

Risk Factors Comparison 2024-02-21 to 2023-02-28 Form: 10-K

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A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our Class A common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently believe are not material may also impair our business, financial condition, results of operations, and growth prospects. Risk Factors Summary Below is a summary of the principal factors that make an investment in our Class A common stock speculative or risky:

- We experienced rapid growth in prior periods and our prior growth may not be indicative of our future growth or the growth of our market.
- We have a history of net losses and we may not be able to achieve or maintain profitability in the future.
- Our financial condition and results of operations will fluctuate from quarter to quarter, which makes them difficult to predict and they may not fully reflect the underlying performance of our business.
- Our business is affected by seasonal demands, and our quarterly financial condition and results of operations will fluctuate from quarter to quarter, which makes our financial results fluctuate as a result difficult to predict and may not fully reflect our underlying performance.
- We experienced rapid growth in prior periods and our prior growth may not be indicative of our future growth or the growth of our market.
- We depend on effectively operating with mobile operating systems, hardware, and networks that we do not control; changes to any of these or our Platform may significantly harm our user retention, growth, engagement, and monetization, or require us to change our data collection and privacy, data security, cybersecurity, and data protection practices, business models, operations, practices, advertising activities or application content, which could restrict our ability to maintain our Platform through these systems, hardware, and networks and would adversely impact our business.
- Because we recognize revenue from bookings over the estimated average lifetime of a paying user or as the virtual items are consumed, changes in our business may not be immediately reflected in our operating results.
- If our business becomes constrained by changing legal and regulatory requirements, including with respect to privacy, data security, cybersecurity and data protection, artificial intelligence (“AI”), consumer protection, communication, verified parental consent and user-generated content, or enforcement by government regulators, including fines, orders, or consent decrees in the US or other jurisdictions in which we operate, our operating results will suffer.
- The success of our business model is contingent upon our ability to provide a safe online environment for children to experience and if we are not able to continue to provide a safe environment, our business will suffer dramatically.
- Our ability If we are not able to provide sufficiently reliable services to our developers, creators, and users and maintain the performance of our Platform in the event of outages, constraints, disruptions or degradations in our services and our Platform, our business and reputation will suffer.
- If the security of our Platform is compromised, it could compromise our and our developers’, creators’, and users’ proprietary information, disrupt our internal operations and harm public perception of our Platform, which could cause our business and reputation to suffer.
- The global COVID-19 pandemic has significantly affected our business and operations.
- The loss of one or more of the members of our senior management team or other key personnel (or the inability to attract senior management or other key personnel), in particular our Founder, President, CEO and Chair of our Board of Directors, David Baszucki, could significantly harm our business.
- We must continue to attract and retain highly qualified personnel in very competitive markets to continue to execute on our business strategy and growth plans.
- We may identify material weaknesses or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.
- Our business and results of operations are affected by fluctuations in currency exchange rates.
- We may incur liability as a result of content published using our Platform or as a result of claims related to content generated by our developers, creators, and users, including copyright infringement, and legislation regulating content on our Platform may require us to change our Platform or business practices.
- The loss of one or more of the members of our senior management team or other key personnel (or the inability to attract senior management or other key personnel), in particular our Founder, President, CEO and Chair of our Board of Directors, David Baszucki, could significantly harm our business.
- The public trading price of our Class A common stock is volatile and may decline.
- The dual class stock structure of our common stock has the effect of concentrating voting control in our Founder, which may limit or preclude your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction.
- Securities We may not be able to generate sufficient cash to service our or debt and industry analysts or other obligations, including third parties may publish inaccurate our or unfavorable research about obligations under our 3.875% Senior Notes due 2030 (the “2030 Notes”).
- Our indebtedness could have important consequences to us, our business or our market which may cause the market price and trading volume of our Class A common stock to decline.

Risks Related to Our Business Generally We experienced rapid growth in prior periods, and our prior growth rates may not be indicative of our future growth or the growth of our market. We experienced rapid growth in prior periods due in part to the COVID-19 pandemic. These activity levels have not been sustained, and our growth rates have moderated in most markets. For example, our bookings increased 171% from the year ended December 31, 2019 to the year ended December 31, 2020 and our bookings growth rate was 5% for fiscal year 2022. Our revenue and bookings growth rates have slowed and may continue to slow, and we may not experience any growth in bookings or our user base during periods where we are comparing against COVID-19

impacted periods (i. e. the three-month periods ended March 31, 2020, June 30, 2020, September 30, 2020, December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, and March 31, 2022). Our historical revenue, bookings and user base growth should not be considered indicative of our future performance. We believe our overall acceptance, revenue growth and increases in bookings depend on a number of factors, including, but not limited to, our ability to: • enhance the tools we make available to developers for use in developing content; • expand the number of developers, creators, and users on our Platform; • expand the number of paying users on our Platform; • expand the types of experiences that our developers can build for users; • continue to provide, and be viewed as being able to provide, a safe and civil environment for all users; • maintain the security and reliability of our Platform; • provide access to our Platform for users in areas where access to the internet is challenged; • comply with country and region-specific regulatory environments with respect to privacy, data security, data protection, intellectual property, child protection, advertising and other requirements; • attract highly qualified talent and train, motivate and manage our highly-qualified personnel; • manage growth of our business, headcount and operations effectively; • provide excellent customer experience and customer support for our developers, creators, and users; • successfully establish an advertising model on the Platform; • successfully compete against established companies and new market entrants offering a multitude of interactive entertainment offerings; and • increase global awareness of our brand. If we are unable to accomplish these tasks, amongst others, our Platform will not be attractive to developers, creators, and users and they may no longer seek new experiences in our Platform, which would result in fewer bookings and lower revenue and could harm our operations. We have incurred net losses since our inception, and we expect to continue to incur net losses in the near foreseeable future. We incurred net losses attributable to common stockholders of \$ 1, 151. 9 million, \$ 924. 4 million ; and \$ 491. 7 million and \$ 253. 3 million for the years ended December 31, 2023, 2022, and 2021 and 2020, respectively. As of December 31, 2022-2023, we had an accumulated deficit of \$ +3, 908-060. 3 million. We also expect our operating expenses to continue to increase significantly in future periods, and if our DAU growth does not increase to offset these anticipated increases in our operating expenses, our business, results of operations, and financial condition will be harmed, and we may not be able to achieve or maintain profitability. We expect our costs and investments to continue to increase in future periods as we intend to continue to make investments to grow our business, including an expected increase in infrastructure, stock-based compensation expenses, and acquisitions. These efforts may be more costly than we expect and may not result in increased revenue or growth of our business. In addition to the expected costs to grow our business, we have incurred and also expect to continue to incur significant additional legal, accounting, and other expenses as a recently public company .

Compliance with these rules and regulations continues to increase our legal and financial compliance costs and demand on our systems, and requires significant attention from our senior management that could divert their attention away from the day-to-day management of our business .

If we fail to increase our revenue to sufficiently offset the increases in our operating expenses, we will not be able to achieve or maintain profitability in the future. Our quarterly results of operations have fluctuated in the past and will fluctuate in the future, both based on the seasonality of our business as well as external factors impacting the global economy, our industry and our company. As a result, you should not rely on our past quarterly results of operations as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving market segments. Our financial condition and results of operations in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including, but not limited to: • our ability to maintain and grow our user base and user engagement; • our ability to retain and grow our developer base and encourage them to continue developing experiences and marketplace items on our Platform; • the ability of newer experiences and marketplace items to monetize as effectively as more established experiences and avatar items; • the level of demand for our Platform; • the development and introduction of new or redesigned features on our Platform or our competitors' platforms and other offerings; • seasonal fluctuations in user engagement on our Platform; • our pricing model; • increases in marketing, sales, and other operating expenses that we may incur to grow and expand our operations and to remain competitive; • our ability to successfully expand internationally and penetrate key demographics; • the ability to monetize our users in certain geographic markets; • our ability to introduce new revenue streams such as advertising; • our ability to maintain operating margins, cash used in operating activities, and free cash flow; • system failures or actual or perceived breaches of data security or privacy, and the costs associated with such failures, breaches and remediations; • inaccessibility of our Platform, or certain features within our Platform; • increase in personnel expenses (including with respect to stock-based compensation expense, such as the CEO Long-Term Performance Award described herein); • our ability to effectively incentivize our workforce and developers; • adverse litigation judgments, settlements, or other litigation and dispute-related costs; • adverse media coverage or unfavorable publicity; • changes in the legislative or regulatory environment, including with respect to privacy, data security and data protection, consumer protection, and user-uploaded content, or enforcement by government regulators, including fines, orders, or consent decrees; • fluctuations in currency exchange rates and changes in the proportion of our revenue, bookings and expenses denominated in foreign currencies; • fluctuations in the market values of our portfolio investments and interest rates or impairments of any assets on our balance sheet; • the effectiveness of our internal control over financial reporting; • changes in our effective tax rate; • changes in accounting standards, policies, guidance, interpretations, or principles; and • changes in domestic and global business or macroeconomic conditions, such as high levels of inflation or the war in Ukraine. Historically, our business has been highly seasonal, with the highest percentage of our bookings occurring in the fourth quarter when holidays permit our users to spend increased time on our Platform and lead to increased spend on pre-paid Robux gift cards, and we expect this trend to continue. We also typically see higher levels of engagement in the months of June, July, and August, which are summer periods in the northern hemisphere, and lower levels of engagement in the post-summer months of September, October, and November . **For example, our bookings for the quarter ending December 31, 2023 represented approximately 32 % of our bookings for fiscal 2023 .** We may also experience fluctuations due to factors that may be outside of our control that affect user or, developer and, or creator engagement with our Platform . **Accordingly,**

our quarterly results of operations have fluctuated in the past and will fluctuate in the future, both based on the seasonality of our business as well as external factors impacting the global economy, our industry and our company, including, but not limited to our ability to maintain and grow our user base, user engagement, developer base and developer engagement; the level of demand for our platform; the ability of our developers to monetize their experiences; increased competition; our pricing model; the maturation of our business; our ability to introduce new revenue streams such as advertising; legislative or regulatory changes; the impact of the COVID-19 pandemic. Additionally, from time to time, the U. S. and other key geographic markets have been impacted by economic macroeconomic conditions and geopolitical instability, such as high levels of inflation, persistent unemployment recessionary or uncertain environments, wage and income stagnation; rising interest rates; economic and trade sanctions; the Russian invasion of Ukraine; fluctuations fluctuating in foreign currency exchange rates; our ability to maintain operating margins, cash used in operating activities particular the strengthening U. S. dollar, and free cash flow; system failures overall economic uncertainty, which could affect the buying power of our or users, developers and creators, and lead actual or perceived breaches or other incidents relating to privacy or cybersecurity; adverse litigation judgments, settlements, or other litigation and dispute-related costs; adverse media coverage or unfavorable publicity; the effectiveness of our internal control over financial reporting; changes in our effective tax rate; and changes in accounting standards, policies, guidance, interpretations, or principles. As a reduced demand for our Platform and impact our results result of operations in ways that are hard to predict. Moreover, you should not rely we seek to further develop the live experiences available on our past Platform, such as virtual concerts, classrooms, meetings, and conferences, and to offer commercial partners with branding opportunities in conjunction with key events, such as a product launch. These episodic experiences may also contribute to fluctuations in our quarterly results of operations as indicators of future performance. As You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving market segments. We experienced rapid growth in prior periods, and our prior growth rates may not be indicative of our future growth or the growth of our market. We experienced rapid growth in prior periods relative to our quarterly forecast and historic trends, which may not be indicative of our financial and operating results in future periods. Activity levels in prior periods are not sustainable, and our growth rates have moderated in most markets. The long- term impact to our business matures, operations, and financial results will depend on numerous evolving factors that we may not be able to accurately predict. For example, our bookings increased 171 % from the year ended December 31, 2019 to the year ended December 31, 2020, while our bookings increased 23 % from the year ended December 31, 2022 to the year ended December 31, 2023. Our revenue, bookings, and user base growth rates have slowed and may continue to slow, and we may not experience any growth in bookings or our user base during periods where we are comparing against historical periods. We believe our overall market acceptance, revenue growth, and increases in bookings depend on a number of factors, some of which are not within our control. There can be no assurance that users will not reduce other their seasonal trends may usage or engagement with our Platform or reduce their discretionary spending on Robux, which would adversely impact our revenue and financial condition. If we are unable to continue to maintain the attractiveness of our Platform to develop developers, creators, and users, they may no longer seek new experiences in or our these existing seasonal trends may become more extreme Platform, which would result in decreased market acceptance, fewer bookings, and lower revenue and could harm our operations. We depend on effectively operating with third- party mobile operating systems, hardware, and networks that may make we do not control; changes affecting to any of these or our operating costs, as well as our ability to maintain our Platform may significantly harm our user retention, growth, engagement, and monetization, or require us to change our data collection and privacy, data security, and data protection practices, business models, operations, practices, advertising activities, or application content, which could would restrict hurt our ability to operate maintain our Platform through these systems, hardware and networks and would adversely impact our business. For the year ended December 31, 2022-2023, 32-30 % of our revenue was attributable to Robux sales through the Apple App Store and 48-17 % of our revenue was attributable to Robux sales through the Google Play Store. Because of the significant use of our Platform on mobile devices, our application must remain interoperable with these and other popular mobile app stores and platforms, and related hardware. We Further, we are subject to the standard policies and terms of service of these operating systems, as well as policies and terms of service of the various software application stores that make our application and experiences available to our developers, creators, and users. These policies and terms of service govern the availability, promotion, distribution, content, and operation generally of applications and experiences on such operating systems and stores. Each provider of these operating systems and stores has broad discretion to change and interpret its terms of service and policies with respect to our Platform and those changes may be unfavorable to us and our developers', creators', and users' use of our Platform. If we were to violate, or an operating system provider or application store believes that we have violated limits or discontinues access to, its or changes the terms governing of service or policies, that operating system provider or application store could limit or discontinue our access to its operating system or store. In some cases these requirements may not be clear or for our interpretation of the requirements may not align with the interpretation of the operating system provider or application store, which could lead to inconsistent enforcement of these terms of service or policies against us, and could also result in the operating system provider or application store limiting or discontinuing access to its operating system or store. Any limitation on or discontinuation of our access to any reason, it third- party platform or application store could adversely affect our business, financial condition, or results of operations. We may not successfully cultivate relationships with key industry participants or develop products that operate effectively with these technologies, systems, networks, regulations, or standards. If it becomes more difficult for our users to access and engage with our Platform on their mobile devices, if our users choose not to access or use our Platform application on their mobile devices, or if our users choose to use mobile products that do not offer access to our Platform, our business and user retention, growth, and engagement could be significantly harmed. The owners and operators of these mobile application

platforms, primarily Apple and Google, each have approval authority over our Platform's deployment on their systems and offer consumers products that compete with ours. Additionally, mobile devices are manufactured by a wide array of companies. Those companies have no obligation to test the interoperability of new mobile devices with our Platform application and **an** may produce new products that are incompatible with or not optimal for our Platform. We have no control over these operating systems, application stores, or hardware, and any changes to these systems or hardware that degrade our Platform's functionality, or give preferential treatment to competitive products, could significantly harm our Platform usage on mobile devices. An operating system provider or application store could also limit or discontinue our access to its operating system or store if it establishes more favorable relationships with one or more of our competitors, launches a competing product itself, or it otherwise determines that it is in its business interests to do so. **Our If** competitors that control the operating systems and related hardware our application runs on, **they** could make interoperability of our Platform with those mobile operating systems more difficult or display their competitive offerings more prominently than ours. Additionally, our competitors **There is no guarantee that control the standards for the new devices, platforms, systems and software** application stores **will continue to support our Platform or that we will be able to maintain the same level of service on these new systems. If it becomes more difficult** for their operating systems could make **our users, developers or creators to access and engage with** our Platform application, or **our business** certain features of our Platform, inaccessible for a potentially significant period of time. We plan to continue to introduce new technologies on our Platform regularly and have experienced that it takes time to optimize such technologies to function with these operating systems, hardware, and standards, impacting the popularity of our new technologies and features, and we expect this trend to continue. Moreover, our Platform requires high bandwidth data capabilities. If the costs of data usage increase or access to cellular networks is limited, our user retention, growth, and engagement **may could** be significantly harmed. Additionally, to deliver high quality video and other content over mobile cellular networks, our Platform must work well with a range of mobile technologies, systems, networks, regulations, and standards that we do not control. In particular, any future changes to the iOS or Android operating systems or application stores may impact the accessibility, speed, functionality, and other performance aspects of our Platform, and result in issues in the future from time to time. In addition, the proposal or adoption of any laws, regulations, or initiatives that adversely affect the growth, popularity, or use of the internet, including laws governing internet neutrality, could decrease the demand for our Platform and increase our cost of doing business. For our experiences accessed through mobile platforms such as the Apple App Store and the Google Play Store, we are required to share a portion of the proceeds from in-game sales with the platform providers. For operations through the Apple App Store and Google Play Store, we are obligated to pay up to 30% of any money paid by users to purchase Robux to Apple and Google and this amount could be increased. These costs are expected to remain a significant operating expense for the foreseeable future. If the amount these platform providers charge increases, it could have a material impact on our ability to pay developers and our results of operations. Each provider of an operating system or application store may also change its fee structure, add fees associated with access to and use of its operating system, alter how its customers are able to advertise on their operating system, change or limit how the personal or other information of its users is made available to application developers on their operating system, limit the use of personal information for advertising purposes or restrict how end-users can share information on their operating system or across other platforms. Restrictions on our ability to collect, process, and use data as desired could negatively impact our ability to leverage data about the experiences our developers create. This in turn could impact our resource planning and feature development planning for our Platform. Similarly, at any time, **these our** operating system providers or application stores can change their policies on how we operate on their operating system or in their application stores by, for example, applying content moderation for applications and advertising or imposing technical or code requirements. **These Actions actions** by operating system providers or application stores **may affect our ability to collect, process, and use data as desired and could negatively impact our ability to leverage data about the experiences our developers create, which in turn could impact our resource planning and feature development planning for our Platform**. We rely on third-party distribution channels **and third-party payment processors** to facilitate Robux purchases by our Platform users. If we are unable to maintain a good relationship with such providers, if their terms and conditions change, or fail to process or ensure the safety of users' payments, our business will suffer. Purchases of Robux and other products (e.g., prepaid gift cards) on our Platform are facilitated through third-party online distribution channels **and third-party payment processors**. We utilize these distribution channels, such as Amazon, Apple, Blackhawk, ePay, Google, Incomm, PayPal, Vantiv, Stripe, and Xsolla, to receive cash proceeds from sales of our Robux through direct purchases on our Platform. **Any scheduled or For** **unscheduled interruption in the ability of our experiences accessed through mobile platforms** users to transact with these distribution channels could adversely affect our payment collection and, in turn, our revenue and bookings. Our business will suffer if we are unable to maintain a good relationship with these distribution channels or develop relationships with new and emerging channels, if their terms and conditions such as the Apple App Store and the Google Play Store may affect the manner in which we collect, **we are required to share a portion of the** process **proceeds** and use data from end **in** **game sales with the platform providers. For operations through the Apple App Store and Google Play Store, we are obligated to pay up to 30% of any money paid by user users devices to purchase Robux to Apple and Google and this amount could increase**. Accordingly, **These costs are expected to remain a significant operating expense for the foreseeable future**. **If the amount these platform providers changes charge increases, it implemented by Apple or Google could adversely have a material impact on our revenue ability to pay developers and our results of operations**. In addition, **these Each provider of an** operating systems **system** and application stores could change their business models and could, for **or** **example, increase application store may also change its fee structure or add fees associated with access to and use of its operating system**, which could have an adverse impact on our business. There have been litigation and governmental inquiries over **the application store fees, and Apple or Google could modify their platform in response to such** litigation and inquiries in a manner that may harm us. **a prolonged**

