Risk Factors Comparison 2024-02-16 to 2023-02-16 Form: 10-K

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Our business involves significant risks, some of which are described below. You should carefully consider the risks and uncertainties described below, together with all the other information in this Annual Report, including " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and the consolidated financial statements and the related notes. If any of the following risks actually occurs, our business, reputation, financial condition, results of operations, revenue, and future prospects could be seriously harmed. In addition, you should consider the interrelationship and compounding effects of two or more risks occurring simultaneously. Unless otherwise indicated, references to our business being harmed in these risk factors will include harm to our business, reputation, financial condition, results of operations, revenue, and future prospects. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment. You should not interpret our disclosure of any of the following risks to imply that such risks have not already materialized. Risk Factors Summary Below is a summary of the principal factors that make an investment in our Class A common stock speculative or risky: Risks Related to Our Business and Industry • the highly competitive nature of the TV streaming industry that is rapidly evolving; • the acceptance and growth of **streaming TV** ~~over- the- top~~ advertising and advertising platforms; • our ability to further monetize our streaming platform; • our ability to **successfully run** ~~attract advertisers and advertising agencies to~~ our demand- side ~~advertising~~ platform **and work with other third- party demand sources** ; • our ability to develop, maintain, and expand relationships with licensed Roku TV partners, manufacturing partners, and service operators; • our ability to establish and maintain relationships with important content ~~publishers~~ **partners** ; • popular or new content publishers not publishing their content on our streaming platform; • the non- renewal or early termination of our agreements with content ~~publishers~~ **partners** ; • maintaining an adequate supply of quality video ~~ad~~ **advertising** inventory on our platform and **effectively** selling the available supply; • content ~~publishers~~ **partners** electing not to participate in platform features that we develop; • irrelevant or unengaging advertising or media and entertainment promotional spending campaigns on our platform; • our operation of The Roku Channel; • users signing up for offerings and services outside of our platform; • ~~the evolution of our industry and the impact of many factors that are outside of our control; •~~ our and our licensed Roku TV partners' ~~reliance on~~ **ability to develop, maintain, and expand relationships with important** retail sales channels **that we and they rely on** to sell **our streaming devices and other** products; • our ability to build a strong brand and maintain customer satisfaction and loyalty; • advertiser or advertising agency delayed payment or failure to pay; • maintaining adequate customer support levels; • our introduction of new products and services; • our and our licensed Roku TV partners' reliance on contract manufacturers and limited manufacturing capabilities; • our reliance on licensed Roku TV partners' operations for the supply of Roku TV models; • our ability to forecast manufacturing requirements and manage our supply chain and inventory levels; • decreased availability or increased costs for materials and components used in the manufacturing of our products and our licensed Roku TV partners' products; • our ability to obtain key components from sole source suppliers; • interoperability of our products with content ~~publishers~~ **partners** ' and other third parties' offerings, technologies, and systems; • detecting hardware defects and software errors in our products before they are released to end users; • component manufacturing, design, or other defects that may render our products permanently inoperable; • our ability to obtain or maintain necessary or desirable third- party technology licenses **; • our use of artificial intelligence (" AI ") technologies in some of our products and services** ; Risks Related to Operating and Growing Our Business • our history of operating losses; • volatility of our quarterly operating results that could cause our stock price to decline; • our ability to manage our growth; • our ability to successfully expand our international operations; • seasonality of our business and its impact on our revenue and gross profit; • attracting and retaining key personnel and managing succession; • maintaining systems that can support our growth, business arrangements, and financial rules; • our ability to successfully complete acquisitions and investments and integrate acquired businesses; • our ability to ~~comply with the terms of our outstanding credit facility; • our ability to~~ secure funds to meet our financial obligations and support our planned business growth **; • adverse developments affecting financial institutions, including bank failures** ; Risks Related to Cybersecurity, Reliability, and Data Privacy • significant disruptions of information technology systems or data security incidents; • legal obligations and potential liability or reputational harm related to ~~the protection~~ **our collection, storage, and use** of personal and confidential information **related to the users of our products and services** ; • disruptions in computer systems or other services that result in a degradation of our platform; • changes in how network operators manage data that travel across their networks; Risks Related to Intellectual Property • intellectual property infringement claims and litigation resulting in significant costs or the loss of important intellectual property rights; • failure or inability to protect or enforce our intellectual property or proprietary rights; • our use of open **-** source software; • our agreements to indemnify certain of our partners if our technology is alleged to infringe on third parties' intellectual property rights; Risks Related to Macroeconomic Conditions • the impact of **macroeconomic conditions** ~~supply chain disruptions, inflationary pressures, recessionary fears, the COVID- 19 pandemic~~ , natural disasters, geopolitical conflicts, or other natural or man- made catastrophic events on our business; Legal and Regulatory Risks • enactment of or changes to government regulation or laws related to our business; • changes in U. S. or foreign trade policies, geopolitical conditions, and general economic conditions that impact our business; • U. S. or international rules (or the absence of rules) that permit internet access network operators to degrade users' internet service speeds or limit internet data consumption by users; • liability for content that is distributed through or advertising that is served through our platform; • our ability to maintain effective internal controls over financial reporting; • the impact of changes in accounting principles; • compliance with laws and regulations related to the payment of income taxes and collection of indirect taxes; • changes to U. S. or foreign taxation laws or regulations; • **litigation, claims,** regulatory inquiries, investigations, and **other legal** proceedings; Risks Related to Ownership of Our Class A Common Stock • the dual class structure of our common stock; • volatility in the market price of our Class A common stock; • potential dilution or a decline in our stock price caused by future sales or issuance of our capital stock or rights to purchase capital stock; • a decline in our stock price caused by future sales by existing stockholders; • dependency on favorable securities and industry analyst reports; • the significant legal, accounting, and other expenses associated with being a publicly traded company; • the absence of dividends on our Class A or Class B common stock; • anti- takeover provisions in our charter and bylaws; and • the limitations resulting from our selection of the Delaware Court of Chancery and the U. S. federal district courts as the exclusive forums for substantially all disputes between us and our stockholders. The TV streaming industry is highly competitive and many companies, including large technology companies, content owners and aggregators, TV brands, and service operators, are actively focusing on this industry. If we fail to differentiate ~~ourselves~~ **our streaming platform** and compete successfully with these companies, it will be difficult for us to attract and retain users and our business will be harmed. The TV streaming industry is highly competitive and global. Our success depends in part on attracting users to and retaining users on, and the effective monetization of, our streaming platform. To attract and retain users, we need to be able to respond efficiently to changes in ~~consumer~~ **user** tastes and preferences and to offer our users access to the content they love on terms that they accept. Effective monetization requires us to continue to update the features and functionality of our streaming platform for users, content ~~publishers~~ **partners** , and advertisers. We also must effectively support popular sources of streaming content that are available on our platform, such as Amazon Prime Video, Disney **, Hulu, Max** , Netflix, and YouTube. And we must respond rapidly to actual and anticipated market trends in the TV streaming industry. Large technology companies such as Amazon, Apple, and Google offer TV streaming devices that compete with Roku streaming devices **made by us and our licensed Roku TV partners** . In addition, Google licenses its Android operating system software for integration into smart TVs and service provider set- top boxes, and Amazon licenses its operating system software for integration into smart TVs and sells Amazon- branded smart TVs. These companies have greater financial resources than we do and can subsidize the cost of their streaming devices or licensing arrangements in order to promote their other products and services, which could make it harder for us to acquire new users, retain existing users, ~~and~~ increase **Streaming Hours, and monetize our** streaming ~~hours~~ **platform** . These companies could also implement standards or technology that are not compatible with our products or that provide a better streaming experience. These companies also have greater resources to promote their brands through advertising than we do. In addition, many TV brands offer their own TV streaming solutions within their TVs. Other devices, such as game consoles, also incorporate TV streaming functionality. Similarly, some service operators, such as Comcast **and Charter Communications (and their joint venture, Xumo, LLC)** , offer TV streaming applications and devices as part of their cable service plans and can leverage their existing ~~consumer~~ **user** bases, installation networks, broadband delivery networks, and name recognition to gain traction in ~~the~~ TV streaming ~~market~~ . If ~~consumers~~ **viewers** of TV streaming content prefer alternative products to Roku streaming devices, we may not be able to achieve our expected growth in ~~active~~ **Active** ~~accounts~~ **Accounts** , ~~streaming~~ **Streaming** ~~hours~~ **Hours** , **platform** revenue, gross profit or ARPU. We also compete for ~~streaming~~ **Streaming** ~~hours~~ **Hours** with mobile streaming applications on smartphones and tablets, and users may prefer to view streaming content on such applications. Increased use of mobile or other platforms for TV streaming could adversely impact the growth of our ~~streaming~~ **Streaming** ~~hours~~ **Hours** , harm our competitive position, and otherwise harm our business. We expect competition in TV streaming from the large technology companies and service operators described above, as well as new and growing companies, **to continue** to increase in the future. This increased competition could result in pricing pressure, lower revenue and gross profit, or the failure of Roku streaming devices, our platform or our other products to gain or maintain broad market acceptance. To remain competitive and maintain our position as a leading TV streaming platform, we need to continuously invest in our platform, product development, marketing, service and support, and device distribution infrastructure. In addition, evolving TV standards and unknown future developments may require further investments in the development of Roku streaming devices, our platform and our other products. We may not have sufficient resources to continue to make the investments needed to maintain our competitive position. In addition, ~~most~~ **many** of our competitors have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical, sales, marketing, and other resources than us, which provide them with advantages in developing, marketing, or servicing new products and offerings. As a result, they may be able to respond more quickly to market demand, devote greater resources to the development, promotion, sales, and distribution of their products or their content, and influence market acceptance of their products better than we can. These competitors may also be able to adapt more quickly to new or emerging technologies or standards and may be able to deliver products and services at a lower cost. Increased competition could reduce our sales volume, revenue, and operating margins, increase our operating costs, harm our competitive position, and otherwise harm our business. To enhance our users' experience, we also offer ~~audio products, including~~ **our own lines of** Roku **- branded** ~~Streambars, Roku wireless speakers, and Roku wireless subwoofers, and Roku~~ smart home products **and services** , including indoor and outdoor cameras, video doorbells, smart lighting, ~~and~~ smart plugs **, and home monitoring products, and audio products, including wireless speakers and subwoofers** . As a result, we ~~may~~ face additional competition from ~~makers of TV audio speakers and soundbars and~~ other **brands** ~~TV peripheral devices, as well as makers~~ of ~~other~~ smart home **products and audio** products. If these products do not operate as designed or do not enhance the TVs powered by **the** Roku OS or other viewing experiences as we intend, our users' overall viewing experience may be diminished, and this may impact the overall demand for our products and our partners' Roku TV models. Our future growth depends on the acceptance and growth of **streaming TV** ~~over- the- top ("OTT")~~ advertising and ~~OTT~~ advertising platforms. We operate in a highly competitive advertising industry and compete for revenue from advertising with other streaming platforms and services, including social media and other digital platforms, as well as traditional media, such as radio, broadcast, cable and satellite TV, and satellite and internet radio. These competitors offer content and other advertising mediums that may be more attractive to advertisers than our streaming platform. These competitors are often very large and have more advertising experience and financial resources than we do, which may adversely affect our ability to compete for advertisers and may result in lower revenue and gross profit from advertising. For example, Netflix ~~and~~ **,** Disney ~~recently~~ **, and Amazon Prime Video have** launched ad- supported tiers in their streaming services, which ~~may~~ **has** further ~~increase~~ **increased** competition for streaming advertising revenue. If we are unable to increase our revenue from advertising by, among other things, continuing to improve our platform’ s capabilities to further optimize and measure advertisers’ campaigns, increasing our advertising inventory ~~,~~ and ~~expanding our~~ **reach, and maintaining a strong** advertising sales team and programmatic capabilities, our business and our growth prospects may be harmed. We may not be able to compete effectively or adapt to any such changes or trends, which would harm our ability to grow our advertising revenue and would harm our business. Many advertisers continue to devote a substantial portion of their advertising budgets to **advertising in** traditional ~~advertising~~ **media or on other digital platforms** , such as traditional TV, radio, ~~and~~ print **publications** , and ~~to advertising through~~ social media ~~and other digital platforms~~ . The future growth of our business depends on the growth of ~~OTT~~ **streaming TV** advertising and on advertisers increasing their spending on advertising on our platform. Although traditional TV advertisers have shown growing interest in ~~OTT~~ **streaming TV** advertising, we cannot be certain that their interest will continue to increase or that they will not revert to traditional TV advertising or shift their advertising spending to social media and other digital platforms (rather than to us). In addition, if we are unable to compete with social media and other digital platforms to win business from advertisers and **advertising** agencies who have traditionally advertised on these platforms, such as direct- to- consumer and small or medium-sized businesses, our ability to grow our business may be limited. If advertisers, or their agency relationships, do not perceive meaningful benefits of ~~OTT~~ **streaming TV** advertising, the market may develop more slowly than we expect, which could adversely impact our operating results and our ability to grow our business. Finally, there is political **or regulatory** pressure in some countries to limit ~~OTT~~ **streaming TV** advertising (including limiting the advertising that may be **associated with** ~~shown to viewers of~~ children’ s content) or impose local content requirements on ~~OTT~~ **streaming TV** services, which could pose a threat to our services. We may not be successful in our efforts to further monetize our streaming platform, which may harm our business. Our business model depends on our ability to generate platform revenue from advertisers and content ~~publishers~~ **partners** . We generate platform revenue primarily from the sale of digital advertising **(including direct and programmatic video advertising, media and entertainment promotional spending,** and related services ~~,~~ **)** and ~~content~~ **streaming services** distribution ~~services~~ (**including** ~~such as~~ subscription and transaction revenue shares, ~~media and entertainment promotional spending,~~ the sale of Premium Subscriptions, and the sale of branded ~~channel~~ **app** buttons on remote controls). As such, we are seeking to expand the number of ~~active~~ **Active** ~~accounts~~ **Accounts** and increase **Streaming** ~~the number of hours~~ **Hours** ~~that are streamed across our platform~~ in an effort to create additional platform revenue opportunities. As our user base grows and as we increase the amount of content offered and streamed across our platform, we must effectively monetize our expanding user base and streaming activity. The total number of ~~streaming~~ **Streaming** ~~hours~~ **Hours** , however, does not correlate with platform revenue on a period- by- period basis, primarily because we do not monetize every hour streamed or every user on our platform. Moreover, ~~streaming~~ **Streaming** ~~hours~~ **Hours** on our platform are measured whenever a Roku streaming device is streaming content, whether a viewer is actively watching or not. For example, if a player is connected to a TV, and the viewer turns off the TV, steps away, or falls asleep and does not stop or pause the player, then the particular streaming ~~channel~~ **app** may continue to play content for a period of time determined by the streaming **app (although** ~~channel. We believe that this also occurs across a wide variety of non- Roku streaming devices and other set- top boxes. Since the first quarter of 2020,~~ all Roku devices include a Roku OS feature that is designed to identify when content has been continuously streaming on ~~a channel~~ **an app** for an extended period of time without user interaction **, which** ~~. This feature~~ periodically prompts the user to confirm that they are still watching the selected ~~channel~~ **app** and closes the ~~channel~~ **app** if the user does not respond affirmatively **)** ~~. Some of our leading channel partners, including Netflix, also have similar features within their channels~~ . Our ability to deliver ~~more~~ **advertisements** relevant ~~advertisements~~ to our users and to increase our platform’ s value to advertisers and content ~~publishers~~ **partners** depends on the collection of user engagement data, which may be restricted or prevented by a number of factors **, including the evolving data protection legal landscape** . Users may decide to opt out or restrict our ability to collect viewing data or to provide them with more relevant advertisements. Content ~~publishers~~ **partners** may also refuse to allow us to collect data regarding user engagement or refuse to implement mechanisms we request to ensure compliance with our legal obligations or technical requirements. For example, we are not able to fully utilize program level viewing data from many of our most popular ~~channels~~ **apps** to improve the relevancy of advertisements provided to our users. Other ~~channels~~ **apps** available on our platform, such as Amazon Prime Video, Apple TV , Hulu, and YouTube, are focused on increasing user engagement and time spent within their ~~channels~~ **apps** by allowing users to purchase additional content and streaming services within their ~~channels~~ **apps** ; when users purchase these additional services within these ~~channels~~ **apps** , we may earn less revenue than when the services are purchased directly from us. If our users spend most of their time within particular ~~channels~~ **apps** where we have limited or no ability to place advertisements or leverage user information, or our users opt out from our ability to collect data for use in providing more relevant advertisements, we may not be able to achieve our expected growth in platform revenue or gross profit. Additionally, our distribution agreements with our most popular ~~channels~~ **apps** are renegotiated periodically; thus, even if we are currently able to monetize ~~streaming~~ **Streaming** ~~hours~~ **Hours** within ~~a channel~~ **an app** , we may not be able to do so in the future. If we are unable to further monetize our streaming platform, our business may be harmed. Our efforts to monetize our streaming platform through ad- supported content ~~are still developing and~~ may not continue to grow as we expect, and our platform revenue growth has been, and may continue to be, lower than expected due to advertisers significantly curtailing or pausing advertising spending due to inflationary pressures, recessionary fears or other reasons that are out of our control. In addition, advertisers’ spending commitments, such as those we obtain in connection with annual TV Upfront presentations, are typically not fully binding, and the revenue we receive from such commitments may be less than the initially committed amount. This means that in order to materially increase the monetization of our streaming platform through the sale of video advertising, we will need to attract significantly more advertising dollars to our streaming platform as well as deliver ad- supported content that results in our users streaming significantly more ad- supported content. Accordingly, there can be no assurance that we will be successful in monetizing our streaming platform through the distribution of ad- supported content. If we are ~~unable to attract advertisers or advertising agencies to our OneView ad platform or if we are~~ not successful in running a demand- side ~~advertising~~ platform **(" DSP ") or in working with other third- party demand sources** , our business may be harmed. Through ~~our~~ OneView **(our proprietary DSP)** ~~ad~~ **and other third- party demand sources (such as third- party DSPs and supply- side** ~~platform~~ **platforms)** , advertisers and advertising agencies can programmatically purchase and manage their ~~OTT~~ **streaming TV** , desktop **,** and mobile advertising campaigns ~~. OneView leverages~~ **both on and off** the **Roku** ~~demand- side~~ platform ~~developed by dataxu, which we acquired in November 2019, and integrates the reach, inventory, and capabilities of our proprietary advertising products and services~~ . The market for programmatic ~~OTT~~ **streaming TV** ad buying is an ~~emerging~~ **evolving** market, and our current and potential advertisers and advertising agencies may not **continue to** shift to programmatic ad buying from other buying methods as quickly as we expect or at all. If the market for programmatic ~~OTT~~ **streaming TV** ad buying deteriorates or develops more slowly than we expect, advertisers and advertising agencies may not use OneView or **other third- party demand sources** ~~we may not attract prospective advertisers or advertising agencies to OneView~~ , and our business could be harmed. **If we are unable to expand our programmatic demand by maintaining and developing third- party demand relationships in a way that is competitive with other advertising platforms, our business could be harmed.