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FINANCIAL RESULTS

AUGUST 5, 2021

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Management Team



Frank Gibeau
CHIEF EXECUTIVE OFFICER



Gerard Griffin
CHIEF FINANCIAL OFFICER



zynga®

BossAlien



peak

follic

ECHTRA

Chartboost

Forward-Looking Statements



This presentation contains forward-looking statements, including those statements relating to our outlook for the full year and third quarter of 2021 under the headings “Q3 2021 Financial Guidance,” “Updated FY 2021 Financial Guidance,” “Q3 2021 Financial Guidance: GAAP To Non-GAAP Reconciliation” and “Updated FY 2021 Financial Guidance: GAAP To Non-GAAP Reconciliation” and our related estimates and assumptions including, among other things: our operational performance and strategy, including our focus on, and expansion of, our live services portfolio and new game pipeline, our growth and launch expectations of new titles from our new game pipeline including games in development and our continued execution of our multi-year growth strategy which includes investing in hyper-casual games, cross-platform play, international expansion and advertising technologies, and our plans to enhance existing games, scale existing games including possibly some of Rollic’s hypercasual games, ramp investment in our key growth initiatives including in their marketing; in light of current market dynamics related to reductions in communities’ COVID-19 restrictions and to Apple’s privacy changes and our belief of the duration of their respective impacts, our performance expectations regarding our live services, older mobile and web titles, new game launches and advertising business; the impacts of our execution across our growth initiatives, including increasing our total addressable market and capabilities; our ability to achieve the intended benefits of acquiring Chartboost, Inc.; the proposed acquisition of Beijing StarLark Technology Co., Ltd. (“StarLark”); our ability to achieve the intended benefits of acquiring StarLark; the timing in which the StarLark acquisition is expected to close; and our ability to achieve and expectations related to financial projections, including revenue, deferred revenue, bookings, income, adjusted EBITDA, contingent consideration expense, amortization of acquired intangibles, revenue mix, stock-based compensation, acquisition-related expenses, a charge primarily related to an impairment of a lease and related leasehold improvements, R&D, G&A, marketing investments, income taxes, operating expenses, operating leverage, operating results, operating cash flow and margins.

Forward-looking statements often include words such as “guidance,” “outlook,” “projected,” “intends,” “will,” “anticipate,” “believe,” “target,” “expect,” “positioned,” and statements in the future tense are generally forward-looking. The achievement or success of the matters covered by such forward-looking statements involves significant risks, uncertainties and assumptions, including risks, uncertainty and assumptions relating to the COVID-19 pandemic, shelter-in-place rules and effects on business and economic conditions. Our actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of our future performance. Undue reliance should not be placed on such forward-looking statements, which are based on information available to us on the date hereof. We assume no obligation to update such statements. More information about factors that could affect our operating results are described in greater detail in our public filings with the Securities and Exchange Commission (the “SEC”), copies of which may be obtained by visiting our Investor Relations web site at <http://investor.zynga.com> or the SEC's web site at www.sec.gov.

In addition, the preliminary financial results set forth in this letter are estimates based on information currently available to us. While we believe these estimates are meaningful, they could differ from the actual amounts that we ultimately report in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021. We assume no obligation and do not intend to update these estimates prior to filing our Quarterly Report on Form 10-Q.



OVERVIEW OF Q2 2021 PERFORMANCE

Q2 2021 Financial Guidance vs. Actuals



(in millions, except per share data)

GAAP	Q2 2021 Guidance ⁽²⁾	Q2 2021 Actuals
Revenue	\$ 675	\$ 720
(B) Net release of (increase in) deferred revenue ⁽¹⁾	\$ (35)	\$ 8
Net income (loss)	\$ (30)	\$ 28
Basic net income (loss) per share	\$ (0.03)	\$ 0.03
Diluted net income (loss) per share	\$ (0.03)	\$ 0.02
Basic share count	1,090	1,090
Diluted share count	1,090	1,148
Non-GAAP		
Bookings	\$ 710	\$ 712
(A) Adjusted EBITDA	\$ 115	\$ 174

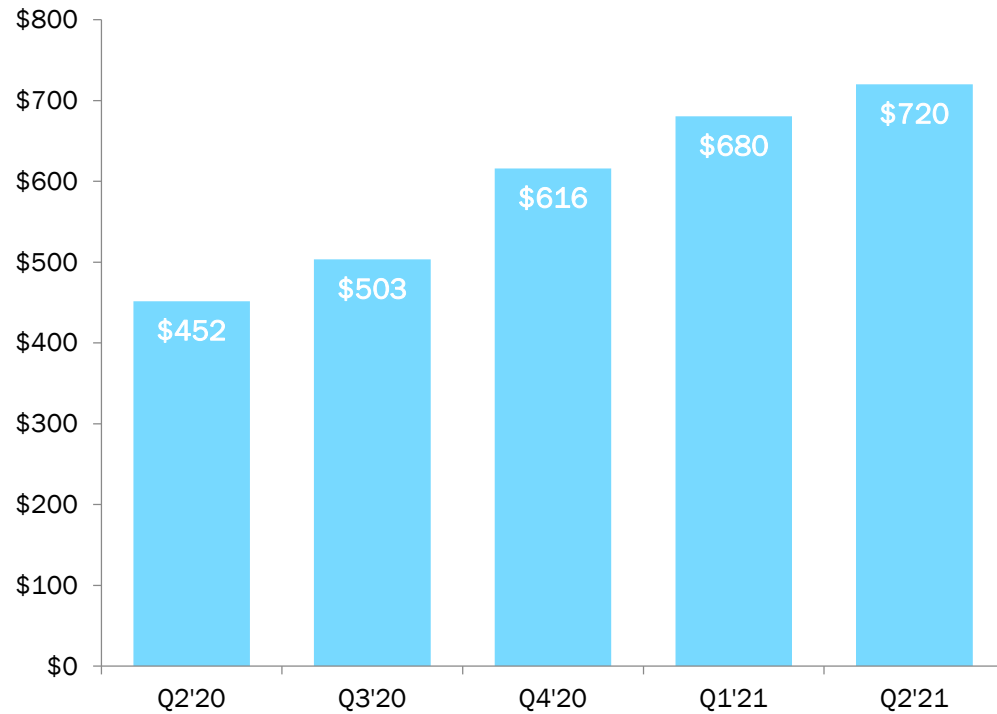
Management Reporting = (A) - (B)

Footnotes:

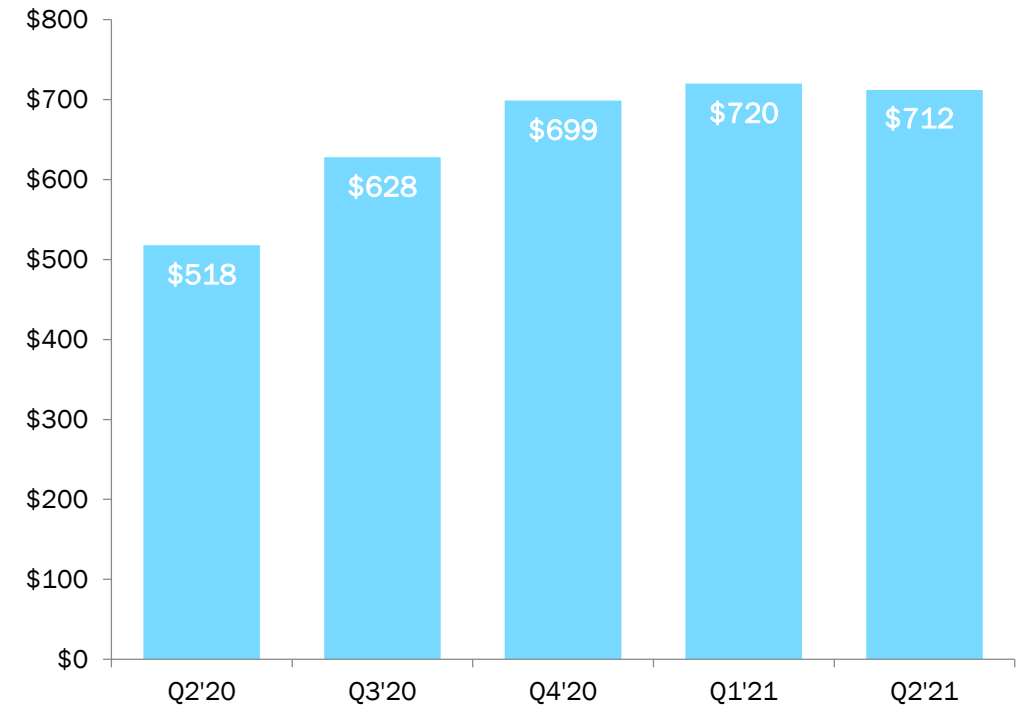
⁽¹⁾ For clarity, a net release of deferred revenue results in revenue being higher than bookings and is a positive impact to Adjusted EBITDA as reported; a net increase in deferred revenue results in revenue being lower than bookings and is a negative impact to Adjusted EBITDA as reported.

