

## Risk Factors Comparison 2025-02-18 to 2024-02-21 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 have a history of net losses and we may not be able to achieve or maintain profitability in the future.
- Our business is affected by seasonal demands, and our financial condition and results of operations will fluctuate from quarter to quarter, which makes our financial results difficult to predict and may not fully reflect our underlying performance.
- **If our business becomes constrained by changing legal and regulatory requirements, including with respect to online safety, privacy, cybersecurity and data protection, AI, online platform liability, communication, verifiable 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.**
- 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~~ **third-party** 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, 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, 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 **our users, many of whom are** children, to experience and if we are not able to ~~continue to provide a safe~~ **such an** environment, our business will suffer dramatically.
- 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 **or regulatory actions** 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~~ **private** information, disrupt our internal operations and harm public perception of our Platform, which could cause our business and reputation to suffer.
- **Because we recognize revenue from bookings** ~~We must continue to attract and retain highly qualified personnel in very-~~ **over** competitive markets to continue to execute ~~on the estimated average lifetime of a paying user or as the virtual items are consumed, changes in~~ our business strategy and growth plans.
- ~~We may identify material weaknesses-~~ **not be immediately reflected in** ~~or our operating~~ 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 We must continue to attract and retain highly qualified personnel in very competitive markets to support out growth, and 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 or industry analysts or other third parties may publish inaccurate or unfavorable research about 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

We have incurred net losses since our inception, and we expect to continue to incur net losses in the foreseeable future. We incurred net losses attributable to common stockholders of \$ **935.4 million**, \$ 1,151.9 million, ~~and~~ \$ 924.4 million ~~and~~ \$ 491.7 million for the years ended December 31, **2024**, 2023, ~~and~~ 2022, ~~and~~ 2021, respectively. As of December 31, **2023-2024**, we had an accumulated deficit of \$ 3, ~~060-995~~ **3-6** million. We also expect our operating expenses to continue to increase, and if our 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, ~~and~~ 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 expect to continue to incur significant additional legal, accounting, and other expenses as a 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. 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 Other periods of seasonality include holidays such as Lunar New Year, Easter, and Ramadan, each of which may differ in timing year over year and therefore have impacted and may continue to impact our quarterly results** 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, developer, 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. **Our results of operations and financial condition 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, user engagement, developer base and developer engagement; the level of demand for our platform **Platform**; the ability of our developers to monetize their experiences; increased competition; our pricing model **including any discounts that we offer**; the maturation of our business; our ability to introduce new revenue streams such as advertising; legislative or regulatory changes; macroeconomic conditions, such as high inflation, recessionary or uncertain environments, and fluctuating foreign currency exchange rates; our ability to maintain operating margins, cash used in operating activities, and free cash flow; system failures or 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 **metric** reporting; **the amount and timing of our stock-based compensation expenses**; changes in our effective tax rate; and changes in accounting standards, policies, guidance, interpretations, or principles. 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. We ~~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~~, **including preventing our ability to operate our Platform** a variety of laws in **certain jurisdictions** the U.S. and abroad that affect our business. As a global Platform ~~platform~~ with users, **developers and creators** in over 180-170 countries, we are subject to a myriad of **regulations and laws and regulations that affect our business, including but not limited to, laws and regulations regarding online gaming, online safety, online platform liability, content moderation, intellectual property ownership and infringement, consumer protection, protection of minors, including the use of prepaid cards, subscriptions, advertising, electronic marketing, protection of minors, including verified-verifiable parental consent, privacy, biometrics, cybersecurity, data protection and data localization requirements, the use of prepaid cards, subscriptions, advertising, electronic marketing, 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, campaign finance, gambling, loot boxes, ratings** and telecommunications, all of which are continuously evolving and developing. ~~The scope We have policies and interpretation of the procedures designed to promote compliance with applicable laws and regulations, but we cannot assure you that we will not~~ 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., experienced- **experience rapid growth violations of such laws and regulations or our policies and procedures. The widespread availability of 3D user-generated content online is relatively new, and the regulatory framework is new and continuously evolving with increased legislative initiatives and agency focus on areas including the protection of minors online and users' personal information, among other areas. The scope and interpretation of these laws and regulations that are or may be applicable to us, are often uncertain and may be conflicting from jurisdiction to jurisdiction and compliance with laws, regulations and similar requirements may be burdensome and expensive. Moreover, in some cases these new regulations can be enforced by private parties in addition to governmental agencies. There are a suite of global laws focusing on the area of online safety and content moderation, including notice and transparency obligations. The United Kingdom's Online Safety Act ("OSA") will gradually be fully implemented as the Office of Communications ("Ofcom") publishes its guidance and codes of practice with the first set of obligations in force in March 2025. The OSA introduces, among other things, duties to protect children and other users online, complete risk assessments, and remove illegal content. Noncompliance with the OSA could lead to investigations and other proceedings, substantial fines of up to £ 18 million or 10 % of the prior periods, year's global revenues and possible imposition of criminal liability on senior managers and company officers, and the imposition of business disruption measures such as access restriction orders. The EU's Digital Services Act ("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 non-governmental organizations to commence class action lawsuits. Australia's Online Safety Act of 2021 has recently been amended to require certain social media platforms, which may include our Platform, take**

reasonable steps by the end of 2025 to prevent Australians under the age of 16 from having accounts. Additionally, we are subject to regulations with respect to advertising, in particular, advertising to minors, and advertising regulations could differ based on the jurisdiction of a user. For example, in the U. S. the Federal Trade Commission (“ FTC ”) and other regulators restrict deceptive ~~our- or prior growth rates~~ unfair commercial activities, including in relation to targeted advertising and advertising to minors. As we evolve our advertising products, we ~~may not be able to implement an advertising model that is compliant with regulations in all jurisdictions in which we operate, and advertising regulations could differ based on the jurisdiction of our users.~~ In the U. S. we are subject to both federal and state legislative ~~indicative-~~ initiatives and regulations, such as the proposed Kids Online Safety Act and various state safety regulations, which have and may continue to vary significantly. For example, in 2024 the State of ~~cause us~~ Texas enacted new restrictions on purchasing by minors, including requiring verified parental consent for minors to purchase digital items, including on ~~change or limit our ability to sell our Platform.~~ We- These additional restrictions will likely have policies an adverse impact on our revenue and bookings from users in Texas in the near term ~~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.