** In addition, if OneView ~~does~~ **or other third- party demand sources do** not have the functionality or services expected by advertisers or advertising agencies, ~~we~~ **they may take their advertising spend to a non- Roku platform. We also** may not be able to ~~attract their advertising spend to OneView, or our existing customers may not maintain or increase their spend on OneView. Moreover, our ownership of OneView may negatively impact the ability of OneView to purchase advertising on non- Roku platforms. If we fail to~~ adapt to ~~our rapidly changing industry or to our customers' evolving needs, advertisers and advertising agencies will not adopt OneView, and our business may be harmed. We also may not be able to compete effectively with more established demand- side platforms or be able to adapt to~~ changes or trends in programmatic ~~OTT~~ **streaming TV** advertising, which would harm our ability to grow our advertising revenue and harm our business. Our growth depends in part on our ability to develop, maintain, and expand relationships with our licensed Roku TV partners and manufacturing partners ~~in the United States and international markets~~ and, to a lesser extent, service operators. We **license the Roku OS and our smart TV reference designs to certain TV brand and manufacturing partners for the development, manufacture, and commercialization of licensed Roku TV models. We** have developed, and intend to continue to develop and expand, relationships with **these** TV brand and manufacturing partners. We continue to invest in the growth and expansion of our Roku TV program both in the United States and international markets. ~~In the past few~~ **For a number of** years, the sale of Roku TV models by our licensed Roku TV partners has materially contributed to ~~our active account~~ growth ~~,~~ **in our Active Accounts and** ~~streaming~~ **Streaming** ~~hours~~ **Hours** , and **supported our** platform monetization efforts. This growth has primarily been driven by North America; however, our Roku TV licensing program has been expanded to certain international markets and **has** ~~represents~~ **represented** ~~a growing~~ **an increased** share of new ~~active~~ **Active** ~~accounts~~ **Accounts** ~~. We license the Roku OS and our smart TV reference designs to certain licensed Roku TV partners to manufacture Roku TV models~~ . We do not typically receive, nor do we typically expect to receive, license revenue from these arrangements, but we **typically** ~~expect to~~ incur **operating** expenses in connection with **establishing and supporting** these commercial agreements. The primary economic benefits that we derive from these license arrangements have been and will likely continue to be indirect, primarily from growing our ~~active~~ **Active** ~~accounts~~ **Accounts** , increasing **Streaming Hours, and thereby enabling us to generate more** streaming **services** ~~hours, and generating content~~ distribution and advertising- related revenue on our platform. If these arrangements do not continue to result in increased ~~active~~ **Active** ~~accounts~~ **Accounts** and ~~streaming~~ **Streaming** ~~hours~~ **Hours** , and if that growth does not in turn lead to successfully monetizing that increased user activity, our business may be harmed. **The** ~~While we recently announced the launch of a new line of Roku- branded TVs (the Roku Select and Roku Plus Series TVs) that will be designed, made, and sold by us, the~~ loss of a relationship with a licensed Roku TV partner ~~in the near future~~ **(including as a result of our launch of Roku- branded TVs that are designed, made, and sold by us)** could harm our results of operations, damage our reputation, increase pricing and promotional pressures from other partners and **retail** distribution channels, increase our marketing costs, and result in the loss of revenue. If we are not successful in maintaining existing and creating new relationships with any of these third parties, or if we encounter technological, content licensing, or other impediments to these relationships, our ability to grow or maintain our business could be adversely impacted. We have also developed licensing relationships with certain service operators, primarily in international markets; however, this program has been decreasing in scale in recent years, **and** as **a result** we have shifted the focus of our international growth to the sale of Roku streaming devices and expanding our Roku ~~OS~~ **TV** licensing program ~~with licensed Roku TV partners~~ . Based on the decreasing scale of our licensing program for service operators, including termination of these relationships, we expect that the number of ~~active~~ **Active** ~~accounts~~ **Accounts** generated from this program will continue to decline, which may impact the overall growth rate of our ~~active~~ **Active** ~~accounts~~ **Accounts** in international markets. Our **Roku TV** licensing arrangements are complex and time- consuming to negotiate and complete. Our current and potential partners include TV brands **, retailers** , cable and satellite companies, and telecommunication providers. Under these license arrangements, we generally have limited or no control over the amount and timing of resources these entities dedicate to the relationship. In the past, our licensed Roku TV partners have failed to meet their forecasts and anticipated market launch dates for distributing Roku TV models, and they may fail to meet their forecasts or such launches in the future. If our licensed Roku TV partners or service operator partners fail to meet their forecasts or such launches for distributing licensed streaming devices or choose to deploy competing streaming solutions within their product lines, our business may be harmed. We depend on a small number of content ~~publishers~~ **partners** for a majority of our ~~streaming~~ **Streaming** ~~hours~~ **Hours** , and if we fail to maintain these relationships, our business could be harmed. Historically, a small number of content ~~publishers~~ **partners** have accounted for a significant portion of the hours streamed on our platform. In the fiscal year ended December 31, ~~2022~~ **2023** , the top three streaming services represented ~~over~~ **almost** 50 % of all hours streamed in the period. If, for any reason, we cease distributing ~~channels~~ **apps** that have historically streamed a large percentage of the aggregate ~~streaming~~ **Streaming** ~~hours~~ **Hours** on our platform, our ~~streaming~~ **Streaming** ~~hours~~ **Hours** , our ~~active~~ **Active** ~~accounts~~ **Accounts** , or Roku streaming device sales may be adversely affected, and our business may be harmed. If popular or new content publishers do not publish content on our platform, we may fail to retain existing users and attract new users. We must continuously maintain existing relationships and identify and establish new relationships with content publishers to provide popular streaming ~~channels~~ **apps** , streaming ~~channel~~ **app** features, and content. In order to remain competitive, we must consistently meet user demand for popular streaming ~~channels~~ **apps** , streaming ~~channel~~ **app** features, and content, particularly as we launch new streaming devices, introduce new TVs powered by **the** Roku OS, or enter new markets, including international markets. If we are not successful in helping our content publishers launch and maintain streaming ~~channels~~ **apps** and streaming ~~channel~~ **app** features that attract and retain a significant number of users on our streaming platform or if we are not able to do so in a cost- effective manner, our business will be harmed. Our ability to successfully help content publishers maintain and expand their ~~channel~~ **app** offerings on a cost- effective basis largely depends on our ability to: • effectively promote and market new and existing streaming ~~channels~~ **apps** ; • minimize launch delays of new and updated streaming ~~channels~~ **apps** ; and • minimize streaming platform downtime and other technical difficulties. In addition, if service operators, including traditional TV providers, refuse to grant our users access to stream certain ~~channels~~ **apps** or only make content available on devices they prefer, our ability to offer a broad selection of popular streaming ~~channels~~ **apps** or content may be limited. If we fail to help our content publishers maintain and expand their audiences on our platform or their ~~channels~~ **apps** are not available on our platform, our business may be harmed. The non- renewal or early termination of agreements with our content ~~publishers~~ **partners** may result in the removal of certain ~~channels~~ **apps** or ~~channel~~ **app** features from our streaming platform and may harm our **streaming device sales,** ~~active~~ **Active** ~~account~~ **Account** growth **,** and engagement. We enter into agreements with all our content ~~publishers~~ **partners** , which have varying terms and conditions, including expiration dates and rights to terminate under certain circumstances. Our agreements with content ~~publishers~~ **partners** generally have terms of one to three years and can be terminated before the end of the term by the content ~~publisher~~ **partner** under certain circumstances, including if we materially breach the agreement, become insolvent, enter bankruptcy, commit fraud, or fail to adhere to the content ~~publishers~~ **partners** ' security or other platform certification requirements. Upon expiration of these agreements, we are required to re- negotiate and renew them in order to continue providing content from these content ~~publishers~~ **partners** on our streaming platform. We have in the past been unable, and in the future may not be able, to reach a satisfactory agreement with certain content ~~publishers~~ **partners** before our existing agreements have expired. If we are unable to renew such agreements on a timely basis on mutually agreeable terms, or if a content ~~publisher~~ **partner** terminates an agreement with us prior to its expiration, we may be required to temporarily or permanently remove certain ~~channels~~ **apps** or ~~channel~~ **app** features from our streaming platform. The loss of such ~~channels~~ **apps** or ~~channel~~ **app** features from our streaming platform for any period of time may harm our business. More broadly, if we fail to maintain our relationships with the content ~~publishers~~ **partners** on terms favorable to us, or at all, or if these content ~~publishers~~ **partners** face problems in delivering their content across our platform, we may lose ~~channel~~ **app** partners or users and our ~~business~~ **streaming device sales, Active Account growth, and engagement** may be harmed. If we are unable to maintain an adequate supply of quality video ad inventory on our platform or **generate sufficient demand to** effectively sell our available video ad inventory, our business may be harmed. Our business model depends on our ability to grow video ad inventory on our streaming platform and sell it to advertisers. While The Roku Channel has historically served as a valuable source of video ad inventory for us to sell, there is no guarantee that it will continue to do so in the future. If The Roku Channel is unable to secure content that is appealing to our users and advertisers, or is unable to do so on terms that provide a sufficient supply of ad inventory at reasonable cost, our supply of video ad inventory will be negatively impacted. We are also dependent on our ability to monetize video ad inventory within other ad- supported ~~channels~~ **apps** on our streaming platform. We seek to obtain the ability to sell such inventory from the content ~~publishers~~ **partners** of such ~~channels~~ **apps** . We may fail to attract content ~~publishers~~ **partners** that generate a sufficient quantity or quality of ad- supported content hours on our streaming platform or fail to obtain access to a sufficient quantity and quality of ad inventory from the publishers of such content. Our access to video ad inventory in ad- supported streaming ~~channels~~ **apps** on our platform varies greatly among ~~channels~~ **apps** . Accordingly, we may not have access to a significant portion of the video ad inventory on our platform. For certain ~~channels~~ **apps** , including YouTube' s ad- supported ~~channel~~ **app** , we have no access to video ad inventory at this time ~~,~~ and we may not secure access in the future. Moreover, when existing SVOD services introduce new ad- supported tiers to their streaming services, we have in the past and in the future may not be able to reach agreement on access to video ad inventory on these tiers on mutually agreeable terms, or at all. The amount, quality, and cost of video ad inventory available to us can change at any time. If we are unable to grow and maintain a sufficient supply of quality video ad inventory at reasonable costs to keep up with demand, our business may be harmed. **Further, even if we have an adequate supply of quality video ad inventory, we may not be able to generate sufficient demand for such ad inventory or sell the ad inventory at our desired price.** If **we are unable to effectively sell our available video ad inventory, our business may be harmed. If** our content ~~publishers~~ **partners** do not participate in new features that we may introduce from time to time, our business may be harmed. As our streaming platform and products evolve, we will continue to introduce new features, which may or may not be attractive to our content ~~publishers~~ **partners** or meet their requirements. For example, some content ~~publishers~~ **partners** have elected not to participate in our new home screen menu features or have imposed limits on our data gathering for usage within their ~~channels~~ **apps** . In addition, our streaming platform utilizes our proprietary Brightscript scripting language in order to allow our content ~~publishers~~ **partners** to develop and create

~~channels~~ **apps** on our streaming platform. ~~If we introduce new features or utilize a new scripting language in the future, such a change may not comply with certain~~ **Certain** content **partners** ~~publishers' certification requirements. In addition, our content publishers~~ may find other languages, such as HTML5, more attractive to develop for and shift their resources to developing their ~~channels~~ **apps** on other platforms. If key content ~~publishers~~ **partners** do not find our streaming platform simple and attractive to develop ~~channels~~ **apps** for, do not value and participate in all of the features and functionality that our streaming platform offers, or determine that our software developer kit or new features of our platform do not meet their ~~certification~~ requirements, our business may be harmed. If the advertising and media and entertainment promotional spending campaigns on our platform **decrease, or the campaigns that run** are not relevant or not engaging to our users, our **business** ~~growth in active accounts and streaming hours~~ may be adversely impacted. We have made, and are continuing to make, investments to **engage with more advertisers and content partners, and** enable **them** ~~advertisers and content publishers~~ to deliver **more** relevant advertising and media and entertainment promotional spending campaigns to our users. **However, a small number of content partners historically have accounted for a significant portion of the media and entertainment promotional spending campaigns on our platform, and we believe recent consolidation among content partners has resulted in decreased media and entertainment promotional spending campaigns on our platform. If our content partners continue to decrease the media and entertainment promotional spending campaigns on our platform, our financial condition and operating results may suffer, and our business may be harmed. In addition,** ~~Existing~~ **existing** and prospective advertisers and content ~~publishers~~ **partners** may not be successful in serving ads and media and entertainment promotional spending campaigns that lead to and maintain user engagement. Those ads and campaigns may seem irrelevant, repetitive, or overly targeted and intrusive. We are continuously seeking to balance the objectives of our advertisers and content ~~publishers~~ **partners** with our desire to provide an optimal user experience, but we may not be successful in achieving a balance that continues to attract and retain users, advertisers, and content ~~publishers~~ **partners** . If the advertising and media and entertainment promotional spending campaigns on our streaming platform are not relevant, **are** overly intrusive **,** or **are** too frequent and impede the use of our platform, our users may stop using our platform **, resulting in a reduction of our Active Accounts and Streaming Hours** , which will harm our business **, financial condition and operating results** . We are subject to various risks in connection with our operation of The Roku Channel. We operate The Roku Channel, which offers ad- supported free access for users to a collection of films, television series, live linear television, and other content. We have incurred, and will continue to incur, costs and expenses in connection with the development, expansion, and operation of The Roku Channel, which we monetize primarily through advertising. For example, we previously acquired content rights, including rights to certain projects in development, from the mobile- first video distribution service known as Quibi, and **made** ~~announced that~~ The Roku Channel ~~would become~~ the home of such content. In addition, we acquired the entities comprising the This Old House business, which own and produce the " This Old House " and " Ask This Old House " TV programs and operate related business lines, to further the growth strategy and ad- supported content offerings in The Roku Channel. We also commission original content that we own and distribute on The Roku Channel **. From time to time, we may remove underperforming content from The Roku Channel and record an impairment change related to such removal, as we did in the third quarter of 2023** . If our users do not continue to stream the ad- supported content we make available on The Roku Channel, we will not have the opportunity to monetize The Roku Channel through revenue generated from advertising. In order to attract users to the ad- supported content on The Roku Channel and drive streaming of ad- supported video on The Roku Channel, we must secure rights to stream content that is appealing to our users and advertisers. In part, we do this by directly licensing certain content from content owners, such as television and movie studios. The agreements that we enter into with these content owners have varying terms and provide us with rights to make specific content available through The Roku Channel during certain periods of time. Upon expiration of these agreements, we are required to re- negotiate and renew these agreements with the content owners, or enter into new agreements with other content owners, in order to obtain rights to distribute additional titles or to extend the duration of the rights previously granted. If we are unable to enter into content license agreements on acceptable terms to access content that enables us to attract and retain users of the ad- supported content on The Roku Channel, or if the content we do secure rights to stream is ultimately not appealing to our users and advertisers, usage of The Roku Channel may decline, and our business may be harmed. **Further, even if we successfully monetize The Roku Channel in the United States, we may not be successful in monetizing The Roku Channel in international markets.** In addition, ~~following the Quibi and This Old House transactions and the launch of our advertising brand studio,~~ we ~~are producing~~ **produce** content for distribution on The Roku Channel and other platforms. We have limited experience producing content, and we may not be successful in doing so in a cost- effective manner that is appealing to our users and advertisers and furthers the growth of The Roku Channel. We also take on risks associated with content production, such as completion and key talent risk. Furthermore, if the advertisements on The Roku Channel are not relevant to our users or such advertisements are overly intrusive and impede our users' enjoyment of the available content, our users may not stream content and view advertisements on The Roku Channel, and The Roku Channel may not generate sufficient revenue from advertising to be cost effective for us to operate. In addition, we distribute The Roku Channel on platforms other than our own streaming platform, and there can be no assurance that we will be successful in attracting a large number of users or generating significant revenue from advertising through the distribution of The Roku Channel on such other streaming platforms. If our users sign up for offerings and services outside of our platform or through other ~~channels~~ **apps** on our platform, our business may be harmed. We earn revenue by acquiring subscribers for certain of our content ~~publishers~~ **partners** activated on or through our platform, including Premium Subscriptions on The Roku Channel, which allow our users to pay for content from various content ~~publishers~~ **partners** . If users reduce the degree to which they use our platform for these purchases or subscriptions for any reason, and instead increase the degree to which they pay for services directly with content ~~publishers~~ **partners** or by other means for which we do not receive attribution, our business may be harmed. In addition, certain ~~channels~~ **apps** available on our platform allow users to purchase additional streaming services from within ~~their channels~~ **those**

apps . The revenue we earn from these transactions is not always equivalent to the revenue we earn from sales of such additional services on a stand- alone basis through our platform. If users increase their spending on such in- ~~channel~~ **app** transactions at the expense of stand- alone purchases through our platform, our business may be harmed ~~. We operate in a rapidly evolving industry that will be impacted by many factors that are outside of our control, which makes it difficult to evaluate our business and prospects. TV streaming is a rapidly evolving industry, making our business and prospects difficult to evaluate. The growth and profitability of this industry and the level of demand and market acceptance for our products and streaming platform are subject to a high degree of uncertainty. We believe that the continued growth of streaming as an entertainment alternative will depend on the availability and growth of cost- effective broadband internet access (including mobile broadband internet access), the quality and reliability of broadband content delivery, broadband service providers' ability to control the delivery speed of different content traveling on their networks, the quality and reliability of new devices and technology, the cost for users relative to other sources of content, the quality and breadth of content that is delivered across streaming platforms, and other macroeconomic conditions. Accordingly, our growth and the future evolution of TV streaming as an industry, which is likely to impact our success, is dependent on many factors that are outside of our control~~ . We and our licensed Roku TV partners depend on retail sales channels to effectively market and sell our respective products, and if we or our partners fail to maintain and expand effective retail sales channels, we or our partners could experience lower product sales. To continue to ~~increase~~ **grow** our ~~active~~ **Active** ~~accounts~~ **Accounts** , we must maintain and expand retail sales channels for our products and for the Roku products sold by our partners or licensees. The majority of our products and our licensed Roku TV partners' products are sold through traditional brick and mortar retailers, such as Best Buy, Target, and Walmart, including their online sales platforms, and online retailers such as Amazon. We also sell certain products directly through our website and internationally through distributors and retailers such as Coppel in Mexico, Magazine Luiza in Brazil, ~~and~~ MediaMarkt in Germany **, and Currys in the United Kingdom** . As we have only recently expanded to certain international markets, we may not have established a strong reputation or relationships with retailers for those markets as compared to our **retail** sales channels in the United States or our competitors in international markets ~~. Amazon and Walmart in total accounted for 59 % of our devices revenue for the fiscal year ended December 31, 2022, and 57 % for the year ended December 31, 2021~~ . Our retailers and distributors also sell products ~~offered~~ **that compete with our products and our licensed Roku TV partners' products, including house- branded televisions sold** by ~~our competitors~~ **such retailers that utilize TV operating systems other than the Roku OS** . We have no minimum purchase commitments or long- term contracts with any of these retailers or distributors **, and there can be no assurance that we will reach agreements with our retailers and distributors on terms we find acceptable or that will be consistent with our past practices. We may be reliant on certain retailers or distributors. Amazon, Best Buy, and Walmart in total accounted for 71 % and 67 % of our devices revenue for the fiscal year ended December 31, 2023 and December 31, 2022, respectively. Furthermore, our licensed Roku TV partners may be reliant on the same retailers and distributors or other retailers and distributors for a significant portion of their unit sales of Roku TV models** . If one or several retailers or distributors were to discontinue selling our products or our licensed Roku TV partners' products, choose not to prominently display those ~~devices~~ **products** in their stores or on their websites, or close or severely limit access to their brick and mortar locations, the volume of our products or our licensed Roku TV partners' products sold could decrease, which would harm our business. ~~If~~ **These risks may be exacerbated by our reliance on certain retailers or distributors, or when a major retailer in a jurisdiction commercializes televisions under brands that the retailer controls. In addition, if** any of our existing licensed Roku TV partners choose to work exclusively with, or divert a significant portion of their business with us to, other operating system developers, this may adversely impact our ability to continue to license the Roku OS and our smart TV reference design to TV brands and ~~our ability to continue~~ to grow ~~active~~ **Active** ~~accounts~~ **Accounts** and monetize the Roku OS. Traditional retailers have limited shelf and end cap space in their stores and limited promotional budgets, and online retailers have limited prime website product placement space. Competition is intense for these resources, and a competitor with more extensive product lines, stronger brand identity and greater marketing resources, such as Amazon or Google, possesses greater bargaining power with retailers. In addition, one of our online retailers, Amazon, sells its own competitive streaming devices, smart TVs, and smart home devices, is able to market and promote these products more prominently on its website, and could refuse to offer or promote our products on its website. Any reduction in our ability to place and promote our products, or increased competition for available shelf or website placement, could require us to increase our marketing or other expenditures to maintain our product visibility or could result in reduced visibility for our products, which may harm our business. In particular, the availability of product placement during peak retail periods, such as the holiday season, is critical to our revenue growth, and if we are unable to effectively sell our products during these periods, our business would be harmed. If our efforts to build a strong brand and maintain customer satisfaction and loyalty are not successful, we may not be able to attract or retain users, and our