

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.



Consolidated Financial Results for the Six Months Ended June 30, 2025 [IFRS]

August 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

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Scheduled date for filing of semiannual securities report: August 14, 2025

Scheduled date of commencing dividend payments: –

Supplementary briefing material on Semiannual financial results: Yes

Semiannual financial results briefing: Yes (for institutional investors and analysts)

(Amounts are recorded to nearest million yen)

1. Consolidated Financial Results for the Six Months Ended June 30, 2025

(1) Consolidated Operating Results (cumulative)

(% 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		Total comprehensive income	
FY2025 Q2	19,664	26.7	2,677	47.8	879	111.3	645	39.0	592	39.0	592	39.0	(1,937)	-
FY2024 Q2	15,524	32.4	1,811	93.5	416	766.7	464	321.8	426	419.5	426	419.5	4,289	68.8

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025 Q2	5.82	5.78
FY2024 Q2	4.18	4.14

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company
As of June 30, 2025	53,660	32,298	32,298	60.2
As of December 31, 2024	44,637	34,315	34,315	76.9

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2. Dividends

(Yen)

	Annual Dividends				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Total
FY2024	-	0.00	-	2.00	2.00
FY2025	-	0.00			
FY2025 (Forecast)			-	2.25	2.25

(Note)1. Revision of most recently announced dividend forecasts: No

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

(Note) Revision of most recently announced consolidated financial results forecasts: No

(Notes)

(1) Significant Changes in the Scope of Consolidation During the Interim Period: Yes

Newly consolidated: 3 companies

Company names: ADYOUNEED SAS, ADCREATIVE AI YAZILIM ANONIM ŞİRKETİ, ADYOUNEED MOROCCO

Note: ADCREATIVE AI YAZILIM ANONIM ŞİRKETİ and ADYOUNEED MOROCCO are subsidiaries of ADYOUNEED SAS (AdCreative.ai).

(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 stock)

1) Total number of shares issued at the end of the period (including treasury stock):

As of June 30, 2025: 102,422,650 shares

As of December 31, 2024: 102,289,998 shares

2) Total number of treasury stock at the end of the period:

As of June 30, 2025: 653,563 shares

As of December 31, 2024: 653,563 shares

3) Average number of shares during the period (cumulative):

Six months ended June 30, 2025: 101,694,915 shares

Six months ended June 30, 2024: 101,965,911 shares

* The Quarterly Consolidated Financial Results for the Second Quarter (Interim Period) are not subject to review by a certified public accountant or audit firm.

* Explanation of the Proper Use of Financial Results Forecasts and Other Notes

The forward-looking statements, including the financial results forecast presented herein, are based on information currently available to the Company and on certain assumptions deemed reasonable at the time of disclosure. However, these statements are not guarantees of future performance. Actual results may differ significantly from these forecasts due to various risks and uncertainties. For the assumptions underlying the financial results forecast and related cautionary notes, please refer to “1. Qualitative Information on Consolidated Financial Results for the Period (3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast” in the Appendix.

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1. Qualitative Information on Consolidated Financial Results for the Period

(1) Explanation on Operating Results

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

Revenue for the interim consolidated accounting period was ¥19,664 million, up 26.7% year-on-year, driven by increased revenue from existing customers through up-selling and cross-selling, as well as from new customers through expansion into new regions and verticals. In addition, ARR (*1) as of June 2025 was ¥38,870 million, representing a 28.3% increase from ¥30,294 million as of June 2024.

Gross profit for the interim period was ¥10,591 million, up 32.5% year-on-year, and the gross margin was 53.9% (51.5% in the same period of the previous fiscal year).

Due to business expansion, the absolute amount of operating expenses (S&M expenses, R&D expenses, and G&A expenses) increased. However, the ratio of operating expenses to revenue declined by 0.1 percentage points, from 50.1% to 50.0% year-on-year. The ratio of R&D expenses to revenue decreased by 2.3 percentage points due to improvements in productivity and efficiency. On the other hand, the ratios of S&M expenses and G&A expenses to revenue increased by 0.9 and 1.2 percentage points, respectively, mainly due to the consolidation of a newly acquired subsidiary and M&A-related one-time transaction costs. Excluding transaction costs related to M&A, the ratio of operating expenses to revenue was 49.1%, a 1.0 percentage point decline year-on-year.

