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# 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**

☐ **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: 001-40325**

# AppLovin Corporation
**(Exact name of registrant as specified in its charter)**

| **Delaware** | **45-3264542** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**1100 Page Mill Road**
**Palo Alto, California 94304**
**(Address of registrant's principal executive offices, including zip code)**

**(800) 839-9646**
**(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 |
|---|---|---|
| **Class A common stock, par value $0.00003 per share** | **APP** | **The Nasdaq Stock Market LLC** |

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 | ☒ | Accelerated filer | ☐ |
| Non-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 31, 2026, the number of shares (in thousands) of the registrant's Class A common stock outstanding was 304,443 and the number of shares (in thousands) of the registrant's Class B common stock outstanding was 30,208.

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## NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, and operating expenses, and our ability to achieve or maintain future profitability;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- our ability to maintain the security and availability of our advertising solutions;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to taxation, privacy, data protection and AI;
- our ability to attract and retain employees and key personnel;
- our ability to comply with evolving changes in the data protection, privacy and regulatory landscape applicable to our business;
- our expectations regarding the macroeconomic environment, political uncertainty and international conflicts around the world;
- our ability to successfully expand our AI capabilities to support the further development of our advertising solutions, including Axon AI, our advertising recommendation system;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to manage risk associated with our business;
- the demand for our advertising solutions;
- our expectations concerning relationships with third parties;
- our ability to attract and retain clients, including in new markets such as e-commerce;
- our ability to develop new products, features, and enhancements for our advertising solutions;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- our ability to successfully acquire and integrate companies and assets and to expand and diversify our operations through strategic transactions;
- our expectations regarding new and evolving markets;
- our expectations and management of future growth;
- our expectations regarding outstanding litigation and legal, tax and regulatory matters;
- our expectations regarding our share repurchase program; and
- our ability to develop and protect our brand.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

You should not rely upon 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, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events, and circumstances reflected in the forward-looking

statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, 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 made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information 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, partnerships, mergers, dispositions, joint ventures, or investments we may make.

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

## PART I – FINANCIAL INFORMATION (UNAUDITED)

### Item 1. Condensed Consolidated Financial Statements

**AppLovin Corporation**
**Condensed Consolidated Balance Sheets**
*(In thousands, except per share data)*
*(Unaudited)*

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 3,053,306 | $ 2,487,096 |
| Accounts receivable, net | 2,171,017 | 1,819,366 |
| Prepaid expenses and other current assets | 167,993 | 124,330 |
| Total current assets | 5,392,316 | 4,430,792 |
| Property and equipment, net | 111,948 | 122,445 |
| Goodwill | 1,518,587 | 1,539,986 |
| Intangible assets, net | 355,661 | 396,714 |
| Equity method investments | 289,959 | 287,666 |
| Other non-current assets | 600,660 | 482,007 |
| Total assets | $ 8,269,131 | $ 7,259,610 |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 778,942 | $ 746,977 |
| Accrued and other current liabilities | 475,016 | 586,811 |
| Total current liabilities | 1,253,958 | 1,333,788 |
| Long-term debt | 3,515,072 | 3,512,987 |
| Other non-current liabilities | 337,085 | 278,164 |
| Total liabilities | 5,106,115 | 5,124,939 |
| Commitments and contingencies (Note 5) | | |
| Stockholders' equity: | | |
| Preferred Stock, $0.00003 par value—100,000 shares authorized, no shares issued and outstanding as of June 30, 2026 and December 31, 2025 | — | — |
| Class A, Class B, and Class C Common Stock, $0.00003 par value—1,850,000 (Class A 1,500,000, Class B 200,000, Class C 150,000) shares authorized, 335,291 (Class A 305,084, Class B 30,208, Class C nil) and 338,313 (Class A 307,955, Class B 30,358, Class C nil) shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively | 11 | 11 |
| Additional paid-in capital | 575,057 | 446,550 |
| Accumulated other comprehensive loss | (73,805) | (46,987) |
| Retained earnings | 2,661,753 | 1,735,097 |
| Total stockholders' equity | 3,163,016 | 2,134,671 |
| Total liabilities and stockholders' equity | $ 8,269,131 | $ 7,259,610 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**AppLovin Corporation**
**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 | $ 1,923,686 | $ 1,258,754 | $ 3,766,135 | $ 2,417,728 |
| Costs and expenses: | | | | |
| Cost of revenue | 225,801 | 155,076 | 429,433 | 306,756 |
| Sales and marketing | 63,394 | 46,917 | 124,145 | 106,300 |
| Research and development | 99,901 | 44,032 | 194,005 | 100,438 |
| General and administrative | 40,313 | 55,047 | 84,342 | 106,570 |
| Total costs and expenses | 429,409 | 301,072 | 831,925 | 620,064 |
| Income from operations | 1,494,277 | 957,682 | 2,934,210 | 1,797,664 |
| Other income (expense): | | | | |
| Interest expense | (51,156) | (51,409) | (102,315) | (104,297) |
| Other income (expense), net | 62,405 | (22,269) | 105,039 | (14,757) |
| Total other income (expense), net | 11,249 | (73,678) | 2,724 | (119,054) |
| Income before income taxes | 1,505,526 | 884,004 | 2,936,934 | 1,678,610 |
| Provision for income taxes | 238,988 | 112,148 | 464,783 | 183,216 |
| Net income from continuing operations | 1,266,538 | 771,856 | 2,472,151 | 1,495,394 |
| Income (loss) from discontinued operations, net of income taxes | — | 47,675 | — | (99,444) |
| Net income | $ 1,266,538 | $ 819,531 | $ 2,472,151 | $ 1,395,950 |
| | | | | |
| Net income (loss) per share attributed to Class A and Class B common stockholders - Basic: | | | | |
| Continuing operations | $ 3.77 | $ 2.28 | $ 7.34 | $ 4.41 |
| Discontinued operations | — | 0.14 | — | (0.30) |
| Basic net income per share | $ 3.77 | $ 2.42 | $ 7.34 | $ 4.11 |
| | | | | |
| Net income (loss) per share attributed to Class A and Class B common stockholders - Diluted: | | | | |
| Continuing operations | $ 3.76 | $ 2.26 | $ 7.32 | $ 4.35 |
| Discontinued operations | — | 0.13 | — | (0.29) |
| Diluted net income per share | $ 3.76 | $ 2.39 | $ 7.32 | $ 4.06 |
| | | | | |
| Weighted-average common shares used to compute net income (loss) per share attributable to Class A and Class B common stockholders: | | | | |
| Basic | 335,800 | 338,617 | 336,595 | 339,224 |
| Diluted | 337,031 | 342,194 | 337,875 | 343,529 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**AppLovin Corporation**
**Condensed Consolidated Statements of Comprehensive Income**
*(In thousands)*
*(Unaudited)*

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Net income | $ 1,266,538 | $ 819,531 | $ 2,472,151 | $ 1,395,950 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustment, net of tax | (6,038) | 68,036 | (26,818) | 97,947 |
| Other comprehensive income (loss), net of tax | (6,038) | 68,036 | (26,818) | 97,947 |
| Comprehensive income | $ 1,260,500 | $ 887,567 | $ 2,445,333 | $ 1,493,897 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**AppLovin Corporation**
**Condensed Consolidated Statements of Stockholders' Equity**
*(In thousands)*
*(Unaudited)*

| | Six Months Ended June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Class A and Class B Common Stock | | Additional Paid-In Capital | Accumulated Other Comprehensive Loss | Retained Earnings | Total Stockholders' Equity |
| | Shares | Amount | | | | |
| **Balances as of December 31, 2025** | 338,313 | $ 11 | $ 446,550 | $ (46,987) | $ 1,735,097 | $ 2,134,671 |
| Stock issued in connection with equity awards | 214 | — | 597 | — | — | 597 |
| Shares withheld related to net share settlement of equity awards | (63) | — | (26,177) | — | — | (26,177) |
| Repurchase of Class A common stock | (2,170) | — | — | — | (1,013,813) | (1,013,813) |
| Stock-based compensation | — | — | 83,372 | — | — | 83,372 |
| Other comprehensive loss, net of tax | — | — | — | (20,780) | — | (20,780) |
| Net income | — | — | — | — | 1,205,613 | 1,205,613 |
| **Balances as of March 31, 2026** | 336,294 | $ 11 | $ 504,342 | $ (67,767) | $ 1,926,897 | $ 2,363,483 |
| Stock issued in connection with equity awards | 143 | — | 4,683 | — | — | 4,683 |
| Shares withheld related to net share settlement of equity awards | (41) | — | (19,577) | — | — | (19,577) |
| Repurchase of Class A common stock | (1,105) | — | — | — | (531,682) | (531,682) |
| Stock-based compensation | — | — | 85,609 | — | — | 85,609 |
| Other comprehensive loss, net of tax | — | — | — | (6,038) | — | (6,038) |
| Net income | — | — | — | — | 1,266,538 | 1,266,538 |
| **Balances as of June 30, 2026** | 335,291 | $ 11 | $ 575,057 | $ (73,805) | $ 2,661,753 | $ 3,163,016 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**AppLovin Corporation**
**Condensed Consolidated Statements of Stockholders' Equity**
*(In thousands)*
*(Unaudited)*

| | Six Months Ended June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Class A and Class B Common Stock | | Additional Paid-In Capital | Accumulated Other Comprehensive Loss | Retained Earnings | Total Stockholders' Equity |
| | Shares | Amount | | | | |
| **Balances as of December 31, 2024** | 340,042 | $ 11 | $ 593,699 | $ (103,096) | $ 599,204 | $ 1,089,818 |
| Stock issued in connection with equity awards | 1,674 | — | 5,329 | — | — | 5,329 |
| Shares withheld related to net share settlement of equity awards | (422) | — | (185,667) | — | — | (185,667) |
| Repurchase of Class A common stock | (2,932) | — | — | — | (1,001,670) | (1,001,670) |
| Stock-based compensation | — | — | 61,281 | — | — | 61,281 |
| Other comprehensive income, net of tax | — | — | — | 29,911 | — | 29,911 |
| Net income | — | — | — | — | 576,419 | 576,419 |
| **Balances as of March 31, 2025** | 338,362 | $ 11 | $ 474,642 | $ (73,185) | $ 173,953 | $ 575,421 |
| Stock issued in connection with equity awards | 1,348 | — | 9,495 | — | — | 9,495 |
| Shares withheld related to net share settlement of equity awards | (195) | — | (70,983) | — | — | (70,983) |
| Repurchase of Class A common stock | (732) | — | — | — | (270,118) | (270,118) |
| Stock-based compensation | — | — | 35,745 | — | — | 35,745 |
| Other comprehensive income, net of tax | — | — | — | 68,036 | — | 68,036 |
| Net income | — | — | — | — | 819,531 | 819,531 |
| **Balances as of June 30, 2025** | 338,783 | $ 11 | $ 448,899 | $ (5,149) | $ 723,366 | $ 1,167,127 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**AppLovin Corporation**
**Condensed Consolidated Statements of Cash Flows**
*(In thousands)*
*(Unaudited)*

| | Six Months Ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| **Operating Activities** | | |
| Net income | $ 2,472,151 | $ 1,395,950 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Amortization, depreciation and write-offs | 66,228 | 126,940 |
| Goodwill impairment | — | 188,943 |
| Stock-based compensation, excluding cash-settled awards | 168,981 | 97,026 |
| Gain on divestiture, net of transaction costs | — | (106,229) |
| Other | (42,130) | 41,617 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (352,557) | (291,551) |
| Prepaid expenses and other assets | (56,890) | 20,691 |
| Accounts payable | 29,617 | 39,040 |
| Accrued and other liabilities | (124,967) | 91,511 |
| Net cash provided by operating activities | 2,160,433 | 1,603,938 |
| **Investing Activities** | | |
| Proceeds from divestiture, net of cash divested | — | 424,702 |
| Purchase of non-marketable equity securities | — | (18,678) |
| Other investing activities | (7,688) | (27,140) |
| Net cash provided by (used in) investing activities | (7,688) | 378,884 |
| **Financing Activities** | | |
| Repurchases of common stock | (1,532,952) | (1,272,429) |
| Payment of withholding taxes related to net share settlement | (46,451) | (256,650) |
| Principal repayments of debt | — | (200,000) |
| Payments of licensed asset obligation | — | (13,532) |
| Proceeds from issuance of debt | — | 200,000 |
| Other financing activities | (3,248) | 3,017 |
| Net cash used in financing activities | (1,582,651) | (1,539,594) |
| Effect of foreign exchange rate on cash and cash equivalents | (3,884) | 7,969 |
| Net increase in cash and cash equivalents, including cash from discontinued operations | 566,210 | 451,197 |
| Less: net decrease in cash from discontinued operations | — | (44,381) |
| Net increase in cash and cash equivalents | 566,210 | 495,578 |
| Cash and cash equivalents at beginning of the period | 2,487,096 | 697,030 |
| Cash and cash equivalents at end of the period | $ 3,053,306 | $ 1,192,608 |
| | | |
| **Supplemental non-cash investing and financing activities disclosures:** | | |
| Non-cash consideration received from divestiture | $ — | $ 285,000 |
| Transaction cost in connection with divestiture not yet paid | $ — | $ 17,405 |
| Right-of-use assets obtained in exchange for lease obligations, net of modifications | $ 60,319 | $ (33,188) |
| Repurchases of common stock included in accrued liabilities | $ 18,457 | $ — |
| Acquisitions of software licenses not yet paid | $ 11,897 | $ — |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 99,653 | $ 99,553 |
| Cash paid for income taxes, net of refunds | $ 639,820 | $ 100,621 |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**AppLovin Corporation**
**Notes to Condensed Consolidated Financial Statements**
*(Unaudited)*

## 1. Description of Business and Summary of Significant Accounting Policies

### *Description of Business*

AppLovin Corporation (the “Company” or “AppLovin”) was incorporated in the state of Delaware on July 18, 2011. The Company is a leader in the advertising industry providing end-to-end advertising solutions that allow businesses to reach, monetize, and grow their global audiences.

The Company is headquartered in Palo Alto, California, and has several operating locations in the U.S. as well as various international office locations in North America, Asia, and Europe.

### *Basis of Presentation*

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial reporting. 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. Therefore, the unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company’s Annual Report on Form 10-K filed with the SEC on February 19, 2026 (the "Annual Report"). The condensed consolidated balance sheet data as of December 31, 2025 was derived from the audited consolidated financial statements at that date but does not include all disclosures required by GAAP. The accompanying unaudited condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for the fair presentation of the Company’s financial position, results of operations, cash flows, and stockholders’ equity for the interim periods presented. The results of operations for the three and six months ended June 30, 2026 shown in this report are not necessarily indicative of the results to be expected for the full year ending December 31, 2026 or any other period.

Certain prior period amounts reported in the Company's condensed consolidated financial statements and accompanying notes have been reclassified to conform to the current period presentation where applicable. Amounts presented may not sum due to rounding.

### *Basis of Consolidation*

The Company's condensed consolidated financial statements include accounts and operations of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

### *Use of Estimates*

The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the condensed consolidated financial statements and accompanying notes. The Company bases its estimates on assumptions that are believed to be reasonable under the circumstances. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to valuation of long-lived assets and their associated estimated useful lives, valuation of goodwill, valuation of non-marketable equity securities and other financial instruments, valuation of equity method investments, income taxes, stock-based compensation, and other contingent liabilities. These estimates are inherently subject to judgment and actual results could differ materially from those estimates.

### *Significant Accounting Policies*

There have been no material changes to the Company's significant accounting policies included in its Annual Report.

***Recent Accounting Pronouncements (Issued and Adopted)***

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Inte*rnal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software*, which provides updated recognition and disclosure framework for internal-use software costs. The amendments will be effective for annual periods beginning after December 15, 2027, and interim periods within those annual reporting periods. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. The Company elected to early adopt this ASU on January 1, 2026 with no material impact on its condensed consolidated financial statements.

***Recent Accounting Pronouncements (Issued Not Yet Adopted)***

In November 2024, the FASB issued ASU 2024-03, *Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures*, which requires disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement. The amendments will be effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies the applicability of the interim reporting guidance, the types of interim reporting, and the form and content of interim financial statements in accordance with U.S. GAAP. Per the FASB, the amendment does not intend to change the fundamental nature of interim reporting or expand or reduce current interim disclosure requirements but rather provide clarity and improve navigability of the existing interim reporting requirements. The amendments will be effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

**2. Discontinued Operations**

***Divestiture***

On June 30, 2025, the Company completed the sale of certain wholly-owned subsidiaries that operate the Company’s Apps business (the “Apps Business”), as part of its strategic effort to divest non-core assets and dedicate its resources to advancing its advertising business. In connection with the transaction, the Company received $715.6 million in total consideration, consisting of $430.6 million in cash and 596.9 million ordinary shares of Tripledot, valued at $285.0 million. The cash consideration of $430.6 million included $400.0 million as specified in the purchase agreement and $30.6 million in purchase price adjustments in accordance with the terms of the purchase agreement. The Tripledot shares received represented approximately 22% of its outstanding ordinary shares and 20% of its fully diluted equity capitalization as of the closing date, and were accounted for as an equity method investment.

For tax purposes, the transfer of certain Apps Business subsidiaries was treated as an asset sale, resulting in a $125.6 million write-off of deferred tax assets, which was included in the provision for income taxes from discontinued operations. The Company derecognized the remaining net assets of $591.2 million and recorded a pre-tax gain of $106.2 million in discontinued operations after giving effect to $18.3 million of transaction costs. The transaction also resulted in a capital loss for income tax purposes of $204.3 million, which was fully offset by a valuation allowance.

The following table summarizes the results of the Apps Business presented as income (loss) from discontinued operations, net of income taxes, in the condensed consolidated statements of operations for the three and six months ended June 30, 2025 (in thousands):

| | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2025 |
|---|---|---|
| Revenue | $ 315,783 | $ 640,830 |
| Costs and expenses: | | |
| Cost of revenue | 89,890 | 209,442 |
| Sales and marketing | 118,974 | 242,547 |
| Research and development | 63,786 | 130,298 |
| General and administrative | 1,224 | 4,202 |
| Goodwill impairment | — | 188,943 |
| Total costs and expenses | 273,874 | 775,432 |
| Income (loss) from operations | 41,909 | (134,602) |
| Other income: | | |
| Gain on divestiture, net of transaction costs | 106,229 | 106,229 |
| Other income, net | 1,220 | 1,519 |
| Total other income, net | 107,449 | 107,748 |
| Income (loss) from discontinued operations before income taxes | 149,358 | (26,854) |
| Provision for income taxes | 101,683 | 72,590 |
| Income (loss) from discontinued operations, net of income taxes | $ 47,675 | $ (99,444) |

The following table summarizes significant non-cash operating items and capital expenditures related to discontinued operations, as reflected in the condensed consolidated statements of cash flows for the six months ended June 30, 2025 (in thousands):

| | Six Months Ended June 30, 2025 |
|---|---|
| Amortization, depreciation and write-offs | $ 64,054 |
| Stock-based compensation | $ 3,663 |
| Goodwill impairment | $ 188,943 |
| Acquisition of intangible assets | $ 22,429 |

***Goodwill Impairment***

The Company evaluates goodwill for impairment at the reporting unit level on an annual basis, or more frequently if events or changes in circumstances indicate that goodwill may be impaired.