business may be harmed. Building and maintaining a strong brand is important to attract and retain users, as potential users have a number of TV streaming choices. Successfully building a brand is a time- consuming and comprehensive endeavor **, and our** ~~and~~ **brand** ~~can~~ **may** be ~~positively and~~ negatively impacted by ~~any number of~~ factors **that** ~~. Certain factors, such as the quality or pricing of our products or our customer service,~~ are ~~within~~ **out of** our control ~~. Other factors~~ , such as the quality and reliability of the Roku TV models made by our licensed Roku TV partners and the quality of the content that our content ~~publishers~~ **partners** provide ~~, may be out of our control, yet users may nonetheless attribute those factors to us~~ . Our competitors may be able to achieve and maintain brand awareness and ~~market share~~ **consumer demand for their products** more quickly and effectively than we can. Many of our competitors are larger companies and may have greater resources to devote to the promotion of their brands through traditional advertising, digital advertising **,** or website product placement. If we are unable to execute on building a strong brand, it may be difficult to differentiate our business and streaming platform from our competitors in the marketplace, ~~therefore~~ **which may adversely affect** our ability to attract and retain users ~~may be adversely affected~~ and **harm** our business ~~may be harmed~~ . Our streaming platform allows our users to choose from a wide variety of ~~channels~~ **apps** , representing a variety of content from a wide range of content ~~publishers~~ **partners** . Our users can choose and control which ~~channels~~ **apps** they download and watch, and they can use certain settings to prevent ~~channels~~ **apps** from being downloaded to Roku streaming devices. While we have policies that prohibit the publication of content that is unlawful, incites illegal activities, or violates third- party rights, among other things, we may distribute ~~channels~~ **apps** that include controversial content. Controversies related to the content included on certain ~~channels~~ **apps** that we distribute have resulted in, and could in the future result in, negative publicity, cause harm to our reputation and brand, or subject us to claims and may harm our business. We are subject to payment- related risks and, if our advertisers or advertising agencies do not pay or dispute their invoices, our business may be harmed. Many of our contracts with advertising agencies provide that if the advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher- risk credit profiles, may subject us to greater credit risk than if we were to contract directly with advertisers. This credit risk may vary depending on the nature of an advertising agency' s aggregated advertiser base. In addition, typically, we are contractually required to pay advertising inventory data suppliers within a negotiated period of time, regardless of whether our advertisers or advertising agencies pay us on time, or at all. **Further** ~~In addition~~ , we typically experience slow payment cycles by advertising agencies as is common in the advertising industry. While we attempt to balance payment periods with our suppliers and advertisers and advertising agencies, we are not always successful. As a result, we can often face a timing issue with our accounts payable on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of credit losses. We may also be involved in disputes with agencies and their advertisers over the operation of our streaming platform, the terms of our agreements **,** or our billings for purchases made by them through our streaming platform or through our **DSP** ~~demand- side platform~~ . If we are unable to collect or make adjustments to bills, we could incur credit losses, which could have a material adverse effect on our results of operations for the periods in which the write- offs occur. In the future, bad debt may exceed reserves for such contingencies, and our bad debt exposure may increase over time. Any increase in write- offs for bad debt could have a materially negative effect on our business, financial condition **,** and operating results. If we are not paid by our advertisers or advertising agencies on time or at all, our business may be harmed. The quality of our customer support is important, and if we fail to provide adequate levels of customer support, we could lose users, advertisers, content partners, and licensed Roku TV partners, which could harm our business. Our users depend on our customer support organization to resolve issues relating to our products and our streaming platform. A high level of support is critical for the success of our business. We currently outsource the majority of our customer support operation to a third- party customer support organization which provides support to end users. In addition, we train our licensed Roku TV partners and service operator licensees to provide first- level customer support to users of Roku TV models **and other devices** . If we do not effectively train, update, and manage our third- party customer support organization to assist our users and licensees, and if that support organization does not succeed in helping them quickly resolve issues or provide effective ongoing support, it could adversely affect our ability to monetize our streaming platform, to sell our products to ~~consumers~~ **users** and could harm our reputation with potential new customers and our licensees. We must continue to innovate and develop new and existing products and services to remain competitive, and new products and services expose our business to new risks. We must continually innovate and improve our products and services and develop new products and services to meet changing consumer demands ~~. In particular, we recently introduced Roku Select and Roku Plus Series TVs (a new line of Roku- branded TVs that will be designed, made, and sold by us in 2023) and Roku smart home products (including indoor and outdoor cameras, video doorbells, smart lighting, and smart plugs) and related subscription services~~ . The introduction of a new product or service is a complex task, involving significant expenditures in research and development, promotion, and sales channel development, and can expose our business to new risks. The introduction of new products and services or changes to our existing products and services may result in new or enhanced governmental or regulatory scrutiny, new litigation or claims, or other complications that could adversely affect our business, reputation, or financial results. For example, we have faced and may continue to face new intellectual property infringement claims related to new products and services we have introduced. In addition, our entrance into entirely new lines of business beyond our historical core business of TV streaming and advertising, such as our launch of Roku **- branded** smart home products **(including home monitoring products) and shoppable ads that allow users to purchase advertised products and services directly from their Roku streaming devices** , may change our risk profile and subject us to risks that differ from the risks we face as a result of our **historical** TV streaming business **. In particular, the provision of home monitoring services is a highly regulated industry where various licensing requirements may apply in each jurisdiction where such services are offered** . Whether users will broadly adopt our new products or services is not certain. Our future success will depend on our ability to develop new and competitively priced products and services and add new desirable content and features to our streaming platform. Moreover, we must introduce new products and services in a timely and cost- effective manner, and we must secure production orders for new products from our contract manufacturers. The development of new products and services is a highly complex process, and ~~while our research and development efforts are aimed at solving increasingly complex problems,~~ we do not expect that all of our projects will be successful. The successful development and introduction of new products and services depends on a number of factors, including: • the accuracy of our forecasts for market requirements beyond near- term visibility; • our ability to anticipate and react to new technologies and evolving consumer trends; • our development, licensing, or acquisition of new technologies; • our timely completion of new designs and development; • our ability to timely and adequately redesign or resolve design or manufacturing or security issues; • our ability to identify and contract with an appropriate manufacturer; • the ability of our contract manufacturers to cost- effectively manufacture our new products; • the availability of materials and key components used in manufacturing; • tariffs, trade, sanctions, and export restrictions by the U. S. or foreign governments ~~, which could impact the pricing, timing and availability of new products and depress consumer demand, limit the ability of our contract manufacturers to obtain key parts,~~

~~components, software, and technologies, and lead to shortages~~ ; • the ability of our contract manufacturers to produce quality products and minimize defects, manufacturing mishaps, and shipping delays **; • our ability to obtain required licenses and comply with other regulatory requirements** ; and • our ability to attract and retain world- class research and development personnel. If any of these or other factors materializes, we may not be able to develop and introduce new products **or services** in a timely or cost- effective manner, and our business may be harmed. We do not have our own manufacturing capabilities and primarily depend upon a limited number of contract manufacturers, and our operations could be disrupted if we encounter problems with our contract manufacturers. We do not have any internal manufacturing capabilities and rely on a limited number of contract manufacturers to build our players, smart home products, and Roku- branded TVs. Our contract manufacturers are vulnerable to, among other issues: • capacity constraints; • reduced component availability; • production, supply chain, or shipping disruptions or delays, including from labor disputes, strikes, mechanical issues, quality control issues, natural disasters, geopolitical conflicts, and public health crises; and • the impact of U. S. or foreign tariffs, trade, or sanctions restrictions on components, finished goods, software, other products, or data transfers. As a result, we have limited control over delivery schedules, manufacturing yields, and costs, particularly when components are in short supply or when we introduce new products. We also have limited control over our contract manufacturers' quality systems and controls, and therefore must rely on them to manufacture our products to our quality and performance standards and specifications. Delays, component shortages, quality issues, and other manufacturing and supply problems **in the past** have impaired, and could in the future impair, the retail distribution of our products and ultimately our brand. Furthermore, any adverse change in our contract manufacturers' financial or business condition could disrupt our ability to supply our products to our retailers and distributors. We also rely upon our contract manufacturers and other contractors to perform some of the development work on our products. The contract manufacturers or other contractors may be unwilling or unable to successfully complete desired development or fix defects or errors in a timely manner. Delays in development work by contract manufacturers or contractors could delay launch of new or improved products. Our contracts with our contract manufacturers generally may not contain terms that protect us against development, manufacturing, and supply disruptions or risks. For example, such contracts may not obligate our contract manufacturers to supply our products in any specific quantity or at any specific price. If our contract manufacturers are unable to fulfill our production requirements in a timely manner, if their costs increase because of inflationary pressures, U. S. or international tariffs, sanctions, export or import restrictions, or if they decide to terminate their relationship with us, our order fulfillment may be delayed or terminated, and we would have to attempt to identify, select, and qualify acceptable alternative contract manufacturers. Alternative contract manufacturers may not be available to us when needed or may not be in a position to satisfy our production requirements at commercially reasonable prices, to our quality and performance standards on a timely basis, or at all. Any significant interruption in manufacturing at our contract manufacturers for any reason could require us to reduce our supply of products to our retailers and distributors, which in turn would reduce our revenue, or incur higher freight costs than anticipated, which would negatively impact our devices gross margin. In addition, our contract manufacturers' facilities, and the facilities of our contract manufacturers' suppliers, are located in various geographic areas that may be subject to political, economic, labor, trade, public health, social, and legal uncertainties, including Taiwan, Vietnam, China, and Brazil, and such uncertainties may harm or disrupt our relationships with these parties or their ability to perform. For example, if the ~~current~~ tensions between Taiwan and China escalate and impact the operations of our contract manufacturers and their Taiwanese suppliers, our supply chain and our business could be adversely affected. We believe that the international location of these facilities increases supply risk, including the risk of supply interruptions, tariffs, and trade restrictions on exports or imports. The supply of Roku TV models to the market could be disrupted if our licensed Roku TV partners encounter problems with their internal operations or with their contract manufacturers, assemblers, or component suppliers. Some of our licensed Roku TV partners have internal manufacturing capabilities, while others rely primarily or exclusively upon contract manufacturers to build the Roku TV models that our licensed Roku TV partners sell to retailers. Regardless of whether their manufacturing capabilities are internal or contracted, our licensed Roku TV partners' manufacturers may be vulnerable to capacity constraints and reduced component availability; increases in tariffs on imports of Roku TV models; future possible changes in regulations on exports: restrictions, by the United States or otherwise, on dealings with certain countries, companies, or imported inputs; tariffs on parts or components for Roku TV models; and supply chain disruptions and shipping delays. Our licensed Roku TV partners' control over delivery schedules, manufacturing yields, and costs, particularly when components are in short supply, may be limited. For those licensed Roku TV partners with contract manufacturers or suppliers, the problems are exacerbated because the contract manufacturer is a third party, and the licensed Roku TV partner does not have direct visibility into or control over the operations. Delays, component shortages, and other manufacturing and supply problems could impair the manufacture or distribution of Roku TV models. Interruptions in the supply of Roku TV models to retailers and distributors or increases in the pricing of Roku TV models at times have negatively affected, and could adversely affect in the future, the volume of Roku TV models sold at retail, resulting in slower ~~active~~ **Active** ~~account~~ **Accounts** and ~~streaming~~ **Streaming** ~~hour~~ **Hours** growth. Furthermore, any manufacturing, design, or other issues affecting the quality or performance of Roku TV models could harm our brand and our business. If we fail to accurately forecast our manufacturing requirements for our products and manage our inventory with our contract manufacturers, we could incur additional costs, experience manufacturing delays, and lose revenue. We bear risks of excess and insufficient inventories under our contract manufacturing arrangements. For example, our contract manufacturers order materials and components in advance in an effort to meet our projected needs for our products. Lead times for the materials and components that our contract manufacturers order on our behalf through different component suppliers may vary significantly and depend on numerous factors outside of our control, including the specific supplier, contract terms, shipping and freight, market demand for a component at a given time, and trade and government relations. Lead times for certain key materials and components incorporated into our products are currently lengthy and may require our contract manufacturers to order materials and components many months in advance. If we overestimate our production requirements, our contract manufacturers may purchase excess components and build excess inventory. If our contract manufacturers, at our request, purchase excess components or build excess products, we could be required to pay for these excess components or products. In the past, we have agreed to reimburse our contract manufacturers for purchased components that were not used as a result of our decision to discontinue a certain model or the use of particular components. If we incur costs to cover excess supply commitments, our business may be harmed. Conversely, if we underestimate our product requirements, our contract manufacturers may have inadequate material or component inventory, which could interrupt the manufacturing of our products, result in insufficient quantities available to meet demand, and result in delays or cancellation of orders from retailers and distributors. In addition, from time to time we have experienced unanticipated increases in demand that resulted in the need to ship our products via air freight, which is more expensive than ocean freight, and adversely affected our devices gross margin during such periods of high demand (for example, during end- of- year holidays). If we fail to accurately forecast our manufacturing requirements, our business may be harmed. Our products incorporate key components from sole source suppliers, and if our contract manufacturers are unable to obtain sufficient quantities of these components on a timely basis, we will not be able to deliver our products to our retailers and distributors. We depend on sole source suppliers for key components in our products. For example, each of our streaming players and TVs powered by **the** Roku OS may utilize a specific system on chip (or SoC), Wi- Fi silicon product, and Wi- Fi front- end module, each of which may be available from only a single manufacturer and for which we do not have a second source. Although this approach allows us to maximize product performance on lower cost hardware, reduce engineering development and qualification costs, and develop stronger relationships with our strategic suppliers, this also creates supply chain risk. These sole- source suppliers could be constrained by fabrication capacity issues or material supply issues, such as U. S. or foreign tariffs, war or other government or trade relations issues, other export or import restrictions on parts or components for finished products that are used in final assembly of their components (or on the finished products themselves), or shortages of key components. There is also a risk that the strategic supplier may stop producing such components, cease operations, be acquired by or enter into exclusive arrangements with our competitors or other companies, put contract manufacturers on allocation because of semiconductor shortages, or become subject to U. S. or foreign sanctions or export control restrictions or penalties. Such suppliers have experienced, and may in the future experience, production, shipping, or logistical constraints arising from macroeconomic conditions or other circumstances, such as inflationary pressures, geopolitical conflict, and supply chain disruptions. Such interruptions and delays have in the past and may in the future force us to seek similar components from alternative sources, which may not always be available, and which may cause us to delay product introductions and incur air freight expense. Switching from a sole- source supplier may require that we adapt our software, and redesign our products to accommodate new chips and components, and may require us to re- qualify our products with regulatory bodies, such as the U. S. Federal Communications Commission (“ FCC ”), which would be costly and time- consuming. Our reliance on sole- source suppliers involves a number of additional risks, including risks related to: • supplier capacity constraints; • price increases, including increases related to inflationary pressures; • timely delivery; • component quality; and • delays in, or the inability to execute on, a supplier roadmap for components and technologies. Any interruption in the supply of sole- source components for our products could adversely affect our ability to meet scheduled product deliveries to our retailers and distributors, result in lost sales and higher expenses, and harm our business. If our products do not operate effectively with various offerings, technologies, and systems from content ~~publishers~~ **partners** and other third parties that we do not control, our business may be harmed. The Roku OS is designed to perform using relatively low- cost hardware, which enables us to drive user growth via Roku streaming devices offered at a low cost to ~~consumers~~ **users** . However, this hardware must be interoperable with all ~~channels~~ **apps** and other offerings, technologies, and systems from our content ~~publishers~~ **partners** , including virtual multi- channel video programming distributors, and other third parties. We have no control over these offerings, technologies, and systems beyond our ~~channel~~ **app** certification requirements, and if Roku streaming devices do not provide our users with a high- quality experience on those offerings on a cost- effective basis or if changes are made to those offerings that are not compatible with Roku streaming devices, we may be unable to increase ~~active~~ **Active** ~~account~~ **Account** growth and user engagement or may be required to increase our hardware costs, and our business will be harmed. We plan to continue to introduce new products regularly, including, for example, **the Roku- branded TVs we launched in 2023 and** our recently announced Roku ~~- branded~~ **Pro Series** TVs, and we have experienced that it takes time to optimize such products to function well with these offerings, technologies and systems. In addition, many of our largest content ~~publishers~~ **partners** have the right to test and certify our new products before we can publish their ~~channels~~ **apps** . The certification processes can be time **-** consuming and introduce third- party dependencies into our product release cycles. If **our** content ~~publishers~~ **partners** do not certify new products on a timely basis or require us to make changes in order to obtain certifications, our product release plans may be adversely impacted, we may not be able to offer certain products to all licensed Roku TV partners or we may not continue to offer certain ~~channels~~ **apps** . To continue to grow our ~~active~~ **Active** ~~accounts~~ **Accounts** and user engagement, we will need to prioritize development of Roku streaming devices to work better with new offerings, technologies, and systems, including our ~~recently announced~~ smart home products **and services** . If we are unable to maintain consistent operability of Roku streaming devices that is on parity with or better than other platforms, our business could be harmed. In addition, any future changes to offerings, technologies, and systems from our content **partners** ~~publishers, such as virtual service operators,~~ may impact the accessibility, speed, functionality, and other performance aspects of Roku streaming devices. We may not successfully develop Roku streaming devices that operate effectively with these offerings, technologies, or systems. If it becomes more difficult for our users to access and use these offerings, technologies, or systems, our business could be harmed. Our products are complex and may contain hardware defects and software errors, which could manifest themselves in ways that could harm our reputation and our business. Our products and the products of our licensed Roku TV partners are complex and have contained and may in the future contain hardware defects or software errors. These defects and errors can manifest themselves in any number of ways in our products or our streaming platform, including through diminished performance, security vulnerabilities, data loss or poor quality, device malfunctions, or even permanently disabled products. Some errors may only be discovered after a product has been shipped and used by users and may in some cases only be detected under certain circumstances or after extended use. We update our software on a regular basis, and, despite our quality assurance processes, we could introduce software errors in the process of any such update. The introduction of a serious software error could result in products becoming permanently disabled. We offer a limited warranty for our products, in accordance with applicable law, however, providing software updates, product support, and other activities could cause us to be responsible for issues with products for an extended period of time. Any defects discovered in our products after commercial release could result in loss of revenue or delay in revenue recognition, loss of customer goodwill and users, and increased service costs, any of which could harm our business, operating results, and financial condition. We could also face claims for product or information liability, tort or breach of warranty, or other violations of laws or regulations. In addition, our contracts with our end users contain provisions relating to warranty disclaimers and liability limitations, which may not be upheld. Defending a lawsuit, regardless of its merit, is costly and may divert management' s attention and adversely affect the market' s perception of Roku and our products. In addition, if our insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, our business could be harmed. Components used in our products may fail as a result of manufacturing, design, or other defects that were unknown to us or over which we have no control and may render our products permanently inoperable. We rely on third-party component suppliers to provide certain functionalities needed for the operation and use of our products. Any