
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39497

UNITY SOFTWARE INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-0334803
(I.R.S. Employer
Identification No.)

116 New Montgomery Street
San Francisco, California 94105-3607
(Address, including zip code, of principal executive offices)
(415) 638-9950
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.000005 par value	U	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 29, 2026, there were 440,088,933 shares of the registrant's common stock outstanding.

UNITY SOFTWARE INC.
FORM 10-Q
For the Quarter Ended June 30, 2026
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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical fact, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "aim," "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "toward," "will," "would," or the negative of these words or other similar terms or expressions.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified and discussed in greater detail in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K filed with the SEC on February 11, 2026, "Part II, Item 1A. Risk Factors" of our Form 10-Q filed with the SEC on May 7, 2026, and below, under "Part II, Item 1A. Risk Factors."

The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information, actual results, revised expectations, or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

Additional Information

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to "we," "us," "our," "our company," "Unity," and "Unity Technologies" refer to Unity Software Inc. and its consolidated subsidiaries. The Unity design logos, "Unity" and our other registered or common law trademarks, service marks, or trade names appearing in this Quarterly Report on Form 10-Q are the property of Unity Software Inc. or its affiliates.

Investors and others should note that we may announce material business and financial information using our investor relations website (www.investors.unity.com), social media, our filings with the Securities and Exchange Commission, press releases, public conference calls, and public webcasts as means of complying with our disclosure obligations under Regulation FD. We encourage investors and others interested in our company to review the information that we make available.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

UNITY SOFTWARE INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

(Unaudited)

	As of	
	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,351,987	\$ 2,055,840
Accounts receivable, net	688,739	643,611
Prepaid expenses and other	83,590	113,012
Assets held-for-sale	56,030	—
Total current assets	3,180,346	2,812,463
Property and equipment, net	49,814	68,289
Goodwill	3,155,607	3,166,304
Intangible assets, net	163,141	650,544
Other assets	112,354	140,006
Total assets	\$ 6,661,262	\$ 6,837,606
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 10,429	\$ 13,981
Accrued expenses and other	304,134	299,541
Publisher payables	440,665	431,494
Deferred revenue	237,348	224,405
Current portion of convertible notes	557,173	556,451
Liabilities held-for-sale	19,946	—
Total current liabilities	1,569,695	1,525,872
Convertible notes	1,680,229	1,678,899
Long-term deferred revenue	20,278	14,038
Other long-term liabilities	84,167	122,660
Total liabilities	3,354,369	3,341,469
Commitments and Contingencies (Note 7)		
Redeemable noncontrolling interests	266,727	252,637
Stockholders' equity:		
Common stock, \$0.000005 par value:		
Authorized shares - 1,000,000 and 1,000,000		
Issued and outstanding shares - 439,987 and 432,860	2	2
Additional paid-in capital	7,540,533	7,378,295
Accumulated other comprehensive income (loss)	3,280	(2,156)
Accumulated deficit	(4,509,925)	(4,138,709)
Total Unity Software Inc. stockholders' equity	3,033,890	3,237,432
Noncontrolling interest	6,276	6,068
Total stockholders' equity	3,040,166	3,243,500
Total liabilities and stockholders' equity	\$ 6,661,262	\$ 6,837,606

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITY SOFTWARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 546,468	\$ 440,944	\$ 1,054,706	\$ 875,944
Cost of revenue	111,709	114,211	463,346	228,168
Gross profit	434,759	326,733	591,360	647,776
Operating expenses				
Research and development	278,275	214,807	532,700	435,432
Sales and marketing	132,368	161,513	327,745	323,526
General and administrative	56,335	69,165	114,547	135,505
Total operating expenses	466,978	445,485	974,992	894,463
Loss from operations	(32,219)	(118,752)	(383,632)	(246,687)
Interest expense	(6,032)	(6,030)	(12,052)	(11,921)
Interest income and other income (expense), net	17,941	19,837	21,405	77,948
Loss before income taxes	(20,310)	(104,945)	(374,279)	(180,660)
Provision for (benefit from) Income taxes	2,362	2,420	(4,680)	4,612
Net loss	(22,672)	(107,365)	(369,599)	(185,272)
Net income attributable to noncontrolling interest and redeemable noncontrolling interests	934	1,433	1,617	1,168
Net loss attributable to Unity Software Inc.	\$ (23,606)	\$ (108,798)	\$ (371,216)	\$ (186,440)
Basic and diluted net loss per share attributable to Unity Software Inc.	\$ (0.05)	\$ (0.26)	\$ (0.85)	\$ (0.45)
Weighted-average shares used in computation of basic and diluted net loss per share	437,898	417,566	436,069	414,696

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITY SOFTWARE INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	\$ (22,672)	\$ (107,365)	\$ (369,599)	\$ (185,272)
Other comprehensive income, net of taxes:				
Change in foreign currency translation adjustment	3,823	2,716	6,871	3,894
Other comprehensive income	3,823	2,716	6,871	3,894
Comprehensive loss	(18,849)	(104,649)	(362,728)	(181,378)
Net income attributable to noncontrolling interest and redeemable noncontrolling interests	934	1,433	1,617	1,168
Foreign currency translation attributable to noncontrolling interest and redeemable noncontrolling interests	800	564	1,435	818
Comprehensive income attributable to noncontrolling interest and redeemable noncontrolling interests	1,734	1,997	3,052	1,986
Comprehensive loss attributable to Unity Software Inc.	\$ (20,583)	\$ (106,646)	\$ (365,780)	\$ (183,364)

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITY SOFTWARE INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share data)

(Unaudited)

	Three Months Ended June 30, 2026							
	Accumulated					Unity Software Inc. Stockholders' Equity	Noncontrolling Interest ⁽¹⁾	Total Equity
	Common Stock		Additional Paid-In Capital	Other Comprehensive Loss	Accumulated Deficit			
	Shares	Amount						
Balance at March 31, 2026	436,400,537	\$ 2	\$ 7,461,858	\$ 257	\$ (4,486,319)	\$ 2,975,798	\$ 6,158	\$ 2,981,956
Issuance of common stock from employee equity plans	425,013		4,551			4,551		4,551
Issuance of common stock for settlement of RSUs	3,161,552					—		—
Stock-based compensation expense			80,067			80,067		80,067
Net loss					(23,606)	(23,606)	63	(23,543)
Adjustments to redeemable noncontrolling interest			(5,943)			(5,943)		(5,943)
Other comprehensive income				3,023		3,023	55	3,078
Balance at June 30, 2026	<u>439,987,102</u>	<u>\$ 2</u>	<u>\$ 7,540,533</u>	<u>\$ 3,280</u>	<u>\$ (4,509,925)</u>	<u>\$ 3,033,890</u>	<u>\$ 6,276</u>	<u>\$ 3,040,166</u>
	Three Months Ended June 30, 2025							
	Accumulated					Unity Software Inc. Stockholders' Equity	Noncontrolling Interest ⁽¹⁾	Total Equity
	Common Stock		Additional Paid-In Capital	Other Comprehensive Loss	Accumulated Deficit			
	Shares	Amount						
Balance at March 31, 2025	415,406,492	\$ 2	\$ 7,008,134	\$ (8,501)	\$ (3,813,586)	\$ 3,186,049	\$ 5,849	\$ 3,191,898
Issuance of common stock from employee equity plans	1,170,423		9,783			9,783		9,783
Issuance of common stock for settlement of RSUs	3,863,949					—		—
Stock-based compensation expense			102,303			102,303		102,303
Net loss					(108,798)	(108,798)	98	(108,700)
Adjustments to redeemable noncontrolling interest			(4,096)			(4,096)		(4,096)
Other comprehensive income				2,152		2,152	38	2,190
Balance at June 30, 2025	<u>420,440,864</u>	<u>\$ 2</u>	<u>\$ 7,116,124</u>	<u>\$ (6,349)</u>	<u>\$ (3,922,384)</u>	<u>\$ 3,187,393</u>	<u>\$ 5,985</u>	<u>\$ 3,193,378</u>

⁽¹⁾ Excludes redeemable noncontrolling interests.