On February 12, 2025, the Company entered into a non-binding term sheet to sell its Apps Business to Tripledot. As of March 31, 2025, the Apps Business was not classified as held for sale, as the criteria required for such classification had not yet been met. However, the Company identified the non-binding term sheet combined with negotiations throughout the first quarter of 2025 to sell the Apps Business as an indicator of impairment for the Apps reporting unit and performed an interim quantitative goodwill impairment test as of March 31, 2025. Based on this assessment, the Company determined that the carrying amount of the Apps reporting unit exceeded its estimated fair value and recorded a non-cash goodwill impairment charge of $188.9 million. This charge was included in loss from discontinued operations, net of income taxes, for the six months ended June 30, 2025.

At the time the interim impairment test was performed, the Company had not yet determined the fair value of the total consideration, which was subject to the valuation of the equity consideration at the closing of the transaction. As a result, the Company estimated the fair value of the Apps reporting unit using the discounted cash flow method of the income approach. Key valuation inputs included projected future cash flows, risk-adjusted discount rates and long-term growth rates, which were based on management's estimates and assumptions believed to be reasonable and reflective of known market conditions as of the interim impairment test date. The resulting fair value measurement is classified as Level 3 within the fair value hierarchy due to the use of significant unobservable inputs.

## 3. Revenue

***Revenue from Contracts with Customers***

The Company generates substantially all of its revenue from AppLovin Ads, the Company's AI-powered demand-side advertising solution that deploys advertiser capital at their return goals. The Company's performance obligation is to provide customers with access to its advertising solution, which facilitates the advertisers' purchase of advertising inventory from publishers primarily on an impression or action basis.

The Company does not control the advertising inventory prior to its transfer to the advertiser because it does not have the substantive ability to direct the use of, or obtain substantially all of the remaining benefits from, the advertising inventory. In addition, the Company is not primarily responsible for fulfillment. Therefore, the Company is an agent in these arrangements and presents revenue net of advertising inventory costs.

The transaction price is determined dynamically based on advertisers' campaign goals, less consideration paid or payable to publishers. Revenue is recognized for impression-based arrangements when an ad impression is delivered, and for action-based arrangements when the specified action (such as a click or install) occurs.

The Company's terms and conditions generally stipulate payment terms of 30 days after the end of the month. Substantially all of the Company's contracts with customers are cancelable at any time.

Revenue from other services was not material for any period presented.

The Company presents taxes collected from customers and remitted to governmental authorities on a net basis.

***Disaggregation of Revenue***

Revenue disaggregated by geography, based on user location, consists of the following (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| United States | $ 989,626 | $ 658,321 | $ 1,896,845 | $ 1,274,024 |
| Rest of the world | 934,060 | 600,433 | 1,869,290 | 1,143,704 |
| Total revenue | $ 1,923,686 | $ 1,258,754 | $ 3,766,135 | $ 2,417,728 |

## 4. Financial Instruments and Fair Value Measurements

***Financial Instruments Measured at Fair Value by Level on a Recurring Basis***

As of June 30, 2026 and December 31, 2025, the Company held $201.2 million and $200.1 million in money market funds, respectively, which were classified as Level 1 within the fair value hierarchy.

***Non-Marketable Equity Securities Measured at Net Asset Value***

The Company held equity interests in certain private equity funds of $173.0 million and $118.7 million as of June 30, 2026 and December 31, 2025, respectively, which are measured using the net asset value ("NAV") practical expedient and accordingly, are not classified within the fair value hierarchy. Under the NAV practical expedient, the Company records investments based on the proportionate share of the underlying funds' NAV as of the Company's reporting date. These investments are included in other non-current assets in the Company's condensed consolidated balance sheets.

These funds vary in investment strategies and generally have an initial term of 7 to 10 years, which may be extended for 2 to 3 additional years with the applicable approval. These investments are subject to certain restrictions regarding transfers and withdrawals and generally cannot be redeemed with the funds. Distributions from the funds will be received as the underlying investments are liquidated. The Company's maximum exposure to loss is limited to the carrying value of these investments of $173.0 million and the remaining unfunded commitments of $2.9 million as of June 30, 2026.

During the three and six months ended June 30, 2026, the Company made no significant capital contributions related to these investments. Unrealized gains on these investments were $31.3 million and $50.6 million, respectively, for the three and six months ended June 30, 2026, and were not material for the three and six months ended June 30, 2025.

***Non-Marketable Equity Securities Measured at Fair Value on a Non-Recurring Basis***

The Company's non-marketable equity securities are investments in privately held companies without readily determinable fair values. The Company elected the measurement alternative to account for these investments. Under the measurement alternative, the carrying value of the non-marketable equity securities is adjusted based on price changes from observable transactions of identical or similar securities of the same issuer or for impairment. Any changes in carrying value are recorded within other income, net in the Company's condensed consolidated statement of operations. These investments are classified as Level 3 when measured due to impairment or qualifying observable price changes, as the valuation incorporates observable transaction prices and significant unobservable inputs.

As of June 30, 2026 and December 31, 2025, the carrying amounts of the Company's non-marketable equity securities were $19.6 million and $19.6 million, respectively, and were included in other non-current assets in the Company's condensed consolidated balance sheets. During the three and six months ended June 30, 2026, there was no impairment or adjustment due to observable prices related to these investments.

**5. Commitments and Contingencies**

***Commitments***

As of June 30, 2026, the Company's non-cancelable minimum purchase commitments were primarily related to a multi-year contractual arrangement with a cloud computing services provider. In August 2024, the Company amended its agreement with the provider, committing to spending a minimum of $1.3 billion over a three-year period. By June 30, 2026, the Company had made payments of $953.5 million towards this commitment.

***Contingencies***

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated.

***Legal Proceedings***

The Company is involved from time to time in litigation, claims, and proceedings. The outcomes of the Company's legal proceedings are inherently unpredictable and subject to significant uncertainty.

The Company records a liability for loss contingencies when it is probable that a loss has been incurred and the amount can be reasonably estimated. If a loss is reasonably possible and the amount or range of loss can be reasonably estimated, the Company discloses the estimated loss or range of loss. The Company monitors legal matters and evaluates developments that could affect previously accrued amounts or related disclosure, or whether a previously unaccrued or undisclosed matter requires accrual or disclosure, and adjusts accruals and disclosures as appropriate. Determining the likelihood of loss and the amount or range of loss involves significant judgment.

Based on its current knowledge, the Company does not believe the ultimate resolution of its outstanding legal and regulatory matters will have a material adverse effect on the Company's business, financial position, results of operations, or cash flows. However, if one or more of these matters were resolved against the Company for amounts in excess of the Company's expectations, the Company's results of operations, financial position, or cash flows could be materially affected.

As of June 30, 2026 and December 31, 2025, the Company had no material loss contingencies related to legal proceedings for which accrual or disclosure was required.

The Company expenses legal fees in the period in which they are incurred.

***Indemnifications***

The Company enters into indemnification provisions under agreements with other parties in the ordinary course of business, including certain customers, business partners, investors, contractors and the Company's officers, directors and certain employees. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, losses recorded in the Company's condensed consolidated statements of operations in connection with the indemnification provisions have not been material. As of June 30, 2026, the Company did not have any material indemnification claims that were probable or reasonably possible.

***Non-income Taxes***

The Company may be subject to audit by various tax authorities with regard to non-income tax matters. The subject matter of non-income tax audits primarily arises from different interpretations on tax treatment and tax rates applied. The Company accrues liabilities for non-income taxes that may result from examinations by, or any negotiated agreements with, these tax authorities when a loss is probable and reasonably estimable. If a loss is reasonably possible and the loss or range of loss can be estimated, the Company discloses the reasonably possible loss.

**6. Goodwill and Intangible Assets, Net**

The following table presents the changes in the carrying amount of goodwill (in thousands):

| | |
|---|---|
| Balance as of December 31, 2025 | $ 1,539,986 |
| Foreign currency translation | (21,399) |
| Balance as of June 30, 2026 | $ 1,518,587 |

Intangible assets, net consisted of the following (in thousands):

| | Weighted-Average Remaining Useful Life (in years) | As of June 30, 2026 | | | As of December 31, 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Gross Carrying Value | Accumulated Amortization | Net Book Value | Gross Carrying Value | Accumulated Amortization | Net Book Value |
| Customer relationships | 5.9 | $ 523,803 | $ (243,163) | $ 280,640 | $ 528,207 | $ (218,736) | $ 309,471 |
| Developed technology | 1.3 | 208,724 | (175,053) | 33,671 | 210,708 | (159,274) | 51,434 |
| Other | 2.8 | 78,207 | (36,857) | 41,350 | 65,790 | (29,981) | 35,809 |
| Total intangible assets | | $ 810,734 | $ (455,073) | $ 355,661 | $ 804,705 | $ (407,991) | $ 396,714 |

The Company recorded amortization expense related to intangible assets as follows (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Cost of revenue | $ 12,009 | $ 9,556 | $ 23,816 | $ 18,859 |
| Sales and marketing | 13,592 | 13,796 | 27,526 | 27,322 |
| Total | $ 25,601 | $ 23,352 | $ 51,342 | $ 46,181 |

**7. Equity**

The Company's board of directors authorized a share repurchase program in February 2022 for the Company's Class A common stock and has authorized additional amounts under the program from time to time, including an additional $3.2 billion authorized in 2025. As of December 31, 2025, $3.3 billion remained available for repurchases under the program. During the six months ended June 30, 2026, the Company repurchased and subsequently retired 3,275,252 shares of Class A common stock for an aggregate amount, including commissions, taxes, and fees, of $1.5 billion. As of June 30, 2026, $1.8 billion remained available for repurchases under the program.

Repurchases may be made from time to time through open market purchases or through privately negotiated transactions, subject to market conditions, applicable legal requirements, including surplus and solvency requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of shares. The repurchase program does not obligate the Company to acquire any particular amount of Class A common stock, has no expiration date and may be modified, suspended, or terminated at any time at the Company's discretion.

The Company retires its Class A common stock upon repurchase, and records the excess of repurchase price over par value for shares repurchased to retained earnings to the extent the Company has retained earnings. If the Company has an accumulated deficit, the Company records the excess of repurchase price over par value for shares repurchased first to additional paid-in capital, to the extent the Company has additional paid-in capital, until depleted, and then to accumulated deficit in the Company’s condensed consolidated statements of stockholders’ equity.

**8. Stock-based Compensation**

The Company maintains three equity compensation plans that provide for the issuance of shares of its common stock to the Company's employees, directors, consultants and other service providers: the 2021 Equity Incentive Plan, the 2021 Partner Studio Incentive Plan, and the 2021 Employee Stock Purchase Plan. There were no material equity award issuances during the three and six months ended June 30, 2026.

Stock-based compensation included in the Company's condensed consolidated statements of operations is as follows (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Cost of revenue | $ 35 | $ 100 | $ 94 | $ 1,200 |
| Sales and marketing | 2,567 | 6,105 | 5,799 | 22,071 |
| Research and development | 68,946 | 17,207 | 136,320 | 45,000 |
| General and administrative | 14,235 | 11,140 | 27,039 | 25,396 |
| Stock-based compensation from continuing operations | 85,783 | 34,552 | 169,252 | 93,667 |
| Stock-based compensation from discontinued operations | — | 1,395 | — | 3,663 |
| Total stock-based compensation | $ 85,783 | $ 35,947 | $ 169,252 | $ 97,330 |

**9. Earnings Per Share**

The rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to 20 votes per share. Each share of Class B common stock is convertible into one share of Class A common stock voluntarily at any time by the holder, and automatically upon certain events. The Class A common stock has no conversion rights. As the liquidation and dividend rights are identical for Class A and Class B common stock, the undistributed earnings are allocated on a proportional basis and the resulting net income per share attributable to common stockholders will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

The following table sets forth the computation of basic and diluted net income per share attributable to common stockholders (in thousands, except per share data):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Basic EPS:** | | | | |
| Numerator: | | | | |
| Net income from continuing operations | $ 1,266,538 | $ 771,856 | $ 2,472,151 | $ 1,495,394 |
| Less: income attributable to participating securities | — | (194) | — | (374) |
| Net income from continuing operations attributable to common stockholders - Basic | 1,266,538 | 771,662 | 2,472,151 | 1,495,020 |
| Income (loss) from discontinued operations, net of income taxes, attributable to common stockholders - Basic | — | 47,663 | — | (99,420) |
| Net income attributable to common stockholders - Basic | $ 1,266,538 | $ 819,325 | $ 2,472,151 | $ 1,395,600 |
| Denominator: | | | | |
| Weighted-average shares used in computing net income (loss) per share - Basic | 335,800 | 338,617 | 336,595 | 339,224 |
| **Net income (loss) per share attributed to Class A and Class B common stockholders - Basic:** | | | | |
| Continuing operations | $ 3.77 | $ 2.28 | $ 7.34 | $ 4.41 |
| Discontinued operations | — | 0.14 | — | (0.30) |
| Basic net income per share | $ 3.77 | $ 2.42 | $ 7.34 | $ 4.11 |
| | | | | |
| **Diluted EPS:** | | | | |
| Numerator: | | | | |
| Net income from continuing operations attributable to common stockholders - Basic | $ 1,266,538 | $ 771,662 | $ 2,472,151 | $ 1,495,020 |
| Re-allocation of participating securities considered potentially dilutive securities | — | 2 | — | 5 |
| Net income from continuing operations attributable to common stockholders - Diluted | 1,266,538 | 771,664 | 2,472,151 | 1,495,025 |
| Income (loss) from discontinued operations, net of income taxes, attributable to common stockholders - Diluted | — | 47,663 | — | (99,420) |
| Net income attributable to common stockholders - Diluted | $ 1,266,538 | $ 819,327 | $ 2,472,151 | $ 1,395,605 |
| Denominator: | | | | |
| Weighted-average shares used in computing net income (loss) per share - Basic | 335,800 | 338,617 | 336,595 | 339,224 |
| Weighted-average dilutive stock awards | 1,231 | 3,577 | 1,280 | 4,305 |
| Weighted-average shares used in computing net income (loss) per share - Diluted | 337,031 | 342,194 | 337,875 | 343,529 |
| **Net income (loss) per share attributed to Class A and Class B common stockholders - Diluted:** | | | | |
| Continuing operations | $ 3.76 | $ 2.26 | $ 7.32 | $ 4.35 |
| Discontinued operations | — | 0.13 | — | (0.29) |
| Diluted net income per share | $ 3.76 | $ 2.39 | $ 7.32 | $ 4.06 |

| | As of June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Anti-dilutive potential common stock excluded | 107 | 148 |

**10. Income Taxes**

The Company is subject to income taxes in the U.S. and in foreign jurisdictions. The Company bases the interim tax accruals on an estimated annual effective tax rate applied to year-to-date income and records the discrete tax items in the period to which they relate. Each quarter, the Company updates the estimated annual effective tax rate and makes a year-to-date adjustment to the tax provision as necessary. The Company's calendar year 2026 annual effective tax rate differs from the U.S. statutory rate primarily due to jurisdictional mix of earnings and foreign-derived income deduction.

During the six months ended June 30, 2026, there were no material changes to the Company's unrecognized tax benefits, and the Company does not expect material changes in unrecognized tax benefits within the next twelve months.

**11. Segment**

The Company determines its operating segments based on how its Chief Operating Decision Maker ("CODM") manages the business, allocates resources, makes operating decisions and evaluates operating performance. The Company's CODM is its Chief Executive Officer.

The Company operates as a single operating and reportable segment, providing end-to-end advertising solutions through AppLovin Ads, MAX, Adjust, and Wurl. Revenue is primarily generated from fees paid by advertisers for advertisements placed in mobile applications owned by third-party publishers. As described in Note 2 – Discontinued Operations, the former Apps Business is classified as discontinued operations and excluded from segment results for all periods presented.

As a single reportable segment entity, the Company has determined that its measure of profit or loss is net income from continuing operations, which is the measure most consistent with U.S. GAAP. The CODM uses net income from continuing operations to allocate resources during the annual budgeting and forecasting process, evaluate operating strategies, and assess performance across periods.

The table below is a summary of the segment net income from continuing operations, including significant segment expenses (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue | $ 1,923,686 | $ 1,258,754 | $ 3,766,135 | $ 2,417,728 |
| Less: | | | | |
| Datacenter costs | 180,984 | 128,898 | 343,213 | 251,256 |
| Personnel related expenses | 51,968 | 50,764 | 103,481 | 105,955 |
| Interest expense | 51,156 | 51,409 | 102,315 | 104,297 |
| Provision for income taxes | 238,988 | 112,148 | 464,783 | 183,216 |
| Amortization, depreciation and write-offs | 32,563 | 31,064 | 66,228 | 63,010 |
| Stock-based compensation | 85,783 | 34,552 | 169,252 | 93,667 |
| Other expenses[1] | 15,706 | 78,063 | 44,712 | 120,933 |
| Net income from continuing operations | $ 1,266,538 | $ 771,856 | $ 2,472,151 | $ 1,495,394 |

[1] Other expenses include professional services costs, facilities costs, advertising costs, software costs, and other individually insignificant costs.

**12. Related Party Transactions**

During the three and six months ended June 30, 2026, the Company recognized $18.0 million and $42.9 million, respectively, in revenue related to Tripledot and its subsidiaries' use of AppLovin Ads, reflecting their advertiser spend net of amounts paid or payable to them as publishers.

The Company had no other material related party transactions for the three and six months ended June 30, 2026 and 2025.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" and other parts of this Quarterly Report on Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Overview

Our mission is to create meaningful connections between companies and their ideal customers. We provide end-to-end AI-powered advertising solutions for businesses to reach, monetize, and grow their global audience. Our scaled business model is intricately linked to the advertising ecosystem, providing a durable competitive advantage. We generate revenue when our advertisers achieve their return on advertising spend targets with our advertising solutions, ensuring that their success directly fuels our growth.

Since our founding in 2011, we have been focused on building advertising solutions for advertisers to improve the marketing and monetization of their content. Our founders, who were mobile app developers themselves, quickly realized the real impediment to success and growth in the advertising ecosystem was a discovery and monetization problem—breaking through the congested app stores to efficiently find users and successfully grow their business. Their first-hand experience with these challenges led to the development of our infrastructure and advertising solutions.

### Our Business Model

We primarily generate revenue from fees paid by advertisers who use our advertising solutions to grow and monetize their content. We are able to grow our revenue by improving our various technologies, including improvements to our Axon AI recommendation system.

Advertising clients include a wide variety of advertisers, from indie developer studios to some of the largest global internet platforms, such as Meta and Google. We see multiple opportunities to gain new clients, and to increase spend from existing clients, as we help them grow their businesses and make them more successful.