period of time. Any **scheduled** changes that affect our **or unscheduled interruption in the ability of our use-users of to transact with** these distribution channels **could adversely affect** may decrease the visibility **or our payment collection and availability of our Platform**, limit our distribution capabilities, prevent access to our Platform, or result in the exclusion **turn, or our revenue and bookings** limitation of our Platform on those distribution channels. We **Additionally, we** do not directly process purchases of Robux on our Platform, and, thus, any information on those purchases (e.g., debit and credit card numbers and expiration dates, personal information, and billing addresses) is disclosed to the third-party online platform and service providers facilitating Robux purchases by users **(such as Vantiv, Stripe, and Xsolla)**. We do not have control over the security measures of those providers, and their security measures may not be adequate. We could be exposed to litigation and possible liability if our users' transaction information involving Robux purchases is compromised, which could harm our reputation and our ability to attract users and may materially adversely affect our business. We also rely on the stability of such distribution channels and their payment transmissions **, and third-party payment processors,** to ensure the continued payment services provided to our users. If any of these providers fail to process or ensure the security of users' payments for any reason, our reputation may be damaged and we may lose our paying users, and users may be discouraged from purchasing Robux in the future, which, in turn, would materially and adversely affect our business, financial condition, and prospects. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operations and if not adequately controlled and managed could create negative consumer perceptions of our service. If we are unable to maintain our fraud and chargeback rate at acceptable levels, card networks may impose fines, our card approval rate may be impacted and we may be subject to additional card authentication requirements. **The termination of our ability to process payments on any major payment method would significantly impair our ability to operate our business. Our estimates or judgments relating to our critical accounting policies could cause our results of operations to fall below expectations, and changes in our business may not be immediately reflected in our operating results. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. For example, the** majority of the virtual items available on **our the Roblox** Platform are durable virtual items, which, when acquired, are recognized ratably over the estimated period of time the virtual items are available to the user (estimated to be the average lifetime of a paying user). Every quarter, we complete an assessment of our estimated paying user life, which is used for revenue recognition of durable virtual items and calculated based on historical monthly retention data for each paying user cohort to project future participation on **our Platform. We calculate the Roblox average historical monthly retention data by determining the weighted average of monthly paying users that have spent time on our** Platform. In 2021, our estimated paying user life was 23 months. In the first quarter of 2022, we updated our estimated paying user life **from 23 months** to 25 months, which was subsequently updated **again** to 28 months in the third quarter of 2022. Based on the carrying amount of deferred revenue and deferred cost of revenue as of December 31, 2021, these changes in estimates resulted in a decrease in revenue of \$ 344.9 million and a decrease in cost of revenue of \$ 79.3 million during the twelve months ended December 31, 2022. **Therefore, much Much** of the revenue we report in each quarter is the result of purchases of Robux during previous periods. Consequently, a decline in purchases of Robux in any one quarter will not be fully reflected in our revenue and operating results for that quarter. Any such decline, however, will negatively impact our revenue and operating results in future quarters. Accordingly, the effect of significant near-term downturns in purchases of Robux for a variety of reasons may not be fully reflected in our results of operations until future periods. **We are subject** ~~if our~~ business becomes constrained by changing legal and regulatory requirements, including with respect to **privacy state, federal data security and data protection, consumer protection, and international user-generated content, or enforcement by government regulators regulations,** including fines, orders, **and any changes in such regulations could harm or prevent or our ability to operate** consent decrees in the US **or our other Platform in those** jurisdictions in which we operate, our operating results will suffer. Our future success will depend in part on market acceptance and widespread adoption across demographics and geographies of our Platform over other interactive entertainment offerings. Uncertainty over **or changes in laws and regulations with respect to gaming and other interactive entertainment offerings** could adversely affect our ability to operate **across demographics and geographies** or our developer's ability to monetize their experiences in some geographies. **The widespread availability of user generated content is a relatively newer development, and the regulatory framework is new and evolving. In addition, the widespread availability of many states and foreign governments have enacted legislation designed to protect children and regulate violent content, and we expect additional legislation to be generated-- enacted** by our developers and creators on our Platform is a newer development and the regulatory framework for broad dissemination of this content is new and evolving. For example, the United Kingdom's Age Appropriate Design Code ("AADC"), is one such regulatory framework that has been adopted in the United Kingdom that focuses on online safety. **If we and protection of children's privacy online, and similar frameworks are being considered unable to comply with applicable regulations, some of the experiences on our Platform, for or adoption our entire Platform, may not be available in other such jurisdictions, and our ability to execute on our business model and grow our business would be severely impacted.** California has **We are also subject** enacted the California Age-Appropriate Design Code Act, or ADCA, which will take effect on July 1, 2024. The ADCA implements into law certain principles taken from the AADC, among other things, and imposes substantial new obligations upon companies that offer online services, products, or features "likely to be accessed" by children, defined under the ADCA as anyone under 18 years of age. Additionally, the European Union's ("EU's"), DSA entered into force on November 16, 2022, and will become fully applicable on February 17, 2024. The DSA imposes new content moderation obligations, notice and transparency obligations, advertising restrictions and other requirements on digital platforms to protect consumers and their rights online, **and existing and new regulations and policies with respect to privacy, biometrics, data protection, cybersecurity, gambling, loot boxes, intellectual property, childhood protection, consumer protection, ratings, and taxes.** Additionally, the Federal Trade Commission regulates **and restricts** deceptive or unfair

commercial activities, including with relation to targeted advertising, and can impose significant injunctive and monetary remedies for violations. We provide our developers and creators with the ability to publish their content throughout the world, and each country is developing regulations and policies to regulate this new space, including with respect to privacy, biometrics, data protection, data security, gambling, loot boxes, intellectual property, childhood protection, consumer protection, ratings, and taxes. If we are unable to allow developers and creators to comply with potentially conflicting regulations throughout the world, our ability to execute on our business model would be severely impacted, and our ability to grow our business could be harmed. Additionally, compliance with regulatory requirements throughout the world could increase our moderation and compliance related costs and expenses. Additionally, as we introduce advertising to the Platform, we will become subject to regulations with respect to advertising, in particular, advertising to children minors, and the advertising regulations could differ based on the jurisdiction of the user. We may not be able to implement an advertising model that is compliant with regulations in all jurisdictions in which we operate. **These requirements may increase our moderation and compliance related costs and expenses, reduce the overall use or demand of our Platform, or result in significant injunctive and monetary remedies for violations.** Moreover, changes to these laws, regulations, standards, or obligations could require us to change our business model, take on more onerous obligations, including, but not limited to, applying for government- issued licenses to operate, establishing a local presence in certain jurisdictions, or developing localized product offerings, and impact the functionality of our Platform. **If we are obligated to fundamentally change our business activities and practices or modify our Platform, we may be unable to make these required changes and modifications in a commercially reasonable manner, or at all, and our ability to further develop and enhance our Platform may be limited.** The costs of compliance with, and other burdens imposed by, these laws, regulations, standards, and obligations, **or could be prohibitively expensive. Furthermore,** any inability to adequately address these burdens, **may would harm our ability to operate our Platform, limit the attractiveness of our ability to operate our Platform, limit the use of our Platform or reduce overall demand for our Platform, which could would** harm our business, financial condition, and results of operations. **The success of our business model is contingent upon maintaining a strong reputation and brand, including our ability to provide a safe online environment for children to experience.** Our Platform hosts a number of experiences intended for audiences of varying ages, a significant percentage of which are designed to be experienced by children. As a user- generated content platform, it is relatively easy for developers, creators, and users to upload content that can be viewed broadly. **Although illicit activities are in violation of our terms and policies, and we attempt to block objectionable material, we are unable to prevent all such violations from occurring.** We continue to make significant efforts to provide a safe and enjoyable experience for users of all ages. We invest significant technical and human resources to prevent inappropriate content on our Platform by reviewing all images, audio, video, and 3D models at the time of upload in order to block inappropriate content before users have a chance to encounter it on our Platform. Notwithstanding our efforts, from time to time, inappropriate content is successfully uploaded onto our Platform and can be viewed by others prior to being identified and removed by us. Moreover, measures intended to make our Platform more attractive to an older, age verified audience, such as less highly moderated or unmoderated chat and the introduction of experiences with mature content, and new methods of communication could fail to gain sufficient market acceptance by its intended audience and may create the perception that our Platform is not safe for young users. In addition, **the introduction of experiences for users who are 17 years of age and older may create the perception that our Platform is not safe for young users and may cause some operating system providers, application stores, or regulatory agencies to require a higher age rating for our Platform, which could cause us to become less available to younger users and harm our business, financial condition, and results of operations.** In addition, children may attempt to evade our age verification system, which could lead them to be exposed to inappropriate behavior by participating in experiences that are not age- appropriate or that feature spatial voice chat. **While we have introduced experience guidelines that will allow users to flag certain explicit content in our games, and are updating our parental controls, users may still be exposed to content that may not be age- appropriate. Unintentional access to** This content could cause harm to our audience and to our reputation of providing a safe environment for children to play online. If we are unable to **prevent-limit**, or are perceived as not being able to sufficiently **prevent-limit**, all or substantially all age- inappropriate content **from appearing on our Platform to only users who have been verified as being the appropriate age for such content**, parents and children will lose their trust in the safety of our Platform, which would harm our overall acceptance by these audiences and would likely result in significantly reduced revenue, bookings, profitability, and ultimately, our ability to continue to successfully operate our Platform. In addition to **generally blocking limiting content to the age- appropriate audience and blocking other** inappropriate content, we have statutory obligations under U. S. federal law to block or remove child pornography and report offenses to the National Center for Missing and Exploited Children. While we have dedicated technology and trained human moderator staff that can detect and remove sexual content involving children, there have been instances where such content has been uploaded, and any future non- compliance by us or allegations of non- compliance by us with respect to U. S. federal laws on child pornography or the sexual exploitation of children could significantly harm our reputation, create criminal liability, and could be costly and time consuming to address or defend. We may also be subject to additional criminal liability related to child pornography or child sexual exploitation under other domestic and international laws and regulations. **on our Platform.** We believe that maintaining, protecting, and enhancing our reputation and brand is critical to grow the number of developers, creators, and users on our Platform, especially given the safe and civil atmosphere that we strive to achieve for our users, many of whom are children. Maintaining, protecting, and enhancing our brand will depend largely on our ability to continue to provide reliable high- quality, engaging, and shared experiences on our Platform. If users, developers, or creators do not perceive our Platform to be reliable or of high quality, the value of our brand could diminish, thereby decreasing the attractiveness of our Platform. Further, we have faced and are currently defending allegations that our Platform has been used by criminal offenders to identify and communicate with children and to possibly entice them to interact off- Platform, outside of the restrictions of our chat, content blockers, and other on-

Platform safety measures. While we devote considerable resources to prevent this from occurring, we are unable to prevent all such interactions from taking place. **We have also received and may continue to receive a high degree of media coverage, including the use of our Platform for illicit or objectionable ends. For example, we have experienced negative media publicity related to the age of some of our developers, the content that developers produce for, or the conduct of users on our Platform that may be deemed illicit, explicit, profane, or otherwise objectionable. Additional unfavorable publicity has covered our privacy, cybersecurity, or data protection practices, terms of service, product changes, product quality, litigation or regulatory activity, our use of generative AI, the actions of our users, and the actions of our developers or creators whose products are integrated with our Platform. Our reputation and brand could also be negatively affected by the actions of developers and users that are hostile, inappropriate, or illegal, whether on or off our Platform. Actual or perceived incidents or misuses of user data or other privacy or security incidents, the substance or enforcement of our community standards, the quality, integrity, characterization and age- appropriateness of content shared on our Platform, or the actions of other companies that provide similar services to ours, has in the past, and could in the future, adversely affect our reputation.** Any criminal incidents or allegations involving Roblox, whether or not we are directly responsible, could adversely affect our reputation as a safe place for children and hurt our business. **Any** In addition, various local, national..... to prevent this from occurring, any negative publicity could create the perception that we do not provide a safe online environment and may have an adverse effect on the size, engagement, and loyalty of our developer, creator, and user community, which would adversely affect our business and financial results. Our business depends on a strong brand..... and the use of our Platform. Maintaining, protecting, and enhancing our reputation and brand may require us to make substantial investments, and these investments may not be successful. **If we fail to retain users or add new users, or if our users decrease their level of engagement with our Platform, revenue, bookings, and operating results will be harmed. We view DAUs as a critical measure of our user engagement, and adding, maintaining, and engaging users has been and will continue to be necessary to our continued growth. Our reputation-DAU growth rate has fluctuated in the past and may slow in the future due to various factors including:the introduction of new experiences or virtual items on our Platform,performance issues with our Platform,higher market penetration rates,the availability of our Platform across markets and user demographics,which may be impacted by regulatory or legal requirements,including the use of verified parental consent,changing responses to outbreaks of COVID- 19,and competition from a variety of entertainment sources for our users and their time.**In addition,our strategy seeks to expand the age groups and geographic markets that make up our users **If**,and if and when we achieve maximum market penetration rates among any particular user cohort overall and in particular geographic markets,future growth in DAUs will need to come from other age or geographic cohorts in other markets-,which may be difficult,costly or time consuming for us to achieve.Accessibility to the internet and bandwidth or connectivity limitations as well as regulatory requirements,may also affect our ability to further expand our user base in a variety of geographies.If our DAU growth rate slows or becomes stagnant,or we have a decline in DAUs,or we fail to effectively monetize users in certain geographic markets,our financial performance will increasingly depend on our ability to elevate user activity or increase the monetization of our users.Our business plan assumes that the demand for interactive entertainment offerings ,specifically,the adoption of a metaverse with users interacting together by playing,communicating,connecting,working,making friends,learning,or simply hanging out,all in 3D environments-,will increase for the foreseeable future.However,if this market shrinks or grows more slowly than anticipated ,if the metaverse does not gain widespread adoption as a forum for experiences,social interaction and creative expression for our users-,or if demand for our Platform does not grow as quickly as we anticipate,whether as a result of competition,product obsolescence,budgetary constraints of our developers,creators,and users,technological changes,unfavorable economic conditions,uncertain geopolitical or regulatory environments or other factors,we may not be able to increase our revenue and bookings sufficiently to ever achieve profitability and our stock price would decline. The multitude of other entertainment options,online gaming,and other interactive experiences is high,making it difficult to retain users who are dissatisfied with our Platform and seek other entertainment options.-Moreover,a large number of our users are **under the age of 13.This demographic may be less brand are loyal and more likely to follow trends, including viral trends, than other demographics. These and other factors may lead users to switch to another entertainment option rapidly, which can interfere with our ability to forecast usage or DAUs and would negatively affect our user retention, growth, and engagement. We also important may not be able to penetrate other demographics in a meaningful manner** attracting and retaining highly qualified employees. If we fail to **compensate** successfully promote and maintain our reputation and brand or **for the loss of DAUs** if we incur significant expenses in this effort **age group. Falling user retention, growth, or engagement rates could seriously harm** our business and financial results may be adversely affected..... of operations, and future business opportunities . We depend on our developers to create digital content that our users find compelling, and **if we fail to properly incentivize our developers and creators to develop and monetize content,** our business will suffer if we-. We spend substantial amounts of time and money to research, develop, and enhance versions of our Platform to incorporate additional features, improve functionality or other enhancements and prioritize user safety and security in order to meet the rapidly evolving demands of our developers, creators, and users. Maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the demands of the market is essential. Developments and innovations on our Platform may rely on new or evolving technologies which are still in unable to entertain our users, improve the experience of our users, or properly incentivize our developers **development** and creators to **may never be fully develop-developed** and monetize content. Our Platform enables our developers to **For instance, use of AI algorithms presents risks associated with developing technologies, which create technical challenges for us** experiences and virtual items, which we refer to as successfully maintain our technology. In addition, the user- use -generated content of AI involves significant technical complexity and requires specialized expertise. This specialized expertise can be difficult and costly to obtain given the

increasing industry focus on AI development and competition for talent. Our Platform relies on our developers **and creators** to create experiences and virtual items on our Platform for our users to acquire and/or use. Our users interact with these experiences, which are largely free to engage with. These users can also elect to acquire virtual items through our Avatar Marketplace and **we** in experiences that enhance their enjoyment. We believe the interactions between and within the developer, creator, and user communities on our Platform create a thriving and organic ecosystem, and this network effect drives our growth. To facilitate and incentivize the creation of the experiences and virtual items by developers our Platform offers developers an opportunity to earn Robux, a virtual currency on our Platform, ~~in connection with their development work on our Platform, although some of our developers may choose not to monetize or may not be effective at monetizing their experiences.~~ When virtual items are acquired on our Platform, the originating developer or creator earns a portion of the Robux paid for the item. Developers are able to exchange their accumulated earned Robux for real-world currency under certain conditions outlined in our Developer Exchange Program. **While we have millions of developers and creators on our Platform, 48 % of engagement hours were spent in the top 50 experiences in the month ending December 31, 2023 and only 526 experiences had engagement hours of 10 million or more. The loss of any of our top developers could have a material impact on our business, financial condition, and operations.** If we fail to provide a sufficient return to developers, they may elect to develop user-generated content on other platforms, which would result in a loss of revenue. **Despite our efforts, users, developers, or creators may become dissatisfied with our billing or payment policies, our handling of personal data, or other aspects of our Platform. If we fail to adequately address these or other user, developer, or creator complaints, negative publicity about us or our Platform could diminish confidence in and the use of our Platform.** If we do not provide the right technologies, education or financial incentives to our developers **and creators**, they may develop fewer experiences or virtual items or be unable **to or choose not** to monetize their experiences, and our users may elect to not participate in the experiences or acquire the virtual items, and, thus, our Platform, revenue, and bookings could be adversely affected. **Additionally, if we fail to anticipate developers' and creators' needs, the quality of the content they create may not attract users to engage with experiences and result in a decline of users on our Platform. When we develop new or enhanced features for our Platform, we typically incur expenses and expend resources upfront to develop, market, promote, and sell new features, and we may not be able to realize some or all of the anticipated benefits of these investments. If we are not successful in our efforts to further develop live experiences on our Platform, our business could suffer. We have undergone efforts to further develop the live experiences available on our Platform, such as virtual concerts, classrooms, meetings, and conferences and to offer commercial partners with branding opportunities in conjunction with key events, such as a product launch. There is no guarantee that these efforts will be successful or that users will engage with these experiences. New features or enhancements and changes to the existing features of our Platform, such as these live experiences, could fail to attain sufficient market acceptance for many reasons, including failure to predict market demand accurately in terms of functionality and to supply features that meet this demand in a timely fashion; defects, errors, or failures; negative publicity about performance, safety, privacy, or effectiveness; delays in releasing new features or enhancements on our Platform; and introduction or anticipated introduction of competing products by competitors. The failure to obtain market acceptance for these live experiences would negatively affect our business, financial condition, results of operations, and brand.** If we experience outages, constraints, disruptions, or degradations in our services, Platform support and/or technological infrastructure, our ability to provide sufficiently reliable services to our customers and maintain the performance of our Platform could be negatively impacted, which could harm our relationships with our developers, creators, and users, and, consequently, our business. Our users expect fast, reliable, and resilient systems to enhance their experience and support their activity **on** as they quickly traverse between and within experiences and acquire virtual items for their avatars **on our Platform** to enhance their experiences, which depends on the continuing operation and availability of our **Platform** information technology systems from our global network of data centers controlled and operated by us and ~~those of~~ our external service providers, including third-party "cloud" computing services. We also provide services to our developer and creator community through our Platform, including DevForum and Creator Hub for tutorials, hosting, customer service, regulatory compliance, and translation, among many others. The experiences and technologies on our Platform are complex software products and maintaining the sophisticated internal and external technological infrastructure required to reliably deliver these experiences and technologies **are-is** expensive and complex. The reliable delivery and stability of our Platform has been, and could in the future be, adversely impacted by outages, disruptions, failures, or degradations in our network and related infrastructure or those of our partners or service providers. We have experienced outages from time to time since our inception when the Platform is unavailable for all or some of our users, developers, and creators ~~For example, on including in~~ **May 3, 2022 and October 2021. In addition, there may be times when access to our Platform for users, developers, and creators may be temporarily unavailable or limited. This could be due to proactive actions we experienced take while we provide critical updates or as** an outage **unexpected outcome of routine maintenance, which most recently occurred in July** lasted approximately 12 hours, and on October 28, 2021-2023, we experienced an outage on our Platform which lasted approximately three calendar days. Outages can be caused by a number of factors, including a move to a new technology, the demand on our Platform exceeding the capabilities of our technological infrastructure, delays or failures resulting from earthquakes, adverse weather conditions, other natural disasters, **manmade disasters**, pandemics, power loss, terrorism, geopolitical conflict, other physical security threats, cyber-attacks, or other catastrophic events, the migration of data among data centers and to third-party hosted environments, and issues relating to our reliance on third-party software, **third-party application stores**, and third parties that host our Platform in areas where we do not operate our own data centers ~~Global climate change could also result in natural disasters occurring more frequently or with more intense effects, which could cause business interruptions.~~ The unavailability of our Platform, particularly if outages should become more frequent or longer in duration, could cause our users to seek other entertainment options, including those provided by our competitors, which may