errors or defects in such third- party technology could result in errors or defects in our products that could harm our business. If these components have a manufacturing, design, or other defect, they could cause our products to fail and could render them permanently inoperable. For example, the typical means by which our users connect their home networks to our players is by way of a Wi- Fi access point in the home network router. If the Wi- Fi receiver or transmitter in a player fails and cannot detect a home network' s Wi- Fi access point, the player will not be able to display or deliver any content to the TV screen. As a result, we may have to recall and replace defective products, which could be at a considerable cost and expense. Should we have a widespread problem of this kind, our reputation in the market could also be adversely affected. If we are unable to obtain or maintain necessary or desirable third- party technology licenses, our ability to develop new products or streaming platform enhancements may be impaired. We utilize or enable certain industry standard and other commercially available technology in our products and streaming platform that is licensed by third parties. As we continue to introduce new features or improvements to our products and on our streaming platform, we may be required to license additional technologies from third parties. These third- party licenses may be unavailable to us on commercially reasonable terms, if at all. If we are unable to obtain or maintain necessary third- party licenses, we may be required to obtain substitute technologies with lower quality or performance standards, or at a greater cost, any of which could harm the competitiveness of our products, streaming platform, and our business. We **are incorporating AI technologies into some of our products and services, which may present operational and reputational risks. We** have ~~incurred~~ **incorporated and intend to continue incorporate AI technologies, such as generative AI, into our products and services. As with many innovations, AI presents risks and challenges that could adversely impact our business. For example, AI technologies can create accuracy issues, unintended biases, and discriminatory outcomes, or may create content that appears correct but is inaccurate or flawed. If the recommendations, content, or analyses that AI applications produce are or are alleged to be deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. The legal and regulatory landscape surrounding AI technologies is rapidly evolving and uncertain, including in the areas of intellectual property, cybersecurity, and privacy and data protection. For example, there is uncertainty around the validity and enforceability of intellectual property rights related to the use, development, and deployment of AI technologies. Compliance with new or changing laws, regulations or industry standards relating to AI may impose significant** ~~operating~~ **operational costs** ~~losses in the past,~~ and ~~although~~ **may limit our ability to develop, deploy or use AI technologies. There can be no assurance that the measures** we have **taken** ~~achieved profitability in certain prior quarters, we expect~~ to **mitigate** ~~incur operating losses in~~ the ~~future and may not~~ **potential risks related to generative AI will** be ~~able~~ **sufficient. Failure** to ~~achieve profitability again~~ **appropriately respond to this evolving landscape may result** in ~~the near term~~ **legal liability, regulatory action,** or ~~at all~~ **brand and reputational harm** . We have incurred operating losses in the past, and **although** we **have achieved profitability in certain prior quarters, we** may **continue to** incur operating losses in the future **and may not be able to achieve profitability again in the near term or at all. We have incurred operating losses in the past, and we may incur operating losses in the future** . Although we achieved profitability in certain prior quarters, we may not be able to achieve profitability again in the near term or at all. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~588~~ **1, 297** . ~~0~~ **6** million. **Our** ~~We generally expect our~~ operating expenses ~~to~~ **have increased in the past and may** increase **again** in the future as we ~~continue to~~ expand our operations and invest in growth and new areas ~~, although we expect operating expense year- over-year growth to significantly decline over the course of 2023~~ . If our revenue and gross profit do not grow at a greater rate than our operating expenses, we may not be able to achieve profitability again. We expect our profitability to fluctuate in the future for a number of reasons, including without limitation the other risks and uncertainties described herein. Additionally, we may encounter unforeseen operating or legal expenses, difficulties, complications, delays, and other factors that may result in losses in future periods. Our quarterly operating results may be volatile and are difficult to predict, and our stock price may decline if we fail to meet the expectations of securities analysts or investors. Our revenue, gross profit, and other operating results could vary significantly from quarter- to- quarter and year- to- year and may fail to match our past performance due to a variety of factors, including many factors that are outside of our control. Factors that may contribute to the variability of our operating results and cause the market price of our Class A common stock to fluctuate include: • the entrance of new competitors or competitive products or services, whether by established or new companies; • our ability to retain and grow our ~~active~~ **Active** ~~account~~ **Accounts** ~~base~~ , increase engagement among new and existing users, and monetize our streaming platform; • our ability to maintain effective pricing practices in response to the competitive markets in which we operate or other macroeconomic factors, such as increased taxes or inflationary pressures, such as those the market is currently experiencing, and our ability to control costs, including our operating expenses; • our revenue mix, which drives gross profit; • supply of advertising inventory on our advertising platform and advertiser demand for advertising inventory **on our advertising platform** ; • seasonal, cyclical, or other shifts in revenue from advertising or product sales; • the timing of the launch of new or updated products, ~~channels~~ **apps** , or features; • the addition or ~~loss~~ **removal** of ~~popular~~ content or ~~channels~~ **apps from our platform** ; • the expense and availability of content to license or produce for The Roku Channel; • the ability of retailers to anticipate consumer demand; • an increase in the manufacturing or component costs of our products or partner- branded products; • delays in delivery of our products or partner- branded products, or disruptions in our or our partners' supply or distribution chains; and • an increase in **legal costs, including** costs associated with protecting our intellectual property, defending against third- party intellectual property infringement allegations, or procuring rights to third- party intellectual property. Our gross margins vary across our devices and platform offerings. Our devices segment (which generates revenue from the sale of streaming players, ~~audio products~~ **Roku- branded TVs** , smart home products **and services, audio products** , and related accessories, ~~and~~ **as well as revenue from** licensing arrangements with service operators ~~and licensed Roku TV brand partners~~) ~~has lower~~ **experienced negative** gross margins ~~compared to~~ **for the fiscal year ended December 31, 2023, and** our platform segment (which generates revenue from the sale of digital advertising **(including direct and programmatic video advertising, media and entertainment promotional spending,** and related services **) and streaming services distribution (** including ~~the demand- side platform and content distribution services such as~~ subscription and transaction revenue shares, ~~media and entertainment promotional spending,~~ the sale of Premium Subscriptions, and the sale of branded ~~channel~~ **app** buttons on remote controls) **) experienced positive gross margin for the fiscal year ended December 31, 2023** . Gross margins on our streaming **devices** ~~players, audio products, and smart home products~~ vary across models and can change over time as a result of product transitions, pricing and configuration changes, component costs, device returns, and other cost fluctuations. In addition, our gross margin and operating margin percentages, as well as overall profitability, may be adversely impacted as a result of a shift in device, geographic, or **retail** sales channel mix, component cost increases, price competition, or the introduction of new products, including those that have higher cost structures with flat or reduced pricing. We have in the past and may in the future strategically reduce our devices gross margin **or record negative gross margin on devices** in an effort to increase the number of ~~active~~ **Active** ~~accounts~~ **Accounts** and grow our gross profit. As a result, our devices **segment** revenue may not increase as rapidly as it has historically, or at all, and, unless we are able to continue to increase our platform **segment** revenue and grow the number of ~~active~~ **Active** ~~accounts~~ **Accounts** , we may be unable to grow gross profit and our business will be harmed. For example, in the past, global supply chain disruptions have resulted in shipping delays, increased shipping costs, component shortages, and increases in component prices, which negatively affected our devices gross margin. If a reduction in gross margin does not result in an increase in our ~~active~~ **Active** ~~accounts~~ **Accounts** or an increase in our platform revenue and gross profit, our financial results may suffer, and our business may be harmed. In addition, our platform segment has experienced in the past, and may experience in the future, lower gross margins than we anticipate. If our platform gross margins are lower than we anticipate, our financial results may suffer, and our business may be harmed. If we have difficulty managing our growth in operating expenses, our business could be harmed. We have experienced significant growth in our research and development, sales and marketing, support services, operations, and general and administrative functions in recent years and **may** ~~expect to~~ continue to expand **certain of** these activities. Our historical growth has placed, and ~~expected~~ **any** future growth will continue to place, significant demands on our management, as well as our financial and operational resources, to: • manage a larger organization; • hire more employees, including engineers with relevant skills and experience; • expand internationally; • increase our sales and marketing efforts; • expand the capacity to manufacture and distribute our products; • broaden our customer support capabilities; • expand our product offerings; • support our licensed Roku TV partners and service operators; • expand and improve the content offering on our platform; • implement appropriate operational and financial systems; and • maintain effective financial disclosure controls and procedures. If we fail to manage our growth effectively, including if we grow our business too rapidly, we may not be able to execute our business strategies, which could harm our business and adversely affect our financial condition, results of operations, or cash flows. **We have previously undertaken restructuring plans to adjust our investment priorities and manage our operating expenses, and we may do so again in the future.** For example, in ~~November 2022~~ **2023** , we approved **measures to lower our year- over- year operating expense growth rate by consolidating our office space utilization, performing** a **strategic review of our content portfolio, reducing outside services expenses, and slowing our year- over- year headcount expense growth rate through** workforce ~~reduction~~ **reductions and limiting new hires, among other measures. We have incurred, and may in the future incur, material costs and charges in connection with restructuring** ~~plan~~ **plans** ~~designed~~ **and initiatives, and there can be no assurance that any restructuring plans and initiatives will be successful. Any restructuring plans may adversely affect our internal programs and our ability** to ~~improve operational~~ **recruit and retain skilled and motivated personnel, may result in a loss of continuity, loss of accumulated knowledge, or** ~~efficiencies~~ **inefficiency during transitional periods, may require a significant amount of employees' time** and **focus, and may be distracting to employees, which may divert attention from** operating ~~costs~~ and **growing** ~~better align~~ our ~~workforce with current~~ business ~~needs~~ **. For more information** , ~~priorities, and near~~ **see Note 17 to the consolidated financial statements in** ~~term~~ - **Item** ~~growth expectations~~ **8 of this Annual Report** . If we **fail to achieve some or all of the expected benefits of any restructuring plans or** are unable to manage our growth and expansion plans effectively, which may be impacted by factors outside of our control, our business, operating results, and financial condition could be adversely affected. We may be unable to successfully expand our international operations, and our international expansion plans, if implemented, will subject us to a variety of risks that may harm our business. We currently generate the vast majority of our revenue in the United States and have limited experience marketing, selling, licensing, and supporting our products and running or monetizing our streaming platform outside the United States. In addition, we have limited experience managing the administrative aspects of a global organization. While we intend to continue to explore opportunities to expand our business in international markets in which we see compelling opportunities, we may not be able to create or maintain international market demand for our products and streaming platform services. Moreover, we face intense competition in international markets, especially because some of our competitors have already successfully introduced their products into new markets we are entering and have greater experience managing a global organization. In the course of expanding our international operations, we are subject to a variety of risks that could adversely affect our business, including: • differing legal and regulatory requirements in foreign jurisdictions, including country- specific laws and regulations pertaining to data privacy and data security, consumer protection, tax, telecommunications, trade (including tariffs, quotas, and sanctions), labor, environmental protection, censorship and other content restrictions, **use of AI technologies, copyright and intellectual property,** and local content and advertising requirements, among others; • exposure to increased corruption risk and compliance with laws such as the **U. S.** Foreign Corrupt Practices Act, UK Bribery Act, and other anti- corruption laws, U. S. or foreign export controls and sanctions, and local laws prohibiting improper payments to government officials and requiring the maintenance of accurate books and records and a system of sufficient internal controls; • slower consumer adoption and acceptance of streaming devices and services in other countries; • different or unique competitive pressures as a result of, among other things, competition with other devices that consumers may use to stream TV or existing local traditional TV services and products, including those provided by incumbent TV service providers and local consumer electronics companies; • greater difficulty supporting and localizing Roku streaming devices and our streaming platform, including delivering support and training documentation in languages other than English; • our ability to deliver or provide access to popular streaming ~~channels~~ **apps** or content to users in certain international markets; • availability of reliable broadband connectivity in areas targeted for expansion; • challenges and costs associated with staffing and managing foreign operations; • differing legal and court systems, including limited or unfavorable intellectual property protection; • unstable political and economic conditions, social unrest, or economic instability, whatever the cause, including due to pandemics, natural disasters, wars, terrorist activity, foreign invasions (such as the Russian invasion of Ukraine **and the Israel- Hamas war**), tariffs, trade disputes, local or global recessions, diplomatic or economic tensions (such as the tension between China and Taiwan), long- term environmental risks, or climate change; • adverse tax consequences, such as those related to changes in tax laws (including increased tax rates, the imposition of digital services taxes, and the adoption of global corporate minimum taxes and anti- base- erosion rules), changes in the interpretation of existing tax laws, and the heightened scrutiny by tax administrators of companies that have cross- border business activities; • the imposition of customs duties on cross- border data flows for streaming services, in the event that the World Trade Organization fails to extend the current moratorium on such duties; • any pandemics or epidemics, which could result in decreased economic activity in certain markets, changes in the use of our products or platform, or decreased ability to import, export, ship, or sell our products to supply such services to existing or new customers in international markets; • inflationary pressures, such as those the global market is currently experiencing, which may increase costs for materials, supplies, and services; • fluctuations in currency exchange rates, which could impact the revenue and expenses of our international operations and expose us to foreign currency exchange rate risk (see the section titled " Foreign Currency Exchange Rate Risk " in ~~Part II,~~ Item 7A of this Annual Report for additional information); • restrictions on the repatriation of earnings from certain jurisdictions; and • working capital constraints. In addition, we may face challenges in successfully deploying our business model in international markets. Three core areas of focus define our business model: first, we grow scale by increasing our ~~active~~ **Active** ~~accounts~~ **Accounts** ; second, we grow engagement by increasing the hours of content streamed through our platform; and, third, we grow monetization of the activities that ~~consumers~~ **users** engage in through our platform. Even if we are able to increase our ~~active~~ **Active** ~~accounts~~ **Accounts** in international markets, we may be unable to effectively grow our ~~streaming~~ **Streaming** ~~hours~~ **Hours** or monetize user activity in those markets. Further, **as of December 31, 2023,** our ARPU **was** ~~may be~~ lower in international markets than in the United States. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and financial condition may be harmed. Our revenue and gross profit are subject to seasonality, and if our sales during the holiday ~~season~~ **seasons** fall below our expectations, our business may be harmed. Seasonal ~~consumer~~ shopping patterns significantly affect our business. Specifically, our revenue and gross profit are traditionally strongest in the fourth quarter of each fiscal year and represent a high percentage of the total net revenue for such fiscal year due to higher consumer purchases and increased advertising during holiday seasons. Furthermore, in preparation for the fourth quarter holiday season, we recognize significant discounts in the average selling prices of our products through retailers in an effort to grow our ~~active~~ **Active** ~~accounts~~ **Accounts** , which typically reduce our devices gross margin in the fourth quarter. Given the seasonal nature of advertising and our product sales, accurate forecasting is critical to our operations. We anticipate that this seasonal impact on revenue and gross profit is likely to continue, and any shortfall in expected fourth quarter revenue due to a decline in the effectiveness of our promotional activities, actions by our competitors, reductions in consumer discretionary spending, curtailed advertising spending, disruptions in our supply or distribution chains, tariffs or other restrictions on trade, shipping or air freight delays, or for any other reason, would cause our full year results of operations to suffer significantly. For example, ~~in the quarter ended December 31, 2022,~~ macroeconomic uncertainties and inflationary pressures negatively affected consumer electronics sales during the holiday season **in 2023** . In addition, delays or disruptions at U. S. ports of entry have in the past, and may in the future, adversely affect our or our licensed Roku TV partners' ability to timely deliver products to retailers during holiday seasons. A substantial portion of our expenses are personnel- related (including salaries, stock- based compensation, and benefits) and facilities- related, none of which are seasonal in nature. Accordingly, in the event of a revenue shortfall, we would be unable to mitigate the negative impact on gross profit and operating margins, at least in the short term, and our business would be harmed. If we fail to attract and retain key personnel, effectively manage succession, or hire, develop, and motivate our employees, we may not be able to execute our business strategy or continue to grow our business. Our success depends in large part on our ability to attract and retain key personnel on our senior management team and in our engineering, research and development, sales and marketing, operations, and other organizations. In particular, our founder, President and Chief Executive Officer, Anthony Wood, is critical to our overall management, as well as the continued development of our products and streaming platform, our culture, and our strategic direction. We do not have long- term employment or non- competition agreements with any of our key personnel. The loss of one or more of our executive officers or the inability to promptly identify a suitable successor to a key role could have an adverse effect on our business. Our ability to compete and grow depends in large part on the efforts and talents of our employees. Labor is subject to external factors that are beyond our control, including our industry' s highly competitive market for skilled workers and leaders, cost inflation, workforce participation rates, and unstable political conditions. Our employees, particularly engineers and other product developers, are in demand, and we devote significant resources to identifying, hiring, training, successfully integrating, and retaining these employees. **To** ~~Because we face significant competition to~~ attract top talent, we **generally** ~~have had to~~ offer ~~, and believe we will need to continue to offer,~~ competitive compensation packages before we can validate the productivity of those employees. In addition, many companies now offer a remote or hybrid work environment, which may increase the competition for employees from employers outside of our traditional office locations. To retain employees, we have in the past and may in the future need to increase our employee compensation levels or other benefits in response to competition and other business and macroeconomic factors. The loss of employees or the inability to hire additional skilled employees necessary to support our growth could result in significant disruptions to our business, and the integration of replacement personnel could be time- consuming and expensive and cause disruptions. We believe a critical component to our success and our ability to retain our best people is our culture. As we continue to grow, we may find it difficult to maintain our entrepreneurial, execution- focused culture. In addition, **past or** any **additional** workforce ~~reduction~~ **reductions** ~~, such as the reduction we announced in November 2022,~~ could harm employee morale and negatively impact employee recruiting and retention ~~. In addition, the equity ownership of many of our employees could create disparities in wealth among our employees, which may harm our culture and relations among employees and our business~~ . We need to maintain operational and financial systems that can support our expected growth, increasingly complex business arrangements, and rules governing revenue and expense recognition, and any inability or failure to do so could adversely affect our financial reporting, billing, and payment services. We have a complex business that is growing in size and complexity both in the United States and in international jurisdictions. To manage our growth and our increasingly complex business operations, especially as we move into new markets internationally or acquire new businesses, we will need to maintain and may need to upgrade our operational and financial systems and procedures, which requires management time and may result in significant additional expense. Our business arrangements with our content partners, advertisers, licensed Roku TV partners, and other licensees, and the rules that govern revenue and expense recognition in our business, are increasingly complex. To manage the expected growth of our operations and increasing complexity, we must maintain operational and financial systems, procedures, and controls and continue to increase systems automation to reduce reliance on manual operations. An inability to do so will negatively affect our financial reporting, billing, and payment services. Our current and planned systems, procedures, and controls may not be adequate to support our complex arrangements and the rules governing revenue and expense recognition for our future operations and expected growth. Delays or problems associated with any improvement or expansion of our operational and financial systems and controls could adversely affect our relationships with our users, content ~~publishers~~ **partners** , advertisers, advertisement agencies, licensed Roku TV partners, or other licensees; cause harm to our reputation and brand; and result in errors in our financial and other reporting. We may pursue acquisitions, which involve a number of risks, and if we are unable to address and resolve these risks successfully, such acquisitions could harm our business. We have in the past and may in the future acquire businesses, products, or technologies to expand our offerings and capabilities, user base, and business. We have evaluated, and expect to continue to evaluate, a wide array of potential strategic transactions; however, we have limited experience completing or integrating acquisitions. Any acquisition could be material to our financial condition and results of operations, and any anticipated benefits from an acquisition may never materialize. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results, may cause unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims, and may not generate sufficient financial returns to offset additional costs and expenses related to the acquisitions. In addition, the process of integrating acquired businesses, products, or technologies may create unforeseen operating difficulties and expenditures, in particular when the acquired businesses, products, or technologies involve areas of operation in which we have limited or no prior experience. Acquisitions of businesses, products, or technologies in international markets would involve additional risks, including those related to integration of operations across different cultures and languages, currency risks, and the particular economic, political, and regulatory risks associated with specific countries. We may not be able to address these risks successfully, or at all, without incurring significant costs, delays, or other operational problems, and if we were unable to address such risks successfully, our business could be harmed. ~~We have outstanding debt, and our credit facility provides our lender with a first- priority lien against substantially all of our assets and contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our financial condition. We entered into a credit agreement, dated February 19, 2019 (as amended on May 3, 2019, the " Credit Agreement ") among us, as borrower, certain of our subsidiaries from time to time party thereto, as guarantors, the lenders and issuing banks from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent (the " Agent "), providing for (i) a four- year revolving credit facility in the aggregate principal amount of up to $ 100. 0 million (the " Revolving Credit Facility "), (ii) a four- year delayed draw term loan A facility in the aggregate principal amount of up to $ 100. 0 million (the " Term Loan A Facility "), and (iii) an uncommitted incremental facility subject to certain conditions. The Credit Agreement contains a number of affirmative and negative covenants, which may restrict our current and future operations, particularly our ability to~~

