



Q4 2023 Supplemental Materials

February 7, 2024

Forward-Looking Statements

This presentation and the live webcast and Q&A session which will be held at 5:30 a.m. Pacific Time/8:30 a.m. Eastern Time on Wednesday, February 7, 2024 contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our vision to connect one billion global DAUs, our efforts to improve the Roblox Platform, our immersive advertising efforts, the use of artificial intelligence (“AI”) on our platform, our efforts related to communications products, our economy and product efforts related to creator earnings tools, branding and new partnerships, our business, product, strategy and user growth, our investment strategy, including our opportunities for and expectations of improvements in financial and operating metrics, including operating leverage, free cash flow, operating expenses and capital expenditures, our expectation of successfully executing such strategies and plans, disclosures and future growth rates, benefits from agreements with third-party cloud providers, estimates about our data center capacity, our expectations of future net losses and net cash provided by operating activities, statements by our Chief Executive Officer and Chief Financial Officer, and our outlook and guidance for first quarter and full year 2024, and future periods. These forward-looking statements are made as of the date they were first issued and were based on current plans, expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Words such as “expect,” “vision,” “envision,” “evolving,” “drive,” “anticipate,” “intend,” “maintain,” “should,” “believe,” “continue,” “plan,” “goal,” “opportunity,” “estimate,” “predict,” “may,” “will,” “could,” and “would,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to risks detailed in our filings with the Securities and Exchange Commission (the “SEC”), including our annual reports on Form 10-K, our quarterly reports on Form 10-Q and other filings and reports we make with the SEC from time to time. In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: our ability to successfully execute our business and growth strategy; the sufficiency of our cash and cash equivalents to meet our liquidity needs, including the repayment of our senior notes; the demand for our platform in general; our ability to retain and increase our number of users, developers, and creators; the impact of inflation and global economic conditions on our operations; the impact of changing legal and regulatory requirements on our business, including the use of verified parental consent; our ability to develop enhancements to our platform, and bring them to market in a timely manner; our ability to develop and protect our brand and build new partnerships; any misuse of user data or other undesirable activity by third parties on our platform; our ability to maintain the security and availability of our platform; our ability to detect and minimize unauthorized use of our platform; and the impact of AI on our platform, users, creators and developers. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from our expectations is included in the reports we have filed or will file with the SEC, including our annual reports on Form 10-K and our quarterly reports on Form 10-Q.

The forward-looking statements included in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments will cause our views to change. However, we undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Non-GAAP Financial Measures

This presentation contains the non-GAAP financial measures bookings and free cash flow. We use this non-GAAP financial information to evaluate our ongoing operations, for internal planning, and forecasting purposes. We believe that this non-GAAP financial information may be helpful to investors because it provides consistency and comparability with past financial performance.

Bookings is defined as revenue plus the change in deferred revenue during the period and other non-cash adjustments. Substantially all of our bookings are generated from sales of virtual currency, which can ultimately be converted to virtual items on the Roblox Platform. Sales of virtual currency reflected as bookings include one-time purchases or monthly subscriptions purchased via payment processors or through prepaid cards. Bookings also include an insignificant amount from advertising and licensing arrangements. We believe bookings provide a timelier indication of trends in our operating results that are not necessarily reflected in our revenue as a result of the fact that we recognize the majority of revenue over the estimated average lifetime of a paying user. The change in deferred revenue constitutes the vast majority of the reconciling difference from revenue to bookings. By removing these non-cash adjustments, we are able to measure and monitor our business performance based on the timing of actual transactions with our users and the cash that is generated from these transactions.

Free cash flow represents the net cash provided by operating activities less purchases of property, equipment, and intangible assets acquired through asset acquisitions. We believe that free cash flow is a useful indicator of our unit economics and liquidity that provides information to management and investors about the amount of cash generated from our core operations that, after the purchases of property, equipment, and intangible assets acquired through asset acquisitions, can be used for strategic initiatives, including investing in our business, making strategic acquisitions, and strengthening our financial position.

Adjusted EBITDA represents our GAAP consolidated net loss, excluding interest income, interest expense, other income/(expense), provision for/(benefit from) income taxes, depreciation and amortization expense, stock-based compensation expense, and certain other nonrecurring adjustments and differs from Covenant Adjusted EBITDA which is used in certain covenant calculations specified in the indenture governing our senior notes due 2030. We believe that, when considered together with reported GAAP amounts, Adjusted EBITDA is useful to investors and management in understanding our ongoing operations and ongoing operating trends. Our definition of Adjusted EBITDA may differ from the definition used by other companies and therefore comparability may be limited. Refer to the Liquidity section below for further discussion on and the calculation of Covenant Adjusted EBITDA.

Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial information as a tool for comparison. As a result, our non-GAAP financial information is presented for supplemental informational purposes only and should not be considered in isolation from, or as a substitute for financial information presented in accordance with GAAP.

A reconciliation table of the most comparable GAAP financial measure to each non-GAAP financial used in this presentation is included at the end of this presentation. We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial measure, and to view these non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measure.

Note Regarding Operating Metrics

We manage our business by tracking several operating metrics, including those listed below. As a management team, we believe each of these operating metrics provides useful information to investors and others. For information concerning these metrics as measured by us, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the most recently filed Quarterly Report on Form 10-Q.

While these metrics are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our platform is used. These metrics are determined by using internal data gathered on an analytics platform that we developed and operate and have not been validated by an independent third party. This platform tracks user account and session activity. If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. These metrics are also determined by certain demographic data provided to us by the user, such as age or gender. If our users provide us with incorrect or incomplete information, then our estimates may be inaccurate.

We believe that these metrics are reasonable estimates of our user base for the applicable period of measurement, and that the methodologies we employ and update from time-to-time to create these metrics are reasonable bases to identify trends in user behavior. Because we update the methodologies we employ to create our metrics, our current period daily active users or other metrics may not be comparable to those in prior periods. For example, in 1Q23, we revised the methodology we use to calculate average monthly unique payers for payers who purchased prepaid cards through one of our specified distributors; the impact to average new & returning monthly unique payers and average bookings per monthly unique payer in periods prior to 1Q23 was not significant.

Further, the accuracy of these metrics may be affected by certain factors relating to user activity and systems and our ability to identify and detect attempts to replicate legitimate user activity, often referred to as botting.

Average daily active users ("DAUs")

We define a DAU as a user who has logged in and visited Roblox through our website or application on a unique registered account on a given calendar day. If a registered, logged in user visits Roblox more than once within a 24-hour period that spans two calendar days, that user is counted as a DAU only for the first calendar day. We believe this method better reflects global engagement on the platform compared to a method based purely on a calendar-day cutoff. DAUs for a specified period is the average of the DAUs for each day during that period, so 30 days, for example, in the month of September.

Other companies, including companies in our industry, may calculate DAUs differently.

We track DAUs as an indicator of the size of the audience engaged on our platform. DAUs are also broken out by geographic region to help us understand the global engagement on our platform.

The geographic location data collected is based on the IP address associated with the account when an account is initially registered on Roblox. The IP address may not always accurately reflect a user's actual location at the time they engaged with our platform. Historically, we have grouped Xbox users into Rest of World DAUs for the purposes of our reporting (we note that since the fourth quarter of 2020, Xbox users have represented less than 2% of our quarterly DAUs). Beginning in the fourth quarter of 2023, Xbox users are reported in their respective geographies.

Because DAUs measure account activity and an individual user may actively use our platform within a particular day on multiple accounts for which that individual registered, our DAU metric is not a measure of unique individuals accessing Roblox. Additionally, if undetected, fraud and unauthorized access to our platform may contribute, from time to time, to an overstatement of DAUs. In many cases, fraudulent accounts are created by bots to inflate user activity for a particular developer's content on our platform, thus making the developer's experience or other content appear more popular than it really is. We strive to detect and minimize fraud and unauthorized access to our platform.

Note Regarding Operating Metrics (continued)

Hours engaged

We define hours engaged as the time spent by our users on the platform, which includes time spent in experiences (which refer to the titles that have been created by developers) and within platform features such as chat and avatar personalization. We calculate total hours engaged as the aggregate of user session lengths in a given period. We determine this length of time using internal company systems that track user activity on our platform, and aggregate discrete activities into a user session.

We continuously strive to detect and minimize unauthorized use of our platform, including, but not limited to, botting. As we continue to improve our ability to detect and deter unauthorized use of our platform, we may see a minor impact to our overall hours engaged as our efforts to reduce botting become more successful.

Average Bookings per Daily Active User ("ABPDAU")

We define ABPDAU as bookings in a given period divided by the DAUs for such period. We use ABPDAU as a way to understand how we are monetizing across all of our users through the sale of virtual currency and subscriptions.

Average new monthly unique payers

We define new monthly unique payers as user accounts that made their first purchase on the platform, or via redemption of prepaid cards, during the month. Average new monthly unique payers for a specified period is the average of the new monthly unique payers for each month during that period. For example, the average new monthly unique payers for the quarter ending September 30, is the average of the new monthly unique payers for July, August, and September. Because we do not always have the data necessary to link an individual who has paid under multiple user accounts, an individual may be counted as multiple new monthly unique payers.

Average returning monthly unique payers

We define returning monthly unique payers as user accounts that have made a purchase on the platform, or via redemption of prepaid cards, in the current month and in any prior month. Average returning monthly unique payers for a specified period is the average of the returning monthly unique payers for each month during that period. For example, the average returning monthly unique payers for the quarter ending September 30, is the average of the returning monthly unique payers for July, August, and September. Because we do not always have the data necessary to link an individual who has paid under multiple user accounts, an individual may be counted as multiple returning monthly unique payers.

Monthly repurchase rate

We define monthly repurchase rate as the returning monthly unique payers in the current month, divided by the sum of the prior month's new monthly unique payers and returning monthly unique payers. Average monthly repurchase rate for a specified period is the average of the monthly repurchase rates for each month during that period. For example, the average monthly repurchase rate for the quarter ending September 30, is the average of the monthly repurchase rates for July, August, and September.