Revenue & Bookings: Total

TOTAL REVENUE
UP 59% Y/Y IN Q2'21



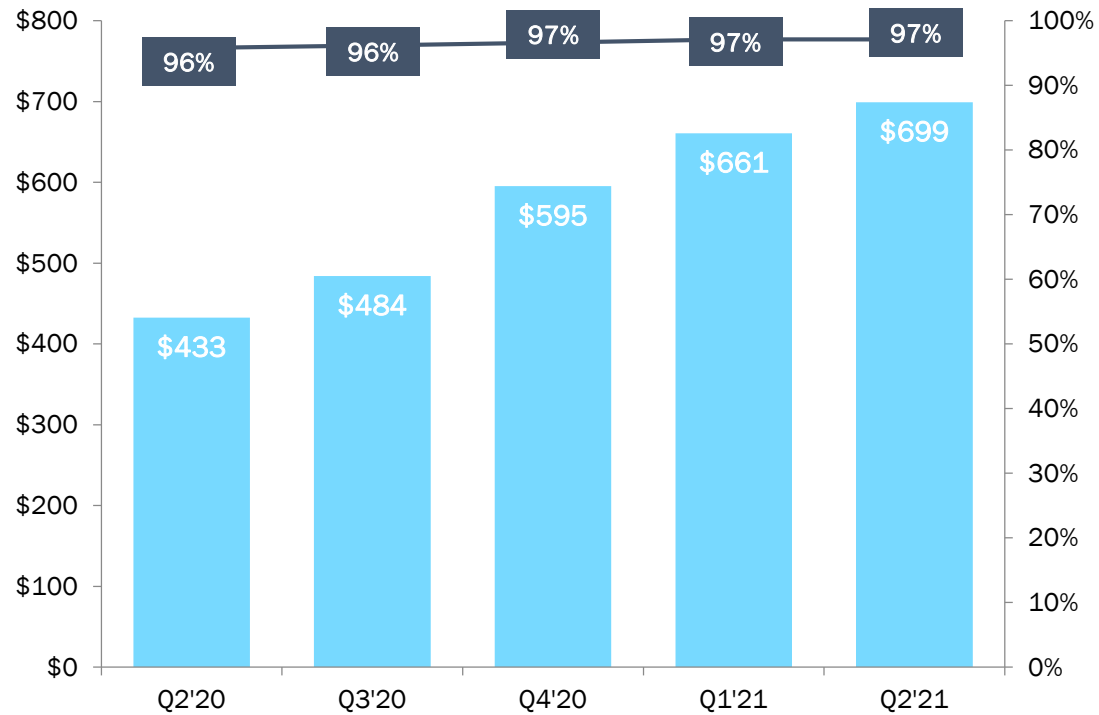
TOTAL BOOKINGS
UP 37% Y/Y IN Q2'21



Revenue & Bookings: Mobile

MOBILE REVENUE

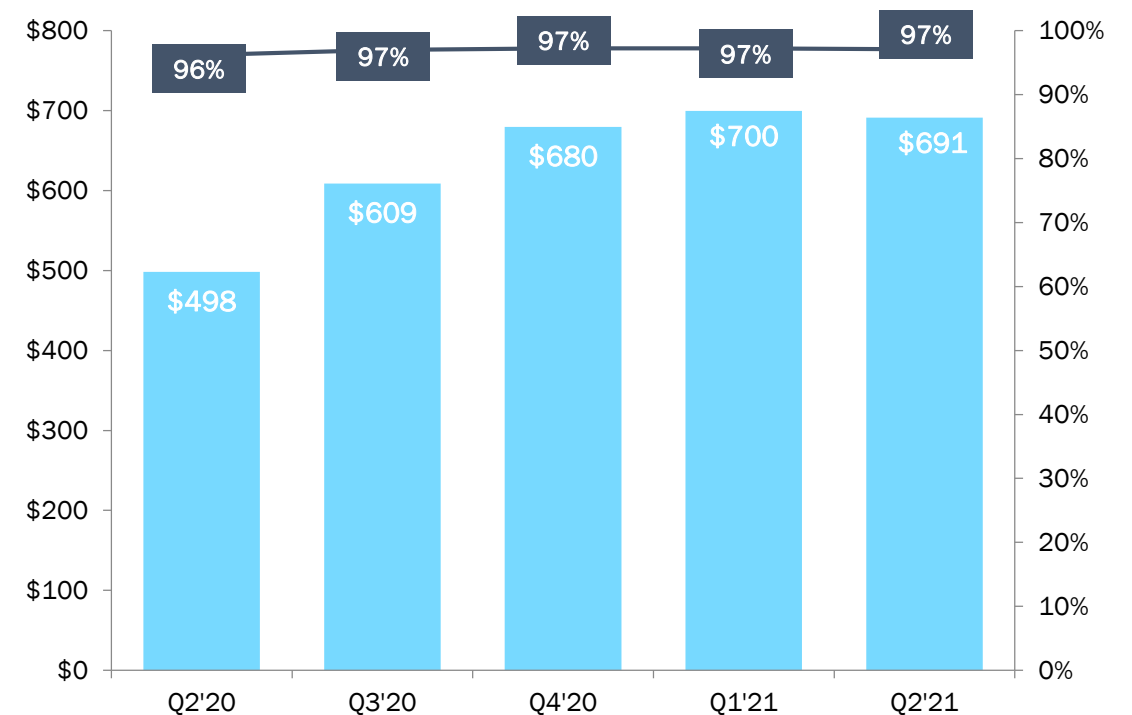
97% OF TOTAL IN Q2'21



Mobile Revenue Mobile Revenue % Total Revenue

MOBILE BOOKINGS

97% OF TOTAL IN Q2'21

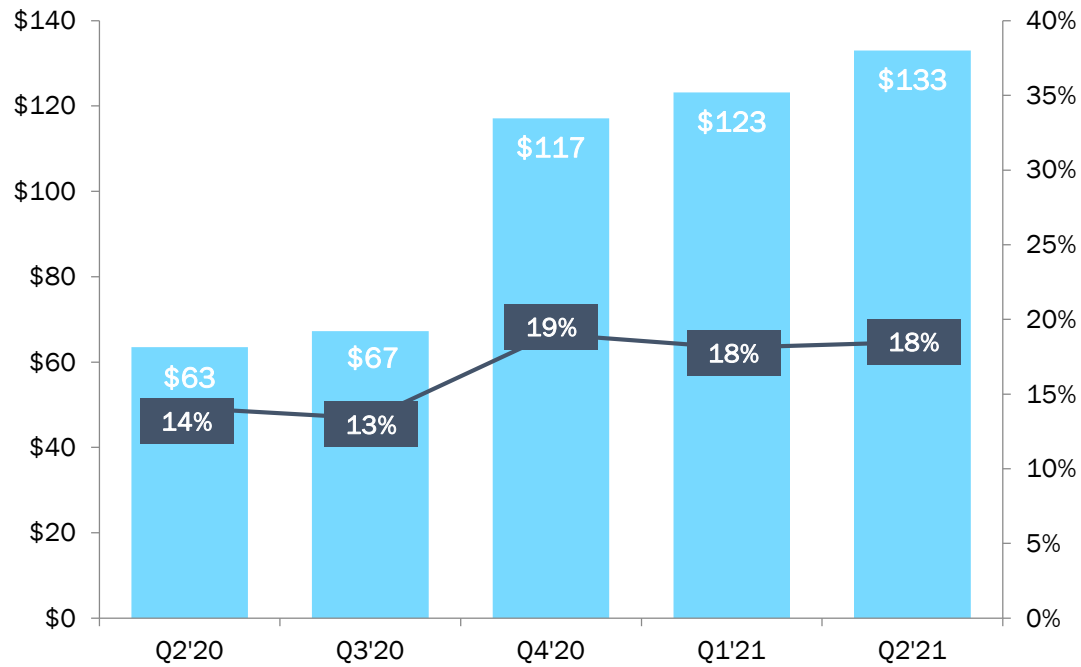


