

**ROKU, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except par value)

	As of December 31,	
	2019	2018
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 515,479	\$ 155,564
Short-term investments	—	42,146
Restricted cash	1,854	—
Accounts receivable, net of allowances of \$27,521 and \$21,897 as of December 31, 2019 and 2018, respectively	332,673	183,078
Inventories	49,714	35,585
Prepaid expenses and other current assets	25,943	16,562
Total current assets	925,663	432,935
Property and equipment, net	103,262	25,264
Operating lease right-of-use assets	283,291	—
Intangible assets, net	76,668	1,477
Goodwill	74,116	1,382
Other non-current assets	7,234	3,939
Total Assets	\$ 1,470,234	\$ 464,997
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 115,227	\$ 56,576
Accrued liabilities	198,347	91,986
Current portion of long-term debt	4,866	—
Deferred revenue, current portion	39,861	45,442
Total current liabilities	358,301	194,004
Long-term debt, non-current portion	94,742	—
Deferred revenue, non-current portion	15,370	19,594
Operating lease liability, non-current	301,694	—
Other long-term liabilities	1,701	6,748
Total Liabilities	771,808	220,346
Commitments and contingencies (Note 12)		
<b>Stockholders' Equity:</b>		
Preferred stock, \$0.0001 par value; 10,000 shares authorized as of December 31, 2019 and 2018; no shares issued and outstanding as of December 31, 2019 and 2018	—	—
Common stock, \$0.0001 par value; 1,150,000 (Class A - 1,000,000 and Class B - 150,000) shares authorized as of December 31, 2019 and 2018; 119,897 (Class A - 93,574 and Class B - 26,323) shares and 109,770 (Class A - 77,820 and Class B - 31,950) shares issued and outstanding as of December 31, 2019 and 2018, respectively	12	11
Additional paid-in capital	1,012,218	498,553
Accumulated other comprehensive loss	29	(17)
Accumulated deficit	(313,833)	(253,896)
Total stockholders' equity	698,426	244,651
Total Liabilities and Stockholders' Equity	\$ 1,470,234	\$ 464,997

See accompanying Notes to Consolidated Financial Statements.

**ROKU, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)

	Years Ended December 31,		
	2019	2018	2017
Net Revenue:			
Platform	\$ 740,776	\$ 416,863	\$ 225,356
Player	388,145	325,643	287,407
Total net revenue	1,128,921	742,506	512,763
Cost of Revenue:			
Platform	262,655	120,543	54,826
Player	371,042	289,815	258,104
Total cost of revenue	633,697	410,358	312,930
Gross Profit:			
Platform	478,121	296,320	170,530
Player	17,103	35,828	29,303
Total gross profit	495,224	332,148	199,833
Operating Expenses:			
Research and development	265,011	170,692	107,945
Sales and marketing	178,855	102,780	64,069
General and administrative	116,417	71,972	47,435
Total operating expenses	560,283	345,444	219,449
Loss from Operations	(65,059)	(13,296)	(19,616)
Other Income (Expense), Net:			
Interest expense	(2,366)	(346)	(1,612)
Loss on extinguishment of debt	—	—	(2,338)
Change in fair value of preferred stock warrant liability	—	—	(40,333)
Other income (expense), net	6,506	4,309	705
Total other income (expense), net	4,140	3,963	(43,578)
Loss Before Income Taxes	(60,919)	(9,333)	(63,194)
Income tax (benefit) expense	(982)	(476)	315
Net Loss Attributable to Common Stockholders	\$ (59,937)	\$ (8,857)	\$ (63,509)
Net loss per share attributable to common stockholders—basic and diluted	\$ (0.52)	\$ (0.08)	\$ (2.24)
Weighted-average shares used in computing net loss per share attributable to common stockholders—basic and diluted	115,218	104,618	28,308

See accompanying Notes to Consolidated Financial Statements.

**ROKU, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Years Ended December 31,		
	2019	2018	2017
Cash flows from operating activities:			
Net loss	\$ (59,937)	\$ (8,857)	\$ (63,509)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	15,669	8,389	5,336
Stock-based compensation expense	85,175	37,674	10,953
Provision for doubtful accounts	704	876	104
Change in fair value of preferred stock warrant liability	—	—	40,333
Noncash interest expense	531	342	784
(Gain) Loss from exit of facilities and disposal of property and equipment	(2)	1,128	579
Loss from extinguishment of debt	—	—	2,338
Impairment of long-lived assets	854	352	—
Amortization of premiums on short-term investments	(282)	(357)	—
Changes in operating assets and liabilities:			
Accounts receivable	(110,225)	(50,673)	(41,184)
Inventories	(14,129)	(2,953)	10,828
Prepaid expenses and other current assets	(11,566)	(306)	(6,514)
Operating lease right-of-use assets	22,328	—	—
Deferred cost of revenue	1,143	2,261	(1,959)
Other noncurrent assets	(3,060)	(732)	(2,794)
Accounts payable	9,409	(98)	24,315
Accrued liabilities	79,058	17,914	24,127
Operating lease liabilities	11,658	—	—
Other long-term liabilities	(3,024)	(1,101)	3,579
Deferred revenue	(10,597)	10,063	29,976
Net cash provided by operating activities	13,707	13,922	37,292
Cash flows from investing activities:			
Purchase of property and equipment	(77,180)	(18,327)	(9,229)
Purchase of business, net of cash acquired	(68,132)	—	(2,959)
Purchase of intangible assets	(7,428)	—	—
Purchases of short-term investments	(12,365)	(53,806)	—
Sales/maturities of short-term investments	54,810	12,000	—
Change in deposits	—	—	(80)
Net cash used in investing activities	(110,295)	(60,133)	(12,268)
Cash flows from financing activities:			
Proceeds from borrowings, net of issuance costs	99,608	—	24,691
Repayments of borrowings	—	—	(40,446)
Holdback payment for a prior business acquisition	—	(500)	—
Proceeds from equity issued under incentive plans, net of repurchases	28,181	25,025	1,773
Proceeds from equity issued under at-the-market program, net of offering costs	330,539	—	—
Proceeds from issuance of common stock pursuant to an initial public offering, net of issuance costs	—	—	131,646
Net cash provided by financing activities	458,328	24,525	117,664
Net Increase (Decrease) in cash, cash equivalents and restricted cash	361,740	(21,686)	142,688
Effect of exchange rate changes on cash, cash equivalents and restricted cash	29	—	—
Cash, cash equivalents and restricted cash —Beginning of period	155,564	177,250	34,562
Cash, cash equivalents and restricted cash —End of period	\$ 517,333	\$ 155,564	\$ 177,250
Cash, cash equivalents and restricted cash at end of period:			
Cash and cash equivalents	515,479	155,564	177,250
Restricted cash	1,854	—	—
Cash, cash equivalents and restricted cash —End of period	\$ 517,333	\$ 155,564	\$ 177,250