GAAP to Non-GAAP Reconciliation

Reconciliation of revenue to bookings:
($ in thousands)

	3 Months Ended													
	3/31/2019	**6/30/2019**	**9/30/2019**	**12/31/2019**	**3/31/2020**	**6/30/2020**	**9/30/2020**	**12/31/2020**	**3/31/2021**	**6/30/2021**	**9/30/2021**	**12/31/2021**	**3/31/2022**	**6/30/2022**
Revenue	$110,457	$119,185	$131,139	$147,612	$161,570	$200,392	$251,914	$310,009	$386,976	$454,100	$509,336	$568,769	537,134	591,207
Add (deduct):														
Change in deferred revenue	32,138	31,549	34,793	89,436	88,769	295,534	246,567	335,049	269,439	215,497	131,439	203,552	96,797	52,140
Other	-335	-412	-555	-745	-763	-1,755	-1,996	-2,747	-4,138	-4,117	-2,942	-2,205	-2,725	-3,445
Bookings	**$142,260**	**$150,322**	**$165,377**	**$236,303**	**$249,576**	**$494,171**	**$496,485**	**$642,311**	**$652,277**	**$665,480**	**$637,833**	**$770,116**	**$631,206**	**$639,902**

Bookings is defined as revenue plus the change in deferred revenue during the period and other non-cash adjustments. Bookings is equal to the amount of virtual currency purchased by users in a given period of measurement. 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.

GAAP to Non-GAAP Reconciliation

Reconciliation of consolidated net loss to adjusted EBITDA:
($ in thousands)

	3 Months Ended													
	3/31/2019	**6/30/2019**	**9/30/2019**	**12/31/2019**	**3/31/2020**	**6/30/2020**	**9/30/2020**	**12/31/2020**	**3/31/2021**	**6/30/2021**	**9/30/2021**	**12/31/2021**	**3/31/2022**	**6/30/2022**
Consolidated net loss	-$8,839	-$12,147	-$17,264	-$32,864	-$74,877	-$72,263	-$50,014	-$60,537	-$136,103	-$142,930	-$77,190	-$147,257	-$162,020	-$178,734
Interest income	-1,619	-1,677	-1,789	-1,461	-1,247	-294	-217	-64	-5	-26	-28	-33	-245	-4,197
Interest expense	-	-	-	-	-	-	-	-	-	-	-	6,998	9,999	9,891
Other income/(expense), net	47	71	376	717	3,157	-494	-1,306	-1,325	1,050	-10	770	-14	379	3,051
Provision for/(benefit from) income taxes	-	8	-	1	1	5	19	-6,681	2	20	-998	656	276	-278
Depreciation and amortization	5,753	6,396	7,031	8,484	9,085	9,767	11,380	13,576	16,620	17,790	19,029	22,183	24,497	28,996
Stock-based compensation expense	3,119	3,714	4,863	5,938	42,257	7,409	13,296	16,196	50,744	81,659	89,319	120,220	112,295	146,388
Change in fair value of warrants	-	-	94	1,096	1,890	-	-	-	-	-	-	-	-	-
Accretion and amortization on marketable securities	-309	-249	-106	-71	-34	17	17	5	-	-	-	-	-	-
Change in deferred revenue	32,138	31,549	34,793	89,436	88,769	295,534	246,567	335,049	269,439	215,497	131,439	203,552	96,797	52,140
Change in deferred cost of revenue	-8,226	-8,301	-9,497	-22,285	-22,878	-72,564	-60,356	-74,606	-62,262	-45,601	-26,669	-38,296	-14,049	-2,621
Fees related to equity offering	-	-	-	-	-	-	1,659	4,279	50,689	-103	-	-	-	-
Fees related to certain legal settlements	-	-	-	-	-	-	-	-	-	53,775	-	-	-	-
Adjusted EBITDA (non-GAAP)	**22,064**	**19,364**	**18,501**	**48,991**	**$46,123**	**$167,117**	**$161,045**	**$225,892**	**$190,174**	**$180,071**	**$135,672**	**$168,009**	**$67,929**	**$54,636**

Adjusted EBITDA is a measure of operating performance used in certain covenant calculations specified in the indenture governing our senior notes due 2030 that is not calculated in accordance with GAAP and may not conform to the calculation of EBITDA in other circumstances. Adjusted EBITDA should not be considered as a substitute for net loss as determined in accordance with GAAP. We believe that, when considered together with reported amounts, Adjusted EBITDA is useful to investors and management in understanding our ongoing operations and ongoing operating trends for purposes of analyzing the covenants specified in the indenture governing our senior notes due 2030.

GAAP to Non-GAAP Reconciliation

Reconciliation of GAAP cost of revenue to Non-GAAP cost of revenue:
($ in thousands)

	3 Months Ended													
	3/31/2019	**6/30/2019**	**9/30/2019**	**12/31/2019**	**3/31/2020**	**6/30/2020**	**9/30/2020**	**12/31/2020**	**3/31/2021**	**6/30/2021**	**9/30/2021**	**12/31/2021**	**3/31/2022**	**6/30/2022**
GAAP Cost of Revenue	25,860	27,719	31,581	37,221	41,793	53,669	65,818	78,618	97,937	116,930	130,015	151,988	135,632	143,157
Deduct:														
Change in deferred cost of revenue	-8,226	-8,301	-9,497	-22,285	-22,878	-72,564	-60,356	-74,606	-62,262	-45,601	-26,669	-38,296	-14,049	-2,621
Non-GAAP Cost of Revenue	34,086	36,020	41,078	59,506	64,671	126,233	126,174	153,224	160,199	162,531	156,684	190,284	149,681	145,778

Non-GAAP Cost of Revenue is a non-GAAP financial measure 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 on our investor relations site.

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.

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 u
ser behavior. Because we update the methodologies we employ to create our metrics, our DAUs or other metrics may not be comparable to those in prior periods. Additionally, 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.

Certain operating metrics in the presentation have been deseasonalized for monthly seasonality trends, using centered moving average method.

Daily active users, or 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. We do not collect the geographic location of our Xbox users, which are grouped into Rest of World DAUs for the purposes of our reporting.

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

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. Users can personalize the size and body shape of their avatars as well as equip their avatars with items acquired from the Avatar Marketplace, a marketplace that allows users to acquire items such as clothing, gear, simulated gestures, or emotes, and other accessories.
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.

Average Bookings per Daily Active User, or ABPDAU

We define average bookings per DAU, or 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.