Mobile Bookings Mobile Bookings % Total Bookings

Revenue & Bookings: Advertising

ADVERTISING REVENUE

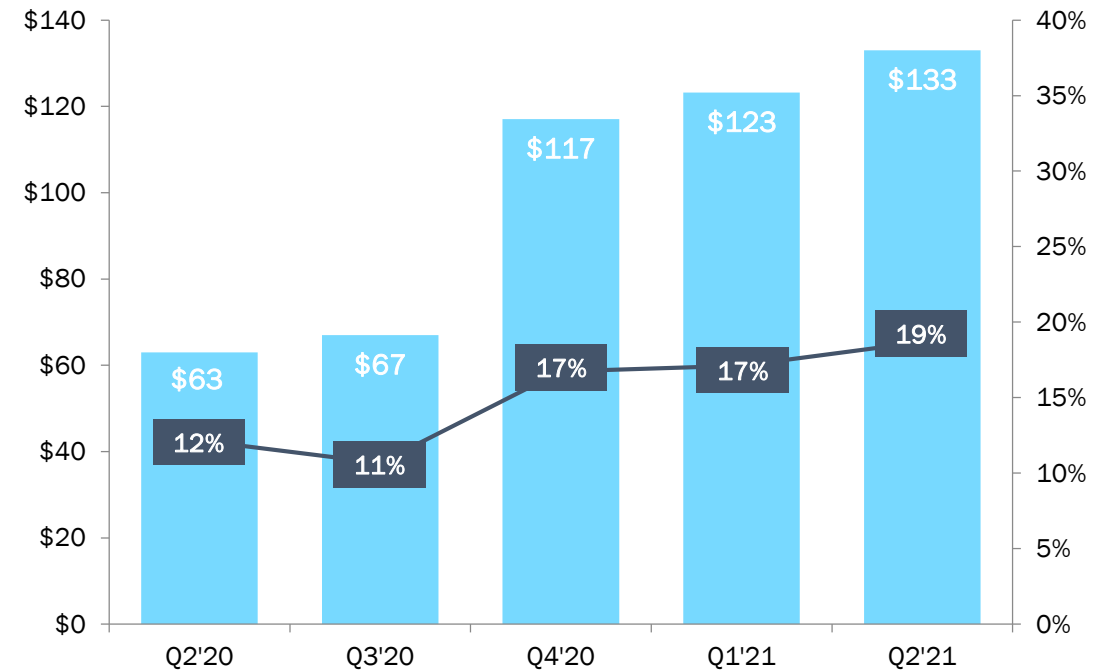
18% OF TOTAL IN Q2'21



Advertising Revenue — Advertising Revenue % Total Revenue

ADVERTISING BOOKINGS

19% OF TOTAL IN Q2'21



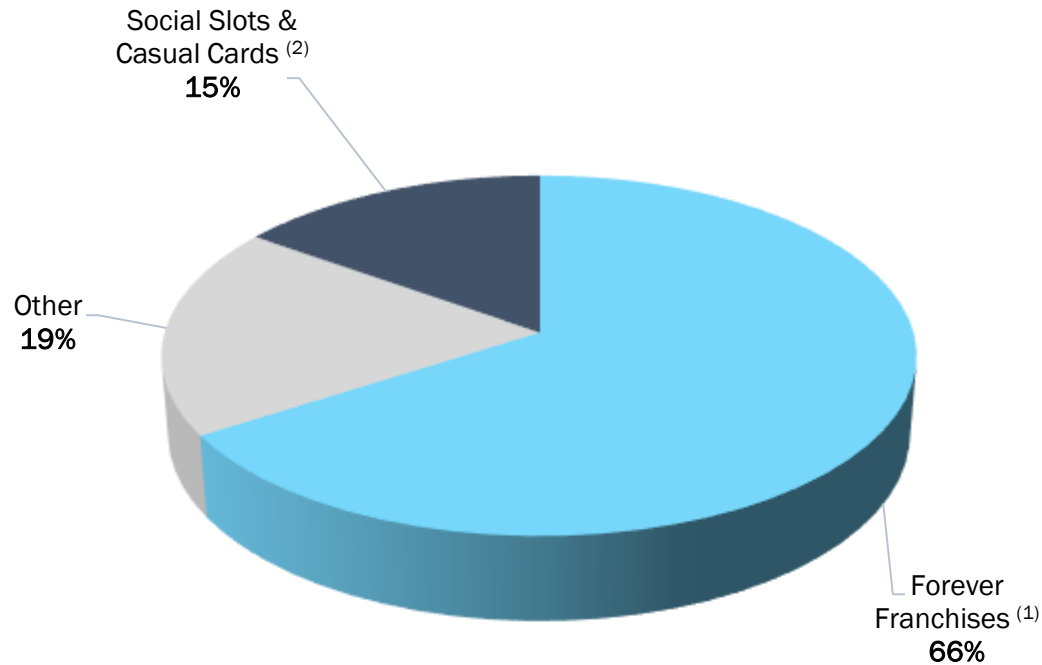
Advertising Bookings — Advertising Bookings % Total Bookings