Average bookings per monthly unique payer

We define average bookings per monthly unique payer as bookings in the specified period divided by the average monthly unique payers for the same specified period.

Revenue, Deferred Revenue, and Bookings Illustration

The following example illustrates GAAP revenue recognition for bookings on the Roblox platform.

- User spends **\$30** on the Roblox platform to purchase 3,000 Robux or purchases a **\$30** prepaid card to exchange for 3,000 Robux
- User spends Robux (on average, within 3 days⁽¹⁾) on the platform to purchase:

Durable Virtual Items⁽²⁾ = 2,800 Robux, or **\$28**

GAAP Revenue Recognition

Revenue is recognized over estimated average lifetime of paying user³

\$28 bookings / 28 months⁽³⁾ = \$1 per month



Recognized in Month 1
Bookings recognized = \$30

Revenue recognized = \$1
(associated with durable items)

Deferred Revenue at end of Month 1 = \$27
(to be recognized as revenue in months 2-28)

Consumable Virtual Items⁽²⁾ = 200 Robux, or **\$2**

GAAP Revenue Recognition

Revenue is recognized immediately upon consumption

\$2 bookings in month of purchase

Revenue recognized = \$2
(associated with consumable items)

Recognized in Month 1: Total Revenue recognized (\$3) + Deferred Revenue (\$27) = Bookings (\$30)

⁽¹⁾Average number of days it takes our users to spend Robux following purchase of Robux through our Platform or following redemption of Robux from prepaid cards.

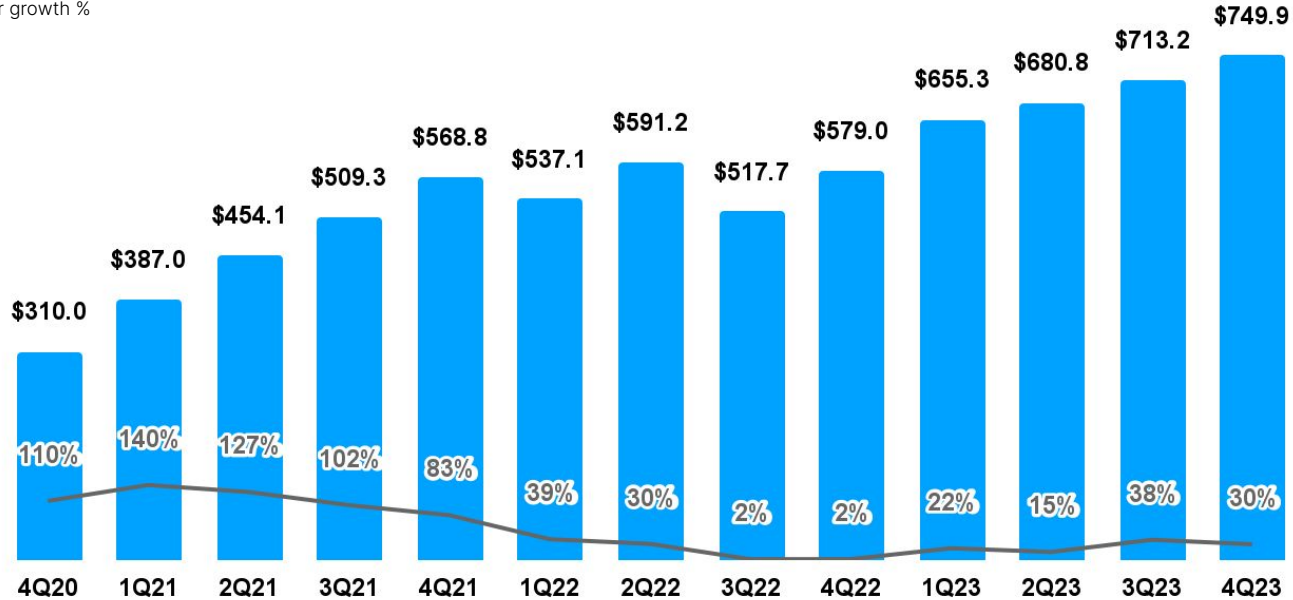
⁽²⁾For the three months ended December 31, 2023, durable virtual items accounted for 91% of virtual item-related revenue while consumable virtual items accounted for 9%. For the purpose of the example, we did not apply these exact percentages.

⁽³⁾For the three months ended December 31, 2023, the estimated average lifetime for a paying user was 28 months.

Revenue

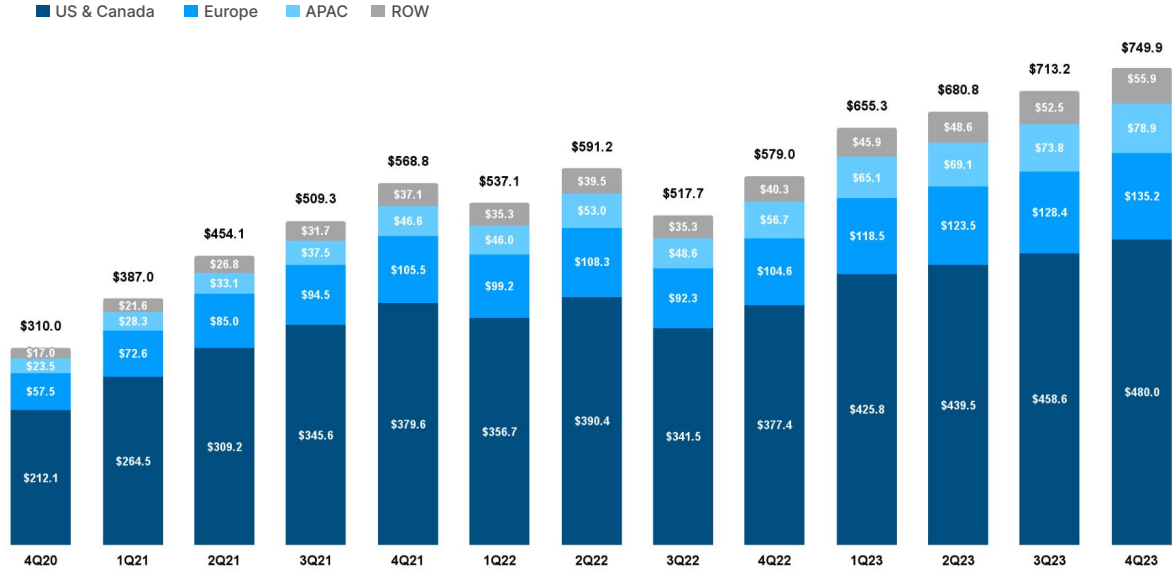
(\$ in millions, unaudited)

— Year over year growth %



Revenue by Region

(\$ in millions, unaudited)



YoY	US & Canada	79%	35%	26%	-1%	-1%	19%	13%	34%	27%
	Europe	84%	37%	27%	-2%	-1%	19%	14%	39%	29%
	APAC	98%	62%	60%	29%	22%	42%	30%	52%	39%
	ROW	119%	64%	47%	11%	9%	30%	23%	49%	39%
	Total	83%	39%	30%	2%	2%	22%	15%	38%	30%

Four Main Expense Buckets

Cost of Revenue

Developer Exchange Fees

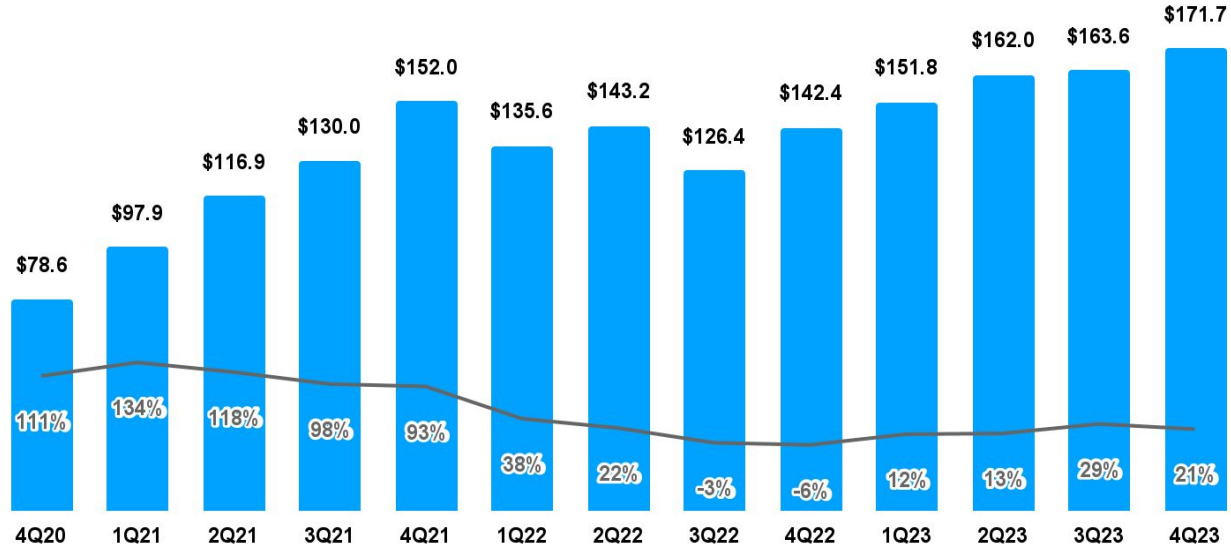
Personnel Costs excl. Stock-Based Compensation⁽¹⁾

Certain Infrastructure and Trust & Safety⁽²⁾

Cost of Revenue

(\$ in millions, unaudited)

