and devices for which we develop our products and services or through which our products and services are distributed. Our success depends in part on accurately predicting which consoles, **systems platforms** and devices will be successful in the marketplace and providing engaging and commercially successful games and services for those consoles, **systems platforms** and devices. We must make product development decisions and commit significant resources well in advance of the commercial availability of new consoles, **systems platforms** and devices, and we may incur significant expense to adjust our product portfolio and development efforts in response to changing consumer preferences. We may enter into certain exclusive licensing arrangements that affect our ability to deliver or market products or services on certain consoles, **systems platforms** or devices. A console, **system platform** or device for which we are developing products and services may not succeed as expected and we may be unable to fully recover the investments we have made in developing our products and services; or new consoles, **systems platforms** or devices may take market share away from those for which we have devoted significant resources, causing us to not be able to reach our intended audience and take advantage of meaningful revenue opportunities. ~~In fiscal year 2021, our key console partners Sony and Microsoft each released new generation consoles. In periods of transition, sales of products for legacy generation consoles typically slow or decline in response to the introduction of new consoles, and sales of products for new generation consoles typically stabilize only after new consoles are widely established with the consumer base. This console transition may have a comparable impact on our live services business, potentially increasing the impact on our financial results. The transition could accelerate faster or slower than we expect. For example, production of new generation consoles from Sony and Microsoft has been slower than expected because of semiconductor chip shortages and global supply chain disruptions. We do not control the unit volumes of consoles made available for sale, the pricing or appeal of new generation consoles, or the rates at which consumers purchase these consoles. For a period of time, we will also develop, market and operate games and services on both legacy and new generation consoles simultaneously. As a result of these factors, our operating results during console transitions may be more volatile and difficult to predict.~~ We may experience declines or fluctuations in the re- occurring portion of our business. Our business model includes revenue that we deem re- occurring in nature, such as revenue from our **live services**, annualized sports franchises (e. g., Madden NFL, global football), **and** our console, PC and mobile catalog titles (i. e., titles that did not launch in the current fiscal year) , **and our live services**. While we have been able to forecast the revenue from these areas of our business with greater relative confidence than for new games, services and business models, we cannot provide assurances that consumer demand will remain consistent, including in connection with circumstances outside of our control. Furthermore, we may cease to offer games and services that we previously had deemed to be re- occurring in nature. ~~Consumer demand has declined and fluctuated, and could in the future decline or fluctuate, as a result of a number of factors, including their level of satisfaction with our games and services, our ability to improve and innovate our annualized titles, our ability to adapt our games and services to new distribution channels and business models, outages and disruptions of online services, the games and services offered by our competitors, our marketing and advertising efforts or declines in consumer activity generally as a result of economic downturns, among others. The reception to our sports games also depends, in part, on the popularity, reputation and brand of the leagues, organizations and individual athletes with whom we partner. Events and circumstances outside of our control that have a negative impact on the accessibility, popularity, reputation and brand of these partners has impacted, and could in the future negatively impact, sales related to our annualized sports games.~~ Any decline or fluctuation in the re- occurring portion of our business may have a negative impact on our financial and operating results. We could fail to successfully adopt new business models. From time to time we seek to establish and implement new business models. Forecasting the success of any new business model is inherently uncertain and depends on a number of factors both within and outside of our control. Our actual revenue and profit for these businesses may be significantly greater or less than our forecasts. In addition, these new business models could fail, resulting in the loss of our investment in the development and infrastructure needed to support these new business models, as well as the opportunity cost of diverting management and financial resources away from more successful and established businesses . ~~For example, we have devoted financial and operational resources to our subscription offerings without any assurance that these businesses will be financially successful.~~ While we anticipate growth in this area of our business, consumer demand is difficult to predict. Any failure to successfully implement new business models could materially impact our financial and operating results. Acquisitions, investments, divestitures and other strategic transactions could result in operating difficulties and other negative consequences. We have made and may continue to make acquisitions or enter into other strategic transactions including (1) acquisitions of companies, businesses, intellectual properties, and other assets, (2) investments in, or transactions with, strategic partners, and (3) investments in new businesses as part of our long- term business strategy. These acquisitions and other transactions involve significant challenges and risks including that the