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITY SOFTWARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY—CONTINUED

(In thousands, except share data)

(Unaudited)

	Six Months Ended June 30, 2026							
	Accumulated					Unity Software Inc.		
	Common Stock		Additional Paid-In Capital	Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity	Noncontrolling Interest ⁽¹⁾	Total Equity
	Shares	Amount						
Balance at December 31, 2025	432,859,941	\$ 2	\$ 7,378,295	\$ (2,156)	\$ (4,138,709)	\$ 3,237,432	\$ 6,068	\$ 3,243,500
Issuance of common stock from employee equity plans	1,246,185		16,194			16,194		16,194
Issuance of common stock for settlement of RSUs	5,880,976					—		—
Stock-based compensation expense			157,290			157,290		157,290
Net loss					(371,216)	(371,216)	110	(371,106)
Adjustments to redeemable noncontrolling interest			(11,246)			(11,246)		(11,246)
Other comprehensive income				5,436		5,436	98	5,534
Balance at June 30, 2026	<u>439,987,102</u>	<u>\$ 2</u>	<u>\$ 7,540,533</u>	<u>\$ 3,280</u>	<u>\$ (4,509,925)</u>	<u>\$ 3,033,890</u>	<u>\$ 6,276</u>	<u>\$ 3,040,166</u>
	Six Months Ended June 30, 2025							
	Accumulated					Unity Software Inc.		
	Common Stock		Additional Paid-In Capital	Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity	Noncontrolling Interest ⁽¹⁾	Total Equity
	Shares	Amount						
Balance at December 31, 2024	409,392,524	\$ 2	\$ 6,936,038	\$ (9,425)	\$ (3,735,944)	\$ 3,190,671	\$ 5,850	\$ 3,196,521
Issuance of common stock from employee equity plans	4,137,252		31,394			31,394		31,394
Issuance of common stock for settlement of RSUs	6,911,088					—		—
Purchase of capped calls			(44,436)			(44,436)		(44,436)
Stock-based compensation expense			201,347			201,347		201,347
Net loss					(186,440)	(186,440)	80	(186,360)
Adjustments to redeemable noncontrolling interest			(8,219)			(8,219)		(8,219)
Other comprehensive income				3,076		3,076	55	3,131
Balance at June 30, 2025	<u>420,440,864</u>	<u>\$ 2</u>	<u>\$ 7,116,124</u>	<u>\$ (6,349)</u>	<u>\$ (3,922,384)</u>	<u>\$ 3,187,393</u>	<u>\$ 5,985</u>	<u>\$ 3,193,378</u>

⁽¹⁾ Excludes redeemable noncontrolling interests.

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITY SOFTWARE INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2026	2025
Operating activities		
Net loss	\$ (369,599)	\$ (185,272)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	212,730	193,145
Stock-based compensation expense	157,113	200,394
Gain on repayment of convertible note	—	(42,744)
Impairment of intangible assets	270,506	—
Impairment of property and equipment	8,447	4,049
Impairment of investments	15,000	—
Other	2,566	(7,972)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	(67,366)	(22,061)
Prepaid expenses and other	26,155	13,771
Other assets	12,267	11,889
Accounts payable	(3,211)	(2,099)
Accrued expenses and other	7,532	(13,612)
Publisher payables	24,634	(21,565)
Other long-term liabilities	(37,763)	(12,861)
Deferred revenue	17,897	31,060
Net cash provided by operating activities	276,908	146,122
Investing activities		
Purchases of non-marketable investments	—	(2,000)
Purchases of property and equipment	(8,492)	(12,164)
Net cash used in investing activities	(8,492)	(14,164)
Financing activities		
Proceeds from issuance of convertible notes	—	690,000
Purchase of capped calls	—	(44,436)
Payment of debt issuance costs	—	(13,236)
Repayments of convertible note	—	(641,691)
Proceeds from issuance of common stock upon exercise of stock options and purchase of ESPP shares	16,194	31,394
Net cash provided by financing activities	16,194	22,031
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	8,210	19,637
Increase in cash, cash equivalents, and restricted cash	292,820	173,626
Cash, cash equivalents, and restricted cash, beginning of period	2,064,301	1,527,881
Cash, cash equivalents, and restricted cash, end of period	\$ 2,357,121	\$ 1,701,507

UNITY SOFTWARE INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2026	2025
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 10,000	\$ 10,000
Cash paid for (refunded from) income taxes, net	\$ 8,998	\$ (3,079)
Cash paid for operating leases	\$ 16,979	\$ 20,915
Supplemental disclosures of non-cash investing and financing activities:		
Assets acquired under operating lease	\$ 9,681	\$ 5,406

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITY SOFTWARE INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Accounting Policies***Basis of Presentation and Consolidation***

We prepared the accompanying unaudited condensed consolidated financial statements in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting. The condensed consolidated financial statements include the accounts of Unity Software Inc., its wholly owned subsidiaries, and entities consolidated under the voting interest model. We have eliminated all intercompany balances and transactions. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In our opinion, all adjustments, which include normal recurring adjustments necessary for a fair presentation, have been included. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year or other periods. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in our 2025 Annual Report on Form 10-K.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. For us, these estimates are used for, but not limited to, revenue recognition, the measurement of liabilities for uncertain tax positions and deferred tax assets and liabilities, the measurement of liabilities for future payments related to employee separation, the fair value of stock-based compensation, the fair value of redeemable noncontrolling interests, the fair value and useful lives of long-lived assets, the fair value of equity investments where we use the measurement alternative, and the fair value of assets and liabilities held for sale. Actual results could differ from those estimates, and such differences could be material to our financial position and results of operations.

We evaluate intangible assets and other long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In March 2026, we announced we would sunset the ironSource Ads Network, one of our monetization networks, effective April 30, 2026, and we began the process of exiting our Supersonic game publishing business. Due to this event, we evaluated the long-lived assets associated with those businesses and determined that the undiscounted cash flows were less than the carrying value of the asset group.

As a result, during the first quarter of 2026 we recorded \$279 million of impairment charges, including \$227 million within cost of revenue, and \$47 million within sales and marketing expense. These impairment charges reduced our Intangible assets, net by \$271 million, including \$225 million in "Developed technology" and \$46 million in "Customer relationships". The fair values of these assets were determined using a combined discounted cash flow analysis and market approach.

Furthermore as a result of this evaluation, we revised our estimates of the remaining useful lives for certain assets within the asset group, from two to three years down to one to two years, effective April 1, 2026. These assets are primarily included in "Intangible assets, net" on our consolidated balance sheets, and are "developed technology" within intangible assets. The shortened useful lives are due to the shortened remaining time that Unity intends to operate these related businesses, as discussed in the above announcement. The effect of this change in estimate for both the three and six months ended June 30, 2026, was an increase in amortization expense and decrease in operating income of approximately

\$3 million, an increase in net loss of approximately \$2 million, and an increase in our basic and diluted net loss per share of approximately \$0.01 per share.

Assets and Liabilities Held-for-Sale

As of June 30, 2026, we classified certain assets and liabilities associated with our Supersonic business as held-for-sale in connection with our strategic decision to exit the Supersonic business. The sale of our Supersonic business was subsequently completed on August 4, 2026 (see Note 12, "Subsequent Event" below for further discussion).

The assets held-for-sale consist primarily of accounts receivable, developed technology and customer relationship intangible assets, and an allocated portion of goodwill associated with the Supersonic business. Upon classification as held-for-sale, the related long-lived assets ceased being depreciated or amortized. The liabilities held-for-sale primarily include publisher payables, accrued expenses, and other operating liabilities directly associated with Supersonic.

In connection with the held-for-sale classification, we evaluated the recoverability of long-lived assets within the Supersonic disposal group and subsequently measured the disposal group at the lower of its carrying amount and fair value less cost to sell. As a result of this evaluation, we recognized no impairment charges during the three and six months ended June 30, 2026.

The following table summarizes the major classes of assets and liabilities classified as held-for-sale (in thousands):

	As of June 30, 2026
Accounts receivable, net	\$ 22,882
Prepaid expenses and other	284
Property and equipment, net	175
Goodwill	10,697
Intangible assets, net	21,992
Assets held-for-sale	<u>\$ 56,030</u>
Accounts payable	\$ 207
Accrued expenses and other	2,823
Publisher payables	15,463
Other long-term liabilities	1,453
Liabilities held-for-sale	<u>\$ 19,946</u>

Employee Separation and Restructuring Costs

In connection with our ongoing restructuring efforts, we incurred incremental employee separation costs and other non-employee charges of approximately \$38 million in the six months ended June 30, 2026, primarily related to the planned closure of Unity France. These incremental charges are primarily within research and development. As of June 30, 2026, we have accrued \$25 million of these incremental employee separation costs, primarily in "Accrued expenses and other" on our condensed consolidated balance sheets.

