

Risk Factors Comparison 2023-02-27 to 2022-02-22 Form: 10-K

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Risks Related to Our Business, Operations, and Industry We have a history of losses and may not achieve or sustain profitability in the future. We have experienced **significant** net losses **on a GAAP basis** in each period since inception. **In addition** We incurred net losses of \$ 532.6 million, **our** \$ 282.3 million, and \$ 163.2 million for the years ended December 31, 2021, 2020, and 2019, respectively, which included \$ 347.2 million, \$ 134.6 million, and \$ 44.5 million, respectively, of stock-based compensation expense. As of December 31, 2021, we had an accumulated deficit of \$ 1.3 billion. While we have experienced **significant** revenue growth in recent periods, this growth rate may **has varied and has in certain quarters declined and could vary and** decline in **the** future periods, **particularly in a difficult macroeconomic climate** and you should not rely on the revenue growth of any given prior period as an indication of our future performance. We are not certain whether we will be able to sustain or increase our revenue or whether or when we will attain sufficient revenue to achieve or maintain profitability in the future. We also expect our costs and expenses to increase in ~~future periods~~ **the long term on a GAAP basis**, which could negatively affect our future results of operations **if our revenue does not increase by amounts sufficient to offset such costs and expenses**. In particular, we intend to continue to make significant investments to **achieve profitability** grow our business in such areas as: • research and development, including investments in our engineering teams and in further differentiating our platform and solutions with improvements to our Create and Operate **Grow** Solutions, as well as the development of new products and features, ~~including in consumer markets and live sports and entertainment~~; • our sales and marketing organizations to engage our existing and prospective customers, increase brand awareness and drive adoption and expansion of our platform and solutions; • research and development and sales and marketing initiatives to grow our presence in new industries and use cases beyond the gaming industry; • our technology infrastructure, including systems architecture, scalability, availability, performance, and security; • acquisitions or strategic investments; • global expansion; and • our general and administration organization, including ~~increased facilities expense as well as legal, information technology ("IT"), and accounting expenses associated with being ongoing~~ a public company **compliance and reporting obligations**. Our efforts to **achieve profitability** grow our business may be costlier than we expect and may not **be effective** result in increased revenue. Even if such investments increase our revenue, any such increase may not be enough to offset ~~our~~ increased operating expenses **even with**. We may continue to incur significant losses in the future for a number of reasons, including the other risks described herein. If we are unable to maintain or increase our revenue at a rate sufficient to offset the expected increase in our costs- **cost-cutting efforts**, our business **such as layoffs**, which financial position and results of operations will be harmed, and we may not be **effective** able to achieve or maintain profitability, which could cause the value of our business and common stock to significantly decrease. Unity Software Inc. We have a limited history operating our business at its current scale, **including with ironSource**, and as a result, our past results may not be indicative of future operating performance. In recent years, we have significantly grown the scale of our business. ~~For example, both organically~~ we launched the first of our Operate Solutions in 2014, we expanded into augmented and **through acquisitions, including** virtual reality platforms in 2016 and industries beyond gaming in 2018 and we have acquired more than 15 companies since the **ironSource Merger** beginning of 2019. Accordingly, we have a limited history operating our business at its current scale and scope. You should not rely on our past results of operations as indicators of future performance. **Overall growth of our revenue is difficult to predict and depends in part on our ability to execute on our integration of ironSource and other growth strategies. For example, in the second and third quarters of 2022, our growth rate declined below our target long-term growth due to a variety of factors which could continue to impact our business, including the maturation of our business. In addition, recent negative macroeconomic factors, such as inflation and corresponding higher interest rates, and the strengthening of the U. S. dollar, have and may continue to negatively impact our business, as could the softening of the advertising market**. You should consider and evaluate our prospects in light of the risks and uncertainties frequently encountered by growing companies in rapidly evolving markets. These risks and uncertainties include challenges in accurate financial planning as a result of limited historical data relevant to the current scale and scope of our business and the uncertainties resulting from having had a relatively limited time period in which to implement and evaluate our business strategies as compared to companies with longer operating histories. **Unity Software** Our core value of putting our users....., and 2019, respectively. **In Inc** addition, our employee headcount was 5,245 full-time employees as of December 31, 2021, an increase from 4,001 full-time employees as of December 31, 2020, and our number of customers contributing more than \$ 100,000 of trailing 12-month revenue was 1,052 as of December 31, 2021, an increase from 793 as of December 31, 2020. You should not rely on our growth in any prior period as an indication of our future performance, as we may not be able to sustain our growth rate in the future. For example, even if our revenue continues to increase, we expect that our revenue growth rate may decline in the future as a result of a variety of factors, including the maturation of our business. Overall growth of our revenue depends on our ability to execute on our growth strategies. We may not successfully accomplish any of our objectives, and as a result, it is difficult for us to forecast our future results of operations. ~~If the assumptions that we use to plan..... users play their games, or if we are not able to replace customer who decrease or cease their..... will develop and how much it will grow~~ **efficiently**. In addition, we have limited experience in addressing these markets and the investments that we are continuing to make to expand further into these markets may be ineffective. Our success in these markets will depend, to a substantial extent, on the widespread adoption of our platform as an **and manage** alternative to existing solutions, such as traditional 2D and 3D modeling and rendering tools, or **our** adoption by customers that are not currently using any software solutions. Market acceptance of our platform in industries beyond gaming may not grow as

we expect as a result of a number of factors, including the cost **costs**, **we** performance and perceived value associated with our platform, our ability to adapt to the differing sales and marketing requirements appropriate to most effectively address these markets and our ability to develop or maintain integrations with strategic partners. In addition, our ability to achieve widespread adoption of our platform in these markets may be affected by the entry and success of competitive products, including from larger competitors with greater resources that have historically addressed these markets with legacy products, and accordingly have more brand recognition in these markets. If our platform does not achieve **profitability** widespread adoption in these other markets,..... customers the ability to deploy their content on a **GAAP basis** variety of third-party platforms. Strategic Partnerships and Other accounted for approximately 7%, 9%, and 15% of revenue for the years ended December 31, 2021, 2020, and 2019, respectively. If any of these third parties were to suspend, limit or cease their operations or otherwise terminate their relationships with us, our results of operations could be adversely affected. We have entered into separate agreements with each of our strategic partners. Our agreements with our strategic partners are non-exclusive and typically have multi-year terms. Our strategic partners could decide to stop working with us, ask to modify their agreement terms in a cost prohibitive manner when their agreement is up for renewal or enter into exclusive or more favorable relationships with our competitors. Any loss of a strategic partnership or other strategic relationship could negatively affect the attractiveness of our platform to customers. In addition, we may have disagreements or disputes with these parties that could negatively impact or threaten our relationship with them. We cannot assure you that we will be successful in sourcing additional strategic partnerships or relationships or in retaining or extending our existing relationships with the parties with whom we currently have relationships. If we are unable to source additional strategic relationships or the parties with whom we currently have strategic relationships were to terminate their relationship with us, our revenue could decline and our business could be adversely affected. In addition, acquisitions by our competitors of parties with whom we have strategic relationships could result in a decrease in the number of our current and potential customers, as these parties may no longer facilitate the adoption of our solutions by potential customers. Further, some of the parties with whom we have strategic relationships compete or may compete with certain of our solutions and may elect to no longer integrate with our platform. If we fail to maintain relationships with such parties, fail to develop new strategic relationships in new markets or expand the number of strategic relationships in existing markets, our ability to compete in the marketplace or to grow our revenue could be impaired, and our results of operations may suffer. Even if we are successful in maintaining these relationships, we cannot assure you that these relationships will result in increased customer usage or adoption of our solutions or increased revenue. The markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition, and results of operations could be harmed. The markets in which we operate are highly competitive. A significant number of companies have developed or are developing solutions that currently, or in the future may, compete with some or all of our offerings. As we look to market and sell our platform to potential customers with existing solutions, we must convince their internal stakeholders that our platform is superior and/or more cost-effective to their current solutions. With respect to our Create Solutions, we primarily compete against proprietary game engines built in-house by large game studios, as well as Cocos2d-x (Chukong Technologies) and Unreal Engine (Epic Games), which offer game development tools primarily serving the PC games and mobile games sectors, and, in the case of Unreal Engine (Epic Games), industries beyond gaming. Outside of gaming, we also compete with other development platforms that offer 2D and 3D design products. With respect to our Operate Solutions, we compete in a fragmented ecosystem composed of select divisions of large, well-established companies as well as privately held companies. The large companies in our ecosystem may play multiple roles given the breadth of their business. Examples of these large companies are Amazon, Facebook, Google, Microsoft, and Tencent. Most of these companies are also our partners and customers. With the introduction of new technologies and market entrants, we expect that the competitive environment will remain intense or become even more intense in the future. Some of our actual and potential competitors have been acquired by other larger enterprises and have made or may make acquisitions or may enter into partnerships or other strategic relationships that may provide more comprehensive offerings than they individually had offered or achieve greater economies of scale than us. Our competitors vary in size and in the breadth and scope of the solutions offered. Some of our competitors and potential competitors have greater name recognition, longer operating histories, more established customer relationships, larger marketing budgets and greater financial and operational resources than we do. Further, other potential competitors not currently offering competing products or services may expand their offerings to compete with our platform or enter the market through acquisitions, partnerships or strategic relationships. In particular, as we seek to invest in the expansion of our Create Solutions and Operate Solutions in new industries outside of gaming, we may encounter competition from large companies that offer 2D and 3D design products in those industries that may seek to introduce new products or new functionality to existing products that compete with our solutions. Those competitors have greater brand recognition in those industries where they already have a presence. In addition, our current and potential competitors may have or establish cooperative relationships among themselves or with our customers or other third parties that may further enhance their resources and offerings in our addressable market. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, and customer requirements. An existing competitor or new entrant could introduce new technology that is perceived to be easier to use or otherwise favorable to ours, which could reduce demand for our platform. In addition to platform and technology competition, we face pricing competition. Some of our competitors offer their solutions, such as their game engines, at a lower price or for free, which has resulted in, and may continue to result in, pricing pressures. In addition, with respect to our monetization solutions, some of our competitors offer more favorable payment terms to publishers. We cannot assure you that we will not be forced to engage in price-cutting or revenue limiting initiatives, change payment terms or increase our advertising and other expenses to attract and retain customers in response to competitive pressures. For all of these reasons, we may not be able to compete successfully against our current or future competitors, which could result in the failure of our platform to continue to achieve or maintain market acceptance, which would harm our business, results of operations and financial condition. We may not be able to

successfully manage our growth, and if we are not able to grow efficiently, our business, financial condition, and results of operations could be harmed. The growth and expansion of our business places a continuous significant strain on our management, operational and financial resources. As usage of our platform grows, we will need to devote additional resources to improving its capabilities, features and functionality. In addition, we will need to appropriately scale our internal business, IT, and financial, operating and administrative systems to serve our growing customer base, and continue to manage headcount, capital and operating and reporting processes, **and integrate them with ironSource's**, in an efficient manner. Any failure of or delay in these efforts could result in impaired performance and reduced customer satisfaction, resulting in decreased sales to new customers or lower dollar-based net expansion rates, which would hurt our revenue growth and our reputation. Further, any failure in optimizing the costs associated with our third-party cloud services as we scale could negatively impact our gross margins. Even if we are successful in our expansion efforts, they will be expensive and complex, and require the dedication of significant management time and attention. We may also suffer inefficiencies or service disruptions as a result of our efforts to scale our internal infrastructure. We cannot be sure that the expansion of and improvements to our internal infrastructure will be effectively implemented on a timely basis, if at all, and such failures could harm our business, financial condition and results of operations. **While growing our business necessarily requires increased costs in some parts of our business, we are also focusing on cost reduction efforts where possible. However, our cost reduction efforts may not be effective or sufficient to offset our increased expenses, and may themselves have adverse impacts, such as loss of continuity or accumulated knowledge, inefficiency during transitional periods, distraction, and potential challenges operating our business with fewer resources. Any failure of our cost reduction efforts could harm our business, financial condition and results of operations. If our revenue growth does not meet our expectations in future periods and if we are unable to allocate our resources in a manner that results in sustainable revenue growth, while also managing our overall costs, we may not achieve or maintain profitability. We may fail to realize all of the anticipated benefits of the ironSource Merger, or those benefits may take longer to realize than expected. We believe that there are dependent on significant benefits and synergies that may be realized through leveraging the success of our products, scale and combined enterprise customer-customer in the gaming market-bases of Unity and ironSource. However, Adverse events relating to our customers or their--the games could have efforts to realize these benefits and synergies is a negative impact on complex process and may disrupt our existing operations if** business. Our gaming customers are not implemented in the end users of our solutions, but rather they use our platform and solutions to create and /or operate their games, which are ultimately sold or distributed to an end user. As a timely result, our success depends in part on the ability of our customers to market and efficient manner sell games that are created or operated with our solutions. **The full benefits of** If our customers' marketing efforts are unsuccessful or if our customers experience a decrease in demand for their--the games ironSource Merger, including the anticipated sales of our--**or growth opportunities, may not** Create Solutions and our Operate Solutions could be realized reduced. The gaming market is characterized by intense competition, rapid technological change, increased focus by regulators, and economic uncertainty and, as expected such, there is no guarantee that any of our--**or may not be achieved** customers' games will gain any meaningful traction with within end users**the anticipated time frame, or at all**. In addition, some of we may incur additional our--**or unexpected costs in order** newer products, like Multiplay and Vivox, are more reliant on certain customers. While our large and diverse customer portfolio has helped to reduce-realize the these fluctuations in our Operate Solutions revenue synergies as a whole resulting from the success of customers' games and the timing of game releases, we cannot assure you that the size and diversification of our customer portfolio will sufficiently mitigate this risk. **Failure** If our customers fail to achieve create or operate popular games using our..... many of which occur in advance of the anticipated benefits resulting from such expenses; amount and timing of non- cash expenses, including stock..... our teams or customers, and they - **the ironSource Merger** may misappropriate and engage in unauthorized use..... by one of our competitors, which could adversely affect our results of operations or cash flows, cause dilution to our earnings per share, decrease or delay any accretive effect of the ironSource Merger and negatively impact our stock price. Our success will depend, in part, on our ability to manage sell through that reseller. If our resellers do not effectively sell, market or our expansion deploy our solutions, which poses numerous choose to promote our competitors' solutions, or otherwise fail to meet the needs of our customers, our ability to sell our solutions could be adversely affected. Our direct sales force targets larger customers, and sales to these customers involve risks that may not be present and uncertainties, including the need to integrate the operations and business of ironSource into or our that are present-existing business in an efficient and timely manner, to a lesser extent combine systems and management controls and to integrate relationships with respect to sales to smaller customers. One of the factors affecting our growth and financial performance is the adoption of our platform and solutions by enterprise customers over legacy and proprietary technologies. To increase adoption within larger enterprise customers and to expand into new industries industry contacts, such as automotive, where potential customers are typically larger organizations, we utilize a direct sales organization. We have relatively limited experience selling our platform and solutions in industries outside gaming. To increase sales of our platform and solutions outside gaming, we are expanding our sales organization with personnel who have experience in enterprise software sales in the specific industries outside gaming on which we are focusing. If we do not effectively expand our direct sales capabilities to address these industries effectively and develop effective sales and marketing strategies for those industries, or if we focus our efforts on non-gaming industries that end up being slow adopters of our platform and solutions, our ability to increase sales of our platform and solutions to industries and for use cases outside gaming will be adversely affected. Sales to larger customers involve risks that may not be present or that are present to a lesser extent with sales to smaller customers, such as longer sales cycles, more complex customer requirements, substantial upfront sales costs, and less predictability in completing some of our sales. For example, larger customers may require considerable time to evaluate and test our platform and those of our competitors prior to making a purchase decision or may have specific compliance and product requirements we may not meet. A number of factors influence the length and variability of our sales cycle,