Q2 2021 Total Revenue & Bookings



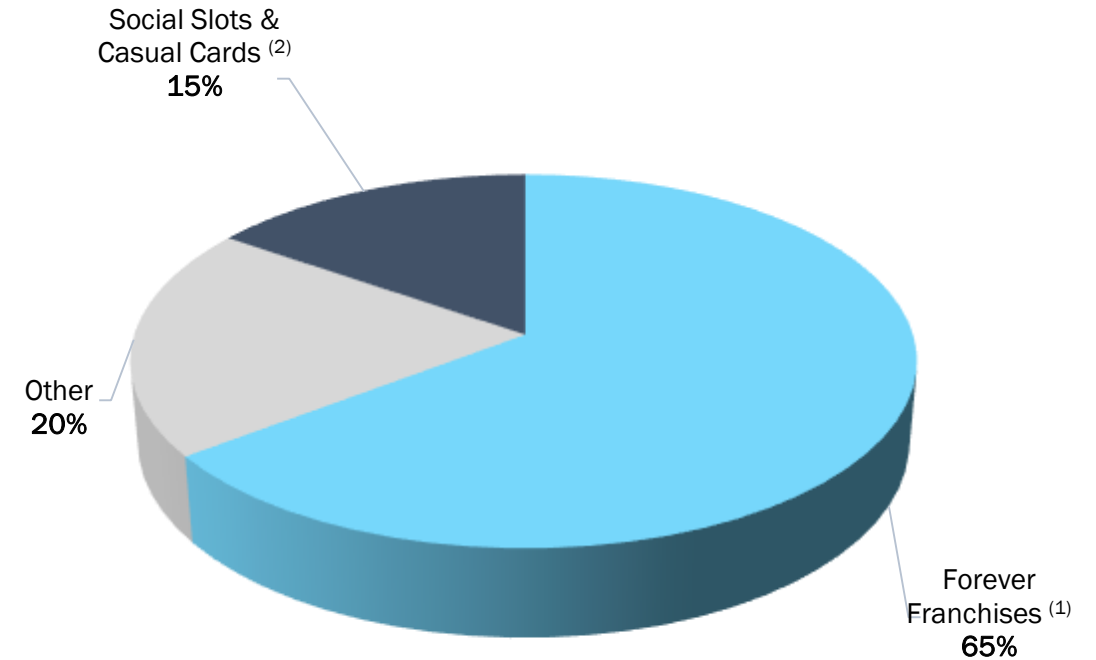
TOTAL REVENUE

TOTAL: \$720 million



TOTAL BOOKINGS

TOTAL: \$712 million



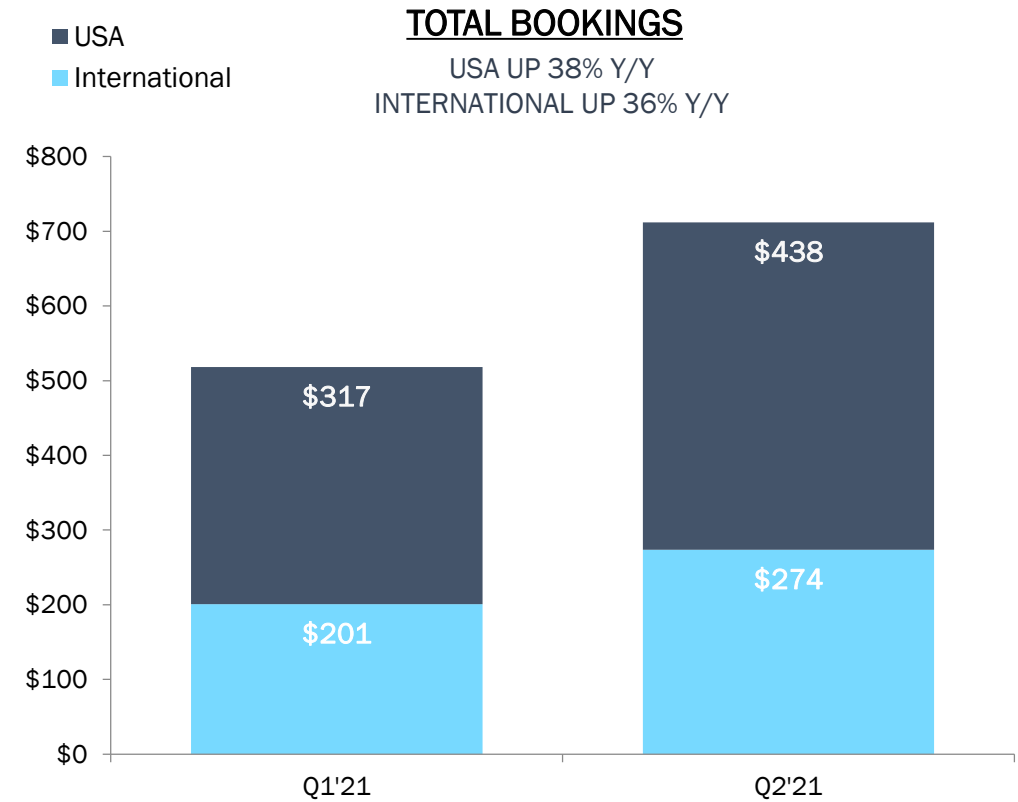
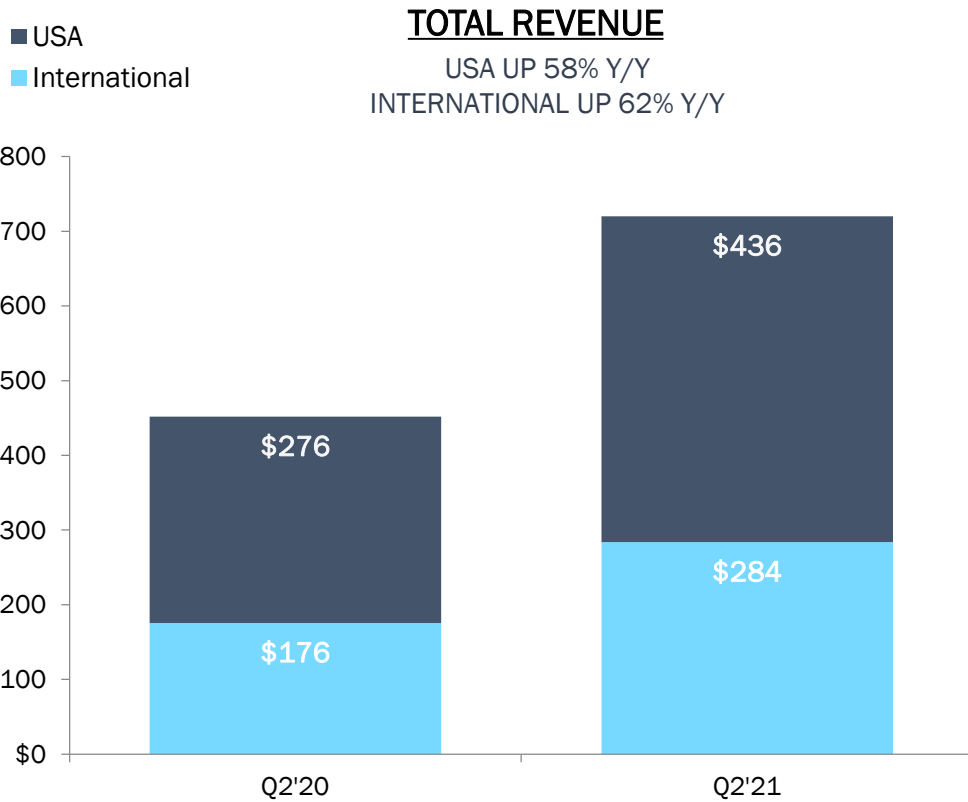
Footnotes:

(1) "Forever Franchises" includes *CSR Racing*, *Empires & Puzzles*, *Merge Dragons!*, *Merge Magic!*, *Toon Blast*, *Toy Blast*, *Words With Friends* and *Zynga Poker*.

(2) "Social Slots & Casual Cards" includes *Black Diamond Casino*, *Game of Thrones Slots Casino*, *Hit It Rich! Slots*, *Willy Wonka Slots*, *Wizard of Oz Slots*, the Casual Card Games acquired in December 2017, *Bluff Plus* and *Solitaire*.

By Geography: Revenue & Bookings

IN MILLIONS



	Q2'20	Q2'21
USA % Total	61%	61%
International % Total	39%	39%

	Q1'21	Q2'21
USA % Total	61%	62%
International % Total	39%	38%

Net Income (Loss) & Cash Flow



(in millions, except per share data)

	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20
Net income (loss)	\$ 28	\$ (23)	\$ (53)	\$ (122)	\$ (150)
Diluted net income (loss) per share	\$ 0.02	\$ (0.02)	\$ (0.05)	\$ (0.11)	\$ (0.16)
Operating cash flow	\$ 161	\$ (164)	\$ 206	\$ 113	\$ 145
Free cash flow (non-GAAP)	\$ 158	\$ (165)	\$ 203	\$ 109	\$ 142
Cash, cash equivalents and investments	\$ 1,502	\$ 1,362	\$ 1,575	\$ 758	\$ 1,572

Key Operating Metrics



The company tracks operating metrics using internal systems which rely on internal company data and third party data. We rely on the veracity of data provided by individuals and reported by third parties to estimate our metrics. We believe that the amounts are reasonable estimates of our user base for the applicable period of measurement that the methodologies we employ and update from time-to-time are reasonably based on our efforts to identify trends in player behavior; however, factors relating to user activity and systems and our ability to identify and detect attempts to replicate legitimate player activity may impact these numbers.