~~ In addition, there are ongoing academic, political, and regulatory discussions in the U.S., Canada, Europe ~~European Union~~, 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 ~~- like behavior~~, should be subject to a higher level ~~or our-~~ 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 some countries such as Belgium and the Netherlands, “ loot box ” mechanics may be considered gambling, and are restricted as a result. In Australia gaming content containing “ loot boxes ” requires a mature age rating (age 15 ). Other jurisdictions are considering similar limitations or bans on “ loot boxes. ” Governmental agencies in any of the countries in which we, our users, developers, or creators are located from time to time have sought and continue to seek to and could in the future Platform 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, ~~our ability to operate across demographics and geographies, our developer’s ability to monetize their experiences in some geographies and reduce the overall use or demand for of our Platform, which would harm our-~~ or business result in significant injunctive and monetary remedies for violations. Moreover, financial condition ~~changes to these laws, regulations, standards, or obligations and results of operations. We have been required to and could in the future be required-~~ require us to change our business model for specific jurisdictions or subsets of our users, 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 ~~storing user information on servers in a country within which we operate.~~ The costs of compliance with, and other burdens imposed by, these laws, regulations, standards, and obligations, could be prohibitively expensive. Requirements ~~Furthermore, any inability to change age ratings adequately address these burdens, would harm our ability to operate our Platform, limit the attractiveness of our Platform, or of specific content on reduce overall demand for our Platform, which would~~ may make our Platform less attractive for the younger users and harm our business, financial condition, and results of operations. Furthermore, growth ~~of or our business.~~ Moreover, the adoption of any laws or regulations adversely affecting the growth of, popularity ~~our-~~ or market use of the internet, including laws impacting Internet neutrality, could decrease the demand for our Platform and increase our operating costs. The legislative and regulatory landscape regarding the regulation of the internet and, in 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. We experienced rapid growth in prior periods relative to our quarterly forecast and historic trends, which 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. The Activity activity levels experienced in prior periods ~~are were attributed in part to the impact of the COVID- 19 lockdowns in 2020 and 2022, which led to increased demand for our business, were~~ not sustainable, and our growth rates have moderated in most markets. The long- term impact to our business, 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 ~~23-24~~ % from the year ended December 31, ~~2022~~ 2023 to the year ended December 31, ~~2023-2024~~. 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 their usage or engagement with our Platform or reduce their discretionary spending on ~~Robux-~~ our Platform, which would adversely impact our revenue and financial condition. If we are unable to continue to maintain the attractiveness of our Platform to developers, creators, and users, they may no longer seek new experiences in our 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 changes affecting our operating costs, as well as our ability to maintain our Platform which would hurt our ability to operate our business. For the year ended December 31, **2023** **2024**, 30 % of our revenue was attributable to Robux sales through the Apple App Store and **17-16** % 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 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 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 an operating system provider or application store limits or discontinues access to, or changes the terms governing, its operating system or store for any reason, it could adversely affect our business, financial condition, or results of operations. Additionally, 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. If competitors control the operating systems and related hardware our application runs on, they could make interoperability of our Platform more difficult or display their competitive offerings more prominently than ours. There is no guarantee that 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 our users, developers or creators to access and engage with our Platform, our business and user retention, growth, and engagement could be significantly harmed. Similarly, at any time, 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 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) **or services** 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, **Microsoft, Sony's PlayStation Network** and Xsolla, to receive cash proceeds from ~~sales-purchases~~ **of our Robux through direct purchases on our Platform**. For our experiences accessed through mobile platforms such as the Apple App Store and the Google Play Store **and consoles**, we are required to share a portion of the proceeds from in- game sales with the platform **and console** 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 on our Platform** to Apple and Google and this amount could **increase**. **For operations through console providers, such as Microsoft Xbox and Sony PlayStation, we are obligated to pay around 30 % of any money paid by users on our Platform, and these amounts could also increase.** 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 **or console** 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 has~~ been litigation ~~and~~, **as well as** governmental inquiries over 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. Any scheduled or unscheduled interruption in the ability of our users to transact with these distribution channels could adversely affect our payment collection and, in turn, our revenue and bookings. Additionally, we do not directly process purchases **made on our Platform or the exchange of earned Robux or for fiat currency through our Developer Exchange Program**. ~~Platform, and, thus, any information~~ **Information** on those purchases **or exchanges** (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 **purchases or exchanges of Robux purchases for fiat currency** by users (such as ~~Vantiv, Stripe, and Xsolla~~, **and Tipalti**). 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' **(including our developers')** transaction information involving ~~Robux their~~ purchases **is or exchanges for fiat currency are** 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 **for**, ~~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~~ **developers interested in our Developer Exchange Program, developers** may be discouraged from ~~purchasing Robux~~ **creating on our Platform, and users may be discouraged from making purchases on our Platform** in the future, which, in turn, would materially and adversely affect our business, financial condition, and prospects. In addition, from time to time, we **or our partners** 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 **Platform service services**. If we are unable to maintain our fraud and chargeback rate at acceptable levels, card networks may impose fines, our **users'** 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. **Further** ~~Our estimates~~

or judgments relating to our critical accounting policies could cause our results of operations to fall below expectations, **the Consumer** and changes in our business may not be immediately reflected in our operating results. The preparation of financial **Financial** statements in conformity with GAAP requires management **Protection Bureau ("CFPB") has issued a regulation** to make estimates **exercise authority to conduct supervisory examinations over large nonbank technology companies offering digital funds transfer and payment wallet apps** assumptions that affect the amounts reported in our financial statements and accompanying notes. **Accordingly** For example, the majority of the virtual items available **third-party online distribution channels and third-party payment processors** on our Platform **which we rely, to the extent they are covered** 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 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 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 **the CFPB** 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. 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 to state, federal, and international regulations and any changes in such regulations could harm or prevent our ability to operate our Platform in those jurisdictions. Uncertainty over changes in laws and regulations could adversely affect our ability to operate across demographics and geographies or our developer's **regulation, may face external pressures that could impose additional compliance costs, impact their** ability to **offer digital payment services** monetize their experiences in some geographies. The widespread availability of user-generated content is a relatively newer development, and **affect our relationships with the them over time** or regulatory framework is new and evolving. In addition, many states and foreign governments have enacted legislation designed to protect children and regulate violent content, and we expect additional legislation to be enacted, that focuses on online safety. If we are unable to comply with applicable regulations, some of the **other adverse impacts upon** experiences on our Platform, or **our business** our entire Platform, may not be available in such jurisdictions, and our ability to **serve** execute on our business model and grow our business would be severely impacted. We are also subject to 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. We are subject to regulations with respect to advertising, in particular, advertising to minors, and advertising regulations could differ based on the jurisdiction of the user **users**. We may not be able to implement an **and developers** advertising model that is compliant with regulations..... 