Our advertising solutions include AppLovin Ads, MAX, Adjust, and Wurl. Clients use AppLovin Ads to automate, optimize, and manage customer acquisition. They set marketing and transaction goals, and AppLovin Ads maximizes advertising spend at their return on advertising spend targets and other marketing objectives. AppLovin Ads comprises the vast majority of revenue. Revenue represents the dynamically-priced amount charged to advertisers based on their campaign goals, less consideration paid or payable to publishers.

Publishers use MAX to optimize the sale of their app advertising inventory to demand-side platforms and ad networks. The MAX tool provides insights to manage against key performance indicators, understand the long-term value of users, and help manage profitability. Revenue from MAX is generated based on a percentage of winning auction spend. As demand-side platforms continue to improve their recommendation systems and more apps adopt in-app advertising, we expect growth in the adoption of, and revenue from, MAX.

Advertising clients use Adjust's measurement and analytics marketing platform to better understand their users' journey while allowing marketers to make smarter decisions through measurement, attribution and fraud prevention. Revenue from Adjust is primarily generated from an annual software subscription fee.

Advertising clients use Wurl's connected TV ("CTV") platform to distribute streaming video and maximize revenue. Revenue from Wurl is primarily generated from content companies and streamers typically on a usage-based and/or CPM model.

### Non-GAAP Financial Measures

#### *Adjusted EBITDA and Adjusted EBITDA Margin*

We define Adjusted EBITDA for a particular period as net income adjusted for loss (income) from discontinued operations, net of income taxes, interest expense, other (income) expense, net (excluding certain recurring items), provision for income taxes, amortization, depreciation and write-offs and as further adjusted for stock-based compensation, transaction-related expense, restructuring costs, and non-operating foreign exchange gain, as we

believe these items are not reflective of our core operating performance. We define Adjusted EBITDA margin as Adjusted EBITDA divided by revenue for the same period.

Adjusted EBITDA and Adjusted EBITDA margin are key measures we use to assess our financial performance and are also used for internal planning and forecasting purposes. We believe Adjusted EBITDA and Adjusted EBITDA margin are helpful to investors, analysts, and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. In addition, these measures are frequently used by analysts, investors, and other interested parties to evaluate and assess performance. We use Adjusted EBITDA and Adjusted EBITDA margin in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and are presented for supplemental informational purposes only and should not be considered as alternatives or substitutes to financial information presented in accordance with GAAP. These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Thus, our Adjusted EBITDA and Adjusted EBITDA margin should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

The following table provides our Adjusted EBITDA and Adjusted EBITDA margin for the three and six months ended June 30, 2026 and 2025, and a reconciliation of net income to Adjusted EBITDA:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (In thousands, except percentages) | | | |
| Revenue | $ 1,923,686 | $ 1,258,754 | $ 3,766,135 | $ 2,417,728 |
| Net income | 1,266,538 | 819,531 | 2,472,151 | 1,395,950 |
| Net margin | 65.8% | 65.1% | 65.6% | 57.7% |
| Loss (income) from discontinued operations, net of income taxes | — | (47,675) | — | 99,444 |
| Net income from continuing operations | 1,266,538 | 771,856 | 2,472,151 | 1,495,394 |
| Net margin from continuing operations | 65.8% | 61.3% | 65.6% | 61.9% |
| Adjusted as follows: | | | | |
| Interest expense | 51,156 | 51,409 | 102,315 | 104,297 |
| Other (income) expense, net[1] | (59,863) | 12,798 | (101,223) | 4,154 |
| Provision for income taxes | 238,988 | 112,148 | 464,783 | 183,216 |
| Amortization, depreciation and write-offs | 32,563 | 31,064 | 66,228 | 63,010 |
| Non-operating foreign exchange gain | (2,364) | (1,210) | (3,630) | (1,530) |
| Stock-based compensation | 85,783 | 34,552 | 169,252 | 93,667 |
| Transaction-related expense | 59 | 5,097 | 10 | 9,680 |
| Restructuring costs | 963 | 633 | 856 | 4,231 |
| Adjusted EBITDA | $ 1,613,823 | $ 1,018,347 | $ 3,170,742 | $ 1,956,119 |
| Adjusted EBITDA margin | 83.9% | 80.9% | 84.2% | 80.9% |

[1] Excludes recurring operational foreign exchange gains and losses.

***Free Cash Flow***

We define Free Cash Flow as net cash provided by operating activities less purchases of property and equipment and principal payment of finance leases. We use Free Cash Flow to help manage the health of our business, prepare budgets and for capital allocation purposes. We believe Free Cash Flow provides useful supplemental information to help investors understand underlying trends in our business and our liquidity. Free Cash Flow also reflects cash flows from both continuing and discontinued operations. Our definition may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish Free Cash Flow or similar metrics. Thus, our Free Cash Flow should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP.

The following table provides our Free Cash Flow for the six months ended June 30, 2026 and 2025, and a reconciliation of net cash provided by operating activities to Free Cash Flow:

| | Six Months Ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| | (In thousands) | |
| Net cash provided by operating activities | $ 2,160,433 | $ 1,603,938 |
| Less: | | |
| Purchase of property and equipment | (1,840) | (180) |
| Principal payments of finance leases | (8,528) | (9,964) |
| Free Cash Flow | $ 2,150,065 | $ 1,593,794 |
| Net cash provided by (used in) investing activities | $ (7,688) | $ 378,884 |
| Net cash used in financing activities | $ (1,582,651) | $ (1,539,594) |

**Factors Affecting Our Performance**

We believe that the future success of our business depends on many factors, including the factors described below.

***Continue to invest in innovation***

We have made, and intend to continue to make, significant investments in our advertising solutions to enhance their effectiveness and value proposition for our clients. We expect to continue to invest in our technology and to incur related costs, including costs to attract and retain critical engineering talent, such as stock-based compensation, as well as datacenter costs as we continue to launch enhancements to our Axon AI recommendation system. We believe investments in our technology will further improve effectiveness for advertisers. Our investments will also allow us to continue to enter into and expand into new verticals outside of gaming, such as e-commerce and CTV. We also continue to opportunistically explore strategic transactions related to our advertising solutions and the expansion of the markets we serve.

***Attract and retain clients***

We rely on existing clients for a significant portion of our revenue. As we improve our advertising solutions, we can attract additional spend from these clients. Our clients include indie studio developers and some of the largest advertising platforms in the world. We believe there is significant room for us to further expand our relationships with existing clients and increase their usage of our advertising solutions, as well as to onboard new clients. We expect to continue to invest in sales and marketing to drive new client acquisition.

***Changes to the mobile app and advertising ecosystems***

Our business and results of operations are and will continue to be impacted by industry factors that drive the overall performance and growth of the mobile app and advertising ecosystems. Mobile app developers rely on third-party platforms, such as the Apple App Store and Google Play Store, among others, to distribute apps, collect payments made for in-app purchases, and target users with relevant advertising. These third-party platforms have significant market power and discretion to set platform fees, select which apps to promote, and decide how much consumer information to provide to advertising networks that enable our advertising solutions to target users with personalized and relevant advertising and allocate marketing campaigns in an efficient and cost-effective manner. Any changes made to the policies of these third-party platforms can drive rapid change across the mobile app and advertising ecosystems. Both the Apple App Store and Google Play Store have made various changes to their policies in recent years, as further discussed in the section titled “Risk Factors–Risks Related to Our Business, Operations and Industry–If third-party platforms change their policies in a way that harms our business, including the design and effectiveness of our advertising solutions, our business, financial condition, and results of operations could be adversely affected.” The mobile app and advertising ecosystems also continue to be subject to an evolving legal and regulatory landscape, including with respect to data protection, privacy, and AI. We must continue to innovate and stay ahead of developments in the advertising and mobile app ecosystems in order for our business to succeed and our results of operations to continue to improve.

## Components of Results of Operations

### Revenue

We generate substantially all of our revenue from fees collected from advertisers spending on AppLovin Ads, which are determined dynamically based on advertisers' campaign goals. Revenue from other services was not material. Revenue does not include the results of our former Apps Business, which is classified as discontinued operations.

### Cost of Revenue and Operating Expenses

*Cost of revenue.* Cost of revenue consists primarily of datacenter costs related mainly to third-party cloud computing services, amortization of acquired technology-related intangible assets and finance lease right-of-use assets related to certain servers and networking equipment, and third-party payment processing fees related to customer transactions.

*Sales and marketing*. Sales and marketing expenses consist primarily of personnel-related expenses including salaries, benefits, and stock-based compensation for employees engaged in sales and marketing activities, expenses related to marketing programs and other advertising activities, and amortization of acquired user-related intangible assets.

*Research and development*. Research and development expenses consist primarily of personnel-related expenses including salaries, benefits, and stock-based compensation for employees engaged in research and development activities related to existing and new products.

*General and administrative*. General and administrative expenses consist primarily of personnel-related expenses including salaries, benefits, and stock-based compensation for employees engaged in finance, accounting, legal, human resources and other administrative support functions, professional services fees related to legal, accounting, recruiting, and other administrative services (including acquisition or other transaction-related expenses), facilities related costs and other corporate expenses.

### Other Income and Expenses

*Interest expense.* Interest expense consists primarily of interest expense associated with our outstanding debt, including accretion of debt discount, and issuance costs.

*Other income (expense), net.* Other income (expense), net, primarily includes interest earned on our cash and cash equivalents, fair value adjustments relating to our non-marketable equity securities, and foreign currency gains and losses.

*Provision for income taxes.* We are subject to income taxes in the United States and foreign jurisdictions in which we do business. These foreign jurisdictions have different statutory tax rates than those in the United States. Additionally, certain of our foreign earnings may also be taxable in the United States. Accordingly, our effective tax rate will vary depending on the relative proportion of foreign to domestic income, deduction related to foreign-derived income, future changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws. Additionally, our effective tax rate can vary based on the amount of pre-tax income or loss.

**Results of Operations**

In this section, we discuss the results of our operations for the three and six months ended June 30, 2026 and 2025.

The following tables summarize our historical condensed consolidated statements of operations:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (In thousands) | | | |
| Revenue | $ 1,923,686 | $ 1,258,754 | $ 3,766,135 | $ 2,417,728 |
| Costs and expenses: | | | | |
| Cost of revenue[1][2] | 225,801 | 155,076 | 429,433 | 306,756 |
| Sales and marketing[1][2] | 63,394 | 46,917 | 124,145 | 106,300 |
| Research and development[1] | 99,901 | 44,032 | 194,005 | 100,438 |
| General and administrative[1] | 40,313 | 55,047 | 84,342 | 106,570 |
| Total costs and expenses | 429,409 | 301,072 | 831,925 | 620,064 |
| Income from operations | 1,494,277 | 957,682 | 2,934,210 | 1,797,664 |
| Other income (expense): | | | | |
| Interest expense | (51,156) | (51,409) | (102,315) | (104,297) |
| Other income (expense), net | 62,405 | (22,269) | 105,039 | (14,757) |
| Total other income (expense), net | 11,249 | (73,678) | 2,724 | (119,054) |
| Income before income taxes | 1,505,526 | 884,004 | 2,936,934 | 1,678,610 |
| Provision for income taxes | 238,988 | 112,148 | 464,783 | 183,216 |
| Net income from continuing operations | 1,266,538 | 771,856 | 2,472,151 | 1,495,394 |
| Income (loss) from discontinued operations, net of income taxes | — | 47,675 | — | (99,444) |
| Net income | $ 1,266,538 | $ 819,531 | $ 2,472,151 | $ 1,395,950 |

(1) Includes stock-based compensation as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (In thousands) | | | |
| Cost of revenue | $ 35 | $ 100 | $ 94 | $ 1,200 |
| Sales and marketing | 2,567 | 6,105 | 5,799 | 22,071 |
| Research and development | 68,946 | 17,207 | 136,320 | 45,000 |
| General and administrative | 14,235 | 11,140 | 27,039 | 25,396 |
| Total stock-based compensation | $ 85,783 | $ 34,552 | $ 169,252 | $ 93,667 |

(2) Includes amortization expense related to intangible assets as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (In thousands) | | | |
| Cost of revenue | $ 12,009 | $ 9,556 | $ 23,816 | $ 18,859 |
| Sales and marketing | 13,592 | 13,796 | 27,526 | 27,322 |
| Total amortization expense related to intangible assets | $ 25,601 | $ 23,352 | $ 51,342 | $ 46,181 |

The following table sets forth the components of our condensed consolidated statements of operations for each of the periods presented as a percentage of revenue[(1)]:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue | 100 % | 100 % | 100 % | 100 % |
| Costs and expenses: | | | | |
| Cost of revenue | 12 % | 12 % | 11 % | 13 % |
| Sales and marketing | 3 % | 4 % | 3 % | 4 % |
| Research and development | 5 % | 3 % | 5 % | 4 % |
| General and administrative | 2 % | 4 % | 2 % | 4 % |
| Total costs and expenses | 22 % | 24 % | 22 % | 26 % |
| Income from operations | 78 % | 76 % | 78 % | 74 % |
| Other income (expense): | | | | |
| Interest expense | (3)% | (4)% | (3)% | (4)% |
| Other income (expense), net | 3 % | (2)% | 3 % | (1)% |
| Total other income (expense), net | 1 % | (6)% | — % | (5)% |
| Income before income taxes | 78 % | 70 % | 78 % | 69 % |
| Provision for income taxes | 12 % | 9 % | 12 % | 8 % |
| Net income from continuing operations | 66 % | 61 % | 66 % | 62 % |
| Income (loss) from discontinued operations, net of income taxes | 0 % | 4 % | 0 % | (4)% |
| Net income | 66 % | 65 % | 66 % | 58 % |

(1) Totals of percentages of revenue may not foot due to rounding.

**Comparison of Our Results of Operations for the Three and Six Months Ended June 30, 2026 and 2025**

***Revenue***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Revenue | $ 1,923,686 | $ 1,258,754 | 53 % | $ 3,766,135 | $ 2,417,728 | 56 % |

*Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025*

For the three months ended June 30, 2026, our revenue increased by $664.9 million, or 53%, compared to the same period in the prior year due primarily to improved AppLovin Ads performance, where net revenue per installation increased 58%, partially offset by a decrease in the volume of installations of 2%.

*Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025*

For the six months ended June 30, 2026, our revenue increased by $1.3 billion, or 56%, compared to the same period in the prior year due primarily to improved AppLovin Ads performance, where net revenue per installation increased 75%, partially offset by a decrease in the volume of installations of 10%.

***Cost of revenue***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Cost of revenue | $ 225,801 | $ 155,076 | 46 % | $ 429,433 | $ 306,756 | 40 % |
| Percentage of revenue | 12 % | 12 % | | 11 % | 13 % | |

Cost of revenue in the three months ended June 30, 2026 increased by $70.7 million, or 46%, compared to the same period in the prior year, due primarily to an increase of $52.1 million in expenses associated with operating our network infrastructure driven by the growth in our operations.

Cost of revenue in the six months ended June 30, 2026 increased by $122.7 million, or 40%, compared to the same period in the prior year, due primarily to an increase of $92.0 million in expenses associated with operating our network infrastructure driven by the growth in our operations.

***Sales and marketing***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Sales and marketing | $ 63,394 | $ 46,917 | 35 % | $ 124,145 | $ 106,300 | 17 % |
| Percentage of revenue | 3 % | 4 % | | 3 % | 4 % | |

Sales and marketing expenses in the three months ended June 30, 2026 increased by $16.5 million, or 35%, compared to the same period in the prior year, due primarily to an increase of $17.2 million in advertising and marketing program costs, partially offset by a decrease of $3.5 million in personnel-related expenses related to a decrease in stock-based compensation-related payroll costs.

Sales and marketing expenses in the six months ended June 30, 2026 increased by $17.8 million, or 17%, compared to the same period in the prior year, due primarily to an increase of $34.0 million in advertising and marketing program costs, partially offset by a decrease of $18.8 million in personnel-related expenses related to a decrease in stock-based compensation-related payroll costs.

***Research and development***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Research and development | $ 99,901 | $ 44,032 | 127 % | $ 194,005 | $ 100,438 | 93 % |
| Percentage of revenue | 5 % | 3 % | | 5 % | 4 % | |

Research and development expenses in the three months ended June 30, 2026 increased by $55.9 million, or 127%, compared to the same period in the prior year, due primarily to an increase of $54.8 million in personnel-related expenses related to an increase in stock-based compensation-related payroll costs.

Research and development expenses in the six months ended June 30, 2026 increased by $93.6 million, or 93%, compared to the same period in the prior year, due primarily to an increase of $91.3 million in personnel-related expenses related to an increase in stock-based compensation-related payroll costs.

***General and administrative***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| General and administrative | $ 40,313 | $ 55,047 | (27)% | $ 84,342 | $ 106,570 | (21)% |
| Percentage of revenue | 2 % | 4 % | | 2 % | 4 % | |

General and administrative expenses in the three months ended June 30, 2026 decreased by $14.7 million, or 27%, compared to the same period in the prior year, due to a decrease of $9.5 million in bad debt expense and a decrease of $5.2 million in professional services costs primarily associated with transaction-related expenses.

General and administrative expenses in the six months ended June 30, 2026 decreased by $22.2 million, or 21%, compared to the same period in the prior year, due to a decrease of $15.7 million in bad debt expense and a decrease of $7.3 million in professional services costs primarily associated with transaction-related expenses.

***Interest expense***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Interest expense | $ (51,156) | $ (51,409) | — % | $ (102,315) | $ (104,297) | (2)% |
| Percentage of revenue | (3)% | (4)% | | (3)% | (4)% | |

Interest expense remained relatively flat for the three and six months ended June 30, 2026 compared to the same periods in the prior year.

***Other income (expense), net***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Other income (expense), net | $ 62,405 | $ (22,269) | ** | $ 105,039 | $ (14,757) | ** |
| Percentage of revenue | 3 % | (2)% | | 3 % | (1)% | |

** Not meaningful

In the three months ended June 30, 2026, other income (expense), net increased by $84.7 million compared to the same period in the prior year, due primarily to a net fair value remeasurement gain of $31.3 million related to certain non-marketable equity securities in the current period compared to a net fair value remeasurement loss of $20.4 million in the prior period, an increase in interest income of $21.3 million driven by an increase in cash and cash equivalents, and an increase in net foreign currency gains of $12.0 million.

In the six months ended June 30, 2026, other income (expense), net increased by $119.8 million compared to the same period in the prior year, due primarily to a net fair value remeasurement gain of $52.0 million related to certain non-marketable equity securities in the current period compared to a net fair value remeasurement loss of $20.4 million in the prior period, an increase in interest income of $35.4 million driven by an increase in cash and cash equivalents, and an increase in net foreign currency gains of $14.4 million.

***Provision for income taxes***

| | Three Months Ended June 30, | | 2025 to 2026 % Change | Six Months Ended June 30, | | 2025 to 2026 % Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | | 2026 | 2025 | |
| | (In thousands, except percentages) | | | | | |
| Provision for income taxes | $ 238,988 | $ 112,148 | 113 % | $ 464,783 | $ 183,216 | 154 % |
| Percentage of revenue | 12 % | 9 % | | 12 % | 8 % | |

In the three months ended June 30, 2026, the provision for income taxes increased by $126.8 million compared to the same period in the prior year. The increase was primarily driven by higher pre-tax income from business operations during the three months ended June 30, 2026, foreign income taxed at different rates, and a decrease in stock-based compensation benefits, partially offset by an increase in foreign-derived income deduction.