transaction does not advance our business strategy or strategic goals, that we do not realize a satisfactory return on our investment or cannot realize anticipated tax benefits, that we acquire liabilities and / or litigation from acquired companies or liabilities and / or litigation results from the transactions, that our due diligence process does not identify significant issues, liabilities or other challenges, diversion of management' s attention from our other businesses, and the incurrence of debt, contingent liabilities or amortization expenses, write- offs of goodwill, intangibles, or acquired in- process technology, or other increased cash and non- cash expenses. In addition, we may not integrate these businesses successfully or achieve expected synergies .~~For example, we may experience difficulties and costs associated with the integration of business systems and technologies, and acquired products and services, the integration and retention of new employees, the implementation of our internal control and compliance procedures and / or the remediation of the internal control and compliance environment of the acquired entity, or the maintenance of key business and customer relationships. These events could harm our operating results or financial condition.~~ We may fund strategic transactions with (1) cash, which would reduce cash available for other corporate purposes, (2) debt, which would increase our interest expense and leverage and / or (3) equity which would dilute current shareholders' percentage ownership and also dilute our earnings per share. We also may divest or sell assets or a business and we may have difficulty selling such assets or business on acceptable terms in a timely manner. This could result in a delay in the achievement of our strategic objectives, cause us to incur additional expense, or the sale of such assets or business at a price or on terms that are less favorable than we anticipated. We may be unable to maintain or acquire licenses to include intellectual property owned by others in our games, or to maintain or acquire the rights to publish or distribute games developed by others. Many of our products and services are based on or incorporate intellectual property owned by others. For example, our EA Sports products include rights licensed from major sports leagues, teams and players' associations and our Star Wars products include rights licensed from Disney. Competition for these licenses and rights is intense. If we are unable to maintain these licenses and rights or obtain additional licenses or rights with significant commercial value, our ability to develop successful and engaging products and services may be adversely affected and our revenue, profitability and cash flows may decline significantly. Other competitors may assume certain licenses and create competing products, impacting our sales. Competition for these licenses has increased, and may continue to increase, the amounts that we must pay to licensors and developers, through higher minimum guarantees or royalty rates, which could significantly increase our costs and reduce our profitability. Our business partners may **not be unable to** honor their obligations to us or their actions may put us at risk. We rely on various business partners, including platform partners, third- party service providers, vendors, licensing partners, development partners and licensees. Their actions may put our business and our reputation and brand at risk. ~~For example, we may have disputes with our business partners that may impact our business and / or financial results.~~ In many cases, our business partners may be given access to sensitive and proprietary information in order to provide services and support, and they may misappropriate our information and engage in unauthorized use of it. In addition, the failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to our business operations. Further, disruptions in the financial markets, economic downturns, poor business decisions, or reputational harm may adversely affect our business partners and they may not be able to continue honoring their obligations to us or we may cease our arrangements with them. Alternative arrangements and services may not be available to us on commercially reasonable terms or we may experience business interruptions upon a transition to an alternative partner or vendor. ~~If we lose one or more significant business partners, our business could be harmed and our financial results could be materially affected.~~ **OPERATIONAL RISKS** **Events such as the COVID- 19 pandemic and the various responses to it have previously affected and may in the future affect how we are operating our business. We are subject to unforeseen events such as the COVID- 19 pandemic, which has significantly impacted, and may in the future impact, our business and results of operations.** The COVID- 19 pandemic and the various responses to it have affected how we are operating our business and the duration and extent to which this will impact our future operations and financial results is uncertain. The COVID- 19 pandemic and the various responses to it have affected how we and our partners are operating our businesses and, **As we** have affected our operating results. The duration and extent to which this will impact our future operations and results remains uncertain. We have established and continue to maintain, protocols to promote the health and safety of our workforce and business partners. We are beginning to re- open **opened** our office **offices** locations and resume business travel as it is appropriate to do so , consistent with the health and safety of our employees and in compliance with any local legal restrictions or requirements. The reintroduction of employees to the workplace could introduce operational risk, negatively impact productivity, and give rise to claims by employees or otherwise adversely affect our business. As we begin to re **are** -open our offices, employees may be offered more flexibility in the amount of time they work in an office . **Further** , which may adversely impact the productivity **increased availability** of certain **hybrid or remote working arrangements has expanded the pool of companies that can compete for our** employees **and employment candidates** . The long- term effects of the COVID- 19 pandemic on the future of work **are not certain and** may present operational challenges and impact our ability to attract and retain talent, and our teams' ability to collaborate creatively, each of which may adversely affect our business. Certain of our development teams have worked for an extended period in a distributed environment, whereas these teams