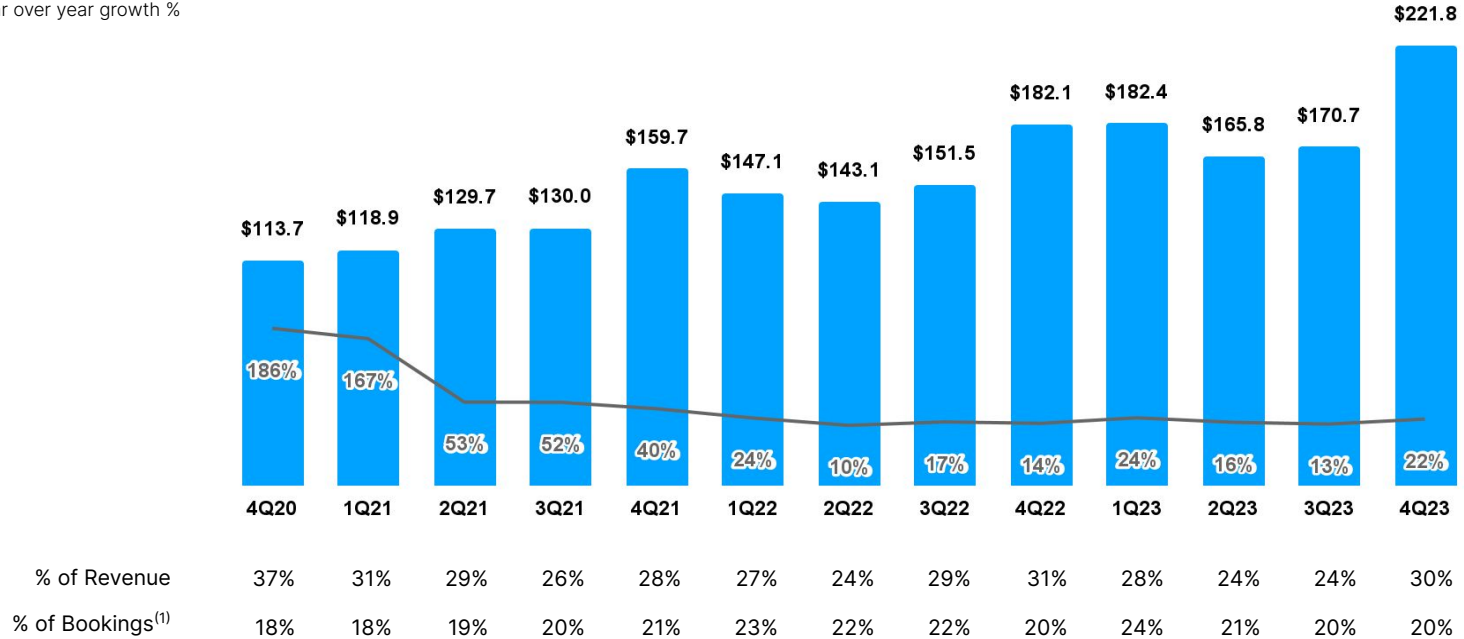
— Year over year growth %



Developer Exchange Fees

(\$ in millions, unaudited)

— Year over year growth %

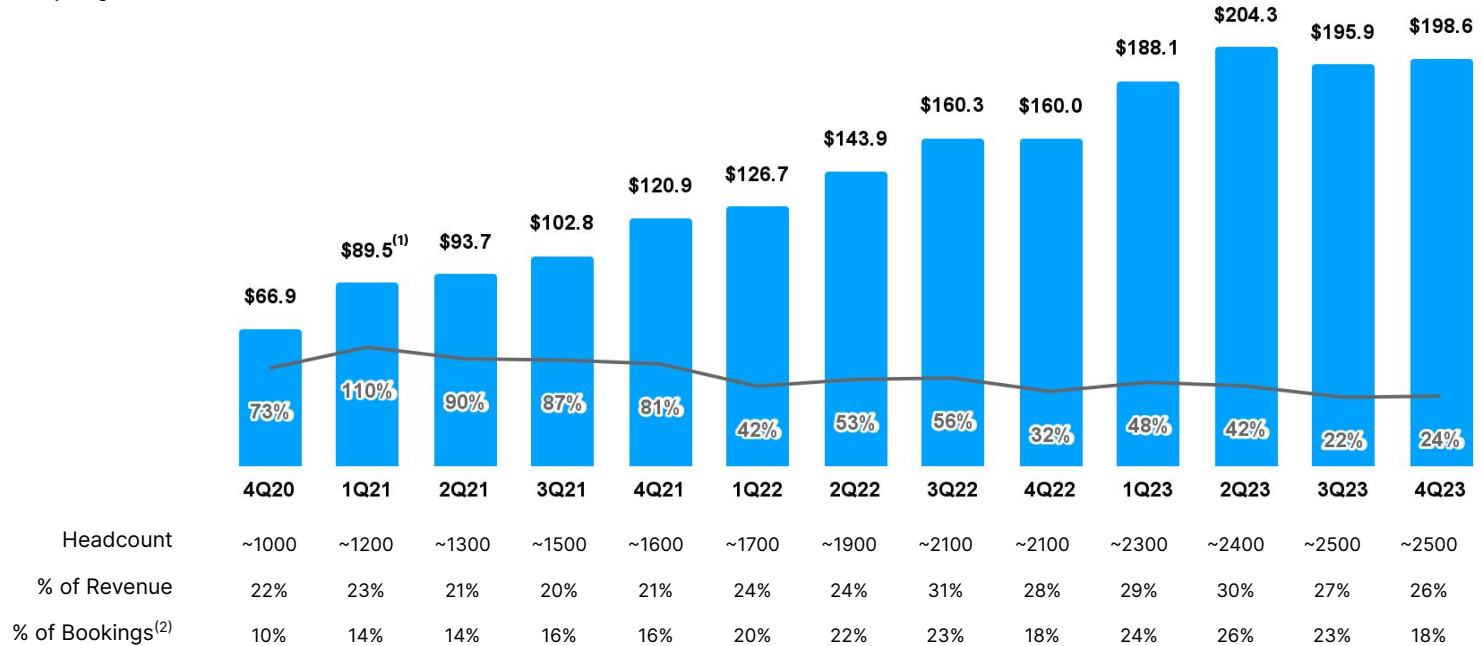


⁽¹⁾Bookings is a non-GAAP financial measure that we believe is useful in evaluating our performance and is presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to reconciliation slides within the presentation and our annual and quarterly SEC filings.

Personnel Costs excl. Stock-Based Compensation

(\$ in millions, unaudited)

— Year over year growth %



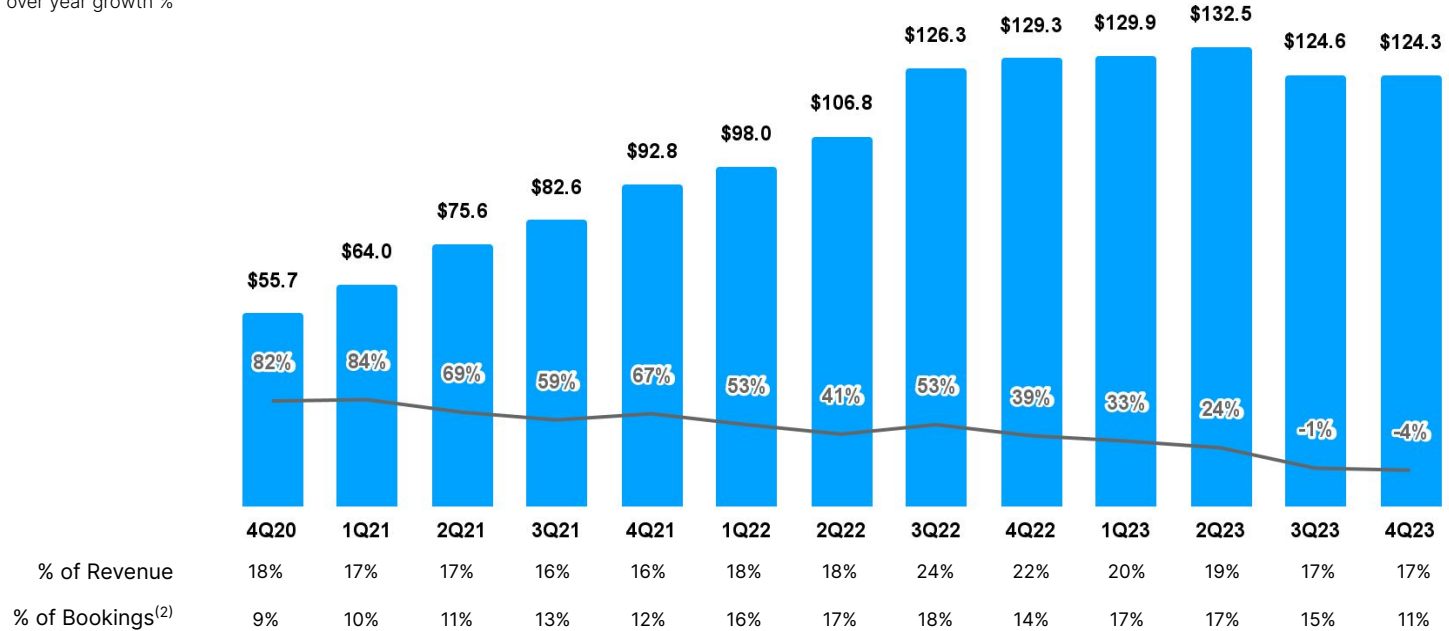
⁽¹⁾1Q21 expenses includes roughly \$13.0 million in employer taxes associated with transactions performed in connection with our Direct Listing. Excluding this item, Personnel Expenses excluding Stock-Based Compensation would be \$76.5 million for the period (80% year over year).

⁽²⁾Bookings is a non-GAAP financial measure that we believe is useful in evaluating our performance and is presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to reconciliation slides within the presentation and our annual and quarterly SEC filings.

Certain Infrastructure and Trust & Safety⁽¹⁾

(\$ in millions, unaudited)

— Year over year growth %



⁽¹⁾Infrastructure and Trust & Safety excluding personnel, stock-based compensation, and depreciation and amortization expenses.