In the six months ended June 30, 2025, we incurred incremental employee separation costs of approximately \$20 million, primarily within sales and marketing and research and development. Additionally, for the six months ended June 30, 2025 we incurred \$11 million of other restructuring costs, primarily related to office closures.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued a new Accounting Standards Update ("ASU 2024-03") amending the existing disclosure requirement for expenses within Statement of Operations, primarily requiring more disaggregated disclosure for certain costs and expenses on an annual and interim basis. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted, and can be applied on either a prospective or retroactive basis. We are currently evaluating ASU 2024-03 to determine its impact on our expense disclosures.

In September 2025, the FASB issued a new Accounting Standards Update ("ASU 2025-06") amending existing internal-use software guidance, changing the timing and thresholds for capitalizing these software costs. ASU 2025-06 is effective for annual and interim reporting periods beginning after December 15, 2027, with early adoption permitted and can be applied on either a prospective, modified, or retrospective basis. We are currently evaluating ASU 2025-06 to determine its impact on our financial statements.

2. Revenue

The following table presents our revenue disaggregated by source, which also have similar economic characteristics (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Create Solutions	\$ 157,618	\$ 153,782	\$ 314,265	\$ 304,160
Grow Solutions	388,850	287,162	740,441	571,784
Total revenue	\$ 546,468	\$ 440,944	\$ 1,054,706	\$ 875,944

The following table presents our revenue disaggregated by geography, based on the invoice address of our customers (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
United States	\$ 149,422	\$ 122,367	\$ 284,193	\$ 248,655
Greater China ⁽¹⁾	114,539	83,575	215,129	148,777
EMEA ⁽²⁾	161,741	140,809	323,944	293,309
APAC ⁽³⁾	110,081	83,295	208,279	163,376
Other Americas ⁽⁴⁾	10,685	10,898	23,161	21,827
Total revenue	\$ 546,468	\$ 440,944	\$ 1,054,706	\$ 875,944

⁽¹⁾ Greater China includes China, Hong Kong, and Taiwan.

⁽²⁾ Europe, the Middle East, and Africa ("EMEA")

⁽³⁾ Asia-Pacific, excluding Greater China ("APAC")

⁽⁴⁾ Canada and Latin America ("Other Americas")

Accounts Receivable, Net

Accounts receivable are recorded at the original invoiced amount, net of allowances for uncollectible amounts. We estimate losses on uncollectible amounts based on expected losses, including our historical experience of actual losses. The estimated losses on uncollectible amounts are recorded in general and administrative expense on our condensed consolidated statements of operations. As of June 30, 2026 and December 31, 2025, the allowance for uncollectible amounts was \$9.0 million and \$10.9 million, respectively.

Sales Commissions

Sales commissions that have a benefit beyond one year are capitalized and amortized on a straight-line method over the expected period of benefit, which is generally three years. As of June 30, 2026, capitalized commissions, net of amortization, included in prepaid expenses and other and other assets were \$4.4 million and \$2.2 million, respectively. As of December 31, 2025, capitalized commissions, net of amortization, included in prepaid expenses and other and other assets were \$5.4 million and \$2.8 million, respectively.

During the three and six months ended June 30, 2026, we recorded amortization costs of \$1.6 million and \$3.2 million, respectively, in sales and marketing expenses, as compared to \$1.9 million and \$3.8 million during the three and six months ended June 30, 2025, respectively. We did not incur any impairment losses for the three and six months ended June 30, 2026 and 2025.

Contract Balances and Remaining Performance Obligations

Contract assets (unbilled receivables), primarily included in accounts receivable, net, are recorded when revenue is earned in advance of customer billing schedules. Unbilled receivables totaled \$14.6 million and \$15.8 million as of June 30, 2026 and December 31, 2025, respectively. The long term portion of those unbilled receivables was included in other long-term assets on our consolidated balance sheets, and was not material as of June 30, 2026 and December 31, 2025.

Contract liabilities (deferred revenue) relate to payments received in advance of performance under the contract. Revenue recognized during the six months ended June 30, 2026 that was included in the deferred revenue balances at January 1, 2026 was \$160 million.

Additionally, we have performance obligations associated with commitments in customer contracts to perform in the future that had not yet been recognized in our consolidated financial statements. For contracts with original terms that exceed one year, those commitments not yet recognized as of June 30, 2026, were \$505 million and relate primarily to Create Solutions subscriptions, Enterprise Support, and Strategic Partnerships. These commitments generally extend over the next one to five years and we expect to recognize approximately \$232 million or 46% of this revenue during the next 12 months.

3. Financial Instruments**Cash, Cash Equivalents, and Restricted Cash**

Cash, cash equivalents, and restricted cash are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

- Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities.
- Level 2—Valuations based on quoted prices for similar assets and liabilities in active markets or inputs that are observable for the assets or liabilities, either directly or indirectly through market corroboration.
- Level 3—Valuations based on unobservable inputs reflecting our own assumptions used to measure assets and liabilities at fair value. These valuations require significant judgment.

The following table summarizes, by major security type, our cash, cash equivalents, and restricted cash that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy (in thousands):

	June 30, 2026	December 31, 2025
	Fair Value ⁽¹⁾	
Cash	\$ 573,297	\$ 708,788
Level 1:		
Restricted cash and cash equivalents:		
Restricted cash	\$ 5,134	\$ 8,461
Money market funds	541,588	469,017
Time deposits	1,237,102	878,035
Total restricted cash and cash equivalents	\$ 1,783,824	\$ 1,355,513
Total cash, cash equivalents, and restricted cash	\$ 2,357,121	\$ 2,064,301

⁽¹⁾ Due to the highly liquid nature of our investments, amortized cost approximates fair value.

Nonrecurring Fair Value Measurements

We hold equity investments in certain unconsolidated entities without a readily determinable fair value. These investments represent less than a 20% ownership interest in each of the entities, and we do not have significant influence over or control of the entities. We use the measurement alternative to account for adjustments to these investments for observable transactions for the same or similar investments of the same issuer in any given quarter. If we determine an impairment has occurred, the investment is written down to the estimated fair value. As of June 30, 2026 and December 31, 2025, such equity investments totaled \$20.0 million and \$35.0 million, respectively. We recorded a \$15.0 million impairment charge related to the wind down of a single investment, during the six months ended June 30, 2026. No other adjustments to the carrying value of these equity investments were recorded during the three and six months ended June 30, 2026, and 2025.

4. Investment in Unity China

The results of Unity China, of which third-party investors hold a 20.5% ownership interest, are included in our condensed consolidated financial statements. Under certain conditions we may be required to repurchase the third-party interest in Unity China. The redeemable noncontrolling interests in Unity China are recorded as temporary equity on our condensed consolidated balance sheet.

The following table presents the changes in redeemable noncontrolling interests (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Balance at beginning of period	\$ 259,168	\$ 234,740	\$ 252,637	\$ 230,627
Net gain/(loss) attributable to redeemable noncontrolling interests	871	1,335	1,507	1,088
Accretion for redeemable noncontrolling interests	2,332	1,556	4,774	4,591
Foreign currency translation and foreign exchange adjustments for redeemable noncontrolling interests	4,356	3,066	7,809	4,391
Balance at end of period	<u>\$ 266,727</u>	<u>\$ 240,697</u>	<u>\$ 266,727</u>	<u>\$ 240,697</u>

5. Leases

We have operating leases for offices, which have remaining lease terms of up to seven years.

Components of lease expense were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expense	\$ 7,014	\$ 8,144	\$ 13,874	\$ 15,572
Variable lease expense	1,342	1,301	2,555	2,574
Sublease income	(1,572)	(816)	(3,316)	(1,513)
Total lease expense	\$ 6,784	\$ 8,629	\$ 13,113	\$ 16,633

Supplemental balance sheet information related to leases was as follows (in thousands, except weighted-average figures):

	Classification	As of	
		June 30, 2026	December 31, 2025
Operating lease assets	Other assets	\$ 60,233	\$ 62,207
Current operating lease liabilities	Accrued expenses and other	\$ 30,026	\$ 28,421
Long-term operating lease liabilities	Other long-term liabilities	53,464	60,961
Total operating lease liabilities		\$ 83,490	\$ 89,382

As of June 30, 2026 and December 31, 2025, our operating leases had a weighted-average remaining lease term of 3.7 years and 3.8 years, respectively, and a weighted-average discount rate of 5.3% and 5.0%, respectively.