historically collaborated in- person on the creative and technical process required to develop high- quality products and services at scale. This has disrupted, and may continue to disrupt, the productivity of our workforce and the creative process to which our teams are accustomed. Companies in our industry have experienced issues related to game and service quality **associated with the period** during **the current which employees primarily work worked** - from- home period , and we have changed the launch date of key products **in part** because of challenges associated with a distributed development environment. **The** In addition, the longer- term impact to our creative and technical development processes **associated with more distributed work models** is unknown and the associated risks, including with respect to game quality and developmental delays, which may cause us to delay or cancel additional release dates, may be heightened ~~as the work- from- home period persists.~~ **The extent of the impact of**

the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the duration and spread of the pandemic, future waves of COVID-19 infections and variants, the extent, speed and effectiveness of worldwide containment and vaccination efforts and the impact of these and other factors on our employees, customers, partners and vendors. If we are not able to flexibly respond to and manage the impact of these and other currently unknown impacts related to **events such as** the COVID-19 pandemic, our business will be harmed. ~~To the extent that the COVID-19 pandemic harms our business and results of operations, many of the other risks described in this “Risk Factors” section may be heightened.~~ Catastrophic events may disrupt our business. Natural disasters, cyber- incidents, weather events, wildfires, power disruptions, telecommunications failures, pandemics, health crises and other public health events, failed upgrades of existing systems or migrations to new systems, acts of terrorism or other events could cause outages, disruptions and / or degradations of our infrastructure (including our or our partners’ information technology and network systems), a failure in our ability to conduct normal business operations, or the closure of public spaces in which players engage with our games and services **all of which could materially impact our reputation and brand, financial condition and operating result**. The health and safety of our employees, players, third- party organizations with whom we partner, or regulatory agencies on which we rely could be also affected, any of which may prevent us from executing against our business strategies and / or cause a decrease in consumer demand for our products and services. We recognize the inherent physical risks associated with climate change. **Our business relies on the reliable transmission of energy worldwide and is susceptible to weather- related events that could stress the power grid.** Natural disasters and weather events **linked to climate change, such as wildfires and hurricanes,** are increasing in size and scope and certain of our office locations are located in areas that are vulnerable to **these climate change effects** - Climate- related events and their impact on critical infrastructure in areas in which we do business have the potential to disrupt our business and operations, and / or the businesses and operations of our partners, and may cause us to incur additional costs to maintain or resume operations. System redundancy may be ineffective, and our disaster recovery and business continuity planning may not be sufficient for all eventualities. **Such failures. In addition, disruptions, closures, or our inability to conduct normal business operations could also prevent access to our products, services or online stores selling our products and services; cause delay or interruption in our product or live services offerings, allow breaches of data security or result in the loss of critical data.** Our corporate headquarters and several of our key studios also are located in seismically active regions. **An- These catastrophic event- events could that results in the disruption--- disrupt or our degradation of any of our critical business and functions or information technology systems, harms our ability to conduct normal business operations, and / or the businesses and operations of or our partners and may** causes- **cause a decrease in consumer demand- us to incur additional costs to maintain for- or resume** our products and services could materially impact our reputation and brand, financial condition and operating operations results. We have and may continue to experience security breaches and cyber threats. The integrity of our and our partners’ information technology networks and systems is critical to our ongoing operations, products, and services. Our industry is prone to, and our systems and networks are subject to actions by malicious actors, which may include individuals or groups, including state- sponsored attackers. These actions include cyber- attacks, including ransomware, and other information security incidents that seek to exploit, disable, damage, and / or disrupt our networks, business operations, products and services and supporting technological infrastructure, or gain access to consumer and employee personal information, our intellectual property and other assets. In addition, our systems and networks could be harmed or improperly accessed due to error by employees or third parties that are authorized to access these networks and systems. We also rely on technological infrastructure provided by third- party business partners to support the online functionality of our products and services, who are also subject to these same cyber risks. Both our partners and we have expended, and expect to continue to expend, financial and operational resources to guard against cyber risks and to help protect our data and systems. However, the techniques used by malicious actors change frequently, continue to evolve in sophistication and volume, and often are not detected for long periods of time. **As a result of the COVID-19 pandemic, remote Remote** access to our networks and systems, and the networks and systems of our partners, has increased substantially. ~~We expect to resume operations in our offices under a hybrid work model where our workforce will spend a portion of their time working in offices and a portion of time working remotely.