⁽²⁾Bookings is a non-GAAP financial measure that we believe is useful in evaluating our performance and is presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to reconciliation slides within the presentation and our annual and quarterly SEC filings.

Statements of Operations

(\$ in thousands, unaudited)

3 months ended

	12/31/2023	12/31/2022
Revenue	\$ 749,939	\$ 579,004
Cost of revenue ⁽¹⁾	171,664	142,432
Developer exchange fees	221,750	182,115
Infrastructure and trust & safety	223,310	198,505
Research and development	341,129	248,407
General and administrative	98,776	79,704
Sales and marketing	<u>48,503</u>	<u>29,740</u>
Total cost and expenses	<u>1,105,132</u>	<u>880,903</u>
Loss from operations	(355,193)	(301,899)
Interest income	39,530	21,636
Interest expense	(10,298)	(10,008)
Other income/(expense), net	<u>898</u>	<u>1,988</u>
Loss before income taxes	(325,063)	(288,283)
Provision for/(benefit from) income taxes	<u>277</u>	<u>3,202</u>
Consolidated net loss	(325,340)	(291,485)
Net loss attributable to the noncontrolling interest	<u>(1,642)</u>	<u>(1,559)</u>
Net loss attributable to common stockholders	<u>\$ (323,698)</u>	<u>\$ (289,926)</u>

Non-GAAP Financial and Operating Metrics Discussion

Non-GAAP Financial Measures Reconciliation

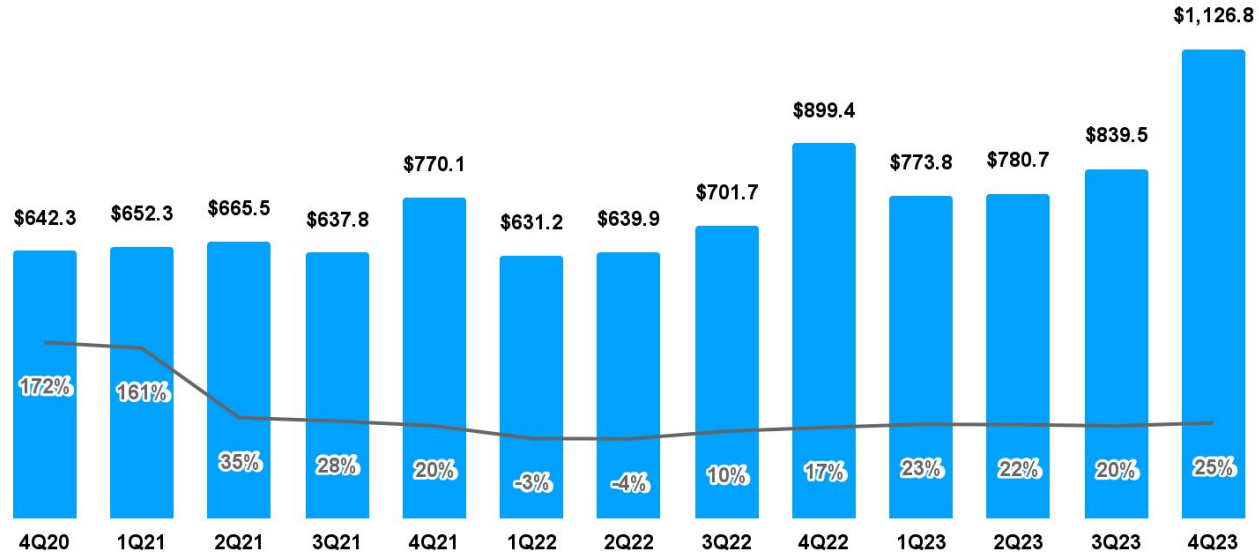
Revenue to Bookings

(\$ in thousands, unaudited)	3 months ended			2022 to 2023 YoY%
	12/31/2023	12/31/2022	12/31/2021	
Revenue	\$ 749,939	\$ 579,004	\$ 568,769	30%
Add (deduct):				
Change in deferred revenue	382,196	325,450	203,552	17%
Other	(5,313)	(5,020)	(2,205)	6%
Bookings	<u>\$ 1,126,822</u>	<u>\$ 899,434</u>	<u>\$ 770,116</u>	25%

Bookings

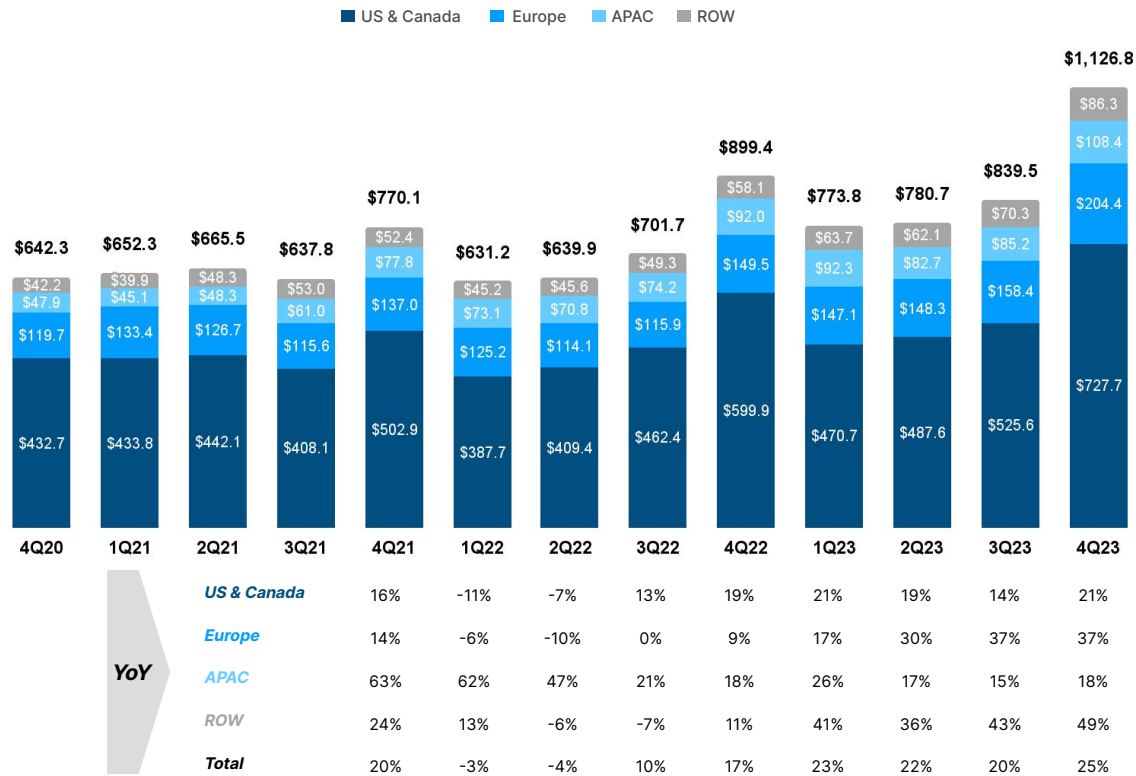
(\$ in millions, unaudited)

— Year over year growth %



Bookings by Region

(\$ in millions, unaudited)

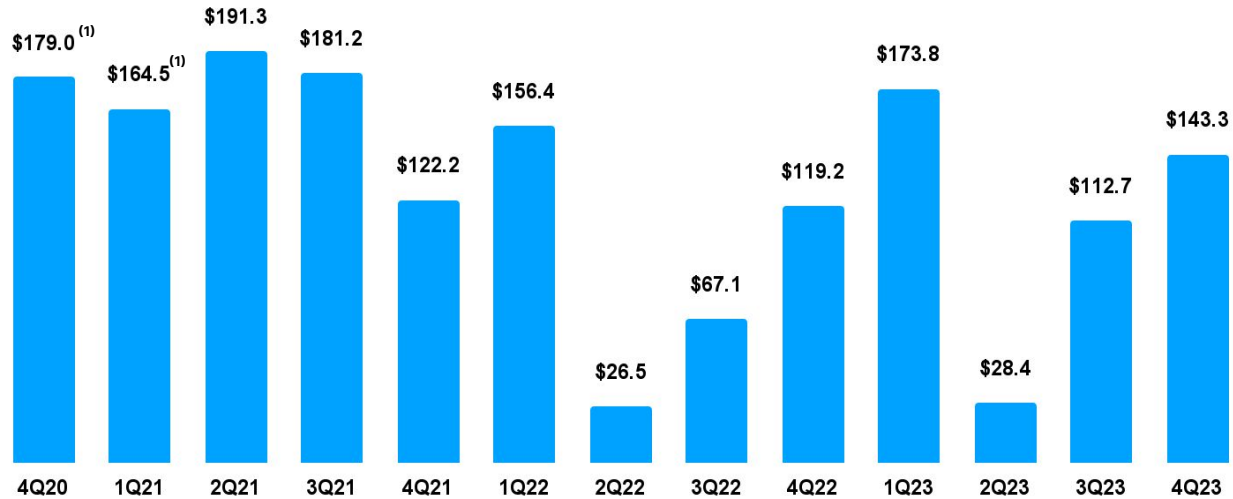


Note: Bookings is a non-GAAP financial measure that we believe is useful in evaluating our performance and is presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to reconciliation slides within the presentation and our annual and quarterly SEC filings.

Bookings are broken out by geographic region based on the billing country of our payers, to help us understand the global engagement on our platform. The billing address may not always accurately reflect a payer's actual location at the time of purchase.