In the six months ended June 30, 2026, the provision for income taxes increased by $281.6 million compared to the same period in the prior year. The increase was primarily driven by higher pre-tax income from business operations during the six months ended June 30, 2026, an increase in foreign income taxed at different rates, and a decrease in stock-based compensation benefit, partially offset by an increase in foreign-derived income deduction.

**Liquidity and Capital Resources**

As of June 30, 2026, we had cash and cash equivalents of $3.1 billion, consisting primarily of cash in checking and interest-bearing deposit accounts, as well as investments in money market funds. We believe that our existing cash and cash equivalents, cash flows expected to be generated by our operations, and, if necessary, our borrowing capacity under our 2024 Credit Agreement that provides for a $1.0 billion unsecured revolving credit facility, would be sufficient to satisfy our anticipated working capital and capital expenditures needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue growth rate; sales and marketing activities; timing and extent of spending to support our research and development efforts; capital expenditures to purchase hardware and software; our continued need to invest in our IT infrastructure to support our growth; and the volume and timing of our share repurchases. In addition, we may enter into additional strategic investments in teams and technologies, including intellectual property rights, which could increase our cash requirements. As a result of these and other factors, we may be required to seek additional equity or debt financing sooner than we currently anticipate, or we may opportunistically seek additional financing. See the section titled “Risk Factors—Risks Related to Financial and Accounting Matters” for more information regarding risks related to liquidity and capital resources.

The following table summarizes our cash flows for the periods indicated (all periods include cash flows from continuing and discontinued operations, to the extent applicable):

| | Six Months Ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| | (In thousands) | |
| Net cash provided by operating activities | $ 2,160,433 | $ 1,603,938 |
| Net cash provided by (used in) investing activities | $ (7,688) | $ 378,884 |
| Net cash used in financing activities | $ (1,582,651) | $ (1,539,594) |

***Operating Activities***

Net cash provided by operating activities was $2.2 billion for the six months ended June 30, 2026, primarily consisting of $2.5 billion of net income, adjusted for certain non-cash items, including $169.0 million of stock-based compensation, $66.2 million of amortization, depreciation and write-offs, and $50.5 million of net gain on fair value remeasurement of financial instruments, which were partially offset by a net decrease in operating assets and liabilities of $504.8 million.

Net cash provided by operating activities was $1.6 billion for the six months ended June 30, 2025, primarily consisting of $1.4 billion of net income, adjusted for certain non-cash items, including $188.9 million of goodwill impairment, $126.9 million of amortization, depreciation and write-offs, and $97.0 million of stock-based compensation, which were partially offset by a gain on divestiture, net of transaction costs, of $106.2 million and a net decrease in the operating assets and liabilities of $140.3 million.

The improvement in cash flows from operating activities during the six months ended June 30, 2026 compared to the same period in the prior year was primarily driven by increased cash collections from customers due to revenue growth, partially offset by increased publisher payments, operational spending, and cash paid for income taxes.

***Investing Activities***

Net cash used in investing activities was $7.7 million for the six months ended June 30, 2026, primarily related to payments for initial direct costs of certain new leases and purchases of property and equipment.

Net cash provided by investing activities was $378.9 million for the six months ended June 30, 2025, primarily consisting of $424.7 million in proceeds from divestiture net of cash divested, which were partially offset by $22.4 million in earn-out payments related to prior acquisitions of intangible assets and $18.7 million in purchases of non-marketable equity securities.

***Financing Activities***

Net cash used in financing activities was $1.6 billion for the six months ended June 30, 2026, primarily consisting of $1.5 billion in share repurchases under our share repurchase program and $46.5 million in payments for withholding taxes related to the net share settlement of equity awards.

Net cash used in financing activities was $1.5 billion for the six months ended June 30, 2025, primarily

consisting of $1.3 billion in share repurchases under our share repurchase program, $256.7 million in payments for withholding taxes related to the net share settlement of equity awards, and payments of licensed asset obligation of $13.5 million, partially offset by proceeds of $200.0 million from borrowings under the revolving credit facility pursuant to the 2024 Credit Agreement.

***Share Repurchase Program***

During the six months ended June 30, 2026, we repurchased and retired 3.3 million shares of Class A common stock for $1.5 billion. As of June 30, 2026, $1.8 billion remained available for repurchases under the program. The program has no expiration date, does not obligate us to repurchase any specific amount of stock, and may be modified, suspended, or terminated at any time at our discretion. For additional information, see Note 7 – Equity in the notes to condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

***Contractual Obligations***

Except for scheduled payments from the ongoing business, there were no other material changes to our commitments under contractual obligations since December 31, 2025. For additional information, see Note 5 – Commitments and Contingencies in the notes to condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Critical Accounting Estimates**

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. On an ongoing basis, we evaluate our estimates based on assumptions that are believed to be reasonable under the circumstances. These estimates are inherently subject to judgment and actual results could differ materially from those estimates.

An accounting estimate is considered critical if it involves significant subjectivity and judgment, and if changes in the estimate have had or are reasonably likely to have a material effect on our consolidated financial statements.

There have been no material changes to our critical accounting estimates during the six months ended June 30, 2026, as compared to those disclosed in our Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in our Annual Report on Form 10-K for the year ended December 31, 2025. For additional information on all of our significant accounting policies, see Note 2 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Recent Accounting Pronouncements**

See Note 1 – Description of Business and Summary of Significant Accounting Policies in the notes to condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information presented in Part II, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2025.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level as of June 30, 2026.

### Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Limitations on Effectiveness of Controls and Procedures

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their desired objectives. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions, and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are currently involved in, and may in the future be involved in, legal proceedings and claims that arise in the ordinary course of business, as well as governmental and other regulatory investigations and proceedings. In addition, third parties have in the past, and may in the future, assert claims against us in the form of letters and other communications.

*Securities Litigation*

Beginning in early March 2025, certain alleged stockholders filed putative class action complaints against the Company, Adam Foroughi, Matthew Stumpf, and/or Herald Chen asserting claims for alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 10b-5 promulgated thereunder, and seeking unspecified monetary relief, interest, and attorneys’ fees. On March 5, 2025, Michael Quiero filed the first complaint against the Company, Adam Foroughi, and Matthew Stumpf in the U.S. District Court for the Northern District of California (the “Northern District of California”); on March 24, 2025, Ben Brownback filed the second complaint in the same court against the Company, Adam Foroughi, Matthew Stumpf, and Herald Chen in the Northern District of California (the “Brownback Action”); and on April 17, 2025, the Wayne County Employees’ Retirement System filed the third complaint against the Company, Adam Foroughi, Matthew Stumpf, and Herald Chen in the Northern District of California (collectively, the “Securities Complaints”). In May 2025, Michael Quiero and the Wayne County Employees’ Retirement System voluntarily dismissed the complaints they filed in the Northern District of California. The U.S. District Court subsequently appointed lead plaintiffs and lead plaintiffs’ counsel in the Brownback Action, and the lead plaintiffs filed an Amended Complaint on September 12, 2025, adding Basil Shikin as a defendant (the "Amended Complaint"). The Amended Complaint alleges that the defendants made materially false and misleading statements regarding the Company's advertising solutions and financial growth. The Amended Complaint alleges a putative class period running from November 7, 2024 through March 27, 2025. The defendants filed a motion to dismiss the Amended Complaint in November 2025, and that motion was fully briefed as of February 2026. We believe that these allegations lack merit and will vigorously contest this action.

*Shareholder Derivative Litigation*

Beginning in late March 2025, certain alleged shareholders filed shareholder derivative complaints in the Northern District of California against the individual then current members of the Company’s board of directors, Adam Foroughi, and Matthew Stumpf (collectively, the “D&O Parties”) alleging claims for violations of Section 14(a) of the Exchange Act, breaches of their fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets (collectively, the “Shareholder Derivative Complaints”). The Shareholder Derivative Complaints also assert claims for contribution under the Exchange Act against Adam Foroughi and Matthew Stumpf and seek unspecified monetary relief, certain declaratory and injunctive relief, restitution, and attorneys’ fees from the D&O Parties. Relying on the Securities Complaints, the Shareholder Derivative Complaints allege that the D&O Parties made materially false and misleading statements regarding our advertising solutions and financial growth. On March 25, 2025, Amit Patel filed the first complaint against the individual then current members of the Company’s board of directors, Adam Foroughi, and Matthew Stumpf in the Northern District of California; and on May 19, 2025, Nathan Smith filed the second complaint against the individual then current members of the Company’s board of directors, Adam Foroughi, and Matthew Stumpf in the Northern District of California. The Shareholder Derivative Complaints have been consolidated and stayed pending resolution of the defendants’ motion to dismiss in the Brownback Action. We believe that these allegations lack merit and will vigorously contest these actions.

While we remain confident in the Company’s defenses to the asserted allegations in these cases, it is not possible to determine the ultimate outcome at this time, and thus we cannot reasonably estimate the maximum potential exposure or range of possible loss.

Future litigation may be necessary to defend ourselves and our business partners and to determine the scope, enforceability, and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

## ITEM 1A. RISK FACTORS

*You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated financial statements and the related notes, before making a decision to invest in our Class A common stock. These risk factor disclosures reflect our beliefs and opinions as to factors that could materially and adversely affect the Company and its securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to whether or not such factors have occurred in the past or their likelihood of occurring in the future. Further, the risks and uncertainties we have described are not the only ones we face. Our business, financial condition, results of operations, or prospects could also be adversely affected by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose all or part of your investment.*

### Risk Factor Summary

Investing in our Class A common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as further described below. The principal factors and uncertainties that make investing in our Class A common stock subject to risk include, among other things:

*Business, Operational, and Industry Factors*

- the fluctuation in our results of operations;
- security breaches, improper access to or disclosure of data, or other cyber incidents;
- our reliance on third-party platforms;
- our reliance on certain key employees and our ability to attract, retain, and motivate key personnel;
- our ability to maintain our culture;
- our ability to attract new clients, retain existing clients, and maintain or increase spend by clients;
- competition in our industry and our ability to adapt to technological change;
- our ability to address or mitigate technical limitations in our systems and to maintain and scale our technical infrastructure;
- concentration of our revenue sources;
- our future growth into new business opportunities;
- the impact of macroeconomic conditions and the geopolitical climate;
- risks related to our international operations;
- risks related to the expansion and diversification of our operations, in the United States and globally, including through future strategic transactions and efforts related thereto;
- risks related to our strategic transactions, including integration and managing growth;
- our recent rapid growth and our ability to manage growth;
- risks related to not having long-term agreements with our clients;
- our ability to protect and enhance our brand and reputation;
- our reliance on third parties complying with their obligations;

*Legal and Regulatory Matters*

- changes in laws and regulations concerning privacy, information security, data protection, consumer protection, AI, advertising, tracking, targeting, and protection of minors;
- changes in U.S. and foreign laws and regulations, many of which are unsettled and still developing;
- the development and use of AI in our offerings and business;

- compliance with governmental anti-bribery, export and import controls, economic sanctions, and other international trade laws and regulations;
- changes in tax laws or tax rulings or exposure to greater than anticipated tax liabilities;
- assertions by taxing authorities that we should have collected or in the future should collect sales and use, value added, or similar taxes;
- our ability to realize tax savings from our international structure;
- liability for content or advertising that is served through our advertising solutions;
- expenses related to legal or regulatory proceedings and settlements or laws and regulations affecting public companies;

*Intellectual Property Factors*

- our ability to protect or enforce our proprietary and intellectual property rights or the costs involved in such enforcement;
- our involvement in intellectual property disputes;
- our use of and compliance with open source software;

*Financial and Accounting Matters*

- our ability to maintain an effective system of disclosure controls and internal control over financial reporting;
- the possibility that we may be required to record a significant charge to earnings if our goodwill becomes impaired;
- our indebtedness and obligations thereunder;
- our ability to generate sufficient cash flow to satisfy our significant debt service obligations;
- the availability of additional capital on acceptable terms;

*Ownership of our Class A common stock and Governance*

- the multi-class structure of our common stock and the Voting Agreement among the Voting Agreement Parties;
- our status as a “controlled company” within the meaning of the Nasdaq corporate governance requirements;
- volatility of the market price of our Class A common stock;
- the possibility that we may not realize the anticipated long-term stockholder value of our share repurchase programs;
- the issuance of additional stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise;
- provisions of Delaware law, the Voting Agreement, our amended and restated certificate of incorporation, and our amended and restated bylaws could make a merger, tender offer, or proxy contest difficult; and
- exclusive forum provisions in our amended and restated bylaws.

**Risks Related to Our Business, Operations and Industry**

***Our results of operations are likely to fluctuate from period-to-period, which could cause the market price of our Class A common stock to decline.***

Our results of operations have fluctuated in the past and are likely to fluctuate significantly from quarter-to-quarter and year-to-year in the future for a variety of reasons, many of which are outside of our control and difficult to predict. As a result, you should not rely upon our historical results of operations as indicators of future performance. Numerous factors can influence our results of operations, including:

- our ability to maintain and grow our client base;
- changes to our advertising solutions or other offerings;
- the timing and efficacy of improvements to our algorithms, models and Axon AI, our advertising recommendation system, generally;

- the development and introduction of new solutions or entry into new markets by us or our competitors;
- changes to the policies or practices of companies or governmental agencies that determine access to third-party platforms, such as the Apple App Store and the Google Play Store, or to our advertising solutions, website, or the internet generally;
- changes to the policies or practices of third-party platforms, such as the Apple App Store and the Google Play Store, including with respect to Apple's Identifier for Advertisers ("IDFA"), which helps advertisers assess the effectiveness of their advertising efforts, and with respect to transparency regarding data processing;
- the diversification and growth of revenue sources beyond our current advertising solutions;
- the actions of our competitors, both with respect to their own offerings and, to the extent such competitors are also our clients, with respect to their use of our advertising solutions;
- our ability to achieve the anticipated synergies from our strategic acquisitions and effectively integrate new assets and businesses acquired by us;
- costs and expenses related to strategic transactions, as well as costs and expenses related to the development of our products and solutions, including the timing of such expenses;
- increases in and timing of operating expenses that we may incur to grow and expand our operations and to remain competitive;
- system failures or outages, or actual or perceived breaches of security or privacy, and the costs associated with preventing, responding to, or remediating any such outages or breaches;
- changes in the legislative or regulatory environment, including with respect to privacy, data protection, or AI or actions by governments or regulators, including fines, orders, or consent decrees;
- charges associated with impairment of any assets on our balance sheet or changes in our expected estimated useful life of property and equipment and intangible assets;
- adverse litigation judgments, settlements, or other litigation-related costs and the fees associated with investigating and defending claims;
- the overall tax rate for our business, which may be affected by the mix of income we earn in the United States and in jurisdictions with comparatively lower tax rates;
- the impact of changes in tax laws or judicial or regulatory interpretations of tax laws, which are recorded in the period such laws are enacted or interpretations are issued and may significantly affect the effective tax rate of that period;
- the impact of tariffs recently imposed by the U.S. government and its trading partners in response, other possible tariffs or trade protection measures, import or export licensing requirements, new or different customs duties, trade embargoes and sanctions and other trade barriers;
- the application of new or changing financial accounting standards or practices; and
- changes in regional or global business or macroeconomic conditions, including as a result of political uncertainty and international conflicts around the world, inflation, and high interest rates, which may impact the other factors described above.

In particular, it is difficult to predict if, when, or how newly-launched products, software or new markets may begin to generate revenue or when products or software may decline in popularity. The success of our business depends in part on our ability to develop and enhance our advertising solutions, including expansion into new markets, and consistently and timely launch new products and features. It is difficult for us to predict with certainty when we will expand our advertising solutions, launch a new product or feature, or enter a new market as we may require longer development schedules or soft launch periods to meet our quality standards and expectations. If our clients do not adopt our new advertising offerings, or develop or further invest in their own competing alternatives, or if we are unable to successfully launch or acquire new products or features or maintain or improve existing products or features, or enter a new market, our business and results of operations could be adversely affected. Fluctuations in our results of operations may cause such results to fall below our financial guidance or the expectations of analysts or investors, which could cause the market price of our Class A common stock to decline.

***Security breaches, improper access to or disclosure of our data or client data, other hacking and phishing attacks on our systems, or other cyber incidents could harm our reputation and adversely affect our business.***

The advertising and mobile app ecosystems are prone to cyberattacks by third parties seeking unauthorized access to our data or the data of our clients or their end users or to disrupt our ability to provide service. Our advertising solutions, and other offerings involve the collection, storage, transmission, and other processing of a large amount of data, including personal information, and we and our third-party service providers otherwise store and process information, including our confidential and proprietary business information, and personal information and other information relating to our employees, clients or other third parties. We also store and implement measures designed to secure the source code for our advertising solutions as they are created. Any failure to prevent or mitigate security breaches or incidents impacting our advertising solutions, or our systems or other systems used in our business, or improper access to or disclosure of our data, including source code, or user data, including personal information, or information from clients or other third parties, that is stored or otherwise processed in our business could result in the unauthorized loss, modification, disclosure, destruction, or other unauthorized processing of such data, or unavailability of data or of our advertising solutions, or other offerings. Any such event, or the perception it has occurred, could adversely affect our business and reputation, damage our operations, result in claims, litigation, or regulatory investigations or enforcement actions, fines, penalties, or other liability or obligations, and diminish our competitive position. In particular, a breach or incident, whether physical, electronic, or otherwise, impacting systems on which source code or other sensitive data are stored could lead to loss, disruption, unavailability, or piracy of, or damage to, our offerings, lost or reduced ability to protect our intellectual property, and diminished competitive position.

Malware (including ransomware), viruses, social engineering (predominantly spear phishing attacks or smishing), and general hacking have become more prevalent in the advertising and mobile app ecosystems. Some of these have occurred on our systems and otherwise in our business in the past, and we expect they will continue to occur in the future. We regularly encounter attempts to create false or undesirable client accounts or take other actions for purposes such as spamming or other objectionable ends. Any actual or attempted breaches, incidents, or attacks may cause disruptions or interruptions to our advertising solutions, or other offerings, degrade the user experience, impair, disrupt, or interrupt our systems and networks and other systems and networks used in our business, or adversely affect our reputation, business, financial condition, and results of operations. Our efforts to protect our advertising solutions, and other offerings, our systems and other systems used in our business, and our data, user data, and information from clients, partners, and other third parties, and to disable or otherwise respond to undesirable activities on our offerings, may also be unsuccessful due to software bugs or other technical defects, errors, or malfunctions; employee, contractor, vendor, or partner error or malfeasance, including defects or vulnerabilities in information technology systems or offerings; cyberattacks, including attacks designed to disrupt systems or facilities; breaches of physical security of our facilities or technical infrastructure; or other threats that evolve. Additionally, any such breach, incident, attack, malfunction, defect, or vulnerability, or the perception that any of these has occurred, may cause clients or their end users to lose confidence and trust in our advertising solutions or other offerings and otherwise harm our reputation and market position.