adversely affect our financial results. **If we or our partners or third party service providers experience outages and our Platform is unavailable or if our developers, creators, and users are unable to access our Platform within a reasonable amount of time or at all, as a result of any such events, our reputation and brand may be harmed, developer, creator and user engagement with our Platform may be reduced, and our revenue, bookings and profitability could be negatively impacted.** We may also experience a negative impact to our financial results as a result of decreased usage on our Platform or decrease of payouts to developers and creators. We may not have full redundancy for all of our systems at all times and our disaster recovery planning may not be sufficient to address all aspects of any unanticipated consequence or incident or allow us to maintain business continuity at profitable levels or at all. Further, in the event of damage or service interruption, our business interruption insurance policies will not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenues, subject us to liability, or otherwise harm our business, financial condition, or results of operations. In addition to the events described above, our data centers and our technological infrastructure may also be subject to local and federal administrative actions or regulations, changes to legal or permitting requirements, and litigation that could stop, limit, or delay operations. Despite a reliability program focused on anticipating and solving issues that may impact the availability of our Platform and precautions taken at our data centers, such as disaster recovery and business continuity arrangements, the occurrence of spikes in usage volume, the occurrence of a natural disaster, a hacking event or act of terrorism, a decision to close the facilities without adequate notice, or our inability to secure additional or replacement data center capacity as needed, or other unanticipated problems at our data centers could result in interruptions or delays on our Platform, impede our ability to scale our operations or have other adverse impacts upon our business and adversely impact our ability to serve our developers, creators, and users. Our developers or users may suffer a variety of outages or disruptions in accessing our Platform for a variety of reasons, including issues with their technology providers. **If we or our partners or third party service providers experience outages and our Platform is unavailable or if our developers, creators, and users are unable to access our Platform within a reasonable amount of time or at all, as a result of any such events, our reputation and brand may be harmed, developer, creator and user engagement with our Platform may be reduced, and our revenue, bookings and profitability could be negatively impacted.** Customer support personnel and technologies are critical to resolve issues and to allow developers, creators, and users to realize the full benefits that our Platform provides and provide an excellent customer experience. High-quality support is important for the retention of our existing developers, creators, and users and to encourage the expansion of their use of our Platform. We must continue to invest in the infrastructure required to support our Platform. If we do not help our developers, creators, and users quickly resolve issues and provide effective ongoing support, our ability to maintain and expand our Platform to existing and new developers, creators, and users could suffer. In addition, if we do not make sufficient investments in servers, software or personnel in support of our infrastructure, to scale effectively and accommodate increased demands placed on our infrastructure, the reliability of our underlying infrastructure will be harmed and our ability to provide a quality experience for our developers, creators, and users will be significantly harmed. This would lead to a reduction in the number of developers, creators, and users on our Platform, a reduction in our revenues, bookings, and ability to compete, and our reputation with existing or potential developers, creators, or users could suffer. Our and financial results may be adversely affected. The lack of comprehensive encryption for communications on our Platform may increase the impact of a data security breach or incident. Communications on our Platform are not comprehensively encrypted at this time. As such, any data security breach or incident that involves unauthorized access, acquisition, disclosure, or use of communications on our Platform may be more particularly impactful to our business. We may experience greater incident response forensics, data recovery, legal fees, and costs of notification related to any such potential incident, and we may face an increased risk of reputational harm, regulatory enforcement, and consumer litigation, which could further harm our business, financial condition, results of operations, and future business opportunities. **If the security of growth depends on our ability to continue innovating our Platform to offer attractive features for our developers and safe, secure and civil experiences for our developers, creators, and users. We spend substantial amounts of time and money to research, develop, and enhance versions of our Platform to incorporate additional features, improve functionality or other enhancements and prioritize user safety and security in order to meet the rapidly evolving demands of our developers, creators, and users. Maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the demands of the market is compromised, it could compromise essential. Developments and innovations on our Platform may rely on new or our and evolving technologies which are still in development or our may never be fully developed. If we fail to anticipate developers' and creators' needs, and the quality of the content they create may not attract users to engage with' private information, disrupt our experiences internal operations, and harm public perception result in a decline of users on our Platform.** When we develop new or enhanced features for our Platform, we typically incur expenses and expend resources upfront to develop, market, promote, and sell new features. Therefore, when we develop and introduce new or enhanced features, they must achieve high levels of developer, creator, and user acceptance in order to justify the investment in developing and bringing them to market. In the past, it has been difficult to remove features we have introduced that have not achieved acceptance, and as such, we still maintain them at some cost. Further, we have made and may in the future make changes to our Platform or added features that our users, developers, or creators do not like or find useful. Such changes and new features may be difficult to remove from the Platform and expensive to maintain. The Roblox Cloud may be relied upon in the future for increasingly complex decision-making as it integrates hardware, accelerated machine learning and artificial intelligence ("AI"), including generative AI for a broad range of compute tasks, including control of non-player characters, improved personalization, synthetic content generation, and automation of the player experience. It is possible that at some point the Roblox Cloud may make decisions unpredictably or autonomously, which can raise new or exacerbate existing ethical, technological, legal, and other challenges, and may negatively affect the performance of the Roblox Platform and the user, developer, and creator experience. New features or enhancements and changes to the existing features of our Platform, such as spatial voice and age verification could cause fail to attain sufficient

market acceptance for many reasons, including: • failure to predict market demand accurately in terms of functionality and to supply features that meet this demand in a timely fashion; • defects, errors, or failures; • negative publicity about performance or effectiveness; • delays in releasing new features or enhancements on our Platform; and • introduction or anticipated introduction of competing products by competitors. The failure to obtain market acceptance will negatively affect our business, financial condition, results of operations and brand ~~and reputation to suffer~~. We collect and store personal data and certain other sensitive and proprietary information in the operation of our business, including developer, creator, ~~and user~~ **and employee** information, and other confidential data. While we have implemented measures designed to prevent unauthorized access to or loss of our confidential data, ~~mobile~~ malware, ransomware, viruses, hacking, social engineering, spam, and phishing attacks have occurred and may occur on our Platform and our systems and those of our third- party service providers **again** in the future. Because of the popularity of our Platform, we believe that we are an attractive target for these sorts of attacks and have seen the frequency of these types of attacks increase ~~in number~~. The techniques used **by malicious actors** to obtain unauthorized access to, ~~or to sabotage~~, systems or networks, **or to utilize our systems maliciously** are constantly evolving and generally are not recognized until launched against a target. Consequently, **despite the measures we have taken**, we may be unable to anticipate these techniques, detect or react in a timely manner, or implement preventive measures, which could result in delays in our detection or remediation of, or other responses to, security breaches and other security- related incidents. The ~~use wide availability~~ of open source software used in our Platform has exposed us to security vulnerabilities in the past and will likely continue to expose us to security vulnerabilities in the future. For example, in December 2021, a vulnerability in popular logging software, Log4j, was publicly announced. ~~If left unpatched,~~ **and while we** the Log4j vulnerability could be exploited to allow unauthorized actors to execute code remotely on a system using Log4j. We have taken steps to ensure these **and similar** vulnerabilities have been patched in our systems, ~~but~~ we cannot guarantee that all vulnerabilities have been patched in every system upon which we are dependent or that additional critical vulnerabilities of Log4j or other open source software **which we rely** upon ~~which we rely~~ will not be discovered. ~~We incur significant costs~~ **Our use of AI in our products and effort to detect and prevent** **business practices may increase or create additional cybersecurity risks, including risks of security breaches and other security- related incidents**, including those to secure our product..... not be followed or detect every issue. Our Platform and service operate in conjunction with, and we are dependent upon, third- party products, services, and components. Our ability to monitor our third- party service providers' ~~data security~~ **cybersecurity** is limited, and in any event, attackers may be able to circumvent our third- party service providers' ~~data security~~ **cybersecurity** measures. There have been and may continue to be significant attacks on certain of our third- party providers, and we cannot guarantee that our or our third- party providers' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our Platform and service. If there is a security vulnerability, error, or other bug in one of these third- party products, services, or components and if there is a security exploit targeting them **or even simply the allegation of a vulnerability or security exploit targeting one of these third- party products, services or components**, we could face increased costs, claims, liability, reduced revenue, and harm to our reputation or competitive position. We and our service providers may be unable to anticipate these techniques, react, remediate, ~~or otherwise address any security vulnerability, breach,~~ ~~or other incident in a timely manner, or implement adequate preventative measures.~~ If any unauthorized access to our network, systems or data, including our sensitive and proprietary information, personal data from our users, developers, or creators, or other data, or any other ~~security~~ loss or unavailability of, or unauthorized use ~~or,~~ **modification**, disclosure, **or other processing** of personal data or any other security breach or incident, occurs or is believed to have occurred, whether as a result of third- party action, employee negligence, error or malfeasance, defects, social engineering techniques, ransomware attacks, or otherwise, our reputation, brand and competitive position could be damaged, our and our users', developers' and creators' data and intellectual property could potentially be lost or compromised, and we could be required to spend capital and other resources to alleviate problems caused by such actual or perceived breaches or incidents and remediate our systems. ~~We could also be exposed to a risk of loss, litigation or regulatory action and possible liability, and our ability to operate our business may be impaired.~~ In the past, we have experienced social engineering **and attacks (including through phishing attacks)**, and if similar attacks occur and are successful, this could have a negative impact on our business or result in unfavorable publicity. Additionally, we contract with certain third parties to store and process certain data for us, including our distribution channels, and these third parties face similar risks of actual and potential security breaches and incidents, which could present similar risks to our business, reputation, financial condition, and results of operations. **We incur significant costs in an effort to detect and prevent security breaches and other security- related incidents, including those to secure our product development, test, evaluation, and deployment activities, and we expect our costs will increase as we make improvements to our systems and processes to prevent future breaches and incidents.** The economic costs to us to reduce ~~or alleviate~~ cyber or other security problems, such as spammers, errors, bugs, flaws, " cheating " programs, defects or corrupted data, could be significant and may be difficult to anticipate or measure. Even the perception of these issues may cause developers, creators, and users to use our Platform less or stop using it altogether, and the costs could divert our attention and resources, any of which could result in claims, demands, and legal liability to us, regulatory investigations and other proceedings, and otherwise harm our business, reputation, financial condition, ~~or results of operations.~~ There could also be regulatory fines imposed for certain data breaches that take place around the world. Further, **certain laws and regulations relating to** privacy, biometrics, ~~data security~~ **cybersecurity**, and data protection ~~laws~~, such as the California Consumer Privacy Act (" CCPA "), allow for a private right of action, which may lead to consumer litigation for certain data breaches that relate to a specified ~~set~~ **categories** of personal information. ~~our product development, test, evaluation, and deployment activities, and we expect our costs will increase as we make improvements to our systems and processes to prevent future breaches and incidents.~~ From time to time, we do identify product vulnerabilities, including through our bug bounty program. Although we have policies and procedures in place designed to

swiftly characterize the potential impact of such vulnerabilities and develop appropriate patching or upgrade recommendations ; and also maintain policies and procedures related to vulnerability scanning and management of our internal corporate systems and networks, such policies and procedures may not be followed or detect **every issue, and from time to time, we have, and may in the future again, need to proactively disable access to our Platform in order to provide necessary patching or upgrades.**

Although we maintain cyber and privacy insurance, subject to applicable deductibles and policy limits, such coverage may not extend to all types of **incidents relating to** privacy **and**, data **protection, or security-cybersecurity incidents**, and it may be insufficient to cover all costs and expenses associated with such incidents. Further, such insurance may not continue to be available to us in the future on economically reasonable terms, or at all, and insurers may deny us coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation. The **full extent to which the COVID-..... and brand or reputational harm.** The expansion of our Platform outside the United States exposes us to risks inherent in international operations. We operate our Platform throughout the world and are subject to risks and challenges associated with international business. For the year ended December 31, **2022-2023**, approximately **77-78%** of our DAUs and **34-36%** of our revenue was derived from outside the U. S. and Canada region. We intend to continue to expand internationally, and this expansion is a critical element of our future business strategy. However, as we continue to expand internationally, including into developing countries where consumer discretionary spending is relatively weak, while our DAUs increase, the growth rate of our bookings could decelerate due to weaker spending by users from those regions, and our ABPDAU has been and may continue to be negatively impacted. While we have a number of developers, creators, and users outside of the U. S., we have limited offices located outside of the U. S. and Canada, and there is no guarantee that our international **expansion** efforts will be successful. The risks and challenges associated **with** expanding our international presence **;** **having developers, creators, and users outside the U. S. and those that can affect international operations generally and negatively impact our business and results of operations**, include: • greater difficulty in enforcing contracts and managing **accounts receivable collections- collection** in countries where our recourse may be more limited, **and** as well as longer collection periods; • higher costs of doing business internationally, including **increased accounting, travel, infrastructure, legal and compliance** costs **incurred in complying with local regulations related to privacy, data security, data protection, content monitoring, preclusion, and removal, and online entertainment offerings, particularly as these rules apply to interactions with children, and establishing and maintaining office space for our international operations**; • double taxation of our international earnings and potentially adverse tax consequences due to changes in the tax laws of the U. S. or the foreign jurisdictions in which we operate; • compliance with multiple, ambiguous, or evolving governmental laws and regulations, including those relating to employment, tax, content regulation, privacy, data protection, anti- corruption, import / export, customs, anti- boycott, sanctions and embargoes, antitrust, data transfer, storage and security, content monitoring, preclusion, and removal, **online entertainment offerings**, advertising and consumers in general, and industry- specific laws and regulations, **particularly as these rules apply to interactions with children** **localization of our services, including translation into foreign languages and associated expenses**; • expenses related to monitoring and complying with differing labor regulations, especially in jurisdictions where labor laws may be more favorable to employees than in the U. S.; • increased exposure to fluctuations in exchange rates between the U. S. dollar and foreign currencies in markets where we do business **;** **in particular the strengthening of the U. S. dollar**; • challenges inherent to efficiently recruiting and retaining **qualified talented and capable** employees in foreign countries and maintaining our company culture and employee programs across all of our offices; • management communication and integration problems resulting from language or cultural differences and geographic dispersion; • the uncertainty of protection for intellectual property in some countries; • the uncertainty of our exposure to third-party claims of intellectual property infringement and the availability of statutory safe harbors in some countries; • foreign exchange controls that might prevent us from repatriating cash earned outside the U. S.; • risks associated with trade restrictions and foreign legal requirements, and greater risk of unexpected changes in regulatory requirements, tariffs and tax laws, trade laws, and export and other trade restrictions; • risks relating to the implementation of exchange controls, including restrictions promulgated by the Office of Foreign Asset Control (**"OFAC"**), and other similar trade protection regulations and measures; • exposure to regional or global public health issues, and to travel restrictions and other measures undertaken by governments in response to such issues; • general economic and political conditions in these foreign markets, including political and economic instability in some countries **and regions** ; • **localization of our services, including translation into foreign languages and associated expenses and** the ability to monitor our Platform in new and evolving markets and in different languages to confirm that we maintain standards consistent with our brand and reputation; • regulatory frameworks or business practices favoring local competitors; • changes in the perception of our Platform by governments in the regions where we operate or plan to operate; • uncertainty regarding the imposition of and changes in the U. S.' and other governments' trade regulations, trade wars, tariffs, other restrictions or other geopolitical events, and without limitation, including the evolving relations between the U. S. and China **and**, evolving relations with Russia due to Russia's invasion of Ukraine **, and the escalation of regional tension as a result of Hamas' attack against Israel and the ensuing war** ; **and** • natural disasters, acts of war, and terrorism, and resulting changes to laws and regulations, including changes oriented to protecting local businesses ; • **difficulties in hiring highly qualified employees internationally and managing foreign operations**; **and** • **regional economic and political conditions**. These and other factors could harm our ability to generate revenue and bookings outside of the U. S. and, consequently, adversely affect our business, financial condition and results of operations. We may not be able to expand our business and attract users in international markets and doing so will require considerable management attention and resources. International expansion is subject to the particular challenges of supporting a business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems and commercial infrastructures. We may not be able to

offer our Platform in certain countries, and expanding our international focus may subject us to risks that we have not faced before or increase risks that we currently face. ~~we could lose the innovative approach, creativity, and teamwork fostered by our culture and our business could be harmed. We believe that a critical component of our success has been our culture. We have invested substantial time and resources in building out our team with an emphasis on shared values and a commitment to diversity and inclusion. As we continue to grow and develop the infrastructure associated with being a public company and hybrid work model, we will need to expend significant efforts to maintain our culture among a larger number of employees dispersed in various geographic regions. A hybrid work model may create challenges, including challenges maintaining our corporate culture, increasing attrition or limiting our ability to attract employees if individuals prefer to continue working full time at home or in the office. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our mission to connect a billion people with optimism and civility.~~ If we are unable to successfully grow our user base, compete effectively with other platforms, and further monetize our Platform, our business will suffer. We have made, and are continuing to make, investments to enable our developers **and creators** to design and build compelling content and deliver it to our users on our Platform. Existing and prospective developers may not be successful in creating content that leads to and maintains user engagement (including maintaining the quality of experiences) ~~or~~; they may fail to expand the types of experiences that ~~they~~ **our developers** can build for users ~~or our competitors~~ **and other global entertainment companies, online content platforms, and social platforms** may entice our **developers**, users and potential users away from, or to spend less time with, our Platform, each of which could adversely affect users' interest in our Platform and lead to a loss of revenue opportunities and harm our results of operations. **The multitude of other entertainment options, online gaming, and other interactive experiences is high, making it difficult to retain users who are dissatisfied with our Platform and seek other entertainment options.** Additionally, we may not succeed in further monetizing our Platform and user base. As a result, our user growth, user engagement, financial performance and ability to grow revenue could be significantly harmed if: ~~we fail to increase or maintain DAUs; our user growth outpaces our ability to monetize our users, including if our user growth occurs in markets that are not profitable; we fail to establish an international base of our developers, creators, and users; we fail to provide the tools and education to our developers and creators to enable them to monetize their experiences and developers do not create engaging or new experiences for users; we fail to establish a successful advertising model; we fail to increase or maintain the amount of time spent on our Platform, the number of experiences that our users engage share and explore with friends, or the usage of our technology for our developers; we fail to increase do not develop and establish the social features of our Platform, allowing it to more broadly serve the entertainment, education, communication and business markets; we fail to increase penetration and engagement across all age demographics or measures intended to make our Platform more attractive to older- age verified users create the perception that our Platform is not safe for young users; developers do not create engaging or new experiences for or users; users reduce their purchases of Robux on our Platform; or the experiences on our Platform do not maintain or gain popularity.~~ If we are able to continue to grow, we will need to manage our growth effectively, which could require expanding our internal IT systems, technological operations infrastructure, financial infrastructure, and operating and administrative systems and controls. In addition, we have expended in the past and may in the future expend significant resources to launch new features and changes on our Platform that we are unable to monetize, which may significantly harm our business. Any future growth would add complexity to our organization and require effective coordination across our organization, and an inability to do so would adversely affect our business, financial conditions, and results of operations. We introduced our users to offerings for Robux that are subscription- based. **Only a small portion of our users regularly purchase Robux compared to all users who use our Platform in any period.** While we intend for these efforts to generate increased recurring revenues from our existing user base, they may cause users to decrease their purchases of Robux and decrease these users' overall spend on our Platform. Our ability to continue to attract and retain users of our paid subscription services will depend in part on our ability to consistently provide our subscribers with a quality experience. If our users do not perceive these offerings to be of value, or if we introduce new or adjust existing features or pricing in a manner that is not favorably received by them, we may not be able to attract and retain subscribers or be able to convince users to become subscribers of such additional service offerings, and we may not be able to increase the amount of recurring revenue from our user base. **If users fail to purchase Robux at rates similar to or greater than they have historically and if we fail to attract new paying users, or if our paying users fail to continue interacting with the Platform and purchasing Robux as they increase in age, our revenue will suffer.** Subscribers may cancel their subscription to our service for many reasons, including a perception that they do not use the service sufficiently, the need to reduce household expenses, competitive services that provide a better value or experience or as a result of changes in pricing. If our efforts to attract and retain subscribers are not successful, our business, operating results, and financial condition may be adversely impacted. ~~We rely on a very small percentage of our total users for a significant majority of our revenue and bookings that we derive from our Platform. We generate substantially all of our revenue through the sales of our virtual currency, "Robux," which players can use to acquire virtual items developed by our developer and creator community on the Platform. Only a small portion of our users regularly purchase Robux compared to all users who use our Platform in any period. We rely on our developers to create engaging content that drives users to acquire digital items to enhance their enjoyment. If users fail to purchase Robux at rates similar to or greater than they have historically and if we fail to attract new paying users, or if our paying users fail to continue interacting with the Platform and purchasing Robux as they increase in age, our revenue will suffer.~~ Introduction of new technology could harm our business and results of operations. The market for **an immersive a human co-experience platform for connection and communication** is a new and evolving market characterized by rapid, complex, and disruptive changes in technology and user, developer, and creator demands that could make it difficult for us to effectively compete. The expectations and needs of our users, developers, and creators are constantly evolving. Our future success depends on a variety of factors, including our continued ability to innovate, introduce new products and services

