

English Translation

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Consolidated Financial Results for the year ended December 31, 2024 [IFRS]

February 14, 2025

Company name: Appier Group, Inc.

Stock exchange listing: Tokyo Stock Exchange

Stock code: 4180

URL: <https://www.appier.com/>

Representative: Chih-Han Yu, Representative Director and CEO

Contact: Koji Tachibana, Senior Vice President of Finance

Phone: +81 3 6435 6617

Scheduled date of Ordinary General Meeting of Shareholders: March 27, 2025

Scheduled date of filing annual securities report: March 31, 2025

Scheduled date of dividend payment commencement: March 13, 2025

Supplementary briefing material on financial results: Yes

Financial results briefing: Yes (for institutional investors and analysts)

(Amounts are recorded to nearest million yen)

1. Consolidated Financial Results for the year ended December 31, 2024

(1) Consolidated Operating Results

(% changes from the previous fiscal year)

(Millions of yen)

	Revenue		EBITDA *		Operating Income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Total comprehensive income	
		(%)		(%)		(%)		(%)		(%)		(%)		(%)
FY2024	34,057	28.9	4,916	73.5	1,981	147.3	2,062	94.0	2,927	192.1	2,927	192.1	5,962	120.7
FY2023	26,418	36.0	2,834	108.0	801	-	1,063	857.4	1,002	-	1,002	-	2,702	(17.8)

* EBITDA = Operating income + Depreciation and amortization + Tax expenses included in operating expenses

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the parent company	Ratio of income before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
FY2024	28.70	28.47	9.2	5.0	5.8
FY2023	9.85	9.75	3.6	2.9	3.0

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company	Equity attributable to owners of the parent company per share
				%	Yen
As of December 31, 2024	44,637	34,315	34,315	76.9	337.62
As of December 31, 2023	37,852	29,091	29,091	76.9	285.54

(3) Consolidated Cash Flows

(Millions of yen)

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of year
FY2024	1,929	(2,241)	(792)	5,496
FY2023	2,224	1,971	(2,251)	6,134

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2. Dividends

	Annual Dividends					Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owners of the parent company (consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2023	-	0.00	-	0.00	0.00	-	-	-
FY2024	-	0.00	-	2.00	2.00	203	7.0	0.6
FY2025 (Forecast)	-	0.00	-	2.25	2.25		5.9	

3. Consolidated Financial Results Forecast for the year ending December 31, 2025

(% changes year-over-year)
(Millions of yen)

	Revenue		EBITDA *		Operating Income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
		%		%		%		%		%		%	Yen
FY2025	45,467	33.5	7,786	58.4	4,051	104.5	3,801	84.3	3,576	22.2	3,576	22.2	35.00

* EBITDA = Operating income + Depreciation and amortization + Tax expenses included in operating expenses

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(Notes)

- (1) Changes in Significant Subsidiaries during the current year: No
(Changes in specified subsidiaries accompanying changes in scope of consolidation)

- (2) Changes in Accounting Policies and Changes in Accounting Estimates
 - 1) Changes in accounting policies required by IFRS: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No

- (3) Number of Shares Issued (common shares)
 - ① Total number of shares issued at the end of the period (including treasury stock):
As of December 31, 2024: 102,289,998 shares
As of December 31, 2023: 101,882,216 shares
 - ② Total number of treasury stock at the end of the period:
As of December 31, 2024: 653,563 shares
As of December 31, 2023: 257 shares
 - ③ Average number of shares during the period:
For the year ended December 31, 2024: 101,980,842 shares
For the year ended December 31, 2023: 101,675,032 shares

* This financial report is outside the scope of audit procedures.

* Explanation of the Proper Use of Financial Results Forecasts and Other Notes (Caution Concerning Forward-Looking Statements)

The forward-looking statements including the financial results forecast herein are based on information currently available to the Company and certain assumptions that can be deemed reasonable and are not intended as the Company's commitment to achieving such forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For conditions prerequisite to the financial results forecast and the points to be noted in the use thereof, please refer to "1. Overview of Operating Results and Financial Position (4) Qualitative Information on Consolidated Financial Results Forecast" in the Appendix.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

The Company's mission is "Turning AI into ROI by Making Software Intelligent".