In addition, some developers or other business partners, such as those that help us measure the effectiveness of advertisements or participate in the bidding process, may receive or store information provided by us or by our clients or their end users through mobile apps, websites, or other means. These third parties or others may misappropriate or misuse this information. If these third parties fail to adopt or adhere to adequate data security practices, or experience a breach of, or other security incident impacting, their networks or systems, our data, our clients' data, or their end users’ data may be lost, destroyed, or accessed, modified, disclosed, or otherwise processed in unauthorized manners. In such an event, or if such an event is perceived to have occurred, we may suffer damage to our reputation, may have increased costs arising from the restoration or implementation of additional security measures and other costs relating to the incident, and we may face claims, demands, investigations, and other proceedings by private parties or governmental actors, and fines, penalties, and other liability or obligations, any of which could adversely affect our business, financial condition, and results of operations. Any theft or unauthorized use or publication of our trade secrets and other confidential business information as a result of such an event could also adversely affect our business, competitive position, and results of operations.

Cyberattacks continue to evolve in sophistication and volume, and may be difficult to detect for long periods. Although we have developed systems and processes that are designed to protect first- and third- party data and information; to prevent data loss; to disable undesirable accounts and activities on our advertising solutions or other offerings; and to prevent and detect security breaches, we cannot assure you that such measures will provide

comprehensive security, that we have been or will be able to identify breaches or other incidents or to react to them in a timely manner, or that our remediation efforts will be successful. We experience cyberattacks and other security incidents of varying degrees from time to time, and we may incur significant costs in investigating, protecting against, litigating, or remediating such incidents. We may face increased risks of cyberattacks and other security incidents as a result of increases in remote work. Our use of third-party systems for remote workforce operations introduces security risks and increased cyberattacks, such as phishing attacks by threat actors as a method for targeting personnel. Further, in connection with geopolitical events and conflicts, such as those in Ukraine and the Middle East, there may be a heightened risk of potential cyberattacks by state actors or others.

Additionally, our advertising solutions and other offerings operate in conjunction with, and we are in some cases dependent upon, third-party products, services, and components. Our ability to monitor our third-party service providers' data security is limited, and in any event, attackers may be able to circumvent our third-party service providers' data security measures. There have been and may continue to be significant attacks on certain third-party providers, and we cannot guarantee that our or our third-party providers' systems and networks have not been breached or compromised or do not contain defects or bugs that could result in a disruption, breach, or other incident impacting our systems and networks or those of third parties that support us and our advertising solutions. Security vulnerabilities, malicious code, errors, or other bugs or defects in these third-party products, services, and components could cause us to face increased costs, claims, liability, and additional or new obligations, reduced revenue, and harm to our reputation or competitive position. We and our service providers may be unable to anticipate these techniques, react, remediate or otherwise address any security vulnerability, breach or other security incident in a timely manner, or implement adequate preventative measures.

Further, we utilize AI technologies in our advertising solutions and in our business operations and may expand such use in the future. Our use of AI technologies, and the use of AI technologies in third-party products and services, may create additional cybersecurity risks or increase cybersecurity risks, including risks of security breaches and incidents, and related monetary liability and harm to our reputation and business. AI technologies may also be used to identify and exploit vulnerability and otherwise in connection with certain cybersecurity attacks, resulting in heightened risks of security breaches and incidents and of more impactful security breaches and incidents.

In addition to our efforts to mitigate cybersecurity risks, we are working to combat misuse of our services and end user data by third parties. We may not discover all such incidents or related activities in connection with these efforts, and we may instead be notified of such incidents or activity by clients, end users, the media, or other third parties. Such incidents and activities have in the past, and may in the future, include the processing of user data or use of our systems in manners inconsistent with our terms, contracts or policies, the existence of false or undesirable accounts, improper advertising practices, spamming, or unsecured datasets, and may also include other forms of misuse. We may also be unsuccessful in our efforts to enforce our policies or otherwise remediate or respond to any such incidents effectively or in a timely manner. Any of the foregoing developments, or any reports of them occurring or the perception that any of them has occurred, could adversely affect trust and engagement, harm our brand and reputation, require us to change our business practices, result in claims, demands, investigations, and other proceedings by private parties or governmental actors, and fines, penalties, and other liability or obligations, and adversely affect our business, financial condition, and results of operations.

We are subject to a variety of laws and regulations in the United States and abroad relating to cybersecurity and data protection, some of which provide a private right of action. Many jurisdictions have enacted breach notification obligations, and we have agreements with customers or partners that require us to notify them or fulfill other obligations in the event of certain security breaches or incidents. Affected users or government authorities could initiate legal or regulatory actions against us in connection with any actual or perceived security breaches or incidents, insufficient security practices, or improper access to, or disclosure of, or other processing of data, or other cybersecurity issues which have occurred in the past or may occur in the future, and which could cause us to incur significant expense and liability, distract management and technical personnel, and result in orders or consent decrees forcing us to modify our business practices and to pay fines or penalties. Such actual or perceived breaches or other incidents or our efforts to remediate these events may also adversely affect our reputation, business, financial condition, or results of operations.

Our insurance coverage may not extend to all types of privacy or security breaches or other incidents, and it may be insufficient to cover all costs and expenses associated with such events. Further, such insurance may not continue to be available to us in the future on economically reasonable terms, or at all, and insurers may deny us coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material and adverse effect on our

business, including our reputation, financial condition, or results of operations.

***If third-party platforms change their policies in a way that harms our business, including the design and effectiveness of our advertising solutions, our business, financial condition, and results of operations could be adversely affected.***

The mobile app ecosystem depends in part on a relatively small number of third-party distribution platforms, such as the Apple App Store, the Google Play Store, and Meta, some of which are direct competitors. We are subject to the standard policies and terms of service of such third-party platforms, generally through our relationships with developers and other parties that use our technology. These policies and terms of service generally govern the promotion, distribution, content, and operation of applications on a platform. Each platform provider has broad discretion to change and interpret its terms of service and other policies, including in ways that may be unfavorable to us or our clients. A platform provider may also change its fee structure, add fees associated with access to and use of its platform, alter how mobile apps are able to advertise on its platform, limit the use of personal information for advertising purposes, restrict how developers or end users can share information on its platform or across platforms, or significantly increase the level of compliance or requirements necessary to use its platform.

For example, since 2021, Apple has implemented an application tracking transparency framework that, among other things, requires users' opt-in consent for certain tracking. While this framework has not had a significant impact on our overall business, it may in the future, including with respect to the effectiveness of our advertising practices. We rely in part on IDFA to provide us with data that helps our advertising solutions better market and monetize mobile apps. Apple also implemented new requirements for consumer disclosures regarding privacy and data processing practices in December 2020, which has resulted in increased compliance requirements. In light of the IDFA and transparency changes, we made changes to our data collection practices. To the extent we are unable to utilize IDFA or a similar offering, or if these or future transparency changes and any related opt-in or other requirements result in decreases in the availability or utility of data relating to mobile apps, our advertising solutions may not be as effective and our revenue and results of operations may be harmed. Apple also incorporated new SDK privacy controls into iOS 17, released in September 2023.

Similarly, in January 2024, Google commenced rolling out a Chrome feature called Tracking Protection, which limits cross-site tracking. Also, in January 2024, Google started to roll out new CMP requirements for ads served in the EEA and UK, which require publishers using Google AdSense, Ad Manager, or AdMob to use CMPs certified by Google and integrated with the IAB's Transparency and Consent Framework when serving personalized ads to users in the EEA or the UK. To adapt to these changes, we released the MAX SDK version 12.0.0+ to support integration with Google's CMP solution. While to date these third-party platform privacy changes have had some impact on the discoverability of apps across these platforms, and have had a relatively muted aggregate impact on our results of operations, the ultimate impact of these or any similar or future changes to the policies of any third-party platform may adversely affect our business, financial condition, and results of operations.

We also rely on the continued popularity, user adoption, and functionality of third-party platforms. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. Distribution platform providers also from time to time limit, suspend or discontinue access to their platforms in connection with violations, or perceived violations, of terms of service, which may impact our ability to work with parties utilizing its platform. In addition, any change or deterioration in our relationship with such distribution provider may impact our ability to work with parties utilizing access to its platform.

If issues arise with third-party platforms that impact the design or effectiveness of our advertising solutions, our business, financial condition, and results of operations could be adversely affected.

***We are highly dependent on our co-founder and chief executive officer, as well as our senior management team. We operate a lean organizational structure and our business and growth may be adversely affected if we fail to attract, retain, and motivate key personnel.***

Our future success depends in significant part on the continued service of our key management and engineering personnel, including our co-founder and CEO, Adam Foroughi. Our ability to compete and grow depends in part on the efforts and talents of these employees and executives, who are important to our vision, strategic direction, culture, products, and technology. We do not have employment agreements, other than offer letters, with Mr. Foroughi or other members of our senior management team, and we do not maintain key-man insurance for members of our senior management team. The loss of Mr. Foroughi or any other member of our senior management team could cause disruption and adversely affect our business, financial condition, or results of operations.

We believe strongly in operating a lean organizational structure, leveraging technology wherever possible, as it allows us to adapt our business as needed and affords increased opportunity to our employees. While this approach enhances efficiency and cost control, it may also expose us to certain risks, such as limiting our ability to scale operations quickly in response to increased demand, develop new products or services in a timely manner, or effectively manage multiple initiatives simultaneously. Additionally, key employees often hold multiple responsibilities, making us more vulnerable to disruptions caused by turnover or unexpected absences. If we are unable to attract, retain, and efficiently allocate personnel, our operational capabilities, growth potential, and competitive position could be adversely affected. Furthermore, as we expand, we may need to hire additional employees and enhance our infrastructure to support growth. Failure to do so in a timely or effective manner could strain our existing workforce and negatively impact our financial performance and strategic objectives.

In addition, our ability to execute our strategy depends in part on our continued ability to identify, hire, develop, motivate, and retain highly skilled employees, particularly in the competitive fields of AI development, machine learning, product management, engineering, and data science. We believe that our corporate culture has been an important factor in our ability to hire and retain key employees, and if we are unable to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity, and teamwork we believe we need to support our growth. While we believe we compete favorably, competition for highly skilled employees is intense, particularly in Silicon Valley, where our headquarters is located. Interviewing, hiring, and integrating new employees has been and will continue to be challenging as we continue to navigate the global working environment. If we are unable to identify, hire, and retain highly skilled employees, our business, financial condition, and results of operations could be adversely affected.

***Our company culture has contributed to our success and if we cannot maintain this culture as we grow, our business could be harmed.***

We believe that our company culture has been critical to our success and will be important for our continued growth. We face a number of challenges that may affect our ability to sustain our corporate culture, including: failure to identify, attract, reward, and retain people in critical technical and leadership positions in our organization who share and further our culture and values; the increasing size and geographic diversity of our workforce; competitive pressures to move in directions that may divert us from our culture and values; the continued challenges of a rapidly-evolving industry; the increasing need to develop expertise in new areas of business that affect us; a negative perception of our treatment of employees or our response to employee sentiment related to political or social causes or actions of management; and the integration of new personnel and businesses from acquisitions. If we are not able to maintain our culture, we could lose the innovation, passion, and dedication of our team and as a result, our business, financial condition, and results of operations could be adversely affected.

***The failure to attract new clients, the loss of clients, or a reduction in spending by these clients could adversely affect our business, financial condition, and results of operations.***

As is common in the advertising ecosystem, our clients do not have long-term commitments with us. Our success depends in part on our ability to satisfy our advertising partners.

Revenue could also be impacted by a number of other factors, including:

- our ability to attract and retain clients, including, for example, in new markets such as e-commerce and social;
- our ability to improve the effectiveness and predictability of our advertising and maintain and improve Axon AI, our advertising recommendation system;
- our ability to maintain or increase advertiser demand and third-party publisher supply, the quantity or quality of advertisements shown to users, or our pricing of advertisements;
- changes in measuring or pricing of mobile or other advertising markets;
- our ability to recruit, train, and retain personnel to support continued growth of our advertising solutions;
- our ability to establish and maintain our brand and reputation;
- loss of market share to our competitors, including if competitors offer lower priced, more integrated, or otherwise more effective products;
- the development and success of technologies designed to block the display of advertisements or block our ad measurement tools, which have in the past impacted and may in the future impact our business, or technologies that make it easier for users to opt out of behavioral targeting;

- the availability, accuracy, utility, and security of analytics and measurement solutions offered by us or third parties that demonstrate the value of our advertising solutions to advertisers, developers and publishers, or our ability to further improve such tools;
- government actions or legislative, regulatory, or other legal developments relating to AI or advertising, including developments that may impact our ability to deliver, target, or measure the effectiveness of advertising;
- changes that limit our ability to deliver, target, or measure the effectiveness of advertising, including changes to policies by mobile operating system and third-party platform providers, and the degree to which users opt in or opt out of certain types of ad targeting as a result of changes and controls implemented in connection with such policy changes and with the E.U. General Data Protection Regulation (the "GDPR"), ePrivacy Directive, the California Consumer Privacy Act (the "CCPA") as amended by the California Privacy Rights Act (the "CPRA"), other U.S. state and international privacy laws, data broker laws, and the Children's Online Privacy Protection Act (the "COPPA");
- decisions by clients to reduce their advertising due to concerns about legal liability or uncertainty regarding their own legal and compliance obligations, or due to negative publicity, regardless of its accuracy, involving us, our data practices, advertising metrics or tools, our advertising solutions, or other companies in our industry; and
- the impact of macroeconomic conditions, including tariffs, trade wars, inflation, and high interest rates, political uncertainty and international conflicts around the world, such as in Ukraine and the Middle East, as well as friction between the United States and China, and responses thereto, and seasonality, whether in the advertising industry in general, or among specific types of advertisers or within particular geographies.

From time to time, certain of these factors have adversely affected our revenue to varying degrees. The occurrence of any of these or other factors in the future could result in a reduction in demand for our advertising solutions, which may reduce the prices we receive for our advertisements or cause clients to stop advertising with us altogether, either of which would adversely affect our business and results of operations. The failure to attract new clients, loss of clients, or reduction in spending by clients could adversely affect our business, financial condition, and results of operations.

***The advertising ecosystem is intensely competitive. If clients prefer our competitors' products or services over our own, our business, financial condition, and results of operations could be adversely affected.***

We face significant competition in the advertising ecosystem. Advertisers often engage with numerous advertising platforms and networks to purchase advertisements and developers often engage with numerous tools to market and monetize their apps. Accordingly, we face significant competition from traditional, online, and mobile businesses that provide ad networks and platforms and other services for advertisers to reach relevant audiences. We also face competition from providers of developer tools that enable developers to reach their audiences, manage or optimize their advertising campaigns, or monetize their content. These companies vary in size and include Meta, Google, Amazon, Unity Software and Liftoff Mobile as well as various private companies, several of which are also our partners and clients. Clients who are also competitors may decide to invest in their own offerings rather than continue to use our advertising solutions.

We also face competition for advertising spending from game platforms such as personal computer and console games, and other leisure time activities, such as television, movies, music, sports, and the internet. During periods of macroeconomic uncertainty, levels of advertising spending have historically decreased and are likely to decrease and therefore this competition may intensify, which has at times harmed and may in the future harm our revenue. To the extent we explore entering into new markets or new business opportunities in the advertising ecosystem or otherwise, we may also compete with established businesses with more experience in such areas. Some of our current and potential competitors may be domiciled in different countries and subject to political, legal, and regulatory regimes that enable them to compete more effectively than us, particularly outside of the United States. Some of our current and potential competitors may have greater resources, more diversified revenue streams, better technological or data analytics capabilities, or stronger brands or competitive positions in certain product segments, geographic regions, or user demographics than we do. If clients prefer our competitors' products or services over our own, or if our competitors are better able to adapt to changes in the preferences of advertisers or users, regulations, or other developments, our business, financial condition, and results of operations could be adversely affected.

***The advertising ecosystem is subject to rapid technological change, and if we do not adapt to, and appropriately allocate our resources among, emerging technologies and business models, our business, financial condition, and results of operations could be adversely affected.***

Technology changes rapidly in the advertising ecosystem. Our future success depends in part on our ability to adapt to trends and to innovate. To attract new clients and increase revenue from our current clients, we may develop new products or enter into new markets and we will need to enhance and improve our advertising solutions. For example, since 2024 we have begun expanding our customer base to include web-based e-commerce advertisers. Our ability to improve the effectiveness and predictability of our advertising recommendations through improvements to Axon AI, our advertising recommendation system, is critical to our continuing success and future growth. Enhancements of our existing technology and offerings, and new offerings, may not be introduced in a timely or cost-effective manner and may contain errors or defects, both of which could adversely affect our business, financial condition, and results of operations.

Our business also currently depends in part on the growth and evolution of the internet, especially mobile internet-enabled devices. The number of people using mobile internet-enabled devices has increased rapidly over time, and we expect that this trend will continue. However, the markets in which we operate may not grow in the way we anticipate. We must continually anticipate and adapt to emerging technologies to stay competitive, including the development of AI and its impacts on the advertising ecosystem. As the technological infrastructure for internet access improves and evolves, consumers will be presented with more opportunities to access apps and play games on a variety of devices and platforms and to experience other leisure activities that may compete with mobile apps. Forecasting the financial impact of these emerging technologies and business models is inherently uncertain and volatile. If we decide to support a new technology or business model in the future, it may require partnering with a new platform, technology, or business partner, which may be on terms that are less favorable to us than those for traditional technologies or business models.

To invest in a new technology, enter a new market or expand our offerings, we must invest financial resources and management attention. We may invest significant resources in a new offering, entering a new market or in a strategic acquisition or partnership, which could prove unsuccessful or prevent us from directing these resources towards other opportunities. We may never recover the often-substantial up-front costs of developing and marketing emerging technologies or business models, or recover the opportunity cost of diverting management and financial resources. Further, our competitors may adopt an emerging technology or business model more quickly or effectively than we do, creating products that are technologically superior to ours or attract more users than ours.

If, on the other hand, we do not continue to enhance our advertising solutions, or do not appropriately allocate our resources amongst opportunities, or we otherwise elect not to pursue new business models that achieve significant commercial success, we may face adverse consequences. It may take significant time and expenditures to shift product development resources to new technologies, and it may be more difficult to compete against existing products incorporating such technologies. If new technologies render mobile devices obsolete or we are unable to successfully adapt to and appropriately allocate our resources amongst current and new technologies, our business, financial condition, and results of operations could be adversely affected.