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 **our users, many of whom are** children, to experience, **and if we are not able to provide such an environment, our business will suffer dramatically**. 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. **We continue to make significant efforts to provide a safe, civil and enjoyable experience for users of all ages.** Although illicit activities are in violation of our terms and policies, and we attempt to block objectionable material **and ban bad actors from our Platform**, 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-banned actors have, at times, been able to evade our detection systems and regain access to our Platform through alternative accounts**. We invest significant technical and human resources to prevent inappropriate content on our Platform by **using a range of tools and policies, including several designed to** reviewing **review** all images, audio, **and** 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. **Additionally, in some of our experiences users are able to generate in- experience content which may not be detectable by our automated moderation systems.** 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 younger** users. **This in turn has caused** In addition, the introduction of experiences for users who are 17 years of age and older may **continue to** 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** For example, **USK, who are responsible for game ratings in Germany, increased our age rating from USK12 to USK16 in January 2025. We have at times experienced negative media coverage related to content that is age-restricted on our Platform but is mischaracterized in the media as being accessible to**

younger users and therefore has impacted our reputation as a safe online environment for children. At times, content that is age- restricted, but not violative of our terms for teenagers, may still be in poor taste or considered crude, and therefore lead to negative media attention. Further, children may attempt to evade our age verification system, which could lead them to be exposed to inappropriate content or behavior by participating in experiences that are not age- appropriate or that gaining access to feature features spatial voice chat we have restricted to older users. While we have introduced experience guidelines Content Maturity Labels that enable will allow users to flag certain explicit content in our games, make informed decisions about the experiences they interact with and are updating our we have introduced additional parental controls that help parents and caregivers manage their child' s experience on our Platform, users may still be from time to time, notwithstanding our efforts, have been able to evade our systems, and have been exposed to content that may not be age- appropriate. In addition, as more of our brand partners, developers, and creators offer physical products for sale through our Platform, younger users may be able to purchase products that may not be age- appropriate. Unintentional access to this content or physical products could cause harm to our audience and to our reputation of providing a safe environment for younger users children to play online. If we are unable to sufficiently limit, or are perceived as not being able to sufficiently limit, all or substantially all age- inappropriate content and physical products to only users who have been verified as being the appropriate age for such content or goods, then parents and children will could 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 limiting content to the age- appropriate audience audiences and blocking other inappropriate content, we have statutory obligations under U. S. federal law to block or remove child pornography and report apparent 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 unforeseen 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. 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 moderated 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 expect to continue to receive a high degree of media coverage alleging, including the use of our Platform for illicit or objectionable ends. For example, we have experienced negative media publicity from traditional media sources and self- described short seller investors, related to the age of some of our developers, the content that developers produce for, or our operating metrics and disclosures, the strength of our moderation practices, and 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, contractors 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, have has in the past, and could in the future, adversely affect our reputation and lead to scrutiny and inquiries from governments and regulators. 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 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. 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 DAU growth rate has fluctuated in the past and may slow in the future due to various factors including: the introduction of new or updated experiences or virtual items on our Platform ; our ability to personalize and feature relevant experiences to our users; performance issues with our Platform ; the removal of popular experiences or virtual items on our Platform including due to copyright or other legal violations that may or may not be within our control; the availability of our Platform across markets and user demographics, which may be impacted by regulatory or legal requirements, including the use of verifiable parental consent; changes to the default settings on our Platform overall or for specific user groups; 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 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, 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 **the our DAU growth rate in our key metrics such as DAUs or hours engaged** slows or becomes stagnant, or we have a decline in **one of our key metrics such as DAUs or hours engaged**, or we fail to effectively monetize **new or existing** users in certain geographic markets, our financial performance **could be significantly harmed with 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 will increase for the foreseeable future. However, if this market shrinks or grows more slowly than anticipated 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. Moreover, a large number of our users are under the age of 13. This demographic may be less brand 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 may not be able to penetrate other demographics in a meaningful manner to compensate for the loss of DAUs in this age group. Falling user retention, growth, or engagement rates could seriously harm our business. 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. **We spend substantial amounts of time and..... 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, and 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, **which, as described in our terms of use, is a license to engage in experiences and / or obtain virtual items**. 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 **fiat real-world** currency under certain conditions outlined in our Developer Exchange Program. **In addition, we have paid access experiences where developers can offer access to their experiences to users for a set price in fiat currency and in exchange earn a higher revenue share of these user purchases.** While we have millions of developers and creators on our Platform, **48-50 % of engagement in- experience hours engaged in experiences** were spent in the top 50 experiences in the month ending December 31, **2023-2024 . We continuously review and only 526 revise our Platform policies to enhance regulatory compliance and the trust and safety of our Platform. Changes to our Platform policies may reduce the ability of developers to monetize their experiences- experience 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. 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. **Developments and innovations on our Platform may rely on new or evolving technologies which may at times be still in development and may never be fully developed.** 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 development and may never be fully developed.** For instance, Despite our efforts, users, developers, or creators may become dissatisfied with our **Platform technology**, 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....., 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 our Platform, which depends on the continuing operation and availability of our Platform from our global network of data centers controlled and operated by us and 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 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, **including those stemming from vulnerabilities in authentication mechanism, service spoofing, or the complexities of managing micro- systems architecture**. 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, including in **October 2024**, May 2022 and **October 2021**, **and at other times during our history**. 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 take while we provide critical updates or as an unexpected outcome of routine maintenance, which most recently occurred in July 2023. Outages can be caused by a number of factors, including a move to a new technology **or security vulnerabilities in new or existing technologies**, the demand on our Platform exceeding the capabilities of our technological infrastructure, delays or failures resulting from natural disasters, manmade disasters, or other catastrophic events, the migration of data among data centers and to third- party hosted environments, **a cyber event or act of terrorism**, 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. 