efficiently, enhance and integrate our products and services in a timely and cost-effective manner, extend our core technology into new applications, and anticipate technological developments. If we are unable to react quickly to new technology trends — for example the continued growth of generative AI solutions which disrupts the ways developers create experiences or may disrupt the way users consume virtual goods — it may harm our business and results of operation. **Further, social and ethical issues relating to the use of new and evolving technologies such as AI in our offerings, may result in reputational harm and liability, and may cause us to incur additional research and development costs to resolve such issues. AI presents emerging ethical issues and if we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience brand or reputational harm, competitive harm, or legal liability. Failure to address AI ethics issues by us or others in our industry could undermine public confidence in AI.** In addition, our use of generative AI in aspects of our Platform may present risks and challenges that could increase as AI solutions become more prevalent. **The Roblox Cloud may be relied upon in the future for increasingly complex decision-making as it integrates hardware, accelerated machine learning AI, including generative AI, for a broad range of compute tasks, including control of non-player characters, improved personalization, synthetic content generation, and automation of the player experience. It is possible that at some point the Roblox Cloud may make decisions unpredictably or autonomously, which can raise new or exacerbate existing ethical, technological, legal, and other challenges, and may negatively affect the performance of the Roblox Platform and the user, developer, and creator experience. However, AI algorithms may be flawed. Datasets may be insufficient or contain biased information. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm.** Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may significantly harm and negatively affect our reputation and our business. We regularly review metrics, including our DAUs, hours engaged, **unique payers**, user demographics, and ABPDAU to evaluate growth trends, measure our performance, and make strategic decisions. These metrics are calculated using internal data gathered on an analytics platform that we developed and operate and have not been validated by an independent third party. Our metrics and estimates may also differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or the assumptions on which we rely. If our estimates are inaccurate, then investors will have less confidence in our company and our prospects, which could cause the market price of our Class A common stock to decline, and our reputation and brand could be harmed. While these metrics are 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 Platform is used and as a result, the metrics may overstate the number of DAUs, **monthly unique payers, average monthly repurchase rate, hours engaged, and ABPDAU, and average bookings per monthly unique payer.** The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm ~~For or example~~ other technical errors. In addition, we are continually seeking to improve our estimates of our user base and hours engaged, and such estimates may change due to improvements or changes in our methodology. We regularly review our processes for calculating these metrics, and from time to time we discover inaccuracies in our metrics or make adjustments to improve their accuracy, which can result in adjustments to our historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments. Additionally, there are users who have multiple accounts, fake user accounts, or fraudulent accounts created by bots to inflate user activity for a particular developer or creator on our Platform, thus making the developer's or creator's experience or other content appear more popular than it really is. We strive to detect and minimize fraud and unauthorized access to our Platform, and these practices are prohibited in our terms of service, and we implement measures to detect and suppress that behavior. **If we are successful in our efforts to minimize fraud, the use of bots and unauthorized access to our Platform, our operating results may be negatively affected.** Some of our demographic data may also 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. If our users provide us with incorrect or incomplete information regarding their age or other attributes, then our estimates may prove inaccurate. Errors or inaccuracies in our metrics or data could also result in incorrect business decisions and inefficiencies. For instance, if a significant understatement or overstatement of active users **or hours engaged** were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to attract a sufficient number of users to satisfy our growth strategies. If our **investors or** developers do not perceive our user, geographic, or other demographic metrics to be accurate representations of our user base, or if we discover material inaccuracies in our user, geographic, or other demographic metrics, our reputation may be seriously harmed. Our developers, creators, **and and brand and other** partners may also be less willing to allocate their budgets or resources to our Platform, which could seriously harm our business. We rely on suppliers for certain components of the equipment we use to operate our Platform and any disruption in the availability of these components could delay our ability to expand or increase the capacity of our Platform or replace defective equipment. We rely on suppliers for several components of the equipment we use to operate our Platform. Our reliance on these suppliers exposes us to risks, including reduced control over production costs and constraints based on the current availability, terms, and pricing of these components. While the network equipment and servers we purchase generally are commodity equipment and we believe an alternative supply source for network equipment and servers on substantially similar terms could be identified quickly, our business could be adversely affected until those efforts are completed. In addition, the technology equipment industry has experienced component shortages and delivery delays, and we have and may in the future experience shortages or delays, including as a result of increased demand in the industry, natural disasters, **export and import control restrictions**, or our suppliers lacking sufficient rights to supply the components in all jurisdictions in which we have data centers and edge data centers that support our Platform. For example, ~~the ongoing COVID-19 pandemic and~~ supply chain constraints for servers and other **networking** equipment required for our operations has resulted and could in the future result in disruptions and delays for

these components and the delivery and installation of such components at our data centers and edge data centers. If our supply of certain components is disrupted or delayed, there can be no assurance that additional supplies or components can serve as adequate replacements for the existing components or that supplies will be available on terms that are favorable to us, if at all. Any disruption or delay in the supply of our hardware components may delay the opening of new data centers, edge data centers, co-location facilities or the creation of fully redundant operations, limit capacity expansion, or replacement of defective or obsolete equipment at existing data centers and edge data centers or cause other constraints on our operations that could damage our ability to serve our developers, creators, and users. Some developers, creators, and users on our Platform may make unauthorized, fraudulent, or illegal use of Robux and other digital goods or experiences on our Platform, including through unauthorized third-party websites or “cheating” programs. Robux and digital goods on our Platform have no monetary value outside of our Platform, but users have made and may in the future make unauthorized, fraudulent, or illegal sales and / or purchases of Robux and other digital goods on or off of our Platform, including through unauthorized third-party websites in exchange for real-world currency. For example, some users have made fraudulent use of credit cards owned by others on our Platform to purchase Robux and offer the purchased Robux for sale at a discount on a third-party website. For the year ended December 31, 2022-2023, total chargebacks to us from this fraud was approximately 3.16-11% of bookings. While we regularly monitor and screen usage of our Platform with the aim of identifying and preventing these activities, and regularly monitor third-party websites for fraudulent Robux or digital goods offers as well as regularly send cease-and-desist letters to operators of these third-party websites, we are unable to control or stop all unauthorized, fraudulent, or illegal transactions in Robux or other digital goods that occurs on or off of our Platform. Although we are not directly responsible for such unauthorized, fraudulent, and / or illegal activities conducted by these third parties, our user experience may be adversely affected, and users and / or developers may choose to leave our Platform if these activities are pervasive. These activities may also result in negative publicity, disputes, or even legal claims, and measures we take in response may be expensive, time consuming, and disruptive to our operations. In addition, unauthorized, fraudulent, and / or illegal purchases and / or sales of Robux or other digital goods on or off of our Platform, including through third-party websites, bots, fake accounts, or “cheating” or malicious programs that enable users to exploit vulnerabilities in the experiences on our Platform or our partners’ websites and platforms, could reduce our revenue and bookings by, among other things, decreasing revenue from authorized and legitimate transactions, increasing chargebacks from unauthorized credit card transactions, causing us to lose revenue and bookings from dissatisfied users who stop engaging with the experiences on our Platform, or could increase costs that we incur to develop technological measures to curtail unauthorized transactions and other malicious programs, or could reduce other operating metrics. Under our community rules for our Platform, which developers, creators, and users are obligated to comply with, we reserve the right to temporarily or permanently ban individuals for breaching our Terms of Use by violating applicable law or Roblox policies which include engaging in illegal activity on the Platform. We have banned individuals as a result of unauthorized, fraudulent, or illegal use of Robux or other digital goods on our Platform. We have also employed technological measures to help detect unauthorized Robux transactions and continue to develop additional methods and processes through which we can identify unauthorized transactions and block such transactions. However, there can be no assurance that our efforts to prevent or minimize these unauthorized, fraudulent, or illegal transactions will be successful. We have made and are continuing to make investments in privacy, data protection, user safety, cybersecurity, and content review efforts to combat misuse of our services and user data by third parties, including investigations of individuals we have determined to have attempted to access and, in some cases, have accessed, user data without authorization. Our business is highly competitive and internal teams also continually monitor and subject to address any unauthorized attempts to access data stored on servers rapid changes. We face significant competition to attract and retain our users, developers, and creators that we own or control or data available to our third-party customer service providers. As a result of these efforts, we have discovered and disclosed, and anticipate that we will continue to discover intensify. Should we fail to attract and retain, disclose, additional incidents of misuse of or unauthorized access of users’ user data, developers, and creators, our business and results of operations may suffer. We compete with other companies that have taken steps to protect the data that we have access to, but despite these efforts, our security measures, for or both users and developers and creators. We compete to attract and retain our users’ attention on the those basis of our content and user experiences. We compete for users and their third engagement hours with global technology leaders such as Amazon, Apple, Meta Platforms, Google, Microsoft, and Tencent, global entertainment companies such as Comcast, Disney, and ViacomCBS, global gaming companies such as Activision Blizzard, Electronic Arts, Take-Two Interactive, Epic Games, Krafton, and Valve, online content platforms including Netflix, Spotify, and YouTube, as well as social platforms such as Facebook, TikTok, Instagram, Pinterest, Twitter, Reddit, Discord and Snap. We rely on developers to create the content that leads to and maintains user engagement (including maintaining the quality of experiences). We compete to attract and retain developers by providing developers the tools to easily build, publish, operate, and monetize content. We compete for developers and engineering talent with gaming and metaverse platforms such as Epic Games, Unity, Meta Platforms, and Valve Corporation, which also give developers the ability to create or distribute interactive content. We do not have any agreements with our developers that require them to continue to use our Platform for any time period. Some of our developers have developed attractive businesses in developing content, including games, on our Platform. In the future, if we are unable to continue to provide providers value to these developers and they have alternative methods to publish and commercialize their offerings, they may not continue to provide content to our Platform. Should we fail to provide compelling advantages to continued use of our ecosystem to developers, they may elect to develop content on competing interactive entertainment platforms. If a significant number of our developers no longer provide content, we may experience an overall reduction in the quality of our experiences, which could be insufficient adversely affect users’ interest in our or breached Platform and lead to a loss of revenue opportunities and harm our results of operations. Many of our existing competitors have, and some of our potential competitors could have, substantial

competitive advantages, such as: • larger sales and marketing budgets and resources; • broader and more established relationships with users, developers, and creators; • greater resources to make acquisitions and enter into strategic partnerships; • lower labor and research and development costs; • larger and more mature intellectual property portfolios; and • substantially greater financial, technical, and other resources. We expect competition to continue to increase in the future. Conditions in our market could change rapidly and significantly as a result of **third-party action, malfeasance, employee errors, service provider errors, technological advancements, limitations, defects** the emergence of new entrants into the market, partnering or acquisitions by our **or vulnerabilities in competitors, continuing market consolidation, or our changing developer Platform or otherwise. Additionally, creator many of our employees and third-party service providers with access to user preferences data currently are and may in the future be working remotely**, which **may increase** can be difficult to predict or **our** prepare for **or**. Our competitors vary in size, and some may have substantially broader and more diverse offerings or **our third-party service providers' risk of security breaches or incidents. Moreover, the risk of state-supported and geopolitical-related cyber-attacks may increase with recent geopolitical events. We may not discover all such incidents or activity or** be able to adopt more lucrative payment **respond to or otherwise address them, promptly, in sufficient respects or at all. Such incidents and activities have in the past, and may in the future, involve the use of user data or our systems in a manner inconsistent with our terms, contracts or policies or structures, the existence of false for- or undesirable user accounts, theft of in-game currency or virtual items in valid user accounts, and activities that threaten people's safety on- or offline. We may also be unsuccessful in our efforts to enforce our policies or otherwise remediate any such incidents. Any of the foregoing developers developments -Failure to adequately identify-, whether actual or perceived, may negatively affect user trust and adapt engagement, harm our reputation and brands, require us to these competitive pricing pressures change our business practices in a manner adverse to our business, and adversely affect our business and financial results. Any such developments may also subject us to future litigation and regulatory inquiries, investigations, and proceedings, including from data protection authorities in countries where we offer services and / or have users, which could negatively impact our business subject us to monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight**. We focus our business on our developers, creators, and users, and acting in their interests in the long-term may conflict with the short-term expectations of analysts and investors. A significant part of our business strategy and culture is to focus on long-term growth and developer, creator, and user experience over short-term financial results. We expect our expenses to continue to increase in the future as we broaden our developer, creator, and user community, as developers, creators, and users increase the amount and types of experiences and virtual items they make available on our Platform and the content they consume, as we continue to seek ways to increase payments to our developers and as we develop and further enhance our Platform, expand our technical infrastructure and data centers, and hire additional employees to support our expanding operations. As a result, in the near- and medium-term, we may continue to operate at a loss, or our near- and medium-term profitability may be lower than it would be if our strategy were to maximize near- and medium-term profitability. We expect to continue making significant expenditures to grow our Platform and develop new features, integrations, capabilities, and enhancements to our Platform for the benefit of our developers, creators, and users. **We will also be required to invest in our internal IT systems, technological operations infrastructure, financial infrastructure, and operating and administrative systems and controls.** Such expenditures may not result in improved business results or profitability over the long-term. If we are ultimately unable to achieve or improve profitability at the level or during the time frame anticipated by securities or industry analysts, investors and our stockholders, the trading price of our Class A common stock may decline. **We rely on third-party..... impair our ability to operate our business**. We may require additional capital to meet our financial obligations and support business growth, and this capital might not be available on acceptable terms or at all. We intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, **including the need for developers and creators to develop new experiences and virtual items, enhance our existing experiences, improve our Platform and operating infrastructure or acquire complementary businesses, personnel, and technologies.** Accordingly, we may need to engage in additional equity or debt financings **to secure additional funds**. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of our Class A common stock. Any debt financing that we secure in the future could involve offering security interests and undertaking restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. **The Recently, the** trading prices of technology companies have been highly volatile as a result of the COVID-19 pandemic, the conflict in Ukraine, market downturn, inflation, and growing fears of a national or global recession, which may reduce our ability to access capital on favorable terms or at all. **In Also, to the extent outstanding addition additional, a recession, depression, shares subject to options and warrants to purchase or our capital stock are authorized and exercised, other- there sustained adverse market event will be further dilution. The amount of dilution could adversely affect be substantial depending on the size of the issuance our- or exercise business and the value of our Class A common stock**. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business, financial condition or results of operations may be harmed. **Our results of operations may be harmed if we are required to collect sales, value added, or other similar taxes for the purchase of our virtual currency. Although we, either directly or through our third-party distribution channels, collect and remit taxes from users in certain countries and regions, there are some jurisdictions in which we operate where we do not currently collect taxes from users. One or more states or countries may seek to impose past, incremental or new sales, value added, or other tax collection obligations on us. A successful assertion by a state, country, or other jurisdiction that we should have been or should be collecting additional sales,**

value added, or other taxes could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential users, developers or creators from subscribing to our Platform due to the incremental cost of any such sales or other similar taxes, or otherwise harm our business, results of operations, and financial condition. The popularity of our Lua scripting language for customization of and creation of virtual worlds and virtual goods and services is a key driver of content creation and engagement with our Platform. If, and if other programming languages or platforms become more popular with our developers, it may affect engagement with and content creation for our Platform and our business may be harmed. Roblox experiences are programmed using Lua scripting language on the Roblox Platform. In order to enhance the attractiveness of our Platform to potential developers, we have made the Lua scripting language available without charge. The Lua scripting language permits developers on the Roblox Platform to develop customized add-on features for their own or others' use, and we have trained our developers on how to write add-on programs using Lua scripting language. As part of this strategy, we have encouraged the development of an active community of Lua programmers similar to those which have emerged for other software platforms. The widespread use and popularity of our Lua scripting language is critical to creating engaging content on and demand for our Platform. If developers do not find the Lua scripting language or our Platform simple and attractive for developing content or determine that our Lua scripting language or other features of our Platform are undesirable or inferior to other scripting languages or platforms, or Lua scripting language becomes unavailable for use by the developers for any reason, they may shift their resources to developing content on other platforms and our business may be harmed. We rely on Amazon Web Services for a portion of our cloud infrastructure in certain areas, and as a result any disruption of AWS would negatively affect our operations and significantly harm our business. We rely on Amazon Web Services ("AWS") as a third-party provider for a portion of our backend services, including for some of our high-speed databases, scalable object storage, and message queuing services, as well as virtual cloud infrastructure. For location-based support areas, we outsource certain aspects of the infrastructure relating to our cloud-native Platform. As a result, our operations depend, in part, on AWS' ability to protect their services against damage or interruption from due to a variety of factors, including infrastructure changes, human or software errors, natural or manmade disasters, power or telecommunications failures, criminal acts, capacity constraints and similar events. Our developers, creators, and users need to be able to access our Platform at any time, without interruption or degradation of performance. Our Platform depends, in part, on the virtual cloud infrastructure hosted in AWS. Although we have disaster recovery plans that utilize multiple AWS availability zones to support our requirements cloud infrastructure, any incident affecting their infrastructure that may be caused by fire, flood, severe storm, earthquake or other natural or manmade disasters, power loss, telecommunications failures, cyber attacks, terrorist or other attacks, and other similar events beyond our control, could adversely affect our cloud-native Platform. Any disruption of or interference with our use of AWS could impair our ability to deliver our Platform reliably to our developers, creators, and users. Additionally, if threats or attacks from computer malware, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse and general hacking have occurred and are becoming more prevalent in our industry, particularly against cloud-native services and vendors of security solutions. If AWS were to experience any of these a hacking attack or another security incidents incident, it could result in unauthorized access to, damage to, disablement or encryption of, use or misuse of, disclosure of, modification of, destruction of, or loss of our data or our developers', creators', and users' data or disrupt our ability to provide our Platform or service. A prolonged AWS service disruption affecting our cloud-native Platform for any of the foregoing reasons would adversely impact our ability to serve our users, developers, and creators and could damage our reputation with current and potential users, developers, and creators, expose us to liability, result in substantial costs for remediation, cause us to lose users, developers, and creators, or otherwise harm our business, financial condition, or results of operations. and users. We may also incur significant costs for using alternative hosting cloud infrastructure services or taking other actions in preparation for, or in reaction to, events that damage or interfere with the AWS services we use. We have entered into an enterprise agreement with AWS and a supplemental private pricing addendum that will remain in effect until November June 2023-2026. In the event that our AWS service agreements are terminated, or there is a lapse of service, elimination of AWS services or features that we utilize, we could experience interruptions in access to our Platform as well as significant delays and additional expense in arranging for or creating new facilities or re-architecting our Platform for deployment on a different cloud infrastructure service provider, which would adversely affect our business, financial condition, and results of operations. We must continue If we are unable to attract maintain effective disclosure controls and internal control retain users, developers, and creators, and highly qualified personnel in over- very competitive markets financial reporting, our ability to continue to execute on produce timely and accurate financial statements or our comply business strategy and growth plans, and the loss of key personnel or failure to attract and retain users, developers, and creators could significantly harm our business. We compete for users, developers, and creators. We compete to attract and retain our users' attention and their engagement hours with applicable regulations may be impaired. We are subject to the other global technology leaders such reporting requirements of the Securities Exchange Act of 1934, as amended Amazon, Apple, Meta Platforms, Google, Microsoft, and Tencent, global entertainment companies such as Comcast, Disney, ViacomCBS, and Warner Bros Discovery, global gaming companies such as Activision Blizzard (now owned by Microsoft "the Exchange Act"), the Sarbanes-Electronic Arts, Take - Two Oxley Act, Epic Games and the rules and regulations of the listing standards of the NYSE. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting Krafton, NetEase and financial compliance costs, make some activities more difficult, time-consuming, and costly Valve, online content platforms and place significant strain on our personnel..... continue to expend, significant resources, including Netflix accounting-related costs and significant management oversight. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, Spotify changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems, and YouTube controls to accommodate such

changes. We have limited experience with implementing the systems and controls that will be necessary to operate as a public company, as well as **social platforms such as Facebook** adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Additionally, if **TikTok, Instagram, WhatsApp, Pinterest, X (Twitter), Reddit, Discord and Snap**. We also rely on developers and creators to create these -- **the content that leads to** new systems, controls, or standards and **maintains user engagement (including maintaining the associated process changes quality of experiences)**. We compete to attract and retain developers and engineering talent with gaming and metaverse platforms such as **Epic Games, Unity, Meta Platforms, and Valve Corporation**, which also give developers the ability to create or distribute **interactive content**. We do not give rise to the benefits **have any agreements with our developers** that **require** we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports, or the **them to continue to use** effectiveness of internal control over financial reporting. Moreover, our **Platform for** business may be harmed if we experience problems with any **time period**. Some of new systems and controls that result in delays in their implementation or our developers increased costs to correct any post-implementation issues that may arise. Further, we have identified **developed attractive businesses** in the past **developing content**, and may identify in **including games, on our Platform**. In the future, deficiencies in our controls. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which could have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet **provide value to these requirements developers and they have alternative methods to publish and commercialize their offerings**, we **they** may not **continue** be able to remain listed **provide content to our Platform**. Should we fail to provide **compelling advantages to continued use of our ecosystem to developers, they may elect to develop content** on the NYSE **competing interactive entertainment platforms**. We are required to **If a significant number of our developers no longer** provide **content, we may experience** an **overall reduction** annual management report on the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm may issue a report that is adverse in the **quality of** event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or **our** operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business and could cause a decline in the trading price of our Class A common stock. We may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our consolidated financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If we are not able to comply with the requirements of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls over financial reporting, we may not be able to produce timely and accurate financial statements. If that were to happen, our investors could lose confidence in our reported financial information, the trading price of our Class A common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Operating as a public company requires us to incur substantial costs and requires substantial management attention. We have incurred and expect to continue to incur substantial legal, accounting, and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC, and the listing standards of the NYSE. The Exchange Act requires, among other things, we file annual, quarterly, and current reports with respect to our business, financial condition, and results of operations. We are also required to maintain effective disclosure controls and procedures and internal control over financial reporting. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, and increase demand on our systems. In addition, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate. As a result of disclosure of information in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors. This management team, as a group, has limited experience **experiences** managing a publicly traded company. As such, our management team may not successfully or efficiently manage our obligations as a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect **users' interest in our business Platform and lead to a loss of revenue opportunities and harm our results of operations**. We expect competition to continue to increase in the future. Many of our existing **competitors have**, and some of our potential competitors could have, substantial competitive advantages, such as **larger sales and marketing budgets and resources; broader and more established relationships with users, developers, and creators; greater resources to make acquisitions and enter into strategic partnerships; lower labor and research and development costs; larger and more mature intellectual property portfolios; and substantially greater** financial condition, **technical** and results of operations. We anticipate that our ongoing efforts related to privacy, data protection, safety, data