~~ While we and our partners have taken steps to secure our networks and systems, these networks and systems may be more vulnerable to a successful cyber- attack or information security incident in **this a** hybrid working model. The costs to respond to, mitigate, and / or notify affected parties of cyber- attacks and other security vulnerabilities are significant. It may also be necessary for us to take additional extraordinary measures and make additional expenditures to take appropriate responsive and preventative steps - **In addition, such events could compromise the confidentiality, integrity, or accessibility of these networks and systems or result in the compromise or loss of the data, including personal data, processed by these systems.** Consequences of such events, responsive measures and preventative measures have included, and could in the future include, the loss of proprietary and personal data and interruptions or delays in our business operations, exploitation of our data, as well as loss of player confidence and damage to our brand and reputation, financial expenses and financial loss. In addition, such events could cause us to be non-compliant with applicable regulations, and subject us to legal claims or penalties under laws protecting the privacy or security of personal information or proprietary material information. We have experienced such events in the past and expect future events to occur. In addition, the virtual economies that we have established in many of our games are subject to abuse, exploitation and other forms of fraudulent activity that can negatively impact our business. Virtual economies involve the use of virtual currency and / or virtual assets that can be used or redeemed by a player within a particular game or service. The abuse or exploitation of our virtual economies have included the illegitimate or unauthorized generation and sale of virtual items, including in black markets. Our online services have been impacted by in- game exploits and the use of automated or other fraudulent processes designed to generate virtual items or currency illegitimately or to execute account takeover attacks against our players. We anticipate such activity to continue. These abuses and exploits, and the steps that we take to address these abuses and exploits may result in a loss of anticipated revenue, increased costs to protect against or remediate these issues, interfere with players’

enjoyment of a balanced game environment or cause harm to our reputation and brand. We may experience outages, disruptions or degradations in our services, products and / or technological infrastructure. The reliable performance of our products and services depends on the continuing operation and availability of our information technology systems and those of our external service providers, including third- party “ cloud ” computing services. Our games and services are complex software products and maintaining the sophisticated internal and external technological infrastructure required to reliably deliver these games and services is expensive and complicated. The reliable delivery and stability of our products and services has been, and could in the future be, adversely impacted by outages, disruptions, failures or degradations in our network and related infrastructure, as well as in the online platforms or services of key business partners that offer, support or host our products and services. ~~In addition, the supply chain of hardware needed to maintain this technological infrastructure has been disrupted and geopolitical events, including the Russian invasion of Ukraine and any indirect effects, may further complicate existing supply chain constraints.~~ The reliability and stability of our products and services has been affected by events outside of our control as well as by events within our control, such as the migration of data among data centers and to third- party hosted environments, the performance of upgrades and maintenance on our systems, and online demand for our products and services that exceeds the capabilities of our technological infrastructure. If we or our external business partners were to experience an event that caused a significant system outage, disruption or degradation or if a transition among data centers or service providers or an upgrade or maintenance session encountered unexpected interruptions, unforeseen complexity or unplanned disruptions, our products and services may not be available to consumers or may not be delivered reliably and stably. As a result, our reputation and brand may be harmed, consumer engagement with our products and services may be reduced, and our revenue and profitability could be negatively impacted. We do not have redundancy for all our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities. As our digital business grows, we will require an increasing amount of internal and external technical infrastructure, including network capacity and computing power to continue to satisfy the needs of our players. We are investing, and expect to continue to invest, in our own technology, hardware and software and the technology, hardware and software of external service providers to support our business. It is possible that we may fail to scale effectively and grow this technical infrastructure to accommodate increased demands, which may adversely affect the reliable and stable performance of our games and services, therefore negatively impacting engagement, reputation, brand and revenue growth. Attracting, managing and retaining our talent is critical to our success. Our business depends on our ability to attract, train, motivate and retain executive, technical, creative, marketing and other personnel that are essential to the development, marketing and support of our products and services. The market for highly- skilled workers and leaders in our industry is extremely competitive, particularly in the geographic locations in which many of our key personnel are located and has recently intensified further due to industry trends. In addition, our leading position within the interactive entertainment industry makes us a prime target for recruiting our executives, as well as key creative and technical talent. ~~We strive to provide a workplace culture that is diverse, equitable, inclusive and safe and have invested in policies, practices, tools and people in this regard.