As a result, EBITDA (*3) was ¥2,677 million, an increase of ¥866 million year-on-year, and operating profit was ¥879 million, up ¥463 million year-on-year. Profit before income taxes was ¥645 million, an increase of ¥181 million year-on-year, and profit attributable to owners of the parent company was ¥592 million, an increase of ¥166 million year-on-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 June 2025 is calculated by multiplying the one-month average of recurring revenue from January 2025 to June 2025 by 12 for solutions provided under the consumption-based pricing structure, and by multiplying the recurring revenue for June 2025 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

(2) Explanation on Financial Position

(a) Assets, liabilities, and equity

(Assets)

As of the end of the interim consolidated accounting period, total assets amounted to ¥53,660 million, an increase of ¥9,023 million compared to the end of the previous fiscal year.

Current assets increased by ¥3,983 million compared to the end of the previous fiscal year, mainly due to a ¥5,080 million increase in cash and cash equivalents resulting from borrowings from financial institutions and other sources, and a ¥1,357 million increase in trade receivables and contract assets driven by higher revenue. The main factor for the decrease was a ¥3,075 million decrease in time deposits due to withdrawals.

Non-current assets increased by ¥5,040 million compared to the end of the previous fiscal year, primarily due to a ¥5,390 million increase in goodwill and intangible assets resulting from the recognition of goodwill associated with an M&A transaction.

(Liabilities)

As of the end of the interim consolidated accounting period, total liabilities amounted to ¥21,362 million, an increase of ¥11,040 million compared to the end of the previous fiscal year. Current liabilities and non-current liabilities increased by ¥4,085 million and ¥6,955 million, respectively.

The main factors contributing to the increase were a rise in other liabilities due to the recognition of a contingent consideration liability associated with an M&A transaction (up ¥1,971 million in current liabilities and ¥860 million in non-current liabilities), and an increase in borrowings from financial institutions (up ¥1,515 million in current liabilities and ¥6,360 million in non-current liabilities).

(Equity)

As of the end of the interim consolidated accounting period, total equity amounted to ¥32,298 million, a decrease of ¥2,017 million compared to the end of the previous fiscal year. The main factor for the decrease was a ¥2,529 million decline in other components of equity due to foreign exchange fluctuations, while the main factor for the increase was a ¥592 million rise in retained earnings due to the recording of profit for the interim period.

(b) Cash flows

As of the end of the interim consolidated accounting period, cash and cash equivalents totaled ¥10,576 million, an increase of ¥5,080 million compared to the end of the previous fiscal year.

The cash flow activities and their respective factors for the interim consolidated accounting period are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥721 million, compared to a net outflow of ¥165 million in the same interim period of the previous fiscal year, representing an increase in inflows of ¥886 million year-on-year. The primary factor for the increase in inflows was a ¥912 million increase in profit before tax adjusted for non-cash items, year-on-year.

(Cash flows from investing activities)

Net cash used in investing activities was ¥2,971 million, an increase in outflows of ¥1,230 million compared to the same interim period of the previous fiscal year. The main factors contributing to the increase in outflows were a ¥2,520 million increase in payments for the acquisition of a subsidiary associated with an M&A transaction and a ¥779 million increase in payments for the acquisition of other financial assets. The main factor contributing to the increase in inflows was a ¥2,363 million increase in proceeds from the net decrease in time deposits.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥7,258 million, an increase in inflows of ¥7,198 million compared to the same interim period of the previous fiscal year. The primary factor for the increase in inflows was a ¥7,800 million increase in proceeds from long-term borrowings, year-on-year.

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(3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast

The previously announced forecast for the full-year consolidated financial results remains unchanged.

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2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	5,496	10,576
Time deposits	6,727	3,652
Trade receivables	6,388	7,514
Contract assets	2,973	3,204
Other receivables	232	178
Other current assets	389	674
Other financial assets	5,794	6,184
Total current assets	27,999	31,982
Non-current assets		
Property, plant and equipment	201	169
Right-of-use assets	2,197	1,845
Goodwill and intangible assets	12,528	17,918
Deferred tax assets	1,117	1,048
Other financial assets	430	479
Other non-current assets	165	219
Total non-current assets	16,638	21,678
Total assets	44,637	53,660
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	1,500	3,015
Contract liabilities	164	533
Trade payables	3,360	3,546
Other liabilities	2,736	4,707
Current tax payables	35	51
Lease liabilities	742	771
Other current liabilities	132	131
Total current liabilities	8,669	12,754
Non-current liabilities		
Borrowings	-	6,360
Provisions	67	69
Deferred tax liabilities	49	157
Lease liabilities	1,537	1,162
Other non-current liabilities	-	860
Total non-current liabilities	1,653	8,608
Total liabilities	10,322	21,362
Equity		
Share capital	7,628	7,659
Capital surplus	24,069	23,958
Treasury shares	(1,000)	(1,000)
Retained earnings	(5,544)	(4,952)
Other components of equity	9,162	6,633
Equity attributable to owners of the parent company	34,315	32,298
Total equity	34,315	32,298
Total liabilities and equity	44,637	53,660