As of June 30, 2026, our lease liabilities were as follows (in thousands):

	Operating Leases
Gross lease liabilities	\$ 91,781
Less: imputed interest	8,291
Present value of lease liabilities	\$ 83,490

6. Borrowings

Convertible Notes

In February 2025, we issued an aggregate of \$690 million principal amount of 0% convertible senior notes due 2030 (the "2030 Notes"). Proceeds from the issuance of the 2030 Notes were \$677 million, net of debt issuance costs and the cash was used to purchase capped call transactions, and repurchase convertible notes as discussed below. The debt issuance costs are amortized to interest expense using the straight-line method, which approximates the effective interest method.

As of June 30, 2026, we had \$2.2 billion of unsecured convertible notes outstanding including \$690 million of the 2030 Notes, \$1.0 billion issued in November 2022 (the "2027 Notes"), \$558 million issued in November 2021 (the "2026 Notes", together with the 2027 Notes and 2030 Notes, the "Notes"), in "Current portion of convertible notes" and "Convertible notes" on our consolidated balance sheets. The table below summarizes the principal and unamortized debt issuance costs and other material features of the Notes (in thousands):

					Carrying Amount as of	
	Conversion Rate per \$1,000 Principal	Initial Conversion Price	Maturities	Stated Interest Rates	June 30, 2026	December 31, 2025
Convertible notes:						
Principal – 2026 Notes	3.2392	\$ 308.72	2026	0.0%	\$ 557,724	\$ 557,724
Principal – 2027 Notes	20.4526	\$ 48.89	2027	2.0%	1,000,000	1,000,000
Principal – 2030 Notes	27.6656	\$ 36.15	2030	0.0%	690,000	690,000
Unamortized debt issuance costs, net					(10,322)	(12,374)
Net carrying amount					\$ 2,237,402	\$ 2,235,350

1) We entered into capped call transactions in connection with the 2026 and 2030 Notes. The cap price of the capped call transactions relating to the Notes was initially \$343.02 and \$47.74, respectively, subject to certain adjustments under the terms of the capped call transactions. See below "Capped Call Transactions."

Interest on the Notes is payable semi-annually in arrears. The combined interest expense on the Notes related to regular interest and the amortization of debt issuance cost was \$6.1 million and \$12.1 million for the three and six months ended June 30, 2026, respectively, and \$6.0 million and \$11.9 million for the three and six months ended June 30, 2025, respectively.

As of June 30, 2026 and December 31, 2025, the estimated fair value of the 2030 Notes was approximately \$782 million and \$1.0 billion, respectively, the estimated fair value of the 2027 Notes was approximately \$1.1 billion and \$1.2 billion, respectively, and the estimated fair value of the 2026 Notes was approximately \$549 million and \$540 million, respectively. The fair value of the 2027 Notes was based on a combination of a discounted cash flow and Black-Scholes option-pricing model. The fair value of the 2030 Notes and 2026 Notes was based on quoted prices as of that date.

The 2027 Notes may be converted at the election of the holders thereof at any time prior to maturity. The 2026 Notes and 2030 Notes are convertible at the option of the respective holders thereof if a conversion condition applicable to such series of Notes is triggered. During the three and six months ended June 30, 2026, none of the conversion conditions of the 2026 Notes or the 2030 Notes were triggered, and neither the 2026 Notes nor the 2030 Notes were convertible as of June 30, 2026.

Any such conversion of the Notes described above, may be satisfied at our election with either cash, shares of our common stock, or a combination of cash and shares of our common stock. The conversion rates for the Notes are subject to customary adjustments for certain events as described in the relevant indenture governing the Notes.

The Notes are subject to additional terms. In connection with certain corporate events, as described in the indentures governing the Notes, we will increase the conversion rate for a holder of the applicable series of Notes who elects to convert those Notes in connection with the event. Additionally, upon the occurrence of certain corporate events and subject to certain exceptions, as described in the indenture governing the applicable series of Notes, holders of those Notes may require us to repurchase all or a portion of those Notes at a price equal to 100% of the principal amount to be repurchased, plus any accrued and unpaid interest to date. The 2026 Notes and 2030 Notes are also redeemable at our option if certain conditions are met, as described in the indentures governing the 2026 Notes and 2030 Notes respectively.

As of June 30, 2026, no holders of the Notes have exercised the conversion rights, and the if-converted value of the Notes did not exceed the principal amount.

Convertible Note Repurchase

During the first quarter of 2025, and the first quarter of 2024, the Company repurchased in privately negotiated transactions and extinguished a portion of the 2026 Notes, with a total principal balance of \$688 million and \$480 million, respectively. The aggregate repurchase price for these notes was \$642 million and \$415 million, respectively, resulting in pre-tax gains of \$42.7 million and \$61.4 million, respectively, net of the write-off of unamortized issuance costs. These gains were included in Interest income and other income (expense), net, in the condensed consolidated statement of operations.

Capped Call Transactions

We entered into capped call transactions, to reduce the potential dilutive effect of the 2026 Notes (the "2026 Capped Call Transactions"), and 2030 Notes (the "2030 Capped Call Transactions", together with the 2026 Capped Call Transactions, the "Capped Call Transactions"), in connection with their pricing. The 2026 Capped Call Transactions, and the 2030 Capped Call Transactions, had net costs of \$48.1 million and \$44.4 million, respectively, with call options totaling approximately 5.6 million and 19.1 million shares of our common stock, and with expiration dates ranging from September 18, 2026 to November 12, 2026, and January 15, 2030 to March 13, 2030, respectively. The strike price of the 2026 Capped Call Transactions and the 2030 Capped Call Transactions are \$308.72 and \$36.15, respectively, and the cap prices are initially \$343.02 and \$47.74 per share, respectively, subject to adjustments in certain circumstances. The Capped Call Transactions are freestanding, are considered separately exercisable from the 2026 Notes and 2030 Notes, and meet the conditions for equity classification.

7. Commitments and Contingencies

The following table summarizes our non-cancelable contractual commitments as of June 30, 2026 (in thousands):

	Total	Remainder of 2026	2027-2028	2029-2030	Thereafter
Operating leases ⁽¹⁾	\$ 92,020	\$ 16,900	\$ 49,741	\$ 17,971	\$ 7,408
Purchase commitments ⁽²⁾	1,420,751	187,665	823,223	409,863	—
Convertible note principal and interest ⁽³⁾	2,277,724	567,724	1,020,000	690,000	—
Equity investments ⁽⁴⁾	100,000	—	100,000	—	—
Total	\$ 3,890,495	\$ 772,289	\$ 1,992,964	\$ 1,117,834	\$ 7,408

⁽¹⁾ Operating leases consist of obligations for real estate, including leases that are not yet commenced or reflected on our consolidated balance sheet with future minimum lease payments of \$0.2 million. These leases will commence in 2026 with lease terms of approximately one year.

⁽²⁾ Consists of purchase commitments with original terms greater than one year. The substantial majority of these commitments are related to agreements with our data center hosting providers.

⁽³⁾ Convertible notes due 2026, 2027, and 2030. See Note 6, "Borrowings," above for further discussion.

⁽⁴⁾ Consists of a binding obligation to acquire \$100 million of shares in Apsflyer, subject to certain closing conditions and adjustments. We expect to complete this purchase by the end of 2027.

We expect to meet our remaining commitments.

Legal Matters

In the normal course of business, we are subject to various legal matters. We accrue a liability when management believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. We also disclose material contingencies when we believe a loss is not probable but reasonably possible. Legal costs related to such potential losses are expensed as incurred. In addition, recoveries are shown as a reduction in legal costs in the period in which they are realized. With respect to our outstanding matters, based on current knowledge, we believe that the resolution of such matters will not, either individually or in the aggregate, have a material adverse effect on our

business or our condensed consolidated financial statements. However, litigation is inherently uncertain, and the outcome of these matters cannot be predicted with certainty. Accordingly, cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these matters.

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, investors, directors, officers, employees, and other parties with respect to certain matters. Indemnification may include losses from our breach of such agreements, services we provide, or third-party intellectual property infringement claims. These indemnifications may survive termination of the underlying agreement, and the maximum potential amount of future indemnification payments may not be subject to a cap. As of June 30, 2026, we have not incurred any material costs as a result of such obligations and we have not accrued any material liabilities related to such obligations in the accompanying condensed consolidated financial statements.