~~ If we cannot successfully recruit, train, motivate, **attract** and retain qualified employees, develop and maintain a **healthy culture** ~~diverse, equitable, inclusive and safe work environment~~, or replace key employees following their departure, our reputation ~~and~~, brand **and culture** may be negatively impacted and our ~~ability to develop and manage our~~ business will be impaired. **Our global workforce is primarily non- unionized, but we have unions and works councils outside of the United States. In the U. S., there has been an increase in prominence in certain sectors of workers exercising their right to form or join a union. If significant employee populations were to unionize, we could experience operational changes that may materially impact our business.** We rely on the consoles, systems and devices of partners who have significant influence over the products and services that we offer in the marketplace. A significant percentage of our digital net revenue is attributable to sales of products and services through our significant partners, including Sony, Microsoft, Apple and Google. The concentration of a material portion of our digital sales in these partners exposes us to risks associated with these businesses. Any deterioration in the businesses of our significant partners could disrupt and harm our business, including by limiting the methods through which our digital products and services are offered and exposing us to collection risks. In addition, our license agreements typically provide these partners with significant control over the approval and distribution of the products and services that we develop for their consoles, systems and devices. For products and services delivered via digital channels, each respective partner has policies and guidelines that control the promotion and distribution of these titles and the features and functionalities that we are permitted to offer through the channel. Our partners could choose to exclude our products and services from, or de- emphasize the promotion of our products and services within, some or all of their distribution channels in order to promote their own products and services or those of our competitors. In addition, we are dependent on these partners to invest in, and upgrade, the capabilities of their systems in a manner that corresponds to the preferences of consumers. Failure by these partners to keep pace with consumer preferences could have an adverse impact on the engagement with our products and services and our ability to merchandise and commercialize our products and services which could harm our business and / or financial results. Moreover, certain significant partners can determine and change unilaterally certain key terms and conditions, including the ability to change their user and developer policies and guidelines. In many cases these partners also set the rates that we must pay to provide our games and services through their online channels, and retain flexibility to change their fee structures or adopt different fee structures for their online channels, which could adversely impact our costs, profitability and margins. These partners also control the information technology systems through which online sales of our products and service channels are captured. If our partners establish terms that restrict our offerings, significantly impact the financial terms on which these products or services are offered to our customers, or their information technology systems experience outages that impact our players’ ability to access our games or purchase extra content or cause an unanticipated delay in reporting, our business and / or financial results could be materially affected. A significant portion of our packaged goods sales are made to a relatively small number of retail and distribution partners, and these sales may be disrupted. We derive a significant percentage

of our net revenue attributable to sales of our packaged goods products to our top retail and distribution partners. The concentration of a significant percentage of these sales through a few large partners could lead to a short-term disruption to our business if certain of these partners significantly reduced their purchases or ceased to offer our products. The financial position of certain partners has deteriorated and while we maintain protections such as monitoring the credit extended to these partners, we could be vulnerable to collection risk if one or more of these partners experienced continued deterioration of their business or declared bankruptcy. Additionally, receivables from these partners generally increase in our December fiscal quarter as sales of our products generally increase in anticipation of the holiday season which exposes us to heightened risk at that time of year. Having a significant portion of our packaged goods sales concentrated in a few partners could reduce our negotiating leverage with them. If one or more of these partners experience deterioration in their business or become unable to obtain sufficient financing to maintain their operations, our business could be harmed. **The products or services we release may..... harm our business and operating results.**

LEGAL AND COMPLIANCE RISKS Our business is subject to complex and prescriptive regulations regarding consumer protection and data privacy practices, and could be adversely affected if our consumer protection, data privacy and security practices are not adequate, or perceived as being inadequate. We are subject to global data privacy, data protection, ~~localization,~~ security and consumer- protection laws and regulations worldwide. These laws and regulations are emerging and evolving and the interpretation ~~and,~~ application **and enforcement** of these laws and regulations often are uncertain, contradictory and changing. The failure to maintain data practices that are compliant with applicable laws and regulations, or evolving interpretations of applicable laws and regulations, could result in inquiries from enforcement agencies or direct consumer complaints, resulting in civil or criminal penalties, and could adversely impact our reputation and brand. In addition, the operational costs of compliance with these regulations is high and will likely continue to increase. Even if we remain in ~~strict~~ compliance with applicable laws and regulations, consumer sensitivity to the collection and processing of their personal information continues to increase. Any