Further, consistent with our operational focus on mobile gaming platforms, we report these audience-related metrics based only on mobile platforms. We have ceased including our web-based games in these audience metrics as a result of their decreasing significance as part of our overall financial and operating results and the technical challenges resulting from increased volumes of apparent player activity that we are unable to reliably validate and de-duplicate, as these web-based games are generally more susceptible than mobile platforms in attempts to replicate legitimate player activity.

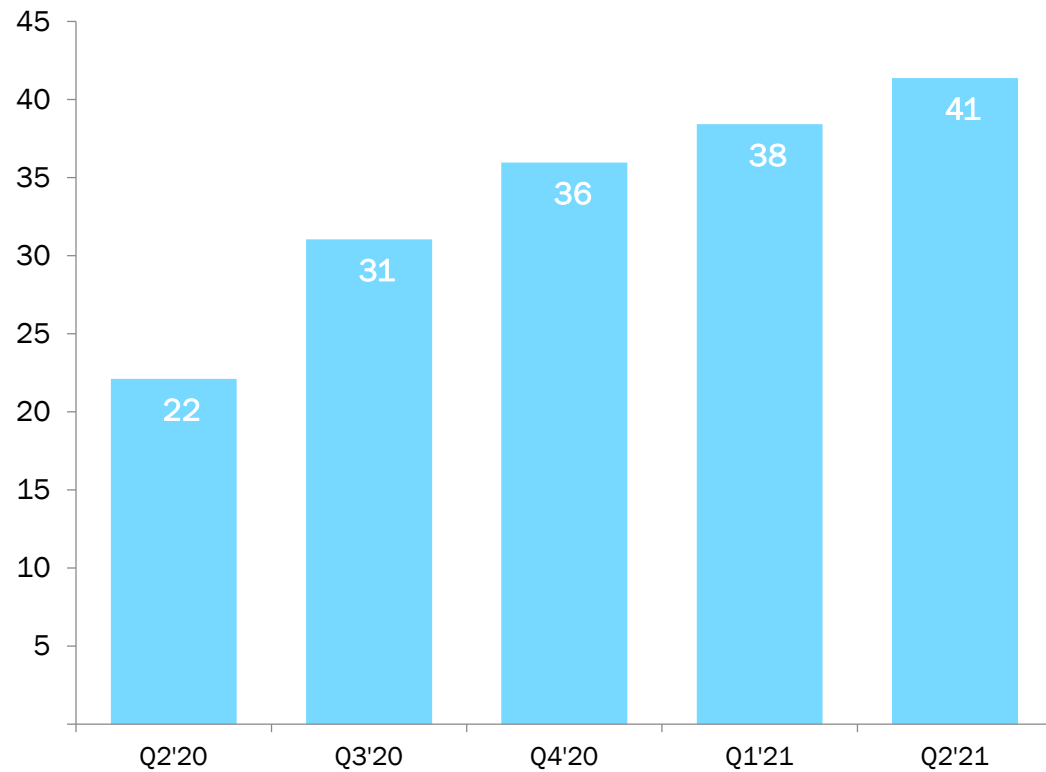
Mobile DAUs. We define Mobile Daily Active Users (DAUs) as the number of individuals who played one of our mobile games during a particular day. Under this metric, an individual who plays two different mobile games on the same day is counted as two Mobile DAUs. We use information provided by third parties to help us identify individuals who play the same mobile game to reduce this duplication. However, because we do not always have the third party network login data to link an individual who has played under multiple user accounts, a player may be counted as multiple Mobile DAUs. Average Mobile DAUs for a particular period is the average of the Mobile DAUs for each day during that period. We use Mobile DAUs as a measure of audience engagement.

Mobile MAUs. We define Mobile Monthly Active Users (MAUs) as the number of individuals who played one of our mobile games in the 30-day period ending with the measurement date. Under this metric, an individual who plays two different mobile games in the same 30-day period is counted as two Mobile MAUs. We use information provided by third parties to help us identify individuals who play the same mobile game to reduce this duplication. However, because we do not always have the third party network login data to link an individual who has played under multiple user accounts, a player may be counted as multiple Mobile MAUs. Average Mobile MAUs for a particular period is the average of the Mobile MAUs at each month-end during that period. We use Mobile MAUs as a measure of total game audience size.

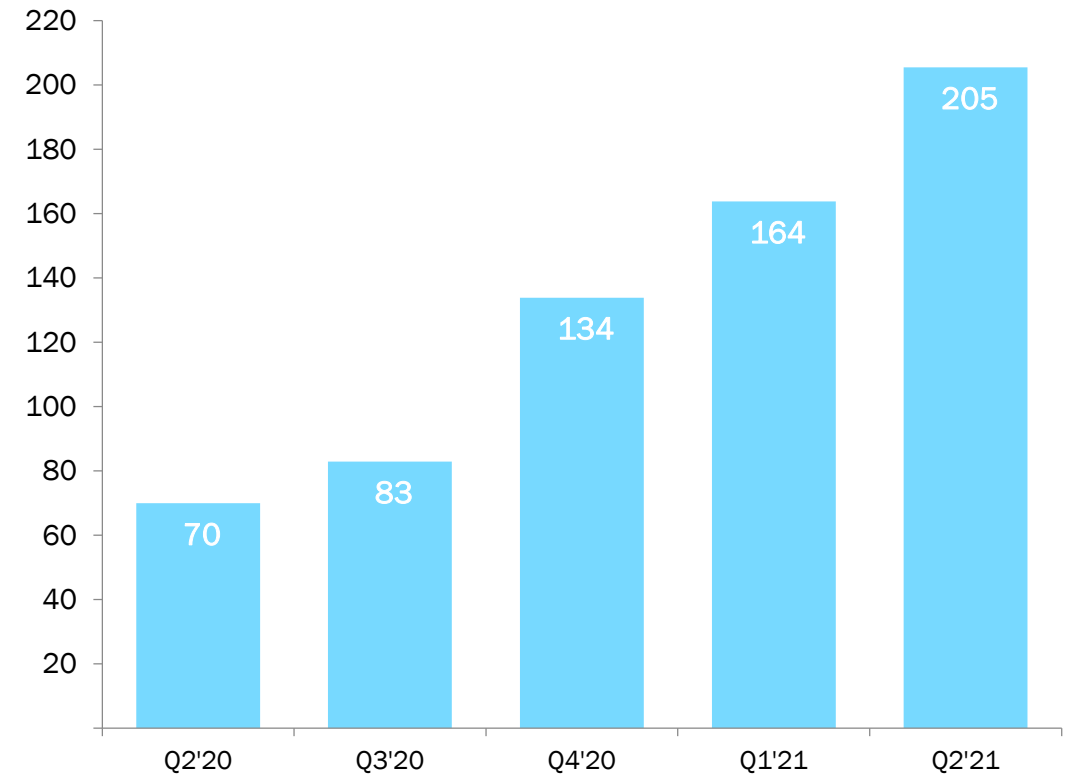
Mobile ABPU. We define Mobile Average Daily Bookings per Average Mobile DAU (ABPU) as our total mobile bookings in a given period, divided by the number of days in that period, divided by, the average Mobile DAUs during the period. We believe that Mobile ABPU provides useful information to investors and others in understanding and evaluating our results in the same manner as our management and Board of Directors. We use Mobile ABPU as a measure of overall monetization across all of our players through the sale of virtual items and advertising.