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(2) Condensed Interim Consolidated Statements of Profit or Loss and Condensed Interim Consolidated Statements of Comprehensive Income
Condensed Interim Consolidated Statement of Profit or Loss
For the six months ended June 30, 2025

(Millions of yen)

	2024 (From January 1, 2024 to June 30, 2024)	2025 (From January 1, 2025 to June 30, 2025)
Revenue	15,524	19,664
Cost of sales	(7,532)	(9,073)
Gross profit	7,992	10,591
Sales and marketing expenses	(4,638)	(6,056)
Research and development expenses	(2,242)	(2,389)
General and administrative expenses	(905)	(1,391)
Other income	215	131
Other expenses	(6)	(7)
Operating income	416	879
Finance income	247	79
Finance costs	(199)	(313)
Profit before tax	464	645
Income taxes	(38)	(53)
Profit for the period	426	592
Profit attributable to: Owners of the parent company	426	592
Basic earnings per share (yen)	4.18	5.82
Diluted earnings per share (yen)	4.14	5.78

For the three months ended June 30, 2025

(Millions of yen)

	2024 (From April 1, 2024 to June 30, 2024)	2025 (From April 1, 2025 to June 30, 2025)
Revenue	8,150	10,312
Cost of sales	(3,970)	(4,526)
Gross profit	4,180	5,786
Sales and marketing expenses	(2,310)	(3,201)
Research and development expenses	(1,247)	(1,156)
General and administrative expenses	(408)	(686)
Other income	139	65
Other expenses	(3)	(2)
Operating income	351	806
Finance income	127	34
Finance costs	(94)	(257)
Profit before tax	384	583
Income taxes	(15)	(26)
Profit for the period	369	557
Profit attributable to: Owners of the parent company	369	557
Basic earnings per share (yen)	3.61	5.48
Diluted earnings per share (yen)	3.58	5.46

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Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended June 30, 2025

(Millions of yen)

	2024 (From January 1, 2024 to June 30, 2024)	2025 (From January 1, 2025 to June 30, 2025)
Profit for the period	426	592
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in the fair value of an equity investment at fair value through other comprehensive income	(35)	(2)
Total items that will not be reclassified subsequently to profit or loss	(35)	(2)
Items that may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	3,898	(2,527)
Total items that may be reclassified subsequently to profit or loss	3,898	(2,527)
Total other comprehensive income for the period	3,863	(2,529)
Total comprehensive income for the period	4,289	(1,937)
Total comprehensive income attributable to: Owners of the parent company	4,289	(1,937)

For the three months ended June 30, 2025

(Millions of yen)

	2024 (From April 1, 2024 to June 30, 2024)	2025 (From April 1, 2025 to June 30, 2025)
Profit for the period	369	557
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in the fair value of an equity investment at fair value through other comprehensive income	(9)	8
Total items that will not be reclassified subsequently to profit or loss	(9)	8
Items that may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	1,883	(941)
Total items that may be reclassified subsequently to profit or loss	1,883	(941)
Total other comprehensive income for the period	1,874	(933)
Total comprehensive income for the period	2,243	(376)
Total comprehensive income attributable to: Owners of the parent company	2,243	(376)

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(3) Condensed Interim Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024 (From January 1, 2024 to June 30, 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 gains 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 period	-	-	-	426	-	-	-	426
Other comprehensive income	-	-	-	-	3,898	(35)	3,863	3,863
Total comprehensive income	-	-	-	426	3,898	(35)	3,863	4,289
Share options of the Company	-	85	-	-	-	-	-	85
Exercise of share options	31	31	-	-	-	-	-	62
Total transactions with owners	31	116	-	-	-	-	-	147
Balance at June 30, 2024	7,586	23,996	(0)	(8,045)	10,049	(59)	9,990	33,527