real or perceived failures in maintaining acceptable data privacy practices, including allowing improper or unauthorized access, acquisition or misuse and / or uninformed disclosure of consumer, employee and other information, or a perception that we do not adequately secure this information or provide consumers with adequate notice about the information that they authorize us to collect and disclose could result in brand, reputational, or other harms to the business, result in costly remedial measures, deter current and potential customers from using our products and services and cause our financial results to be materially affected. Third party vendors and business partners receive access to certain information that we collect. These vendors and business partners may not prevent data security breaches with respect to the information we provide them or fully enforce our policies, contractual obligations and disclosures regarding the collection, use, storage, transfer and retention of personal data. A data security breach of one of our vendors or business partners could cause reputational and financial harm to them and us, negatively impact our ability to offer our products and services, and could result in legal liability, costly remedial measures, governmental and regulatory investigations, harm our profitability, reputation and brand, and / or cause our financial results to be materially affected. ~~We also are subject to payment card association rules and obligations pursuant to contracts with payment card processors. Under these rules and obligations, if information is compromised, we could be liable to payment card issuers for the cost of associated expenses and penalties. In addition, if we fail to follow payment card industry security standards, even if no consumer information is compromised, we could incur significant fines or experience a significant increase in payment card transaction costs.~~ Government regulations applicable to us may negatively impact our business. We are a global company subject to various and complex laws and regulations domestically and internationally, including laws and regulations related to consumer protection, protection of minors, online safety, content, advertising, ~~localization,~~ information security, intellectual property, competition, sanctions ~~, addressing climate change,~~ taxation, and employment, among others. Many of these laws and regulations are continuously evolving and developing, and the application to, and impact on, us is uncertain. **Enforcement of These-these** laws could harm our business by limiting the products and services we can offer consumers or the manner in which we offer them. The costs of compliance with these laws may increase in the future as a result of changes in applicable laws or changes to interpretation. Any failure on our part to comply with these laws or the application of these laws in an unanticipated manner may harm our business and result in penalties or significant legal liability. Certain of our business models and features within our games and services are subject to new laws or regulations or evolving interpretations and application of existing laws and regulations ~~, including those related to gambling.~~ The growth and development of electronic commerce, virtual items and virtual currency has prompted calls for new laws and regulations and resulted in the application of existing laws or regulations that have limited or restricted the sale of our products and services in certain territories. **Additionally** For example, governmental organizations have applied existing laws and regulations to certain mechanics commonly included within our games, including the Ultimate Team mode associated with our sports franchises. In addition, we include modes in our games **current phase of innovation, artificial intelligence capabilities are rapidly advancing, and it is possible** that allow players to compete against each other and manage player competitions that are based on our products and services. Although we structure and operate our skill-based competitions with applicable laws in mind, including those related to gambling, our skill-based competitions in the future could become subject to **new evolving laws and regulations , or the interpretation of existing regulations, aimed at how we incorporate artificial intelligence into our games and development processes, that could negatively impact our operation and results**. We are also introducing features into our games and services that allow players to create and share user-generated content. Such content may be objectionable or offensive and decrease engagement with our products and services, cause a loss of confidence in our brands and expose us to liability and regulatory oversight, particularly as applicable global laws and regulations are introduced and evolve. New laws related to these business models and features or the interpretation or application of current laws could subject us to additional regulation and oversight, cause us to further limit or restrict the sale of our products and services or otherwise impact our products and services, lessen the engagement with, and growth of, profitable business models, and expose us to increased compliance costs, significant liability, fines, penalties and harm to our reputation and brand. We are

subject to laws in certain foreign countries, and adhere to industry standards in the United States, that mandate rating requirements or set other restrictions on the advertisement, publication or distribution of interactive entertainment software based on content. In addition, certain foreign countries allow government censorship of interactive entertainment software products or require pre- approval processes of uncertain length before our games and services can be offered. Adoption and enforcement of ratings systems, censorship, restrictions on publication or distribution, and changes to approval processes or the status of any approvals could harm our business by limiting the products we are able to offer to our consumers. In addition, compliance with new and possibly inconsistent regulations for different territories could be costly, delay or prevent the release of our products in those territories. We may be subject to claims of infringement of third- party intellectual property rights. From time to time, third parties may claim that we have infringed their intellectual property rights. Although