including the need to educate potential customers about the uses and benefits of our platform, the discretionary nature of purchasing and budget cycles, and the competitive nature of evaluation and purchasing approval processes. As a result, the length of our sales cycle, from identification of the opportunity to deal closure, may vary significantly from customer to customer, with sales to larger customers typically taking longer to complete. Moreover, larger customers often begin to deploy our platform on a limited basis, but nevertheless demand configuration, integration services and pricing negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our platform widely enough across their organization to justify our substantial upfront investment. If we fail to increase adoption of our platform and solutions by larger enterprise customers, our growth could be impaired. Our business partners is subject to risks generally associated with the gaming industry. The substantial majority of our revenue is currently derived from customers in the gaming industry, and we rely to a significant extent on the health of the gaming industry and the success of our customers' games to maintain and increase our revenue. Accordingly, we are especially susceptible to market conditions and risks associated with the gaming industry, including the popularity, price and timing of release of games, changes in consumer demographics, the availability and popularity of other forms of entertainment, public tastes and preferences, and the increased focus of regulators, all of which are difficult to predict and are beyond our control. In addition, we are devoting significant attention and resources to the integration and operation end users may view games as a discretionary purchase. Although in periods of economic downturn time spent on gaming typically increases the combined company, and to successfully aligning the business practices and operations of Unity and ironSource. This process may disrupt the businesses and, if ineffective we experience a prolonged downturn as a result of the effects of the COVID-19 pandemic or otherwise, end users may reduce their discretionary spending on games and our customers, in turn, may not renew their subscriptions or may otherwise reduce their usage of our platform, which would adversely impact our revenue and financial condition..... operations. Although we attempt to contractually limit our liability with respect to such indemnity obligations in our more recent customer agreements, in some cases, the liability is not limited given other the anticipated strategic facets of the relationship and we..... to resolve issues and realize the full benefits that our platform provides. High-quality support is important for the retention of our existing customers and expanding their the ironSource Merger use of our platform. The importance of these functions will increase as we expand our business, pursue new customers and seek to expand the use of our platform and solutions by enterprise customers in new industries outside of gaming. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to maintain and expand our solution to existing and new customers could suffer, and our reputation with existing or potential customers could suffer. Acquisitions, mergers, strategic investments, partnerships, and alliances could be difficult to identify, pose integration integrate challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition and results of operations. We have in the past acquired or invested and may in the future seek to acquire or invest in businesses, joint ventures, platform platforms, or technologies that we believe could complement or expand our platform, enhance our technical capabilities, or otherwise offer growth opportunities. We have grown Although the significant majority of our revenue growth has been organic organically and through, we have completed more than 15 acquisitions since the beginning of 2019, including deltaDNA, Vivox, Parsec, and Weta Digital, and ironSource to further our goal of providing a complete set of solutions for all creator needs. Our Any such acquisition acquisitions and mergers have placed and will continue to place added burden on or our investment may divert management and internal resources, and the diversion of management's attention away from day- of management and cause us to - day business concerns incur various expenses in identifying, investigating and any pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties encountered in the transition and expenditures integration process could adversely affect our financial results. We In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, data, platform, personnel or operations of any acquired companies or assets, particularly if the key personnel of an acquired company choose not to work for us or, face cultural challenges integrating with our company, or if their software or technology is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise. In addition, we have invested and may in the future invest in private companies and may not realize a return on our investments. We could also face risks related to liability have incurred significant costs, expenses and fees for professional services activities of the acquired company before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other transaction costs known and unknown liabilities, and litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former stockholders Weta Digital Acquisition and the ironSource Merger. We may also incur unanticipated costs in the integration of certain of Weta Digital's assets and of ironSource with or our business. The substantial majority of these costs will be non- recurring expenses relating to the Weta Digital Acquisition and the ironSource Merger. We have been subject to litigation related to the ironSource Merger and could become subject to further litigation related to it or any other acquisition third parties, which and our efforts to limit such liabilities could be unsuccessful result in significant costs and expenses. These and any future transactions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Any such transactions that we are able to complete may not result in any synergies or other benefits we had expected to achieve, which could result in impairment charges that could be substantial. In addition, we may not be able to find and identify desirable acquisition targets or business opportunities or be successful in entering into an agreement with any particular strategic partner. These transactions have historically resulted and in the future could also result in dilutive issuances of equity securities or the incurrence of debt, contingent liabilities, amortization expenses, incremental operating expenses, or the impairment of goodwill, any of which could adversely affect our results of operations. In addition, if the resulting business from such a transaction fails to meet our expectations, our business, financial condition and results of operations may be adversely affected or we may be exposed to

unknown risks or liabilities and . The acquisition of certain of Weta Digital's assets may cause a disruption in our efforts to limit such liabilities business. The acquisition of certain of Weta Digital's assets (the "Weta Digital Acquisition") could cause disruptions be unsuccessful. If we are unable to retain our business or our business relationships existing customers – including ironSource customers – and expand their use of our platform, which or attract new customers, our growth and operating results could be have an adverse adversely impact affected, and we may be required to reconsider our growth strategy. Our future success depends on our ability to results of operations. The integration of certain – retain our existing customers, expand their use of Weta Digital's assets our platform and attract new customers. Our targeted marketing efforts may place not be successful despite the resources we devote to them. We derive a significant burden portion of our revenue from our Grow Solutions, and such revenue is primarily generated under a revenue- share or profit- share model. Under such models, our customers depend on us as a source of their own revenue, which in some cases may represent a significant portion of their revenue. Should customers lose confidence in the value our- or management and internal-effectiveness of our monetization products or if our Grow products are less effective, consumption of these products could decline. For example, our revenue growth in the first half of 2022 was negatively impacted by challenges with our Grow products (including a fault in our platform that resulted in reduced accuracy of one of our monetization tools, as well as the consequences of ingesting bad data from a large customer) that reduced the efficacy of such products. We focused our resources . The diversion on addressing the data quality and accuracy challenges we observed with certain monetization tools in the first quarter of management 2022. Our interventions to address such challenges through the fourth quarter of 2022 have been effective; however, external factors, including the competitive landscape, recent negative macroeconomic conditions, longer sales cycles, and reduced advertiser spend have prolonged our recovery and lead us to believe that the growth of our Grow Solutions revenue will be adversely impacted into 2023. We must continually add new features and functionality to our Grow Solutions to remain competitive and respond to our customers ' s attention, particularly needs. If we are not successful in retaining and attracting new customers to our Grow Solutions, our business and results of operations would be adversely affected. In addition, if we fail to attract our- or retain existing ironSource customers into our Grow Solutions, our business could be harmed. Our Grow Solutions is also dependent upon the continued proliferation of mobile connected devices, such as smartphones and tablets, which can connect to the Internet over a cellular, wireless or other network, as well as the increased consumption of content through those devices. Consumer usage of these mobile connected devices may be inhibited for a number of reasons beyond our control. If user adoption of mobile connected devices or user consumption of content on those devices do not continue to grow, our business could be harmed. Create Solutions customers have no obligation to renew their subscriptions , away from day which are primarily one to three years in length, after they expire, and have no obligation to continue using our Grow Solutions, which are primarily sold under revenue - to share or profit - day share- based models. Even if one or several studios within a customer adopts our Create or Grow Solutions, other studios within that customer may choose to adopt different solutions or to continue to employ internally- developed solutions. Our customers rely on us to attract a broad range of advertisers to our platform to generate demand for their impressions through our Unified Auction. If we are unable to also serve the needs of advertisers, they may reduce their consumption of our solutions and, because the advertising market is highly competitive, they may shift their business to concerns and any difficulties encountered in the other advertising solutions which transition and integration process could adversely affect our financial revenue. All of our products are also subject to factors and events beyond our control. For example, macroeconomic factors like labor shortages, supply chain disruptions, and inflation continue to cause logistical challenges, increased input costs, and inventory constraints for advertisers, and these factors are currently decreasing, and may in the future decrease or halt, advertiser spending. For us to maintain or improve our results of operations, it is important that our Create Solutions customers renew and expand their subscriptions with us and that our Grow Solutions customers continue using and expanding their use of our products . We invest in targeted sales and account- based marketing efforts to identify opportunities to grow use of our solutions within and across multiple studios within a single customer. However, our efforts may not be successful despite the resources we devote to them. Even if one or several studios within a customer adopts our Create or Operate-Grow Solutions, other studios within that customer may choose to adopt different solutions or to continue to employ internally- developed solutions. It is also important for us to cross- sell more Create Solutions to our Operate-Grow Solutions customers, as well as Operate-Grow Solutions to our Create Solutions customers. While we believe there are significant cross- selling opportunities between our Create and Operate-Grow Solutions, and that our Create and Operate-Grow Solutions work together synergistically, we have incurred significant only recently focused our sales efforts on targeting costs – cross - selling opportunities , expenses and we cannot be sure that fees for professional services and other transaction costs in connection with the Weta Digital Acquisition. We may also incur unanticipated costs in the integration of certain of Weta Digital's assets with our efforts business. The substantial majority of these costs will be successful non-recurring expenses relating to the Weta Digital Acquisition . We also . The markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition, and results of operations could be subject harmed. The markets in which we operate are highly competitive. Specifically, we have faced and may continue to litigation related to face competition as a result of: • the internal development of alternative solutions by a significant number of companies, including the other Weta Digital gaming companies; • lower prices or free solutions offered by our competitors, some of whom may offer more favorable payment terms to publishers; • mergers, Acquisition acquisitions and other strategic relationships amongst our competitors which may allow them to provide more comprehensive offerings or achieve greater economies of scale than us, and may introduce new competitors in our markets; • intense competition within the gaming market which may impact our company and a significant number of our customers, who also operate in the gaming market; • the introduction of alternative solutions by larger, more experienced companies

that offer 2D and 3D design products in the industries in which we may expand into; and • rapid technological change, evolving industry standards, changing regulations, as well as changing customer needs, requirements and preferences. Our competitors may have greater name recognition, longer operating histories, more established customer relationships, larger marketing budgets and greater financial and operational resources than we do. We cannot assure you that we will not be forced to engage in price-cutting or revenue limiting initiatives, change payment terms or increase our advertising and other expenses to attract and retain customers in response to competitive pressures. For all of these reasons, we may not be able to compete successfully against our current or future competitors, which could result in significant costs the failure of our platform to continue to achieve or maintain market acceptance, which would harm our business, financial condition, and expenses results of operations. Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at a similar rate, if at all. The Our estimates of market opportunity and forecasts of market growth we have made and may make may prove to be inaccurate. Market opportunity estimates and growth forecasts, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that affect the calculation of our market opportunity are also subject to change over time. Estimates of market opportunity in industries beyond gaming are particularly uncertain, given the earlier stage of adoption of solutions for RT3D content creation in those markets. Our estimates of the market opportunity that we can address outside gaming depend on a variety of factors, including the number of software developers, architects and engineers that are potential users of our products. We cannot be sure that the industries in which these developers, architects or engineers are employed will adopt RT3D generally, or our solutions specifically, to any particular extent or at any particular rate. Our expectations regarding potential future market opportunities that we may be able to address are subject to even greater uncertainty. For example, our expectations regarding future market opportunities in gaming depend, among other things, on the extent to which we are able to develop new products and features that expand the applicability of our platform. In addition, our expectations regarding future market opportunities represented by augmented reality and virtual reality applications are subject to uncertainties relating from the fact that such applications are at relatively early stages of development and may not grow at the rates we expect. The extent to which engineers, technicians or other potential users of our products in industries outside gaming are representative of other future market opportunities will depend on those industries having use cases that can be served by RT3D content. Our ability to address those opportunities will depend on our developing products that are responsive to those use cases. In addition, there is significant uncertainty with respect to our estimate of the amount by which the acquisition of Weta Digital or the ironSource Merger will increase our total market opportunity, which is based on internal models and assumptions. For example, with respect to Weta Digital, our model assumes that there is a significant market opportunity amount among consumers as well as professional artists for digital visual effects solutions. We cannot assure you that any particular number or percentage of addressable users or companies covered by our market opportunity estimates will purchase our solutions at all or generate any particular level of revenue for us. In addition, any expansion in our market depends on a number of factors, including the cost, performance and perceived value associated with our platform and those of our competitors. Even if the market in which we compete meets the size estimates and growth we forecast, our business could fail to achieve a substantial share of this market or grow at a similar rate, if at all. Our growth is subject to many risks and uncertainties. Accordingly, the estimates of market opportunity or forecasts of market growth we have made and may make should not be taken as indicative of our future growth. strategic parties may include indemnification provisions under which we agree to indemnify or otherwise be liable for losses suffered or incurred as a result of certain claims relating to or arising from our software, services, platform, our acts facets of or omissions under such agreements or other contractual obligations. In some cases, the relationship liability is not limited and we may still incur substantial liability related to such agreements, and we may be required to cease providing certain functions or features on our platform as a result of any such claims. Even if we succeed in contractually limiting our liability, such limitations may not always be enforceable. Any dispute with a customer or other third party with respect to such obligations could have adverse effects on our relationship with such customer or other third party and other existing or prospective customers, reduce demand for our platform and adversely affect our business, financial conditions and results of operations. In addition, although we carry general liability insurance, our insurance may not be adequate to indemnify us for all liability that may be imposed on us or otherwise protect us from liabilities or damages with respect to claims, including claims- claims on such matters as alleged compromises of customer data, which may be substantial. Any such coverage may not continue to be available to us on acceptable terms or at all. If we fail to offer high-quality support, our ability to retain and attract customers could suffer. Our customers rely on our sales, customer success and customer support personnel and tools to resolve issues and realize the full Our business could be disrupted by catastrophic events, including health pandemics. Any Occurrence of any catastrophic event, including earthquake, fire, flood, tsunami or other weather event, power loss, telecommunications failure, software or hardware malfunction, cyber-attack, war or terrorist attack, explosion, or pandemic could impact our business. In particular, our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity, and are thus vulnerable to damage in an earthquake. Our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster. If any disaster were to occur, our ability to operate our business at our facilities could be impaired and we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume operations. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster and to execute successfully on those plans in the event of a disaster or emergency, our business would be harmed. Health epidemics, including the current COVID-19 pandemic, have had, and could in the future have, an adverse impact on our business, operations, and the markets and communities in which we, our partners and customers operate. Our business and operations could be adversely affected by health epidemics, including the current COVID-19 pandemic, impacting the markets and communities in which we, our