Mobile Audience Metrics

MOBILE DAUs⁽¹⁾



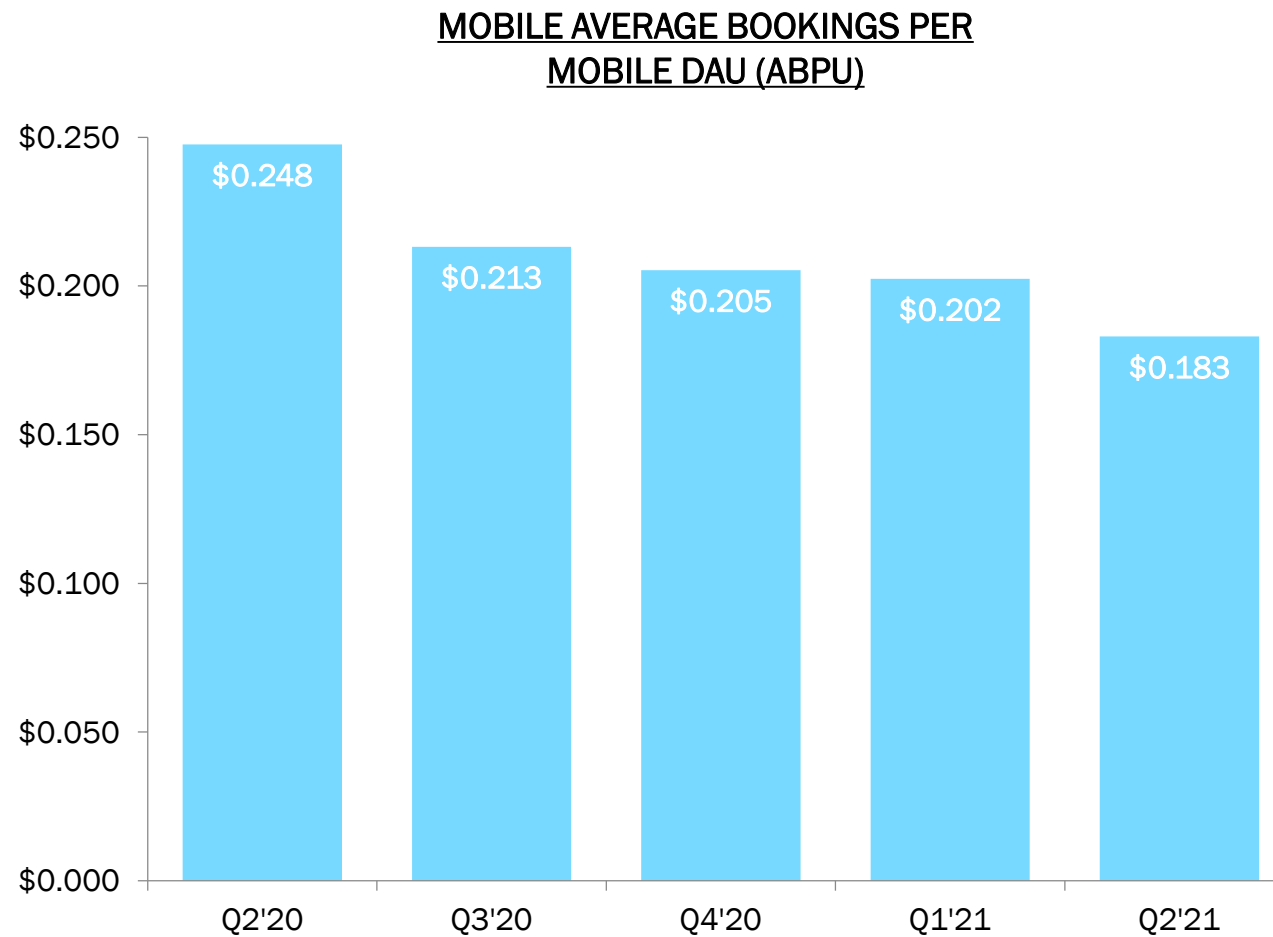
MOBILE MAUs⁽¹⁾



Footnote:

(1) We do not have the third party network login data to link an individual who has played under multiple user accounts for our hyper-casual games (which includes the games acquired from Rollic), mobile messenger games, *Puzzle Combat*, *Merge Magic!* and games acquired from Gram Games, Small Giant and Peak and accordingly, actual Mobile DAUs and Mobile MAUs may be lower than reported due to the potential duplication of these individuals. Please refer to Slide 14 - "Key Operating Metrics" for further discussion on the uses, limitations and comparability of the operating metrics presented.

Mobile Monetization Metrics



Please refer to Slide 14 – “Key Operating Metrics” for further discussion on the uses, limitations and comparability of the operating metrics presented.



Q3 AND UPDATED FY 2021 FINANCIAL GUIDANCE

Q3 2021 Financial Guidance



(in millions, except per share data)

GAAP	Q3'21 Guidance ⁽²⁾	Q3'20 Actual	Variance
Revenue	\$ 665	\$ 503	\$ 162
(B) Net release of (increase in) deferred revenue ⁽¹⁾	\$ 5	\$ (125)	\$ 130
Net loss	\$ (110)	\$ (122)	\$ 12
Basic and diluted net loss per share	\$ (0.10)	\$ (0.11)	\$ 0.01
Basic and diluted share count	1,095	1,077	18
Non-GAAP			
Bookings	\$ 660	\$ 628	\$ 32
(A) Adjusted EBITDA	\$ 150	\$ 38	\$ 112

Management Reporting = (A) - (B)

Footnotes:

⁽¹⁾ For clarity, a net release of deferred revenue results in revenue being higher than bookings and is a positive impact to Adjusted EBITDA as reported; a net increase in deferred revenue results in revenue being lower than bookings and is a negative impact to Adjusted EBITDA as reported.

⁽²⁾ Our guidance does not include any contributions from our recently announced acquisition of StarLark which is expected to close in the fourth quarter of 2021.

Updated FY 2021 Financial Guidance



(in millions, except per share data)

	Updated FY'21 Guidance ⁽²⁾	FY'20 Actual	Variance
GAAP			
Revenue	\$ 2,725	\$ 1,975	\$ 750
(B) Net increase in deferred revenue ⁽¹⁾	\$ (75)	\$ (295)	\$ 220
Net loss	\$ (135)	\$ (429)	\$ 294
Basic and diluted net loss per share	\$ (0.12)	\$ (0.42)	\$ 0.30
Basic and diluted share count	1,100	1,017	83
Non-GAAP			
Bookings	\$ 2,800	\$ 2,270	\$ 530
(A) Adjusted EBITDA	\$ 575	\$ 266	\$ 309

Management Reporting = (A) - (B)

Footnotes:

⁽¹⁾ For clarity, a net release of deferred revenue results in revenue being higher than bookings and is a positive impact to Adjusted EBITDA as reported; a net increase in deferred revenue results in revenue being lower than bookings and is a negative impact to Adjusted EBITDA as reported.

⁽²⁾ Our guidance does not include any contributions from our recently announced acquisition of StarLark which is expected to close in the fourth quarter of 2021.



GAAP TO NON-GAAP RECONCILIATIONS

Non-GAAP Financial Measures



We have provided in this presentation certain non-GAAP financial measures to supplement our consolidated financial statements prepared in accordance with U.S. GAAP (our “GAAP financial statements”). Management uses non-GAAP financial measures internally in analyzing our financial results to assess operational performance and liquidity. Our non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

The presentation of our non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, our GAAP financial statements. We believe that both management and investors benefit from referring to our non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe our non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key financial measures we use in making operating decisions and because our investors and analysts use them to help assess the health of our business.

We have provided reconciliations of our non-GAAP financial measures used in this presentation to the most directly comparable GAAP financial measures in the following tables and elsewhere in this presentation.