~~respond to certain changes in our business or industry or take future actions. The Credit Agreement also contains a financial covenant requiring us to maintain a minimum adjusted quick ratio of at least 1. 00 to 1. 00, tested as of the last day of any fiscal quarter on the basis of the prior period of our four consecutive fiscal quarters. Pursuant to the Credit Agreement, we granted the Agent a security interest in substantially all of our and our subsidiary guarantors' assets. In November 2019, we borrowed an aggregate principal amount of $ 100. 0 million from the Term Loan A Facility. We also had outstanding letters of credit as of December 31, 2022 totaling $ 37. 7 million against the Revolving Credit Facility. See the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Senior Secured Term Loan A and Revolving Credit Facilities " elsewhere in this Annual Report. Our Credit Agreement matures on February 19, 2023, and we expect to repay the $ 80. 0 million balance outstanding under the Term Loan A Facility. While we may enter into a new credit agreement in the future, we currently have no other committed sources of financing, and we may not be able to obtain additional financing on terms favorable to us, if at all. See the risk factor below titled "~~ We may require additional capital to meet our financial obligations and support planned business growth, and this capital might not be available on acceptable terms or at all ~~. " As of December 31, 2022, we were in compliance with all of the covenants of the Credit Agreement. However, if we fail to comply with the covenants, make payments as specified in the Credit Agreement, or undergo any other event of default contained in the Credit Agreement, the Agent could declare an event of default, which would give it the right to terminate the commitments to provide additional loans and declare any borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. In addition, the Agent would have the right to proceed against the assets we provided as collateral pursuant to the Credit Agreement. If the outstanding debt under the Credit Agreement is accelerated, we may not have sufficient cash or be able to sell sufficient assets to repay it, which would harm our business and financial condition. When we borrowed pursuant to the Term Loan A Facility, we chose a variable interest rate based on the one- month U. S. dollar London Interbank Offered Rate (" LIBOR ") as the benchmark for establishing the applicable interest rate. If we borrow pursuant to the Revolving Credit Facility, we are permitted to choose LIBOR as the benchmark for establishing the applicable interest rate as well. LIBOR, which is calculated and published for various currencies and periods by the ICE Benchmark Administration Limited (" IBA "), is in the process of being phased out. The IBA has ceased publication of the one- week and two- month U. S. dollar LIBOR settings, and intends to cease publication of all other U. S. dollar LIBOR settings (including the one- month setting) after June 30, 2023. Accordingly, in the near future LIBOR will cease being a widely used benchmark interest rate. The current and any future reforms and other pressures may cause LIBOR to be replaced with a new benchmark or to perform differently than in the past, including during the transition period. Although our Credit Agreement will mature in February 2023 (before the cessation of the publication of the one- month U. S. dollar LIBOR setting), the consequences of the LIBOR developments cannot be entirely predicted and could have an adverse impact on the value of our LIBOR- linked financial obligations, such as an increase in the cost of our Credit Agreement indebtedness~~ . We intend to continue to make significant investments to support planned business growth and may require additional funds to respond to business challenges, including the need to develop new products and enhance our streaming platform, continue to expand the content on our platform, maintain adequate levels of inventory to support our retail partners' demand requirements, improve our operating infrastructure, or acquire complementary businesses, personnel, and technologies. Our primary uses of cash include operating costs such as personnel- related expenses and capital spending. Our future capital requirements may vary materially from those currently planned and will depend on many factors including our growth rate and the continuing market acceptance of our products and streaming platform, along with the timing and effort related to the introduction of new platform features, products, the hiring of experienced personnel, the expansion of sales and marketing activities, as well as overall economic conditions. We may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our then existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. Any debt financing we secure could involve additional 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. If we were to violate such restrictive covenants, we could incur penalties, increased expenses, and an acceleration of the payment terms of our outstanding debt, which could in turn harm our business. **In addition** ~~Our Credit Agreement matures on February 19, 2023. While we may enter into a new credit agreement in the future~~ , we currently have no **committed source of financing, and may need to obtain financing via a credit facility in the future. Any future credit agreements we may enter into could require a lien on our assets or contain financial covenants and** other ~~committed sources of~~ **restrictions that may limit our operational flexibility or otherwise adversely affect our** ~~financing~~ **financial condition** ~~, and we may not be able to obtain additional financing on terms favorable to us, if at all~~ . 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 may be harmed **. We maintain cash deposits in excess of federally insured limits. Adverse developments affecting financial institutions, including bank failures, could adversely affect our liquidity and financial performance. We maintain domestic cash deposits in Federal Deposit Insurance Corporation (" FDIC ") insured banks that exceed the FDIC insurance limits. We also maintain cash deposits in foreign banks where we operate, some of which are not insured or are only partially insured by the FDIC or similar agencies. Bank failures, events involving limited liquidity, defaults, non- performance, or other adverse developments that affect financial institutions, or concerns or rumors about such events, may lead to liquidity constraints. For example, in 2023, Silicon Valley Bank failed and was taken into receivership by the FDIC. The failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, could adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be**

backstopped by the U. S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions, or by acquisition in the event of a failure or liquidity crisis . Significant disruptions of our information technology systems or data security incidents could harm our reputation, cause us to modify our business practices, and otherwise adversely affect our business and subject us to liability. We are dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store, process, and transmit large amounts of sensitive corporate, personal, and other information, including intellectual property, proprietary business information, user payment card information, user video and audio recordings, other user information, employee information, and other confidential information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity, and availability of such information. Our obligations under applicable laws, regulations, contracts, industry standards, self- certifications, and other documentation may include maintaining the confidentiality, integrity, and availability of personal information in our possession or control, maintaining reasonable and appropriate security safeguards as part of an information security program, and ~~limits on~~ **complying with requirements regarding** the use or cross- border transfer of such personal information. These obligations create potential legal liability to regulators, our business partners, our users, and other relevant stakeholders and impact the attractiveness of our services to existing and potential users. We have outsourced certain elements of our operations (including elements of our information technology infrastructure) to third parties, or may have incorporated technology into our platform, that collects, processes, transmits, and stores our users' or others' personal information (such as payment card information and user video and audio recordings), and as a result, we manage a number of third- party vendors and other partners who may or could have access to our information technology systems (including our computer networks) or to our confidential information. In addition, many of those third parties in turn subcontract or outsource some of their responsibilities to third parties. As a result, our information technology systems, including the functions of third parties that are involved in or have access to those systems, are very large and complex. While all information technology operations are inherently vulnerable to inadvertent or intentional security breaches, incidents, attacks, and exposures, the size, complexity, accessibility, and distributed nature of our information technology systems, and the large amounts of sensitive or personal information stored on those systems, make such systems vulnerable to unintentional or malicious, internal, and external threats on our technology environment. Vulnerabilities can be **, and have been,** exploited from inadvertent or intentional actions of our employees, third- party vendors, business partners, or by malicious third parties. For example, despite our efforts to secure our information technology systems and the data contained in those systems, including our efforts to educate or train our employees, we and our third- party vendors have experienced, and remain vulnerable to, data security incidents, including data breaches, phishing attacks, ~~and~~ improper employee access **of confidential data, and inadvertent employee disclosure** of confidential data. Malicious attacks are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, " hacktivists, " nation states, and others. The **geopolitical conflicts stemming from the** Russian invasion of Ukraine and ~~resulting geopolitical conflict also~~ **the current unrest in the Middle East** have increased the risk of malicious attacks on information technology operations globally, including for companies headquartered in the United States **, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell, and distribute our devices and services** . Most of our employees now have a hybrid work schedule (consisting of both in- person work and working from home). Although we have implemented work from home protocols ~~and offer work- issued devices to employees~~ , the actions of our employees while working from home may have a greater effect on the security of our systems and the data we process, including by increasing the risk of compromise to our systems, intellectual property, or data arising from employees' combined use of personal and private devices, accessing our systems or data using wireless networks that we do not control, or the ability to transmit or store company- controlled data outside of our secured network. In addition to the threat of unauthorized access or acquisition of sensitive or personal information or intellectual property, other threats include the deployment of harmful malware, ransomware attacks, denial- of- service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information. Some of these external threats may be amplified by the nature of our third- party web hosting, cloud computing, or network- dependent streaming services or suppliers. Our systems regularly experience directed attacks that are intended to interrupt our operations; interrupt our users', content ~~publishers~~ **partners** ', and advertisers' ability to access our platform; extract money from us; or view or obtain our data (including without limitation user or employee personal information or proprietary information) or intellectual property. We cannot be certain that threat actors will not have a material impact on our systems or services in the future. Our safeguards intended to prevent or mitigate certain threats may not be sufficient to protect our information technology systems and data due to the developing sophistication and means of attack in the threat landscape as well as the impact that third- party vendors and third- party products may have on our cybersecurity. Recent developments in the threat landscape include an increased number of cyber extortion and ransomware attacks, with increases in the amount of ransom demands and the sophistication and variety of ransomware techniques and methodology. Ransomware or other cybersecurity attacks affecting our third- party vendors also may impact our ability to operate our business, such as when our information technology or human resources vendors experience an outage of their systems, which renders services to downstream customers unavailable. Additionally, our third- party vendors or business partners' information technology systems, or hardware / software provided by such third parties for use in our information technology systems, may be vulnerable to similar threats and our business could be affected by those or similar third- party relationships. Open **-** source software, which may be incorporated into our systems or products, inherently presents a large attack surface and may contain vulnerabilities of which we are not aware and which we cannot control or fully mitigate. ~~For example, the Apache Log4j vulnerability discovered in December 2021 can be exploited by remote code execution, which can allow a bad actor to steal data or take over our systems. We have taken steps to patch this vulnerability by~~

~~updating our relevant Apache software, but we, and the many other affected organizations, remain vulnerable in light of the widespread use of the Apache Log4j library and difficulty in identifying all instances of this library across an entire enterprise.~~ We cannot assure you that we will not be impacted by ~~this~~ **ransomware, cybersecurity attacks,** or other ~~similar~~ vulnerabilities in the future. We maintain insurance policies to cover certain losses relating to our information technology systems. However, there may be exceptions to our insurance coverage such that security incidents may not be covered by our insurance policies, and not all aspects of a security incident may be covered even where coverage exists. Insurance policies will also not protect against the reputational harms caused by a major security incident. Even where an incident is covered by our insurance, the insurance limits may not cover the costs of complete remediation and redress that we may be faced with in the wake of a security incident. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security, and availability of our network infrastructure to the satisfaction of our users, business partners, regulators, or other relevant stakeholders may harm our reputation and our ability to retain existing users and attract new users. Because of our prominence in the TV streaming industry, we believe we may be a particularly attractive target for threat actors. Any attempts by threat actors to disrupt our **streaming** platform, streaming devices, smart home products, website, computer systems, or mobile apps, if successful, could harm our business, subject us to liability, be expensive to remedy, cause harm to our systems and operations, and damage our reputation. Efforts to prevent threat actors from entering our computer systems or exploiting vulnerabilities in our products are expensive to implement and may not be effective in detecting or preventing intrusion or vulnerabilities. Such unauthorized access to our data could damage our reputation and our business and could expose us to the risk of contractual damages, litigation, and regulatory fines and penalties that could harm our business. The risk of harm to our business caused by security incidents may also increase as we expand our product and service offerings and as we enter into new markets. Implementing, maintaining, and updating security safeguards requires substantial resources now and will likely be an increasing and substantial cost in the future. Significant disruptions of our third- party vendors' or commercial partners' information technology systems or other similar data security incidents could adversely affect our business operations or result in the loss, misappropriation, or unauthorized access, use or disclosure of, or the prevention of access to, sensitive or personal information, which could harm our business. In addition, information technology system disruptions, whether from attacks on our technology environment or from computer viruses, natural disasters, terrorism, war, foreign invasions, and telecommunications and electrical failures, could result in a material disruption of our product development and our business operations. There is no way of knowing with certainty whether we have experienced any data security incidents that have not been discovered. While we have no reason to believe that we have experienced a data security incident that we have not discovered, attackers have become very sophisticated in the way they conceal their unauthorized access to systems, and many companies that have been attacked are not aware that they have been attacked. Any event that leads to unauthorized access, use, or disclosure of personal information, including but not limited to personal information regarding our users, could disrupt our business, harm our reputation, compel us to comply with applicable federal or state breach notification laws and foreign law equivalents, subject us to time **-** consuming, distracting, and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of database contents, or otherwise subject us to liability under laws, regulations, and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs to us and result in significant legal and financial exposure or reputational harm. For example, in the wake of a data breach involving payment card data, we may be subject to substantial penalties and related enforcement for failure to adhere to the technical or operational security requirements of the Payment Card Industry (" PCI ") Data Security Standards (" DSS ") imposed by the PCI Council to protect cardholder data. Penalties arising from PCI DSS enforcement are inherently uncertain as penalties may be imposed by various entities within the payment card processing chain without regard to any statutory or universally mandated framework. Such enforcement could threaten our relationship with our banks, card brands we do business with, and our third- party payment processors. In addition, any actual or perceived failure by us, our vendors, or our business partners to comply with our privacy, confidentiality, or data security-related legal or other obligations to third parties, or any further security incidents or other unauthorized access events that result in the unauthorized access, release, or transfer of sensitive information (which could include personal information), may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against us by advocacy groups or others, and could cause third parties, including current and potential partners, to lose trust in us (including existing or potential users' perceiving our platform, system, or networks as less desirable) or we could be subject to claims by third parties that we have breached our privacy- or confidentiality- related obligations, which could materially and adversely affect our business and prospects. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages. Moreover, data security incidents and other inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the type described above. While we have implemented security measures intended to protect our information technology systems and infrastructure, as well as the personal and proprietary information that we possess or control, there can be no assurance that such measures will successfully prevent service interruptions or further security incidents. Data protection laws around the world often require " reasonable, " " appropriate, " or " adequate " technical and organizational security measures, and the interpretation and application of those laws are often uncertain and evolving, and there can be no assurance that our security measures will be deemed adequate, appropriate, or reasonable by a regulator or court. Moreover, even security measures that are deemed appropriate, reasonable, or in accordance with applicable legal requirements may not be able to protect the information we maintain. In addition to potential fines, we could be subject to mandatory corrective action due to a data security incident, which could adversely affect our business operations and result in substantial costs and reputational harm. We and our service providers and partners collect, process, transmit, and store personal and confidential information, which creates legal obligations and exposes us to potential liability. We collect, process, transmit, and store personal or confidential information about our users (and their devices), other consumers, employees, job applicants and partners, and we rely on third- party service providers to collect, process, transmit, and store personal or confidential information (including our users' payment card data and video and audio recordings). We collect such information from individuals located both in the United States and abroad and may store or process such information outside the country in which it was collected. Further, we, our service providers and our business partners use tracking technologies, including cookies, device identifiers, and related technologies, to help us manage and track our users' interactions with our platform, devices, website, and partners' content ~~to~~ **and** deliver relevant advertising and personalized content for ourselves and on behalf of our partners on our products. We collect information about the interaction of users with our platform, devices, website, advertisements, and content ~~publishers~~ **partners** ' streaming ~~channels~~ **apps** . To deliver relevant advertisements effectively, we must successfully leverage this data, as well as data provided by third parties. Our ability to collect and use such data could be restricted by a number of factors, including users having the ability to refuse consent to or opt out from our, our service providers', or our advertising partners' collection and use of this data, restrictions imposed by advertisers, content ~~publishers~~ **partners** , licensors, and service providers, changes in technology, and developments in laws, regulations, and industry standards. For example, certain European Union (" EU ") laws and regulations prohibit access to or storage of information on a user' s device (such as cookies and similar technologies that we use for advertising) that is not " strictly necessary " to provide a user- requested service or used for the " sole purpose " of a transmission unless the user has provided consent, and users may choose not to provide this consent to collection of information which is used for advertising purposes. Additionally, certain device manufacturers or operating system providers may restrict the deployment of cookies and similar technologies, or otherwise restrict the collection of personal information through these or other tools, via our applications. Any restrictions on our ability to collect or use data could harm our ability to grow our revenue, particularly our platform revenue which depends on engaging the relevant recipients of advertising campaigns. Various federal, state, and foreign laws and regulations as well as industry standards and contractual obligations govern the collection, use, retention, protection, disclosure, cross- border transfer, localization, sharing, and security of the data we receive from and about our users, employees, and other individuals. The regulatory environment for the collection and use of personal information by device manufacturers, online service providers, content distributors, advertisers, and publishers is evolving in the United States and internationally. Privacy and consumer rights groups and government bodies (including the U. S. Federal