partners and customers operate. The COVID-19 pandemic has caused and continues to cause significant business and financial markets disruption worldwide and there is significant uncertainty around the duration of this disruption on both a nationwide and global level, as well as the ongoing effects on our business. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, and we may be unable to accurately forecast our revenue or financial results. Although we have experienced a modest adverse impact on our sales of Create Solutions as well as our Strategic Partnerships, our pipeline of customer opportunities for our Create Solutions and Strategic Partnerships were largely back to normal levels by the end of 2020, and we have not experienced COVID-19 related impacts on our Create Solutions or Strategic Partnerships in 2021. We did see an increase in demand for our portfolio of products and services within Operate Solutions following the implementation of shelter-in-place orders to mitigate the outbreak of COVID-19, which has resulted in higher levels of end-user engagement in Operate Solutions, which has moderated over time. This increased demand for our Operate Solutions will likely continue to moderate over time, particularly as vaccines are becoming widely available, and as shelter-in-place orders and other related measures and community practices evolve. Additionally, COVID-19 protocols and precautions reduced spending on events and facilities across 2020 and 2021, which savings will likely not be repeated in future years causing our expenses to increase. Further, as certain of our customers or partners experience downturns or uncertainty in their own business operations or revenue resulting from the COVID-19 pandemic, they may decrease or delay their spending, request pricing concessions or seek renegotiations of their contracts, and decrease advertising spend, any of which may result in decreased revenue for us. In addition, we may experience customer or strategic partner losses, including due to bankruptcy or our customers or strategic partners ceasing operations, which may result in an inability to collect receivables from these parties. A decline in revenue or the collectability of our receivables could harm our business. In addition, in response to the COVID-19 pandemic, we are requiring or have required substantially all of our employees to work remotely to minimize the risk of the virus to our employees and the communities in which we operate. We are currently planning for our employees to return to in-person offices later in 2022, however our plans may change if the number of COVID-19 cases rises where our offices are located, and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers and business partners. As our team continues to be dispersed, employees may have less capacity to work due to increased personal obligations (such as childcare, eldercare, or caring for family members who become sick), may become sick themselves and be unable to work, or may be otherwise negatively affected, mentally or physically, by the COVID-19 pandemic and prolonged social distancing. These burdens may lead to employee burn-out and decreased effectiveness which could adversely affect our results due to slow-downs in our sales cycles and recruiting efforts, delays in our entry into customer contracts, delays in addressing performance issues, delays in product development, delays and inefficiencies among various operational aspects of our business, including our financial organization, which could seriously harm our business. More generally, the COVID-19 outbreak has adversely affected economies and financial markets globally, which could decrease technology spending and adversely affect demand for our platform. The global impact of the COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the situation and the effects on our business and operations closely. We do not yet know the full extent of potential impacts on our business, operations or the global economy as a whole, particularly if the COVID-19 pandemic and related public health measures continue and persists. The rollout of vaccines and the reduction of COVID-19 cases globally could affect the seasonality of our business or boost global GDP growth, which could positively impact our business. However, the return of more in-person activities will result in an increase in our expenses and could result in a range of impacts to our customers, which could negatively impact our business. Given the uncertainty, we cannot reasonably estimate the impact on our future results of operations, cash flows or financial condition. While the COVID-19 pandemic may eventually be contained or mitigated, there is no guarantee that a future outbreak of this or any other widespread epidemics will not occur, or that the global economy will recover, either of which could harm our business. Our current operations are and will continue to be global in scope, creating a variety of operational challenges. We currently have operations and customers across all major global markets. In the years ended December 31, 2021, 2020, and 2019, 37%, 36%, and 34% of our revenue was generated by customers in EMEA, respectively. For each of the three years in the period ended December 31, 2021, 2020, and 2019, 35%, 34%, and 33% of our revenue was generated by customers in Asia-Pacific, respectively. For each of the three years in the period ended December 31, 2021, 2020, and 2019, 27%, 30%, and 33% of our revenue was generated by customers in the Americas, respectively. We also have a sales presence in multiple countries. We are continuing to adapt to and develop strategies to address global markets, but we cannot assure you that such efforts will be successful. For example, we anticipate that we will need to establish relationships with new partners in order to grow in certain countries, and if we fail to identify, establish and maintain such relationships, we may be unable to execute on our expansion plans. As of December 31, 2021, approximately 67% of our full-time employees were located outside of the United States. We expect that our global activities will continue to grow for the foreseeable future as we continue to pursue growth opportunities, which will require significant dedication of management attention and financial resources. Our current and future global business and operations involve a variety of risks, including: • slower than anticipated availability and adoption of our platform by creators outside the United States **U. S.**; • changes or instability in **local** a specific country's or **region** **regional** 's political, social or economic conditions, including in the United Kingdom ("U. K.") as a result of its exit from the European Union; • the need to adapt and localize our platform for specific countries; • maintaining our company culture, **which emphasizes developing and launching new and innovative solutions and which we believe is essential to our business**, across all of our offices globally; • **greater** difficulty collecting accounts receivable and potential for longer payment cycles; • increased reliance on resellers and other third parties for our global expansion; • burdens of complying with a variety of foreign laws, including costs associated with legal structures, accounting, statutory filings and tax liabilities; • **more** stringent **and evolving** regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal

information, particularly in Europe **and China**; • differing and potentially more onerous labor regulations and practices, especially in Europe, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations, or the existence of workers' councils and labor unions; • challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, statutory equity requirements and compliance programs that are specific to each jurisdiction; • potential changes in laws, regulations and costs affecting our U. K. operations and local employees due to Brexit; • unexpected changes in trade relations, regulations, laws or enforcement, including changes to export control restrictions, economic sanctions, and trade embargoes; • difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems; • increased travel, real estate, infrastructure and legal compliance costs associated with multiple global locations and subsidiaries; • currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future; • higher levels of credit risk and payment fraud, particularly the risk that excessive fraudulent activity could harm our ability to meet credit card association merchant standards and our right to accept credit cards for payment; • restrictions on the transfer of funds, such as limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries; • enhanced difficulties of integrating any foreign acquisitions; • laws and business practices favoring local competitors or general market preferences for local vendors; • reduced or uncertain intellectual property protection or difficulties obtaining, maintaining, protecting or enforcing our intellectual property rights, including our trademarks and patents; • foreign government interference with our intellectual property that resides outside of the U. S. United States, such as the risk of changes in foreign laws that could restrict our ability to use our intellectual property outside of the foreign jurisdiction in which we developed it; • political instability, hostilities, war, or terrorist activities; and subsequent retaliatory measures and sanctions; • exposure to liabilities under anti-corruption and anti-money laundering laws, including the U. S. Foreign Corrupt Practices Act ("FCPA"), U. S. bribery laws, the UK United Kingdom ("U. K.") Bribery Act, and similar laws and regulations in other jurisdictions; and • adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash. If we invest substantial time and resources to grow our business in markets outside the U. S. and are unable to do so successfully and in a timely manner, our business and results of operations will suffer. If we experience excessive fraudulent activity or cannot meet evolving credit card association merchant standards, we could incur substantial costs and lose the right to accept credit cards for payment, which could cause our customer base to decline significantly. A large portion of our customers authorize us to bill their credit card accounts directly for their use of our platform. If we experience fraud associated with stolen credit cards, we could incur substantial third-party vendor costs for which we may not be reimbursed. Further, our customers provide us with credit card billing information online or over the phone, and we do not review the physical credit cards used in these transactions, which increases our risk of exposure to fraudulent activity. We also incur charges, which we refer to as chargebacks, from the credit card companies for claims that the customer did not authorize the credit card transaction for the purchase of our platform, something that we have experienced in the past. If the number of claims of unauthorized credit card transactions becomes excessive, we could be assessed substantial fines for excess chargebacks, and we could lose the right to accept credit cards for payment. In addition, credit card issuers may change merchant standards, including data protection and documentation standards, required to utilize their services from time to time. If we fail to maintain compliance with current merchant standards or fail to meet new standards, the credit card associations could fine us or terminate their agreements with us, and we would be unable to accept credit cards as payment for our platform. Our platform may also be subject to fraudulent usage and schemes which could result in unauthorized access to customer accounts and data, unauthorized use or circumvention of our platform or technologies, and charges and expenses to customers for fraudulent usage as well as lost revenue. We may be required to pay for these charges and expenses with no reimbursement from the customer, and our reputation may be harmed if our platform is subject to fraudulent usage. Although we implement multiple fraud prevention and detection controls, we cannot assure you that these controls will be adequate to protect against fraud. Substantial losses due to fraud or our inability to accept credit card payments would cause our customer base to significantly decrease and would harm our business. We are exposed to collection and credit risks, which could impact our operating results. Our accounts receivable are subject to collection and credit risks, which could impact our operating results. Our Create Solutions typically include upfront purchase commitments for a one- to three- year subscription, which may be invoiced over multiple reporting periods, increasing these risks. For example, with respect to our Operate Grow Solutions, we rely on payments from advertisers in order to pay our customers their revenue earned from our Unified Auction, LevelPlay and Sonic. We are generally obligated to pay our customers for revenue earned within a negotiated period of time, regardless of whether or not our advertisers have paid us on time, or at all. While we attempt to negotiate a longer payment period with our customers and shorter periods for our advertisers, we are not always successful. As a result we can face a timing issue with our accounts payable on shorter cycles than our accounts receivable, requiring us to remit payments from our own funds, and accept the risk of bad debt. Businesses that are good credit risks at the time of sale may become bad credit risks over time. In times of economic recession, the number of our customers who default on payments owed to us tends to increase. Our operating results may be impacted by significant bankruptcies among customers, which could negatively impact our revenue and cash flows. We cannot assure you that our processes to monitor and mitigate these risks will be effective. If we fail to adequately assess and monitor our credit risks, we could experience longer payment cycles, increased collection costs and higher bad debt expense, and our business, operating results and financial condition could be harmed. Fluctuations in currency exchange rates could harm our operating results and financial condition. We offer our solutions to customers globally and have operations globally in Denmark, Belgium, Canada, China, Colombia, Finland, France, Germany, Ireland, Israel, Japan, Lithuania, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, and the U. K. Although the majority of our cash generated from revenue is denominated in U. S. dollars, revenue generated and expenses incurred by our

subsidiaries outside of the United States U. S. are often denominated in the currencies of the local countries. As a result, our consolidated U. S. dollar financial statements are **have been and will continue to be** subject to fluctuations due to changes in exchange rates as the financial results of our non- U. S. subsidiaries are translated from local currencies into U. S. dollars. **In particular, the strengthening of the U. S. dollar could continue to negatively impact our business.** Our financial results are also subject to changes in exchange rates that impact the settlement of transactions in non- local currencies. Because we conduct business in currencies other than U. S. dollars but report our results of operations in U. S. dollars, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could materially impact our results of operations. **To date As a result of the ironSource Merger , we have certain limited forward currency contracts in place to hedge foreign currency exposure, but** we have not **otherwise** engaged in currency hedging activities to limit the risk of exchange fluctuations and, as a result, our financial condition and operating results **have been and could continue to** be adversely affected by such fluctuations .Our global operations may subject us to potential adverse tax consequences. We are expanding our global operations to better support our growth in global markets. Our corporate structure and associated transfer pricing policies contemplate future growth in global markets, and consider the functions, risks and assets of the various entities involved in intercompany transactions. The amount of taxes we pay in different jurisdictions depends on, among other factors, the application of the tax laws of the various jurisdictions, including the United States, to our global business activities, changes in tax rates, new or revised interpretations of existing tax laws and policies and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. New or revised tax laws may also impact the amount of taxes we pay in different jurisdictions, such as Pillar One and Pillar Two being considered by the Organisation of Economic Co- Operation and Development, which would fundamentally change long- standing transfer pricing principles of taxation. The United States is also actively considering tax reform measures that could negatively impact the amount of taxes that we pay. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one- time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations. Our effective tax rate could increase due to several factors, including: • changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; • changes in tax laws, tax treaties, and regulations or the interpretation of them; • changes to our assessment of our ability to realize our deferred tax assets that are based on estimates of our future results, the feasibility of possible tax planning strategies, and the economic and political environments in which we do business; • the outcome of current and future tax audits, examinations or administrative appeals; and • limitations or adverse findings regarding our ability to do business in some jurisdictions. Any of these developments could adversely affect our results of operations. If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected. The preparation of financial statements in conformity with U. S. generally accepted accounting principles (" GAAP") requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes appearing elsewhere in this Annual Report on Form 10 - K. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates. " The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve revenue recognition, the valuation of our stock- based compensation awards, including the determination of fair value of our common stock, accounting for business combinations and income taxes, among others. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock. We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all. We have funded our operations since inception primarily with sales of our convertible preferred stock, common stock and convertible notes and with cash generated from sales of our Create Solutions and **Operate Grow** Solutions and from our strategic partnerships. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business and may require additional funds to respond to business challenges, including the need to develop new solutions, products, services or enhance our existing solutions, products or services, enhance our operating infrastructure, expand globally and acquire complementary businesses and technologies. Additional financing may not be available on terms favorable to us, if at all. **In particular Macroeconomic trends like inflation , the current COVID-19 pandemic has rising interest rates, geopolitical tension and supply chain issues have** caused **and may continue to cause** disruption in the global financial markets, which may reduce our ability to access capital and negatively affect our liquidity in the future. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt ,the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of **holders of** our common stock .Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond

our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt, equity, or other securities. As a result, our stockholders bear the risk of future issuances of debt, equity, or other securities reducing the value of our common stock and diluting their interests. Our inability to obtain adequate financing on terms satisfactory to us, when we require it, could significantly limit our ability to continue to support our business growth, respond to business challenges, expand our operations or otherwise capitalize on our business opportunities due to lack of sufficient capital. Even if we are able to raise such capital, we cannot assure you that it will enable us to achieve better operating results or grow our business.