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 **and has been in the past**, 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 **mitigate the risks posed by technological exploitation used by threat actors and 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 and our technological infrastructure may also be subject to ~~local and federal~~ **government laws**, 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~~ **cyber** event or act of terrorism, a decision to close the facilities without adequate notice, 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. 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 rely on third party service providers to assist in our customer support. Our third party providers, employees, developers or users have been and may in the future be a source of exploitation for bad actors to attempt to compromise our systems and information. If a threat actor is successful in using one or more of our third party service providers, employees, developers, or users to compromise our systems or personal information of our users, it could impact our business and results of operation as well as our reputation**. 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. The lack of comprehensive encryption for communications on our Platform may increase the impact of a security breach or incident. Communications on our Platform are not comprehensively encrypted at this time. As such, any security breach or incident that involves unauthorized access, acquisition, disclosure, or use of communications on our Platform may be 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 **or vulnerabilities**, 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 our Platform is compromised, it could compromise our and our developers', creators', and users' private information, disrupt our internal operations, and harm public perception of our Platform, which could cause our business 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, 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, malware, ransomware, viruses, hacking, social engineering, spam, and phishing attacks **across our organization, these types of 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 **over time**. The techniques used by malicious actors to obtain unauthorized access to, **or** to sabotage, **our** systems or networks, or to utilize our systems maliciously, are constantly evolving and generally are not recognized **in the industry** until launched against a target. **Consequently, despite** **Despite** the measures we have taken, we **may be at times have not been** **unable** **able** to anticipate these techniques, detect, or react in a timely manner, or implement preventive measures, which **has resulted in and** could **continue to** result in, delays in our detection or remediation of, or other responses to, security breaches and other security- related incidents. **The** **In addition, the** use 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, and while we have taken steps to **ensure patch** these and similar vulnerabilities **have been patched** in our systems, we cannot guarantee that all vulnerabilities have been patched in every system upon which we are dependent or that additional critical vulnerabilities of open source software which we rely upon will not be discovered. Our use of AI in our products and business practices may increase or create additional cybersecurity **and privacy** risks, including risks of security breaches and incidents. Our Platform and **service services** operate in conjunction with, and we are dependent upon, third- party products, services, and components. Our ability to monitor our third- party service providers' cybersecurity is limited, and in any event, attackers may be able to circumvent our third- party service providers' 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** **Security vulnerability vulnerabilities**, **error errors**, or other **bug bugs** in one of these third- party products, services, or components, **and if there is a security exploit exploits** targeting them or even simply the allegation of a vulnerability or security exploit targeting one of these third- party products, services, or components, **we has at times and** could **continue to cause us to** 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 loss or unavailability of, or unauthorized use, 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. In the past, we have experienced social engineering and 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 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 **or other remedies** imposed **for in connection with** certain data breaches that take place around the world. Further, certain laws and regulations relating to privacy, biometrics, cybersecurity, and data protection, 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 specified categories of personal information. 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 promptly** 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, data protection, or cybersecurity, 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 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, **2023-2024**, approximately **78-79** % of our DAUs and **36-37** % 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 and operations include: • greater difficulty in enforcing contracts and accounts receivable collection, and longer collection periods; • higher costs of doing business internationally, including increased accounting, travel, infrastructure, legal and compliance costs; • 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, **online safety**, 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— **consumer protection** in general, and industry- specific laws and regulations, particularly as these rules apply to interactions with **children users under the age of 18**; • **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, including, without limitation, the evolving relations between the U. S. and China, evolving relations with Russia due to Russia’ s invasion of Ukraine, and the conflict in the Middle East stemming from Hamas’ attack against Israel**; • expenses related to monitoring and complying with differing labor **and employment** regulations, especially in jurisdictions where labor **and employment** 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; • challenges inherent to efficiently recruiting and retaining qualified 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, **including trust and safety 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, 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. 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. **For example, in August 2024 we learned that our Platform was blocked in the Republic of Türkiye and we are working with the local authorities with the goal of resolving it.** 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); they may fail to expand the types of experiences that they can build for users; or our competitors 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 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 **increase the overall number of developers and creators on our Platform; 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, **or variety of genres of experiences**, that our users

engage with, or the usage of our technology for our developers; we fail to increase the 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 demographics, **including our goal of reaching ten percent of the global gaming software market,** 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; or the experiences on our Platform do not maintain or gain popularity. **Continuing If we are able to continue to grow, we will need** to manage our growth effectively **may**, 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 **more** 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 **paying** users of our paid subscription services will depend in part on our ability to consistently provide our ~~subscribers-paying users~~ **subscribers-paying users** with a quality experience **and features**. If our users do not perceive ~~these our~~ **these our** offerings, **or the offerings of our developers and creators,** 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 payers~~ **subscribers payers** or be able to convince users to become ~~subscribers-paying users~~ **subscribers-paying users** 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-Users may cancel-reduce~~ **Subscribers-Users may cancel-reduce** their ~~subscription to spend on~~ **subscription to spend on** our **Platform** 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-paying users~~ **subscribers-paying users** are not successful, our business, operating results, and financial condition may be adversely impacted ~~events.~~ **If we are not successful in or our efforts to further develop** live experiences on our Platform, our business could suffer. We have undergone efforts to **further** develop the live ~~and limited time events and~~ **and limited time events and** experiences available on our Platform, such as virtual ~~platform-wide events, concerts, classrooms, and other meeting-meetings types,~~ **platform-wide events, concerts, classrooms, and other meeting-meetings types,** **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 ~~virtual reality applications-these live experiences~~ **virtual reality applications-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. Introduction of new technology could harm our business and results of operations. The market for an immersive 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-affects~~ **disrupts-affects** the ways developers create experiences or may ~~disrupt-affect~~ **disrupt-affect** the way users consume virtual goods — it may harm our business and results of operation. **The expertise in AI, as well as other emerging technologies, can be difficult and costly to obtain given the increasing focus on AI development and competition for talent.