Trade Commission (" FTC "), state attorneys general, the European Commission, European and UK data protection authorities, and the Brazilian national data protection authority), have increasingly scrutinized privacy issues with respect to devices that identify or are identifiable to a person (or household or device) and personal information collected through the internet, and we expect such scrutiny to continue to increase. The U. S. federal government, U. S. states, and foreign governments have enacted (or are considering) laws and regulations that could significantly restrict industry participants' ability to collect, use, and share personal information, such as by regulating the level of consumer notice and consent required before a company can place cookies or other tracking technologies **or collect categories of personal information deemed sensitive** . For example, the EU General Data Protection Regulation (" GDPR ") imposes detailed requirements related to the collection, storage, and use of personal information related to people located in the EU (or which is processed in the context of EU operations) and places ~~new~~ data protection obligations and restrictions on organizations, and may require us to make further changes to our policies and procedures in the future beyond what we have already done. In addition, in the wake of the United Kingdom' s withdrawal from the EU (" Brexit "), the United Kingdom has adopted a framework similar to the GDPR. The EU has recently confirmed that the UK data protection framework as being " adequate " to receive EU personal data. We are monitoring recent developments regarding amendments to the UK data protection framework and the impact this may have on our business. We will continue to monitor the implementation and evolution of data protection regulations, but if we are not compliant with data protection laws or regulations if and when implemented, we may be subject to significant fines and penalties (such as restrictions on personal information processing) and our business may be harmed. For example, under the GDPR, fines of up to **20 million euros or** 4 % of the annual global revenue of a noncompliant company **, whichever is higher** , as well as data processing restrictions, could be imposed for violation of certain of the GDPR' s requirements. Data protection laws continue to proliferate throughout the world and such laws likely apply to our business ~~. For example, Brazil' s General Data Protection Law (" LGPD ") came into effect in August 2020. The LGPD bears many substantive similarities to the GDPR such as extra- territorial reach, enhanced privacy rights for individuals, data transfer restrictions, and mandatory breach notification obligations. It carries penalties of up to 2 % of a company' s annual revenue in Brazil~~ . The U. S. data protection legal landscape also continues to evolve, with various states having enacted broad- based data privacy and protection legislation and with states and the federal government continuing to consider additional data privacy and protection legislation. The potential effects of this legislation are far-reaching and may require us to modify our data processing practices and policies and incur substantial costs and expenses in an effort to comply. For example, ~~effective October 2019, Nevada amended its existing Security of Personal Information Law (" SPI Law ") to require, among other things, that certain businesses provide a designated request address to intake requests from consumers to opt out of the sale of their personal data. Effective January 2020,~~ the California Consumer Privacy Act (" CCPA ") ~~gives California residents certain rights with respect to their personal information, such as rights to access, and require deletion of, their personal information, opt out of the sale of their personal information, and receive detailed information about how their personal information is used. The CCPA also~~ provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. The California Privacy Rights Act (" CPRA "), which **amended the CCPA and** ~~becomes~~ **became** effective on January 1, 2023 (with a " look- back " to January 1, 2022), ~~builds on the CCPA~~ and among other things, requires the establishment of a dedicated agency to regulate ~~consumer privacy issues~~ **and enforce the CCPA. Furthermore, rules governing new technological developments, such as developments in generative AI, remain unsettled. Several national and local governments have proposed or enacted measures related to the use of AI technologies in products and services. For example, in the EU, there is a proposed regulation related to AI that is proceeding towards adoption. If adopted, this regulation could impose new and substantial obligations related to the use of AI- related systems** . In ~~recent years~~ **the United States** , ~~Colorado~~ **there similarly is growing interest among federal** , ~~Connecticut~~ **state** , ~~Virginia,~~ and ~~Utah have~~ **local policymakers with respect to potential legislation, regulation and / or guidance to address perceived concerns with the rapid uptake of AI technologies. The rules and regulations** adopted **by policymakers over time** ~~laws introducing new privacy obligations for which we~~ may ~~need~~ **require us** to ~~take~~ **make changes** ~~additional steps~~ to ~~comply~~ **our business practices** . We are continuing to assess the impact of new and proposed data privacy and protection laws and proposed amendments to existing laws on our business. Among other things, such restrictions are likely to increase the number of users to whom we cannot serve targeted advertising, and are likely to restrict our ability to collect and process certain types of information deemed sensitive under these new laws. The Canadian province of Quebec has also recently enacted a data protection law, known as Bill 64, that may similarly restrict our data processing activities. In addition, each U. S. state and most U. S. territories, each EU member state, and the United Kingdom, as well as many other foreign nations, have passed laws requiring notification to regulatory authorities, affected users, or others within a specific timeframe when there has been a security breach involving, or other unauthorized access to or acquisition or disclosure of, certain personal information and impose additional obligations on companies. Additionally, our agreements with certain users or partners may require us to notify them in the event of a security breach. Such statutory and contractual disclosures are costly, could lead to negative publicity, may cause our users to lose confidence in the effectiveness of our security measures, and may require us to expend significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach. Compliance with these obligations could delay or impede the development of new products and may cause reputational harm. As part of our data protection compliance program, we have implemented data transfer mechanisms to provide for the transfer of personal information from the European Economic Area (the " EEA ") or the United Kingdom to the United States. ~~However, there are~~ **After a period of uncertainty concerning** certain **mechanisms for** ~~unsettled legal issues regarding the adequacy of~~ data transfers to the United States, **on** ~~the resolution of which may adversely affect our ability to transfer personal information from the EEA to the United States. On~~ July ~~16~~ **10** , ~~2020~~ **2023** ~~, the European Court of Justice ruled the EU- U. S. Privacy Shield to be an invalid data transfer mechanism, confirmed that the Model Clauses remain valid, and left unaddressed some issues regarding supplementary measures that may need to be taken to support transfers. On March 25, 2022~~ , the European Commission **adopted** ~~and U. S. government announced that~~ an **adequacy decision concerning** ~~agreement in principle on~~ a new framework for data transfers from the EEA to the United States ~~had been reached~~ , known as the EU- U. S. Data Privacy Framework (" EU- U. S. DPF ") **.** ~~, and that~~ **That** ~~this new framework should address the concerns raised in the 2020 European Court of Justice~~ decision ~~. On December 13, 2022, the European Commission released its draft adequacy decision on the EU- U. S. DPF, which, once formally adopted, would recognize~~ **recognizes** that the United States ensures an adequate level of protection for personal ~~data~~ **information** transferred from the ~~EU~~ **EEA** to organizations ~~certified under~~ **participating in** the EU- U. S. DPF. ~~Additional steps will need to be taken to formally adopt and implement this framework, however, and we are not yet able to predict precisely when or the degree to which it will provide a consistent mechanism for our data transfers between the two jurisdictions. In addition, in 2021, the European Commission published updated versions of the Model Clauses, which must be incorporated into new and existing agreements by no later than December 27, 2022 in order to continue to lawfully transfer personal information outside of the EEA.~~ The United Kingdom ~~published final versions of its own Model Clauses in February 2022. Updating agreements to incorporate~~ **has made a similar determination, providing a means by which data transfers may take place between** ~~these~~ -- **the U. S.** ~~new Model Clauses for the EEA~~ and **the** United Kingdom **. That framework is known** ~~has~~ - **as** ~~required, may in~~ the **UK Extension** ~~future require, significant time and resources~~ to ~~implement~~ **the EU- U. S. DPF** , ~~including through adjusting our operations, conducting requisite data transfer assessments,~~ and ~~revising our contracts~~ **it went into effect on October 12, 2023. Roku is currently evaluating participation in the EU- U. S. DPF and the UK Extension** . In addition, cloud service providers upon which our services depend are experiencing heightened scrutiny from EU regulators, which may lead to significant shifts or unavailability of cloud services to transfer personal information outside the EU, which may significantly impact our costs or ability to operate. We continue to assess the available regulatory guidance, determinations, and enforcement actions from EU Data Protection Authorities and the U. S. Department of Commerce on international data transfer compliance for companies, including guidance on specific supplementary measures in addition to the Model Clauses as well as specific data sharing that may be deemed a cross- border transfer for which appropriate safeguards must be implemented. Our ability to continue to transfer personal information outside of the EU may become significantly more costly and may subject us to increased scrutiny and liability under the GDPR or other legal frameworks, and we may experience operating disruptions if we are unable to conduct these transfers in the future. We will continue to review our business practices and may find it necessary or desirable to make changes to our personal information processing to cause our transfer and receipt of EEA residents' personal information to conform to applicable European law. The regulation of data privacy in the EU continues to evolve, and it is not possible to predict the ultimate effect of evolving data protection regulation and implementation over time. Member states also have some flexibility to supplement the GDPR with their own laws and regulations and may apply stricter requirements for certain data processing activities. In addition, some countries are considering or have enacted " data localization " laws requiring that user data regarding users in their respective countries be maintained, stored, or processed in their respective countries. Maintaining local data centers in individual countries could increase our operating costs significantly. We expect that, in addition to the " business as usual " costs of compliance, the evolving regulatory interpretation and enforcement of laws such as the GDPR and CPRA, as well as other domestic and foreign data protection laws, will lead to increased operational and compliance costs and will require us to continually monitor and, where necessary, make changes to our operations, policies, and procedures. Any failure or perceived failure to comply with privacy- related legal obligations, or any compromise of security of user data, may result in governmental enforcement actions, litigation, contractual indemnities, or public statements against us by consumer advocacy groups or others. In addition to potential liability, these events could harm our business. We publish privacy policies, notices, and other documentation regarding our collection, processing, use, and disclosure of personal information, credit card information, and other confidential information. Although we endeavor to comply with our published policies, certifications, and documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees, representatives, agents, vendors, or other third parties fail to comply with our published policies, certifications, and documentation. Such failures can subject us to potential international, local, state, and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. We have incurred, and will continue to incur, expenses to comply with privacy and security standards and protocols imposed by law, regulation, industry standards, and contractual obligations. Increased regulation of data collection, use, and security practices, including self- regulation and industry standards, changes in existing laws, enactment of new laws, increased enforcement activity, and changes in interpretation of laws, could increase our cost of compliance and operation, limit our ability to grow our business, or otherwise harm our business. Any significant disruption in our computer systems or those of third parties we utilize in our operations could result in a loss or degradation of service on our platform and could harm our business. We rely on the expertise of our engineering and software development teams as well as the teams of our service providers and partners for the performance and operation of the Roku OS, streaming platform, smart home products, and computer systems. For example, our smart home product line is reliant on (among other things) the engineering and software development teams and information technology systems of the service providers we use to assist in the design, manufacture, and maintenance of those products. Service interruptions, errors in our software, or the unavailability of computer systems used in our operations could diminish the overall attractiveness of our products and streaming platform to existing and potential users or otherwise disrupt our business. We utilize computer systems located either in our facilities or those of third- party server hosting providers and third- party internet- based or cloud computing services. Although we generally enter into service level agreements with these parties, we exercise no control over their operations, which makes us vulnerable to any errors, interruptions, or delays that they may experience. In the future, we may transition additional features of our services from our managed hosting systems to cloud computing services, which may require significant expenditures and engineering resources. If we are unable to manage such a transition effectively, we may experience a loss or degradation in services, operational delays, or inefficiencies until the transition is complete. Upon the expiration or termination of any of our agreements with third- party vendors, we may not be able to replace their services in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete. In addition, fires, floods, earthquakes, wars, foreign invasions, terrorist activity, power losses, telecommunications failures, break- ins, and similar events could damage these systems and hardware or cause them to fail completely. As we do not maintain entirely redundant systems, a disrupting event could result in prolonged downtime of our operations, products, or services, could result in liabilities to our customers or third parties, and could adversely affect our business. Our property insurance and cyber liability insurance may not be sufficient to fully cover our losses or may not cover a particular event at all. Any disruption in the services provided by these vendors could have adverse impacts on our business reputation, customer relations, and operating results. If any aspect of our computer systems or those of third parties we utilize in our operations fails, it may lead to downtime or slow processing time, either of which may harm the experience of our users. We have experienced, and may in the future experience, service disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, and capacity constraints. We expect to continue to invest in our technology infrastructure to maintain and improve the user experience and platform performance. To the extent that we or our third- party service hosting providers do not effectively address capacity constraints, upgrade or patch systems as needed, and continually develop technology and network architecture to accommodate increasingly complex services and functions, increasing numbers of users, and actual and anticipated changes in technology, our business may be harmed. Changes in how network operators manage data that travel across their networks could harm our business. Our business relies upon the ability of our users to access high- quality streaming content through the internet. As a result, the growth of our business depends on our users' ability to obtain and maintain high- speed access to the internet at reasonable cost, which relies in part on internet service network operators' continuing willingness to upgrade and maintain their equipment as needed to sustain a robust internet infrastructure as well as their continued willingness to preserve the open and interconnected nature of the internet. We exercise no control over network operators, which makes us vulnerable to any errors, disruptions, or delays in their operations, as well as any decision they may make to prioritize the delivery of certain network traffic at the expense of other traffic. Any material disruption or degradation in internet services could harm our business. To the extent that the number of internet users continues to increase, network congestion could adversely affect the reliability of our streaming platform. We may also face increased costs of doing business, or decreased demand for our services, if network operators engage in discriminatory practices with respect to streamed video content in an effort to monetize access to their networks or customers by data providers. Certain laws intended to prevent network operators from engaging in discriminatory practices with respect to streaming video content have been implemented in many countries, including in the EU. In other countries, laws in this area may be nascent or non- existent. Furthermore, favorable laws may change. Given the uncertainty around these laws and the rules that implement them, including changing interpretations, amendments, or repeal, coupled with potentially significant political and economic power of network operators, we could experience discriminatory or anti- competitive practices, such as usage- based pricing, bandwidth caps, zero rating of competing services by ISPs, and traffic " shaping " or throttling, that could impede our growth, result in a decline in our quality of service, cause us to incur additional expense, or otherwise impair our ability to attract and retain users, all of which could harm our business. In addition, most network operators that provide ~~consumers~~ **users** with access to the internet also offer ~~consumers~~ **users** multichannel video programming, and some network operators also own streaming services. These network operators have an incentive to use their network infrastructure in a manner adverse to the continued growth and success of other companies seeking to distribute similar video programming. To the extent that network operators are able to provide preferential treatment to their own data and content, as opposed to ours, our business could be harmed. Litigation and claims regarding intellectual property rights could result in the loss of rights important to our products and streaming platform, cause us to incur significant legal costs, or otherwise harm our business. Some internet, technology, and media companies, including some of our competitors, own large numbers of patents, copyrights, and trademarks, which they may use to assert claims against us. Third parties have asserted, and may in the future assert, that we have infringed, misappropriated, or otherwise violated their intellectual property rights. As we grow and face increasing competition, the possibility of intellectual property rights claims against us will grow. Plaintiffs who have no relevant product revenue may not be deterred by our own issued patents and pending patent applications in bringing intellectual property rights claims against us **and may seek to challenge the validity or enforceability of our own patents and patents applications** . The cost of patent litigation or other proceedings, even if resolved in our favor, has been and is expected to be substantial. Some of our competitors may be better able to sustain the costs of such litigation or proceedings because of their substantially greater financial resources. Patent litigation and other proceedings may also require significant management time and divert management' s attention from our other business concerns **or otherwise adversely affect our business and operating results** . Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could harm our business. As a result of intellectual property infringement claims, or to avoid potential claims, we may choose or be required to seek licenses from third parties. These licenses may not be available on commercially reasonable terms, or at all **, thereby hindering our ability to sell or use the relevant technology, or requiring redesign of the allegedly infringing solutions to avoid infringement, which could be costly, time - consuming, or impossible** . Even if we are able to obtain a license, the license would likely obligate us to pay license fees or royalties or both, and the rights granted to us might be nonexclusive, with the potential for our competitors to gain access to the same intellectual property. In addition, the rights that we secure under intellectual property licenses may not include rights to all of the intellectual property owned or controlled by the licensor, and the scope of the licenses granted to us may not include rights covering all of the products and services provided by us and our licensees. Furthermore, an adverse outcome of a dispute may require us to: pay damages, potentially including treble damages and attorneys' fees, if we are found to have willfully infringed a party' s intellectual property; cease making, licensing, or using technologies that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our products; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials; and indemnify our partners and other third parties. For example, we have in the past elected to develop and implement specific design changes to address potential risks that certain products could otherwise become subject to exclusion or cease and desist orders arising from patent infringement and other intellectual property claims brought in the U. S. International Trade Commission. In addition, any lawsuits regarding intellectual property rights, regardless of their success, could be expensive to resolve and would divert the time and attention of our management and technical personnel. If we fail to, or are unable to, protect or enforce our intellectual property or proprietary rights, our business and operating results could be harmed. We regard the protection of our patents, trade secrets, copyrights, trademarks, trade dress, domain names, and other intellectual property or proprietary rights as critical to our success. We strive to protect our intellectual property rights by relying on federal, state, and common law rights, as well as contractual restrictions. We seek to protect our confidential proprietary information, in part, by entering into confidentiality agreements and invention assignment agreements with all of our employees, consultants, contractors, advisors, and any third parties who have access to our proprietary know- how, information, or technology. However, we cannot be certain that we have executed such agreements with all parties who may have helped to develop our intellectual property or who had access to our proprietary information, nor can we be certain that our agreements will not be breached. Any party with whom we have executed such an agreement could potentially breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to **discover such breaches, and if we do, we may not be able to** obtain adequate remedies for such breaches. We cannot guarantee that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Detecting the disclosure or misappropriation of a trade secret and enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, time- consuming, and could result in substantial costs, and the outcome of such a claim is unpredictable. Further, the laws of certain foreign countries do not provide the same level of protection of corporate proprietary information and assets such as intellectual property, trademarks, trade secrets, know- how, and records as the laws of the United States. For instance, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection. As a result, we may encounter significant problems in protecting and defending our intellectual property or proprietary rights abroad. Additionally, we may also be exposed to material risks of theft or unauthorized reverse engineering of our proprietary information and other intellectual property, including technical data, manufacturing processes, data sets, or other sensitive information. Our efforts to enforce our intellectual property rights in such foreign countries may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop, which could have a material adverse effect on our business, financial condition, and results of operations. Moreover, if we are unable to prevent the disclosure of our trade secrets to third parties, or if our competitors independently develop any of our trade secrets, we may not be able to establish or maintain a competitive advantage in our market, which could harm our business. **There can be no assurance that the particular forms of intellectual property protection that we seek,**