Letters of Credit

We had \$5.1 million and \$8.5 million of secured letters of credit outstanding as of June 30, 2026 and December 31, 2025, respectively. These primarily relate to our office space leases and are fully collateralized by certificates of deposit which we record in restricted cash as "Other assets" and "Prepaid expenses and other" on our condensed consolidated balance sheets.

8. Stock-Based Compensation

Stock-based compensation expense is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	\$ 7,572	\$ 9,861	\$ 14,954	\$ 18,973
Research and development	42,590	51,051	81,515	101,645
Sales and marketing	13,281	19,208	27,452	39,169
General and administrative	16,505	21,484	33,192	40,607
Total stock-based compensation expense	<u>\$ 79,948</u>	<u>\$ 101,604</u>	<u>\$ 157,113</u>	<u>\$ 200,394</u>

Stock Options

A summary of our stock option, including price-vested options ("PVO"), activity is as follows:

	Options Outstanding		
	Stock Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)
Balance as of December 31, 2025	12,474,347	\$ 25.39	4.40
Exercised	(687,834)	\$ 10.97	
Forfeited, cancelled, or expired	(586,602)	\$ 61.09	
Balance as of June 30, 2026	<u>11,199,911</u>	<u>\$ 24.41</u>	<u>3.98</u>

Restricted Stock Units

A summary of our restricted stock units ("RSU"), including price-vested units ("PVU"), and performance-based restricted stock units ("PSU"), activity is as follows:

	Unvested RSUs	
	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2025	24,927,722	\$ 25.18
Granted	11,913,193	\$ 20.35
Vested	(5,882,630)	\$ 25.38
Forfeited	(3,314,342)	\$ 23.80
Unvested as of June 30, 2026	27,643,943	\$ 23.23

Price-Vested Options and Price-Vested Units

The vesting for each of the PVOs and PVUs is subject to the fulfillment of both a service period that extends up to four years and the achievement of a stock price hurdle during the relevant performance period that extends up to six and seven years, respectively. The fair value of each PVO and PVU award is estimated using a Monte Carlo simulation that uses assumptions determined on the date of grant. No outstanding options or units, which had not already met their price hurdle in a prior period, attained their price hurdle in 2026.

Performance-Based Restricted Stock Units

Starting in the first quarter of 2025, we have periodically issued PSUs to certain executives as part of their compensation. The vesting for each PSU is subject to the fulfillment of both a service period of three years, and the level of achievement of certain performance goals (revenue and EBITDA metrics), over three annual performance periods ("tranche"). These goals are set as a range of target outcomes, in the first quarter of each year, and can be attained at a rate between 0% and 200%, based on where in the range the final results fall. The fair value of each PSU is estimated separately for each tranche of the award, using the closing price of Unity's common stock on the grant date. The grant date is the later of the day the performance goals are set for that tranche, or the date the units were issued. The expense is the fair value of the award multiplied by the expected attainment of the related performance goals as of the balance sheet date, recognized ratably for each tranche over the period between the grant date, and the end of the service period. The expense is adjusted each period for any changes in the expected attainment of the performance goals.

Fair Value Assumptions

The calculated grant-date fair value of stock options, PVUs, and PVOs granted, were estimated using the Black-Scholes option-pricing model for stock options, and a Monte Carlo simulation for the PVUs and PVOs, with the following assumptions:

	Six Months Ended June 30, 2025
Expected dividend yield	—
Risk-free interest rate	4.1%
Expected volatility	69.5%
Expected term (in years)	6.25
Fair value of underlying common stock	\$24.72

Employee Stock Purchase Plan

The fair value of shares offered under our Employee Stock Purchase Plan ("ESPP") was determined on the grant date using the Black-Scholes option pricing model. The following table summarizes the assumptions used and the resulting grant-date fair values of our ESPP:

	Six Months Ended June 30, 2025
Expected dividend yield	—
Risk-free interest rate	4.3%
Expected volatility	73.4%
Expected term (in years)	0.50
Grant-date fair value per share	\$9.26

Additional information related to the ESPP is provided below (in thousands, except per share amounts):

	Six Months Ended June 30,	
	2026	2025
Shares issued under the ESPP	558,351	693,873
Weighted-average price per share issued	\$15.49	\$14.19

During 2025, we suspended the ESPP program, effective in the first quarter of 2026. As a result of the suspension, no new offering periods have commenced after March 2, 2026.

9. Income Taxes

Our tax provision for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter, we update the estimated annual effective tax rate and make a year-to-date adjustment to the provision. The estimated annual effective tax rate is subject to volatility due to several factors, including variability in accurately predicting our pre-tax income or loss and the mix of jurisdictions to which they relate, intercompany transactions, changes in how we do business, and tax law developments.

Our effective tax rate for the three and six months ended June 30, 2026 and 2025 differs from the U.S. federal statutory tax rate of 21% primarily due to the need to record a valuation allowance on U.S. losses and to a lesser extent foreign losses taxed at different rates.

The realization of deferred tax assets is dependent upon the generation of sufficient taxable income of the appropriate character in future periods. We regularly assess the ability to realize our deferred tax assets and establish a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. In performing this assessment with respect to each jurisdiction, we review all available positive and negative evidence. Primarily due to our history of losses, we believe that it is more likely than not that the deferred tax assets of our U.S. federal, U.S. state, and certain foreign jurisdictions will not be realized and we have maintained a full valuation allowance against such deferred tax assets.

As of June 30, 2026, we had \$184.6 million of gross unrecognized tax benefits, of which \$34.1 million would impact the effective tax rate, if recognized. It is reasonably possible that the amount of unrecognized tax benefits as of June 30, 2026 could increase or decrease significantly as the timing of the resolution, settlement, and closure of audits is highly uncertain. We believe that we have adequately provided for any reasonably foreseeable outcome related to our tax audits and that any settlement will not have a material impact on our financial condition and operating results at this time.

10. Net Loss per Share of Common Stock

Basic and diluted net loss per share is the same for all periods presented because the effects of potentially dilutive items were antidilutive given our net loss in each period.

The following table presents potentially dilutive common stock excluded from the computation of diluted net loss per share (in thousands) because the impact of including them would have been antidilutive:

	As of June 30,	
	2026	2025
Convertible notes	41,348	41,348
Stock options and PVOs	11,200	18,686
Unvested RSUs, PVUs, and PSUs	27,644	31,146

11. Segment Information

We have one reportable segment, software solutions. See "Revenue Recognition" in Note 1 of our 2025 Annual Report on Form 10-K, for detailed information regarding our products and services.

Our chief operating decision maker is the chief executive officer, who on a consolidated basis, assesses the performance of, drives improvements in, and decides how to allocate resources in the reportable segment, based on multiple measures of performance including consolidated net income, adjusted EBITDA, adjusted gross margin, and adjusted EPS. As such, consolidated net income, which is reported and reconciled with all significant segment expenses on our consolidated statement of operations, is the measure that is most consistent with GAAP, while adjusted EBITDA, adjusted gross margin, and adjusted EPS are additional measures of our segment profitability.

The measure of segment assets is reported on the balance sheet as total consolidated assets. We do not have material intra-entity sales or transfers.

12. Subsequent Event

On August 4, 2026, we completed the sale of our Supersonic game publishing business to Tripledot Group Holdings Limited for cash consideration of \$40 million, subject to certain post-close adjustments. The assets and liabilities of the Supersonic business were classified as held-for-sale as of June 30, 2026, as described in Note 1 "Accounting Policies".

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Please read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included under Part I, Item 1 of this Quarterly Report on Form 10-Q. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are statements that attempt to forecast or anticipate future developments in our business, financial condition, or results of operations. When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that could impact our business. In particular, we encourage you to review the risks and uncertainties described in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K filed with the SEC on February 11, 2026, "Part II, Item 1A. Risk Factors" of our Form 10-Q filed with the SEC on May 7, 2026, and "Part II, Item 1A. Risk Factors" included elsewhere in this report. These risks and uncertainties could cause actual results to differ materially from those projected in forward-looking statements contained in this report or implied by past results and trends. Forward-looking statements, like all statements in this report, speak only as of their date (unless another date is indicated), and we undertake no obligation to update or revise these statements in light of future developments. See the section titled "Note Regarding Forward-Looking Statements" in this report.

Overview

Unity offers a suite of tools to develop, deploy, and grow games and interactive experiences across all major platforms from mobile, PC, and console, to extended reality (XR).

Our platform consists of two complementary sets of solutions: Create Solutions and Grow Solutions.