security, and content review will identify additional instances of misuse of user data or other undesirable activity by third parties **resources. Additionally, we depend on the continued** our Platform. In addition to our efforts to mitigate cybersecurity risks, we have made and are continuing to make investments in privacy, data protection, user safety, data security, and content review efforts to combat misuse of our services and **performance** user data by third parties, including investigations of **our Founder** individuals we have determined to have attempted to access and in some cases, **President** have accessed, user data without authorization. Our internal **CEO and Chair of our Board of Directors, David Baszucki, members of our senior management teams- team** also continually monitor and address any unauthorized attempts to access data stored on servers that we own or control or data available to our third-party customer service providers. As a result of these efforts, we have discovered and disclosed, and anticipate that we will continue to discover and disclose, additional incidents of misuse of or unauthorized access of user data or other **key personnel** undesirable activity by third parties. **David Baszucki** We have taken steps to protect the data that we have access to, but despite these efforts, our security measures, or those of our third-party service providers, could be insufficient or breached as a result of third-party action, malfeasance, employee errors, service provider errors, technological limitations, defects or vulnerabilities in our Platform or otherwise. Additionally, many of our employees and third-party service providers with access to user data currently are and may in the future be working remotely, which may increase our or our third-party service providers' risk of security breaches or incidents. Moreover, globally there has been **responsible for our strategic vision, an-and should** increase in cybersecurity attacks since Russia invaded Ukraine. The **he stop working for us for** risk of state-supported and geopolitical-related cyber-attacks may increase in connection with the war in Ukraine and any **reason, it is unlikely that we would** related political or economic responses and counter-responses. We may not discover all such incidents or activity or be able to **immediately find** respond to or otherwise address them, promptly, in sufficient respects or at all. Such incidents and activities have in the past, and may in the future, involve the use of user data or our systems in a **suitable replacement** manner inconsistent with our terms, contracts or policies, the existence of false or undesirable user accounts, theft of in-game currency or virtual items in valid user accounts, and activities that threaten people's safety on- or offline. We **do not maintain key man life insurance** may also be unsuccessful in our efforts to enforce our policies or **for** otherwise remediate **David Baszucki, and do not believe** any **amount** such incidents. Any of **key man insurance would allow us to recover from** the foregoing developments, whether actual or perceived, may negatively affect user trust and engagement, harm our reputation and brands, require us to change our business practices in a manner **if David Baszucki were to leave the Company for any reason. Similarly, members of our senior management team and other key personnel are highly sought after and others may attempt to encourage these individuals to leave the Company. The loss of one or more of the members of the senior management team or other key personnel for any reason, or the inability to attract new or replacement members of our senior management team, other key personnel, or highly qualified employees could disrupt our operations, create uncertainty among investors, adversely affect employee retention and morale, and significantly harm** our business, and adversely affect our business and..... operations to continue in the China market. As we continue to expand our international operations, we become more exposed to the effects of fluctuations in currency exchange rates. We generally collect revenue from our international markets in the local currency. For the year ended December 31, **2022-2023**, approximately **77-78 %** of our DAUs and **34-36 %** of our revenue was derived from outside the U. S. and Canada region. While we periodically adjust the price of Robux to account for the relative value of this local currency to the U. S. dollar, these adjustments are not immediate nor do they typically exactly track the underlying currency fluctuations. As a result, rapid appreciation of the U. S. dollar against these foreign currencies has harmed and may in the future harm our reported results and cause the revenue derived from our foreign users and overall revenue to decrease. In addition, even if we do adjust the cost of our Robux in foreign markets to **fluctuations track appreciation** in the U. S. dollar, such **appreciation fluctuations** could **increase-change** the costs of purchasing Robux to our users outside of the U. S., **which may** adversely affecting --- **affect** our business, results of operations and financial condition, **or improve our financial performance**. We also incur expenses for employee compensation and other operating expenses at our non-U. S. locations in the local currency. Additionally, global events as well as geopolitical developments, including conflict in Europe and inflation have caused, and may in the future cause, global economic uncertainty, and uncertainty about the interest rate environment, which could amplify the volatility of currency fluctuations. Fluctuations in the exchange rates between the U. S. dollar and other currencies could result in the dollar equivalent of our expenses being higher which may not be offset by additional revenue earned in the local currency. This could **have a negative** impact on our reported results of operations. To date, we have not engaged in any hedging strategies and any such strategies, such as forward contracts, options, and foreign exchange swaps related to transaction exposures that we may implement in the future to mitigate this risk may not eliminate our exposure to foreign exchange fluctuations. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments. We plan to continue to make acquisitions and investments in other companies, which could require significant management attention, disrupt our business, dilute our stockholders, and significantly harm our business. As part of our business strategy, we have made and intend to make acquisitions to add specialized employees and complementary companies, features, and technologies. Our ability to acquire and successfully integrate larger or more complex companies, features, and technologies is unproven. In the future, we may not be able to find other suitable acquisition or investment candidates, and we may not be able to complete acquisitions or similar strategic transactions on favorable terms, if at all. The pursuit of potential acquisitions may divert the attention of management and cause us to incur significant expenses related to identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated. Our previous and future acquisitions may not achieve our goals, and any future acquisitions we complete could be viewed negatively by users, developers, creators, partners, or investors. In addition, if we fail to successfully close transactions or integrate new teams into our corporate culture, or fail to integrate the features and technologies associated with these acquisitions, our business could be significantly harmed. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. We may not

successfully evaluate or use the acquired products, technology, and personnel, or accurately forecast the financial impact of an acquisition, including accounting charges which could be recognized as a current period expense. We also may not achieve the anticipated benefits of synergies from the acquired business, may encounter challenges with incorporating the acquired features and technologies into our Platform while maintaining quality and security standards consistent with our brand, or may fail to identify security vulnerabilities in acquired technology prior to integration with our technology and Platform. We may also incur unanticipated liabilities that we assume as a result of acquiring companies, including claims related to the acquired company, its offerings or technologies or potential violations of applicable law or industry rules and regulations arising from prior or ongoing acts or omissions by the acquired business that were not discovered during diligence. We will pay cash, incur debt, or issue equity securities to pay for any acquisitions, any of which could significantly harm our business. **In addition, it generally takes several months after the closing of an acquisition to finalize the purchase price allocation. Therefore, it is possible that our valuation of an acquisition may change and result in unanticipated write-offs or charges, impairment of our goodwill, or a material change to the fair value of the assets and liabilities associated with a particular acquisition, any of which could significantly harm our business.** Selling equity to finance any such acquisition would also dilute our stockholders. Incurring debt would increase our fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. ~~In addition, it generally takes several months after the closing of an acquisition to finalize the purchase price allocation. Therefore, it is possible that our valuation of an acquisition may change and result in unanticipated write-offs or charges, impairment of our goodwill, or a material change to the fair value of the assets and liabilities associated with a particular acquisition, any of which could significantly harm our business.~~ Our acquisition strategy may not succeed if we are unable to remain attractive to target companies or expeditiously close transactions. If we develop a reputation for being a difficult acquirer or having an unfavorable work environment, or if target companies view our Class A common stock unfavorably, we may be unable to consummate key acquisition transactions essential to our corporate strategy and our business may be significantly harmed. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited, each of which could significantly harm our business. As of December 31, ~~2022~~ **2023**, we had federal net operating loss carryforwards of \$ ~~2,026,382~~ **6.3** million, which do not expire, **federal net operating loss carryforwards of \$ 52.2 million, which begin to expire in 2035**, state net operating loss carryforwards of \$ ~~893,1,261~~ **0.4** million, which begin to expire in ~~2023~~ **2024**, and foreign net operating loss carryforwards of \$ ~~54.66~~ **5.8** million, which begin to expire in 2024. Utilization of our net operating loss carryforwards and other tax attributes, ~~such as research and development tax credits,~~ may be subject to ~~annual limitations, or could be subject to other~~ limitations on utilization or benefit due to the ownership change limitations provided by Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “ Code ”), and other similar provisions. All of the \$ ~~2,026,382~~ **6.3** million of federal net operating losses are carried forward indefinitely but **the deductibility of these losses** is generally limited to 80 % of **current year** taxable income. Our net operating loss carryforwards may also be subject to limitations under state law. If our net operating loss carryforwards and other tax attributes expire before utilization or are subject to limitations, our business and financial results could be harmed. ~~Changes in existing financial accounting standards or practices may harm our results of operations. Changes in existing accounting rules or practices, new accounting pronouncements rules, or varying interpretations of current accounting pronouncements practice could harm our results of operations or the manner in which we conduct our business. Further, such changes could potentially affect our reporting of transactions completed before such changes are effective. GAAP is subject to interpretation by the Financial Accounting Standards Board, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. We regularly monitor our compliance with applicable accounting principles and review new pronouncements and interpretations that are relevant to us. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change. Adoption of such changes and any difficulties in implementing these pronouncements could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors’ confidence in us. Our estimates or judgments relating to our critical accounting policies may be based on assumptions that change or prove to be incorrect, which could cause our results of operations to fall below expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.~~ The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as described in the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations. ” The results of these estimates form the basis for making judgments about the recognition and measurement of certain assets and liabilities and revenue and expenses that is not readily apparent from other sources. ~~Our~~ **In addition to revenue recognition and estimates of the average lifetime of a paying user, our** accounting policies that involve judgment include those related to ~~revenue recognition, and estimates of the average lifetime of a paying user,~~ assumptions used for estimating the fair value of common stock to calculate stock-based compensation, capitalization of internal-use software costs, valuation of goodwill and intangible assets, certain accrued liabilities, and valuation allowances associated with income taxes. If our assumptions change or if actual circumstances differ from those in our assumptions, our results of operations could be adversely affected, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock. ~~Our~~ **and adversely affect our business and financial results of operations may be harmed if we are required to collect sales, value added, or other similar taxes for the purchase of our virtual currency, or for the sale of content between our developers, creators, and users. Any** ~~Although we, either directly or through our third-party distribution channels, collect and remit taxes from users in certain countries and regions on the sale of our virtual currency, there are some jurisdictions in which we operate where we do not currently collect taxes from users. The application of tax laws pertaining to the collection of sales, value added, and~~

similar taxes to e-commerce businesses, such developments as ours, is a complex and evolving area. For example, many also subject us to future litigation and regulatory inquiries, investigations, and proceedings, including from data protection authorities in countries where we offer. We have recently enacted tax laws that require non-resident providers to register for and levy value added taxes on electronically provided services and/or have users, which could subject us to such country monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight. This would require us to calculate, collect, and remit value added taxes in some jurisdictions, even if we have no physical presence in such jurisdictions. Further, we may need to invest substantial amounts to modify our solutions or our business model to be able to collect and remit sales, value added or similar taxes under such tax laws in the future. Further, many jurisdictions have also adopted or are considering adopting marketplace facilitator laws that shift the burden of tax collection to online marketplaces. If we are characterized as a marketplace facilitator for the sale of content between our developers, creators, and users, we may need to invest substantial amounts to modify our solutions or business model to be able to meet any reporting and collection obligations with respect to sales, value added, or similar taxes. A successful assertion by a jurisdiction that we should have been or should be collecting additional sales, value added, or other taxes for the sale of content between our developers, creators, and users, could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential users, developers or creators from subscribing to our Platform, or otherwise harm our business, results of operations, and financial condition. We may not realize the benefits expected through our China joint venture and the joint venture could have adverse effects on our business. In February 2019, we entered into a joint venture agreement with Songhua River Investment Limited, referred to as Songhua, an affiliate of Tencent Holdings Ltd. ("Tencent Holdings"), a leading internet company in China and one of the world's largest gaming companies. Under the joint venture agreement, we created Roblox China Holding Corp. (referred to as the "China JV"), of which we own a 51% ownership interest. Through a wholly-owned subsidiary based in Shenzhen named Roblox (Shenzhen) Digital Science and Technology Co., Ltd. and branded as "Luobu," the China JV is engaged in the development, localization, and licensing to Chinese creators of a Chinese version of the Roblox Studio and .Luobu also develops and oversees relations with local Chinese developers and helps them build and publish experiences and content for our global Platform. In December 2020, Shenzhen Tencent Computer Systems Co. Ltd. ("Tencent"), received a required publishing license from the National Press and Publication Administration of the Chinese government, which. The license enabled Tencent to publish a localized version of the Roblox Client as a game in China under the name "Luobulesi." The license could be withdrawn if Tencent fails to comply with applicable existing or future regulations. Such withdrawal could significantly impair or eliminate the ability to publish and operate Luobulesi in China. The Luobulesi app is not currently available to users in China while we and Tencent build the next version of Luobulesi. Luobu is continuing to focus on creating opportunities for local Chinese developers to learn a localized version of Roblox Studio for building and publishing experiences and content on our global Platform. Tensions between the U.S. and China have resulted in trade restrictions that could harm our ability to participate in Chinese markets and numerous additional such restrictions have been threatened by both countries. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the U.S. and China could result in a global economic slowdown and long-term changes to global trade, including retaliatory trade restrictions that could restrict our ability to operate-participate in China. Because our continued business operations in China are part of our current and future user growth plans, further adverse changes in the economic and political policies relating to China could have a material adverse effect on our business. The U.S. government, for example, has in the past barred or threatened to bar U.S. companies from doing business with certain Chinese technology companies. The Chinese government has, in turn, threatened to restrict the investment or trade privileges of companies that stop doing business with Chinese companies as a result of this or other-- the similar rules-China JV. We may find it difficult or impossible to comply with these or other conflicting regulations in the U.S. and China, which could make it difficult or impossible to achieve our business objectives in China or realize a return on our investment in this market. Relations may also be compromised if the U.S. pressures the Chinese government regarding its monetary, economic, or social policies. Changes in political conditions in China and changes in the state of China- U.S. relations are difficult to predict and could adversely affect the operations or financial condition of the China JV. In addition, because of our proposed involvement in the Chinese market, any deterioration in political or trade relations might result cause a public perception in the U.S. or elsewhere that might cause our products to become being perceived as less attractive in the U.S. or elsewhere. The Committee on Foreign Investment in the U.S. ("CFIUS") has continued to apply a more stringent review of certain foreign investment in U.S. companies, including investment by Chinese entities, and has made inquiries to us with respect to Tencent Holding's equity investment in us and involvement in the China JV. We cannot predict what effect any further inquiry by CFIUS the Committee on Foreign Investment in the U.S. into our relationship with Tencent and Tencent Holdings or changes in China- U.S. relations overall may have on our ability to effectively support the China JV or on the operations or success of the China JV. The Chinese economic, legal, and political landscape also differs from other countries in many respects, including the level of government involvement and regulation, control of foreign exchange, and allocation of resources and uncertainty regarding the practical enforceability and scope of protection for intellectual property rights. The laws, regulations and legal requirements in China are also subject to frequent changes and the exact obligations under and enforcement of laws and regulations are often subject to unpublished internal government interpretations and policies which makes it challenging to ascertain compliance with such laws. For example, laws and regulations limit the time users within China under the age of 18 can spend on entertainment platforms such as Roblox to one hour each day on Friday, Saturday, Sunday and on certain holidays only. China also recently adopted new online privacy laws. We may incur increased operating expenses related to data security-cybersecurity and data protection in China, including with respect to access to Chinese user data and confidential company information as well as any network interconnections and cross border system integrations. Any unauthorized access to such data, networks, or systems, or the mere

perception thereof, could have a significant negative impact on our reputation and lead to increased regulatory inquiry and oversight. The publishing license granted to Tencent in December 2020 could be withdrawn if we fail to comply with any existing or future regulations, which could significantly impair or eliminate the ability to publish and operate Luobulesi in China. Any actions and policies adopted by the Chinese government, particularly with regard to intellectual property rights and internet restrictions for non-Chinese businesses, or any prolonged slowdown in China's economy, could have an adverse effect on our business, results of operations and financial condition. In addition to market and regulatory factors, any future success of the China JV will require a collaborative effort with Tencent to build and operate Luobu and Luobulesi as together, they will form the exclusive basis for growing our penetration in the China market. In addition, upon the occurrence of certain events, such as a termination of certain of the contractual relationships applicable to Luobu, a change of control of us, or the acquisition of 20% of our outstanding securities by certain specified Chinese industry participants, we may be required to purchase Songhua's interest in the China JV at a fair market value determined at the time of such purchase. Any future requirement to purchase the interest in China JV from Songhua may have a material adverse effect upon our liquidity, financial condition, and results of operations both as a result of the purchase of such interests and the fact that we would need to identify and partner with an alternative Chinese partner in order for operations to continue **in the China market**. The stock-based compensation expense related to our RSUs and other outstanding equity awards has increased our expenses in recent periods and may continue to do so in future periods due to grants of RSUs to new and existing employees. We ~~also may expend substantial funds to satisfy a portion of our tax withholding and remittance obligations that arise upon the vesting and / or settlement of certain of our RSUs, which may have an adverse effect on our financial condition and results of operations.~~ RSUs that we have granted subsequent to our direct listing vest over a three or four year period. We have also granted performance-based stock unit awards to our executives, which vest based on continued service as well as the Company's stock performance over a three **- year performance period or the Company's cumulative Bookings and cumulative Covenant Adjusted EBITDA generated over a two**- year performance period. In February 2021, our leadership development and compensation committee granted the CEO Long-Term Performance Award, an RSU award under our 2017 Plan to David Baszucki covering 11,500,000 shares of our Class A common stock. We estimated the grant date fair value of the CEO Long-Term Performance Award using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the achievement of certain price goals may not be satisfied. The weighted-average grant date fair value of the CEO Long-Term Performance Award was estimated to be \$ 20.19 per share, and we estimate that we will recognize total stock-based compensation expense of approximately \$ 232.2 million over the derived service period of each of the seven separate tranches of the CEO Long-Term Performance Award that are eligible to vest based on the achievement of certain stock price goals. If the achievement of these stock price goals are met sooner than the derived service period, we will adjust our stock-based compensation expense to reflect the cumulative expense associated with the vested award. We will recognize stock-based compensation expense if service is provided by Mr. Baszucki over the requisite service period, regardless of whether the stock price goals are achieved. ~~Additionally, we may expend substantial funds in connection with the tax withholding and remittance obligations that arise upon the vesting and / or settlement of our outstanding RSUs, including the CEO Long-Term Performance Award. Under U. S. tax laws, employment and income tax withholding and remittance obligations for RSUs arise in connection with the vesting and settlement of the RSUs. To fund the employment and income tax withholding and remittance obligations arising in connection with the vesting and settlement of vested RSUs that are not otherwise satisfied, we will either (i) withhold shares of our Class A common stock that would otherwise be issued with respect to such vested RSUs and pay the relevant tax authorities in cash to satisfy such tax obligations or (ii) have the holders of such vested RSUs use a broker or brokers to sell a portion of such shares into the market, with the proceeds of such sales to be delivered to us for us to remit to the relevant taxing authorities, in order to satisfy such employment and income tax withholding and remittance obligations. Any such expenditures by us of substantial funds to satisfy a portion of our tax withholding and remittance obligations that arise upon the vesting and / or settlement of RSUs may have an adverse effect on our financial condition and results of operations.~~