Revenue for the fiscal year ended December 2024 amounted to ¥34,057 million (up 28.9% year-over-year). This growth was primarily driven by an increase in revenue from existing customers through upselling and cross-selling, as well as an expansion of revenue from new customers due to the growth in regions and verticals. ARR (Note 1) as of December 2024 reached ¥36,259 million, representing a 26.6% increase from ¥28,641 million in December 2023.

Gross profit for the year ended December 31, 2024, was ¥17,802 million (up 29.9% year-over-year), and the gross margin was 52.3% (up 0.4% from the previous fiscal year). The improvement in gross margin was due to continuous technological advancements.

Due to business expansion and foreign exchange impacts, the amount of operating expenses (S&M expenses, R&D expenses, and G&A expenses) increased. However, the ratio of operating expenses to revenue decreased by 2.6 percentage points, from 50.1% in the previous fiscal year to 47.5%. R&D expenses, driven by strengthened R&D activities for product differentiation and foreign exchange impacts, saw an increase in their ratio to revenue, rising by 1.8 percentage points compared to the previous fiscal year. On the other hand, the ratio of S&M expenses and G&A expenses to revenue decreased by 2.8 percentage points and 1.5 percentage points, respectively, due to productivity improvements and enhanced efficiency. As a result, EBITDA (Note 3) reached ¥4,916 million, an increase of ¥2,082 million compared to the previous fiscal year, and operating profit amounted to ¥1,981 million, up ¥1,180 million from the prior fiscal year. Additionally, profit before tax was ¥2,062 million, an increase of ¥999 million compared to the previous fiscal year, and profit attributable to owners of the parent company reached ¥2,927 million, an increase of ¥1,925 million compared to the previous fiscal year.

(*1) Annual recurring revenue. For solutions provided under a consumption-based pricing structure, the ARR is calculated by annualizing the average monthly recurring revenue (*2) for the relevant period multiplied by 12. For solutions provided under a subscription-based pricing structure, the ARR is calculated by annualizing the recurring revenue for the last month of the relevant period multiplied by 12. The ARR for December 2024 is calculated by multiplying the one-month average of recurring revenue from July 2024 to December 2024 by 12 for solutions provided under the consumption-based pricing structure, and by multiplying the recurring revenue for December 2024 by 12 for solutions provided under the subscription-based pricing structure.

(*2) Revenue from recurring customers. For solutions provided under the consumption-based pricing structure, this refers to (1) customers that have used the Company's solutions for four or more quarters in a row and (2) new customers within the latest twelve months that have used the Company's solutions for three or more months in a row. For solutions provided under the subscription-based pricing structure, this refers to customers who have a contract with the Company for more than one year.

(*3) EBITDA = Operating income + Depreciation and amortization + Tax expenses included in operating expenses

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(2) Overview of Financial Position

(Assets)

As of December 31, 2024, the total assets amounted to ¥44,637 million, representing an increase of ¥6,785 million compared to December 31, 2023. Current assets increased by ¥3,070 million from the end of the previous fiscal year, primarily due to an increase in trade receivables and contract assets resulting from revenue growth (an increase of ¥4,006 million compared to the end of the previous fiscal year) and an increase in other financial assets due to foreign exchange fluctuations (an increase of ¥854 million). The main factors contributing to the decrease were a reduction due to the withdrawal of time deposits (a decrease of ¥1,277 million) and a decrease in cash and cash equivalents mainly due to the acquisition of intangible assets (a decrease of ¥638 million). Non-current assets increased by ¥3,715 million from the end of the previous fiscal year, primarily due to an increase in goodwill and intangible assets resulting from the capitalization of development costs that met the asset recognition criteria (an increase of ¥3,181 million) and an increase due to the recognition of recoverable deferred tax assets (an increase of ¥927 million). The main factor contributing to the decrease was a reduction of right-of-use assets due to the amortization (a decrease of ¥489 million).