Because of the following limitations of our non-GAAP financial measures, you should consider the non-GAAP financial measures presented in this presentation with our GAAP financial statements. Key limitations of our non-GAAP financial measures include:

- Bookings does not reflect that we defer and recognize online game revenue and revenue from certain advertising transactions over the estimated average playing period of payers for durable virtual items or as consumed for consumable virtual items;
- Adjusted EBITDA does not include the impact of stock-based compensation expense, acquisition-related transaction expenses and contingent consideration fair value adjustments;
- Adjusted EBITDA does not reflect provisions for or benefits from income taxes and does not include other income (expense) net, which includes foreign exchange and asset disposition gains and losses, interest expense and interest income;
- Adjusted EBITDA excludes depreciation and amortization of tangible and intangible assets, as well as the impairment charge expected to be incurred in the third quarter of 2021 related to our San Francisco office building and subsequent rent and other expenses. Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized may have to be replaced in the future;
- Free cash flow is derived from net cash provided by (used in) operating activities less cash spent on capital expenditures; and
- Non-GAAP operating expenses do not include the impact of stock-based compensation expense, acquisition-related transaction expenses and contingent consideration fair value adjustments.

Finally, certain measures as presented throughout this presentation differ due to the impact of rounding.

Revenue To Bookings: Total



(in millions, unaudited)

	3 months ended				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Reconciliation of Revenue to Bookings: Total					
Revenue	\$ 720	\$ 680	\$ 616	\$ 503	\$ 452
Change in deferred revenue	(8)	39	83	125	66
Bookings: Total	\$ 712	\$ 720	\$ 699	\$ 628	\$ 518

(in millions, unaudited)

	6 months ended	
	6/30/2021	6/30/2020
Reconciliation of Revenue to Bookings: Total		
Revenue	\$ 1,400	\$ 855
Change in deferred revenue	31	88
Bookings: Total	\$ 1,431	\$ 943

Revenue To Bookings: Mobile



(in millions, unaudited)

	3 months ended				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Reconciliation of Revenue to Bookings: Mobile					
Revenue	\$ 699	\$ 661	\$ 595	\$ 484	\$ 433
Change in deferred revenue	(8)	39	84	125	66
Bookings: Mobile	\$ 691	\$ 700	\$ 680	\$ 609	\$ 498

(in millions, unaudited)

	6 months ended	
	6/30/2021	6/30/2020
Reconciliation of Revenue to Bookings: Mobile		
Revenue	\$ 1,360	\$ 820
Change in deferred revenue	31	87
Bookings: Mobile	\$ 1,391	\$ 907

Revenue To Bookings: Advertising



(in millions, unaudited)

	3 months ended				
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Reconciliation of Revenue to Bookings: Advertising					
Revenue	\$ 133	\$ 123	\$ 117	\$ 67	\$ 63
Change in deferred revenue	-	-	-	-	-
Bookings: Advertising	\$ 133	\$ 123	\$ 117	\$ 67	\$ 63

(in millions, unaudited)

	6 months ended	
	6/30/2021	6/30/2020
Reconciliation of Revenue to Bookings: Advertising		
Revenue	\$ 256	\$ 123
Change in deferred revenue	-	(1)
Bookings: Advertising	\$ 256	\$ 122

Revenue To Bookings: By Platform (3 months)



(in millions, unaudited)	3 months ended			3 months ended		
	6/30/2021			6/30/2020		
	Mobile	Other ⁽¹⁾	Total	Mobile	Other ⁽¹⁾	Total
Reconciliation of Revenue to Bookings: Online Game						
Revenue	\$ 568	\$ 19	\$ 587	\$ 370	\$ 18	\$ 388
Change in deferred revenue	(8)	-	(8)	66	1	67
Bookings: Online Game	\$ 560	\$ 19	\$ 579	\$ 436	\$ 19	\$ 455

(in millions, unaudited)	3 months ended			3 months ended		
	6/30/2021			6/30/2020		
	Mobile	Other ⁽¹⁾	Total	Mobile	Other ⁽¹⁾	Total
Reconciliation of Revenue to Bookings: Advertising & Other						
Revenue	\$ 131	\$ 1	\$ 133	\$ 62	\$ 1	\$ 64
Change in deferred revenue	-	-	-	-	-	-
Bookings: Advertising & Other	\$ 131	\$ 1	\$ 133	\$ 62	\$ 1	\$ 63

Footnote:

(1) Includes web for "Online Game" and web advertising and other revenue for "Advertising and Other"

Revenue To Bookings: By Platform (6 months)



(in millions, unaudited)	6 months ended			6 months ended		
	6/30/2021			6/30/2020		
	Mobile	Other ⁽¹⁾	Total	Mobile	Other ⁽¹⁾	Total
Reconciliation of Revenue to Bookings: Online Game						
Revenue	\$ 1,106	\$ 38	\$ 1,144	\$ 699	\$ 34	\$ 733
Change in deferred revenue	31	-	31	88	-	88
Bookings: Online Game	\$ 1,137	\$ 38	\$ 1,175	\$ 787	\$ 34	\$ 821

(in millions, unaudited)	6 months ended			6 months ended		
	6/30/2021			6/30/2020		
	Mobile	Other ⁽¹⁾	Total	Mobile	Other ⁽¹⁾	Total
Reconciliation of Revenue to Bookings: Advertising & Other						
Revenue	\$ 254	\$ 3	\$ 256	\$ 121	\$ 2	\$ 123
Change in deferred revenue	-	-	-	(1)	-	(1)
Bookings: Advertising & Other	\$ 254	\$ 3	\$ 256	\$ 120	\$ 2	\$ 122

Footnote:

(1) Includes web for "Online Game" and web advertising and other revenue for "Advertising and Other"

Revenue To Bookings: By Geography



	3 months ended <i>USA</i>		3 months ended <i>International</i>	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
<i>(in millions, unaudited)</i>				
Reconciliation of Revenue to Bookings: By Geography				
Revenue	\$ 436	\$ 276	\$ 284	\$ 176
Change in deferred revenue	2	41	(10)	25
Bookings: By Geography	\$ 438	\$ 317	\$ 274	\$ 201

Net Income (Loss) To Adjusted EBITDA



(in millions, unaudited)

	3 months ended		6 months ended	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Reconciliation of Net Income (Loss) to Adjusted EBITDA				
Net income (loss)	\$ 28	\$ (150)	\$ 5	\$ (254)
Provision for (benefit from) income taxes	25	18	38	27
Other expense (income), net	9	(1)	-	2
Interest income	(2)	(4)	(3)	(9)
Interest expense	15	7	29	14
Depreciation and amortization	56	19	113	38
Acquisition-related transaction expenses	3	6	5	7
Contingent consideration fair value adjustment	(4)	149	30	269
Stock-based compensation expense	43	26	80	46
Adjusted EBITDA	\$ 174	\$ 70	\$ 297	\$ 138

Net Cash Provided By (Used In) Operating Activities To Free Cash Flow



(in millions, unaudited)

	3 months ended		6 months ended	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Reconciliation of net cash provided by (used in) operating activities to free cash flow				
Net cash provided by (used in) operating activities	\$ 161	\$ 145	\$ (3)	\$ 110
Acquisition of property and equipment	(3)	(3)	(4)	(12)
Free cash flow	<u>\$ 158</u>	<u>\$ 142</u>	<u>\$ (7)</u>	<u>\$ 98</u>

GAAP To Non-GAAP Costs & Expenses (3 months)



3 months ended June 30, 2021

(in millions, unaudited)