including business decisions about when to file patents and when to maintain trade secrets, will be adequate to protect our business. We have filed and will in the future file patent applications on inventions that we deem to be innovative. There is no guarantee that our patent applications will issue as granted patents, that the scope of the protection gained will be sufficient or that an issued patent may subsequently be deemed invalid or unenforceable. U. S. patent laws, and the scope of coverage afforded by them, have ~~recently~~ been subject to significant changes, such as the change to " first- to- file " from " first- to- invent " resulting from the Leahy- Smith America Invents Act. This change in the determination of inventorship may result in inventors and companies having to file patent applications more frequently to preserve rights in their inventions, which may favor larger competitors that have the resources to file more patent applications. Another change to the patent laws may incentivize third parties to challenge any issued patent in the United States Patent and Trademark Office (" USPTO "), as opposed to having to bring such an action in U. S. federal court **. Foreign patent laws may also continue to develop and significantly impact our ability to protect or maintain our intellectual property** . Any invalidation of a patent claim could have a significant impact on our ability to protect the innovations contained within our products and platform and could harm our business. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other provisions to maintain patent applications and issued patents. We may fail to take the necessary actions and pay the applicable fees to obtain or maintain our patents. Noncompliance with these requirements can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to use our technologies and enter the market earlier than would otherwise have been the case. We pursue the registration of our domain names, trademarks, and service marks in the United States and in certain locations outside the United States. We are seeking to protect our trademarks, patents, and domain names in an increasing number of jurisdictions, a process that is expensive and time- consuming and may not be successful or which we may not pursue in every jurisdiction in which we conduct business. **Despite the cost and time we spend monitoring, we may or may not be able to detect infringement by third parties. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all.** In particular, our actions to monitor and enforce our trademarks against third parties may not prevent counterfeit versions of our products or products bearing confusingly similar trademarks to ours from entering the marketplace, which could divert sales from us, tarnish our reputation, or reduce the demand for our products. **In some circumstances, we may choose to not pursue enforcement because an infringer has a dominant intellectual property position or for other business reasons.** Litigation may be necessary to enforce our intellectual property or proprietary rights, protect our trade secrets, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity, or diversion of management and technical resources, any of which could adversely affect our business and operating results. If we fail to maintain, protect, and enhance our intellectual property or proprietary rights, our business may be harmed. Our use of open **-** source software could impose limitations on our ability to commercialize our products and our streaming platform or could result in public disclosure of competitively sensitive trade secrets. We incorporate open **-** source software in our proprietary software. From time to time, companies that have incorporated open **-** source software into their products and services have faced claims challenging the ownership of certain open **-** source software or compliance with open **-** source software license terms. Therefore, we could be subject to similar suits by parties claiming ownership of what we believe to be open **-** source software or our noncompliance with the open **-** source software license terms. Although we have processes and procedures designed to help monitor our use of open **-** source software, these processes and procedures may not be followed appropriately or may fail to identify risks. Additionally, the terms of many open **-** source software licenses have not been interpreted by U. S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our products or technology or impose unanticipated obligations that could require the disclosure of trade secrets. **Some open - source software is governed by licenses containing conditions that any person who distributes or uses a modification or derivative work of software that was subject to an open - source license make the modified version subject to the same open - source license. Distributing or using software that is subject to this kind of open - source license can lead to a requirement that certain aspects of our solutions be distributed or made available in source code form.** In such event, we could be required to make portions of our proprietary software generally available under similar open **-** source software license terms to third parties, including competitors, at **low or** no cost, to seek licenses from third parties in order to continue offering our products, to re- engineer our products, or to discontinue the sale of our products in the event re- engineering cannot be accomplished on a timely basis or at all, any of which could harm our business. **Further, use of open - source software can involve greater risks than those associated with use of third - party commercial software, as open - source licensors generally do not provide warranties, assurances of title, performance, non - infringement, or controls on the origin of the software. Open - source software typically lacks support, and authors of such open - source software may abandon further development and maintenance. Open - source software may contain security vulnerabilities and other liabilities, and we may be subject to additional security risk by using open - source software. We have established processes to help alleviate these risks, but there can be no assurance that these processes will alleviate all risks with the open - source software we incorporate.** Under our agreements with many of our content ~~publishers~~ **partners** , licensees, distributors, retailers, contract manufacturers, and suppliers, we are required to provide indemnification in the event our technology is alleged to infringe upon the intellectual property rights of third parties. In certain of our agreements we indemnify our content ~~publishers~~ **partners** , licensees, distributors, retailers, manufacturing partners, and suppliers. We have in the past, and may in the future, incur significant expenses defending these partners if they are sued for patent **or other property** infringement based on allegations related to our technology. If a partner were to lose a lawsuit and in turn seek indemnification from us, we also could be subject to significant monetary liabilities. In addition, because the devices sold by our licensing partners and licensed Roku TV partners often involve the use of third- party technology, this increases our exposure to litigation in circumstances where there is a claim of infringement asserted against the streaming device in question, even if the claim does not pertain to our technology. Liability under our indemnification commitments may not be contractually limited. Macroeconomic uncertainties have in the past and may continue to adversely impact our business, results of operations, and financial condition. ~~Global economic and business activities continue to face widespread macroeconomic~~ **Macroeconomic** uncertainties, including increased inflation and interest rates, recessionary fears, financial and credit market fluctuations, changes in economic policy, **bank failures, labor disputes,** the ~~prolonged~~ COVID- 19 pandemic, and global supply chain constraints ~~. Such macroeconomic uncertainties~~ **have in the past, and** may continue ~~for an extended period and have adversely impacted, and may continue~~ to **,** adversely impact ~~,~~ many aspects of our business. **For example** ~~Our business has been~~ , ~~and may continue to be, impacted by the COVID- 19 pandemic and resulting economic consequences. While we saw an acceleration in both streaming hours~~ -- **our** ~~and account activations at the beginning of the COVID- 19 pandemic, more recently, we believe this growth has declined. In 2022, global supply chain disruptions resulted in shipping delays, increased shipping costs, component shortages, and increases in component prices, and some of our licensed Roku TV partners faced inventory challenges that negatively impacted their unit sales. Our~~ business is dependent on consumer discretionary spending and advertising spending, both of which are susceptible to changes in macroeconomic conditions, such as growing inflation, rising interest rates, recessionary fears, and economic uncertainty. Sustained or worsening inflation or an economic downturn may result in fewer consumer purchases of our products or the products of our licensed Roku TV partners (which could impact our ~~active~~ **Active** ~~account~~ **Account** growth) and reduced advertising spending (which could impact our monetization efforts). **We believe** ~~Some of our~~ advertising ~~verticals~~ **budgets in a variety of industries** have ~~experienced supply chain disruptions that negatively impacted their product availability~~ **been pressured by factors such as inflation, rising interest rates, and related market uncertainty** , which **has led to reduced** ~~, together with inflation and other macroeconomic factors, have resulted in advertisers~~ - **advertiser** ~~reducing their overall advertising spend~~ **spending , which has adversely affected our platform revenue** . ~~If this~~ **Any continued** pullback in consumer discretionary spending ~~and~~ **or** advertising spending ~~continues,~~ **could adversely affect** our future operating results ~~will be~~ **. In addition, a significant reduction in the supply of original entertainment content, including as a result of macroeconomic factors or labor disputes (such as the 2023 strikes called by the Writers Guild of America and SAG - AFTRA), could in turn reduce the demand for advertising and media and entertainment promotional spending campaigns on our platform, and have a material** ~~adversely~~ -- **adverse** ~~affected~~ **effect on our growth in Active Accounts and Streaming Hours or negatively impact our results of operations** . The extent to which macroeconomic uncertainties may continue to impact our operational and financial performance remains uncertain and will depend on many factors outside our control. These direct and indirect impacts may negatively affect our business and operating results. Natural disasters, geopolitical conflicts, or other natural or man- made catastrophic events could disrupt and impact our business. Occurrence of any catastrophic event, including an earthquake, flood, tsunami, or other weather event, power loss, internet failure, software or hardware malfunctions, cyber attack, war or foreign invasion (such as the Russian invasion of Ukraine **and the Israel- Hamas war**), terrorist attack **and other geopolitical conflicts (such as Yemen' s Houthi attacks in the Red Sea)** , medical epidemic or pandemic (such as the COVID- 19 pandemic), **government shutdown orders,** other man- made disasters, or other catastrophic events could disrupt our **, our business partners' and customers'** business operations **or result in disruptions in the broader global economic environment** . Any of these business disruptions could require substantial expenditures and recovery time in order to fully resume operations. In particular, our principal offices are located in California, and our contract manufacturers and some of our suppliers are located in Asia, both of which are regions known for seismic activity, making our operations in these areas vulnerable to natural disasters or other business disruptions in these areas. Our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster. In addition, our offices and facilities, and those of our contract manufacturers, suppliers, and licensed Roku TV partners, could be vulnerable to the effects of climate change (such as sea level rise, drought, flooding, wildfires, and increased storm severity) that could disrupt our business operations. For example, in California, increasing intensity of drought and annual periods of wildfire danger increase the probability of planned power outages. Further, acts of terrorism could cause disruptions to the internet or the economy as a whole. If our streaming platform was to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver streaming content, including advertising, to our users would be impaired. Disruptions in the operations of our contract manufacturers, suppliers, or licensed Roku TV partners as a result of a disaster or other catastrophic event could delay the manufacture and shipment of our products or the products of our licensed Roku TV partners, which could impact our business. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a **natural** disaster or other catastrophic event and to execute successfully on those plans in the event of a disaster or catastrophic event, our business would be harmed. If government regulations or laws relating to the internet, video, advertising, or other areas of our business change, we may need to alter the manner in which we conduct our business, or our business could be harmed. We are subject to or affected by general business regulations and laws, as well as regulations and laws specific to the internet and online services, including laws and regulations related to data privacy and security, consumer protection, data localization, law enforcement access to data, encryption, telecommunications, social media, payment processing, taxation, trade, intellectual property, competition, electronic contracts, internet access, net neutrality, advertising, calling and texting, content restrictions, protection of children, and accessibility, among others. We cannot guarantee that we have been or will be fully compliant in every jurisdiction. Litigation and regulatory proceedings are inherently uncertain, and the federal, state, and foreign laws and regulations governing issues such as data privacy and security, payment processing, taxation, net neutrality, liability of providers of online services, video, telecommunications, e- commerce tariffs, and consumer protection related to the internet continue to develop. Moreover, as internet commerce and advertising continue to evolve, increasing regulation by federal, state, and foreign regulatory authorities becomes more likely. As we develop new services and devices and improve our streaming platform, we may also be subject to new laws and regulations specific to such technologies. For example, in developing the reference design of TVs powered by **the** Roku OS, we were required to understand, address, and comply with an evolving regulatory framework for developing, manufacturing, marketing, and selling TVs. If we fail to adequately address or comply with such regulations regarding the manufacture and sale of TVs, we may be subject to fines or sanctions, and we or our licensed Roku TV partners may be unable to sell TVs powered by **the** Roku OS at all, which could harm our business and our ability to grow our user base. Laws relating to data privacy and security, data localization, law enforcement access to data, encryption, consumer protection, children' s online protection, and similar activities continue to proliferate, often with little harmonization between jurisdictions and limited guidance. A number of bills are pending in the U. S. Congress and other government bodies that contain provisions that would regulate, for example, how companies can use cookies and other tracking technologies to collect, use, and share user information. Certain state laws, such as the CCPA, the CPRA, and the Virginia Consumer Data Protection Act, also impose requirements on certain tracking activity. The EU has laws requiring advertisers or companies like ours to, for example, obtain unambiguous, affirmative consent from users for the placement of cookies or other tracking technologies and the delivery of relevant advertisements. In addition, the EU has adopted the Digital Services Act, which is legislation that updates the liability and safety rules for digital platforms, products, and services. ~~If~~ **The EU also recently adopted the Data Act, which seeks to enhance interoperability and facilitate data sharing and reuse across products and services. Regulatory investigations and enforcement actions could also impact our business operations. For example, we and other companies in the media, entertainment, and advertising technology industries have been subject to government investigation by regulatory bodies with regard to our compliance with data privacy and security laws. Advocacy organizations have also filed complaints with data protection authorities against businesses with streaming apps and advertising technology, arguing that certain of these companies' practices do not comply with the CCPA or other regulations. Such investigations or enforcement actions may require us to alter our practices. Further, if** we or the third parties that we work with, such as contract payment processing services, content ~~publishers~~ **partners** , vendors, or developers, violate or are alleged to violate applicable privacy or security laws **, laws concerning access to data** , industry standards, our contractual obligations, or our policies, such violations and alleged violations may also put our users' information at risk and could in turn harm our business and reputation and subject us to potential liability. Any of these consequences could cause our users, advertisers, or ~~publishers~~ **content partners** to lose trust in us, which could harm our business. Furthermore, any failure on our part to comply with these laws may subject us to liability and reputational harm. Our use of data to deliver relevant advertising and other services on our platform places us and our content ~~publishers~~ **partners** at risk for claims under various unsettled laws, including the Video Privacy Protection Act (" VPPA "). Some of our content ~~publishers~~ **partners** have been engaged in litigation over alleged violations of the VPPA relating to activities on our platform in connection with advertising provided by unrelated third parties. In addition, **in 2019,** the FTC ~~has~~ initiated a review of its rules implementing the Children' s Online Privacy Protection Act (" COPPA "), which limits the collection by operators of online services of personal information from children under the age of 13. **Following this review, in December 2023, the FTC issued a formal Notice of Proposed Rulemaking that proposes specific revisions to the COPPA rule and seeks additional public input. Among other topics, the FTC has proposed rule changes that would prohibit targeted advertising to children absent express opt- in consent from parents, strengthen data security requirements for children' s personal information, and limit the period during which children' s personal information can be retained.** The review **has not been concluded and** could result in broadening the applicability of COPPA **and** ~~, including the~~ **other changes** ~~types of information that are subject to these regulations~~ . There have also been proposals in the U. S. Congress to amend and expand COPPA. Changes to the COPPA legislation or rules could limit the information that we or our content ~~publishers~~ **partners** and advertisers may collect and use and the content of advertisements in relation to certain ~~channel~~ **app** partner content. The CPRA and certain other state privacy laws also impose certain opt in and opt out requirements before certain information about minors can be collected. **California also has adopted a new law known as the Age Appropriate Design Code Act, which has a stated purpose of protecting " the well being, data, and privacy of children using online platforms. " A federal district court in California granted a preliminary injunction preventing that law from going into effect during the pendency of litigation challenging it on constitutional grounds, and the California Attorney General has since asked a federal appeals court to lift that injunction. At the same time, since adoption of the California law, similar legislation has been introduced for consideration in other U. S. states.** The EU and many of its member states, among other jurisdictions, also have rules that limit processing of personal ~~data~~ **information** , including children' s data, and that impose specific requirements intended to protect children online. We and our content ~~publishers~~ **partners** and advertisers could be at risk for violation or alleged violation of these and other privacy, advertising, children' s online protection, or similar laws. Changes in U. S. or foreign trade policies, geopolitical conditions, general economic conditions, and other factors beyond our control may adversely impact our business and operating results. Our business is subject to risks generally associated with doing business abroad, such as U. S. and foreign governmental regulation in the countries in which we operate and the countries in which our contract manufacturers, component suppliers, and other business partners are located. Our operations and performance depend significantly on global, regional, and U. S. economic and geopolitical conditions. For example, tensions between the United States and China have led to the United States' imposition of a series of tariffs, sanctions, and other restrictions on imports from China and sourcing from certain Chinese persons or entities, as well as other business restrictions. ~~Additionally, following~~ **Following** Russia' s invasion of Ukraine, the United States and other countries imposed economic sanctions and severe export control restrictions against Russia and Belarus, and the United States and other countries could impose wider sanctions and export restrictions and take other actions should the conflict further escalate. **In addition, the effects of Brexit on EU- UK political, trade, economic, and diplomatic relations continue to be uncertain and such impact may not be fully realized for several years or more. Continued uncertainty and friction may result in regulatory, operational, and cost challenges to our international operations.** These and other **trade disputes,** geopolitical tensions ~~and~~

~~trade disputes~~ **, or political uncertainty** can disrupt supply chains and increase the cost of our **and our partners'** products ~~and the components required to manufacture our products~~ , ~~as well as costs for our licensed Roku TV partners. This could cause our products~~ and ~~those of our licensed Roku TV partners to be more expensive for consumers, which could reduce the demand for or attractiveness of such products. In addition, a geopolitical conflict in a region where we operate could disrupt our ability to conduct business operations in that region. Beyond tariffs and sanctions, countries also could adopt other measures, such as controls on imports or exports of goods, technology, or data, which could adversely affect our operations and supply chain and limit our ability to offer our products and services as intended. These kinds of restrictions could be adopted with little to no advanced notice, and we may not be able to effectively mitigate the adverse impacts from such measures. Political uncertainty surrounding trade or other international disputes also could~~ have a negative impact on consumer confidence ~~and willingness to spend money~~ , which could impair our future growth ~~. In particular, given the general deterioration in U. S.- China relations~~ and **adversely affect** ~~ongoing tensions on trade, security, and human rights, additional U. S. sanctions, tariffs, and export or~~ **our** ~~import restrictions, as well as Chinese sanctions or retaliatory measures, remain a serious risk. We cannot predict whether new~~ international ~~trade agreements will be negotiated or existing trade agreements renegotiated; whether new trade or tariff actions will be announced by the Biden Administration with other U. S. trading partners; or the effect that any such action would have, either positively or negatively, on our industry or our business or licensees. If any new legislation or regulations are implemented, or if existing trade agreements are renegotiated or terminated, or if tariffs are imposed on foreign- sourced or U. S. goods, it may be inefficient and expensive for us to alter our business~~ operations ~~in order to adapt to or comply with such changes~~ , ~~and higher prices could depress consumer demand. Such operational changes could have a material adverse effect on our~~ business, financial condition, **and** results of operations ~~, or cash flows~~ . Also, various countries, in addition to the United States, regulate the import and export of certain products, commodities, software, and technology, including through import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products or collaborate on technology with our commercial or strategic partners, or could limit the ability of our commercial or strategic partners to implement our products in those countries. Changes in our products or future changes in export and import regulations may create delays in the introduction of our products in international markets, disrupt supply chains, prevent our commercial or strategic partners with international operations from deploying our products globally, or, in some cases, prevent the export or import of our products to certain countries, governments, or persons altogether. Any changes in U. S. or foreign export or import regulations, customs duties, or other restrictions on intangible goods (such as cross- border data flows) could result in decreased use of our products by, or in our decreased ability to export or sell our products and services to, existing or new customers in U. S. or international markets or hamper our ability to source products, components, and parts from certain suppliers or lead to potential supply chain disruptions and business or reputational harms. Any decreased use of our products or limitation on our ability to export, import, or sell our products or services, or source parts or components, could harm our business. Although we attempt to ensure that we, our retailers, and partners comply with the applicable import, export, and sanctions laws, we cannot guarantee full compliance by all. Actions of our retailers and partners are not within our complete control, and our products could be re- exported to sanctioned persons or countries, or provided by our retailers to third persons in contravention of our requirements or instructions or the laws. In addition, there are inherent limitations to the effectiveness of any policies, procedures and internal controls relating to such compliance, and there can be no assurance that such procedures or internal controls will work effectively at all times or protect us against liability under anti- corruption, sanctions or other laws for actions taken by us, our retailers or partners. Any such potential violation **by us, our retailers, or our partners** could have negative consequences, including government investigations **, enforcement actions, monetary fines,** or **civil and / or criminal** penalties, and our reputation, brand, and revenue may be harmed ~~. In addition, the effects of the United Kingdom' s departure from the EU have been and are expected to continue to be far- reaching. Brexit and the perceptions as to its impact may adversely affect business activity and economic conditions. Brexit could also have the effect of disrupting the free movement of goods, services, and people between the United Kingdom and the EU, and some disruptions have already occurred. Brexit could also lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which EU laws to replace or replicate. Although the EU- UK Trade and Cooperation Agreement on the EU- UK post- Brexit economic relationship took effect on January 1, 2021, it is incomplete, and the full effects of Brexit are uncertain. Given these possibilities and others we may not anticipate, as well as the lack of comparable precedent, the full extent to which our business, results of operations, and financial condition could be adversely affected by Brexit is uncertain~~ . U. S. or international rules (or the absence of rules) that permit internet access network operators to degrade users' internet speeds or limit internet data consumption by users, including unreasonable discrimination in the provision of broadband internet access services, could harm our business. Our products and services depend on the ability of our users to access the internet. **We believe that the continued growth of streaming as an entertainment alternative will depend on the availability and growth of cost- effective broadband internet access (including mobile broadband internet access), the quality and reliability of broadband content delivery, and broadband service providers' ability to control the delivery speed of different content traveling on their networks.** Laws, regulations, or court rulings that adversely affect the popularity or growth in use of the internet, including decisions that undermine open and neutrally administered internet access, or that disincentivize internet access network operators' willingness to invest in upgrades and maintenance of their equipment, could decrease customer demand for our service offerings, may impose additional burdens on us, or could cause us to incur additional expenses or alter our business model. Some jurisdictions have adopted regulations governing the provision of internet access service. Substantial uncertainty exists in the United States and elsewhere regarding such provisions. For example, in 2015, the FCC adopted open internet rules to prevent internet access network operators from unreasonably restricting, blocking, degrading, or charging for access to certain products and services offered by us and our content partners. In 2018, the FCC repealed most of those rules. ~~More recently~~ **In September 2023** , ~~the Biden Administration signed an executive order encouraging~~ the FCC **formally proposed** to ~~readopt~~