** 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 ~~our use of AI. In addition-We have incorporated,~~ **our use of AI. In addition-We have incorporated,** **and are continuing to develop and deploy, AI in** our **products and the operations of our business.** 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 **more** relied upon in the future ~~for-to facilitate~~ **for-to facilitate** increasingly complex decision-making as it integrates hardware, ~~and~~ **and** accelerated machine learning AI, including generative AI, for a broad range of compute tasks, including ~~enhanced control of~~ **enhanced control of** non-player characters, improved personalization, synthetic content generation, and ~~enhanced~~ **enhanced** automation of the player experience. **However, AI algorithms may be flawed. Datasets may be insufficient or contain biased information.** 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. ~~While we have and will~~ **While we have and will** ~~However, AI algorithms may be flawed. Datasets may be insufficient or contain-~~ **continue biased information-** **to implement safeguards, However, AI algorithms may be flawed. Datasets may be insufficient or contain-** **continue biased information-** **to implement safeguards,** ~~These these~~ **These these** deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm ~~new and evolving~~ **The EU enacted copyright laws** ~~such as~~ **such as** ~~and regulations focused on 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 AI professional diligence to exclude infringing content from our Platform that may be uploaded by our users. For example, in addition, on May 21, the monitoring and reporting obligations of the DSA may apply also with respect to copyright infringements that would fall outside the scope of the Copyright Directive. In April 2024, the Council of the European Commission proposed Union approved the latest draft of the Artificial Intelligence Act ("AI Act"), on which was published in the Official Journal of the EU on July 12, European Council and Parliament reached political agreement in December 2024. 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. Once the AI Act becomes effective, if enacted and applicable to us, certain provisions of 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, types of systems, and manner of use, under the AI Act. The AI Act may also 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 designed to promote ensure compliance. Noncompliance with the AI Act could result in fines of up to € 35 million or 7% of annual global turnover for the previous year, whichever is higher. There have been numerous other laws and bills proposed at the U.S.. 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 are based on estimates and may also differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or the underlying assumptions. If our metrics, which are based on which we rely, 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 These metrics are based on what we believe to be reasonable estimates and underlying assumptions of our user base for the applicable period of measurement, but there are inherent challenges in measuring how our Platform is used and as. As a result, the metrics may overstate misstate the number of DAUs, monthly unique payers, average monthly repurchase rate, hours engaged, ABPDAU, and average bookings per monthly unique payer. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. In addition, we are continually seeking to improve our metrics, which are based on estimates of our user base and hours engaged, and such estimates metrics may change due to improvements or changes in our methodology or underlying assumptions. We regularly review our processes and assumptions 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 our use of updated metrics in a current period and corresponding adjustments to our historical metrics. Our ability to recalculate our historical metrics to reflect any change in methodology of a metric in a current period may be impacted by data limitations, limitations in functionality of and user behaviors on different platforms, or other factors that require us to apply different methodologies for such adjustments over current and historic periods. Additionally, there are users who have multiple accounts, fake user accounts, or fraudulent accounts created by bots to inflate user activity for a particular user, developer or creator on our Platform, thus making. These actions may be to make the developer's or creator's experience or other content appear more popular than it really is or they may be to enable users to level up or otherwise progress in an experience more rapidly. Detecting and taking action with respect to such issues requires considerable judgment and is technically challenging. We strive to detect and minimize fraud, the use of bots, and unauthorized access to use of our Platform, and while these practices are prohibited in our terms of service, and we implement measures to detect and suppress that behavior. If, when we are successful unsuccessful in our efforts to minimize fraud, the use of bots and unauthorized access to our Platform, our operating results may be negatively affected. In addition, Some 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 estimates also may change as our methodologies and Platform evolve, including through the application of new data sets, the introduction of new metrics or technologies, or as our Platform changes with new features and enhancements. Such changes could lead to investor confusion or the perception that our estimates, methodologies and underlying assumptions are unreliable, which could also cause our developers, creators, and brand and other partners to 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 data center capacity and certain components of the equipment we use to operate our Platform and any disruption in the availability of these data center capacity or components could delay our ability to expand or increase the capacity of our Platform or replace defective equipment. We rely on suppliers for data center capacity and 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 and data center capacity. 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, **such as due to rapid growth in AI demand**, 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, 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 **or data center availability** 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 **and Roblox accounts** on or off of our Platform, including through unauthorized third- party websites in exchange for ~~fiat real-world currency~~ **or to facilitate online wagers**. 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~~ **websites**. For the year ended December 31, ~~2023~~ **2024**, total chargebacks to us from ~~this~~ **all** fraud was approximately 3. ~~11~~ **41** % 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 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 **have and** may ~~also~~ **in the future** result in negative publicity, disputes, ~~and~~ **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 **, Roblox accounts**, 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, **and** could reduce our revenue and bookings by, among other things, decreasing revenue from authorized and legitimate transactions, increasing chargebacks from unauthorized credit card transactions, **or** causing us to lose revenue and bookings from dissatisfied users who stop engaging with the experiences on our Platform. **Additionally**, ~~or such prohibited activity~~ 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 **or Community Standards**, **including** by ~~violating applicable law or Roblox policies which include~~ engaging in **any** illegal activity on the Platform. We have banned individuals as a result of unauthorized, fraudulent, or illegal use of **our Platform**, 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 internal teams 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 undesirable activity by third parties. 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 **employees’** 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 **have sometimes failed to discover and in the future** may not discover all such incidents or activity or be able to 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, 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 may also be unsuccessful in our efforts to enforce our policies or otherwise remediate any such incidents. Any of 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 adverse to our business, and adversely affect our business and financial results. Any such developments **have and** may