(Liabilities)

As of December 31, 2024, the total liabilities amounted to ¥10,322 million, representing an increase of ¥1,561 million compared to December 31, 2023. Current liabilities increased by ¥2,122 million from the end of the previous fiscal year, primarily due to an increase in borrowings resulting from additional loans from financial institutions (an increase of ¥900 million) and an increase in trade payables due to higher cost of sales (an increase of ¥924 million). Non-current liabilities decreased by ¥561 million compared to the end of the previous fiscal year, mainly due to a reduction in lease liabilities as a result of repayments (a decrease of ¥555 million).

(Equity)

As of December 31, 2024, the total equity amounted to ¥34,315 million, representing an increase of ¥5,224 million compared to December 31, 2023. The primary factors contributing to this increase were a rise in other components of equity due to foreign exchange fluctuations (an increase of ¥3,035 million) and an increase in retained earnings resulting from net profit (an increase of ¥2,927 million). The main factor contributing to the decrease was an increase in treasury shares due to share buybacks (an increase of ¥1,000 million).

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(3) Overview of Cash Flows

As of December 31, 2024, cash and cash equivalents amounted to ¥5,496 million, representing a decrease of ¥638 million compared to the end of the previous fiscal year. The status of each cash flow for the current fiscal year and the factors affecting them are as follows.

(Cash flows from operating activities)

Funds generated from operating activities amounted to ¥1,929 million, representing a decrease of ¥295 million compared to the previous fiscal year. The primary factor contributing to the increase in cash inflows was the rise in profit before tax after non-cash adjustments (an increase of ¥1,974 million compared to the previous fiscal year). The main factor contributing to the decrease in cash inflows was the increase in working capital (an increase of ¥2,006 million).

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥2,241 million, representing an increase of ¥4,212 million in expenditures compared to the previous fiscal year. The primary factor contributing to the decrease in cash inflows was a reduction in proceeds from the net decrease in time deposits (a decrease of ¥4,498 million compared to the previous fiscal year). The main factor contributing to the increase in expenditures was higher spending on the acquisition of intangible assets (an increase of ¥962 million). Meanwhile, the primary factor contributing to the decrease in expenditures was a reduction in spending on the acquisition of financial assets measured at fair value through profit or loss (a decrease of ¥811 million).

(Cash flows from financing activities)

Funds used in financing activities amounted to ¥792 million, representing a decrease in expenditures of ¥1,459 million compared to the previous fiscal year. The primary factor contributing to the decrease in expenditures was an increase in cash inflows from short-term borrowings (an increase of ¥2,400 million compared to the previous fiscal year). The main factor contributing to the increase in expenditures was higher spending due to the acquisition of treasury shares (an increase of ¥1,000 million).

(4) Qualitative Information on Consolidated Financial Results Forecast

For the fiscal year ending December 2025, revenue is expected to increase by 33.5% year-over-year to ¥45,467 million. This growth is primarily driven by the continued strong business expansion, including the expansion of countries, regions, and verticals in US&EMEA, as well as the acquisition of new customers and deeper penetration into existing customers in Northeast Asia through vertical diversification.

The gross profit margin is expected to continue improving due to the ongoing enhancement of AI predictive accuracy, improvements in product mix, and the integration of the acquired AdCreative.ai.

In addition, profitability is expected to further improve due to strong operating leverage from productivity gains and disciplined investment in research and development. As a result, EBITDA (Note) is projected to reach ¥7,786 million, an increase of ¥2,870 million compared to the previous fiscal year, and operating income is expected to be ¥4,051 million, an increase of ¥2,070 million. Furthermore, profit before tax is forecasted to be ¥3,801 million, an increase of ¥1,739 million, and net profit is projected to be ¥3,576 million, an increase of ¥649 million.

Please note that the business outlook is based on the information currently available and is subject to significant uncertainty. Therefore, actual results may differ from the projected figures due to changes in business conditions and other factors.