Risks Related to Government Regulations We are subject to various governmental export control, trade sanctions, and import laws and regulations **worldwide**, that require our compliance and may **many** subject us to **liability if we violate these controls of which are unsettled and still developing, which could increase our costs or adversely affect our business**. We are subject to a variety of laws **in the U. S. and abroad that affect our business. As a global Platform with users in over 180 countries, we are subject to a myriad of regulations and laws regarding consumer protection, including the use of prepaid cards, subscriptions, advertising, electronic marketing, protection of minors, including verified parental consent, privacy, biometrics, cybersecurity, data protection and data localization requirements, AI, online services, online gaming, anti-competition, freedom of speech, labor, real estate, taxation, escheatment, intellectual property ownership and infringement, tax, export and national security, tariffs, anti-corruption and telecommunications, all of which are continuously evolving and developing. The scope and interpretation of the laws that are** could limit our **or ability may be applicable to us** offer access or full access to our Platform and experiences to certain persons and in certain countries or territories. For example, **which in some cases can be** certain U. S. laws and regulations administered and enforced by **private parties in addition to government entities, are often uncertain and may be conflicting, particularly laws outside the** U. S. Department of the Treasury's Office of Foreign Assets Control, referred to as OFAC, may limit our ability to give users, developers, and creators access to certain aspects of our Platform and experiences. We refer to OFAC collectively with other applicable export control and economic sanctions laws and regulations, as the Trade Control Laws and Regulations. Trade Control Laws and Regulations are complex and dynamic, and monitoring and ensuring compliance can be challenging. In addition, we rely on our payment processors for compliance with certain of these **Trade Control laws, regulations and similar requirements may be burdensome and expensive.** Laws and Regulations **regulations may be inconsistent**, preventing paid activity by users, developers, and creators that attempt to access our Platform

from various jurisdictions— **jurisdiction to jurisdiction** comprehensively sanctioned by OFAC, **which may increase** including Cuba, Iran, North Korea, Syria, and sanctioned regions of Ukraine. Users, developers, and creators from certain of these— **the cost of** countries and territories have access to our Platform and experiences and there can be no guarantee we will be found to have been in full compliance with Trade Control Laws and **doing business** Regulations during all relevant periods. Any failure by us or our payment processors to comply with the Trade Control Laws and Regulations may lead to violations of the Trade Control Laws and Regulations that could expose us to **possible litigation liability**. Additionally, following Russia’s invasion of Ukraine— **penalties or fines. Any such costs, which may rise in the future as a result of changes in the these laws** United States and **regulations or in other— their interpretation** countries imposed certain economic sanctions and severe export control restrictions against Russia, and the United States and other countries could impose wide sanctions and export restrictions and take **make our Platform less attractive** other actions should the conflict further escalate. Any failure to comply **our users, developers, or creators or cause us to change or limit our ability to sell our Platform. We have policies and procedures designed to ensure compliance** with applicable laws and regulations also could have negative consequences, **but we cannot assure you that we will not experience violations of such laws and regulations for— or our policies** us, including reputational harm, government investigations, and **procedures** monetary penalties. In addition, **there are ongoing academic** various foreign governments may also impose controls, **political** export license requirements, and /or restrictions applicable to **regulatory discussions in the U. S., Canada, Europe, United Kingdom, Australia, and other jurisdictions regarding whether certain mechanisms that may be included in the experiences on our Platform, such as features commonly referred to as “ loot boxes, ” and certain genres of experiences, —. Compliance with such applicable as social casino, that may reward gambling, should be subject to a higher level or different type of regulation than other genres of experiences to protect consumers, in particular minors and persons susceptible to addiction, and, if so, what such regulation should include. In July 2022, Spanish gambling regulatory regulators introduced a bill aimed at prohibiting minors requirements may create delays in the introduction of our Platform in some international markets or prevent certain international users from accessing “ loot boxes ”, which if passed, may require us to limit the availability of certain features in Spain. Australia may in the future require higher age- rating for content containing “ loot boxes ”. If we are required to increase the age rating for certain content in Australia, we may become less attractive for the younger users. In addition, the introduction of experiences for users who are 17 and older may cause regulatory agencies to require a higher age rating for our Platform .—Changes in tax laws could have a material adverse effect on our business, which cash flow, results of operations or financial conditions. We are subject to tax laws, regulations, and policies of several taxing jurisdictions. Changes in tax laws, as well as other factors, could cause us to experience fluctuations in our tax obligations **become less attractive to younger users** and **harm** effective tax rates and otherwise adversely affect our tax positions and /or **our business** our tax liabilities. For example, **financial condition and results of operations. the Other** United States recently enacted **countries may adopt similar rules, which may have a negative impact** 1% excise tax on **our revenue** stock buybacks and a 15% alternative minimum tax on adjusted financial statement income. Further **In addition**, many countries it is possible that similar lawsuits **could be filed against us in Brazil or possibly other jurisdictions. Also, new regulation by the U. S. federal government and organizations—its agencies, such as the Organization FTC, state agencies for— or Economic** foreign jurisdictions, which may vary significantly, could require that certain content in the experiences on our Platform be modified or removed, **increase the costs of Cooperation— operating or monitoring the experiences on our Platform, impact user engagement and Development have proposed implementing changes thus the functionality and effectiveness of our Platform or otherwise harm our business performance. It is difficult to predict how existing tax or new laws may be applied. If we become liable, including directly or indirectly, under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our Platform, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a proposed 15% global minimum tax result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business . Any costs incurred as a result of this potential liability** these developments or changes in federal, state, or international tax laws or tax rulings could adversely affect **harm our business, financial condition, our— or** effective tax rate and our operating results .—There can be no assurance that our effective tax rates, tax payments, or tax credits and incentives will not be adversely affected by these or other developments or changes in law. Governmental agencies may restrict access to platforms, our website, mobile applications or the internet generally, which could lead to the loss or slower growth of **operations** our user base. Governmental agencies in any of the countries in which we, our users, developers, or creators are located from time to time seek to and could seek to block access to , impose restrictions on , or require a license for our Platform, our website, operating system platforms, application stores or the internet generally for a number of reasons, including **data security—cybersecurity**, privacy, data protection, confidentiality, or regulatory concerns which may include, among other things, governmental restrictions on certain content in a particular country, requirements to establish a local presence in a particular jurisdiction, and a requirement that user information be stored on servers in a country within which we operate. **Moreover, the adoption of any laws For— or example regulations adversely affecting the growth, popularity or** China has recently limited that amount of time users— **use** under the age of 18 can spend on gaming platforms. Additionally, the **internet, including laws impacting Internet neutrality**, publishing license granted to Tencent in December 2020 from the National Press and Publication Administration of the Chinese government could **decrease the demand** be withdrawn, which could significantly impair or **for our Platform** eliminate the ability to publish and **increase our operate—operating** Luobulesi—costs. The legislative and regulatory landscape regarding the regulation of the **internet and, in China—particular, internet neutrality, in the U. S and internationally is subject to uncertainty** .**

Governmental agencies could issue fines or penalties if there are instances where we are found not to have been in compliance with regulations in any of these areas. Users generally need to access the internet, including in geographically diverse areas, and

also mobile platforms such as the Apple App Store and the Google Play Store, to engage with experiences on our Platform. If governmental or other entities block, limit or otherwise restrict developers, creators, and users from accessing our Platform, or users from engaging with experiences on our Platform, we may need to take on more onerous obligations, limit the functionality of our Platform, and / or establish certain local entities, each of which could adversely affect our results of operations or subject us to additional fines and penalties. Because we store, process, and use data, some of which contains personal information, we are subject to complex and evolving federal, state, and international laws and regulations regarding privacy, **data security cybersecurity**, data protection, ~~content~~, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in investigations, claims, changes to our business practices, increased cost of operations, and declines in user growth, retention, or engagement, any of which could significantly harm our business. We are subject to a variety of laws and regulations in the U. S. and other countries that involve matters central to our business, including ~~user privacy, data security cybersecurity~~ **and** data protection, ~~rights of publicity, content, intellectual property, distribution, electronic contracts and other communications, competition, protection of minors, consumer protection, taxation, and online-payment services~~. The regulatory frameworks for **these matters** ~~privacy, data security, data protection, and data transfers~~ worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Certain privacy, biometrics, **data security cybersecurity**, and data protection laws and regulations ~~have~~ placed and will continue to place significant privacy, data protection, and **data security cybersecurity** obligations on organizations such as ours and may require us to continue to change our policies and procedures. For example, the **European Union's ("EU") General Data Protection Regulation ("GDPR")**, which came into force in May 2018, imposed more stringent data protection requirements regarding EU personal data, and its provisions include increasing the maximum level of fines that EU regulators may impose for the most serious breaches of noncompliance of € 20 million or 4 % of annual global revenues of the previous year, whichever is greater. Such fines would be in addition to (i) the rights of individuals to sue for damages in respect of any data privacy breach which causes them to suffer harm, (ii) the right of individual member states to impose additional sanctions over and above the administrative fines specified in the GDPR, and (iii) the ability of supervisory authorities to impose orders requiring companies to modify their practices. If we are found not to be compliant with GDPR or similar requirements, **including** we may be subject to significant ~~fines and the risk of civil litigation~~ **obligations**. Further, even the perception of such noncompliance may result in reputational damage, and our business may be seriously harmed. In July 2020, the Court of Justice of the EU invalidated the EU-U. S. Privacy Shield framework, which provided companies with one mechanism to comply with data protection requirements when transferring personal data from the EU to the U. S. On September 8, 2020 the Federal Data Protection and Information Commissioner of Switzerland issued an opinion concluding that the Swiss-U. S. Privacy Shield did not provide an adequate level of protection for data transfers from Switzerland to the U. S. pursuant to Swiss data protection law. We rely on alternative data transfer mechanisms such as the EU Commission's Standard Contractual Clauses ("SCCs"), which also underwent some changes. On June 4, 2021, the European Commission published two sets of new SCCs, which began to take effect on June 27, 2021. The old SCCs could still be used for new data transfers during a three-month transition that ended on September 27, 2021. Existing data transfers that rely on the old SCCs could continue to be in effect until December 27, 2022, after which all data transfers must use the new SCCs. Further, data protection authorities may require measures to be put in place in addition to SCCs for transfers to countries outside of the European Economic Area ("EEA"), as well as Switzerland, and the United Kingdom ("**U. Our third-party service providers K.**") to the U. S., we may be **subject** affected similarly by these changes. In addition to **significant fines** other impacts, we may experience additional costs associated with increased compliance burdens following this decision, and we and our customers face the potential for regulators in the EEA, Switzerland, or the United Kingdom to apply different standards to the transfer of personal data from the EEA, Switzerland, or the United Kingdom to the U. S. and other non-EEA countries, and to block, or require **ad hoc** verification of measures taken with respect to, certain data flows from the EEA, Switzerland, and the United Kingdom to the U. S. and other ~~the risk non-EEA~~ countries. We also may be required to engage in new contract negotiations with third parties that aid in processing data on our behalf, to the extent that any of **civil litigation** our service providers, or consultants have been relying on invalidated or insufficient contractual protections for compliance with evolving interpretations of and guidance for cross-border data transfers pursuant to the GDPR. In such cases, we may not be able to find alternative service providers which could limit our ability to process personal data from the EEA, Switzerland, or the United Kingdom and increase our costs. Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. The United Kingdom maintains the Data Protection Act of 2018 and the UK GDPR, which collectively implement and complement the GDPR and provide for penalties for noncompliance of up to the greater of £ 17. 5 million or four percent of worldwide revenues, uncertainty remains regarding the future of data protection in the United Kingdom. On June 28, 2021, the European Commission announced a decision of "adequacy" concluding that the United Kingdom ensures an equivalent level of data protection to the GDPR, which provides some relief regarding the legality of continued personal data flows from the EEA to the U. K. Such adequacy decision must, however, be renewed after four years and may be modified or revoked in the interim. We cannot fully predict how the Data Protection Act, the UK GDPR and other United Kingdom data protection laws or regulations may develop in the medium to longer term, nor the effects of divergent laws and guidance regarding how data transfers to and from the United Kingdom will be regulated. **We continue to monitor In addition, various local, national, and review foreign laws and regulations apply to our operations, including the Children's Online Privacy Protection Act ("COPPA"), in the U. S., Article 8 of the GDPR and similar regulations in the other** ~~the other~~ **'s** General Data Protection Regulation ("GDPR") and similar regulations in other jurisdictions. COPPA imposes strict requirements on operators of websites or online services directed to children under 13 years of age (or 16 years of age under other regulatory regimes). ~~46-42~~ % of our DAUs were under the age of 13 during the year ended December 31, ~~2022~~ **2023**. COPPA requires companies to obtain **verifiable** parental consent before collecting personal information from children under the age of 13. Both the U.S. federal government and the states can enforce COPPA and

violations of COPPA can lead to significant fines. No assurances can be given that our compliance efforts will be sufficient to avoid allegations of COPPA violations, and any non-compliance or allegations of non-compliance could expose us to significant liability, penalties and loss of revenue, significantly harm our reputation, and could be costly and time consuming to address or defend. To the extent we rely on consent for processing personal data under the GDPR, consent or authorization from the holder of parental responsibility is required in certain cases for the processing of personal data of children under the age of 16, and member states may enact laws that lower that age to 13. Additionally, ~~we have been in certain jurisdictions the law subject of lawsuits brought on behalf of child users where the court~~ may allow minors to disaffirm **their contracts, including our Terms of Use. If minors on our Platform are able to** avoid enforcement of our Terms of Use **under applicable law, it could have a material adverse impact on** of any resulting changes to EU, United Kingdom or **our business, financial condition, results of** Swiss law or guidance that could affect our operations. For example, we are monitoring potential developments with the SCCs and **cash flow** similar clauses for the United Kingdom and Switzerland. We are also **monitoring updated guidance from** evaluating the UK's AADC, which focuses on online safety and protection of children's privacy online. The AADC became effective September 2, 2021 and noncompliance with the AADC may result in audits or other proceedings by the United Kingdom's Information Commissioner Office ("ICO") **on the Age Appropriate Design Code ("AADC"), which focuses on online safety and protection of children's privacy online. The AADC became effective September 2, 2021, and noncompliance with the AADC may result in audits or other proceedings by the ICO,** the regulatory body set up to uphold information rights in the United Kingdom, and other regulators in the EEA or Switzerland, as noncompliance with the AADC may indicate noncompliance with applicable data protection law. In addition, we are monitoring developments with the **EU's, Digital Services Act ("DSA"),** which ~~came into force on November 16, 2022 and will become~~ **became** fully applicable on February 17, 2024. The DSA imposes new content moderation obligations, notice and transparency obligations, advertising restrictions and other requirements on digital platforms to protect consumers and their rights online. Noncompliance with the DSA could result in fines of up to 6% of annual global revenues, which are in addition to the ability of civil society organizations and **NGOs non-governmental organizations** to lodge class action lawsuits. We may incur liabilities, expenses, costs, and other operational losses under the GDPR and laws and regulations of applicable EU Member States and the United Kingdom relating to privacy, ~~data security~~ **cybersecurity** and data protection in connection with any measures we take to comply with them. Other jurisdictions have adopted laws and regulations addressing privacy, data protection, and ~~data security~~ **cybersecurity**, many of which share similarities with the GDPR. For example, Law no. 13.709/2018 of Brazil, the Lei Geral de Proteção de Dados Pessoais or LGPD, entered into effect on September 18, 2020, authorizing a private right of action for violations. Penalties may include fines of up to 2% of the organization's revenue in Brazil in the previous year or 50M reais (approximately \$9.5 million U.S. dollars). The LGPD applies to businesses (both inside and outside Brazil) that process the personal data of users who are located in Brazil. The LGPD provides users with the similar rights as the GDPR regarding their data. A Brazilian Data Protection Authority, Brazilian National Data Protection Authority (Autoridade Nacional de Proteção de Dados) has been established to provide rules and guidance on how to interpret and implement the LGPD's requirements, including regarding notice of processing, data transfer requirements, and other compliance obligations, such as security measures, recordkeeping, training, and governance. Additionally, the Personal Information Protection Law, or PIPL of the People's Republic of China ("PRC"), was adopted on August 20, 2021, and went into effect on November 1, 2021. The PIPL shares similarities with the GDPR, including extraterritorial application, data minimization, data localization, and purpose limitation requirements, and obligations to provide certain notices and rights to citizens of the PRC. The PIPL allows for fines of up to 50 million renminbi or 5% of a covered company's revenue in the prior year. Our approach with respect to the LGPD and PIPL may be subject to further evaluation and change, our compliance measures may not be fully adequate and may require modification, we may expend significant time and cost in developing and maintaining a privacy governance program, data transfer or localization mechanisms, or other processes or measures to comply with the LGPD, the PIPL, and any implementing regulations or guidance under these regimes, and we may potentially face claims, litigation, investigations, or other proceedings or liability regarding the LGPD or PIPL and may incur liabilities, expenses, costs, and other operational losses under the LGPD and PIPL and any measures we take to comply with them. In addition, the CCPA, which established a new privacy framework for covered businesses such as ours, went into effect in January 2020, requiring us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches, which may increase the likelihood and cost of data breach litigation. Additionally, the California Privacy Rights Act ("CPRA"), was approved in November 2020, **and significantly modified the CCPA.** The CPRA **went into** significantly modifies the CCPA, potentially resulting in further uncertainty and requiring us to incur ~~additional costs and expenses in an effort to comply. The CPRA is effective~~ **effect on** as of January 1, 2023 and, among other things, gives California residents the ability to limit the use of their sensitive information, provides for penalties for CPRA violations concerning California residents under the age of 16, and establishes a new agency to implement and enforce the law. **Further, the CCPA has prompted similar legislative developments in other states in the U.S., including laws enacted in Virginia, Colorado, Utah, Connecticut, Florida, Iowa, Indiana, Montana, Tennessee, Oregon, Delaware, Texas, and New Jersey. These developments create the potential for a patchwork of overlapping but different state laws. Other states, including** California also has enacted the ADCA, **Utah** which will take effect on July 1, 2024. The ADCA implements into law certain principles taken from the AADC, among other things, and imposes **Arkansas, have passed legislation imposing** substantial new obligations upon companies that offer online services, products, or features "likely to be accessed" by children, ~~defined 17 years of age or under~~, **or certain types of social media and digital services, respectively. The California legislation includes certain requirements and principles from the ADCA—AADC as anyone including, among other things, data protection impact assessments and the implementation of privacy by design. The laws in Utah and Arkansas impose new restrictions and obligations in connection with users who are, or are deemed to be,** under 18 years of age.

Further, the CCPA has prompted similar legislative developments in other **including access restrictions and restrictions on abilities for minors to create accounts. Many** states **in-have also passed the their own laws** U. S., such as Virginia, which in March 2021 enacted a Consumer Data Protection Act that **require verifiable parental consent before allowing children to create an account or impact companies** is effective as of January 1, 2023, Colorado, which in June 2021 enacted a Colorado Privacy Act that **process children's** will go into effect July 1, 2023, Utah, which in March 2022 enacted a Utah Consumer Privacy Act that will go into effect December 31, 2023, and Connecticut, which in May 2022 enacted the Act Concerning Personal **personal Data-data** Privacy and Online Monitoring that will go into effect on December 31, 2023. These developments create the potential for a patchwork of overlapping but different state laws. Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of operating our products and services and other aspects of our business. The potential effects of new and evolving legislation relating to privacy, **data security cybersecurity**, and data protection, **and related matters, such as age verification**, are far-reaching, create the potential for a patchwork of overlapping but different laws, and may require us to modify practices and policies, incur substantial costs and expenses **in, or restrict our operations. Additionally, requirements for verified parental consent before allowing children to create an effort to comply, account may limit the use of or our** restrict **Platform our-** **or reduce or overall demand for our Platform, which could harm our business, financial condition, and results of** operations. We believe we take reasonable efforts to comply with all applicable laws, **policies regulations**, and **other** legal obligations and certain industry codes of conduct relating to privacy, **data security cybersecurity**, and data protection. However, it is possible that the obligations imposed on us by applicable **privacy, data security, and data protection** laws and regulations, **or industry codes of conduct or other actual or asserted obligations relating to privacy, data security cybersecurity**, **or data protection, or related matters**, may be interpreted and applied in a manner that is inconsistent **manners** **from one jurisdiction to another** and may conflict with other rules or our practices in **other-certain** jurisdictions. Additionally, due to the nature of our service, we are unable to maintain complete control over **data security cybersecurity** or the implementation of measures that reduce the risk of a **data security breach or** incident. For example, our customers may accidentally disclose their passwords or store them on a mobile device that is "SIM swapped," lost, or stolen, creating the perception that our systems are not secure against third-party access. Any failure or perceived failure by us to comply with our privacy policies, our obligations to users or other third parties relating to privacy, **data security cybersecurity** or data protection, or our other policies or obligations relating to privacy, **data security cybersecurity or,** data protection, **or related matters**, or any actual or perceived compromise of security, including any such compromise that results in the unauthorized **loss, unavailability, modification, release or,** transfer, **or other processing** of personal information or other user, developer or creator data, may result in governmental investigations and enforcement actions, litigation, claims or public statements against us by consumer advocacy groups or others and could cause our developers, creators, and users to lose trust in us, any or all of which could have an adverse effect on our business, financial condition, or results of operations. **United States or international** rules that permit ISPs to limit internet data consumption by users, including unreasonable discrimination in the provision of broadband internet access services, could harm our business. The current legislative and regulatory landscape regarding the regulation of the Internet and, in particular, Internet neutrality, in the United States is subject to uncertainty. In January 2018, the Federal Communications Commission, or FCC, released an order that repealed the "open internet rules," often known as "net neutrality," which prohibit mobile providers in the U. S. from impeding access to most content, or otherwise unfairly discriminating against content providers like us and also prohibit mobile providers from entering into arrangements with specific content providers for faster or better access over their data networks. The FCC order repealing the open internet rules went into effect in June 2018 and was largely upheld by the District of Columbia Court of Appeals in *Mozilla Corp. v. Federal Communications Commission*. In response to this decision California and a number of states implemented their own net neutrality rules, some of which largely mirrored the repealed federal regulations. Further, in July 2021, President Biden signed an Executive Order on Promoting Competition in the American Economy, which directed the FCC to reinstate through appropriate rulemaking net neutrality rules. The FCC has not yet moved to implement this Executive Order. We cannot predict the outcome of any litigation or whether the FCC order or state initiatives regulating providers will be modified, overturned, or vacated by legal action, federal legislation (the "FCC"), or the degree to which this repeal would adversely affect our business, if at all. Similarly, the EU requires equal access to internet content, but as part of its Digital Single Market initiative, the EU may impose network security and disability access requirements, which could increase our costs. If the FCC's repeal of the open internet rules is maintained, state initiatives are modified, overturned, or vacated, or the EU modifies its open internet rules, mobile and internet providers may be able to limit our users' ability to access our Platform or make our Platform a less attractive alternative to our competitors' applications. Were that to happen, our ability to retain existing users or attract new users may be impaired, or costs could increase, and our business would be significantly harmed. We are subject to laws and regulations worldwide, many of which are unsettled and still developing which could increase our costs or adversely affect our business. We are subject to a variety of laws in the U. S. and abroad that affect our business. As a global Platform with users in over 180 countries, we are subject to a myriad of regulations and laws regarding consumer protection, including the use of prepaid cards, subscriptions, advertising, electronic marketing, protection of minors, privacy, biometrics, data security, data protection and data localization requirements, artificial intelligence, online services, online gaming, anti-competition, freedom of speech, labor, real estate, taxation, escheatment, intellectual property ownership and infringement, tax, export and national security, tariffs, anti-corruption and telecommunications, all of which are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us, which in some cases can be enforced by private parties in addition to government entities, are often uncertain and may be conflicting, particularly laws outside the U. S., and compliance with laws, regulations and similar requirements may be burdensome and expensive. Laws and regulations may be inconsistent from jurisdiction to jurisdiction, which may increase the cost of compliance and doing business and expose us to possible litigation;