Risks Related to our Our Platform and Technology If we do not make our platform, including new versions or technology advancements, easier to use or properly train customers on how to use our platform, our ability to broaden the appeal of our platform and solutions and to increase our revenue could suffer. Our platform can be complex to use, and our ability to expand the appeal of our platform depends in part on ensuring that it can be used by a variety of creators. While certain features of our solutions are designed to address the needs of professional developers, we believe that our ability to expand adoption of our platform will depend in part on our ability to address the needs of creators with varied needs and levels of expertise, including artists, animators and sound technicians, as well as new categories of creators and end users, such as architects, civil and mechanical engineers, and designers, in industries beyond gaming. Accordingly, it will be important to our future success that we continue to increase the accessibility of our platform. ~~If and if we do are not able succeed in maintaining and broadening the accessibility of our platform, or if competitors develop and introduce products that are easier to use than ours~~, our ability to increase adoption of our platform will suffer. In order to get full use of our platform, users generally need training. We provide a variety of training resources to our customers, and we believe we will need to continue to maintain and enhance the breadth and effectiveness of our training resources as the scope and complexity of our platform increase. If we do not provide effective training resources for our customers on how to efficiently and effectively use our platform, our ability to grow our business will suffer, and our business and results of operations may be adversely affected. Additionally, when we announce or release new versions of our platform or advancements in our technology, we could fail to sufficiently explain or train our customers on how to use such new versions or advancements or we may announce or release such versions prematurely. These failures on our part may lead to our customers being confused about use of our products or expected technology releases, and our ability to grow our business, results of operations, brand and reputation may be adversely affected. For example, such failures have in the past led to customers expressing frustration with our platform on social media and other internet sites. Interruptions, performance problems, or defects associated with our platform may adversely affect our business, financial condition, and results of operations. Our reputation and ability to attract and retain customers and grow our business depends in part on our ability to operate our platform at high levels of reliability, scalability and performance, including the ability of our existing and potential customers to access our platform at any time and within an acceptable amount of time. Interruptions in the performance of our platform and solutions, whether due to system failures, computer viruses or physical or electronic break- ins, could affect the availability of our platform. We have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of customers accessing our platform simultaneously, denial of service attacks or other security- related incidents. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our customer base grows and our platform becomes more complex. If our platform is unavailable or if our customers are unable to access our platform within a reasonable amount of time or at all, we may experience a loss of customers, lost or delayed market acceptance of our platform, delays in payment to us by customers, injury to our reputation and brand, legal claims against us, significant cost of remedying these problems and the diversion of our resources. In addition, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations, as well as our reputation, may be adversely affected. For example, due to heightened concerns about the regulatory environment with respect to privacy and security matters, our customers are increasingly requesting audit certifications, such as SOC 2, Type II, that we have not yet achieved **with respect to some of our products**. Failure to achieve these certifications may adversely impact our ability to grow our business at the pace that may be expected by our investors. Additionally, material interruptions to our service due to security- related incidents may expose us to regulatory fines in certain jurisdictions where we operate even in the absence of data loss. Further, the software technology underlying our platform is inherently complex and may contain material defects or errors, particularly when new products are first introduced or when new features or capabilities are released. We have from time to time found defects or errors in our platform, and new defects or errors in our existing platform or new products may be detected in the future by us or our users. **For example, our revenue growth in the first half of 2022 was negatively impacted by challenges with our Grow Solutions products (including a fault in our platform that resulted in reduced accuracy of one of our monetization tools, as well as the consequences of ingesting bad data from a large customer) that reduced the efficacy of such products.** We cannot assure you that our existing platform and new products will not contain defects. Any real or perceived errors, failures, vulnerabilities, or bugs in our platform could result in negative publicity or lead to data security, access, retention or other performance issues, all of which could harm our business. The costs incurred in correcting such defects or errors may be substantial and could harm our business. Moreover, the harm to our reputation and legal liability related to such defects or errors may be substantial and could similarly harm our business. If we or our third- party service providers experience a security breach or unauthorized parties otherwise obtain access to our customers' data, our data, or our platform, our platform may be perceived as not secure, our reputation may be harmed, our business operations may be disrupted, demand for our products may be reduced, and we may incur significant liabilities. Operating our business and platform involves the collection, storage and transmission of sensitive, proprietary and confidential information, including personal information of our personnel, customers and their end users, our proprietary and confidential information and the confidential information we collect from our partners,

customers and creators. ~~The security measures we take to protect this~~ **Cyber- attacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information may be breached and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors," "hacktivists" " organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to, computer malware (including** as a result of **advanced persistent threat intrusions)** ~~cyber- attacks, computer malware,~~ software bugs and vulnerabilities, malicious code, viruses **and worms**, social engineering (including spear phishing and ransomware attacks), denial- of- service attacks (such as credential stuffing attacks), **credential harvesting, personnel misconduct or error,** supply chain attacks ~~and vulnerabilities through~~ **server malfunctions, software our- or hardware failures** ~~third-party vendors,~~ **hacking, and loss of data or other information technology assets** ~~efforts by individuals or groups of hackers and sophisticated organizations. including state- sponsored organizations or nation- states~~ **adware, telecommunications failures, and other similar threats**. Such incidents have become more prevalent in our industry in recent years. For example, attempts by malicious actors to fraudulently induce our personnel into disclosing usernames, passwords or other information that can be used to access our systems have increased and could be successful. Ransomware attacks are becoming increasingly prevalent and severe and can lead to significant interruptions, delays, or outages in our operations, loss of data, loss of income, significant extra expenses to restore data or systems, reputational harm, and the diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting payments. Our security measures could also be compromised by personnel, theft or errors, or be insufficient to prevent harm resulting from security vulnerabilities in software or systems on which we rely. Additionally, ~~the COVID-19 pandemic and our remote workforce~~ **pose poses** increased risks to our **IT information technology** assets and data. Future **or past business transactions (such as acquisitions or integrations)** could also expose us to additional cybersecurity risks and vulnerabilities ~~from any newly~~, **as our systems could be negatively affected by vulnerabilities present in** acquired **or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our** information technology ~~infrastructure~~ **environment and security program**. Such incidents have occurred in the past, and may occur in the future, resulting in unauthorized, unlawful or inappropriate access to, inability to access, disclosure of or loss of the sensitive, proprietary and confidential information that we handle. **For example, like many companies, we use Log4j with respect to certain software or systems to log security and performance information. A vulnerability in Log4j was discovered in late 2021 and widely exploited by threat actors, and, upon learning of this vulnerability, we made updates to our products and infrastructure intended to reduce risks associated with the vulnerability.** Investigations into potential incidents occur on a regular basis as part of our ~~Security~~ **security** program. Security incidents could also damage our IT systems, our ability to provide our products and services, and our ability to make the financial reports and other public disclosures required of public companies. We rely on third parties to provide critical services that help us deliver our solutions and operate our business. In the course of providing their services, these third parties may support or operate critical business systems for us or store or process personal information and any of the same sensitive, proprietary and confidential information that we handle. These third- party providers may not have adequate security measures and have experienced and could experience in the future security incidents that compromise the confidentiality, integrity or availability of the systems they operate for us or the information they process on our behalf. Such occurrences could adversely affect our business to the same degree as if we had experienced these occurrences directly and we may not have recourse to the responsible third parties for the resulting liability we incur. Because there are many different cybercrime and hacking techniques and such techniques continue to evolve, we may be unable to anticipate attempted security breaches, react in a timely manner or implement adequate preventative measures. While we have developed systems and processes designed to protect the integrity, confidentiality and security of our and our customers' confidential and personal information under our control, we cannot assure you that any security measures that we or our third- party service providers have implemented will be effective against current or future security threats. A security breach or other security incident, or the perception that one has occurred, could result in a loss of customer confidence in the security of our platform and damage to our reputation and brand, reduce demand for our solutions, disrupt normal business operations, require us to incur material costs to investigate and remedy the incident and prevent recurrence, expose us to litigation, regulatory enforcement action, fines, penalties and damages and adversely affect our business, financial condition and results of operations. These risks are likely to increase as we continue to grow and process, store and transmit an increasingly large volume of data. We have contractual and legal obligations to notify relevant stakeholders of security breaches. Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving certain types of data. In addition, our agreements with certain customers and partners may require us to notify them in the event of a security breach. Such mandatory disclosures are costly, could lead to negative publicity and may cause our customers to lose confidence in the effectiveness of our security measures. A security breach could lead to claims by our customers, their end users or other relevant parties that we have failed to comply with contractual obligations to implement specified security measures. As a result, we could be subject to legal action or our customers could end their relationships with us. We cannot assure you that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages. Security breaches could similarly result in enforcement actions by government authorities alleging that we have violated laws requiring us to maintain reasonable security measures. Additionally, we cannot be certain that our insurance coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically

reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition and results of operations. In addition, we continue to expend significant costs to seek to protect our platform and solutions and to introduce additional security features for our customers, and we expect to continue to have to expend significant costs in the future. Any increase in these costs will adversely affect our business, financial condition and results of operations. If we fail to timely release updates and new features to our platform and adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, or changing customer needs, requirements, or preferences, our platform may become less competitive. The market in which we compete is subject to rapid technological change, evolving industry standards, and changing regulations, as well as changing customer needs, requirements and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis. Accordingly, our ability to increase our revenue depends in large part on our ability to maintain, improve and differentiate our existing platform and introduce new functionality. We must continue to improve existing features and add new features and functionality to our platform in order to retain our existing customers and attract new ones. For example, if the technology underlying our high-definition rendering pipeline or our graphics, animation and audio tools become obsolete or do not address the needs of our customers, our business would suffer. Revenue growth from our products depends on our ability to continue to develop and offer effective features and functionality for our customers and to respond to frequently changing **privacy and data protection security laws and** regulations, policies, and end-user demands and expectations, which will require us to incur additional costs to implement. If we do not continue to improve our platform with additional features and functionality in a timely fashion, or if improvements to our platform are not well received by customers, our revenue could be adversely affected. If we fail to deliver timely releases of our products that are ready for commercial use, release a new version, service, tool or update with material errors, or are unable to enhance our platform to keep pace with rapid technological and regulatory changes or respond to new offerings by our competitors, or if new technologies emerge that are able to deliver competitive solutions at lower prices, more efficiently, more conveniently or more securely than our solutions, or if new operating systems, gaming platforms or devices are developed and we are unable to support our customers' deployment of games and other applications onto those systems, platforms or devices, our business, financial condition and results of operations could be adversely affected. Our business depends on the interoperability of our solutions across third-party platforms, operating systems, and applications, and on our ability to ensure our platform and solutions operate effectively on those platforms. If we are not able to integrate our solutions with third-party platforms in a timely manner, our business may be harmed. One of the most important features of our platform and solutions is broad interoperability with a range of diverse devices, operating systems and third-party applications. Our customers rely on our solutions to create and simultaneously deploy content to a variety of third-party platforms. Similarly, we and our customers also rely on our solutions' interoperability with third-party platforms in order to deliver services. Currently, we support and have strategic partnerships with over 20 such platforms. Third-party platforms are constantly evolving, and we may not be able to modify our solutions to assure compatibility with that of other third parties following development changes within a timely manner. For example, third-party platforms frequently deploy updates to their hardware or software and modify their system requirements. The success of our business depends on our ability to incorporate these updates to third-party licensed software into our technology, effectively respond to changes to device and operating system platform requirements, and maintain our relationships with third-party platforms. Our success also depends on our ability to simultaneously manage solutions on multiple platforms and our ability to effectively deploy our solutions to an increasing number of new platforms. Given the number of platforms we support, it can be difficult to keep pace with the number of third-party updates that are required in order to provide the interoperability our customers demand. If we fail to effectively respond to changes or updates to third-party platforms that we support, our business, financial condition, and results of operations could be harmed. We rely upon third-party data centers and providers of cloud-based infrastructure to host our platform. Any disruption in the operations of these third-party providers, limitations on capacity or interference with our use could adversely affect our business, financial condition, and results of operations. We currently serve our users from co-located data centers in the ~~United States~~ **U. S.** We also use various third-party cloud hosting providers such as Google Cloud, AWS and Tencent to provide cloud infrastructure for our platform. Our Create Solutions and ~~Operate~~ **Grow** Solutions rely on the operations of this infrastructure. Customers need to be able to access our platform at any time, without interruption or degradation of performance, and we provide some customers with service-level commitments with respect to uptime. In addition, our ~~Operate~~ **Grow** Solutions and enterprise game server hosting depend on the ability of these data centers and cloud infrastructure to allow for our customers' configuration, architecture, features and interconnection specifications and to secure the information stored in these data centers. Any limitation on the capacity of our data centers or cloud infrastructure could impede our ability to onboard new customers or expand the usage of our existing customers, host our products or serve our customers, which could adversely affect our business, financial condition and results of operations. In addition, any incident affecting our data centers or cloud infrastructure that may be caused by cyber-attacks, natural disasters, fire, flood, severe storm, earthquake, power loss, outbreaks of contagious diseases, telecommunications failures, terrorist or other attacks and other similar events beyond our control could negatively affect the cloud-based portion of our platform. A prolonged service disruption affecting our data centers or cloud-based services for any of the foregoing reasons would negatively impact our ability to serve our customers and could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers or otherwise harm our business. We may also incur significant costs for using alternative providers or taking other actions in preparation for, or in response to, events that damage the third-party hosting services we use. In the event that our service agreements relating to our data centers or cloud infrastructure are terminated, or there is a lapse of service, elimination of services or features that we utilize, interruption of internet service provider