* EBITDA = Operating income + Depreciation and amortization + Tax expenses included in operating expenses

2. Basic Concept for Selection of the Accounting Standards

The Group has applied International Accounting Standards since the fiscal year ended December 31, 2018, with the aim to enhance the global comparability and convenience of financial information in the capital market.

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2 Consolidated Financial Statements and Major Notes**(1) Consolidated Statements of Financial Position****(Millions of yen)**

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	6,134	5,496
Time deposits	8,004	6,727
Trade receivables	3,726	6,388
Contract assets	1,629	2,973
Other receivables	331	232
Other current assets	165	389
Other financial assets	4,940	5,794
Total current assets	24,929	27,999
Non-current assets		
Property, plant and equipment	228	201
Right-of-use assets	2,686	2,197
Goodwill and intangible assets	9,347	12,528
Deferred tax assets	190	1,117
Other financial assets	472	430
Other non-current assets	-	165
Total non-current assets	12,923	16,638
Total assets	37,852	44,637

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(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	600	1,500
Contract liabilities	174	164
Trade payables	2,436	3,360
Other liabilities	2,546	2,736
Current tax payables	45	35
Lease liabilities	655	742
Other current liabilities	91	132
Total current liabilities	6,547	8,669
Non-current liabilities		
Provisions	68	67
Deferred tax liabilities	54	49
Lease liabilities	2,092	1,537
Total non-current liabilities	2,214	1,653
Total liabilities	8,761	10,322
Equity		
Share capital	7,555	7,628
Capital surplus	23,880	24,069
Treasury shares	(0)	(1,000)
Retained earnings	(8,471)	(5,544)
Other components of equity	6,127	9,162
Equity attributable to owners of the parent company	29,091	34,315
Total equity	29,091	34,315
Total liabilities and equity	37,852	44,637

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(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income**Consolidated Statements of Profit or Loss****(Millions of yen)**

	Year ended December 31, 2023	Year ended December 31, 2024
Revenue	26,418	34,057
Cost of sales	(12,710)	(16,255)
Gross profit	13,708	17,802
Sales and marketing expenses	(8,263)	(9,682)
Research and development expenses	(3,141)	(4,650)
General and administrative expenses	(1,829)	(1,850)
Other income	334	390
Other expenses	(8)	(29)
Operating income	801	1,981
Finance income	547	448
Finance costs	(285)	(367)
Profit before tax	1,063	2,062
Income taxes	(61)	865
Profit for the year	1,002	2,927
Profit attributable to:		
Owners of the parent company	1,002	2,927
Basic earnings per share (yen)	9.85	28.70
Diluted earnings per share (yen)	9.75	28.47

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Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Profit for the year	1,002	2,927
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in the fair value of an equity investment measured at fair value through other comprehensive income	(8)	(120)
Total items that will not be reclassified subsequently to profit or loss	(8)	(120)
Items that may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	1,708	3,155
Total items that may be reclassified subsequently to profit or loss	1,708	3,155
Total other comprehensive income for the year	1,700	3,035
Total comprehensive income for the year	2,702	5,962
Total comprehensive income attributable to:		
Owners of the parent company	2,702	5,962

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(3) Consolidated Statements of Changes in Equity

Year ended December 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent company							
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			Total equity
					Financial statements translation differences of foreign operations	Unrealized (loss) gains from financial assets measured at fair value through other comprehensive income	Total	
Balance at January 1, 2023	7,535	23,712	(0)	(9,473)	4,443	(16)	4,427	26,201
Profit for the year	-	-	-	1,002	-	-	-	1,002
Other comprehensive income	-	-	-	-	1,708	(8)	1,700	1,700
Total comprehensive income	-	-	-	1,002	1,708	(8)	1,700	2,702
Share options of the Company	-	148	-	-	-	-	-	148
Exercise of share options	20	20	-	-	-	-	-	40
Purchase of treasury shares	-	-	(0)	-	-	-	-	(0)
Total transactions with owners	20	168	(0)	-	-	-	-	188
Balance at December 31, 2023	7,555	23,880	(0)	(8,471)	6,151	(24)	6,127	29,091