	Adjustments to GAAP to arrive at non-GAAP measures					Non-GAAP measure
	GAAP measure	Amortization of intangible assets from acquisitions	Contingent consideration fair value adjustment	Acquisition-related expenses	Stock-based compensation expense	
Cost of revenue	\$ 253	\$ (52)	\$ -	\$ -	\$ (1)	\$ 200
Operating expenses						
Research and development	110	-	4	-	(29)	85
Sales and marketing	244	-	-	-	(5)	239
General and administrative	38	-	-	(3)	(9)	26
Total operating expenses	392	-	4	(3)	(43)	350
Total costs and expenses	\$ 645	\$ (52)	\$ 4	\$ (3)	\$ (44)	\$ 550

3 months ended June 30, 2020

(in millions, unaudited)

	Adjustments to GAAP to arrive at non-GAAP measures					Non-GAAP measure
	GAAP measure	Amortization of intangible assets from acquisitions	Contingent consideration fair value adjustment	Acquisition-related expenses	Stock-based compensation expense	
Cost of revenue	\$ 179	\$ (16)	\$ -	\$ -	\$ (1)	\$ 162
Operating expenses						
Research and development	228	-	(149)	-	(13)	67
Sales and marketing	135	-	-	-	(4)	131
General and administrative	39	-	-	(6)	(9)	25
Total operating expenses	402	-	(149)	(6)	(25)	222
Total costs and expenses	\$ 581	\$ (16)	\$ (149)	\$ (6)	\$ (26)	\$ 384

GAAP To Non-GAAP Costs & Expenses (6 months)



6 months ended June 30, 2021

(in millions, unaudited)

GAAP measure	Adjustments to GAAP to arrive at non-GAAP measures					Non-GAAP measure
	Amortization of intangible assets from acquisitions	Contingent consideration fair value adjustment	Acquisition-related expenses	Stock-based compensation expense		
Cost of revenue	\$ 514	\$ (105)	\$ -	\$ -	\$ (1)	\$ 408
Operating expenses						
Research and development	250	-	(30)	-	(53)	168
Sales and marketing	493	-	-	-	(9)	484
General and administrative	74	-	-	(5)	(18)	51
Total operating expenses	817	-	(30)	(5)	(79)	703
Total costs and expenses	\$ 1,331	\$ (105)	\$ (30)	\$ (5)	\$ (80)	\$ 1,111

6 months ended June 30, 2020

(in millions, unaudited)

GAAP measure	Adjustments to GAAP to arrive at non-GAAP measures					Non-GAAP measure
	Amortization of intangible assets from acquisitions	Contingent consideration fair value adjustment	Acquisition-related expenses	Stock-based compensation expense		
Cost of revenue	\$ 325	\$ (33)	\$ -	\$ -	\$ (1)	\$ 292
Operating expenses						
Research and development	426	-	(269)	-	(23)	134
Sales and marketing	258	-	-	-	(7)	251
General and administrative	67	-	-	(7)	(15)	46
Total operating expenses	751	-	(269)	(7)	(45)	430
Total costs and expenses	\$ 1,076	\$ (33)	\$ (269)	\$ (7)	\$ (46)	\$ 722

Q3 2021 Financial Guidance: GAAP To Non-GAAP Reconciliation



(in millions, except per share data)

	Q3'21 Guidance ⁽¹⁾	Q3'20 Actual	Variance
Reconciliation of Revenue to Bookings			
Revenue	\$ 665	\$ 503	\$ 162
Change in deferred revenue	(5)	125	(130)
Bookings	<u>\$ 660</u>	<u>\$ 628</u>	<u>\$ 32</u>
Reconciliation of Net (Loss) Income to Adjusted EBITDA			
Net (loss) income	\$ (110)	\$ (122)	\$ 12
Provision for (benefit from) income taxes	25	(9)	34
Other expense, net	-	3	(3)
Interest income	(1)	(1)	-
Interest expense	15	7	8
Depreciation and amortization	58	49	9
Acquisition-related transaction expenses	13	5	8
Contingent consideration fair value adjustment	20	67	(47)
Expenses incurred from vacated lease ⁽²⁾	82	-	82
Stock-based compensation expense	48	39	9
Adjusted EBITDA	<u>\$ 150</u>	<u>\$ 38</u>	<u>\$ 112</u>
Basic and diluted net loss per share	\$ (0.10)	\$ (0.11)	\$ 0.01
GAAP basic and diluted shares	1,095	1,077	18

Footnotes:

⁽¹⁾ For clarity, our guidance does not include any contributions from our recently announced acquisition of StarLark, which is expected to close in the fourth quarter of 2021

⁽²⁾ Amount includes an estimated \$80 million non-cash impairment charge expected to be incurred in the third quarter of 2021 related to our San Francisco office building and subsequent rent and other expenses

Updated FY 2021 Financial Guidance: GAAP To Non-GAAP Reconciliation



(in millions, except per share data)

	Updated FY'21 Guidance ⁽¹⁾	FY'20 Actual	Variance
Reconciliation of Revenue to Bookings			
Revenue	\$ 2,725	\$ 1,975	\$ 750
Change in deferred revenue	75	295	(220)
Bookings	<u>\$ 2,800</u>	<u>\$ 2,270</u>	<u>\$ 530</u>
Reconciliation of Net (Loss) Income to Adjusted EBITDA			
Net (loss) income	\$ (135)	\$ (429)	\$ 294
Provision for income taxes	75	24	51
Other expense, net	-	17	(17)
Interest income	(6)	(12)	6
Interest expense	60	30	30
Depreciation and amortization	232	142	90
Acquisition-related transaction expenses	20	13	7
Contingent consideration fair value adjustment	70	359	(289)
Expenses incurred from vacated lease ⁽²⁾	84	-	84
Stock-based compensation expense	175	123	52
Adjusted EBITDA	<u>\$ 575</u>	<u>\$ 266</u>	<u>\$ 309</u>
Basic and diluted net loss per share	\$ (0.12)	\$ (0.42)	\$ 0.30
GAAP basic and diluted shares	1,100	1,017	83

Footnotes:

⁽¹⁾ For clarity, our guidance does not include any contributions from our recently announced acquisition of StarLark, which is expected to close in the fourth quarter of 2021.

⁽²⁾ Amount includes an estimated \$80 million non-cash impairment charge expected to be incurred in the third quarter of 2021 related to our San Francisco office building and subsequent rent and other expenses.

WHAT WILL
OUR PLAYERS
THANK US FOR?



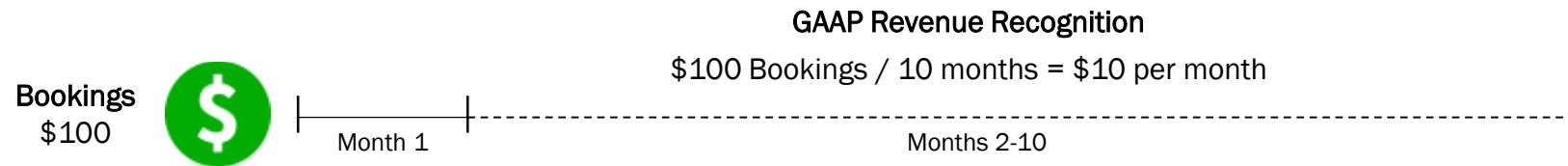
APPENDIX - REVENUE TO BOOKINGS ILLUSTRATION

Revenue, Deferred Revenue And Bookings Illustration

The following example illustrates GAAP revenue recognition for online game bookings in a Zynga mobile game:

Example: Assume that a player purchases \$100 of virtual currency in a Zynga mobile game

- The player uses the virtual currency to purchase a durable virtual good
- For the purpose of this example, the estimated average playing period of payers for this mobile game is 10 months



Bookings recognized in month 1 = **\$100**

Revenue recognized in month 1 = **\$10**

Deferred Revenue at end of month 1 = **\$90** (to be recognized as revenue in months 2-10)

$$\text{Revenue } (\$10) + \text{Deferred Revenue } (\$90) = \text{Bookings } (\$100)$$



Q2
2021