~~also~~ **continue to** 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 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 **, compliance** 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 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, 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. 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. **Recently, the General market conditions including trading prices of volatility affecting** technology companies ~~have been highly volatile, which~~ may reduce our ability to access capital on favorable terms or at all. Also, to the extent outstanding additional shares subject to options and warrants to purchase our capital stock are authorized and exercised, there will be further dilution. The amount of dilution could be substantial depending on the size of the issuance or exercise. 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. The popularity of our Lua scripting language is a key driver of content creation and engagement with our Platform, and if other programming languages or platforms become more popular with our developers, it may affect engagement with and content creation for our Platform. Roblox experiences are programmed using **our** Lua scripting language on the Roblox Platform. In order to enhance the attractiveness of our Platform to potential developers, we have made ~~the our~~ **our** Lua scripting language available without charge. ~~The~~ **our** 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~~ **provided education to** 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 our~~ **our** 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 natural or manmade disasters. Our developers, creators, and users need to be able to access our Platform at any time, without interruption or degradation of performance. Although we have disaster recovery plans that utilize multiple AWS availability zones to support our cloud infrastructure, any incident affecting their infrastructure that may be caused by natural or manmade disasters 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 AWS were to experience a hacking attack or ~~another~~ **other** security 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 June 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 to attract and retain users, developers, and creators, and highly qualified personnel in very competitive markets to continue to execute on our 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 **engaged** with other global technology leaders such as 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), Electronic Arts, Take-Two, Epic Games, Krafton, NetEase, and Valve, online content platforms including Netflix, Spotify, and YouTube, as well as social platforms such as Facebook, TikTok, Instagram, WhatsApp, Pinterest, X (~~Twitter~~), Reddit, Discord and Snap. We also rely on developers and creators to create the content that leads to and maintains user engagement (including maintaining the 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 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. **While we have millions of developers and creators on our Platform, 50 % of in- experience hours engaged in experiences were spent in the top 50 experiences in the month ending December 31, 2024.** In the future, if we are unable to continue to provide 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. **Should we fail to control botting and other forms of automated play on our Platform, developers, creators and users may find our Platform less attractive and may elect to engage on competing interactive entertainment platforms.** If a significant number of our developers no longer provide content, we **fail to increase the number of developers using our Platform, or developers and creators whose experiences account for a substantial portion of our Hours Engaged choose to leave our Platform,** we may experience an overall reduction in the **quantity and** quality of our experiences, which could adversely affect users' interest in our 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, technical, and other resources. Additionally, we depend on the continued services and performance of our Founder, President, CEO and Chair of our Board of Directors, David Baszucki, members of our senior management team, and other key personnel. David Baszucki has been responsible for our strategic vision, and should he stop working for us for any reason, it is unlikely that we would be able to immediately find a suitable replacement. We do not maintain key man life insurance for David Baszucki, and do not believe any amount of key man insurance would allow us to recover from the harm to our business 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 impact employee retention and morale, and significantly harm our business. **Our business and results of operations are affected by fluctuations in currency exchange rates.** 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, ~~2023~~ **2024**, approximately ~~78~~ **79** % our DAUs and ~~36-37~~ % 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 in the U. S. dollar, such fluctuations could change the costs of purchasing Robux to our users outside of the U. S., which may adversely 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 impact 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 **and investments** to add **or access** 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, **investments** or similar strategic transactions on favorable terms, if at all. The pursuit of potential acquisitions **or investments** may divert the attention of management and cause us to incur significant expenses related to identifying, investigating, and pursuing suitable **acquisitions targets**, whether or not they are consummated. Our previous and future acquisitions **and investments** may not achieve our goals, and any future acquisitions **or investments** 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~~ **or investments**, 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 target** 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 **or investments**, any of which could significantly harm our ~~business~~ **financial results**. 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. **The U. S. government recently introduced regulations that require notification of or prohibit certain transactions by U. S. persons with entities in China or with linkages to China (the “ Outbound Investment Rules ”). The Outbound Investment Rules could apply to certain intracompany activities between Roblox and Roblox China Holding Corp or Luobu, as well as other Roblox investments or activities with entities in China or with linkages to China. The Outbound Investment Rules regulations could also limit the ability of others to transact certain business with the Company if those transactions involve or benefit, directly or indirectly Roblox China Holding Corp, Luobu or other Company operations in China. Where the Outbound Investment Rules apply to a given transaction, it might limit our ability to carry out our long- term business strategy.** Our acquisition **and investment** 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, ~~2023~~ **2024**, we had federal net operating loss carryforwards of \$ 2, 382. 3 million, which do not expire, federal net operating loss carryforwards of \$ ~~52-10~~ **. 27** million, which begin to expire in ~~2035~~ **2037**, state net operating loss carryforwards of \$ ~~1, 261-433~~ **. 47** million, which begin to expire in ~~2024~~ **2025**, and foreign net operating loss carryforwards of \$ ~~66-64~~ **. 8** million, which begin to expire in ~~2024~~ **2025**. Utilization of our net operating loss carryforwards and other tax attributes may be subject to 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, 382. 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. **For example, California legislation enacted in June 2024 limits the use of state net operating loss carryforwards and tax credits for tax years beginning on or after January 1, 2024 and before January 1, 2027.** 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. ~~Our~~ **If our** estimates or judgments relating to our critical accounting policies ~~are~~ **are** may be based on assumptions that change or prove to be incorrect, ~~which~~ **our results of operations** could ~~cause our results of operations to~~ **fall below expectations of securities analysts and investors** ~~or our publicly announced guidance, 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. 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. ” **For example, the majority of the virtual items available on our 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 average lifetime of a paying user, 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 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 average lifetime of a paying user was 23 months. In the first quarter of 2022, we updated our estimated average lifetime of a paying user from 23 months to 25 months and in the third quarter of 2022 we increased the estimated average lifetime of a paying user from 25 months to 28 months. The estimated average lifetime of a paying user remained at 28 months through the first quarter of 2024. In the second quarter of 2024, the estimated average lifetime of a paying user decreased to 27 months. Based on the carrying amount of deferred revenue and deferred cost of revenue as of March 31, 2024, the change resulted in an increase in our fiscal year 2024 revenue and cost of revenue by \$ 98. 0 million and \$ 20. 4 million, respectively. 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 of these estimates form the basis for making judgments about the recognition and measurement of certain assets and liabilities and that quarter. Any such decline, however, will negatively impact our revenue and expenses that is operating results in future quarters. Accordingly, the effect of significant near- term downturns in purchases of Robux for a variety of reasons may not readily apparent from other sources be fully reflected in our results of operations until future periods .