Year ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent company							
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			Total equity
					Financial statements translation differences of foreign operations	Unrealized loss from financial assets measured at fair value through other comprehensive income	Total	
Balance at January 1, 2024	7,555	23,880	(0)	(8,471)	6,151	(24)	6,127	29,091
Profit for the year	-	-	-	2,927	-	-	-	2,927
Other comprehensive income	-	-	-	-	3,155	(120)	3,035	3,035
Total comprehensive income	-	-	-	2,927	3,155	(120)	3,035	5,962
Share options of the Company	-	116	-	-	-	-	-	116
Exercise of share options	73	73	-	-	-	-	-	146
Purchase of treasury shares	-	-	(1,000)	-	-	-	-	(1,000)
Total transactions with owners	73	189	(1,000)	-	-	-	-	(738)
Balance at December 31, 2024	7,628	24,069	(1,000)	(5,544)	9,306	(144)	9,162	34,315

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(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Cash flows from operating activities		
Profit before tax	1,063	2,062
Depreciation and amortization expenses	2,028	2,930
Interest income	(547)	(448)
Interest expense	96	73
Expected credit losses	79	37
Gain on financial assets measured at fair value through profit or loss	(253)	(289)
Gains on forfeited contingent consideration	(74)	(73)
Share-based compensation expense	188	262
Others	0	0
Change in working capital		
Trade receivables	(797)	(2,349)
Contract assets	(649)	(1,119)
Other receivables	(167)	160
Other current assets	(37)	(197)
Other non-current assets	-	(165)
Contract liabilities	7	(22)
Trade payables	493	661
Other liabilities	436	101
Other current liabilities	(14)	31
Subtotal	1,852	1,655
Interest received	548	417
Interest paid	(89)	(76)
Income taxes paid	(87)	(67)
Net cash provided by operating activities	2,224	1,929
Cash flows from investing activities		
Payments for property, plant and equipment	(118)	(74)
Payments for intangible assets	(3,229)	(4,191)
Payments for acquisition of subsidiaries	(381)	-
Withdrawal of time deposits	40,354	10,143
Placement of time deposits	(33,769)	(8,056)
Acquisition of financial assets measured at fair value through profit or loss	(889)	(78)
Proceeds from disposal of financial assets at fair value through profit or loss	72	-
Increase in guarantee deposits	(71)	(6)
Decrease in guarantee deposits	2	21
Net cash provided by (used in) investing activities	1,971	(2,241)
Cash flows from financing activities		
Proceeds from short-term borrowing	-	2,400
Repayments of short-term borrowing	(1,645)	(1,500)
Payments of lease liabilities	(606)	(692)
Proceeds from issuance of shares	0	0
Payments to acquire treasury shares	(0)	(1,000)
Net cash used in financing activities	(2,251)	(792)
Effects of exchange rate changes on cash and cash equivalents	386	466
Net increase (decrease) in cash and cash equivalents	2,330	(638)
Cash and cash equivalents at the beginning of the year	3,804	6,134
Cash and cash equivalents at the end of the year	6,134	5,496

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(5) Major Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not Applicable.

(Segment information)

The presentation of segments information is omitted as Apear Group consists of a single segment by AISaaS business.

(Revenue)

Disaggregation of revenue recognized from contracts with customers

The Group monitors sales performance by region to develop the business and allocates revenues to the region-based management units.

For the nine months ended September 30

	2023 (From January 1, 2023 to December 31, 2023)	2024 (From January 1, 2024 to December 31, 2024)
	Millions of yen	Millions of yen
Northeast Asia region	17,055	22,860
United States and Europe region	4,268	6,202
Greater China region	4,378	4,489
Southeast Asia region	717	506
	26,418	34,057

Information by region

Northeast Asia—consisting of Japan and South Korea;

United States and Europe - consisting of United States and countries in Europe including United Kingdom and France;

Greater China Region—consisting of mainland China, Taiwan and the Hong Kong Special Administrative Region; and

Southeast Asia—consisting of all other countries in the Asia-Pacific region, including Singapore, Malaysia, Philippines, Thailand, Vietnam, India, Indonesia and Australia.