***Our advertising solutions, as well as our internal systems, rely on software and hardware that is highly technical, and any errors, bugs, or vulnerabilities in these systems, or failures to address or mitigate technical limitations in our systems, could adversely affect our business, financial condition, and results of operations.***

Our advertising solutions, as well as our internal systems, rely on software and hardware, including AI technologies, that are highly technical and complex. In addition, our advertising solutions, as well as our internal systems, depend in part on the ability of such software and hardware to store, retrieve, process, and manage immense amounts of data. The software and hardware on which we rely has contained, and will in the future contain, errors, bugs, or vulnerabilities and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs, or vulnerabilities inherently may be difficult to detect and may only be discovered after the code has been released for external or internal use. Errors, bugs, vulnerabilities, design defects, or technical limitations within the software and hardware on which we rely have in the past led to, and may in the future lead to, outcomes including a negative experience for clients who use our offerings and their end users, compromised ability of our offerings to perform in a manner consistent with our terms, contracts, or policies, delayed product launches or enhancements, targeting, measurement, or billing errors, compromised ability to protect data and/or our intellectual property, or reductions in our ability to provide some or all of our services. To the extent such errors, bugs, vulnerabilities, or defects impact our advertising solutions or the accuracy of data in the advertising solutions, our clients may become dissatisfied with our offerings, our brand and

reputation may be harmed, and we may make operational decisions that are based on inaccurate data. Any errors, bugs, vulnerabilities, or defects in our systems or the software and hardware on which we rely, failures to properly address or mitigate the technical limitations in our systems, or associated degradations or interruptions of service or failures to fulfill our commitments to our clients may lead to outcomes including damage to our reputation, increased product engineering expenses, regulatory inquiries, litigation, or liability for fines, damages, or other remedies, any of which could adversely affect our business, financial condition, and results of operations.

***Our business depends in part on our ability to maintain and scale our technical infrastructure, and any significant disruption to our advertising solutions could damage our reputation, result in a potential loss of engagement, and adversely affect our business, financial condition, and results of operations.***

Our reputation and ability to attract and retain our clients depends in part on the reliable performance of our advertising solutions. We have in the past experienced, and may in the future experience, interruptions in the availability or performance of our offerings from time to time. Our systems may not be adequately designed or may not operate with the reliability and redundancy necessary to avoid performance delays or outages that could be harmful to our business. If our offerings are unavailable when clients attempt to access them, or if they do not load as quickly as expected, clients may not use our offerings as often in the future, or at all, which could adversely affect our business and results of operations. As we continue to grow, we will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy our needs and the needs of our clients. Additionally, we rely on certain third-party providers for our increasing network capacity and computing power needs, and if we fail to properly anticipate our needs or secure sufficient capacity at a reasonable cost, our ability to scale and grow our business, or our profitability, could be negatively impacted. Our business may be subject to interruptions, delays, or failures resulting from natural disasters and other events outside of our control that impact us or these third-party providers. If such an event were to occur, clients may be subject to service disruptions or outages and we may not be able to recover technical infrastructure and data in a timely manner to restart or provide our services. If we fail to efficiently scale and manage our infrastructure, or if events disrupt our infrastructure or those of our third-party providers, our business, financial condition, and results of operations could be adversely affected.

***Our revenue has been concentrated in the mobile app ecosystem and any failure to successfully expand and diversify our revenue sources beyond the mobile ecosystem could adversely affect our business, financial condition, and results of operations.***

We face concentration risk in that our advertising solutions primarily operate in the mobile app ecosystem and specifically mobile gaming. As such, our business depends, in part, on the continued health and growth of these app ecosystems. Further, a significant amount of our total revenue is derived through mobile applications subject to a limited number of third-party distribution platforms, such as the Apple App Store, the Google Play Store, and Meta. Because Meta and Google are also significant partners of AppLovin and Adjust, a deterioration in our or Adjust's relationship with such companies would have a greater impact on our business, financial condition, and results of operations. If any of these concentrated portions of our revenue are harmed or are lost, our business, financial condition, and results of operations could be adversely affected.

***Our future growth may involve expansion into new business opportunities, and any efforts to do so that are unsuccessful or are not cost-effective could adversely affect our business, financial condition, and results of operations.***

In the past, we have grown by expanding our offerings into new business opportunities and we expect to continue to do so. We have dedicated resources to expanding into adjacent business opportunities in which large competitors have an established presence, such as e-commerce. For example, since 2024 we have begun expanding our customer base to include web-based e-commerce advertisers. Additionally, our future growth may include expansion into additional features for our advertisers and publishers, other mobile app sectors, social, connected TV markets, or other opportunities which may require significant investment in order to launch and which may not prove successful. Further, any such expansion may subject us to new or additional laws and regulations, compliance with which may be burdensome and costly. Our future growth depends in part on our ability to correctly identify areas of investment and to cost-effectively execute on our plans. For example, we generate revenue through our Wurl CTV business which provides streaming content distribution and advertising services, markets which remain nascent and may not develop as we expect over time. There can be no assurance that we will achieve broader adoption among e-commerce advertisers or that we will effectively develop technology for our advertising solutions that will allow us to successfully expand into new markets.

We have in the past and may in the future expend significant resources in connection with strategic acquisitions and partnerships to expand into new business opportunities. Even if successful, the growth of any new

business opportunity could create significant challenges for our management and operational resources and could require considerable investment. The deployment of significant resources towards a new opportunity that proves unsuccessful, or our inability to choose the correct investment opportunities for our future, could adversely affect our business, financial condition, and results of operations.

***Our business is subject to general macroeconomic conditions and a variety of other factors beyond our control that could adversely affect our revenue and results of operations.***

A deterioration in macroeconomic conditions, whether in the United States, internationally, or globally, could create uncertainty and adversely affect advertising spending or costs related to our operations. Historically, consumer purchasing and advertising spending have each declined during economic downturns and periods of uncertainty regarding future economic prospects or when disposable income or consumer lending is lower. Uncertain economic conditions may impact advertiser spending in future periods and may also adversely affect our clients, which in turn may harm our business, financial condition, and results of operations. Economic and political relations between the U.S. and other countries continue to evolve rapidly, including with respect to tariff and other policies, and changing policies may adversely affect our business by harming advertising spending or increasing our costs.

Our business is also impacted by geopolitical conditions. While not currently material to the operation of our business, management and our board of directors have discussed and assessed, and will continue to discuss and assess, any risks related to international conflicts around the world, such as in Ukraine and the Middle East, as well as, tension between the United States and China or other nations, including but not limited to, risks related to cybersecurity, sanctions, regulatory changes, and personnel based in affected regions. For example, we have employees located in Israel and as a result of the international conflict in the Middle East, we have incurred and are likely to continue to incur costs to support our employees and address related challenges. We may also experience interruptions or delays in the services they provide to us as a result of such geopolitical volatilities.

Further, we have operations in China and the continuing tension between the U.S. and China may impact our business and results of operations in the future. The U.S. government has restricted the ability to send certain products and technology to China without an export license. In many cases, these licenses are subject to a policy of denial and will not be issued. While our current products are not restricted by these controls, such controls or future restrictions could impact our business in the future. Additionally, the U.S. government also continues to add additional entities in China and other countries to restricted party lists impacting the ability of U.S. companies to engage with these entities. In addition, the Chinese government has retaliated, and may continue to retaliate, to recent changes in U.S. tariffs and export controls in ways that could indirectly impact our business.

If we are unable to promptly or properly react to new developments in these and other international regions, our business, financial condition, and results of operations could be adversely affected.

Our principal offices are located in Palo Alto, an area known for earthquakes and susceptible to fires, and are thus vulnerable to damage. All of our facilities are also vulnerable to damage from natural or manmade disasters, including power loss, earthquakes, fires, explosions, floods, communications failures, terrorist attacks, contagious disease outbreak or other public health matters (such as the COVID-19 pandemic), and similar events. If any disaster were to occur, our ability to operate our business at our facilities could be impaired and we could incur significant losses, recovery from which may require substantial time and expense.

***Our international operations are subject to increased challenges and risks.***

We expect to continue to expand our international operations in the future. Our resources are located throughout the world, including in areas with less certain legal and regulatory regimes or more potential risks. Expanding our international operations may subject us to risks associated with:

- recruiting and retaining talented and capable management and employees in foreign countries;
- challenges caused by distance, language, and cultural differences;
- increased risk of loss, data breaches or cybersecurity attacks from our global operations;
- developing and customizing advertising solutions that appeal to the tastes and preferences of users in international markets;
- the inability to offer certain advertising solutions in certain foreign countries;
- competitors with intellectual property rights and significant market share in those markets and with a better understanding of user preferences;

- utilizing, protecting, defending, and enforcing our intellectual property rights;
- the inability to extend proprietary rights in our brand, content, or technology into new jurisdictions;
- compliance with applicable foreign laws and regulations, including anti-bribery laws, privacy and data protection laws, AI laws, economic and trade sanctions, and laws relating to content and consumer protection;
- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations;
- protectionist laws and business practices that favor local businesses in certain countries;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the tax laws in the United States or the foreign jurisdictions in which we operate;
- political, economic, and social instability or conflict, including international conflicts around the world, as well as increasing friction between the United States and China or other nations, and their impacts on regional and global economies;
- public health crises, such as the COVID-19 pandemic, which can result in varying impacts to our employees, clients, advertisers, app developers, and business partners internationally;
- higher costs associated with doing business internationally, including costs related to local advisors;
- export or import regulations; and
- trade restrictions, such as sanctions, and tariff restrictions.

Our ability to successfully gain market acceptance in any particular international market is uncertain and, in the past, we have experienced difficulties and have not been successful in all the countries we have entered. If we are unable to continue to expand internationally or manage the complexity of our global operations successfully, our business, financial condition, and results of operations could be adversely affected.

***We plan to continue to consider opportunities to expand and diversify our operations through strategic acquisitions and partnerships. We face a number of risks related to strategic transactions we may pursue.***

We will continue to consider opportunities to expand and diversify our operations with additional strategic acquisitions or partnerships, strategic collaborations, joint ventures, or licensing arrangements. As we continue to grow, these transactions may be larger and require significant investments, such as our acquisitions of Adjust, the MoPub business, and Wurl.

We may be unable to identify or complete prospective acquisitions or partnerships for many reasons, including our ability to identify suitable targets, increasing competition from other potential acquirers, the effects of consolidation in our industries, potentially high valuations of acquisition candidates, and the availability of financing to complete larger acquisitions. For example, in April 2025, we confirmed that we had provided an indication of interest to the President of the United States to explore a purchase of TikTok in all markets outside of China, but we ultimately did not enter into a transaction. In addition, applicable antitrust laws and other regulations may limit our ability to acquire targets, particularly larger targets, or force us to divest an acquired business. If we are unable to identify suitable targets or complete acquisitions, or if such acquisitions lead to heightened regulatory or compliance risk, our growth prospects could be adversely affected, and we may not be able to realize sufficient scale and technological advantages to compete effectively in all markets.

Further, completing larger acquisitions or other strategic transactions can involve significantly more risk in that such transactions can involve complicated integrations and require significant management attention to complete, and these large strategic transactions could introduce additional exposure to regulatory and compliance risk. To complete large strategic transactions, we may need to spend significant amounts of cash, which may not be available to us on acceptable terms, if at all, or which could lead us to incur additional debt (and increased interest expense), assume contingent liabilities or amortization expenses related to intangible assets, or write-offs of goodwill and intangible assets. In addition, we may need to issue significant amounts of equity or equity-linked consideration, which would dilute our current stockholders' ownership and could adversely affect the price of our Class A common stock. We also generally devote more time and resources towards performing diligence on larger transactions and may be required to devote more resources towards regulatory requirements in connection with such transactions. To the extent that we do not perform sufficient diligence on a larger acquisition or such a transaction does not generate the expected benefits, our business, financial condition, and results of operations will

be harmed, and to a greater extent than would occur with a smaller transaction.

Absent such strategic transactions, we would need to undertake additional development or commercialization activities at our own expense, which activities may not become commercially successful or financially viable. If we elect to fund and undertake such additional efforts on our own, we may need to obtain additional expertise and additional capital, which may not be available to our company on acceptable terms, if at all. If we are unable to do any of the foregoing, we may not be able to develop our advertising solutions effectively or achieve our expected product roadmap on a timely basis, which could adversely affect our business, financial condition, and results of operations.

The benefits of a strategic transaction may also take considerable time to develop, and we cannot be certain that any particular strategic transaction will produce the intended benefits. If we are unable to identify and complete strategic transactions or realize the anticipated benefits from such transactions, our business, financial condition, and results of operations could be adversely affected.

***We face risks related to our strategic transactions, which may not achieve our strategic objectives, may disrupt our operations or result in unexpected liabilities or expenses.***

As part of our growth strategy, we have frequently acquired companies, businesses, personnel, and technologies, and we intend to continue to evaluate and pursue strategic transactions. For example, we acquired Adjust in April 2021, Twitter's MoPub business in January 2022, and Wurl in April 2022. Each acquisition requires unique approaches to integration due to, among other reasons, the structure of the acquisition, the size, locations, and cultural differences among their team and ours, and has required, and will continue to require, attention from our management team. As we continue to grow, the size of our acquisitions and investments has increased and may continue to increase. In addition to the larger purchase prices associated with such acquisitions and investments, larger acquisitions and investments may also require additional management resources to integrate more significant and often more complex businesses into our company.

Our future success depends in part on our ability to effectively integrate and manage these acquisitions. If we are unable to obtain the anticipated benefits or synergies of such acquisitions, or we encounter difficulties integrating acquired businesses with ours, our business, financial condition, and results of operations could be adversely affected.

Challenges and risks from such strategic transactions include:

- diversion of our management’s attention in the acquisition and integration process, including oversight over acquired businesses;
- declining employee morale and retention issues resulting from changes in compensation or benefits, or changes in management, reporting relationships, or future performance;
- the need to integrate the operations, systems, technologies, products, and personnel of each acquired company, the inefficiencies and lack of control that may result if such integration is delayed or not implemented, and unforeseen difficulties and expenditures that may arise in connection with integration;
- costs associated with onboarding clients of an acquired business;
- the need to implement internal controls, procedures, and policies appropriate for a larger, U.S.-based public company at companies that prior to acquisition may not have as robust controls, procedures, and policies, in particular, with respect to the effectiveness of internal controls, cyber and information security practices and incident response plans, compliance with privacy, data protection, and other regulations protecting the rights of clients and users, and compliance with U.S.-based economic policies and sanctions which may not have previously been applicable to the acquired company’s operations;
- the difficulty in accurately forecasting and accounting for the financial impact of an acquisition transaction, including accounting charges, write-offs of deferred revenue under purchase accounting, and integrating and reporting results for acquired companies that have not historically followed GAAP;
- the implementation of restructuring actions and cost reduction initiatives to streamline operations and improve cost efficiencies;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, political, and regulatory risks associated with specific countries as well as tax risks that may arise from the acquisition;

- increasing legal, regulatory, and compliance exposure, and the additional costs related to mitigate each of those, as a result of adding new offices, employees and other service providers, benefit plans, equity, job types, and lines of business globally;
- tax risks, including that we may be required to make tax withholdings in various jurisdictions in connection with such transactions or as part of our continuing operations following a transaction, and that the companies or businesses we acquire may cause us to alter our international tax structure or otherwise create more complexity with respect to tax matters; and
- liability for activities of the acquired company before the acquisition, including intellectual property, commercial, and other litigation claims or disputes, security vulnerabilities, violations of laws, rules and regulations, including with respect to employee classification, tax liabilities, and other known and unknown liabilities.

If we are unable to successfully integrate and manage our strategic transactions, we may not realize the expected benefits of such transactions or become exposed to additional liabilities, and our business, financial condition, and results of operations could be adversely affected.

In addition, we have in the past chosen, and may in the future also choose, to divest certain businesses or product lines. For example, in June 2025, we sold our Apps Business. As a result of this divestiture, we no longer generate Apps revenue and we may not achieve the desired strategic and financial benefits. Any future divestitures or similar transactions may, among other risks, result in reduced revenue, cause us to incur additional expenses, disrupt third-party or employee relationships, and expose us to unanticipated or ongoing obligations and liabilities, including as a result of our indemnification obligations or any agreement to provide transition services.

***We have experienced recent rapid growth, which may not be indicative of our future growth. We may be unable to effectively manage the growth of our business, which could adversely affect our business, financial condition, and results of operations.***

We have experienced rapid growth in the scale, scope, and complexity of our business. For example, our revenue has grown rapidly, in particular since the launch of Axon AI, our advertising recommendation system. Our growth in any prior period should not be relied upon as an indication of our future performance, as we may not be able to sustain our growth rate in the future. Even if our revenue continues to increase, we expect that our revenue growth rate may decline in the future as a result of a variety of factors, including because of more difficult comparisons to prior periods and the saturation of the market. The overall growth of our revenue depends in part on our ability to execute on our growth strategies. As we implement additional strategies designed to increase revenue, such as investing in product development, new initiatives, or strategic transactions, we are likely to recognize costs associated with these investments earlier than some of the expected benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. If we are unable to generate adequate revenue growth and manage our expenses, our margins and profitability may be harmed.

Additionally, the growth and expansion of our business has placed and continues to place a significant strain on our management, operations, financial infrastructure, and culture. Our future success depends in part on our ability to manage this expanded business. If not managed effectively, this growth could result in the over-extension of our management systems and information technology systems and our internal controls and procedures may not be adequate to support this growth. Failure to adequately manage our growth in any of these ways may cause damage to our brand and reputation and adversely affect our business, financial condition, and results of operations.

***We generally do not have long-term agreements with our clients.***

Our clients are not required to enter into long-term agreements with us and may choose to stop using our advertising solutions at any time. In order to continue to grow our advertising solutions, we must consistently provide offerings that clients see as valuable and choose to use. If we fail to maintain our relationships with our clients, or if the terms of these relationships become less favorable to us, our results of operations would be harmed. Additionally, as certain of our clients are also our competitors, these clients may choose to invest in their own offerings rather than continue to use our advertising solutions. Any failure to maintain our relationships with clients could adversely affect our business, financial condition, and results of operations.

***If we do not successfully or cost-effectively invest in, protect and enhance our brands and reputation, our business, financial condition, and results of operations could be adversely affected.***

We believe that investing in and maintaining our brands and overall reputation is critical to maintaining and creating favorable relationships with, and our ability to attract, new clients and key personnel. Increasing awareness

of our brands will depend largely upon our marketing efforts and our ability to successfully differentiate our advertising solutions from the offerings of our competitors. In addition, successfully globalizing and extending our brands requires significant investment and extensive management time. If we fail to maintain and increase brand awareness and recognition of our advertising solutions, or fail to protect our reputation, our business, financial condition, and results of operations could be adversely affected.

Harm to our brands and reputation can arise from many sources, including actions of our business partners, service disruptions or technical issues, or legal or regulatory scrutiny. Even allegations may harm our reputation and brands and cause the market price of our Class A common stock to decline. We have from time to time in the past been, and may in the future be, the target of incomplete, inaccurate, and misleading or false statements about our company and our business that could damage our reputation and brands, divert management attention and resources, and deter clients or potential clients from using our solutions. If we do not successfully maintain, protect or enhance our brand and reputation, our business could be materially and adversely affected.