Recent Developments in Our Business

In the first quarter of 2026, we announced we would sunset the ironSource Ads Network, one of our monetization networks, effective April 30, 2026, and we began the process of exiting our Supersonic game publishing business. As a result, revenue from these businesses is now included in non-strategic revenue for all periods presented. The sunset of the ironSource Ads Network was substantially completed in the second quarter of 2026, and the sale of our Supersonic business was completed on August 4, 2026.

As a result of these decisions, we incurred impairments on related long-lived assets of \$279 million, in the six months ended June 30, 2026. The impairment charges include \$227 million within cost of revenue, and \$47 million within sales and marketing expense.

For additional details, refer to the section titled "Risk Factors."

Results of Operations

The following table summarizes our condensed consolidated statements of operations data for the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 546,468	\$ 440,944	\$ 1,054,706	\$ 875,944
Cost of revenue	111,709	114,211	463,346	228,168
Gross profit	434,759	326,733	591,360	647,776
Operating expenses				
Research and development	278,275	214,807	532,700	435,432
Sales and marketing	132,368	161,513	327,745	323,526
General and administrative	56,335	69,165	114,547	135,505
Total operating expenses	466,978	445,485	974,992	894,463
Loss from operations	(32,219)	(118,752)	(383,632)	(246,687)
Interest expense	(6,032)	(6,030)	(12,052)	(11,921)
Interest income and other income (expense), net	17,941	19,837	21,405	77,948
Loss before income taxes	(20,310)	(104,945)	(374,279)	(180,660)
Provision for (benefit from) Income taxes	2,362	2,420	(4,680)	4,612
Net loss	\$ (22,672)	\$ (107,365)	\$ (369,599)	\$ (185,272)

The following table sets forth the components of our condensed consolidated statements of operations data as a percentage of revenue for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	100 %	100 %	100 %	100 %
Cost of revenue	20	26	44	26
Gross profit	80	74	56	74
Operating expenses				
Research and development	51	48	50	50
Sales and marketing	24	37	31	37
General and administrative	11	16	11	15
Total operating expenses	86	101	92	102
Loss from operations	(6)	(27)	(36)	(28)
Interest expense	(1)	(1)	(1)	(1)
Interest income and other income (expense), net	3	4	2	8
Loss before income taxes	(4)	(24)	(35)	(21)
Provision for (benefit from) Income taxes	—	—	—	—
Net loss	(4)%	(24)%	(35)%	(21)%

Revenue

Create Solutions

We generate Create Solutions revenue primarily through our suite of Create Solutions subscriptions inclusive of enterprise support, professional services, and consumption services. Our subscriptions provide customers access to technologies that allow them to edit, run, and iterate interactive, RT3D and 2D experiences that can be created once and deployed to a variety of platforms. Enhanced support services are provided to our enterprise customers and are generally sold separately from the Create

Solutions subscriptions. Professional services are provided to our customers which are primarily platform integrations, but also include consulting, training, and custom application and workflow development. Consumption services consist of cloud and hosting services provided to our customers to simplify and enhance the way our users access and harness our solutions.

Grow Solutions

We generate Grow Solutions revenue primarily through our monetization solutions and game publishing services. Our monetization solutions allow publishers, original equipment manufacturers, and mobile carriers to sell available advertising inventory on their mobile applications or hardware devices to advertisers for in-application or on-device placements. Our revenue represents the amount we retain from the transaction we are facilitating through our auction and mediation platform. Our game publishing services provide game developers with the infrastructure and expertise to launch their mobile games and manage their growth; this is achieved through marketability testing tools, live games management tools and game design support, and optimizing the implementation of the customer's commercial model. Through these publishing services, we generate revenue from in-app advertising and related purchases in published games.

As a result of the sunset of the ironSource Ads Network (one of our monetization networks), and divestiture of our Supersonic game publishing services, we expect Grow Solutions revenue to consist primarily of our "Unity Ads Network" (our principal monetization network), by the end of 2026.

Our total revenue is summarized as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Create Solutions	\$ 157,618	\$ 153,782	314,265	304,160
Grow Solutions	388,850	287,162	740,441	571,784
Total revenue	\$ 546,468	\$ 440,944	\$ 1,054,706	\$ 875,944

Total revenue increased in the three and six months ended June 30, 2026, compared to the comparable prior year periods, primarily due to an increase in Grow Solutions revenue from growth in the Unity Ads Network, driven by "Unity Vector", partially offset by decreases in revenue from the ironSource Ads Network.

The increase in total revenue was further driven by a slight increase in Create Solutions revenue, primarily due to increases in subscription revenue, partially offset by decreases in cloud and hosting services revenue, driven by our portfolio reset in 2025. Create Solutions subscription revenue in 2025 also benefited from the sale of a term license for approximately \$12 million in the second quarter of that year.

Included in revenue in the six months ended June 30, 2026 and 2025, are approximately \$136 million and \$204 million, respectively, of non-strategic portfolio revenue, primarily in Grow Solutions.

Cost of Revenue, Gross Profit, and Gross Margin

Cost of revenue consists primarily of the amortization and impairment of intangible assets, hosting expenses, personnel costs (including salaries, benefits, and stock-based compensation) for employees and subcontractors associated with our product support and professional services organizations, and direct costs associated with our advertising offerings.

Gross profit, or revenue less cost of revenue, has been and will continue to be affected by various factors, including our product mix, the costs associated with third-party hosting services and the extent to which we expand and drive efficiencies in our hosting costs, professional services, and customer support organizations. We expect our gross profit to increase in absolute dollars in the long term, but to fluctuate from period to period as a percentage of revenue.

Cost of revenue for the three months ended June 30, 2026 was approximately flat, compared to the comparable prior year period, primarily due to decreases in amortization of intangible assets, driven by the impairment we recognized in the first quarter of 2026, offset by increases in hosting expenses, and in direct costs associated with our advertising offerings.

Cost of revenue for the six months ended June 30, 2026 increased, compared to the comparable prior year period, primarily due to an impairment of long-lived intangible assets in the first quarter of 2026.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. The most significant component of our operating expenses is personnel-related costs, including salaries and wages, sales commissions, bonuses, benefits, stock-based compensation, and payroll taxes.

During 2025 we had workforce reductions from our ongoing restructuring efforts. In the six months ended June 30, 2025, we incurred incremental employee separation costs related to these actions of approximately \$20 million, primarily within research and development, and sales and marketing. In addition, we incurred approximately \$11 million of non-employee charges associated with this restructuring in 2025.

In the first quarter of 2026, we announced we would sunset the ironSource Ads Network, effective April 30, 2026, and we began the process of exiting our Supersonic game publishing business. Following these announcements, we incurred incremental impairment charges of \$279 million, in the six months ended June 30, 2026, associated with these decisions. The impairment charges include \$227 million within cost of revenue, and \$47 million within sales and marketing expense. Furthermore, in the six months ended June 30, 2026, we incurred employee separation costs and other non-employee charges of approximately \$38 million from our ongoing global restructuring efforts, primarily related to the planned closure of Unity France. These incremental charges are primarily in research and development.

Research and Development

Research and development expenses primarily consist of personnel-related costs for the design and development of our platform, amortization expenses related to intangible assets, and hosting expenses. We expect our research and development expenses to increase in absolute dollars in the long term, as we invest in new solutions, expand features and functionality with existing solutions, support our artificial intelligence ("AI") and machine learning ("ML") initiatives, and enter new markets. We expect research and development expenses to fluctuate as a percentage of revenue from period to period.

Research and development expense for the three and six months ended June 30, 2026 increased, compared to the comparable prior year periods, primarily due to an increase in amortization costs from the change in useful lives of certain intangible assets in 2025, and an increase in hosting expenses.

Sales and Marketing

Our sales and marketing expenses consist primarily of personnel-related costs, the amortization and impairment of intangible assets, and advertising and marketing programs, including user acquisition costs and digital account-based marketing, user events such as developer-centric conferences and our Unite user conferences. We expect that our sales and marketing expense will decrease as a result of the divestiture of the Supersonic business.

Sales and marketing expense for the three months ended June 30, 2026 decreased, compared to the comparable prior year period, primarily due to decreases in amortization of intangible assets, driven by the impairment we recognized in the first quarter of 2026.

Sales and marketing expense for the six months ended June 30, 2026 was approximately flat, compared to the comparable prior year period, primarily due to an impairment of long-lived intangible assets recognized in the first quarter of 2026, offset by decreases in amortization of intangible assets, driven by the same impairment, and personnel costs.