connectivity or damage to such facilities, we could experience interruptions in access to our platform, loss of revenue from revenue- share and consumption- based solutions, as well as significant delays and additional expense in arranging or creating new facilities and services or re- architecting our platform for deployment on a different data center provider or cloud infrastructure service provider, which could adversely affect our business, financial condition and results of operations. ~~If the market for our platform does not continue to grow or develops more slowly or differently than we expect or we are unable to gain market acceptance for our new products, our business may be harmed. Our future success depends on increasing demand for solutions to create and operate interactive, RT3D content and our ability to continue to develop new products, services, features and functionality that our customers and end users demand. It is difficult to predict customer adoption rates and demand for our solutions or the future growth rate and size of our market. The expansion of our market depends on a number of factors, including the cost, performance and perceived value associated with interactive, RT3D content creation platforms as an alternative to traditional methods of content creation; the ability to monetize quality interactive content and experiences effectively and efficiently in gaming and across other industries; customer awareness of our platform; the timely completion, introduction and market acceptance of enhancements to our platform or new products that we may introduce, such as our investments into consumer markets or live sports and entertainment; our ability to attract, retain, and effectively train sales personnel; the effectiveness of our marketing programs; and the success of our competitors. The market for solutions like our platform that create and operate interactive, RT3D content might not continue to develop or might develop more slowly than we expect for a variety of reasons, including the failure to create new solutions and functionality that meet market demands, technological challenges, weakening economic conditions, data security or privacy concerns, governmental regulation, and competing technologies and solutions. If the market for our solutions does not continue to grow or develops more slowly or differently than we expect, our business, financial condition and results of operations may be adversely affected.~~ Any failure to obtain, maintain, protect or enforce our intellectual property and proprietary rights could impair our ability to protect our proprietary technology and our brand. Our success depends to a significant degree on our ability to obtain, maintain, protect and enforce our intellectual property rights, including our proprietary technology, know- how and our brand. **The We rely on a combination of trademarks, trade secret laws, patents, copyrights, service marks, contractual restrictions and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights.** However, the steps we take to obtain, maintain, protect and enforce our intellectual property rights may be inadequate. We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights. If we fail to protect our intellectual property rights adequately, or fail to continuously innovate and advance our technology, our competitors could gain access to our proprietary technology and develop and commercialize substantially identical products, services or technologies. In addition, defending our intellectual property rights might entail significant expense. Any patents, trademarks or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative processes, ~~including re- examination, inter partes review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions, such as opposition proceedings, or litigation~~. In addition, ~~despite our pending patent applications~~, we cannot assure you that our patent applications will result in issued patents. ~~Even if we continue to seek patent protection in the future, and~~ we may be unable to obtain or maintain patent protection for our technology. In addition, any patents issued from pending or future patent applications or licensed to us in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our solutions and use information that we regard as proprietary to create products that compete with ours. Patent, trademark, copyright and trade secret protection may not be available to us in every country in which our products are available. The value of our intellectual property could diminish if others assert rights in or ownership of our trademarks and other intellectual property rights, or trademarks that are similar to our trademarks. We may be unable to successfully resolve these types of conflicts to our satisfaction. In some cases, litigation or other actions may be necessary to protect or enforce our trademarks and other intellectual property rights. Furthermore, third parties may assert intellectual property claims against us, and we may be subject to liability, required to enter into costly license agreements, required to rebrand our products or prevented from selling some of our products if third parties successfully oppose or challenge our trademarks or successfully claim that we infringe, misappropriate or otherwise violate their trademarks or other intellectual property rights. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those in the **United States U. S.**, and mechanisms for enforcement of intellectual property rights may be inadequate. As we expand our global activities, our exposure to unauthorized copying and use of our platform and proprietary information will likely increase. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property may be difficult, expensive and time- consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the **United States U. S.** and where mechanisms for enforcement of intellectual property rights may be weak. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties, including suppliers and other partners. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know- how and trade secrets or that has or may have developed intellectual property in connection with their engagement with us. Moreover, we cannot assure you that these agreements will be effective in controlling access to, distribution, use, misuse, misappropriation, reverse engineering or disclosure of our proprietary information, know- how and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform. These agreements may be breached, and we may not have adequate remedies for any such breach. In order to protect

our intellectual property rights, we may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights, such as rights under our software licenses, and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims or countersuits are successful, we could lose valuable intellectual property rights. Our inability to enforce our unique licensing structure, including financial eligibility tiers, and our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions, impair the functionality of our platform, delay introductions of new solutions, result in our substituting inferior or more costly technologies into our products, or injure our reputation. We license and make available source code to customers. Although those customers are restricted in the manner in which they can use and share our source code, we cannot assure you that unauthorized use or copying of our source code will not occur. We rely on periodic significant updates to our source code to encourage our customers to access our source code through us on a paying or, for qualified users, non-paying, basis. However, we cannot assure you that this strategy will be effective in ensuring that users are not misusing or accessing our source code on an authorized basis. Our ability to acquire and maintain licenses to intellectual property may affect our revenue and profitability. These licenses may become more expensive and increase our costs. While most of the intellectual property we use is created by us, we have also acquired rights to proprietary intellectual property that provide key features and functionality in our solutions. We have also obtained rights to use intellectual property through licenses and service agreements with third parties. Proprietary licenses typically limit our use of intellectual property to specific uses and for specific time periods. If we are unable to maintain these licenses or obtain additional licenses on reasonable economic terms or with significant commercial value, our revenue and profitability may be adversely impacted. These licenses may become more expensive and increase the advances, guarantees and royalties that we may pay to the licensor, which could significantly increase our costs and adversely affect our profitability. We **are have been** and may in the future become subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business. We have **faced** previously been named as a potential indemnitor in a claim alleging infringing use of our software. Defending this and **may in the** future claims can be expensive and impose a significant burden on management and employees, **face** and we may receive unfavorable preliminary, interim, or final rulings in the course of litigation, which could seriously harm our business. We may in the future become subject to additional intellectual property disputes. **Such**, and may become subject to liability as a result of these disputes. Our success depends, in part, on our ability to develop and commercialize our solutions without infringing, misappropriating or otherwise violating the intellectual property **litigation can** rights of third parties. However, there is no assurance that our technologies, products, services or platform will not be found to infringe, misappropriate or otherwise violate the intellectual property rights of third parties. Lawsuits are time-consuming and expensive to resolve and they divert management's time and attention. Companies in the internet, technology and gaming industries own large numbers of patents, copyrights, trademarks, domain names and trade secrets and frequently enter into litigation based on allegations of infringement, misappropriation or other violations of intellectual property or other rights. As we face increasing competition and gain a higher profile, the possibility of intellectual property rights and other claims against us grows. Our technologies may not be able to withstand any third-party claims against their use. In addition, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. ~~We have a number of issued patents. We have filed a number of additional U. S. and foreign patent applications but they may not issue.~~ Any litigation may also involve patent holding companies or other adverse patent owners that have no relevant product revenue, and therefore, our patents and patent applications may provide little or no deterrence as we would not be able to assert them against such entities or individuals. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our solutions or cease business activities related to such intellectual property. In addition, we may need to settle litigation and disputes on terms that are unfavorable to us. Although we carry general liability insurance and patent infringement insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Any intellectual property claim asserted against us, or for which we are required to provide indemnification, may require us to do one or more of the following: • cease selling or using products that incorporate the intellectual property rights that we allegedly infringe, misappropriate or violate; • make substantial payments for legal fees, settlement payments or other costs or damages; • obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or • redesign or rebrand the allegedly infringing products to avoid infringement, misappropriation or violation, which could be costly, time-consuming or impossible. Even if the claims do not result in litigation or are resolved in our favor, ~~these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Moreover,~~ there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. We expect that the occurrence of infringement claims is likely to grow as the market for our solutions grow. Accordingly, our exposure to damages resulting from infringement claims could increase, and this could further exhaust our financial and management resources. We use open source software in our products, which could negatively affect our ability to sell our services or subject us to litigation or other actions. We use open source software in our products, and we expect to continue to incorporate open source software in our services in the future. Few of the licenses applicable to open source software

have been interpreted by courts, and ~~there is a risk that~~ these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we cannot ensure **you** that we have not incorporated additional open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures. Depending on the terms of certain of these licenses, we may be subject to certain requirements, including that we make source code available for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open source software and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. From time to time, there have been claims challenging the ownership rights in open source software against companies that incorporate it into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. As a result, we and our customers could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, ~~have a negative effect on our business, financial condition and results of operations,~~ or require us to devote additional research and development resources to change our products, **either of which could harm our business**. In addition, although we employ open source software license screening measures, if we were to combine our proprietary software products with certain open source software in a particular manner we could, under certain open source licenses, be required to release the source code of our proprietary software products. Some open source projects have known vulnerabilities and architectural instabilities and are provided on an **"as-is"** basis which, if not properly addressed, could negatively affect the performance of our product. If we inappropriately use or incorporate open source software subject to certain types of open source licenses that challenge the proprietary nature of our products, we may be required to re-engineer such products, discontinue the sale of such products or take other remedial actions. Risks Related to ~~our~~ **Our** Management, ~~and~~ **Brand Attracting, managing and Culture** ~~We rely on the performance of highly skilled personnel, including our management and other key employees, and the loss of one or more of such personnel, or of a significant number of our employees, or the inability to attract and retain~~ **retaining** ~~executives and employees we need to support our~~ **talent is critical to** ~~operations and growth, could harm our business success~~. Our success and future growth depend upon the continued services of our management team and other key employees. In particular, our President and Chief Executive Officer, John Riccitiello, is critical to our overall management, as well as the continued development of our platform, our culture and our strategic direction. ~~From time to time, there may be changes~~ **Changes** in our management team ~~resulting from the hiring or departure of executives and key employees, which including changes due to the ironSource Merger,~~ could disrupt our business. We also are dependent on the continued service of our existing software engineers because of the complexity of our solutions. ~~Our senior management and key employees are employed on an at-will basis. We may terminate any employee's employment at any time, with or without cause, and any employee may resign at any time, with or without cause.~~ The loss of one or more members of our senior management, especially Mr. Riccitiello, or key employees could harm our business, and we may not be able to find adequate replacements. We cannot ensure that we will be able to retain the services of any members of our senior management or key employees. **For example, certain of our senior management members are subject to share holding thresholds under an Israeli tax ruling we obtained in connection with the ironSource Merger. Their noncompliance with such tax ruling may result in adverse tax consequences to them which could harm their morale and that of their teams, and ultimately harm our business.** In addition, ~~to execute our growth plan,~~ we must attract and retain highly qualified personnel. We have had difficulty quickly filling certain open positions in the past, and we expect to have significant future hiring needs. Competition is intense, particularly in the San Francisco Bay Area, **Tel Aviv**, and other areas in which we have offices, for engineers experienced in designing and developing cloud-based platform products, data scientists with experience in machine learning and artificial intelligence and experienced sales professionals. In order to continue to access top talent, we will likely continue to grow our footprint of office locations, which may add to the complexity and costs of our business operations. **In addition** ~~From time to time,~~ **the recent move by companies** ~~we have experienced, and we expect to continue to experience,~~ difficulty in hiring and retaining **offer a remote or hybrid work environment may increase the competition for such** employees with appropriate qualifications **from competitors outside of our traditional office locations**. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, ~~experiences significant volatility~~ **it may not be as effective an incentive** or ~~for~~ increases such that prospective **attracting, retaining, and motivating** employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees. ~~In addition, we may experience employee turnover as a result of the ongoing "great resignation" occurring throughout the U. S. economy.~~ New hires require training and take time before they achieve full productivity. New employees may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed. If we fail to maintain and enhance our brand, our ability to expand our customer base will be impaired and our business, financial condition, and results of operations may suffer. We believe that maintaining and enhancing our brand reputation is important to ~~expand~~ **support the marketing and sales** ~~sale~~ of our platform to **new and** existing customers, ~~support the marketing and sale of our platform to new customers, convert free creators to~~ **customers** and grow our strategic partnerships. We also believe that the importance of brand recognition will increase as

competition in our market increases. Successfully maintaining and enhancing our brand will depend largely on the effectiveness of our marketing efforts, our ability to offer a reliable platform that continues to meet the needs and preferences of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop new functionality to address a wide variety of use cases and our ability to successfully differentiate our platform from competitors. Our brand promotion activities may not generate customer awareness or yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, our business, financial condition and results of operations may suffer. Our culture emphasizes innovation, and if we cannot maintain this culture as we grow, our business could be harmed. We have a culture that encourages employees to develop and launch new and innovative solutions, which we believe is essential to attracting customers and partners and serving the best, long-term interests of our company. As our business grows and becomes more complex, it may become more difficult to maintain this cultural emphasis. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our strategies. If we fail to maintain our company culture, our business and competitive position may be harmed.

Risks Related to Laws, Regulations, and the Global Economy We are subject to rapidly changing and increasingly stringent laws, regulations, contractual obligations, and industry standards relating to privacy, data security, and the protection of children. The restrictions and costs imposed by these requirements, or our actual or perceived failure to comply with them, could harm our business. Our products, and particularly our Operate-Grow Solutions, rely on our ability to process sensitive, proprietary, confidential, and regulated information, including personal information, trade secrets, intellectual property, and business information, that belongs to us or that we handle on behalf of others such as our customers. These activities are regulated by a variety of federal, state, local, and foreign privacy and data security laws and regulations, which have become increasingly stringent in recent years and continue to evolve. Any actual or perceived non-compliance could result in litigation and proceedings against us by governmental entities, customers, individuals or others; fines and civil or criminal penalties, for us or company officials; obligations to cease offerings or to substantially modify our Operate-Grow Solutions in ways that make them less effective in certain jurisdictions; negative publicity, and harm to our brand and reputation; and reduced overall demand for our platform or reduced returns on our Operate-Grow Solutions. Internationally, most jurisdictions in which we or our customers operate have adopted privacy and data security laws. For example, European privacy and data security laws, including the European Union's ("EU") General Data Protection Regulation ("EU GDPR") 2016/679, the United Kingdom's GDPR ("UK GDPR") and others, impose significant and complex burdens on processing personal information and provide for robust regulatory enforcement and significant penalties for noncompliance. For example, under the EU GDPR, companies can face litigation, bans on data processing, fines of up to the greater of 20 million Euros or 4 % of worldwide annual revenue, and private litigation related to processing of personal information brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Regulators, courts, and platforms have increasingly interpreted the GDPR and other privacy and data security laws as requiring affirmative opt-in consent to use cookies and similar technologies for personalization, advertising, and analytics. Proposed regulations could also impose onerous obligations related to artificial intelligence ("AI"), the use of cookies and other online tracking technologies on which our products rely, and online direct marketing. Any of these could increase our exposure to regulatory enforcement actions, increase our compliance costs, and adversely affect our business. Globally, certain jurisdictions have enacted laws that may require data localization and have imposed requirements for cross-border transfers of personal information. For example, the cross-border transfer landscape in Europe remains unstable despite an agreement in principle between the U. S. and Europe, and other countries outside of Europe have enacted or are considering enacting cross border data transfer restrictions and laws requiring data residency. The EU GDPR, UK GDPR, and other European privacy and data security laws generally prohibit the transfer of personal information to countries outside the European Economic Area ("EEA") and, in substantially equivalent form, to UK establishments and UK-focused processing operations ("UK GDPR"); European data protection laws, including EU GDPR, UK GDPR, and others, impose significant and complex burdens on processing personal information and provide for robust regulatory enforcement and significant penalties for noncompliance. For example, companies that violate the GDPR can face private litigation, bans on data processing and fines of up to the greater of 20 million Euros or 4 % of their worldwide annual revenue. Regulators, courts, and platforms have increasingly interpreted the GDPR and other data protection laws as requiring affirmative opt-in consent to use cookies and similar technologies for personalization, advertising, or analytics. A new regulation that has been proposed in the European Union, known as the ePrivacy Regulation, may further restrict the use of cookies and other online tracking technologies on which our products rely, as well as increase restrictions on online direct marketing. Such restrictions could increase our exposure to regulatory enforcement action, increase our compliance costs, and adversely affect our Operate Solutions business. Globally, certain jurisdictions have enacted data localization laws and have imposed requirements for cross-border transfers of personal information. For example, the cross-border transfer landscape in Europe is currently unstable and other countries outside of Europe have enacted or are considering enacting cross-border data transfer restrictions and laws requiring data residency. For example, the GDPR and other European data protection laws also generally prohibit the transfer of personal information to countries outside the EEA, such as the United States U. S., which that are not considered by the European Commission to provide an adequate level of data protection. In addition, Swiss law, although there are currently various mechanisms that may be used to transfer personal information from the EEA and UK the United Kingdom to the U. S. in compliance with law, contain similar data transfer restrictions as the these GDPR mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these mechanisms. The future European Commission recently released guidance on Standard Contractual Clauses, a mechanism to transfer data outside of the EEA, which imposes additional obligations to carry out cross-border data transfers. Although there are currently valid mechanisms available to transfer data from these