***Third parties with whom we do business may be unable to honor their obligations to us or their actions may put us at risk.***

We rely on third parties for various aspects of our business, including demand-side platforms, SDK bidders, agencies, advertisers, and publishers who use our advertising solutions. Their actions may violate our contracts, policies, and applicable laws and regulations, or may otherwise put our business and reputation at risk. Demand-side platforms and SDK bidders may be given access to personal information in order to bid on advertising inventory and, in violation of our contracts, they may misappropriate and engage in unauthorized use of our information, technology, or customers' data. In violation of our policies, advertisers may enable the serving of ads that contain prohibited, restricted, or inappropriate content, or content that otherwise fails to adhere to our policies or country-specific laws, rules, or regulations. We also work with advertisers that operate sports gambling apps, apps that involve real money gambling, and apps and advertisers in other regulated industries and markets (including alcohol, CBD/hemp, financial services, and health & wellness), each of which imposes additional legal and regulatory requirements on these advertisers, which they may not comply with. A vast amount of publishers attempt to use our advertising solutions, a number of which may attempt to monetize prohibited, restricted, or inappropriate content, or may engage or attempt to engage in fraudulent or other unlawful activity in violation of our policies. Any of the foregoing activities may from time to time cause us to incur losses, impose additional operational costs to protect our platform, trigger additional law enforcement or other inquiries, put our reputation at risk, and otherwise adversely affect our business, financial condition, and results of operations.

Further, disruptions in the mobile application industry, or financial markets, economic downturns, and poor business decisions may adversely affect our partners and may increase their propensity to engage in fraud or other unlawful activity which could harm our business or reputation, and they may not be able to honor their obligations to us, or we may cease our arrangements with them.

Additionally, the failure of third-party business partners to provide or maintain adequate services and technologies could result in a disruption to our business operations. While not material to our business to date, we experience from time to time disruptions from third parties with whom we do business, including failure to uphold contractual obligations, violations of our policies and terms of use, and other actions described in this risk. Actions by these third parties may directly or indirectly cause harm to our business, reputation, financial condition and results of operations.

**Risks Related to Legal and Regulatory Matters**

***We are subject to laws and regulations concerning privacy, information security, data protection, consumer protection, advertising, tracking, targeting, and protection of minors, and these laws and regulations are continually evolving. Our actual or perceived failure to comply with these laws and regulations could adversely affect our business, financial condition, and results of operations.***

We receive, store, and process personal information and other data, including data relating to individuals and households, and certain aspects of our services involve sharing data with demand partners and service providers. Numerous federal, state, and local laws around the world address privacy and the collection, storing, sharing, use, disclosure, deletion, protection, and other processing of personal information and other data, including data relating to individuals and households, the scope of which are changing, subject to differing interpretations, and may be inconsistent between jurisdictions or conflict with other obligations.

Governments and regulatory authorities have proposed and enacted laws and regulations relating to the collection and processing of information concerning consumer behavior, including by restricting certain targeted advertising practices. For example, the GDPR, which became effective in May 2018, created new individual privacy

rights and imposed worldwide obligations on companies processing personal data of European Union ("EU") users, which has created a greater compliance burden and subjects violators to substantial monetary penalties. For example, the GDPR and other similar regulations require companies to give specific types of notice and in some cases seek consent from data subjects to collect and use their data for certain purposes, including interest-based advertising. The United Kingdom has implemented legislation that substantially implements the GDPR and which also provides for substantial monetary penalties. Such legislation remains subject to the European Commission's adequacy decision for data transfers. We cannot fully predict how United Kingdom data protection laws or regulations may develop in the medium to longer term, nor the impacts of divergent laws and guidance regarding EU and United Kingdom data protection law.

We transfer personal data relating to our employees, clients and/or their users from the European Economic Area (“EEA”), the United Kingdom, Switzerland, and/or other jurisdictions to the United States and other countries. Following the invalidation of the EU-U.S. and Swiss-U.S. Privacy Shield frameworks by the Court of Justice of the European Union in 2020 and the imposition of additional requirements regarding the use of standard contractual clauses (“SCCs”), cross-border data transfer mechanisms have been subject to heightened regulatory scrutiny, evolving guidance, and legal challenge. The European Commission adopted updated SCCs in 2021, and the United Kingdom has implemented its own contractual transfer mechanisms, which have increased compliance complexity and costs. In July 2023, the European Commission adopted an adequacy decision for the EU-U.S. Data Privacy Framework (“EU-U.S. DPF”), and related frameworks for the United Kingdom and Switzerland subsequently became effective. We are certified under these frameworks, where applicable; however, they are subject to ongoing review and potential legal challenge and may be modified, suspended, or invalidated in the future. Regulators in certain European jurisdictions have also taken the position that specific data transfer practices, including the use of certain analytics tools, may result in unlawful transfers of personal data to the United States. If existing data transfer mechanisms are restricted or invalidated, or if additional measures are required, we and our business partners and service providers may need to implement alternative or supplemental safeguards, renegotiate contracts, or modify our operations, which could increase costs, limit our ability to process personal data, disrupt our advertising solutions or other offerings, and expose us and our customers to regulatory investigations or enforcement actions. Similar cross-border data transfer restrictions under other current or future laws such as Brazil’s General Data Protection Law and China’s Personal Information Protection Law may further increase compliance burdens and adversely affect our business, financial condition, and results of operations.

Moreover, there are increasing restrictions in the United States on certain personal sensitive data transfers to certain foreign countries. The Department of Justice finalized a final rule implementing Executive Order 14117, effective April 2025, which prohibits data transfer of personal identifiers, precise geolocation data, biometric identifiers, health data, and financial data over a certain bulk threshold to identified countries of concern (i.e., China, Hong Kong, Macau, Cuba, Iran, North Korea, Russia, and Venezuela). The rule also restricts data brokerage agreements, investment agreements, employment agreements, and vendor agreements involving such data and countries of concern. Violations of the rule may be punishable by criminal and/or civil sanctions and may result in exclusion from participation in federal and state programs. These data transfer restrictions may create operational challenges and legal risks for our business, particularly with regard to China, where we have operations.

Another example of increasingly stringent privacy legislation is California’s passage of the CCPA, which went into effect in 2020, and created new privacy rights for residents, including a private right of action for data breaches. The CPRA went into effect in 2023 and significantly modified the CCPA, increasing compliance complexity and uncertainty. Additionally, other states in the U.S. have proposed or enacted laws addressing privacy and cybersecurity, many of which are comprehensive statutes containing obligations similar to the CCPA and CPRA, that have taken effect or will take effect in coming years. Certain of these laws provide for private rights of action, which may increase the likelihood of class action litigation, that could also adversely affect our reputation, business, financial condition, and results of operations. The U.S. federal government is also contemplating federal privacy legislation, and California and other states continue to adopt initiatives aimed at data protection and data privacy, including requirements regarding data retention and deletion that may be or may become applicable to us. Our efforts to comply with the CCPA, as modified by the CPRA, and other existing and future legal requirements have required and will continue to require us to devote significant operational resources and incur significant costs and expenses. Our compliance and oversight efforts regarding privacy, data protection, and security require significant time and attention from our management and board of directors.

Further, children’s privacy continues to be a focus of enforcement activities and subjects our business to potential liability that could adversely affect our business, financial condition, or operating results. For example, enforcement of COPPA, which requires companies to obtain parental consent before collecting personal information from children known to be under the age of thirteen or from child-directed websites or online services, has increased

in recent years. In addition, the GDPR, the CCPA, as modified by the CPRA, and other laws contain their own prohibitions and requirements relating to processing the personal information of children. There also may be various laws, regulations, industry standards, codes of conduct, or other actual or asserted obligations relating to children's privacy to which we may be, or be asserted to be, subject, or that may otherwise impact our business and operations. For example, the United Kingdom's Age Appropriate Design Code ("AADC") is one such regulatory framework that has been adopted in the United Kingdom that focuses on online safety and protection of children's privacy online, and similar frameworks are being considered or have been enacted in other jurisdictions. While our terms of use prohibit publishers and advertisers from using our services in connection with end users who qualify as a "child" under applicable laws or content exclusively designed for or exclusively directed to children under applicable laws and app store policies, and we take reasonable efforts to comply with applicable laws and regulations and certain other standards, we may in the future face claims under COPPA, the GDPR, the CCPA, as modified by the CPRA, or other laws, regulations, or other actual or asserted obligations relating to children's privacy.

Additionally, several jurisdictions have enacted or proposed laws imposing new privacy obligations related to health-related personal information beyond traditional medical privacy laws like the Health Insurance Portability and Accountability Act, which laws can broadly define consumer health data and in certain cases include private rights of action. Ongoing developments regarding laws and regulations concerning privacy, information security, data protection, consumer protection, advertising, and other factors that may be relevant to our business may increase compliance burdens, legal risks, and operational costs for us, our clients, and others in the advertising technology ecosystem. We endeavor to comply with applicable industry standards and are subject to the terms of our privacy-related obligations and commitments to clients, end users, and third parties. We strive to comply with all applicable laws, policies, legal obligations, and certain industry codes of conduct relating to privacy and data protection, to the extent reasonably attainable. However, it is possible that these or other actual or asserted obligations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. It is also possible that laws, policies, legal obligations, or industry codes of conduct may be implemented, modified, or interpreted in manners that could prevent us from offering services to categories of persons, such as residents of a certain jurisdiction, or may make it costlier or more difficult for us to do so. Any failure or perceived failure by us to comply with our terms of use or privacy policy; with applicable laws, regulations, or legal, contractual, or other actual or asserted obligations to clients, end users, or third parties concerning the matters discussed in this risk factor, for any reason; or any compromise of security that results, or is perceived to result, in the unauthorized release or transfer of personal information or other data may result in governmental enforcement actions, enforcement proceedings or other proceedings, claims, demands, and litigation by private parties, or public statements against us by consumer advocacy groups or others and could cause a loss of trust in us, which could adversely affect our business, financial condition, or results of operations. We could also be subject to significant penalties, fines and other costs, or other remedies. Additionally, if third parties we work with, such as advertisers, publishers, vendors, service providers, or other business partners violate applicable laws or our policies, such violations may also put personal information at risk and could in turn adversely affect our reputation, business, financial condition, and results of operations.

***Our business is subject to a variety of U.S. and foreign laws, many of which are unsettled and still developing, which could subject us to claims or otherwise adversely affect our business, financial condition, and results of operations.***

We are subject to a variety of laws in the United States and abroad, and it is possible that a number of laws and regulations may be adopted or construed to apply to us in the United States and elsewhere that could affect our business and restrict the advertising ecosystem or development of our technologies, including state and federal laws regarding antitrust, consumer protection, electronic marketing, protection of minors, data protection, privacy, communications, content suitability, distribution, competition, taxation, intellectual property, machine learning and AI, money transmission, money laundering, investment screening, sanctions, export, national security, and climate change, which are continuously evolving and developing and any such policy and regulatory changes could impose operational and compliance burdens. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and evolving and may be conflicting, particularly laws outside the United States. There is a risk that existing or future laws may be interpreted in a manner that is not consistent with our current practices and which could adversely affect our business. As our advertising solutions grow and evolve, including through the use of and integration of AI technologies, and are used in a greater number of countries and on a larger scale, we expect to become subject to new laws and regulations in additional jurisdictions or jurisdictions may claim that we are required to comply with their laws and regulations. These laws and requirements may also require us to update our compliance programs and our business practices, which may be burdensome and costly, and we may face claims and penalties for failure, including inadvertent failure, to comply. The regulation of AI technologies is a

relatively new and evolving area of law which we may become subject to as we continue to explore the use of AI technologies in our current and future products. For example, in the EU, the EU Artificial Intelligence Act imposes a regulatory framework for the companies' development and use of AI systems, and numerous state laws in the U.S. have been proposed, and in certain cases enacted, regulating aspects of the development and use of AI systems. Beyond the EU and U.S., many other countries have proposed AI-related legal frameworks. There is a risk that existing or future laws may be interpreted in a manner that is not consistent with our current practices and which could adversely affect our business.

Furthermore, the growth and development of e-commerce and virtual goods may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as ours conducting business through the internet and mobile devices. We may also expand into new business opportunities that subject us to additional laws and regulations. As such, we may be required to seek licenses, authorizations, or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements and we may be subject to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the United States or elsewhere regarding these activities may lessen the growth of the advertising ecosystem. Any costs incurred as a result of adapting to laws and regulations, or as a result of liability in connection therewith, could adversely affect our business, financial condition, reputation and results of operations.

***The development and use of AI in our business, combined with an uncertain regulatory environment, may adversely affect our business, reputation, financial condition or results of operations.***

We use AI technologies in connection with the development of our advertising solutions, including Axon AI, our advertising recommendation system, and other product offerings, as well as in other aspects of our business, and we will continue to invest in the expansion of our AI capabilities. For example, we have begun to introduce tools that create AI-generated interactive ads and video creatives for advertisers. These technologies are complex and rapidly evolving, and the development of AI technologies can require significant investment. Expanding our AI capabilities subjects us to many of the risks discussed elsewhere in this Risk Factors section, including risks relating to rapid technological change, the highly technical nature of software, and competition.

Additionally, the introduction of AI technologies into new or existing products or other offerings may result in new or enhanced governmental or regulatory scrutiny, litigation, confidentiality, privacy, data protection, or security risks, social or ethical concerns, or other complications that could adversely affect our business, reputation, financial condition or results of operations. The impact of AI technology on intellectual property ownership and licensing rights, including copyright, has not been fully addressed by U.S. courts or other federal or state laws or regulations, and the use of third-party AI technologies in connection with our products and services may result in exposure to claims of copyright infringement or other intellectual property misappropriation. AI technologies, including generative AI, may create content that is, or is perceived to be, deficient, inaccurate, biased, offensive, unethical, or otherwise flawed. Our customers or others may rely on or use this content to their detriment, which may expose us to brand or reputational harm, competitive harm, and/or legal liability.

***We are subject to the Foreign Corrupt Practices Act, and similar anti-corruption and anti-bribery laws, and non-compliance with such laws could subject us to criminal penalties or significant fines and adversely affect our business and reputation.***

We are subject to the Foreign Corrupt Practices Act (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and similar anti-corruption and anti-bribery laws applicable in the jurisdictions in which we conduct business. Anti-corruption and anti-bribery laws prohibit companies, their employees, and third-party business partners, representatives, and agents from promising, authorizing, making or offering improper payments or other benefits, directly or indirectly, to government officials and others in the private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. As we continue to expand our business internationally, our risks under these laws increase.

We and our employees, third-party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of our employees, third-party business partners, representatives, and agents, even if we do not explicitly authorize such activities. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that our employees, third-party business partners, representatives, and agents will not take actions in violation of our policies or applicable law, for which we may be ultimately held responsible and our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

Any allegations or violations of the FCPA or other applicable anti-corruption laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, suspension or disbarment from U.S. government contracts, substantial diversion of management's attention, significant legal fees and fines, severe criminal or civil sanctions against us, our officers, or our employees, disgorgement of profits, other sanctions and remedial measures, and prohibitions on the conduct of our business, any of which could adversely affect our reputation, business, financial condition, and results of operations. Responding to any investigation or action will likely result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

***We are subject to governmental export controls and economic sanctions laws that could impair our ability to compete in global markets or subject us to liability if we violate the controls.***

Our advertising solutions may be subject to U.S. export controls, including the Export Administration Regulations. Under these regulations, exports of our products and services as well as the underlying technology may require export authorizations, including by license, a license exception, or other appropriate government authorizations, and the filing of a classification request or self-classification report to use a license exception, as applicable.

Furthermore, our activities are subject to U.S. economic sanctions laws and regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control that prohibit transactions with sanctioned parties, including the provision of services and the export of hardware, software, and technology to embargoed jurisdictions or sanctioned parties without the required authorizations. These laws and regulations are rapidly evolving and may be in conflict across international jurisdictions, leading to uncertainty and difficulty in achieving full compliance. Should we violate such existing or similar future laws or regulations, we may be subject to substantial monetary fines or suffer reputational damage and other penalties that could negatively impact our business. If we need to obtain any necessary export licenses or other authorizations for a particular sale, the process may be time-consuming and may result in the delay or loss of opportunities to sell our products.

We take precautions to prevent our products and services and the underlying technology from being provided, deployed or used in violation of export control and sanctions laws and regulations, including implementation of IP address blocking and sanctioned person screening, and continue to evaluate further enhancements to our policies and procedures relating to export control and sanctions compliance. However, we cannot assure you that our policies and procedures relating to export control and sanctions compliance will prevent violations in the future by us or our partners or agents. If we are found to be in violation of sanctions or export control regulations, including failure to obtain appropriate import, export, or re-export licenses or permits, it can result in significant penalties and government investigations, as well as reputational harm and loss of business. Knowing and willful violations can result in possible incarcerations for responsible employees and managers.

In addition to the United States, various other countries regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products or could limit our clients' ability to implement our products in those countries. Changes in our advertising solutions or future changes in export and import regulations may create delays in the introduction of our products and the underlying technology in international markets, prevent our clients with global operations from deploying our products globally, or, in some cases, prevent the export or import of our products to certain countries, governments, or persons altogether. For example, the Chinese government has retaliated, and may continue to retaliate, to recent changes in U.S. tariffs and export controls in ways that could indirectly impact our business. If we are unable to promptly or properly react to new developments in these and other international regions, our business, financial condition, and results of operations could be adversely affected.

Our growth strategy includes further expanding our operations and client base in international markets and acquiring companies that may operate in countries where we do not already do business. Such acquisitions may subject us to additional or expanded export and sanctions regulations. Further, any change in export or import regulations or controls, economic sanctions or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential clients with global operations. Any decreased use of our products or limitation on our ability to export or sell our products in major international markets could adversely affect our business, financial condition, and results of operations.

***Changes in tax laws or tax rulings could adversely affect our effective tax rates, business, financial condition, and results of operations.***

We are subject to tax laws, regulations, and rulings in the United States and numerous foreign jurisdictions. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, in the tax regimes that we are

subject to or operate under could cause us to be subject to additional income-based taxes and non-income taxes (such as payroll, sales, use, value-added, digital services, net worth, property, and goods and services taxes), which in turn could adversely affect our financial condition and results of operations. For example, the Inflation Reduction Act of 2022, enacted in August 2022, imposes a 15% minimum tax on global adjusted financial statement income for tax years beginning after December 31, 2022 for certain large companies. In addition, a number of other countries and organizations, such as the Organisation for Economic Cooperation and Development ("the OECD"), have enacted changes to existing tax laws or new laws that could impact our tax obligations, including a framework that imposes a 15% global minimum tax, which has been implemented into the domestic laws of some non-U.S. jurisdictions, and is being considered for implementation by other countries. On January 5, 2026, the OECD announced a "side-by-side" elective safe harbor that exempts electing U.S.-parented multinational entities from certain provisions of the global minimum tax for fiscal years beginning on or after January 1, 2026. Additionally, the One Big Beautiful Bill Act ("OBBBA"), enacted in July 2025, modifies existing U.S. tax laws, including by permitting the deduction of certain U.S. research and development expenditures and changing the calculation and deductibility of certain provisions related to international income for U.S. federal income tax purposes. Any significant changes to our future effective tax rate could adversely affect our business, financial condition, and results of operations.