penalties or fines. Any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation, could make our Platform less attractive to our users, developers, or creators or cause us to change or limit our ability to sell our Platform. We have policies and procedures designed to ensure compliance with applicable laws and regulations, but we cannot assure you that we will not experience violations of such laws and regulations or our policies and procedures. We are potentially subject to a number of foreign and domestic laws and regulations that affect the offering of certain types of content, such as that which depicts violence, many of which are ambiguous, still evolving and could be interpreted in ways that could harm our business or expose us to liability. Foreign governments, may censor our Platform in their countries, restrict access to our Platform from their countries entirely, impose other restrictions that may affect their citizens' ability to access our Platform for an extended period of time or even indefinitely, require data localization, or impose other laws or regulations that we cannot comply with, would be difficult for us to comply with, or would require us to rebuild our Platform or the infrastructure for our Platform. Numerous countries, including Germany, have regulations relating to this area and they may impose significant fines for failure to comply with certain content removal and disclosure obligations. Other countries, including Singapore, India, Turkey, Mexico, Australia, France, and the United Kingdom, have implemented or are considering similar legislation imposing penalties for failure to remove certain types of content. On the other hand, some users, developers, and creators may choose not to use our Platform if we actively police content. Further, new content related regulations, including the DSA, which came into force on November 16, 2022 and will become fully applicable on February 17, 2024, may increase our compliance cost. In addition, there are ongoing academic, political, and regulatory discussions in the U. S., Canada, Europe, United Kingdom, Australia, and other jurisdictions regarding whether certain mechanisms that may be included in the experiences on our Platform, such as features commonly referred to as "loot boxes," and certain genres of experiences, such as social casino, that may reward gambling, should be subject to a higher level or different type of regulation than other genres of experiences to protect consumers, in particular minors and persons susceptible to addiction, and, if so, what such regulation should include. In July 2022, Spanish gambling regulators introduced a bill aimed at prohibiting minors from accessing "loot boxes", which if passed, may require us to limit the availability of certain features in Spain. Similar limitations will likely be imposed in the United Kingdom. Other countries may adopt similar rules, which may have a negative impact on our revenue. In addition, it is possible that similar lawsuits could be filed against us in Brazil or possibly other jurisdictions. Also, new regulation by the U. S. federal government and its agencies, such as the FTC, state agencies or foreign jurisdictions, which may vary significantly, could require that certain content in the experiences on our Platform be modified or removed, increase the costs of operating or monitoring the experiences on our Platform, impact user engagement and thus the functionality and effectiveness of our Platform or otherwise harm our business performance. It is difficult to predict how existing or new laws may be applied. If we become liable, directly or indirectly, under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our Platform, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business, financial condition, or results of operations. It is also possible that a number of laws and regulations may be adopted or construed to apply to us or our users or our developers in the U. S. and elsewhere that could restrict the online and mobile industries, including developer, creator, and user privacy, data protection, data security, advertising, user acquisition practices, taxation, content suitability, copyright, distribution and antitrust, and our Platform, experiences or components thereof may be deemed or perceived illegal or unfair practices. Furthermore, the growth and development of electronic commerce and virtual items may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as us and developers, creators, and users conducting business through the internet and mobile devices. We anticipate that scrutiny and regulation of our industry will increase and we will be required to devote legal and other resources to addressing such regulation. For example, existing laws or new laws regarding the marketing of in-app purchases, labeling of our free experiences or regulation of currency, banking institutions, unclaimed property, or money transmission may be interpreted to cover experiences made with our technologies and the revenue and bookings that we receive from our Platform. If that were to occur, we may be required to maintain certain records and seek licenses, authorizations or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital, operational, and other requirements and we may be subject to additional regulation and oversight and other operational requirements, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the U. S. or elsewhere, or any withdrawal by us from certain countries because of such actions, would adversely affect our DAUs and other operating metrics, including by giving our competitors an opportunity to penetrate geographic markets that we cannot access. As a result, our user growth, retention, and engagement may be significantly harmed. Legal and regulatory restrictions on virtual currencies like Robux may adversely affect our Platform, experiences, and virtual items on our Platform, which may negatively impact our revenue, bookings, business, and reputation. Users can purchase a license to use Robux to enrich their experience in various ways on our Platform. For example, Robux are often used to obtain virtual clothes and accessories for users' avatars. The regulations that apply to virtual currencies in the jurisdictions in which we operate are subject to change. It is possible that regulators in the U. S. or elsewhere may take regulatory actions in the future that restrict our ability to license Robux, allow users to acquire or use other digital goods available on our platform, or that prohibit developers or creators on our Platform from earning Robux. We also make prepaid gift cards available for sale internationally that may be used to redeem Robux, and regulators may impose restrictions or bans on the sale of such prepaid gift cards. Any such restrictions or prohibitions may adversely affect our Platform, business, revenue, and bookings. In the United States, the SEC, its staff, and similar state regulators have deemed certain virtual currencies to be securities subject to regulation under the federal and state securities laws. While we do not consider Robux to be a security, if Robux were subject to the federal or state securities laws of the U. S., we

may be required to redesign our Platform considerably, in a manner that would be disruptive to operations and costly to implement, which may threaten the viability of the Platform. We may also be subject to enforcement or other regulatory actions by federal or state regulators, as well as private litigation, which could be costly to resolve. The increased use of interactive entertainment offerings like ours by consumers, including younger consumers, may prompt calls for more stringent consumer protection laws and regulations throughout the world that may impose additional burdens on companies such as ours making virtual currencies like Robux available for sale. Any such changes would require us to devote legal and other resources to address such regulation. For example, some existing laws regarding the regulation of currency, money transmitters and other financial institutions, and unclaimed property have been interpreted to cover virtual currencies, like Robux. Although we have structured Robux, as well as our sales of other digital goods and prepaid cards on our Platform, with applicable laws and regulations in mind, including applicable laws relating to money laundering and money transmission services, and believe we are in compliance with all applicable laws, it is possible that a relevant regulator may disagree, which could expose us to penalties. If a relevant regulator disagreed with our analysis of and compliance with applicable laws, we may be required to seek licenses, authorizations, or approvals from those regulators, which may be dependent on us meeting certain capital and other requirements and may subject us to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the U. S. or elsewhere that prohibit us from making Robux available on our Platform would require us to make significant changes to our Platform, which would materially impair our business, financial condition, and operating results. We are subject to **various governmental export control, trade sanctions, and import laws and regulations that require our compliance and may subject us to liability if we violate these controls. In some cases, our software and experiences are subject to export control laws and regulations, including the Export Administration Regulations administered by the U. S. Department of Commerce and trade and economic sanctions, including those administered by OFAC, which we collectively refer to as Trade Control Laws and Regulations. Thus, we are subject to laws and regulations that could limit our ability to offer access or full access to our Platform and experiences to certain persons and in certain countries or territories. For example, certain U. S. laws and regulations administered and enforced by OFAC, may limit our ability to give certain users, developers, and creators access to aspects of our Platform and experiences. Trade Control Laws and Regulations are complex and dynamic, and monitoring and ensuring compliance can be challenging. In addition, we rely on our payment processors for compliance with certain of these Trade Control Laws and Regulations, including preventing paid activity by users, developers, and creators that attempt to access our Platform from various jurisdictions comprehensively sanctioned by OFAC, including Cuba, Iran, North Korea, Syria, and sanctioned regions of Ukraine. Users, developers, and creators from certain of these countries and territories have access to our Platform and experiences and there can be no guarantee we will be found to have been in full compliance with Trade Control Laws and Regulations during all relevant periods. Any failure by us or our payment processors to comply with the Trade Control Laws and Regulations may lead to violations of the Trade Control Laws and Regulations that could expose us to liability. Additionally, following Russia's invasion of Ukraine, the United States and other countries imposed certain economic sanctions and severe export control restrictions against Russia and Belarus, could impose wider sanctions and additional export restrictions or take other actions that could impact our business should the conflict further escalate. Any failure to comply with applicable laws and regulations also could have negative consequences for us, including reputational harm, government investigations, and monetary penalties. In addition, various foreign governments may also impose controls, export license requirements, and / or restrictions applicable to our Platform and experiences. Compliance with such applicable regulatory requirements may create delays in the introduction of our Platform in some international markets or prevent certain international users from accessing our Platform. Changes in tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions. We are subject to tax laws, regulations, and policies of several taxing jurisdictions. Changes in tax laws, as well as other factors, could cause us to experience fluctuations in our tax liability and reporting obligations and effective tax rates and otherwise adversely affect our tax positions, cost of compliance, and / or our tax liabilities. Certain jurisdictions, such as Canada, the United Kingdom and France, have recently enacted or have proposed to enact a digital services tax on certain digital revenue streams. Other jurisdictions, such as Brazil, have proposed indirect tax reform which may impose value added tax on the sales of electronically supplied services. Such laws and other attempts to impose taxes on e-commerce activities would likely increase the cost to us of operating our business, discourage potential customers from subscribing to our Platform, or otherwise adversely affect our business, results of operations or financial conditions. In addition, the E. U.' s Directive 2011 / 16 / EU on administrative cooperation in the field of taxation (referred to as " DAC7 ") , which implements new digital platform reporting rules, may require us to modify our data processing and reporting practices and policies, which may cause us to incur substantial costs and expenses to comply. Finally, the Organization for Economic Cooperation and Development has proposed the Pillar One framework as part of the OECD / G20 Base Erosion and Profit Shifting (BEPS) Project, which would revise existing profit allocation and nexus rules to require profit allocation based on location of sales versus physical presence for certain large multinational businesses, but if implemented, could result in the removal of unilateral digital services tax initiatives described above. Any developments or changes in federal, state, or international tax laws or tax rulings could adversely affect our compliance costs, effective tax rate, and our operating results. We are subject to** the Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws, and anti-money laundering laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition and results of operations. We are subject to the Foreign Corrupt Practices Act, U. S. domestic bribery laws, the UK Bribery Act and other anti-corruption and anti-bribery laws, and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally

prohibit companies, their employees, agents, representatives, business partners, and third- party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. **As we increase our international business, our risks under these These laws may increase also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions**. With regard to our international business, we have engaged with business partners and third- party intermediaries to market our solutions and obtain necessary permits, licenses, and other regulatory approvals. **We In addition, we** or our employees, agents, representatives, business partners or third- party intermediaries have had direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of our employees, agents, representatives, business partners or third- party intermediaries, even if we do not authorize such activities. **As we increase our international sales and notwithstanding having business, our risks under these laws may increase. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies, training, and procedures to address compliance with such these laws, we cannot assure you that none no violations of our employees, agents, representatives, business partners or our third- party intermediaries policies or these laws will take actions in violation of our occur policies and applicable law, for which we may be ultimately held responsible.** Detecting, investigating, and resolving actual or alleged violations of anti- corruption and anti- bribery laws and anti- money laundering laws can require a significant diversion of time, resources, and attention from senior management, as well as significant defense costs and other professional fees. In addition, noncompliance with **these anti- corruption, and anti- bribery, or anti- money laundering** laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions against us, our officers, or our employees, disgorgement of profits, suspension or debarment from contracting with the U. S. government or other persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our reputation, business, financial condition, prospects and results of operations and the price of our Class A common stock could be harmed. Responding to any investigation or action will likely result in a materially significant diversion of management' s attention and resources and significant defense costs and other professional fees. Our success relies in part on the ability of developers and creators to drive engagement with content that is challenging, engaging, fun, interesting, and novel. Developers and creators are responsible for clearing the rights to all of the content they upload to our service, but some developers or creators may upload content that infringes the **rights or violates the terms and rights of use** of third parties in violation of our Terms of Use. We rely upon legal protections in various jurisdictions to protect us from claims of monetary damages for content that is uploaded to and stored on our system at the direction of our users but those protections may change or disappear over time, increasing our exposure for claims of copyright or other intellectual property infringement. If we should lose or fail to qualify for statutory or other legal protections that immunize us from monetary damages for intellectual property infringement, the damages could be significant and have a material impact on our business. While we have implemented measures designed to limit our exposure to claims of intellectual property infringement, intellectual property owners may allege that we failed to take appropriate measures to prevent infringing activities on our systems, that we turned a blind eye to infringement, or that we facilitated, induced or contributed to infringement. Even though we are not required to monitor uploaded content for copyright infringement in the U. S., we have chosen to do so through the services of a third- party audio monitoring service. We now monitor all uploaded sound recordings to exclude recordings owned or controlled by the major record labels and any other record labels who provide their music to the third- party audio monitoring service. These record labels register certain of their content with our service provider. When audio is uploaded to our Platform, we check the service provider' s system to exclude recordings owned or controlled by these record labels from being published on our Platform. If our monitoring proves ineffective or we cease to rely upon a third- party monitoring service to exclude certain content from our platform, our risk of liability may increase. In the past, certain record companies and music publishers, either directly or through their authorized representatives, claimed that we are subject to liability for allegedly infringing content that was uploaded and may continue to exist on our Platform. We vigorously disputed such claims of infringement by such labels and publishers and reached settlements. However, we could be subject to additional claims in the future. An adverse judgment against us in any such lawsuit could require us to settle any claims for an undetermined amount which could have a material impact on our business, financial condition, or results of operations. The EU enacted copyright laws such as the Copyright Directive that came into effect on June 6, 2019 that may require us to use best efforts in accordance with the high industry standards of professional diligence to exclude infringing content from our Platform that may be uploaded by our users. **Member states of the EU had until June 7, 2021 to pass legislation to implement the Copyright Directive in their respective countries. To comply with this new law, we may have to devote significant time and resources to develop and execute on a plan to implement technologies to prevent infringing content from being uploaded to our Platform and, to the extent infringing content makes it onto our Platform, to expeditiously remove such content and implement measures to prevent re- uploads of such content. Although the EU law does not mandate monitoring, there may be no practical way for us to comply with the law' s stringent new requirements (to the extent they may be applicable) without adopting some form of robust content identification systems.** In addition, the monitoring and reporting obligations of the **DSA Digital Services Act** may apply also with respect to copyright infringements that would fall outside the scope of the Copyright Directive. **In April 2021, the European Commission proposed the Artificial Intelligence Act (" AI Act "), on which the European Council and Parliament reached political agreement in December 2023. The AI Act proposes a framework of prohibitions as well as disclosure, transparency and other regulatory obligations based on various levels of risk for businesses introducing AI systems in the EU. If enacted and applicable to us, the AI Act could require us to alter or**

restrict our use of AI both in features or products available to our users and in our systems that interact with our users, depending on respective levels of risk- categorization under the AI Act. The AI Act also could require us to comply with monitoring and reporting requirements. As a result, we may need to devote substantial time and resources to evaluate our obligations under the AI Act and to develop and execute a plan to ensure compliance. We may also be required to

enter into license agreements with various licensors, including record labels, music publishers, performing rights organizations, and collective management organizations, to obtain licenses that authorize the storage and use of content uploaded by our users. We may not be able to develop technological solutions to comply with these license agreements on economically reasonable terms and there is no guarantee that we will be able to enter into agreements with all relevant rights holders on terms that we deem reasonable. Compliance may therefore negatively impact our financial prospects. **Further, new content related regulations, including the DSA, which became fully applicable on February 17, 2024, may increase our compliance cost.**

Risks Related to Intellectual Property Claims by others that we infringe their proprietary technology or other rights, the

activities of our users, or the content of the experiences on our Platform could subject us to liability and harm our business. We have been and may in the future become subject to intellectual property disputes, and may become subject to liability, costs, and

awards of damages and / or injunctive relief as a result of these disputes. Our success depends, in part, on our ability to develop and commercialize our Platform without infringing, misappropriating, or otherwise violating the intellectual property rights of

third parties. However, there is no assurance that our technologies or Platform will not be found to infringe, misappropriate, or otherwise violate the intellectual property rights of third parties. We also have agreements with third parties to manufacture and

distribute merchandise based on user content on our Platform, and there is a possibility that such content could be found to be infringing. Lawsuits are time- consuming and expensive to resolve and they divert management' s time and attention. Further,

because of the substantial amount of discovery required in connection with intellectual property litigation, we risk compromising our confidential information during this type of litigation. Companies in the internet, technology, and gaming industries own

large numbers of patents, copyrights, trademarks, domain names, and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. As we face increasing

competition and gain a higher profile, the possibility of intellectual property rights and other claims against us grows. Our technologies may not be able to withstand any third- party claims against their use. In addition, many companies have the

capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. We have a number of issued patents. We have also filed a number of additional U. S. and foreign patent

applications but these applications may not successfully result in issued patents. Any patent litigation against us may involve patent holding companies or other adverse patent owners that have no relevant product revenue, and therefore, our patents and

patent applications may provide little or no deterrence as we would not be able to reach meaningful damages if we assert them against such entities or individuals. If a third party is able to obtain an injunction preventing us from accessing **or exercising**

~~such third- party~~ intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we ~~would~~ **could** be forced to limit or cease access to our Platform or cease business activities related to such

intellectual property. In addition, we may need to settle litigation and disputes on terms that are unfavorable to us. We may be required to make substantial payments for legal fees, settlement fees, damages, royalties, license, or other fees in connection

with a claimant securing a judgment against us. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to cover all liability that may be imposed. We cannot predict the outcome of

lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition, or results of operations. Any intellectual property claim asserted against us, or for which we are required to provide

indemnification, may require us to ~~do one or more of the following:~~ ~~•~~ cease selling or using or recall products that incorporate the intellectual property rights that we allegedly infringe, misappropriate, or violate; ~~•~~ make substantial payments for legal fees,

settlement payments, or other costs or damages; ~~•~~ obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or ~~•~~ redesign or rebrand the allegedly infringing products to avoid infringement,

misappropriation, or violation, which could be costly, time- consuming, or impossible. Furthermore, certain federal statutes in the U. S. may apply to us with respect to various activities of our users, including the **Digital Millennium Copyright Act of**

1998 (“ DMCA ”), which provides immunity from monetary damages for online service providers such as us for, among other things, infringing content uploaded to our Platform by our users provided we comply with certain statutory requirements, and

Section 230 of the Communications Decency Act (“ CDA ”), which addresses blocking and screening of content on the internet and provides immunity to platforms that censor communications that they deem to be inappropriate. For example, we filter

communications to eliminate speech we determine to be offensive based on our objective of creating a civil and safe place for all users. Bills have recently been proposed in Congress calling for a range of changes to Section 230 of the CDA which include a

complete repudiation of the statute to modifications of it in such a way as to remove certain social media companies from its protection. **The U. S. Supreme Court has also heard two cases in its most recent term that may result in substantial**

changes to the scope of protection provided to interactive computer services such as Roblox. If Section 230 of the CDA were so repealed ~~or~~, amended, **or modified by judicial determination** we could potentially be subject to liability if we

continue to censor speech, even if that speech were offensive to our users, or we could experience a decrease in user activity and revenues if we are unable to maintain a safe environment for our users if certain blocking and screening activities are prohibited

by law. In addition, certain states have either passed or are debating laws that would create potential liability for moderating or removing certain user content. While we believe these laws are of dubious validity under the U. S. Constitution and in light of