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 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 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 digital content , or purchase of physical goods, between our developers, creators, and users. 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 as ours, is a complex and evolving area. For example, many countries have recently enacted tax laws that require non- resident providers to register for and levy value added taxes on electronically provided services to such country’ s residents. 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 In certain states, we are may be characterized as a marketplace facilitator for the sale of digital content or physical goods between our developers, creators, and users , and in such instances , 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 or physical goods 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. In February 2019, we entered into a joint venture agreement with Songhua River Investment Limited, referred to as Songhua, an affiliate of Tencent Holdings Limited Ltd. (“ Tencent Holdings ”), under which we created Roblox China Holding Corp (the “ China JV ”), of which we own a 51 % ownership interest. Through a wholly- owned subsidiary based in Shenzhen, branded as “ Luobu, ” the China JV is engaged in the development, localization, and licensing to Chinese creators of a Chinese version of Roblox Studio. 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 Chinese government, which 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. 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 participate in the 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 in our products being perceived as less attractive in the U. S. or elsewhere . In January 2025, the U. S. Department of Defense (“ DOD ”) added Tencent Holdings to its list of Chinese military companies operating directly or indirectly in the United States under section 1260H of the National Defense

**Authorization Act for Fiscal Year 2021 (“ 1260H List ”). Beginning in June 2026, this may restrict our ability to resell goods and services of Tencent Holdings to the DOD. The designation may also result in negative publicity for us and the China JV. Further regulatory changes adding Tencent Holdings to additional lists or export and sanctions related restricted or prohibited parties or further controls on entities viewed as connected to the Chinese military could impact our ability to work with Tencent Holdings**. 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 into our relationship with Tencent and Tencent Holdings , **developments with respect to the 1260H List**, 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 uncertainty regarding the practical enforceability of 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. We may incur increased operating expenses related to 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. 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 have 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.~~**Risks Related to Government Regulations** **We are subject to laws and regulations..... 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, cybersecurity, data protection, 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 privacy, cybersecurity, and data protection. The regulatory frameworks for these matters worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Certain privacy, biometrics, cybersecurity, and data protection laws and regulations have placed and will continue to place significant privacy, data protection, and 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 ”) ~~imposed~~ **imposes 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 obligations to comply with data protection requirements when transferring personal data from the European Economic Area (“ EEA ”), Switzerland, and the United Kingdom (“ U. K. ”) to the U. S., we may be subject to significant fines and the risk of civil litigation. 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~~ **4 % of worldwide annual global revenues** , ~~uncertainty remains regarding the future of data protection in the United Kingdom~~ **previous year**. 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 of 2018 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. In addition, various local, national, and 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 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). 42 We estimate that approximately 40 % of our DAUs were under the age of 13 during the year ended December 31, 2023-2024. 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. The FTC released final amendments to its COPPA Rule on January 16, 2025, that, among other things, expand the scope of covered information, provide for revised notices, and impose new data retention and information security obligations. Following an executive order that froze all then- pending federal regulations as of January 20, 2025, the amended COPPA Rule is pending further review and may be subject to additional modifications. 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, in certain jurisdictions the law 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 our business, financial condition, results of operations, and cash flow. We are also continue to monitoring monitor updated guidance from 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 enforceable on September 2, 2021, and noncompliance Noncompliance with the AADC may result in publicized investigations, substantial fines, 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 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 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, 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 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 regimes such as the LGPD and, PIPL, and other foreign legislation 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 such regimes 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 such regimes the LGPD or PIPL and may incur liabilities, expenses, costs, and other operational losses under such regimes 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 in California, 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 CCPA was significantly modified and supplemented by the California Privacy Rights Act (“CPRA”), which was approved in November 2020, and significantly modified the CCPA. The CPRA went into effect on 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 Hampshire**, New Jersey, **Kentucky, Maryland, Nebraska, Rhode Island and Minnesota**. These developments create the potential for a patchwork of overlapping but different state laws. Other states, including California, Utah and Arkansas, have passed legislation imposing substantial new obligations upon companies that offer online services, products, or features “likely to be accessed” by children 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 AADC including, among other things, data protection impact assessments and the implementation of privacy by design. The laws in Utah, **Florida**, and Arkansas impose ~~new~~ restrictions and obligations in connection with users who are, or are deemed to be, under 18, including access restrictions and restrictions on abilities for minors to create accounts. Many states have also passed their own laws that require verifiable parental consent before allowing children to create an account or **that otherwise** impact companies that process children’s personal data. **In June 2024, the New York governor signed a bill into law that prohibits covered social media companies from providing individuals under 18 with “addictive feeds,” as a significant part of their services and imposes obligations on such companies that prohibits the collection, use, sharing, and sale personal data of individuals under 18 unless it is strictly necessary, or where informed consent is obtained.** 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 **impact of these recent regulations and potential future regulations related** ~~effects of new and evolving legislation relating to privacy, cybersecurity, data protection, and related matters, such as age verification, are far-reaching, create the potential for a patchwork of overlapping but different laws, and~~ **have required and may continue to** require us to ~~modify practices and policies,~~ **features and Platform defaults**, incur substantial costs and expenses, ~~or and at times~~ restrict our operations. Additionally, requirements for verified parental consent before allowing children to create an account may limit the use of our Platform or reduce ~~or our~~ 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, regulations, and other legal obligations and certain industry codes of conduct relating to privacy, cybersecurity, and data protection. However, it is possible that the obligations imposed on us by applicable laws and regulations, industry codes of conduct or other actual or asserted obligations relating to privacy, cybersecurity, data protection, or related matters ~~may be interpreted and applied in inconsistent manners and may conflict with other rules or our practices in certain jurisdictions. Additionally, due to the nature of our service, we are unable to maintain complete control over cybersecurity or the implementation of measures that reduce the risk of a 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, cybersecurity or, data protection, or~~ **related matters, or** our other policies or **actual or asserted** obligations relating to privacy, cybersecurity, 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, 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. Legal and regulatory restrictions on virtual currencies like Robux, **prepaid gift cards and payment-related activities** may adversely affect our Platform, experiences, and virtual items on our Platform, which may negatively impact our revenue, bookings, business, and reputation. 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~~ **Platform**, or that prohibit developers or creators on our Platform from earning Robux. ~~We also~~ **In addition, we** make prepaid gift cards available for sale internationally that may be used to redeem Robux ~~and~~ **our Developer Exchange Program allows developers to exchange their accumulated earned Robux for fiat currency under certain conditions. We are or may be subject to a variety of laws and regulations globally, including those governing anti-money laundering and prepaid cards.** ~~regulators~~ **Regulators** may impose restrictions or bans on **our ability to operate our Developer Exchange Program or on** the sale of ~~such~~ **prepaid gift cards**. Any such restrictions or prohibitions may adversely affect our Platform, business, revenue, ~~and~~ **bookings and our developers**. 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. **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.** The increased use of interactive entertainment offerings like ours by consumers, including younger consumers, **have prompted and** may **continue to** 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~~ **The U. S. Consumer Financial Protection Bureau (“CFPB”) has announced that it is monitoring business practices in video gaming marketplaces and gaming currencies for compliance with federal consumer financial protection laws, and has proposed new interpretations of existing law that** would **regulate both under the Electronic**

**Funds Transfer Act. Increased regulatory scrutiny may increase compliance obligations and** require us to devote legal and other resources **and make changes to our Platform** to address such regulation, **which may negatively impact our revenue and profitability**. Any inability, ~~For~~ ~~or~~ ~~example~~ **perceived inability**, ~~some~~ ~~to~~ ~~comply~~ ~~with~~ existing laws regarding ~~or~~ ~~new~~ **compliance obligations issued by the CFPB or any** regulation of currency, money transmitters and other financial **regulatory authority could lead to regulatory institutions investigations, or result in administrative or enforcement action** and ~~unclaimed property have been interpreted to cover virtual currencies, like Robux~~ **such as fines, penalties, and / or enforceable undertakings and adversely affect us and our results of operations**. Although we have structured Robux, as well as our **virtual currency, sales of other digital goods and prepaid gift cards on our Platform, and the Developer Exchange Program** with applicable laws and regulations in mind, ~~including~~ **in some jurisdictions, the application or interpretation of** applicable laws relating to money laundering and **regulations** money transmission services, and believe we are in compliance with all applicable laws, it is possible that ~~not clear and a relevant regulator may disagree~~ **could subject us to monetary fines or other penalties such as a cease and desist order, or we may be required to make product changes, any of** which could expose us to ~~penalties~~ **have an adverse effect on our business and financial results**. 