For the six months ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

(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, 2025	7,628	24,069	(1,000)	(5,544)	9,306	(144)	9,162	34,315
Profit for the period	-	-	-	592	-	-	-	592
Other comprehensive loss	-	-	-	-	(2,527)	(2)	(2,529)	(2,529)
Total comprehensive loss	-	-	-	592	(2,527)	(2)	(2,529)	(1,937)
Cash dividend for common shares	-	(203)	-	-	-	-	-	(203)
Share options of the Company	-	61	-	-	-	-	-	61
Exercise of share options	31	31	-	-	-	-	-	62
Total transactions with owners	31	(111)	-	-	-	-	-	(80)
Balance at June 30, 2025	7,659	23,958	(1,000)	(4,952)	6,779	(146)	6,633	32,298

(4) Condensed Interim Consolidated Statement of Cash Flows

	(Millions of yen)	
	2024	2025
	(From January 1, 2024 to June 30, 2024)	(From January 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Profit before tax	464	645
Depreciation and amortization	1,392	1,796
Interest income	(247)	(79)
Interest expense	37	117
Expected credit losses	6	25
Loss on disposal of property, plant and equipment	-	0
Gains on financial assets measured at fair value through profit or loss	(148)	(123)
Gains on forfeited contingent consideration	(58)	-
Share-based compensation expense	147	123
Others	(1)	-
Change in working capital		
Trade receivables	(1,280)	(1,611)
Contract assets	(165)	(450)
Other receivables	75	(13)
Other current assets	(212)	(136)
Other non-current assets	(125)	(55)
Contract liabilities	3	(4)
Trade payables	310	429
Other liabilities	(360)	5
Other current liabilities	(14)	(21)
Subtotal	(176)	648
Interest received	96	152
Interest paid	(40)	(49)
Income taxes paid	(45)	(30)
Net cash provided by (used in) operating activities	(165)	721
Cash flows from investing activities		
Payments for property, plant and equipment	(62)	(6)
Payments for intangible assets	(1,996)	(2,352)
Payment for acquisition of a subsidiary	-	(2,520)
Increase in other financial assets	-	(779)
Withdrawal of time deposits	3,003	4,109
Placement of time deposits	(2,634)	(1,377)
Acquisition of financial assets measured at fair value through profit or loss	(66)	(14)
Increase in guarantee deposits	(4)	(32)
Decrease in guarantee deposits	18	0
Net cash used in investing activities	(1,741)	(2,971)
Cash flows from financing activities		
Proceeds from short-term borrowing	1,400	900
Repayments of short-term borrowing	(1,000)	(700)
Proceeds from long-term borrowing	-	7,800
Repayment of long-term borrowing	-	(182)
Payment of lease liabilities	(340)	(357)
Proceeds from issuance of shares	0	0
Cash dividend paid	-	(203)
Net cash provided by financing activities	60	7,258
Effects of exchange rate changes on cash and cash equivalents	508	72
Net increase (decrease) in cash and cash equivalents	(1,338)	5,080
Cash and cash equivalents at the beginning of the period	6,134	5,496
Cash and cash equivalents at end of period	4,796	10,576

(5) Notes to Condensed Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

(Notes on Significant Changes in the Amount of Equity Attributable to Owners of the Parent Company)

Not Applicable.

(Segment Information)

The presentation of segments information is omitted as Appier 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 six months ended June 30

Management-unit	2024 (From January 1, 2024 to June 30, 2024)	2025 (From January 1, 2025 to June 30, 2025)
	Millions of yen	Millions of yen
Northeast Asia region	10,291	13,480
United States, EMEA and others	2,747	3,703
Greater China region	2,233	2,134
Southeast Asia region	253	347
	<u>15,524</u>	<u>19,664</u>

For the three months ended June 30

Management-unit	2024 (From April 1, 2024 to June 30, 2024)	2025 (From April 1, 2025 to June 30, 2025)
	Millions of yen	Millions of yen
Northeast Asia region	5,490	6,893
United States, EMEA and others	1,518	2,085
Greater China region	1,080	1,057
Southeast Asia region	62	277
	<u>8,150</u>	<u>10,312</u>

Information by region

Northeast Asia—consisting of Japan and South Korea;

United States, EMEA and others - consisting of United States, countries in EMEA including United Kingdom, France, Germany, Israel, and others;

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.

(Events after the reporting period)

Not applicable.