jurisdictions, there remains some uncertainty -- **uncertain in light** regarding the future of these -- **the evolving regulatory landscape both within and** cross-border data transfers. Countries outside of Europe have enacted or are considering similar cross-border data transfer restrictions and laws requiring local data residency and restricting cross-border data transfer, which could increase the cost and complexity of doing business. If we cannot implement a valid mechanism for cross-border personal information transfers, we may face increased exposure to regulatory actions, penalties, and data processing restrictions or bans, and reduce demand for our services. Loss of our ability to import personal information from Europe and elsewhere may also require us to increase our data processing capabilities outside the U. S. at significant expense. **Similarly** Additionally, in August 2021, China adopted the **'s Personal Information Protection Law and Data Security Law ("PIPL")**, **Canada's Personal Information Protection and Electronic Documents Act, related provincial laws, and Canada's Anti-Spam Legislation, Israel's Privacy Protection Law 5741-1981, and new and emerging privacy and data security regimes in other jurisdictions in** which takes effect we operate, **such as Japan's Act** on November 1, 2021. The PIPL introduces a legal framework similar to the GDPR and is viewed as the beginning of a comprehensive system for the protection **Protection of Personal Information, Singapore's Personal Data Protection Act, and South Korea's Personal Information Protection Act, broadly regulate processing** of personal information in China, although numerous aspects of the law remain uncertain and developing **impose comprehensive compliance obligations** and **penalties** the impact that PIPL will have on businesses remains uncertain. In the **United States-U. S.**, federal, state, and local governments have enacted numerous privacy and data security laws, including data breach notification laws, personal information privacy laws, health information privacy laws, and consumer protection laws. **States have begun to introduce more comprehensive privacy legislation.** For example, **California** enacted **the TCPA imposes various consumer consent requirements and other restrictions on certain telemarketing activity and other communications with consumers by phone, fax or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to \$ 1, 500 per violation imposed through private litigation or by state authorities. In addition, the California Consumer Privacy Act ("CCPA")**, which took effect on January 1 **applies to personal information of consumers, 2020-business representatives, and employees,** imposes several obligations on covered businesses, including requiring specific disclosures related to a business's collection, use, and sharing of personal information, new operational practices, and requirements to **, among other things,** respond to requests from California residents related to their personal information. The CCPA contains significant potential penalties for noncompliance (up to \$ 7, 500 per violation). Additionally, **it is anticipated** that privacy requirements under California law will become more restrictive under the newly adopted **California Privacy Rights Act ("expands the CPRA-CCPA")'s requirements, including by adding new rights** which is set to become effective in January 2023 and which is expected **establishing a new regulatory agency to implement and** increase the risk of enforcement **enforce actions-the law**. Other states are considering or have also enacted privacy and data security laws. For example, **Virginia and Utah, Colorado, and Connecticut** have similarly enacted **comprehensive privacy and data security laws. Our actual or perceived noncompliance with these and other emerging state laws** such comprehensive laws **could harm our business**, the Consumer Data Protection Act and Colorado Privacy Act, respectively, both of which differ from the CCPA and become effective in 2023. There is also increasing focus at the state and federal level on use of sensitive categories of data that **Unity-we** may be deemed to collect from time to time. For example, several states and localities have enacted statutes banning or restricting the collection of biometric information **and have enacted measures related to the use of AI and machine learning in products and services. In addition, Some-some** of our products employ technology to help creators build augmented and virtual reality applications, and their use to recognize and collect information about individuals could be perceived as subject to these **the emerging regulations relating to** biometric privacy laws. Although we **aim** have endeavored to comply with these **emerging** laws, **our actual or perceived noncompliance may expose us** the collection of biometric information has increasingly been subject to litigation **risks**. There are emerging cases applying existing privacy and data security laws in the U. S., such as the federal and state wiretapping laws in novel and potentially impactful ways that may affect our ability to offer certain products. The outcome of these cases could cause us to make changes to our products to avoid costly litigation, government enforcement actions, damages, and penalties under these laws, which could adversely affect our business, results of operations, and our financial condition. Another area of increasing focus by regulators is children's privacy. Enforcement of longstanding privacy laws, such as the Children's Online Privacy Protection Act ("COPPA"), has increased and **may that trend** is expected to continue under the new generation of privacy and data security laws **and regulations**, such as the GDPR, CCPA, and CPRA. For example, the **UK' U. K.'s Information Commissioner's Office** recently enacted the **Age Appropriate Design Code ("Children's Code")**, **and which imposes various obligations relating to the processing of children's data** **California Age-Appropriate Design Code Act ("Design Code")**. European regulators are expected to introduce guidance for age appropriate design across all countries implementing the GDPR as well. We have previously been subject to claims related to the privacy of minors predicated on COPPA and other privacy and data security laws, and we may in the future face claims under COPPA, the GDPR, the Children's Code, the CCPA, the **CPRA-Design Code**, or other laws relating to children's privacy. **Apart from the requirements of privacy and data security laws. In addition to increasing government regulation**, we have obligations relating to privacy and data security under our published policies and documentation, contracts and applicable industry standards. **For example, we may also be subject to the PCI DSS, which requires companies to adopt certain measures to ensure the security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Noncompliance with PCI-DSS can result in penalties ranging from \$ 5, 000 to \$ 100, 000 per month by credit card companies, litigation, damage to our reputation, and revenue losses. Our business is materially reliant on revenue from behavioral, interest-based, or tailored advertising (collectively, "targeted advertising"), but delivering targeted advertisements is becoming increasingly difficult due to changes to our ability to gather information about user behavior through third party**

platforms, new laws and regulations, and consumer resistance. Major technology platforms on which we rely to gather information about consumers have adopted or proposed measures to provide consumers with additional control over the collection, use, and sharing of their personal data for targeted advertising purposes. For example, Apple allows users to easily opt- out of activity tracking across devices, which has impacted and may continue to impact our business. Similarly, Google announced similar plans to adopt additional privacy controls on its Android devices to allow users to limit sharing of their data with third parties and reduce cross- device tracking for advertising purposes. Additionally, Google has announced that it intends to phase out third- party cookies in its Chrome browser, which could make it more difficult for us to target advertisements. Other browsers, such as Firefox and Safari, have already adopted similar measures. In addition, legislative proposals and present laws and regulations regulate the use of cookies and other tracking technologies, electronic communications, and marketing. For example, in the EEA and the U. K., regulators are increasingly focusing on compliance with requirements related to the targeted advertising ecosystem. European regulators have issued significant fines in certain circumstances where the regulators alleged that appropriate consent was not obtained in connection with targeted advertising activities. It is anticipated that the ePrivacy Regulation and national implementing laws will replace the current national laws implementing the ePrivacy Directive, which may require us to make significant operational changes. In the U. S., the CCPA, for example, grants California residents the right to opt- out of a company' s sharing of personal data for advertising purposes in exchange for money or other valuable consideration and requires covered businesses to honor user- enabled browser signals from the Global Privacy Control. Partially as a result of these developments, individuals are becoming increasingly resistant to the collection, use, and sharing of personal data to deliver targeted advertising. Individuals are now more aware of options related to consent, " do not track" mechanisms (such as browser signals from the Global Privacy Control), and " ad- blocking " software to prevent the collection of their personal information for targeted advertising purposes. As a result, we may be required to change the way we market our products, and any of these developments or changes could materially impair our ability to reach new or existing customers or otherwise negatively affect our operations . Although we endeavor to comply with these obligations, we may have **actually or allegedly** failed to do so in the past and may be subject to allegations that we have failed to do so or have otherwise processed data improperly. For example, in 2019, we became aware of a research paper alleging that our software, including an older version of the Unity Editor, was inappropriately configured to collect hardware- based persistent identifiers, or MAC addresses. Although we did not use this information to measure behavior or track individuals as alleged by the researchers and we have disabled the configuration described in the paper, we could be subject to enforcement action or litigation alleging that this instance or our other data processing practices violate our contractual obligations, policies, federal or state laws prohibiting unfair or deceptive business practices, or other privacy laws. In response to the increasing restrictions of global privacy and data security laws, our customers have sought and may continue to seek increasingly stringent contractual assurances regarding our handling of personal information, and may adopt internal policies that limit their use of our **Operate Grow** Solutions. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self- regulatory standards by which we are legally or contractually bound. If we fail to comply with these contractual obligations or standards, we may face substantial contractual liability or fines. **The** As also described in " Risk Factors — Operating system platform providers or application stores may change terms of service, policies or technical requirements to require us or our customers to change data collection and privacy and data security practices, business models, operations, practices, advertising activities or application content, which could adversely impact our business," the requirements imposed by rapidly changing privacy and data security laws, platform providers, and application stores ~~requires~~ **require** us to dedicate significant resources to compliance, and could also limit our ability to operate, harm our reputation, reduce demand for our products, and subject us to regulatory enforcement action (including fines, investigations, audits, or bans on processing personal information), private litigation, and other liability. Such occurrences could adversely affect our business, financial condition, and results of operations. Companies and governmental agencies may restrict access to platforms, our website, mobile applications, application stores or the Internet generally, which could lead to the loss or slower growth of our customers' end users and negatively impact our operations. Governmental agencies in any of the countries in which we, our customers or end users are located, such as China, could block access to or require a license for our platform, our website, mobile applications, operating system platforms, application stores or the Internet generally for a number of reasons, including security, confidentiality or regulatory concerns. ~~End users generally need to access the Internet, including in geographically diverse areas, and also platforms such as the Apple App Store and the Google Play Store, to play games created or operated using our platform. In addition, companies may adopt policies that prohibit employees from accessing our platform or the platforms that end users need in order to play games created or operated using our platform.~~ If companies or governmental entities block, limit or otherwise restrict customers from accessing our platform, or end users from playing games developed or operated on our platform, our business could be **harmed** negatively impacted, our customers' end users could decline or grow more slowly, and our results of operations could be adversely affected. Further, some countries may block data transfers as a result of businesses collecting data within a country' s borders as part of broader privacy- related concerns, which could affect our business. For example, the Indian government ~~recently~~ blocked the distribution of several applications of Chinese origin in the interest of sovereignty and integrity of India, defense of India, and security of the Indian state. In undertaking this action, the Indian government partially blocked some of Unity' s services. **While** We contacted the government requesting more information and to explain our **services were ultimately** business operations, including the accurate location of data processing, and they have unblocked our services. **If in that instance, if** other countries block our data transfers or services or take similar action against us, our customers, our services, and our business could be harmed. Adverse changes in the geopolitical relationship between the ~~United States~~ **U. S.** and China or changes in China' s economic and regulatory landscape could have an adverse effect on business conditions. Because our continued business operations in China, **including our joint venture in China,** constitute a

significant part of our current and future revenue growth plans, adverse changes in economic and political policies relating to China could have an adverse effect on our business. An escalation of recent trade tensions between the U. S. and China has resulted in trade restrictions that harm our ability to participate in Chinese markets. For example, U. S. export control regulations relating to China have created restrictions with respect to the sale of our products to various Chinese customers and further changes to regulations could result in additional restrictions. **Additionally, proposed restrictions in the U. S. on outbound investment may impair our ability to support our subsidiaries in China, including our majority owned joint venture.** Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the U. S. and its trading partners, especially China, could result in a global economic slowdown and long-term changes to global trade, including retaliatory trade restrictions that further restrict our ability to operate in China. ~~The Chinese economic, legal and political landscape also differs from many developed countries in many respects, including the level of government involvement and regulation, control of foreign exchange and allocation of resources, uncertainty regarding the enforceability and scope of protection for intellectual property rights, a relatively uncertain legal system, and instability related to economic, political and social reform. The laws, regulations and legal requirements in China are also subject to frequent changes.~~ Any actions and policies adopted by the government of the People's Republic of China (" PRC"), particularly with regard to intellectual property rights and existing cloud- based and Internet restrictions for non- Chinese businesses, or any prolonged slowdown in China's economy, due to the COVID- 19 pandemic **or otherwise**, could have an adverse effect on our business, results of operations and financial condition. In particular, PRC laws and regulations impose restrictions on foreign ownership of companies that engage in internet, market survey, cloud- based services and other related businesses from time to time. ~~Specifically, foreign ownership of an internet content provider may not exceed 50% and the primary foreign investor of such provider must have a record of good performance and operating experience in managing internet content service.~~ Accordingly, our ability to offer cloud- based services in China depends on our ability to implement and maintain structures that are acceptable under PRC laws. **Our failure** ~~If any structure that we have implemented or may in the future implement is determined to do so~~ be illegal or invalid, the relevant governmental authorities would have broad discretion in dealing with such violation, including revoking our business and operating licenses, requiring us to discontinue or restrict operations, restricting our rights to collect revenue, confiscating our income, requiring us to restructure our ownership structure or operations, imposing additional conditions or requirements with which we may not be able to comply or levying fines. Additionally, the structure that we have implemented or may in the future implement may not be as effective as direct ownership, and we may not be able to enforce our rights to exercise control over our business operation in China. Any of the foregoing could **harm** ~~cause significant disruption to our business operations and may materially and adversely affect our business, financial condition, and operating results.~~ We are subject to anti- corruption, anti- bribery, anti- money laundering, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition and results of operations. We are subject to the FCPA, U. S. domestic bribery laws, the ~~UK~~ **U. K.** Bribery Act and other anti- corruption and anti- money laundering laws in the countries in which we conduct activities. ~~Anti- corruption and anti- bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third- party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector.~~ As we increase our global sales and business to the public sector and further develop our reseller channel, we may engage with business partners and third- party intermediaries to market our solutions and obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third- party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not authorize such activities. ~~While we have policies and procedures to address compliance~~ **Compliance** ~~with such laws is costly~~, we cannot assure you that none of our employees and agents will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. ~~As we increase our global sales and business, our risks under these laws may increase. Detecting, investigating and resolving actual or alleged violations of anti- corruption laws can require a significant diversion of time, resources and attention from senior management.~~ In addition, noncompliance with **these** ~~anti- corruption, anti- bribery or anti- money laundering laws~~ could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, **and** ~~adverse media coverage and other collateral consequences.~~ If any **of which could harm** ~~subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding,~~ our business, financial condition and results of operations could be harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. We are subject to governmental export and import controls and economic sanctions laws that could impair our ability to compete in global markets or subject us to liability if we violate the controls. ~~Our platform is subject to U. S. export controls. Our products and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception, or other appropriate government authorizations, including the filing of an encryption classification request or self- classification report, as applicable. Furthermore, our activities are subject to U. S. economic sanctions laws and regulations administered by the Office of Foreign Assets Control (" OFAC"), that prohibit the shipment of most solutions to embargoed jurisdictions or sanctioned parties without the required export authorizations. Obtaining the necessary export license or other authorization for a particular sale may be time- consuming and may result in the delay or loss of sales opportunities. Although we have taken precautions to prevent our platform from being provided, deployed or used in violation of export control and sanctions laws, and have enhanced our policies and procedures relating to export control and sanctions compliance, we have inadvertently provided products and services in the past to some customers in~~