we take steps to avoid knowingly violating the intellectual property rights of others, it is possible that third parties still may claim infringement. Existing or future infringement claims against us may be expensive to defend and divert the attention of our employees from business operations. Such claims or litigation could require us to pay damages and other costs. We also could be required to stop selling, distributing or supporting products, features or services which incorporate the affected intellectual property rights, redesign products, features or services to avoid infringement, or obtain a license, all of which could be costly and harm our business. In addition, many patents have been issued that may apply to potential new modes of delivering, playing or monetizing products and services such as those that we produce or would like to offer in the future. We may discover that future opportunities to provide new and innovative modes of game play and game delivery may be precluded by existing patents that we are unable to acquire or license on reasonable terms. From time to time we may become involved in other legal proceedings. We are currently, and from time to time in the future may become, subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy, disruptive to normal business operations and occupy a significant amount of our employees' time and attention. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on our business, reputation, operating results, or financial condition. Our products and brands are subject to intellectual property infringement, including in jurisdictions that do not adequately protect our products and intellectual property rights. We regard our products, brands and intellectual property as proprietary and take measures to protect our assets from infringement. We are aware that some unauthorized copying of our products and brands occurs, and if a significantly greater amount were to occur, it could negatively impact our business. Further, our products and services are available worldwide and the laws of some countries, particularly in Asia, either do not protect our products, brands and intellectual property to the same extent as the laws of the United States or are poorly enforced. Legal protection of our rights may be ineffective in countries with weaker intellectual property enforcement mechanisms. In addition, certain third parties have registered our intellectual property rights without authorization in foreign countries. Successfully registering such intellectual property rights could limit or restrict our ability to offer products and services based on such rights in those countries. Although we take steps to enforce and police our rights, our practices and methodologies may not be effective against all eventualities.

FINANCIAL RISKS Our financial results are subject to currency and interest rate fluctuations. International sales are a fundamental part of our business. For our fiscal year ended March 31, 2022-2023, international net revenue comprised 57-58 percent of our total net revenue, and we expect our international business to continue to account for a significant portion of our total net revenue. As a result of our international sales, and also the denomination of our foreign investments and our cash and cash equivalents in foreign currencies, we are exposed to the effects of fluctuations in foreign currency exchange rates, and volatility in foreign currency exchange rates remains elevated as compared to historic levels. Strengthening of the U. S. dollar, particularly relative to the Euro, and British pound sterling, Australian dollar, Japanese yen, Chinese yuan, South Korean won and Polish zloty, has a negative impact on our reported international net revenue but a positive impact on our reported international operating expenses (particularly when the U. S. dollar strengthens against the Swedish krona and the Canadian dollar) because these amounts are translated at lower rates. We use foreign currency hedging contracts to mitigate some foreign currency risk. However, these activities are limited in the protection they provide us from foreign currency fluctuations and can themselves result in losses. In addition, interest rate volatility can decrease the amount of interest earned on our cash, cash equivalents and short- term investment portfolio. We utilize debt financing and such indebtedness could adversely impact our business and financial condition. We have \$1.9 billion in senior unsecured notes outstanding, as well as an unsecured \$500 million revolving credit facility. While the facility is currently undrawn, we may use the proceeds of any future borrowings for general corporate purposes. We may also enter into other financial instruments in the future. This indebtedness and any indebtedness that we may incur in the future could affect our financial condition and future financial results by, among other things, • Requiring requiring the dedication of a substantial portion of any cash flow from operations to the payment repayment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow for other purposes, including capital expenditures, share repurchases, acquisitions or otherwise funding our growth strategy; • Limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and • Increasing increasing our vulnerability to downturns in our business or adverse changes in general economic and industry conditions. The agreements governing our indebtedness impose restrictions on us and require us to maintain compliance with specified covenants. In particular, the revolving credit facility requires us to maintain compliance with a debt to EBITDA ratio. Our ability to comply with these covenants may be affected by events beyond our control. If we breach any of these covenants and do not obtain a waiver from the lenders or noteholders, then, subject to applicable cure periods, our outstanding indebtedness may be declared immediately due and payable. There can be no assurance that any refinancing or additional financing would be available on terms that are favorable or acceptable to us, if at all. In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of both our debt and equity securities, as well as the potential costs associated with any potential refinancing of our indebtedness. Downgrades in our credit rating could also restrict our ability to obtain additional financing in the future and could affect the terms of any such financing.