Net Cash Provided by Operating Activities

(\$ in millions, unaudited)



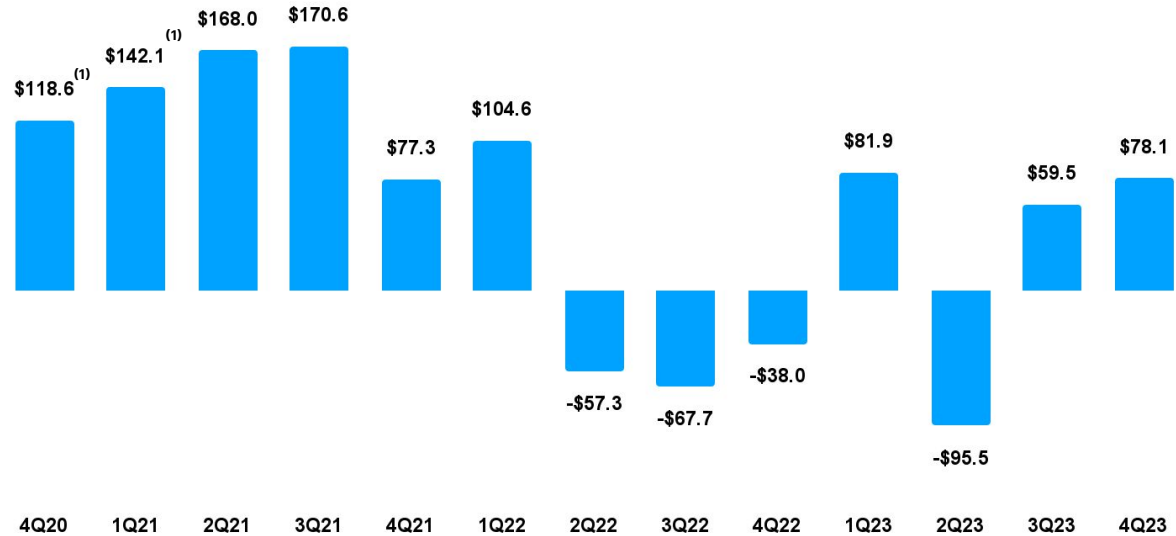
Non-GAAP Financial Measures Reconciliation

Operating Cash Flow to Free Cash Flow

	3 months ended			
(\$ in thousands, unaudited)	12/31/2023	12/31/2022	12/31/2021	2022 to 2023 YoY%
Net cash provided by operating activities	\$ 143,305	\$ 119,219	\$ 122,223	20%
Deduct:				
Acquisition of property and equipment	(65,197)	(157,205)	(44,942)	-59%
Purchases of intangible assets	-	-	-	NM
Free Cash Flow	<u>\$ 78,108</u>	<u>\$ (37,986)</u>	<u>\$ 77,281</u>	NM

Free Cash Flow

(\$ in millions, unaudited)



	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Acquisition of property and equipment	\$(51.9M)	\$(22.1M)	\$(23.2M)	\$(3.0M)	\$(44.9M)	\$(51.8M)	\$(83.8M)	\$(133.4M)	\$(157.2M)	\$(91.4M)	\$(110.9M)	\$(53.2M)	\$(65.2M)
Purchases of intangible assets	\$(8.5M)	\$(0.3M)	—	\$(7.6M)	—	—	—	\$(1.5M)	—	\$(0.5M)	\$(13.0M)	—	—

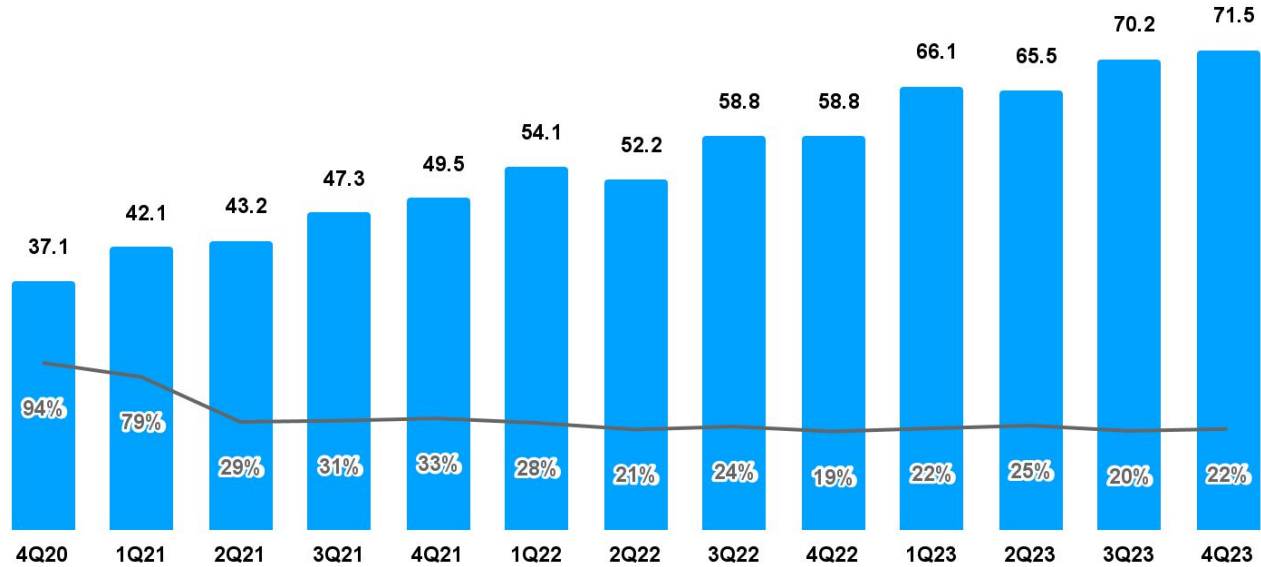
Note: We define free cash flow as net cash provided by operating activities less purchases of property and equipment and intangible assets acquired through asset acquisitions.

⁽¹⁾The 4Q20 and 1Q21 periods include one-time Direct Listing expenses of roughly \$3.3 million and \$51.9 million, respectively. Excluding these one-time costs, our free cash flow would be approximately \$121.9 million and \$194.0 million for the periods, respectively.

Average Daily Active Users (DAUs)

(in millions)

— Year over year growth %

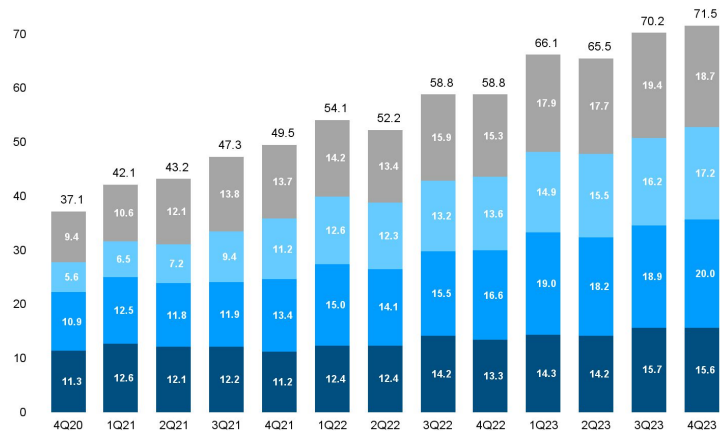


DAUs by Region and Age

(in millions)

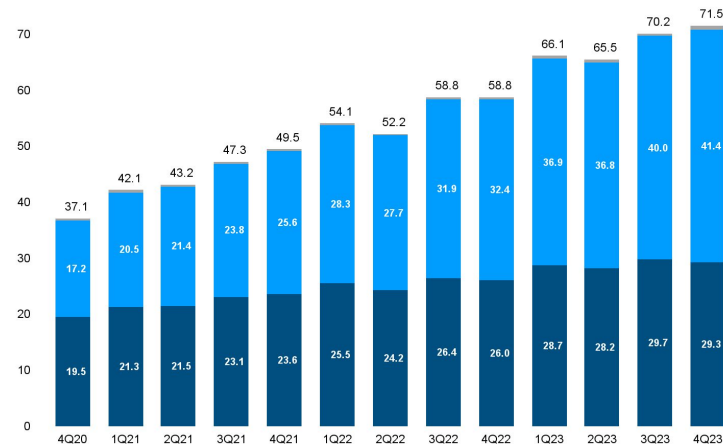
By Region

■ US & Canada ■ Europe ■ APAC ■ ROW



By Age Group

■ U13 ■ O13 ■ Unknown



YoY	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
US & Canada	78%	62%	5%	6%	-1%	-2%	3%	17%	19%	16%	15%	11%	17%
Europe	97%	79%	19%	15%	23%	20%	20%	30%	24%	27%	29%	22%	20%
APAC	77%	77%	57%	75%	101%	94%	71%	40%	21%	18%	25%	23%	27%
ROW	129%	104%	63%	54%	46%	34%	11%	15%	12%	27%	32%	22%	22%
Total	94%	79%	29%	31%	33%	28%	21%	24%	19%	22%	25%	20%	22%

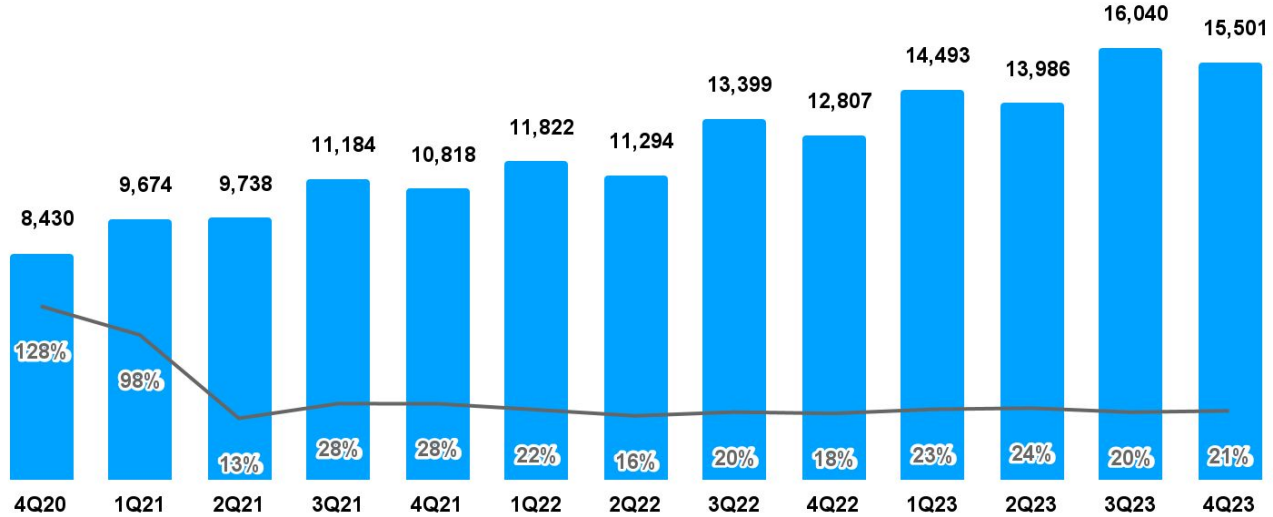
YoY	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
U13	78%	60%	20%	20%	21%	20%	13%	14%	11%	12%	17%	12%	13%
O13	124%	111%	46%	48%	49%	38%	30%	34%	26%	31%	33%	25%	28%
Total	94%	79%	29%	31%	33%	28%	21%	24%	19%	22%	25%	20%	22%