Section 230 of the CDA, they nevertheless present some risk to our content- moderation efforts going forward. While we rely on a variety of statutory and common- law frameworks and defenses, including those provided by the DMCA, the CDA, the fair- use doctrine in the U. S. and the E- Commerce Directive in the EU, differences between statutes, limitations on immunity,

requirements to maintain immunity, and moderation efforts in the many jurisdictions in which we operate may affect our ability

to rely on these frameworks and defenses, or create uncertainty regarding liability for information or content uploaded by developers, creators, or users or otherwise contributed by third parties to our Platform. As an example, Article 17 of the Directive on Copyright in the Digital Single Market was passed in the EU, which affords copyright owners some enforcement rights that may conflict with U. S. safe harbor protections afforded to us under the DMCA. Member states in the EU are in the process of determining how Article 17 will be implemented in their particular country. In addition, the EU's **DSA Digital Services Act entered into force on November 16, 2022, and will become** ~~became~~ fully applicable on February 17, 2024. The **DSA Digital Services Act** imposes additional obligations as provided under the E- Commerce Directive and includes new content moderation obligations, notice and transparency obligations, advertising restrictions and other requirements on digital platforms to protect consumers and their rights online. In countries in Asia and Latin America, generally there are not similar statutes to the CDA or the **DSA Digital Services Act**. The laws of countries in Asia and Latin America generally provide for direct liability if a platform is involved in creating such content or has actual knowledge of the content without taking action to take it down. Further, laws in some Asian countries also provide for primary or secondary liability, which can include criminal liability, if a platform failed to take sufficient steps to prevent such content from being uploaded. Although these and other similar legal provisions provide limited protections from liability for platforms like ours, if we are found not to be protected by the safe harbor provisions of the DMCA, CDA or other similar laws, or if we are deemed subject to laws in other countries that may not have the same protections or that may impose more onerous obligations on us, including Article 17, we may owe substantial damages and our brand, reputation, and financial results may be harmed. **Additionally, any content created by using generative AI tools may not be subject to copyright protection which may adversely affect our intellectual property rights in, or ability to commercialize or use, the content. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other concerns, the outcome of any one of which may, amongst other things, require us to limit the ways in which we use AI in our business. While AI- related lawsuits to date have generally focused on the AI service providers themselves, our use of any output produced by generative AI tools may expose us to claims, increasing our risks of liability.** Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our Class A common stock. We expect that the occurrence of infringement claims is likely to grow as the market for our Platform grows. Accordingly, our exposure to damages resulting from infringement claims could increase, and this could further exhaust our financial and management resources. Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses. ~~Our~~ **Some of our** agreements with third parties ~~generally~~ include indemnification provisions under which we agree to indemnify these third parties for losses suffered or incurred as a result of claims of intellectual property infringement, or other liabilities relating to or arising from our software, services, Platform, or other contractual obligations. Large indemnity payments could harm our business, results of operations, and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, those limitations may not be fully enforceable in all situations, and we may still incur substantial liability under those agreements. Any dispute with a third- party with respect to such obligations could have adverse effects on our relationship with such party and harm our business and results of operations. Failure to protect or enforce our intellectual property rights or the costs involved in such enforcement would harm our business. Our success depends to a significant degree on our ability to obtain, maintain, protect, and enforce our intellectual property rights, including our proprietary software technology, know- how, and our brand. We rely on a combination of trademarks, trade secret laws, patents, copyrights, service marks, contractual restrictions, and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights. However, the steps we take to obtain, maintain, protect, and enforce our intellectual property rights may be inadequate. We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights. If we fail to protect our intellectual property rights adequately, or fail to continuously innovate and advance our technology, our competitors could gain access to our proprietary technology and develop and commercialize substantially identical products, services, or technologies. In addition, defending our intellectual property rights might entail significant expense and may not ultimately be successful. Further, any patents, trademarks, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative processes, including re- examination, inter partes review, interference and derivation proceedings, and equivalent proceedings in foreign jurisdictions, such as opposition proceedings, or litigation. In addition, despite our pending patent applications, ~~we cannot~~ **there is no assure- assurance you** that our patent applications will result in issued patents. Even if we continue to seek patent protection in the future, we may be unable to obtain or maintain patent protection for our technology. In addition, any patents issued from pending or future patent applications or licensed to us in the future may not provide us with competitive advantages, or **it** may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our Platform and use information that we regard as proprietary to create products that compete with ours. Patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. The value of our intellectual property could diminish if others assert rights in or ownership of our trademarks and other intellectual property rights, or trademarks that are similar to our trademarks. We may be unable to successfully resolve these types of conflicts to our satisfaction. In some cases, litigation or other actions may be necessary to protect or enforce our trademarks and other intellectual property rights. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those in the U. S., and mechanisms for enforcement of intellectual property rights may be inadequate. As we expand our global activities, our exposure to unauthorized

copying and use of our Platform and proprietary information will likely increase. ~~Moreover, policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive and time-consuming. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights.~~ We rely, in part, on trade secrets, proprietary know-how, and other confidential information to maintain our competitive position. While we enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties, including suppliers and other partners, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how and trade secrets or that has or may have developed intellectual property in connection with their engagement with us. Moreover, ~~we cannot~~ **there are no assure assurances you** that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering, or disclosure of our proprietary information, know-how, and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our Platform. These agreements may be breached, and we may not be able to detect any such breach and may not have adequate remedies for any such breach even if we know about it. We use open source software ~~on our Platform as part of,~~ and in connection with certain experiences on our Platform, which may pose particular intellectual property **and security** risks to and could have a negative impact on our business. We have in the past and may in the future continue to use open source software in our codebase and our Platform. Some open source software licenses require users who make available open source software as part of their proprietary software to publicly disclose all or part of the source code to such proprietary software or make available any derivative works of such software free of charge, under open source licensing terms. The terms of various open source licenses have not been interpreted by courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our use of the open source software. Enforcement activity for open source licenses can also be unpredictable. Were it determined that our use was not in compliance with a particular license, we may be required to release our proprietary source code, defend claims, pay damages for breach of contract or copyright infringement, grant licenses to our patents, re-engineer our games or products, discontinue distribution in the event re-engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from our game development efforts, any of which could negatively impact our business. Open source compliance problems can also result in damage to reputation and challenges in recruitment or retention of engineering personnel. **Although we have certain policies and procedures in place to monitor our use of open-source software that are designed to avoid subjecting our Platform to open source licensing conditions, those policies and procedures may not be effective to detect or address all such conditions. Additionally, although we devote significant resources to ensuring the security of our use of open source software on our Platform, we cannot ensure that these security measures will be sufficient to prevent or mitigate the damage caused by a cybersecurity incident or network disruption, and our open source software may be vulnerable to hacking, insider threats, employee error or manipulation, theft, system malfunctions, or other adverse events.**

Risks Related to Ownership of our Class A Common Stock The public trading price of our Class A common stock is volatile and could decline regardless of our operating performance. To date, the public trading price of our Class A common stock has been volatile, similar to other newly public companies that have historically experienced highly volatile trading prices. The public trading price of our Class A common stock may fluctuate in response to various factors, including those listed in this Annual Report on Form 10-K, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the public trading price of our Class A common stock include the following:

- the number of shares of our Class A common stock made available for trading;
- sales or expectations with respect to sales of shares of our Class A common stock by holders of our Class A common stock;
- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow us or our failure to meet these estimates or the expectations of investors;
- any plans we may have to provide or not provide disclosure about certain key metrics, financial guidance, or projections, which may increase the probability that our financial results are perceived as not in line with analysts' expectations;
- if we do provide disclosure about certain key metrics, financial guidance, or projections, any changes with respect to timing or our failure to meet those projections;
- announcements by us or our competitors of new services or platform features;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or security breaches or other incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations, public expectations regarding new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management or other key personnel;
- other events or factors, including those resulting from war, such as Russia's invasion of Ukraine **and Hamas' attack against Israel**, incidents of terrorism, pandemics, or wildfires, earthquakes or severe weather and power outages or responses to these events; and
- general economic conditions and slow or negative growth of our markets.

In addition, stock markets, and the market for technology companies in particular, have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies, including technology companies, have fluctuated in a manner

often unrelated to the operating performance of those companies. In the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. **In addition, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate.** The dual class stock structure of our common stock has the effect of concentrating voting control in ~~our Founder, President, CEO and Chair of our Board of Directors, David Baszucki~~, **our Founder, President, CEO, and Chair of our Board of Directors**, which limits or precludes your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction. Our Class B common stock has 20 votes per share, and our Class A common stock has one vote per share. Our Founder, President, CEO and, Chair of our Board of Directors, and largest stockholder, David Baszucki, and his affiliates, beneficially own 100% of our outstanding Class B common stock, together as a single class, representing a substantial percentage of the voting power of our capital stock, which voting power may increase over time as Mr. Baszucki exercises or vests in his equity awards. Mr. Baszucki and his affiliates could exert substantial influence over matters requiring approval by our stockholders. This concentration of ownership may limit or preclude your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may believe are in your best interest as one of our stockholders. We believe we are eligible for, but do not intend to take advantage of, the "controlled company" exemption to the corporate governance rules for NYSE-listed companies. ~~The dual class stock structure of our common stock which permits Mr. Baszucki and his affiliates to exert this influence will remain in place until the earlier of (i) the date that is specified by the affirmative vote of the holders of two-thirds of the then-outstanding shares of Class B common stock, (ii) the date on which less than 30% of the Class B common stock that was outstanding on March 2, 2021, (iii) March 10, 2036, (iv) nine months after the death or permanent disability of Mr. Baszucki, and (v) nine months after the date that Mr. Baszucki no longer serves as our CEO, or as a member of our Board of Directors. Future transfers of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions. We cannot predict the effect our dual class structure may have on the trading price of our Class A common stock. We cannot predict whether our dual class structure will result in a lower or more volatile trading price of our Class A common stock, in adverse publicity, or other adverse consequences. For example, certain index providers, such as S & P Dow Jones, exclude companies with multiple classes of common stock from being added to certain stock indices, including the S & P 500. As a result, the dual class structure of our common stock may trigger actions or publications by stockholder advisory firms or institutional investors critical of our corporate governance practices or capital structure, or prevent the inclusion of our Class A common stock in certain indices and, as a result, large institutional investors, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices may not invest in our Class A common stock. Any exclusion from certain indices could result in a less active trading market for our Class A common stock. As a result, the trading price of our Class A common stock could be adversely affected. Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A common stock. ~~If securities Delaware law and provisions in our or amended and restated certificate of incorporation and amended and restated bylaws could make a merger~~ **industry analysts or other third parties do not publish research or publish inaccurate or unfavorable research about us, tender offer or our business proxy contest difficult, or our** thereby depressing the market price of, **or if they change their recommendation regarding our Class A common stock adversely, the market** price and trading volume of our Class A common stock could decline. The market price and trading volume for our Class A common stock will depend in part on the research and reports that securities or industry analysts **and other third parties** publish about us, our business, our market or our competitors. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations **or incorrect**. If any of the analysts who cover us change their recommendation regarding our Class A common stock adversely, provide more favorable relative recommendations about our competitors or publish inaccurate or unfavorable research about our business, the price of our Class A common stock would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the price and trading volume of our Class A common stock to decline. ~~Our Class A common stock price may be volatile due to third-party data regarding our experiences.~~ In addition, third parties regularly publish data about us and other mobile, gaming, and social platform companies with respect to DAUs, revenue, bookings, top experience, or game charts, hours engaged and other information concerning social game application usage. These metrics are proprietary to the provider, and in many cases do not accurately reflect the actual levels of bookings, revenue, or usage of our experiences across all platforms. There is a possibility that third parties could change their methodologies for calculating these metrics in the future. To the extent that securities analysts or investors base their views of our business or prospects on such third-party data, the price of our Class A common stock may be volatile and may **not reflect the performance of our business**. Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that may make the acquisition of our company more difficult, including the following: • any amendments to our amended and restated certificate of incorporation or our amended and restated bylaws will require the approval of at least ~~66~~ **66.2** / 3 % of our then-outstanding~~

voting power; • our Board of Directors is classified into three classes of directors with staggered three- year terms and stockholders will only be able to remove directors from office for cause; • upon the conversion of our Class A common stock and Class B common stock into a single class of common stock, our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter; • our amended and restated certificate of incorporation does not provide for cumulative voting; • vacancies on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders; • a special meeting of our stockholders may only be called by the chairperson of our Board of Directors, our CEO, our President, or a majority of our Board of Directors; • certain litigation against us can only be brought in Delaware; • our amended and restated certificate of incorporation authorizes 100 million shares of undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and • advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders. These provisions, alone or together, could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock. Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) is the exclusive forum for the following (except for any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction): • any derivative action or proceeding brought on behalf of us; • any action asserting a claim of breach of a fiduciary duty; • any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws (as either may be amended from time to time); and • any action asserting a claim against us that is governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the U. S. federal courts have exclusive jurisdiction. Our amended and restated bylaws further provide that the federal district courts of the U. S. will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These exclusive- forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. We also note that stockholders cannot waive compliance (or consent to noncompliance) with the federal securities laws and the rules and regulations thereunder. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find either exclusive- forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could significantly harm our business. **If securities or industry analysts do not..... Class A common stock to decline.** We do not expect to pay dividends in the foreseeable future. We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not anticipate declaring or paying any dividends to holders of our capital stock in the foreseeable future. Consequently, you may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment. **Risks Related to the Notes and our Indebtedness** We may not be able to generate sufficient cash to service our debt and other obligations, including our obligations under the 2030 Notes. Our ability to make payments on our indebtedness, including the 2030 Notes, and our other obligations will depend on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the 2030 Notes, and other obligations. If we are unable to service our debt and other obligations from cash flows, we may need to refinance or restructure all or a portion of our debt obligations prior to maturity. Our ability to refinance or restructure our debt and other obligations will depend **upon on various factors, including** the condition of the capital markets and our financial condition at such time. Any refinancing or restructuring could be at higher interest rates **and, less favorable terms, or** may require us to comply with more onerous covenants, which could further restrict our business operations. If our cash flows are insufficient to service our debt and other obligations, we may not be able to refinance or restructure any of these obligations on commercially reasonable terms or at all **and any. Any** refinancing or restructuring could have a material adverse effect on our business, results of operations, or financial condition. If our cash flows are insufficient to fund our debt and other obligations and we are unable to refinance or restructure these obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell material assets or operations to meet our debt and other obligations. We cannot assure you that we would be able to implement any of these alternative measures on satisfactory terms **or (if at all)** or that the proceeds from such alternatives would be adequate to meet any debt or other obligations then due. If it becomes necessary to implement any of these alternative measures, our business, results of operations, or financial condition

could be materially and adversely affected. Our indebtedness could have **important adverse consequences to us. Our indebtedness could have adverse** consequences to us, including the following: • making it more difficult for us to satisfy our obligations with respect to the 2030 Notes and our other indebtedness; • requiring us to dedicate a substantial portion of our cash flow from operations to debt service payments on our and our subsidiaries' debt, which reduces the funds available for working capital, capital expenditures, acquisitions, and other general corporate purposes; • requiring us to comply with restrictive covenants in ~~the indenture that governs the 2030 Notes, or~~ the Indenture, which limit the manner in which we conduct our business; • limiting our flexibility in planning for, or reacting to, changes in the industry in which we operate; • placing us at a competitive disadvantage compared to any of our less leveraged competitors; • increasing our vulnerability to both general and industry- specific adverse economic conditions; and • limiting our ability to obtain additional debt or equity financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing. General Risks ²⁾ **and place significant strain on our personnel, systems the Sarbanes-Oxley Act, and resources the rules and regulations of the listing standards of the NYSE.** The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. **Our We are continuing to develop and refine our** disclosure controls and other procedures **that** are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. **Our current We are also continuing to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure** controls and ~~any new procedures and internal controls~~ **control over financial reporting, we have expended, and anticipate** that we **will continue to expend** develop may become inadequate because of changes in conditions in our business. In addition, **significant resources** changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems, and Any legal proceedings or claims against us could be costly and time- consuming to defend and could harm our reputation regardless of the outcome. We are and / or may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, including intellectual property, privacy, biometrics, ~~data security~~ **cybersecurity**, data protection, product liability, consumer protection, employment, class action, whistleblower, contract, securities, **tort, civil Racketeer Influenced and Corrupt Organizations Act (“ RICO ”)**, and other litigation claims, **including claims related to our advertising practices and use of generative AI,** and governmental and other regulatory investigations and proceedings. **As** For example, on March 9, 2022, an alleged shareholder filed a **result** putative securities class action against us and certain of ~~disclosure~~ our executives and directors, alleging violations of Sections 11, 12 (~~information in filings required of a public company~~) (2), and 15 of the Securities Act in connection with the registration statement for our direct listing. The parties have stipulated to a dismissal of the Superior Court -- **our business ease, and financial condition** the matter was dismissed on August 2, 2022, but we anticipate the shareholder will **become more visible** refile this action in Federal Court. Additionally, we **which may result in threatened or actual litigation, including by competitors. We** have been and may continue to be subject to legal proceedings asserting claims arising from allegations that we disabled access to virtual items found to violate our Terms of Use, **that we have facilitated gambling by minors, that we have misrepresented the safety of our Platform, that our Platform is addictive or otherwise unsafe, and suits related to our refund policies**. In ~~this~~ **these** and similar lawsuits brought on behalf of child users, the court may allow minors to disaffirm or avoid enforcement of our Terms of Use, depending on the circumstances. **We have and may continue to be subject to legal proceedings asserting claims on behalf of shareholders related to allegations that discussions of our growth prospects have been misleading and unsustainable due to concerns related to safety and our implementation of parental controls on the Platform**. Such matters can be time- consuming, divert management' s attention and resources, cause us to incur significant expenses or liability, or require us to change our business practices. The expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change, and could adversely affect our financial condition and results of operations. Because of the potential risks, expenses, and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Any of the foregoing could adversely affect our business, financial condition, and results of operations. Catastrophic events may disrupt our business. Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could harm our business. We have our headquarters and a large employee presence in San Mateo, California, an area which in recent years has been increasingly susceptible to fires, severe weather events, and power outages, any of which could disrupt our operations, and which contains active earthquake zones. In the event of a major earthquake, hurricane, or catastrophic event such as fire, power loss, rolling blackouts **or power loss**, telecommunications failure, pandemic, **geopolitical conflict such as the Russian invasion of Ukraine and Hamas' attack against Israel and the ensuing war**, cyber- attack, war, **other physical security threats** or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our Platform development, lengthy interruptions in our Platform, breaches of security, and loss of critical data, all of which would harm our business, results of operations, and financial condition. Acts of terrorism and similar events would also cause disruptions to the internet or the economy as a whole. **Global climate change could also result in natural disasters occurring more frequently or with more intense effects, which could cause business interruptions. The long- term effects of the COVID- 19 pandemic and recovery from it on society and developer, creator, and user engagement remain uncertain, and a subsequent health crisis or pandemic, as well as the actions taken by various governmental, business and individuals in response, will impact our business, operations and financial results in ways that we may not be able to accurately predict.** In addition, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions. Our disaster recovery plan may not be sufficient to address all aspects of any unanticipated consequence or incident, we may not be able to maintain business

continuity at profitable levels or at all, and our insurance may not be sufficient to compensate us for the losses that could occur. Our operations are subject to the effects of a rising rate of inflation and volatile global economic conditions. The United States, Europe, and other key global markets have recently experienced historically high levels of inflation. If the inflation rate continues to increase, it will likely affect all of our expenses, including, but not limited to, employee compensation expenses and energy expenses and it may reduce consumer discretionary spending, which could affect the buying power of our users, developers, and creators and lead to a reduced demand for our Platform. **Additionally, geopolitical Geopolitical** developments, such as the war in Ukraine, **Hamas' attack against Israel and the ensuing war,** and tensions with China, and the responses by central banking authorities to control inflation, can increase levels of political and economic unpredictability globally and increase the volatility of global financial markets. Adverse macroeconomic conditions, including lower consumer confidence, **persistent unemployment, wage and income stagnation,** slower growth or recession, changes to fiscal and monetary policy, inflation, higher interest rates, currency fluctuations, **economic and trade sanctions,** the availability and cost of credit, and the strength of the economies in which we and our users are located, have adversely affected and may continue to adversely affect our consolidated financial condition and results of operations. **Additionally, we maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation (the "FDIC") insurance limit.** ~~If we are determined~~ **the financial conditions affecting the banking industry and financial markets cause additional banks and financial institutions to enter receivership or become insolvent, our ability to access our existing cash, cash equivalents and investments, or to draw on our existing lines of credit, may be threatened** ~~an~~ **and** "investment company," it will significantly affect our operational flexibility and our operating results. If the SEC determines that we are required to register as an "investment company" it would result in the imposition of additional corporate governance and operational requirements through the application of the federal Investment Company Act of 1940. Any such burdens could be **have a** material ~~Among~~ the particular repercussions for us as an "investment company" under the Investment Company Act of 1940, could be a short or long-term effect to liquidity and an increase our cost of capital and operational expenses, all of which would adversely ~~adverse~~ **affect effect on** our operating results. It is possible that such an outcome could threaten the viability of our business **and financial condition**.