Changes in our tax rates or exposure to additional tax liabilities, and changes to tax laws and interpretations of tax laws could adversely affect our earnings and financial condition. We are subject to taxes in the United States and in various foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision, tax assets, and accruals for other taxes, and ~~there are many transactions and calculations where~~ the ultimate tax determination is uncertain **for many transactions**. Our effective income tax rate is based in part on our corporate operating structure and **how the manner in which** we operate our business and develop, value, and use our intellectual property. Taxing authorities in jurisdictions in which we operate have challenged and audited, and may continue to, challenge and audit our methodologies for calculating our income taxes, which could increase our effective income tax rate ~~and have an adverse impact on our results of operations and cash flows~~. In addition, our provision for income taxes is materially affected by our profit levels, changes in our business, changes in our geographic mix of earnings, changes in the elections we make, changes in ~~the valuation of our deferred tax assets and liabilities, changes in our corporate structure, or changes in applicable accounting rules, or changes in applicable tax laws or interpretations of existing income and withholding tax laws,~~ as well as other factors. ~~The impact of excess tax benefits and tax deficiencies could result in significant fluctuations to our effective tax rate.~~ Changes to **enacted** U. S. federal, state or international tax laws ~~or their applicability,~~ **as well as changes to interpretations of existing tax laws** corporate multinationals ~~in the countries in which we do business,~~ particularly in Switzerland, where our international business is headquartered, and actions we have taken in our business with respect to such laws, have affected, and could continue to affect, our effective tax rates and cash taxes, and could cause us to change the way in which we structure our business and result in other costs. In particular, ~~recently~~ **recent** proposed changes to tax **law and** regulations in the United States and among ~~the other~~ countries in the Organization for Economic Co- operation and Development could materially impact our provision for income taxes and cash taxes. Our effective tax rate also could be adversely affected by changes in **the measurement of our deferred income taxes, including the need for** valuation allowances ~~for against~~ deferred tax assets. Our valuation allowances, in turn, ~~are can be~~ impacted by several factors with respect to our business ~~and,~~ industry, **and the macroeconomic environment, including rising interest rates**. Significant judgment is involved in determining the amount of valuation allowances, and actual financial results also may differ materially from our current estimates and could have a material impact on our assessments. We are required to pay taxes other than income taxes, such as payroll, sales, use, value- added, net worth, property, transfer, and goods and services taxes, in both the United States and foreign jurisdictions. Several foreign jurisdictions have introduced new digital services taxes on revenue of companies that provide certain digital services or expanded their interpretation of existing tax laws with regard to other non- income taxes. There is limited guidance about the applicability of these new taxes or changing interpretations to our business and significant uncertainty as to what will be deemed in scope. If these foreign taxes are applied to us, it could have an adverse and material impact on our business and financial performance.

GENERAL RISKS Our business is subject to economic, market, public health and geopolitical conditions. Our business is subject to economic, market, public health and geopolitical conditions, which are beyond our control. The United States and other international economies have experienced cyclical downturns from time to time. Worsening economic conditions, political instability, and adverse political developments in or around any of the countries in which we do business, particularly conditions that negatively impact discretionary consumer spending and consumer demand or increase our operating costs, including ~~conflict~~ **conflicts**, inflation, slower growth, recession and other macroeconomic conditions have had, and could continue to have, a material adverse impact on our business and operating results. In addition, relations between the United States and countries in which we have operations and sales have ~~fluctuated over time resulting in~~ **been impacted by events such as** the adoption or expansion of trade restrictions, including economic sanctions, that have **had** a negative impact on our financial results and development processes. We are particularly susceptible to market conditions and risks associated with the entertainment industry, which, in addition to general macroeconomic downturns, also include the popularity, price and timing of our games, changes in consumer demographics, the availability and popularity of other forms of entertainment, and critical reviews and public tastes and preferences, which may change rapidly and cannot necessarily be predicted. Our stock price has been volatile and may continue to fluctuate significantly. The market price of our common stock historically has been, and we expect will continue to be, subject to significant fluctuations. These fluctuations may be due to our operating results or factors specific to our operating results (including those discussed in the risk factors above ~~, as well as others not currently known to us or that we currently do not believe are material~~), changes in securities analysts' estimates of our future financial performance, ratings or recommendations, our results or future financial guidance falling below our expectations and analysts' and investors' expectations, the failure of our capital return programs to meet analysts' and investors' expectations, the announcement and integration of any acquisitions we may make, departure of key personnel, cyberattacks, or factors largely outside of our control including, those affecting interactive gaming, entertainment, and / or technology companies generally, national or international economic conditions, investor sentiment or other factors related or unrelated to our operating performance. In particular, economic downturns may contribute to the public stock markets experiencing extreme price and trading volume volatility. These ~~broad market~~ fluctuations could adversely affect the ~~market~~ price of our common stock. **17**