~~comprehensive~~ **restore the 2015** open internet rules ~~. The~~ **and re- establish the** FCC **’ s role in overseeing broadband providers** ~~therefore could consider adopting additional or modified rules to prevent internet access network operators from unreasonably restricting~~ , ~~blocking, degrading, or charging for data and services~~ **although some representatives of broadband providers have already stated that they may challenge such a decision in court** . If network operators were to engage in restricting, blocking, degrading, or charging for access, it could impede our growth, result in a decline in our quality of service, cause us to incur additional expense, or otherwise impair our ability to attract and retain users, any of which could harm our business. Several states and foreign countries in which we operate also have adopted or are considering rules governing the provision of internet access **. In addition, in some jurisdictions (including the United States), network operators are pursuing proposals that would require or enable them to impose fees on content providers related to delivery of network traffic** . As we expand internationally, government regulation protecting the non- discriminatory provision of internet access may be nascent or non- existent. In those markets where regulatory safeguards against unreasonable discrimination are nascent or non- existent and where local network operators possess substantial market power, we could experience anti- competitive practices that could impede our growth, cause us to incur additional expenses, or otherwise harm our business. Future regulations or changes in laws and regulations (or their existing interpretations or applications) could also hinder our operational flexibility, raise compliance costs, and result in additional liabilities for us, which may harm our business. If we are found liable for content that is distributed through or advertising that is served through our platform, our business could be harmed. As a distributor of content, we face potential liability for negligence, copyright, patent, or trademark infringement, public performance royalties or other claims based on the nature and content of materials that we distribute. We rely on the statutory safe harbors, as set forth in the Digital Millennium Copyright Act (the “ DMCA ”), Section 230 of the Communications Decency Act (“ Section 230 ”) in the United States, and the E- Commerce Directive in Europe, for protection against liability for various caching, hosting, and linking activities. The DMCA, Section 230, and similar statutes and doctrines on which we rely or may rely in the future are subject to uncertain judicial interpretation and regulatory and legislative amendments. Any legislation or court rulings that limit the applicability of these safe harbors could require us to take a different approach toward content moderation on our platform, which could diminish the depth, breadth, and variety of content that we offer, inhibit our ability to generate advertising, or otherwise adversely affect our business. Moreover, if the rules around these statutes and doctrines change, if international jurisdictions refuse to apply similar protections, or if a court were to disagree with our application of those rules to our business, we could incur liabilities and our business could be harmed. If we become liable for these types of claims as a result of the content that is streamed over or the advertisements that are served through our platform, then our business may suffer. Litigation to defend these claims could be costly and the expenses and damages arising from any liability could harm our business. Our insurance may not be adequate to cover these types of claims or any liability that may be imposed on us. In addition, regardless of any legal protections that may limit our liability for the actions of third parties, we may be adversely impacted if copyright holders assert claims, or commence litigation, alleging copyright infringement against the developers of ~~channels~~ **apps** that are distributed on our platform. While our platform policies prohibit streaming content on our platform without distribution rights from the copyright holder, and we maintain processes and systems for the reporting and removal of infringing content, in certain instances our platform has been misused by unaffiliated third parties to unlawfully distribute copyrighted content. If content owners or distributors are deterred from working with us as a consequence, it could impair our ability to maintain or expand our business, including through international expansion plans. If we fail to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and our stock price may be adversely affected. We are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes- Oxley Act of 2002 (“ Section 404 ”) requires that we furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment must include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm also attests to the effectiveness of our internal control over financial reporting. If we have a material weakness in our internal control over financial reporting in the future, we may not detect errors on a timely basis, and our financial statements may be materially misstated. If we identify material weaknesses in our internal control over financial reporting, are unable to continue to comply with the requirements of Section 404 in a timely manner, are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our Class A common stock could be adversely affected. In addition, we could become subject to investigations by the SEC, The Nasdaq Global Select Market, or other regulatory authorities, which could require additional financial and management resources. Our financial results may be adversely affected by changes in accounting principles applicable to us. ~~U. S. GAAP~~ **The generally accepted accounting principles in the United States** are subject to interpretation by the Financial Accounting Standards Board, the SEC, and other bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. It is difficult to predict the impact of future changes to accounting principles or our accounting policies, any of which could harm our business. If we fail to comply with the laws and regulations relating to the payment of income taxes and the collection of indirect taxes, we could be exposed to unexpected costs, expenses, penalties, and fees as a result of our noncompliance, which could harm our business. We are subject to requirements to deduct or withhold income taxes on revenue sourced in various jurisdictions, pay income taxes on profits earned by any permanent establishment (or similar enterprise) of ours that carries on business in various jurisdictions, and collect indirect taxes from our sales in various jurisdictions. The laws and regulations governing the withholding and payment of income taxes and the collection of indirect taxes are numerous, complex, and vary by jurisdiction. A successful assertion by one or more jurisdictions that we were required to withhold or pay income taxes or collect indirect taxes where we did not could result in substantial tax liabilities, fees, and expenses, including substantial interest and penalty charges, which could harm our business. New legislation that would change U. S. or foreign taxation of international business activities or other tax- reform policies could harm our business. We earn a portion of our income in foreign countries and, as such, we are subject to tax laws in the United States and numerous foreign jurisdictions. Current economic and political conditions make tax laws and regulations, or their interpretation and application, in any jurisdiction subject to significant change. Proposals to reform U. S. and foreign tax laws could significantly impact how U. S. multinational corporations are taxed on foreign earnings and could increase the U. S. corporate tax rate. Although we cannot predict whether or in what form these proposals will pass, several of the proposals under consideration, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense, and cash flows. In addition, both tax policy and tax administration are becoming multilateral. This multilateralism and collaboration among taxing authorities (including the U. S. and many foreign jurisdictions in which we operate) has resulted in proposed new tax measures specifically targeting online commerce, digital services, streaming services, and the remote sale of goods and services. Some of these measures (such as a global corporate minimum tax) require adoption of local legislation consistent with the agreed to multilateral framework. Other measures (such as digital services taxes) have already been implemented but may terminate upon the adoption of multilateral tax rules. The rapid growth of multilateralism in tax administration means greater sharing of tax information among taxing authorities as well as the likelihood of joint and simultaneous tax audits of companies such as ours who have cross- border business activities in which the tax administrations may have a common or complementary interest. The results of any such audits or related disputes could have an adverse effect on our financial results for the period or periods for which the applicable final determinations are made. For example, we and our subsidiaries are engaged in intercompany transactions across multiple tax jurisdictions. Although we believe we have clearly reflected the economics of these transactions and that the proper local transfer pricing is in place, tax authorities may propose and sustain adjustments that could result in changes that may impact our mix of earnings in countries with differing statutory tax rates. We have been, are currently, and may in the future be subject to **litigation, claims,** regulatory inquiries, investigations, and **other legal** proceedings, which could cause us to incur substantial costs or require us to change our business practices in a way that could seriously harm our business. We have been, are currently, and may in the future be subject to **various legal proceedings, claims, arbitration proceedings, and** investigations and inquiries from government entities **, including with regard to intellectual property, employment, consumer and data privacy, corporate governance, and commercial disputes, among other matters** . These ~~investigations and~~ **matters are inherently uncertain. Any proceedings, claims, or** inquiries ~~, and~~ **initiated by** ~~our~~ - **or** ~~compliance with any associated~~ **against us, whether successful or not, may be time-consuming, subject us to damage awards,** regulatory orders ~~or~~ **,** consent decrees, ~~may~~ **injunctive relief, fines, or other penalties or sanctions,** require us to change our policies or practices ~~, subject us to substantial monetary fines or other penalties or sanctions~~ , result in increased operating costs, divert management' s attention, harm our reputation, and require us to incur significant legal and other expenses **. In addition** , ~~any~~ **our insurance may not be adequate to protect us from all material expenses related to pending and future claims. Any** of ~~which~~ **these factors** could ~~seriously harm~~ **materially adversely affect** our business **, financial condition, and results of operations** . The dual class structure of our common stock concentrates voting control with those stockholders who held our stock prior to our initial public offering, including our executive officers, employees, and directors and their affiliates, and limits the ability of holders of our Class A common stock to influence corporate matters. Our Class B common stock has 10 votes per share, and our Class A common stock has one vote per share. Our President and Chief Executive Officer, Anthony Wood, holds and controls the vote of a significant number of shares of our outstanding common stock, and therefore Mr. Wood will have significant influence over our management and affairs and over all matters requiring stockholder approval, including election of directors and significant corporate transactions, such as a merger or other sale of Roku or our assets, for the foreseeable future. If Mr. Wood' s employment with us is terminated, he will continue to have the same influence over matters requiring stockholder approval. In addition, the holders of Class B common stock collectively will continue to be able to control all matters submitted to our stockholders for approval even if their stock holdings represent less than a majority of the outstanding shares of our common stock. This concentrated control will limit the ability of holders of our Class A common stock to influence corporate matters for the foreseeable future, and, as a result, the market price of our Class A common stock could be adversely affected. Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, which has the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. As a result of such transfers, as of December 31, ~~2022~~ **2023** , Mr. Wood controls a majority of the combined voting power of our Class A and Class B common stock even though he only owns 12. ~~4~~ **2** % of the outstanding Class A and Class B common stock. As a member of our Board of Directors (our " Board "), Mr. Wood owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, even a controlling stockholder, Mr. Wood is entitled to vote his shares in his own interests, which may not always be in the interests of our stockholders generally. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely this concentrated control could result in the consummation of such a transaction that our other stockholders do not support. This concentrated control could also discourage a potential investor from acquiring our Class A common stock, which has limited voting power relative to the Class B common stock, and might harm the market price of our Class A common stock. We have not elected to take advantage of the " controlled company " exemption to the corporate governance rules for companies listed on The Nasdaq Global Select Market. The market price of our Class A common stock has been, and may continue to be, volatile, and the value of our Class A common stock may decline. The market price of our Class A common stock has been and may continue to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including: • actual or anticipated fluctuations in our financial condition and operating results; • changes in projected operational and financial results; • our loss of key content ~~publishers~~ **partners** ; • changes in laws or regulations applicable to our products or platform; • the commencement or conclusion of legal proceedings that involve us; • actual or anticipated changes in our growth rate relative to our competitors; • announcements of new products or services by us or our competitors; • announcements by us or our competitors of significant acquisitions, strategic partnerships, or joint ventures; • capital- raising activities or commitments; • additions or departures of key personnel; • issuance of new or updated research or reports by securities analysts; • the use by investors or analysts of third-party data regarding our business that may not reflect our financial performance; • fluctuations in the valuation of companies perceived by investors to be comparable to us; • **the perception that our environmental, social, and corporate governance performance is inadequate compared to that of our competitors; •** sales of our Class A common stock, including short selling of our Class A common stock; • share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; • general economic and market conditions; and • other events or factors, including those resulting from civil unrest, war, foreign invasions, terrorism, or public health crises, or responses to such events. Furthermore, the stock markets frequently experience extreme price and volume fluctuations that affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, elections, interest rate changes, or international currency fluctuations, may negatively impact the market price of our Class A common stock. As a result of such fluctuations, you may not realize any return on your investment in us and may lose some or all of your investment. In addition, **we and other** companies that have experienced volatility in the market price of their stock have been **, and may in the future be,** subject to securities class action litigation or derivative litigation ~~. For example, a stockholder previously filed a derivative lawsuit (which has been dismissed), purportedly on our behalf, against certain members of our Board and management in the Delaware Court of Chancery~~ . Such litigation could result in substantial costs and divert our management' s attention from other business concerns. Future sales and issuances of our capital stock or rights to purchase capital stock could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline. We may issue additional securities in the future and from time to time. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell or issue Class A common stock, convertible securities, and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, investors may be materially diluted. New investors in such subsequent transactions could gain rights, preferences, and privileges senior to those of holders of our Class A common stock. Future sales of shares by existing stockholders could cause our stock price to decline. If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our Class A common stock in the public market, the market price of our Class A common stock could decline. All of our outstanding Class A shares are eligible for sale in the public market, other than shares and stock options exercisable held by directors, executive officers, and other affiliates that are subject to volume limitations under Rule 144 of the Securities Act. In addition, we have reserved shares for future issuance under our equity incentive plan. Our directors, employees, and certain contingent workers are subject to our quarterly trading window, which generally opens at the start of the second full trading day after the public dissemination of our annual or quarterly financial results and closes (i) with respect to the first, second, and third quarter of each year, at the end of the fifteenth day of the last month of ~~the~~ such quarter and (ii) with respect to the fourth quarter of each year, at the end of the trading day on the Wednesday before Thanksgiving. These directors, employees, and contingent workers may also sell shares during a closed window period pursuant to trading plans that comply with the requirements of Rule 10b5- 1 (c) (1) under the Exchange Act. When these shares are issued and subsequently sold, it is dilutive to existing stockholders and the market price of our Class A common stock could decline. If securities or industry analysts do not publish research or publish unfavorable research about our business or if they downgrade our stock, our stock price and trading volume could decline. A limited number of equity research analysts provide research coverage of our Class A common stock, and we cannot assure you that such equity research analysts will adequately provide research coverage of our Class A common stock. A lack of adequate research coverage may adversely affect the liquidity and market price of our Class A common stock. If securities or industry analysts cover our company and one or more of these analysts downgrades our stock or issues other unfavorable commentary or research, the price of our Class A common stock could decline. If one or more equity research analysts cease coverage of our company, or fail to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline. We incur costs and demands upon management as a result of complying with the laws and regulations affecting public companies in the United States, which may harm our business. As a public company listed in the United States, we incur significant legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including SEC and The Nasdaq Global Select Market regulations, may increase legal and financial compliance costs and make some activities more time **-** consuming. These laws, regulations, and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us, and our business may be harmed. Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our Board, on committees of our Board, or as members of senior management. We do not intend to pay dividends in the foreseeable future. We have never declared or paid any cash dividends on our Class A or Class B common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings to grow our business and for general corporate purposes. Moreover, ~~our outstanding~~ **any future** ~~Credit~~ **credit** ~~Agreement~~ **agreement we enter into could** ~~contains~~ **contain** prohibitions on the payment of cash dividends on our capital stock. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Provisions of our charter documents and Delaware law may prevent or frustrate attempts by our stockholders to change our management or hinder efforts to acquire a controlling interest in us, and the market price of our Class A common stock may be lower as a result. There are provisions in our certificate of incorporation and bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by our stockholders. Our charter documents also contain other provisions that could have an anti- takeover effect, such as: • establishing a classified Board so that not all directors are elected at one time; • permitting our Board to establish the number of directors and fill any vacancies and newly created directorships; • providing that directors may only be removed for cause; • prohibiting cumulative voting for directors; • requiring super- majority voting to amend some provisions in our certificate of incorporation and bylaws; • authorizing the issuance of " blank check " preferred stock that our Board could use to implement a stockholder rights plan; • eliminating the ability of stockholders to call special meetings of stockholders; • prohibiting stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; and • reflecting our two classes of common stock as described above. Moreover, because we are incorporated in Delaware, we are governed by Section 203 of the Delaware General Corporation Law, which prohibits a person who owns 15 % or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15 % of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and could affect the price that some investors are willing to pay for our Class A common stock. Our certificate of incorporation provides that the Delaware Court of Chancery and the U. S. federal district courts 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 certificate of incorporation provides that the Delaware Court of Chancery is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a breach of fiduciary duty; • any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation, or our bylaws; 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 federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that the U. S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. These exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for certain disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive forum provision in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving such action in other jurisdictions, all of which could harm our business. **48**