Note: Historically, we have grouped Xbox users into ROW DAUs for the purposes of our reporting (we note that since 4Q20, Xbox users have represented less than 2% of our quarterly DAUs). Beginning in 4Q23, Xbox users are reported in their respective geographies. Under the previous reporting methodology, 4Q23 YoY growth would have been 14%, 19%, 26%, and 26% for US & Canada, Europe, APAC, and ROW, respectively.

Hours Engaged

(in millions)

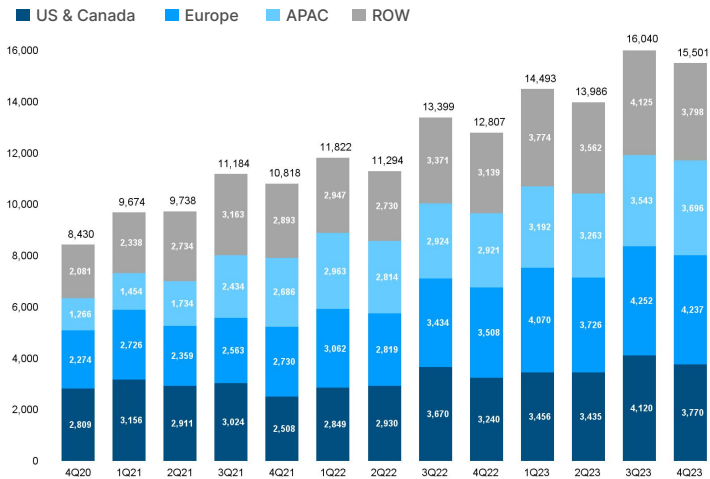
— Year over year growth %



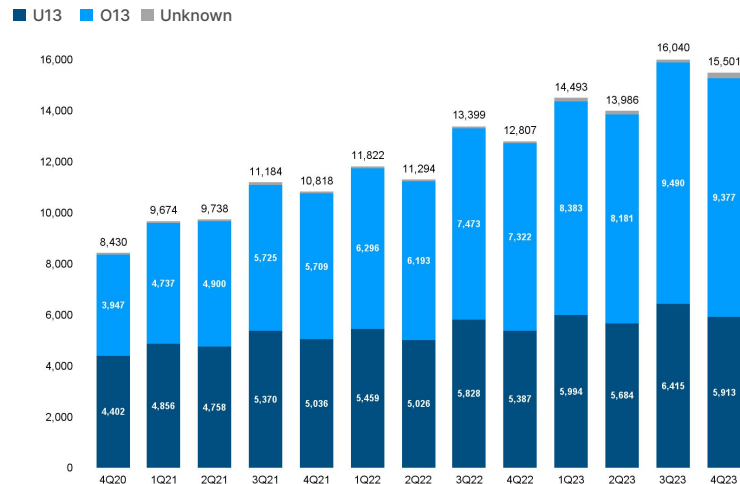
Hours Engaged by Region and Age

(in millions)

By Region



By Age Group



YoY	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
US & Canada	122%	88%	-9%	0%	-11%	-10%	1%	21%	29%	21%	17%	12%	16%
Europe	117%	95%	-2%	12%	20%	12%	20%	34%	28%	33%	32%	24%	21%
APAC	110%	96%	49%	89%	112%	104%	62%	20%	9%	8%	16%	21%	27%
ROW	164%	121%	53%	49%	39%	26%	0%	7%	8%	28%	30%	22%	21%
Total	128%	98%	13%	28%	28%	22%	16%	20%	18%	23%	24%	20%	21%

YoY	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
U13	115%	81%	3%	15%	14%	12%	6%	9%	7%	10%	13%	10%	10%
O13	153%	128%	29%	48%	45%	33%	26%	31%	28%	33%	32%	27%	28%
Total	128%	98%	13%	28%	28%	22%	16%	20%	18%	23%	24%	20%	21%



Note: Historically, we have grouped Xbox users into ROW for the purposes of our reporting (we note that since 4Q20, Xbox users have represented less than 2% of our quarterly hours engaged). Beginning in 4Q23, Xbox users are reported in their respective geographies. Under the previous reporting methodology, 4Q23 YoY growth would have been 13%, 19%, 26%, and 27% for US & Canada, Europe, APAC, and ROW, respectively.

Average Bookings per DAU

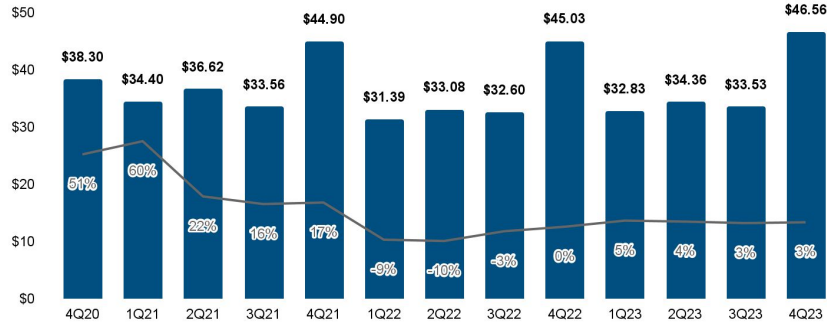
— Year over year growth %



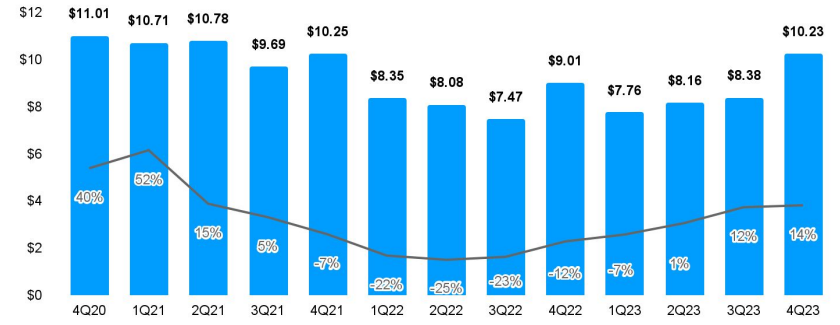
Average Bookings per DAU by Region

— Year over year growth %

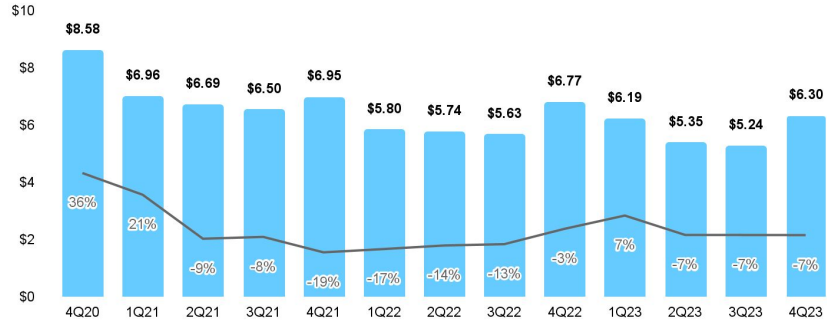
US & Canada



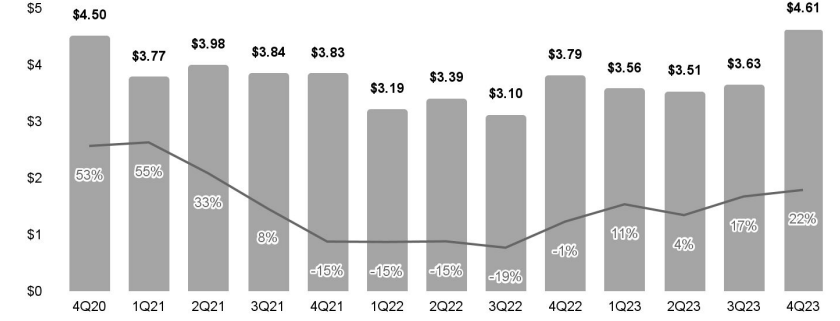
Europe



APAC



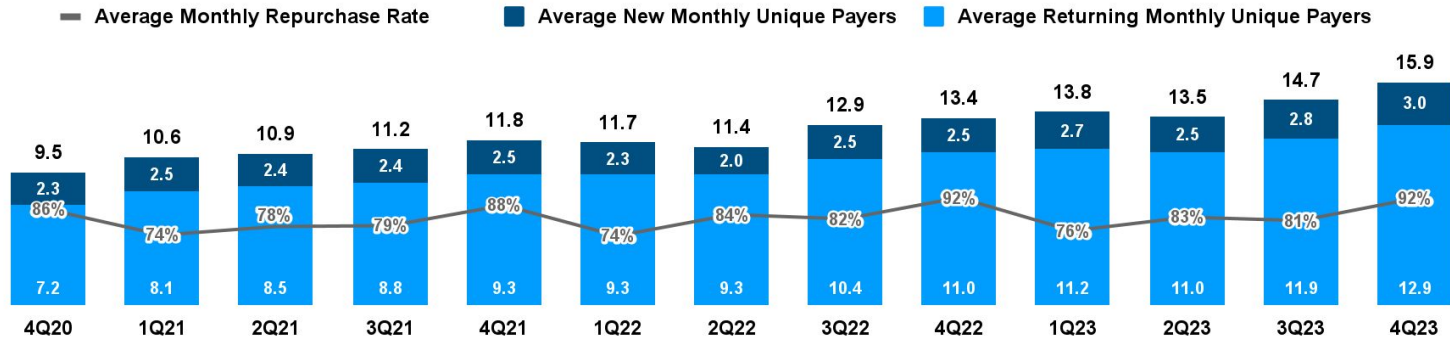
ROW



Note: Historically, we have grouped Xbox users into ROW for the purposes of our reporting (we note that since 4Q20, Xbox users have contributed less than 2% of our quarterly DAUs). Beginning in 4Q23, Xbox users are reported in their respective geographies. Under the previous reporting methodology, 4Q23 YoY growth would have been 6%, 15%, -7%, and 17% for US & Canada, Europe, APAC, and RoW, respectively.