General and Administrative

Our general and administrative expenses primarily consist of personnel-related costs for finance, legal, human resources, IT and administrative employees; allocated overhead; and professional fees for external legal, accounting, and other professional services.

General and administrative expense for the three and six months ended June 30, 2026 decreased, compared to the comparable prior year periods, primarily due to decreases in allocated overhead and personnel-related costs, both driven by reductions in our real estate footprint and in headcount, due to restructuring in 2025.

Interest Expense

Interest expense consists primarily of interest expense associated with our convertible debt and amortization of debt issuance costs.

Interest expense for the three and six months ended June 30, 2026 was approximately flat, compared to the comparable prior year periods.

Interest Income and Other Income (Expense), Net

Interest income and other income (expense), net, consists primarily of interest income earned on our cash and cash equivalents, impairments of equity investments, and foreign currency gains and losses. Our exposure to fluctuations in foreign currencies results primarily from our global operations, and related personnel expense.

Interest income and other income (expense), net, for the three months ended June 30, 2026 decreased, compared to the comparable prior year period, primarily due to losses from foreign exchange, offset by increases in interest income.

Interest income and other income (expense), net, for the six months ended June 30, 2026 decreased, compared to the comparable prior year period, primarily due to gains on the repurchase of convertible debt of \$42.7 million in the first quarter of 2025, and an impairment of an equity investment of \$15.0 million in the first quarter of 2026.

Provision for (benefit from) Income taxes

Provision for (benefit from) income taxes consists primarily of income taxes in certain foreign jurisdictions where we conduct business. We have a valuation allowance against certain of our deferred tax assets, including net operating loss ("NOL") carryforwards and tax credits related primarily to research and development. Our overall effective income tax rate in future periods may be affected by the geographic mix of earnings in the countries in which we operate. Our future effective tax rate may also be affected by changes in the valuation of our deferred tax assets or liabilities, or changes in tax laws, regulations, or accounting principles in the jurisdictions in which we conduct business. See Note 9, "Income Taxes," of the Notes to Condensed Consolidated Financial Statements.

Benefit from income taxes for the six months ended June 30, 2026 changed, compared to the provision for income taxes in the comparable prior year period, primarily due to a larger current-year tax benefit in foreign jurisdictions resulting from restructuring activities initiated in the first quarter of 2026. For the three months ended June 30, 2026, the provision for income taxes was approximately flat compared to the prior year period.

Non-GAAP Financial Measures

To supplement our consolidated financial statements prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe the following non-GAAP measures are useful in evaluating our operating performance. We are presenting these non-GAAP financial measures because we believe, when taken collectively, they may be helpful to investors because they provide consistency and comparability with past financial performance.

However, 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 measures as tools for comparison. As a result, our non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered in isolation or as a substitute for our consolidated financial statements presented in accordance with GAAP.

Adjusted Gross Profit, Adjusted EBITDA, and Adjusted EPS

We define adjusted gross profit as GAAP gross profit excluding expenses associated with stock-based compensation, amortization and impairment of acquired intangible assets, depreciation, and restructurings and reorganizations. We define adjusted gross margin as adjusted gross profit as a percentage of revenue. We define adjusted EBITDA as net income or loss excluding benefits or expenses associated with stock-based compensation, amortization and impairment of acquired intangible assets, depreciation, restructurings and reorganizations, interest, income tax, and other non-operating activities, which primarily consist of foreign exchange rate gains or losses.

We define adjusted EPS as net income or loss excluding benefits or expenses associated with stock-based compensation, amortization and impairment of acquired intangible assets, depreciation, restructurings and reorganizations, and the income tax impact of the preceding adjustments (cumulatively "adjusted net income"), increased by the tax effected impacts from any relevant dilutive securities, divided by the diluted weighted-average outstanding shares. The effective tax rate used in calculating adjusted EPS is estimated for each period, based on the net income or loss adjusted for the items noted above, and may differ from the effective rate used in our financial statements. Shares of common stock that are excluded in our calculation of GAAP diluted net loss per share due to their antidilutive impact on such calculations, are included in the diluted weighted average outstanding shares used in our calculation of adjusted EPS, to the extent they have a dilutive impact on adjusted EPS given the adjusted net income in each period.

We use adjusted gross profit, adjusted EBITDA, and adjusted EPS, in conjunction with traditional GAAP measures to evaluate our financial performance. We believe that adjusted gross profit, adjusted EBITDA, and adjusted EPS provide our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as these metrics exclude expenses that we do not consider to be indicative of our overall operating performance.

The following table presents a reconciliation of our adjusted gross profit to our GAAP gross profit, the most directly comparable measure as determined in accordance with GAAP, for the periods presented (in thousands):

	Three Months Ended	
	June 30,	
	2026	2025
GAAP gross profit	\$ 434,759	\$ 326,733
Add:		
Stock-based compensation expense	6,712	9,861
Amortization of intangible assets expense	6,550	26,997
Depreciation expense	1,309	1,766
Restructuring and reorganization costs	3,915	275
Adjusted gross profit	<u>\$ 453,245</u>	<u>\$ 365,632</u>
GAAP gross margin	80 %	74 %
Adjusted gross margin	83 %	83 %

The following table presents a reconciliation of our adjusted EBITDA to net loss, the most directly comparable measure as determined in accordance with GAAP, for the periods presented (in thousands):

	Three Months Ended	
	June 30,	
	2026	2025
GAAP net loss	\$ (22,672)	\$ (107,365)
Stock-based compensation expense	75,576	101,435
Amortization of intangible assets expense	77,490	86,218
Depreciation expense	7,985	10,710
Restructuring and reorganization costs	31,359	10,886
Interest expense	6,032	6,030
Interest income and other income (expense), net	(17,941)	(19,837)
Provision for Income taxes	2,362	2,420
Adjusted EBITDA	\$ 160,191	\$ 90,497

The following table presents a reconciliation of adjusted EPS to diluted net loss per share attributable to Unity Software Inc., the most directly comparable measures as determined in accordance with GAAP, for the periods presented (in thousands):

	Three Months Ended	
	June 30,	
	2026	2025
GAAP net loss	\$ (22,672)	\$ (107,365)
Stock-based compensation expense	75,576	101,435
Amortization of intangible assets expense	77,490	86,218
Depreciation expense	7,985	10,710
Restructuring and reorganization costs	31,359	10,886
Income tax impact of adjusting items	(36,302)	(20,527)
Adjusted net income used for calculation of adjusted EPS, before impact of dilutive instruments	\$ 133,436	\$ 81,357
Increase from forgone financing costs on dilutive convertible notes, net of tax	4,676	789
Adjusted net income used for calculation of adjusted EPS, including impact of dilutive instruments	\$ 138,112	\$ 82,146
Weighted-average common shares used in GAAP diluted net loss per share attributable to Unity Software Inc.	437,898	417,566
Convertible notes	41,348	20,896
Stock options and PVOs	2,660	5,385
Unvested RSUs, PVUs, and PSUs	7,585	4,572
ESPP	—	4
Non-GAAP weighted-average common shares used in adjusted EPS	489,491	448,423
GAAP diluted net loss per share attributable to Unity Software Inc.	\$ (0.05)	\$ (0.26)
Total impact on diluted net loss per share attributable to Unity Software Inc. from non-GAAP adjustments	\$ 0.36	\$ 0.45
Total impact on diluted net loss per share attributable to Unity Software Inc. from antidilutive common stock now included	\$ (0.03)	\$ (0.01)
Adjusted EPS	\$ 0.28	\$ 0.18

Free Cash Flow

We define free cash flow as net cash provided by operating activities less cash used for purchases of property and equipment. We believe that free cash flow is a useful indicator of liquidity as it measures our ability to generate cash, or our need to access additional sources of cash, to fund operations and investments.

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable measure as determined in accordance with GAAP, for the periods presented (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash provided by operating activities	\$ 276,908	\$ 146,122
Less:		
Purchases of property and equipment	(8,492)	(12,164)
Free cash flow	\$ 268,416	\$ 133,958
Net cash used in investing activities	\$ (8,492)	\$ (14,164)
Net cash provided by financing activities	\$ 16,194	\$ 22,031

Liquidity and Capital Resources

As of June 30, 2026, our principal sources of liquidity were cash and cash equivalents totaling \$2.4 billion, which were primarily held for working capital purposes. Our cash equivalents are invested primarily in time deposits and in government money market funds.