apparent violation of U. S. export control and economic sanctions laws. In August 2020, we submitted to OFAC and to the U. S. Department of Commerce's Bureau of Industry and Security (" BIS") initial notifications of voluntary self-disclosure concerning these apparent violations. In February 2021, we submitted to OFAC and BIS final notifications of voluntary self-disclosure concerning the same. In April 2021, OFAC closed out the voluntary self-disclosure and issued a cautionary letter, with no imposition of monetary fines or penalties. In June 2021, after submission of a supplemental disclosure to BIS regarding additional apparent export control violations that were uncovered, BIS also closed out the voluntary self-disclosure and issued a warning letter, with no imposition of monetary fines or penalties. We cannot assure you that our policies and procedures relating to export control and sanctions compliance will prevent violations in the future. If we are found to be in violation of U. S. sanctions or export control regulations, it can result in significant fines or penalties and possible incarceration for responsible employees and managers, as well as reputational harm and loss of business. If we or our resellers fail to obtain appropriate import, export, or re-export licenses or permits, we may also be adversely affected through reputational harm, as well as other negative consequences, including government investigations and penalties. Also, various **Various** countries, in **which we operate** addition to the United States, regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to implement our products in those countries. **Our Changes in our products and services are subject to export controls and economic sanctions laws and regulations of the United States and potentially other jurisdictions in which we have operations. Compliance with such laws and regulations can be time-consuming and may result in the delay or loss of sales opportunities. We previously inadvertently provided products and services to some customers in apparent violation of U. S. export control and economic sanctions laws. After voluntarily disclosing such noncompliance to relevant U. S. authorities, we received a warning letter, with no imposition of monetary fines or penalties. In the future changes, if we, or our resellers, are found to be in violation of U. S. sanctions or export control regulations, significant fines or penalties and possible incarceration for responsible employees and managers, as well as reputational harm and loss of business, could result. Any change in export or import regulations -- including** may create delays in the introduction of our platform in global markets, prevent our customers with global operations from deploying our platform globally or, in some cases, prevent the export or import of our products to certain countries, governments or persons altogether. From time to time, various governmental agencies have proposed additional regulation of encryption technology --. Our customers outside of the United States generated approximately 76 %, 74 %, and 72 % of our revenue for the years ended December 31, 2021, 2020, and 2019, respectively, and our growth strategy includes further expanding our operations and customer base across all major global markets. However, any change in export or import regulations, economic sanctions or related legislation, increased export and import controls, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell our products to, existing or potential customers with global operations **which**. Any decreased use of our platform or limitation on our ability to export or sell our products in major global markets would adversely affect our business, results of operations, and growth prospects. Sales to government entities and highly regulated organizations are subject to a number of challenges and risks. We sell our **offerings, particularly within our Create Solutions and Operate Solutions to U. S. federal, state, to a variety of domestic and local foreign governmental agency customers**, as well as foreign, governmental agency customers, as well as to customers in highly regulated industries. Sales to such entities are subject to a number of challenges and risks. Selling to such entities can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government contracting requirements may change and in doing so restrict our ability to sell into the government sector until we have attained the revised certification. Government demand and payment for solutions are affected by public sector budgetary cycles and funding authorizations and funding reductions or delays may adversely affect public sector demand that could develop for our solutions. Further, **these governmental and highly regulated** entities may demand or require contract terms and product and solution features or certifications that differ from our standard arrangements and are less favorable or more difficult to maintain than **our standard** terms that we negotiate with private sector customers or **product features** otherwise make available. Such entities may have statutory, contractual or other legal rights to terminate contracts with us or our partners for convenience or for other reasons. Any such termination may adversely affect our ability to provide our platform to other government customers and could adversely impact our reputation, business, financial condition and results of operations --We could be required to collect additional sales, value added or similar taxes or be subject to other tax liabilities that may increase the costs our clients would have to pay for our solutions and adversely affect our results of operations. We collect sales, value added or similar indirect taxes in a number of jurisdictions. An increasing number of states have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state companies. Additionally, the Supreme Court of the United States ruled in *South Dakota v. Wayfair, Inc. et al* (" Wayfair") that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state. In response to Wayfair, or otherwise, states or local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. Similarly, many foreign jurisdictions have considered or adopted laws that impose **value added, digital service, or similar** taxes, on companies despite not having a physical presence in the foreign jurisdiction, **including digital service taxes**. A successful assertion by one or more states, or foreign jurisdictions, requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. **This** The requirement to collect sales, value added or similar indirect taxes by foreign, state or local governments for sellers that do not have a physical presence in the jurisdiction could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could **harm our business and results of operations. Changes in our effective tax rate or tax liability may** have an a material adverse effect on our **results of**

operations. Our effective tax rate could increase due to several factors, including: • changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; • changes in tax laws, tax treaties, and regulations or the interpretation of them; • changes to our assessment of our ability to realize our deferred tax assets that are based on estimates of our future results, the feasibility of possible tax planning strategies, and the economic and political environments in which we do business; • the outcome of current and future tax audits, examinations or administrative appeals; and • limitations or adverse findings regarding our ability to do business in some jurisdictions. Any of these developments could adversely affect our results of operations. **Uncertainties in** We continually monitor the evolving interpretation and application of existing, new and proposed tax requirements laws and regulations could materially affect our tax obligations and effective tax rate. The tax regimes to which we are subject or under which we operate are unsettled and may be subject to significant change. The issuance of additional guidance related to existing or future tax laws, or changes to tax laws, tax treaties or regulations proposed or implemented by the current or a future U. S. presidential administration, Congress, or taxing authorities in the other jurisdictions, including jurisdictions outside of the United States, could materially affect our tax obligations and effective tax rate. To the extent that such changes have a negative impact on us, including as a result of related uncertainty, these changes may adversely impact our business, financial condition, results of operations, and cash flows. The amount of taxes we pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, the relative amounts of income before taxes in the various jurisdictions in which we operate, new and those jurisdictions where our or customers reside revised tax laws, or interpretations of tax laws and policies, the outcome of current and future tax audits, examinations or administrative appeals, our ability to realize our deferred tax assets, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. Our ability to use our net operating losses, credits, and certain other tax attributes to offset future taxable income or taxes may be subject to certain limitations. As of December 31, 2021-2022, we had net operating loss ("NOL") carryforwards for U. S. federal, state, and foreign purposes of \$ 785 1.0 billion, \$ 392. 2 million, and \$ 449. 8 million, \$ 415. 0 million and \$ 1. 1 billion, respectively, which may be available to offset taxable income in the future, and portions of which expire in various years beginning in 2024. A lack of future taxable income would adversely affect our ability to utilize a portion of these NOLs before they expire. Under the current law, federal NOLs incurred in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOLs is limited to 80 % of taxable income. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (, or the " Code "), a corporation that undergoes an "ownership change" (as defined under Section 382 of the Code and applicable Treasury Regulations) is subject to limitations on its ability to utilize its pre- change NOL carryforwards and certain other tax attributes to offset post-change taxable income or taxes. We may experience future ownership changes that could affect our ability to utilize our NOL carryforwards to offset our income. Furthermore, our ability to utilize NOL carryforwards of companies that we have acquired or may acquire in the future may be subject to limitations. In addition, at the state level, there may be periods during which the use of NOL carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, the state of California has suspended the utilization of NOLs and limited the utilization of research credits to \$ 5. 0 million annually for 2020, 2021, and 2022. For these reasons, we may not be able to utilize all of the NOLs, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our operating results and financial condition. **The tax benefits that are available to us require us to continue to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes. We believe that our main Israeli subsidiaries acquired as part of the ironSource Merger are eligible for certain tax benefits provided to a " Preferred Technological Enterprise" under the Israeli Law for the Encouragement of Capital Investments, 5719- 1959 (the " Investment Law "). In order to remain eligible for the tax benefits provided to a " Preferred Technological Enterprise" we must continue to meet certain conditions stipulated in the Investment Law and its regulations, as amended. If these tax benefits are reduced, canceled or discontinued, our Israeli taxable income from the Preferred Technological Enterprise would be subject to regular Israeli corporate tax rates. The standard corporate tax rate for Israeli companies has been 23 % since 2018.** Any legal proceedings, claims against us, or other disputes could be costly and time- consuming to defend and could harm our reputation regardless of the outcome. We are and may in the future become subject to legal proceedings and claims that arise from time to time, such as claims brought by our customers in connection with commercial disputes or, employment claims made by our current or former employees, or securities class action litigation suits. We were previously involved in **For example, we are currently defending against a putative securities class action complaint, and two derivative complaints, alleging related putative class- action lawsuits brought by end-users of games that include the Company and its executives made false or software misleading statements and include allegations related/ or failed to disclose issues** violations of privacy laws, which we ultimately settled. We were also previously involved in a lease dispute with a San Francisco landlord, which we ultimately settled. In addition, in June 2019, a former senior- level employee brought a lawsuit against us in the **Company's product platform** San Francisco County Superior Court alleging claims arising under California law for retaliation, termination in violation of the California Fair Employment and Housing Act, failure to prevent discrimination and retaliation, wrongful termination, defamation, and slander. This lawsuit included allegations related to alleged actions by our CEO, John Riccitiello. These allegations were reported in the media. We filed an answer denying every allegation of unlawful conduct made in the complaint and a motion to compel arbitration. The court granted our motion to **compel arbitration**. Any litigation or dispute, whether meritorious or not, **and whether or not covered by insurance**, could harm our reputation, will increase our costs and may divert management's attention, time and resources, which may in turn harm our business, financial condition and results of operations. **Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms**

acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, potentially harming our business, financial position and results of operations. We are subject to laws and regulations worldwide, many of which are unsettled and still developing and which could increase our costs or adversely affect our business. We are subject to a variety of laws in the United States U. S. and abroad that affect our business, including state and federal laws regarding consumer protection, advertising, electronic marketing, protection of minors, privacy and data security protection and privacy, data localization requirements, online services, anti-competition, labor, real estate, taxation, intellectual property ownership and infringement, export and national security, tariffs, anti-corruption and telecommunications, all of which are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the United States U. S. and compliance with laws, regulations and similar requirements may be burdensome and expensive. Laws and regulations may be inconsistent from jurisdiction to jurisdiction, which may increase the cost of compliance and doing business. Any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation, could make our platform less attractive to our customers or cause us to change or limit our ability to sell our platform. We have policies and procedures designed to ensure compliance with applicable laws and regulations, but we cannot assure you that our employees, contractors or agents will not violate such laws and regulations or our policies and procedures. In particular, as a result of our Operate-Grow Solutions, we are potentially subject to a number of foreign and domestic laws and regulations that affect the offering of certain types of content, such as that which depicts violence, many of which are ambiguous, still evolving and could be interpreted in ways that could harm our business or expose us to liability. In addition, there are ongoing academic, political and regulatory discussions in the United States U. S., Europe, Australia and other jurisdictions regarding whether certain game mechanisms, such as loot boxes, and game genres, such as social casino, rewarded gaming and gambling, should be subject to a higher level or different type of regulation than other game genres or mechanics to protect consumers, in particular minors and persons susceptible to addiction, and, if so, what such regulation should include. New regulation by the U. S. federal government and its agencies, such as the FTC, U. S. states and state agencies or foreign jurisdictions, which may vary significantly across jurisdictions, could require that certain game content be modified or removed from games, increase the costs of operating our customer's games, impact player engagement and thus the functionality and effectiveness of our Operate-Grow Solutions or otherwise harm our business performance. For example, one of our acquired products within our Grow Solutions, Tapjoy's Offerwall, is subject to certain obligations under a consent order which resulted from an FTC investigation. Noncompliance with this consent order, or other future orders, may result in the imposition of substantial fines, penalties and costs that would adversely impact our financial condition and operating results. It is difficult to predict how existing or new laws may be applied. If we become liable, directly or indirectly, under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our Operate-Grow Solutions, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business, financial condition, or results of operations. It is possible that a number of laws and regulations may be adopted or construed to apply to us or our customers in the United States U. S. and elsewhere that could restrict the online and mobile industries, including player privacy, advertising, taxation, content suitability, copyright, distribution and antitrust, and our solutions or components thereof may be deemed or perceived illegal or unfair practices. Furthermore, the growth and development of electronic commerce and virtual items may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as us and our customers conducting business through the Internet and mobile devices. We anticipate that scrutiny and regulation of our industry will increase and we will be required to devote legal and other resources to addressing such regulation. For example, existing laws or new laws regarding the marketing or the use of in-app purchases or such enabling technology, labeling of free-to-play games or regulation of currency, banking institutions, unclaimed property or money transmission may be interpreted to cover games made with our solutions and the revenue that we receive from our Operate-Grow Solutions. If that were to occur, we may be required to seek licenses, authorizations or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements and we may be subject to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the United States U. S. or elsewhere regarding these activities may lessen the growth of mobile gaming and impair our business, financial condition or results of operations. Risks Related to our Our Convertible Notes Our Notes and the issuance of shares of our common stock upon conversion of the Notes, if any, may impact our financial results, result in dilution to our stockholders, create downward pressure on the price of our common stock, and restrict our ability to raise additional capital or to engage in a beneficial takeover. Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the \$1.7 billion aggregate principal amount of 0% Convertible Senior Notes due 2026 (the "2026 Notes") that we issued in November 2021, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. If the assumptions underlying our cash flow guidance are incorrect, for example, due to the unknown impacts of the COVID-19 pandemic, our business may not continue to generate cash flow from operations in the future sufficient to service our debt, including the 2026 Notes, and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or issuing additional equity, equity-linked or debt instruments on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. If we are unable to engage in any of these activities or engage in these activities on desirable terms, we may be unable to meet the our debt obligations of our, including the 2026