Payer Community

New & Returning Monthly Unique Payers (in millions)



Average Bookings Per Monthly Unique Payer



Appendix A

Stock-Based Compensation Expense by Department

(\$ in thousands, unaudited)

	3 months ended			2022 to 2023 YoY%
	12/31/2023	12/31/2022	12/31/2021	
Infrastructure and trust & safety	\$ 26,437	\$ 16,238	\$ 13,173	63%
Research and development	174,917	118,921	80,208	47%
General and administrative	33,904	27,511	21,790	23%
Sales and marketing	15,421	6,786	5,049	127%
Total Stock-Based Compensation Expense	\$ 250,679	\$ 169,456	\$ 120,220	48%

Shares Outstanding

(in thousands, unaudited)

	As of			2022 to 2023 YoY%
	12/31/2023	12/31/2022	12/31/2021	
Shares of Class A and B Common stock outstanding	631,221	604,674	585,878	4%
Number of stock options outstanding ⁽¹⁾	40,159	51,591	63,267	-22%
Number of unvested RSUs outstanding	39,846	30,322	14,684	31%
Number of ESPP shares to be purchased	3,347	2,311	523	45%
Number of 2023 PSUs Grants based on performance target achievement at period-end ⁽²⁾	9	-	-	NM
Number of stock warrants and RSAs outstanding	413	764	792	-46%
Total outstanding and potentially dilutive shares⁽²⁾	714,995	689,662	665,144	4%

For further information on these award types, please refer to our annual and quarterly SEC filings.

⁽¹⁾ The weighted average exercise price per outstanding option was \$2.98, \$2.85, and \$2.82 as of 4Q23, 4Q22, and 4Q21, respectively.

⁽²⁾ Based on the Company's Covenant Adjusted EBITDA for the year ended December 31, 2023, the hypothetical number of shares that would have been earned under the Company's 2023 PSU Grants had the performance period ended on the balance sheet date have been included in the table above. The CEO Long-Term Performance Award and 2022 PSU Grants are excluded from the above table because the respective stock price targets had not been met as of or during the periods presented. For further information on these awards, please refer to our annual and quarterly SEC filings.

Personnel Costs excl. Stock-Based Compensation by Department

(\$ in thousands, unaudited)

	3 months ended			2022 to 2023 YoY%
	12/31/2023	12/31/2022	12/31/2021	
Infrastructure and trust & safety	\$ 25,518	\$ 16,980	\$ 12,716	50%
Research and development	128,407	106,693	80,711	20%
General and administrative	32,079	27,155	18,675	18%
Sales and marketing	12,641	9,211	8,824	37%
Total Personnel Costs excl. SBC	\$ 198,645	\$ 160,039	\$ 120,926	24%

Depreciation and Amortization by Department

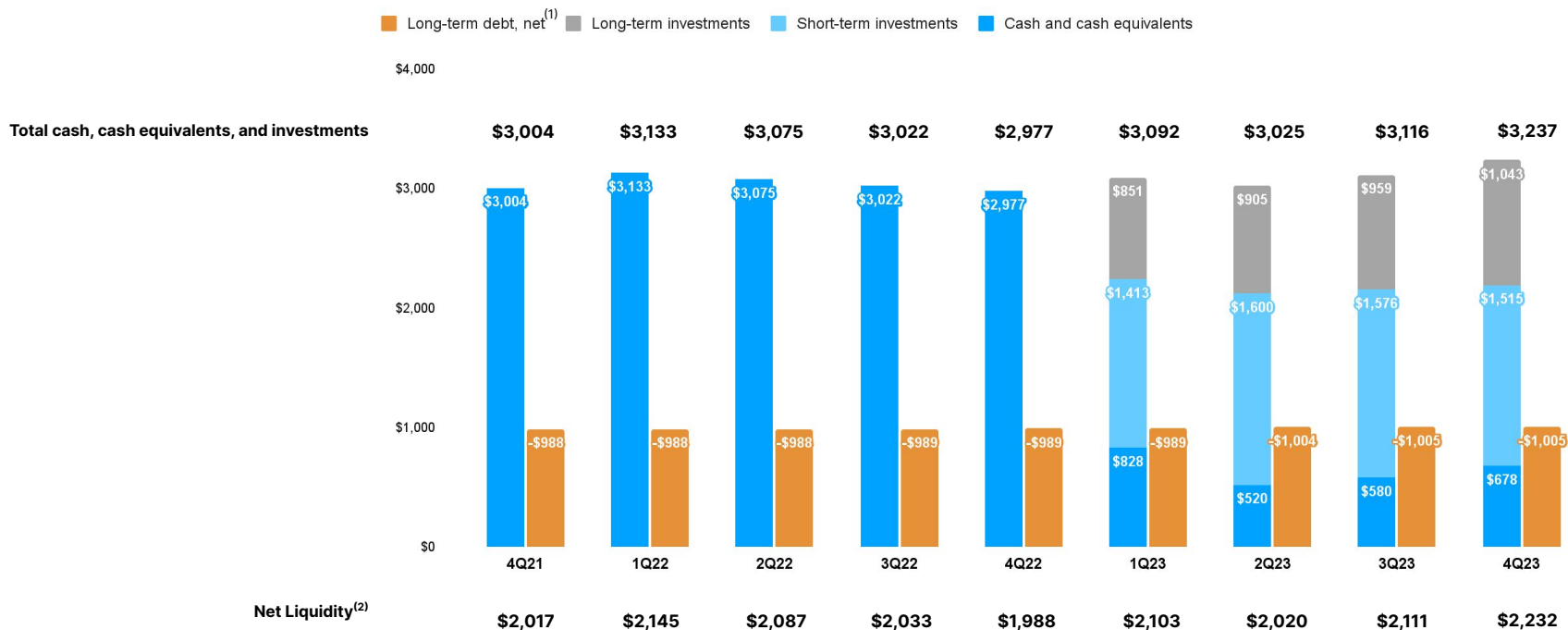
(\$ in thousands, unaudited)

	3 months ended			2022 to 2023 YoY%
	12/31/2023	12/31/2022	12/31/2021	
Infrastructure and trust & safety	\$ 47,030	\$ 36,004	\$ 17,254	31%
Research and development	5,335	6,004	4,632	-11%
General and administrative	2,099	441	189	376%
Sales and marketing	67	88	108	-24%
Total Depreciation and Amortization	\$ 54,531	\$ 42,538	\$ 22,183	28%

Appendix B - Liquidity

Principal Sources of Liquidity

(\$ in millions, unaudited)

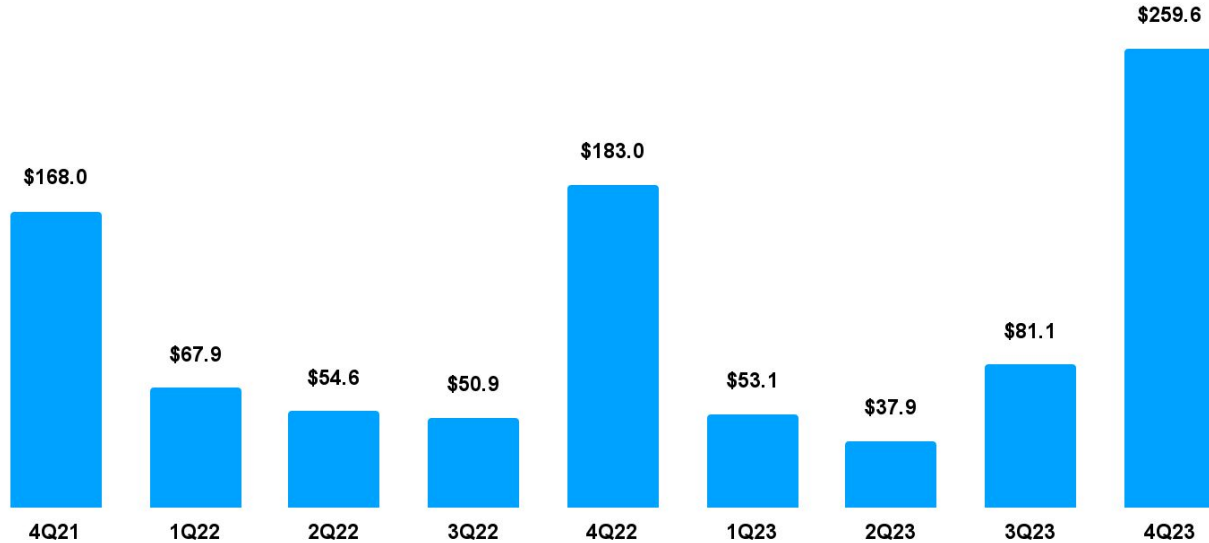


⁽¹⁾Amounts shown represent the net carrying amount of the senior notes due 2030 and beginning with 2Q23, also include the non-eliminated carrying amount of notes issued by the Company's fully consolidated joint venture; the principal amount of the senior notes due 2030 is \$1.0B and the principal amount of the non-eliminated portion of the notes associated with the fully consolidated joint venture is \$14.7M.