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. **Regulatory scrutiny, Changes-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 **or require us to take on more onerous compliance obligations**, 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 ~~and have continued to strengthen these controls~~. **These countries** could impose ~~wider~~ ~~even~~ ~~broad~~ **er** 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 and unclaimed property audits by governmental authorities** 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. a number of U. S. states~~ ~~'s~~ **Directive 2011/16/EU on administrative cooperation in the field of taxation (referred to as "DAC7")**, which ~~the U. S. federal government, and foreign jurisdictions have implements~~ **implemented and may impose reporting or recording-keeping obligations for digital platforms. These new requirements** ~~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~~ **In addition**, 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. **In addition, we are subject to unclaimed property escheat laws which require us to turn over to certain government authorities the property of others held by us that has been unclaimed for a specified period of time. We are subject to state audits with regard to our**

**escheatment practices. The legislation and regulations related to unclaimed property matters tend to be complex and subject to varying interpretations by government authorities. Although we believe that the positions we have taken are reasonable, authorities may challenge certain of the positions we have taken, which may also potentially result in additional liabilities for unclaimed property, interest and penalties in excess of accrued liabilities. An unfavorable resolution of assessments by a governmental authority could have a material adverse effect on our financial condition, results of operations and cash flows in future periods.** 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. These laws 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 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 and notwithstanding having policies, training, and procedures **designed** to address compliance with these laws, we cannot assure you that no violations of our policies or these laws will occur. 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 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 **or physical goods that they make available for sale**, but some developers or creators may upload content **or link goods** that infringes the rights or violates the terms 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 **, or counterfeit goods and copyright-infringing material made available for sale**, 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~~ **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..... 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~~ **The EU enacted copyright laws such as the Copyright Directive that came into effect on June 6, new 2019, that may require us to use best efforts in accordance with the high industry standards of professional diligence to**

**exclude infringing content related regulations from our Platform that may be uploaded by our users. In addition, including the monitoring and reporting obligations of the DSA, which became fully applicable on February 17, 2024, may increase our compliance cost apply also with respect to copyright infringements that would fall outside the scope of the Copyright Directive.** 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, **and we are subject to liability for our intellectual property that we license to third parties.** 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 **entered into** 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 intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we 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 cease selling or using or **to** 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 ”) and Section 230 of the Communications Decency Act (“ CDA ”). 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 FCC may also consider reforms to Section 230 of the CDA, which could include taking action to limit the scope of Section 230 of the CDA and certain liability protections provided to online service providers and other entities.** 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, 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 **DSA 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 became fully applicable on February 17, 2024. The DSA 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~~ **no** similar statutes to the CDA or the DSA. 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~~ **fails** 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 **used to create, or** created by using, generative AI tools may not be subject to copyright protection, **the determination of** which may adversely affect our intellectual property rights in, or ability to commercialize or use, **such tools or** the content. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other ~~concerns~~ **issues**, 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 **asserted** infringement claims ~~will~~ **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. Some of our agreements with third parties 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~~ **typically** 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~~ **the applicable** agreements. Any dispute with a third-party with respect to such obligations could have adverse effects on our relationship with such a 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, **our** 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, there is no assurance 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. 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~~ **every entity** 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~~ **an** engagement with us. Moreover, there are no assurances 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 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 financial Report 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 **including our directors, officers, and significant holders**; • 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 **to such reported items due to changes in our methodology or underlying assumptions for those items and** with respect to timing or our failure to meet those projections; • announcements by us or our competitors of new services or ~~platform Platform~~ features; • the public's reaction to our press releases, other public announcements, and filings with the SEC; • rumors ~~and~~ market speculation **, and media reports** 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 **the conflict in the Middle East stemming from** 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 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, 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. 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. **The 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 which could result in the inclusion trading price of our Class A common stock being 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 or industry analysts or other third parties do not publish research or publish inaccurate or unfavorable research about us, our business, or our market, 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. 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. **For example, short sellers have and may in the future publish reports relying in part on such metrics. These reports appear intended to decrease the price of our Class A common stock and have resulted in and may result in claims, litigation, or investigations due to any published allegations by shareholders, regulators, and others.** To the extent that securities analysts or investors base their views of our business or prospects on such third- party data **, including reports of short sellers**, 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 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. 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 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 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, 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. 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 (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 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, 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** If we are unable to maintain effective disclosure and internal controls over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations may be impaired. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (" the Exchange Act "), the Sarbanes- Oxley Act, and 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 disclosure controls and other procedures 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 controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems, and controls to accommodate such changes. If these new systems, controls, or standards and the associated process changes 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 effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise. We have identified in the past, and may identify in the future, deficiencies in our controls, which 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. If we are not able to **, or if we are perceived as being unable to,** comply with the requirements of the Sarbanes-Oxley Act in a timely manner, or if we are unable to **, or if we are perceived as being 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 **have been and** could be subject to **increased regulatory scrutiny, including** sanctions or investigations by the SEC or other regulatory authorities. 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. 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, cybersecurity, data protection, product liability, consumer protection, **false and misleading advertising,** employment, class action, whistleblower, contract, securities, tort, civil Racketeer Influenced and Corrupt Organizations Act (“**RICO**”), **human trafficking, unfair competition,** 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 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. We ~~are 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 **users of our Platform including by** minors, that we have misrepresented the safety of our Platform, that our Platform is addictive or otherwise unsafe, **that we unlawfully or unfairly benefit from child labor, and that we have misrepresented information about our user base, that we have engaged in copyright infringement, that we have engaged in unlawful employment practices,** and suits related to our refund policies. In ~~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 **and claims that our leadership has engaged in insider trading. In particular, on August 1, 2023, a putative class action was filed against us in the United States District Court for the Northern District of California captioned Colvin v. Roblox asserting various claims arising from allegations that minors used third-party virtual casinos to gamble Robux and on March 14, 2024, Gentry v. Roblox was filed in the United States District Court for the Northern District of California premised on substantially identical allegations as Colvin v. Roblox. The two cases were consolidated on April 18, 2024.** 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 **the conflict in the Middle East stemming from** 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 **changing a rising rate of** inflation **rates** 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. Geopolitical developments, such as the war in Ukraine, **the conflict in the Middle East stemming from the** Hamas <sup>2</sup>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 changes in** 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 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 and could have a material adverse effect on our business and financial condition.