Notes, which would materially and adversely impact our business, financial condition and operating results. **In addition, if shares** Conversion of the 2026 Notes may dilute the ownership interest of our stockholders or may otherwise depress the price of our common stock. **The are issued to the holders of the Notes upon** conversion, of some or all of the **there will be dilution to** 2026 Notes may dilute the ownership interests of our stockholders' **equity and** market price. Upon conversion of the 2026 Notes, we have the option to pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares **may decrease due to the additional selling pressure in the market. Any downward pressure on the price of our common stock caused by the sale.** If we elect to settle our **or** conversion obligation in **potential sale, of** shares of our common stock or a combination of cash and shares of our common stock, any sales in the public market of our common stock issuable upon **conversion of the Notes could also encourage short sales by third parties, creating additional downward pressure on our share price. Certain provisions in the indenture governing the Notes may delay or prevent an otherwise beneficial takeover attempt of us. For example, a takeover of us may trigger a requirement in each indenture governing the Notes that we repurchase the Notes and / or increase the conversion rate, which could make it costlier for a potential acquirer to engage in** such conversion could adversely **takeover. Such additional costs may have the affect effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors. We may from time to time seek to retire or purchase our outstanding debt, including the Notes, through cash purchases and / or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on** prevailing market prices of conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved in any such transactions, individually **our or in** common stock. In addition, the aggregate, existence of the 2026 Notes may encourage short selling by market participants because the conversion **be material. Further, any such purchases or exchanges may result in us acquiring and retiring a substantial amount** of the 2026 Notes **such indebtedness, which could impact** be used to satisfy short positions, or anticipated conversion of the **trading liquidity** 2026 Notes into shares of **such indebtedness** our common stock could depress the price of our common stock. The conditional conversion feature of the 2026 Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of the 2026 Notes is triggered, holders of the 2026 Notes will be entitled under **each** indenture **governing the 2026 Notes** to convert their notes at any time during specified periods at their option. If one or more holders elect to convert their 2026 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. As of December 31, **2021 2022**, the 2026 Notes are not convertible at the option of the holder. In addition, even if holders do not elect to convert their 2026 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. The accounting method for convertible debt securities that may be settled in cash, such as the 2026 Notes, could have a material effect on our reported financial results. Under Accounting Standards Codification 470-20, Debt with Conversion and Other Options ("ASC 470-20"), an entity must separately account for the liability and equity components of convertible debt instruments (such as the 2026 Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the 2026 Notes is that the equity component would be required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheet at issuance, and the value of the equity component would be treated as a discount for purposes of accounting for the debt component of the 2026 Notes. In addition, under certain circumstances, convertible debt instruments (such as the 2026 Notes) that may be settled entirely or partly in cash may be accounted for utilizing the treasury stock method for earnings per share purposes, the effect of which is that the shares issuable upon conversion of the 2026 Notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of the notes exceeds their principal amount. However, in August 2020, the FASB published an accounting standards update ("ASU") 2020-06 ("ASU 2020-06"), which amends these accounting standards by reducing the number of accounting models for convertible instruments and limiting instances of separate accounting for the debt and equity or a derivative component of the convertible debt instruments. ASU 2020-06 also will no longer allow the use of the treasury stock method for convertible instruments and instead require application of the "if-converted" method. Under that method, diluted earnings per share will generally be calculated assuming that all the 2026 Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive, which could adversely affect our diluted earnings per share. However, if the principal amount of the convertible debt instrument being converted is required to be paid in cash and only the excess is permitted to be settled in shares, the if-converted method will produce a similar result as the treasury stock method prior to the adoption of ASU 2020-06 for such convertible debt instrument. These amendments will be effective for public companies for fiscal years beginning after December 15, 2021, with early adoption permitted, but no earlier than fiscal years beginning after December 15, 2020. We early adopted ASU 2020-06 for the current fiscal year and as such we do not expect to bifurcate the equity and debt components of the notes on our balance sheet. The capped call transactions may affect the value of the 2026 Notes and our common stock. In connection with the **pricing issuance** of the 2026 Notes and the exercise by the initial purchasers of their **the** option to purchase additional 2026 Notes, we entered into capped call transactions (the "Capped Call Transactions") with certain of the initial purchasers of the 2026 Notes or affiliates thereof and other financial institutions (the "option counterparties"). The Capped Call Transactions cover, subject to customary adjustments, the number of shares of our common stock initially underlying the 2026 Notes. The Capped Call Transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of 2026 Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted 2026 Notes, as the case may be, with such reduction and / or offset subject to a cap. In connection with establishing their initial hedges of the Capped Call Transactions, the counterparties or their respective affiliates

likely entered into various derivative transactions with respect to our common stock and / or purchased shares of our common stock concurrently with or shortly after the pricing of the 2026 Notes, including with certain investors in the 2026 Notes. The counterparties and / or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the 2026 Notes (and are likely to do so on each exercise date of the Capped Call Transactions or, to the extent we exercise the relevant election under the Capped Call Transactions, following any repurchase, redemption or conversion of the 2026 Notes). We cannot make any prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the prices of the 2026 Notes or the shares of our common stock. Any of these activities could adversely affect the value of the 2026 Notes and our common stock. We are subject to counterparty risk with respect to the ~~capped~~ **Capped call Call transactions Transactions**. The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Call Transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Capped Call Transaction with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties. ~~Certain provisions in the indenture governing the 2026 Notes may delay or prevent an otherwise beneficial takeover attempt of us. Certain provisions in the indenture governing the 2026 Notes may make it more difficult or expensive for a third party to acquire us. For example, the indenture governing the 2026 Notes will require us, except as described in the indenture, to repurchase the notes for cash upon the occurrence of a "fundamental change" (as defined in the indenture) and, in certain circumstances, to increase the conversion rate for a holder that converts its 2026 Notes in connection with a "make-whole fundamental change" (as defined in the indenture). A takeover of us may trigger the requirement that we repurchase the 2026 Notes and / or increase the conversion rate, which could make it costlier for a potential acquirer to engage in such takeover. Such additional costs may have the effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors.~~ **Risks Related to Ownership of Our Common Stock** Our stock price has been and may continue to be volatile, and the value of our common stock may decline. The market price of our common stock has been and may continue to be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, ~~some of which are beyond our control, including those discussed~~ **→ actual or anticipated fluctuations in our financial condition or results of operations; → the risk factors in this section, as well as** variance in our financial performance from expectations of securities analysts **;** ~~→ changes in the pricing of the solutions on our platform; → changes in our projected operating and financial results; → changes in laws or regulations applicable to our platform; → announcements by us or our competitors of significant business developments, acquisitions or new offerings; → sales of shares of our common stock by us or our stockholders~~ **;** ~~→ sales of securities convertible into shares of our capital stock by us~~ **;** ~~→ significant data breaches, disruptions to or other incidents involving our platform; → our involvement in litigation; → conditions or developments affecting the gaming industry; → changes in senior management or key personnel; → the trading volume of our common stock~~ **;** ~~→ changes in the anticipated future size and growth rate of our market; → general economic and market conditions~~ **;** ~~and → other~~ **others not currently known** events or factors, including those resulting from war, incidents of terrorism, global pandemics, or responses to **us** these events. Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may also negatively impact the market price of our ~~or~~ **common stock that we do not believe are material**. In addition, ~~technology~~ **Technology** stocks have historically experienced high levels of volatility. In the past, companies who have experienced volatility in the market price of their securities have been subject to securities class action litigation. We **have been, are, and may continue to** be the target of this type of litigation in the future, which could result in substantial expenses and divert our management's attention. Future sales of our common stock in the public market could cause the market price of our common stock to decline. Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the timing of or the effect that future sales may have on the prevailing market price of our common stock. ~~If securities~~ **Our share repurchase program, while intended to help offset dilution from the ironSource Merger, may not achieve such goal and the amount of such repurchases may be impacted by new legislation. The proceeds from the PIPE have been and are expected to be continued to be used to partially fund the repurchase of up to \$ 2. 5 billion of shares of or our industry analysts common stock pursuant to our previously announced stock repurchase program, with the objective to offset potential dilution to our stockholders as a result of the issuance of the ironSource Merger consideration. However, we are not obligated to repurchase any shares of our common stock and there is no assurance that we will** ~~do not publish research so on the timeline intended. While we expect the share repurchases to be accretive to or our earnings per share publish unfavorable or inaccurate research about our business,~~ **there may be factors that will reduce the expected anti-dilutive effects of the potential repurchases. Although the 2027 Notes were priced at a premium to the market price and trading volume of our common stock could decline. The market at the time of signing, and we intend to repurchase the shares at prices lower than the conversion price and trading volume of the 2027 Notes, we can't provide any assurance that our stock price will not fluctuate significantly prior to any share repurchases, including as a result of downward pressure on the price** of our common stock ~~caused~~ **may be heavily influenced by the conversion of** way analysts interpret our financial information and other ~~the 2027 Notes disclosures. We do not have control over these analysts. If few securities analysts commence coverage of us, or as discussed above. As a result, if industry analysts cease coverage we are unable to repurchase shares~~ of us, our stock price would be negatively affected. If securities or industry analysts do not publish research

or reports about our business, downgrade our common stock at a price that is lower than the conversion price of the 2027 Notes, or publish negative reports about our business, our stock price would likely decline. If one or more of these events occur, the anti-dilutive effect of such repurchases may be less than expected and dilution resulting from the issuance of merger consideration may be more than expected. In addition, repurchases are subject to these: **the 1 % Share Repurchase Excise Tax enacted by the Inflation Reduction Act** analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our stock price to decline, **may be offset by shares newly issued during that fiscal year (the "Share Repurchase Excise Tax").** We have and will continue to take the Share Repurchase Excise Tax into account with respect to our decisions to repurchase shares, but there can be no assurance that such tax will not reduce the number of shares we are able to repurchase or ultimately decide to repurchase and could decrease the trading volume of our common stock. Concentration of ownership of our common stock among our existing executive officers, directors, and principal stockholders may prevent new investors from influencing significant corporate decisions. Our executive officers, directors, and current beneficial owners of 5 % or more of our common stock beneficially own a significant percentage of our outstanding common stock. These persons, acting together, will be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of this group of stockholders may not coincide with the interests of other stockholders. Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other stockholders. We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We grant and expect to continue granting equity awards to employees, directors and consultants under our equity incentive plans. We may also raise capital through the sale and issuance of equity securities or convertible securities in the future. As part of our business strategy, we **have in the past made acquisitions and investments, and issued equity securities to pay for such acquisitions or investments. For example, we issued 112, 547, 375 shares in the ironSource Merger.** We may continue to acquire or make investments in companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline. We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock. We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, you may need to rely on sales of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment. We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance with our public company responsibilities and corporate governance practices. As a public company, we incur significant legal, accounting, and other expenses that we did not incur as a private company, and which we expect to further increase now that we are no longer an "emerging growth company." The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations may change from time to time. Monitoring such changes, and updating our procedures to comply with any such changes, may increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the totality of any such additional costs we incur as a public company or the specific timing of such costs. **We** As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock. We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. **Based on the market value of our common stock held by non-affiliates as of June 30, 2021, we are no longer an emerging growth company as of December 31, 2021.** As such, our independent registered public accounting firm is required to issue an attestation report on management's assessment of our internal control over financial reporting and we must adopt certain additional accounting standards. Our compliance with Section 404 requires that we incur substantial expenses and expend significant management efforts. **Our** We have hired additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and have compiled the system and process documentation necessary to perform the evaluation needed to comply with Section 404. However, our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, **including in connection with the ironSource Merger.** In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems and controls to accommodate such changes. Additionally, if these new systems, controls or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports or the effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise. **If** During the evaluation and testing process of our internal controls, if we are identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify **conclude** that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our

ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, and we or to implement or maintain other effective control systems required of public companies, could lose also restrict our future access to the capital markets. The growth and expansion of our business places a continuous, significant strain on our operational and financial resources, including as a result of the ironSource Merger. Further growth of our operations to support our customer base, our IT systems and our internal controls and procedures may not be adequate to support our operations. For example, we are still in the process of implementing IT and accounting systems, and integrating these systems with ironSource's, to help manage critical functions such as billing and financial forecasts. As we continue to grow, we may not be able to successfully implement requisite improvements to these systems, controls and processes, such as system access and change management controls, in a timely or efficient manner. Our failure to improve our systems and processes, or their failure to operate in the intended manner, whether as a result of the growth of our business, including the integration of ironSource, or otherwise, may result in our inability to accurately forecast our revenue and expenses, or to prevent certain losses. Moreover, the failure of our systems and processes could undermine our ability to provide accurate, timely and reliable reports on our financial and operating results and could impact the effectiveness of our internal control over financial reporting. In addition, our systems and processes may not prevent or detect all errors, omissions, or fraud. Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock. Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that: • authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock; • require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent; • specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, our chief executive officer, or our president (in the absence of a chief executive officer); • establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors; • establish that our board of directors is divided into three classes, with each class serving three-year staggered terms; • prohibit cumulative voting in the election of directors; • provide that our directors may be removed for cause only upon the vote of at least 66 2/3% of our outstanding shares of voting stock; • provide that vacancies on our board of directors may be filled only by the affirmative vote of a majority of directors then in office, even though less than a quorum, or by a sole remaining director; and • require the approval of our board of directors or the holders of at least 66 2/3% of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our common stock in an acquisition. Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the exclusive forums for certain disputes between us and our stockholders, which restricts our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated certificate of incorporation includes provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction ("the Securities Act"). In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations;

~~our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. Our amended and restated certificate of incorporation further provides that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These~~ choice of forum provisions **which** may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States of America. In such **an** instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and we cannot assure you that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive- forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could harm our business. Item 1B. Unresolved Staff Comments None. Item 2. Properties