⁽²⁾As shown, net liquidity represents cash and cash equivalents, short-term investments, and long-term investments, less long-term debt, net.

Covenant Adjusted EBITDA

(\$ in millions, unaudited)



Covenant Adjusted EBITDA Calculation

(\$ in thousands, unaudited)

	3 months ended			2022 to 2023
	12/31/2023	12/31/2022	12/31/2021	YoY%
Consolidated net loss	\$ (325,340)	\$ (291,485)	\$ (147,257)	12%
<i>Add (deduct):</i>				
Interest income	(39,530)	(21,636)	(33)	83%
Interest expense	10,298	10,008	6,998	3%
Other (income)/expense, net	(898)	(1,988)	(14)	-55%
Provision for/(benefit from) income taxes	277	3,202	656	-91%
Depreciation and amortization	54,531	42,538	22,183	28%
Stock-based compensation expense	250,679	169,456	120,220	48%
RTO severance charge ⁽¹⁾	5,228	-	-	NM
Change in deferred revenue	382,196	325,450	203,552	17%
Change in deferred cost of revenue	(77,805)	(52,530)	(38,296)	48%
Covenant Adjusted EBITDA	\$ 259,636	\$ 183,015	\$ 168,009	42%

Note: Covenant Adjusted EBITDA is used in certain covenant calculations specified in the indenture governing our senior notes due 2030 and is not calculated in accordance with GAAP and may not conform to the calculation of Adjusted EBITDA by other companies. Covenant Adjusted EBITDA should not be considered as a substitute for a measure of our financial performance or other liquidity measures prepared in accordance with GAAP and is also not indicative of income or loss calculated in accordance with GAAP.

⁽¹⁾ Relates to cash severance costs associated with the Company's return-to-office ("RTO") plan announced in October 2023, which requires a subset of the Company's remote employees to begin working from the San Mateo headquarters for three days a week, beginning in the summer of 2024.

Guidance

Guidance

Summary

(\$ in millions, unaudited)	12 months ended				
	Guidance		Actual	YoY %	
	12/31/2024		12/31/2023	Low	High
	Low	High		Low	High
GAAP					
Revenue	\$3,300.0	\$3,400.0	\$2,799.3	18%	21%
Increase in deferred revenue	852.0	892.0	742.3	15%	20%
Increase in deferred cost of revenue	(172.0)	(177.0)	(139.9)	23%	27%
(B) Total	\$680.0	\$715.0	\$602.4	13%	19%
Consolidated net loss	\$(1,400.0)	\$(1,365.0)	\$(1,158.9)	21%	18%
Non-GAAP					
Bookings ⁽¹⁾	\$4,140.0	\$4,280.0	\$3,520.8	18%	22%
(A) Adjusted EBITDA⁽²⁾	\$(150.0)	\$(115.0)	\$(170.7)	-12%	-33%

Covenant Adjusted EBITDA⁽²⁾ = (A) + (B)

⁽¹⁾ Bookings and Adjusted EBITDA are non-GAAP financial measures that we believe are useful in evaluating our performance and are presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to reconciliation slides within the presentation and our annual and quarterly SEC filings.

⁽²⁾ Adjusted EBITDA includes the impact from changes in deferred revenue and deferred cost of revenue and differs from Covenant Adjusted EBITDA, which excludes the impact from changes in deferred revenue and deferred cost of revenue and is used in certain covenant calculations specified in the indenture governing our senior notes due 2030; refer to the Liquidity section above for further discussion on and the calculation of Covenant Adjusted EBITDA.

Guidance

Summary

(\$ in millions, unaudited)	3 months ended				
	Guidance		Actual	YoY %	
	3/31/2024		3/31/2023	Low	High
	Low	High		Low	High
GAAP					
Revenue	\$755.0	\$780.0	\$655.3	15%	19%
Increase in deferred revenue	158.0	163.0	123.8	28%	32%
Increase in deferred cost of revenue	(33.0)	(35.0)	(20.1)	64%	74%
(B) Total	\$125.0	\$128.0	\$103.6	21%	23%
Consolidated net loss	\$(347.0)	\$(342.0)	\$(269.9)	29%	27%
Non-GAAP					
Bookings ⁽¹⁾	\$910.0	\$940.0	\$773.8	18%	21%
(A) Adjusted EBITDA⁽²⁾	\$(55.0)	\$(50.0)	\$(50.5)	9%	-1%

Covenant Adjusted EBITDA⁽²⁾ = (A) + (B)

⁽¹⁾ Bookings and Adjusted EBITDA are non-GAAP financial measures that we believe are useful in evaluating our performance and are presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to reconciliation slides within the presentation and our annual and quarterly SEC filings.

⁽²⁾ Adjusted EBITDA includes the impact from changes in deferred revenue and deferred cost of revenue and differs from Covenant Adjusted EBITDA, which excludes the impact from changes in deferred revenue and deferred cost of revenue and is used in certain covenant calculations specified in the indenture governing our senior notes due 2030; refer to the Liquidity section above for further discussion on and the calculation of Covenant Adjusted EBITDA.

Guidance: Non-GAAP Financial Measures Reconciliation

Revenue to Bookings

(\$ in millions, unaudited)	Guidance		12 months ended		YoY %	
	12/31/2024		12/31/2023			
	Low	High			Low	High
Revenue	\$3,300.0	\$3,400.0	\$2,799.3		18%	21%
Add (deduct):						
Change in deferred revenue	852.0	892.0	742.3		15%	20%
Other	(12.0)	(12.0)	(20.8)		-42%	-42%
Bookings	\$4,140.0	\$4,280.0	\$3,520.8		18%	22%

Guidance: Non-GAAP Financial Measures Reconciliation

Revenue to Bookings

(\$ in millions, unaudited)	Guidance		3 months ended		YoY %	
	3/31/2024		3/31/2023			
	Low	High			Low	High
Revenue	\$755.0	\$780.0	\$655.3		15%	19%
Add (deduct):						
Change in deferred revenue	158.0	163.0	123.8		28%	32%
Other	(3.0)	(3.0)	(5.3)		-43%	-43%
Bookings	\$910.0	\$940.0	\$773.8		18%	21%

Guidance: Non-GAAP Financial Measures Reconciliation

Adjusted EBITDA

(\$ in millions, unaudited)	12 months ended				
	Guidance		Actual	YoY %	
	12/31/2024	12/31/2023		Low	High
	Low	High		Low	High
Consolidated net loss	\$(1,400.0)	\$(1,365.0)	\$(1,158.9)	21%	18%
<i>Add (deduct):</i>					
Interest income	(160.0)	(160.0)	(141.8)	13%	13%
Interest expense	42.0	42.0	40.7	3%	3%
Other (income)/expense, net	—	—	0.5	NM	NM
Provision for/(benefit from) income taxes	4.0	4.0	0.5	781%	781%
Depreciation and amortization	224.0	224.0	208.1	8%	8%
Stock-based compensation expense	1,140.0	1,140.0	868.0	31%	31%
RTO severance charge ⁽¹⁾	—	—	5.2	NM	NM
Other non-cash charges ⁽²⁾	—	—	7.0	NM	NM
Adjusted EBITDA⁽³⁾	\$(150.0)	\$(115.0)	\$(170.7)	-12%	-33%

⁽¹⁾ Relates to cash severance costs associated with the Company's return-to-office ("RTO") plan announced in October 2023, which requires a subset of the Company's remote employees to begin working from the San Mateo headquarters for three days a week, beginning in the summer of 2024.

⁽²⁾ Includes impairment expense related to certain operating lease right-of-use assets and related property and equipment.

⁽³⁾ Adjusted EBITDA is a non-GAAP financial measure that we believe is useful in evaluating our performance and is presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. Adjusted EBITDA includes the impact from changes in deferred revenue and deferred cost of revenue; refer to the Liquidity section above for further discussion on Covenant Adjusted EBITDA, which is used in certain covenant calculations specified in the indenture governing our senior notes due 2030, and excludes the impact from changes in deferred revenue and deferred cost of revenue.

Guidance: Non-GAAP Financial Measures Reconciliation

Adjusted EBITDA

(\$ in millions, unaudited)	3 months ended				
	Guidance		Actual	YoY %	
	3/31/2024	3/31/2023	3/31/2023	Low	High
	Low	High		Low	High
Consolidated net loss	\$(347.0)	\$(342.0)	\$(269.9)	29%	27%
<i>Add (deduct):</i>					
Interest income	(38.0)	(38.0)	(31.1)	22%	22%
Interest expense	11.0	11.0	10.0	10%	10%
Other (income)/expense, net	—	—	0.4	NM	NM
Provision for/(benefit from) income taxes	1.0	1.0	0.7	37%	37%
Depreciation and amortization	58.0	58.0	47.4	22%	22%
Stock-based compensation expense	260.0	260.0	184.9	41%	41%
Other non-cash charges ⁽¹⁾	—	—	7.0	NM	NM
Adjusted EBITDA⁽²⁾	\$(55.0)	\$(50.0)	\$(50.5)	9%	-1%

⁽¹⁾ "Other non-cash charges" includes impairment expense related to certain operating lease right-of-use assets and related property and equipment.

⁽²⁾ Adjusted EBITDA is a non-GAAP financial measure that we believe is useful in evaluating our performance and is presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. Adjusted EBITDA includes the impact from changes in deferred revenue and deferred cost of revenue; refer to the Liquidity section above for further discussion on Covenant Adjusted EBITDA, which is used in certain covenant calculations specified in the indenture governing our senior notes due 2030, and excludes the impact from changes in deferred revenue and deferred cost of revenue.