(Earnings per share)

Earnings per share is based on the following:

	(Millions of yen)	
	Year ended December 31, 2023	Year ended December 31, 2024
Profit attributable to owners of the parent company (Millions of yen)	1,002	2,927
Profit adjustment (Millions of yen)	-	-
Profit for the year used to calculate diluted loss per share (Millions of yen)	1,002	2,927
Weighted average number of common shares (Shares)	101,675,032	101,980,842
Outstanding share options (Shares)	1,066,052	834,755
Adjusted for dilutive effect (Shares)	102,741,084	102,815,597
Basic earnings per share (Yen)	9.85	28.70
Diluted earnings per share (Yen)	9.75	28.47

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(Events after the reporting period)

Share Acquisition of ADYOUNEED SAS (AdCreative.ai)

Appier Group, Inc. resolved at the Board of Directors meeting held on February 12, 2025, to acquire shares of ADYOUNEED SAS, headquartered in France (hereinafter referred to as "AdCreative.ai"), and make it a wholly-owned subsidiary.

1. Overview of Business Combination

(1) Name and business of the acquiree

Name: ADYOUNEED SAS (AdCreative.ai)

Business: Provides "AdCreative.ai," an AI-driven platform that enables automatic generation of optimal ad creatives

(2) Main reasons for the business combination

① Business overview of Adcreative.ai

Adcreative.ai is an AI-powered platform that revolutionizes digital advertising creatives through advanced artificial intelligence technology. The platform employs sophisticated Generative AI models and comprehensive proprietary datasets to streamline and enhance the creative development process, enabling users to generate high-impact advertising materials optimized for various digital channels.

Its distinctive capability lies in producing conversion-optimized ad creatives, designed to maximize engagement metrics and deliver superior return on investment. The platform also offers robust analytics and performance tracking tools, allowing businesses to make data-driven decisions about their creative strategies. Additionally, its competitive analysis features provide valuable market insights, enabling organizations to position their advertising efforts more effectively within the industry context.

AdCreative.ai has established itself as a leader in Generative AI innovation, distinguished by its performance-driven methodology, intuitive user interface, and consistent delivery of premium advertising content. The platform maintains a global presence, with particular strength in the US and EU markets. Its diverse client portfolio encompasses businesses of multiple sectors, including retail, e-commerce, fashion, and various other industries. The platform's Enterprise-grade features, specifically engineered for large-scale global companies, have demonstrated early success and traction with Enterprise customers. Adcreative.ai presents strong synergy potentials with Appier's focus on the Enterprise segment.

② Synergies from the acquisition to make it a wholly owned subsidiary

a) Acceleration of Generative AI product development

The expertise of AdCreative.ai in GenAI-powered creative automation accelerates our product innovation, reinforcing our leadership in AI-driven marketing solutions.

b) Strengthen our data moat

With access to AdCreative.ai's vast creative database, our AI models can continuously learn and improve, further differentiating our platform with richer insights and higher-performing automation.

c) TAM expansion

By combining Appier's strength in APAC and Digital Content in the US with AdCreative.ai's strong presence in the e-commerce vertical in the EU, we significantly expand our addressable market and unlock new growth opportunities in Creative AI.

(3) Acquisition date

March 4, 2025 (scheduled)

(4) Percentage of voting equity interest to be acquired

100%

English Translation

This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

2. Purchase price, goodwill, identifiable assets acquired, and liabilities assumed

The total purchase price, measured at fair value, consists of a fixed cash payment (USD 27.3 million) and contingent consideration. The contingent consideration, which is subject to certain conditions, such as the achievement of specific financial performance targets, may be payable in the future.

As of February 14, 2025, the initial accounting for this acquisition—including the fair value of the total purchase price and the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date—remains incomplete. Therefore, such estimates cannot be finalized and disclosed at this time.