Our material cash requirements from known contractual and other obligations consist of our convertible notes, obligations under operating leases for office space, contractual obligations for hosting services to support our business operations, and our commitment to acquire shares of AppsFlyer. See Part I, Item I, Note 7 — "Commitments and Contingencies" for additional discussion of our principal contractual commitments.

In the first quarter of 2025 we issued \$690 million in aggregate principal amount of the 2030 Notes, the proceeds of which were used to fund repurchases of outstanding 2026 Notes. We previously issued \$1.7 billion in aggregate principal amount of the 2026 Notes in November 2021, of which \$688 million in aggregate principal amount was repurchased in first quarter 2025 for \$642 million, and \$480 million in aggregate principal amount was repurchased in March 2024 for \$415 million. We also previously issued \$1.0 billion in aggregate principal amount of the 2027 Notes. See Part I, Item I, Note 6, "Borrowings" for additional discussion of the Notes.

Since our inception, we have generated losses from our operations as reflected in our accumulated deficit of \$4.5 billion as of June 30, 2026. As a result, we may require additional capital to execute our strategic initiatives to grow our business.

We believe our existing sources of liquidity will be sufficient to meet our working capital and capital expenditures for at least the next 12 months, including the repayment of the 2026 Notes in cash upon their maturity in November 2026. We believe we will meet longer-term expected future cash requirements and obligations through a combination of cash flows from operating activities, available cash balances, and potential future equity or debt transactions. Our future capital requirements, however, will depend on many factors, including our growth rate; the timing and extent of spending to support our research and development efforts; capital expenditures to build out new facilities and purchase hardware and software; the expansion of sales and marketing activities; and our continued need to invest in our IT infrastructure to support our growth. In addition, we have in the past entered into, and may in the future enter into, additional strategic partnerships as well as agreements to acquire or invest in complementary offerings, teams and technologies, including intellectual property rights, which could increase our cash requirements. As a result of these and other factors, we may choose or be required to seek additional equity or debt financing sooner than we currently anticipate. In addition, depending on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors, we may also 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. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable

to us, or at all, including as a result of macroeconomic conditions such as high interest rates, volatility in the capital markets and liquidity concerns at, or failures of, banks and other financial institutions. If we are unable to raise additional capital when required, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, and financial condition would be adversely affected.

Our changes in cash flows were as follows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash provided by operating activities	\$ 276,908	\$ 146,122
Net cash used in investing activities	(8,492)	(14,164)
Net cash provided by financing activities	16,194	22,031
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	8,210	19,637
Net change in cash, cash equivalents, and restricted cash	<u>\$ 292,820</u>	<u>\$ 173,626</u>

Cash Provided by Operating Activities

During the six months ended June 30, 2026, net cash provided by operating activities was primarily due to our net loss, adjusted for certain non-cash items, which include impairments, depreciation and amortization, stock-based compensation, and other, and to a lesser extent, an increase in operating assets and liabilities. Our cash flows can fluctuate from period to period due to revenue seasonality, timing of billings, collections, and publisher payments, and historical cash flows are not necessarily indicative of our results in any future period.

Cash Used in Investing Activities

During the six months ended June 30, 2026, net cash used in investing activities consisted primarily of purchases of property and equipment.

Cash Provided by Financing Activities

During the six months ended June 30, 2026, net cash provided by financing activities consisted of proceeds from the issuance of common stock under our employee equity plans.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. These principles require us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. Our estimates are based on our historical experience and on various other assumptions that we believe are reasonable under the circumstances. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

There have been no material changes to our critical accounting policies and estimates from those disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 11, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our assessment of our exposures to market risk has not changed materially since the presentation set forth in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 11, 2026.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report.

(a) Evaluation of Disclosure Controls and Procedures

Based on management's evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were designed to, and were effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

(b) Changes in Internal Control Over Financial Reporting

Based on management's evaluation, our principal executive officer and principal financial officer concluded that there has not been any material change in our internal control over financial reporting during the quarter ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are not party to any material legal proceedings at this time. From time to time, we may be subject to other legal proceedings and claims arising in the ordinary course of business.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 and Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026.

Purchasing or owning Unity common stock involves investment risks including, but not limited to, the risks described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, and Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. Additional risks, trends and uncertainties not presently known to us or that we currently believe are immaterial may also harm our business, financial condition, results of operations or reputation.

If we fail to successfully execute our plans to realign our business and to right-size our investments, our business will be harmed.

We have realigned our business to focus on the Unity Engine and related consumption services, and monetization solutions, and are continuing to exit other businesses and right-size our investments, including through workforce reductions. These actions may not be effective or sufficient to offset our expenses, and may themselves have adverse impacts, including loss of accumulated knowledge, limited technological support on legacy products, inefficiency, and other challenges to operating our business. If we fail to efficiently execute on these plans, or if the expected benefits are not achieved on the timeline or to the extent we expect, our business may be harmed and we may fail to achieve or maintain profitability.

In the first quarter of 2026, we announced we would sunset the ironSource Ads Network, one of our monetization networks, effective April 30, 2026, and we began the process of exiting our Supersonic game publishing business. The sunset of the ironSource Ads Network was substantially completed in the second quarter of 2026, and the sale of our Supersonic business was completed on August 4, 2026. These actions have caused and may continue to cause disruption and uncertainty for our employees, customers, publishers, advertisers, and strategic partners, and have resulted and may continue to result in employee attrition and difficulties in maintaining business relationships. Customers or partners have delayed, reduced, or terminated and may continue to delay, reduce, or terminate their use of our offerings as a result.

The sunset of the ironSource Ads Network has resulted and may continue to result in higher-than-expected customer and revenue attrition.

Any failure to successfully manage these changes could disrupt our operations, damage customer relationships, fail to deliver the anticipated financial benefits, lead to additional costs and materially harm our business and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information**Rule 10b5-1 Trading Plans**

The adoption or termination of contracts, instructions or written plans for the purchase or sale of our securities by our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) during the three months ended June 30, 2026, each of which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, were as follows:

Name	Title	Action	Adoption/Termination Date	Expiration Date ⁽¹⁾	Aggregate # of Securities to be Purchased/Sold
Alexander Blum	SVP, Chief Operating Officer	Adopted	May 15, 2026	August 27, 2027	310,473 ²
Shlomo Dovrat ³	Director	Adopted	June 15, 2026	December 31, 2026	75,000

(1) Each of the plans expire (or, with respect to terminated plans, were originally set to expire) on the respective dates shown, or upon the earlier completion of all authorized transactions under the plans.

(2) Represents the maximum number of shares subject to the trading plan, only a portion of which may be sold as the trading plan was designed to sell the net shares following the sell to cover taxes for each vesting event for all awards under his plan until August 27, 2027.

(3) Mr. Dovrat resigned as a director of the Company, effective July 24, 2026.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Incorporated by Reference			
		Form	File Number	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant	8-K	001-39497	3.1	September 22, 2020
3.2	Amended and Restated Bylaws of the Registrant	8-K	001-39497	3.2	September 8, 2023
31.1*	Section 302 Certification of Principal Executive Officer				
31.2*	Section 302 Certification of Principal Financial Officer				
32.1*#	Section 906 Certification of Principal Executive Officer and Principal Financial Officer				
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				
*	Filed herewith.				
#	The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any of the Registrant’s filings under the Securities Act of 1933, as amended, irrespective of any general incorporation language contained in any such filing. The agreements and other documents filed as exhibits to this Quarterly Report on Form 10-Q are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 6, 2026

UNITY SOFTWARE INC.

By: /s/ Michael Lieb

Michael Lieb

Chief Accounting Officer

(Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Bromberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Unity Software Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2026

By: /s/ Matthew Bromberg
Matthew Bromberg
President, Chief Executive Officer, and Director
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jarrod Yahes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Unity Software Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2026

By: /s/ Jarrod Yahes

Jarrod Yahes
Senior Vice President, Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Bromberg, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Unity Software Inc. for the quarter ended June 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Unity Software Inc.

Date: August 6, 2026

By: /s/ Matthew Bromberg
Matthew Bromberg
President, Chief Executive Officer, and Director
(Principal Executive Officer)

I, Jarrod Yahes, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Unity Software Inc. for the quarter ended June 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Unity Software Inc.

Date: August 6, 2026

By: /s/ Jarrod Yahes
Jarrod Yahes
Senior Vice President, Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Unity Software Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.