***We may have exposure to greater than anticipated tax liabilities.***

Our tax obligations are based in part on our corporate operating structure and intercompany arrangements, including the manner in which we develop, value, manage, and use our intellectual property; the valuation of our intercompany transactions; and our corporate governance structure. The tax laws applicable to our business, including the laws of the United States and other jurisdictions, are subject to interpretation and certain jurisdictions are aggressively interpreting their laws in new ways in an effort to raise additional tax revenue. Our existing corporate structure and intercompany arrangements have been implemented in a manner we believe is in compliance with current prevailing tax laws. However, the taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, or determining the location(s) of management and control, which could impact our worldwide effective tax rate and adversely affect our financial condition and results of operations. Moreover, changes to our corporate structure and intercompany agreements, including through future acquisitions or divestitures, in addition to changes in domestic or international tax laws could impact our worldwide effective tax rate and adversely affect our business, financial condition, and results of operations.

In addition, we are subject to federal, state, and local taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating our tax positions and our worldwide provision for taxes. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. Our tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting, and other laws, regulations, principles, and interpretations, including those relating to income tax nexus, by our earnings being lower than anticipated in jurisdictions where we have lower statutory rates and higher than anticipated in jurisdictions where we have higher statutory rates, and by challenges to our intercompany relationships and transfer pricing arrangements. The relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our business, with some changes possibly affecting our tax obligations in future or past years. We believe that our financial statements reflect adequate reserves to cover such a contingency, but there can be no assurances in that regard.

***Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and any such assessments could adversely affect our business, financial condition, and results of operations.***

We collect sales tax and value added taxes in a number of jurisdictions. Sales and use, value added, digital advertising, digital services, and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable or that our presence in such jurisdictions is sufficient to require us to collect taxes, which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties, and interest or future requirements may adversely affect our financial condition and results of operations. Further, following the U.S. Supreme Court’s ruling in June of 2018 in South Dakota v. Wayfair, Inc., U.S. states may require an out-of-state seller with no in-state property or personnel to collect and remit sales tax on sales to the state’s residents, which may permit wider enforcement of sales tax collection requirements. Therefore, the application of existing or future laws relating to sales tax to our business, or the audit of our business and operations with respect to such taxes or challenges of

our positions by taxing authorities, all could result in increased tax liabilities for us or our customers, create additional administrative burdens for us, put us at a competitive disadvantage if such states do not impose similar obligations on our competitors, and decrease our future sales, which could adversely affect our business, financial condition, and results of operations.

***We may not be able to realize tax savings from our international structure, which could materially and adversely affect our results of operations.***

We have implemented an international structure involving our Singapore subsidiary, which may be challenged by tax authorities, and if such challenges are successful, the tax savings we expect to realize could be adversely affected. If additional substantial modifications to our international structure or the way we operate our business are made, if changes in domestic and international tax laws negatively impact the structure, if we do not operate our business consistent with the structure and applicable tax provisions, if we fail to achieve our revenue and profit goals, or if the international structure or our application of arm's-length principles to intercompany arrangements is successfully challenged by the U.S. or foreign tax authorities, our effective tax rate may increase, which could materially and adversely affect our financial condition and results of operations.

***If we are found liable for content or advertising that is served through our advertising solutions, our business could be adversely affected.***

As a distributor of content, we face potential liability for negligence, copyright, patent or trademark infringement, public performance royalties, or other claims based on the nature and content of materials that we distribute. The Digital Millennium Copyright Act (the "DMCA") is intended, in part, to limit the liability of eligible service providers for caching, hosting, or linking to user content that includes materials that infringe copyrights or other rights. We rely on the protections provided by the DMCA in conducting our business. Similarly, Section 230 of the Communications Decency Act ("Section 230") protects online distribution platforms, such as ours, from actions taken under various laws that might otherwise impose liability on the platform provider for what content creators develop or the actions they take or inspire. Our terms of use and policies also prohibit our clients from using our services to monetize or distribute content that may violate third-party intellectual property rights.

However, the DMCA, Section 230, and similar statutes and doctrines that we may rely on in the future are subject to uncertain judicial interpretation and regulatory and legislative amendments. Future regulatory or legislative changes may ultimately require us to take a more active approach towards content moderation, which could diminish the depth, breadth, and variety of content we offer and, in so doing, reduce our revenue. Moreover, the DMCA and Section 230 provide protections primarily in the United States. If the rules around these statutes and doctrines change, if international jurisdictions refuse to apply similar protections, or if a court were to disagree with our application of those rules to our business, we could incur liability and our business could be adversely affected. If we become liable for these types of claims as a result of the content or the advertisements that are served through our advertising solutions, then our business may be adversely affected. Litigation to defend these claims could be costly and the expenses and damages arising from any liability could adversely affect our business. Our insurance may not be adequate to cover these types of claims or any liability that may be imposed on us.

In addition, regardless of any legal protections that may limit our liability for the actions of third parties, our clients may not comply with their obligations and we may incur significant legal expenses and other costs if rights holders assert claims, or commence litigation, alleging infringement against our clients and/or us. While we maintain processes and systems for the reporting and removal of infringing content, such prohibitions, processes, and systems may not always be successful. If other developers, licensees, platform providers, business partners, and personnel are influenced by the existence of types of claims or proceedings and are deterred from working with us as a consequence, our ability to maintain or expand our business, including through international expansion plans, could be adversely affected.

***We have incurred and will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, financial condition, and results of operations.***

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), and the rules and regulations of the SEC and the Nasdaq listing standards. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. Compliance with these requirements has increased and will continue to increase our legal, accounting, and financial compliance costs and increase demand on our systems, making some activities more time-consuming and costly. We believe these rules and regulations have made it more expensive for us to obtain director and officer liability insurance, and we may be

required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers. As a public company, we have incurred and expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. In addition, as a public company, we may be subject to shareholder activism, which can lead to substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate.

As a result of disclosure of information in our public filings with the SEC as required of a public company, our business and financial condition has become more visible, which has resulted in and may in the future result in threatened or actual litigation, including by competitors and other third parties. For example, beginning in March 2025, several securities complaints were filed against us, our board of directors, and/or certain of our officers alleging violations of the Exchange Act concerning statements made regarding our advertising solutions and our financial growth. If such claims are successful, our business, financial condition, and results of operations could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and our board of directors and adversely affect our business, financial condition, and results of operations.

***Legal or regulatory proceedings and settlements could cause us to incur additional expenses or otherwise adversely affect our business, financial condition, and results of operations.***

We are involved in or may become involved in claims, suits, government investigations, including formal and informal inquiries or requests for information or audits from government authorities and regulators, and proceedings arising in the ordinary course of our business, including actions with respect to intellectual property claims, securities claims, privacy, data protection, consumer protection, competition or law enforcement matters, tax matters, labor and employment claims, commercial and acquisition-related claims, and other matters in the United States, Europe, and around the world, especially as we continue to grow and expand our operations. Further, following our sale of our Apps Business in June 2025, we have retained responsibility for certain legal proceedings related to our former studios. While these proceedings are not expected to be material, we expect to incur additional costs related to the resolution of these matters.

Any such claims, suits, government investigations, and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcomes, such legal or regulatory proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel attention, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in substantial costs, civil and criminal liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing us from offering certain features, functionalities, products or services, or requiring a change in our business practices, products or technologies, which could adversely affect our reputation, business, financial condition, and results of operations.

**Risks Related to Our Intellectual Property**

***Failure to protect or enforce our proprietary and intellectual property rights or the costs involved in such enforcement could adversely affect our business, financial condition, and results of operations.***

We regard our advertising solutions and related source code as proprietary and rely on a variety of methods, including a combination of copyright, patent, trademark, and trade secret laws and employee and third-party non-disclosure agreements, to protect our proprietary rights. We view the protection of our trade secrets, copyrights, trademarks, service marks, trade dress, domain names, patents, and other product rights as critical to our success. We strive to protect our intellectual property rights by relying on federal, state, and common law rights, as well as contractual restrictions and business practices. We also enter into confidentiality and invention assignment agreements with our employees and contractors and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, these contractual arrangements and business practices may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others.

We own or license, and pursue the registration of, copyrights, trademarks, service marks, domain names, and patents in the United States and in certain locations outside the United States. This process can be expensive and time-consuming, may not always be successful depending on local laws or other circumstances, and we also may choose not to pursue registrations in every location depending on the nature of the project to which the intellectual property rights pertain. We may, over time, increase our investments in protecting our creative works.

We also cannot be certain that existing intellectual property laws will provide adequate protection for our

products in connection with emerging technologies. For example, laws relating to intellectual property ownership and license rights, including copyright, with respect to AI and the use of tools containing AI have not been fully interpreted by U.S. courts or been fully addressed by federal and state regulations. As a result, our ability to fully protect our products, technologies and solutions under current and future legal regimes, especially as it relates to AI tools and technologies, may be limited or impacted by future laws, regulations, interpretations or other legislative or judicial actions. Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity, and diversion of management and technical resources. If we fail to maintain, protect, and enhance our intellectual property rights, our business, financial condition, and results of operations could be adversely affected.

***We are, and may in the future be, subject to intellectual property disputes, which are costly to defend and could require us to pay significant damages and could limit our ability to use certain technologies in the future.***

From time to time, we have faced, and we may face in the future, allegations that we have infringed the trademarks, copyrights, patents, and other intellectual property rights of third parties, including from our competitors, non-practicing entities and former employers of our personnel. Intellectual property litigation may be protracted and expensive, and the results are difficult to predict. As a result of any court judgment or settlement, we may be obligated to alter our advertising solutions, in a particular geographic region or worldwide, pay royalties or significant settlement costs, purchase licenses, or develop substitutes.

In certain of our agreements, we also indemnify our licensees and other business partners. We may incur significant expenses defending these business partners if they are sued for intellectual property infringement based on allegations related to our technology. If a business partner were to lose a lawsuit and in turn seek indemnification from us, we also could be subject to significant monetary liabilities. In addition, because our advertising solutions often involve the use of third-party technology, this increases our exposure to litigation in circumstances where there is a claim of infringement asserted against one of our products and services in question, even if the claim does not pertain to our technology.

***Many of our products and services contain open source software, and we license some of our software through open source projects, which may pose particular risks to our proprietary software, products, and services in a manner that could adversely affect our business, financial condition, and results of operations.***

We use open source software in our advertising solutions and expect to continue to use open source software in the future. In addition, we contribute software source code to open source projects under open source licenses or release internal software projects under open source licenses, and anticipate continuing to do so in the future. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, under some open source licenses, if we combine our proprietary software with open source software in a certain manner, third parties may claim ownership of, a license to, or demand release of, the open source software or derivative works that we developed using such software, which could include our proprietary source code. Such third parties may also seek to enforce the terms of the applicable open source license through litigation which, if successful, could require us to make our proprietary software source code freely available, purchase a costly license, or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. In addition to risks related to open source license requirements, use of certain open source software may pose greater risks than use of third-party commercial software, since open source licensors generally do not provide warranties or controls on the origin of software and open source software could incorporate AI generated code which may be a result of hallucinatory behavior. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our business, reputation, financial condition, and results of operations.

**Risks Related to Financial and Accounting Matters**

***If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley

Act, and the rules and regulations of the applicable Nasdaq listing standards. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems, and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers.

In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may experience deficiencies in our controls. The effectiveness of our controls and procedures may also be limited by a variety of factors including faulty human judgment and simple errors, omissions or mistakes, fraudulent action of an individual or collusion of two or more people, and inappropriate management override of controls and procedures.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, to the extent we acquire other businesses, the acquired company may not have a sufficiently robust system of controls and we may discover deficiencies. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could adversely affect our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports that are filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely cause the market price of our Class A common stock to decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq Global Select Market. As a public company, we are required to provide an annual management report on the effectiveness of our internal control over financial reporting and our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could adversely affect our business, financial condition, and results of operations and could cause the market price of our Class A common stock to decline.

***We may be required to record a significant charge to earnings if our goodwill becomes impaired.***

We are required under GAAP to review our goodwill for impairment at least annually or more frequently when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may be considered a change in circumstances, indicating a requirement to reevaluate whether our goodwill continues to be recoverable, include a significant decline in the market price of our Class A common stock and our market capitalization, slower growth rates in our industry, underperformance of certain assets, or other material and adverse events. We may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill is determined.

***We have indebtedness, and our obligations thereunder may limit our operational flexibility or otherwise adversely affect our business, financial condition, and results of operations.***

As of June 30, 2026, we had a total of $3.6 billion in aggregate principal amount of senior unsecured notes outstanding (the “Senior Notes”). We also had $1.0 billion of commitments (with a $100 million letter of credit sublimit) under our senior unsecured credit agreement that provides for an unsecured revolving credit facility (the “Credit Agreement”). As of June 30, 2026, we did not have outstanding borrowings under the Credit Agreement.

Our indebtedness could adversely impact us. For example, these obligations could among other things:

- require us to dedicate a significant portion of our cash flow from operations to service and repay the indebtedness, reducing the amount of cash flow available for other purposes;

- make it difficult for us to pay other obligations;
- increase our cost of borrowing;
- make it difficult to obtain favorable terms for any necessary future financing for working capital, capital expenditures, strategic acquisitions and partnerships, debt service requirements, or other purposes;
- restrict us from making strategic acquisitions and partnerships or cause us to make divestitures or similar transactions;
- adversely affect our liquidity and result in a material adverse effect on our financial condition upon repayment of the indebtedness;
- increase our vulnerability to adverse economic and industry conditions;
- increase our exposure to interest rate risk from variable rate indebtedness;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- limit our flexibility in planning for and reacting to changes in our business.

In addition, from time to time we have entered into interest rate swap instruments to limit our exposure to changes in variable interest rates. While our hedging strategy is designed to minimize the impact of increases in interest rates applicable to our variable rate debt, including our credit facility, there can be no guarantee that our hedging strategy will be effective, and we may experience credit-related losses in some circumstances. Upon the occurrence of a change of control repurchase event (as defined in the indenture governing the Senior Notes), we will be required to repurchase the Senior Notes at the option of each holder. We may not have sufficient funds to repurchase the Senior Notes in cash at the time of any change of control repurchase event. Upon the occurrence of a change of control (as defined in the Credit Agreement), the lenders thereunder could accelerate the obligations under the Credit Agreement and terminate the commitments under the Credit Agreement. The indentures governing the Senior Notes also include customary affirmative and negative covenants (including covenants restricting our ability to incur certain liens and enter into sale and leaseback transactions, subject to certain exceptions), events of default, and other customary provisions. The Credit Agreement also imposes restrictions on us and requires us to maintain compliance with specified covenants regardless of whether any amounts are outstanding thereunder. Our ability to comply with these covenants may be affected by market, economic, financial, competitive, legislative, and regulatory factors, as well as other factors that are beyond our control. A breach of any of the covenants in the indentures governing the Senior Notes or the Credit Agreement could result in an event of default, which, if not cured or waived, could trigger acceleration of our indebtedness and an increase in the interest rates applicable to such indebtedness (in the case of the Credit Agreement), and may result in the acceleration of or default under any other debt we may incur in the future to which a cross-acceleration or cross-default provision applies. The acceleration of the indebtedness under the Credit Agreement, the Senior Notes, or under any other indebtedness could have a material and adverse effect on our business, financial condition, and results of operations.

We receive debt ratings from the major credit rating agencies in the United States. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near-term and long-term growth opportunities. Liquidity, asset quality and cost structure could also be considered by the rating agencies. The applicable margins with respect to the loans incurred under the Credit Agreement will vary based on our applicable public debt credit ratings assigned by Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC, Fitch’s and any successor to each such rating agency business. Moreover, our Senior Notes are currently rated investment-grade by various rating agencies. A ratings downgrade, including any announcement that our ratings are under further review for a downgrade, could adversely impact our ability to access debt markets in the future and increase the cost of current or future debt and may adversely affect our share price.

***We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which could have a material and adverse effect on our business, financial condition, results of operations, and cash flows.***

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and results of operations, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, or interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay strategic acquisitions and partnerships, capital expenditures, and payments on account of other obligations, seek additional capital, restructure or refinance our indebtedness, or sell

assets. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business operations. In addition, we cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all.

If we are unable to repay or otherwise refinance our indebtedness when due, or if any other event of default is not cured or waived, the applicable lenders or holders could accelerate our outstanding obligations, which could force us into bankruptcy or liquidation. In the event the applicable lenders or holders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the agreements governing our indebtedness could have a material and adverse effect on our business.

***We may require additional capital to meet our financial obligations and support business growth, and this capital may not be available on acceptable terms or at all.***

We intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, including the need to continue to develop our advertising solutions, improve our operating infrastructure, or enter into new markets or strategic transactions. Accordingly, we may need to engage in equity, equity-linked, or debt financings to secure additional funds. Our ability to obtain additional financing that we may choose or need, including for the refinancing of future debt maturities or potential strategic acquisitions and investments, will depend on, among other things, our development efforts, business plans, operating performance, and the condition of the capital markets at the time we seek financing. Also, if we raise additional funds through future issuances of equity or equity-linked securities, our existing stockholders could experience significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. Any debt financing that we secure in the future could involve offering security interests and undertaking restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. Our Credit Agreement, which provides for a revolving credit facility, contains a financial covenant with which we must comply. We may not be able to obtain additional financing on terms favorable to us, if at all. Additionally, if we seek to access additional capital or increase our borrowing, there can be no assurance that financing and credit may be available on favorable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business, financial condition, or results of operations could be adversely affected.

**Risks Related to Ownership of Our Class A Common Stock and Governance**

***The multi-class structure of our common stock and the Voting Agreement among the Voting Agreement Parties have the effect of concentrating voting power with the Voting Agreement Parties, which will limit your ability to influence the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transactions.***

We have three classes of common stock. Our Class A common stock has one vote per share, our Class B common stock has 20 votes per share, and our Class C common stock has no voting rights, except as otherwise required by law. Adam Foroughi, our co-founder and CEO, and Herald Chen, a member of our board of directors (collectively with certain affiliates, the "Voting Agreement Parties") together hold all of the issued and outstanding shares of our Class B common stock. As of June 30, 2026, the Voting Agreement Parties collectively held approximately 67% of the voting power of our outstanding capital stock in the aggregate. This voting power includes shares of Class A common stock deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Exchange Act. The Voting Agreement Parties have entered into a voting agreement (the "Voting Agreement") whereby all Class B common stock held by the Voting Agreement Parties and their respective permitted entities and permitted transferees will be voted as determined by Mr. Foroughi and Mr. Chen. As a result, the Voting Agreement Parties will collectively be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction. The Voting Agreement Parties may have interests that differ from yours and may vote in a way with which you disagree, and which may be adverse to your interests. This concentrated control

may have the effect of delaying, preventing, or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company, and might ultimately affect the market price of our Class A common stock.

Future transfers by the holders of Class B common stock will generally result in those shares automatically converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or other transfers among the Voting Agreement Parties. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon certain events specified in our amended and restated certificate of incorporation.

In addition, because our Class C common stock carries no voting rights (except as otherwise required by law), if we issue Class C common stock in the future, the holders of Class B common stock may be able to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders for a longer period of time than would be the case if we issued Class A common stock rather than Class C common stock in such transactions.

***We are considered a "controlled company" within the meaning of the Nasdaq corporate governance requirements, and, as a result, we qualify for exemptions from certain corporate governance requirements.***

As a result of our multi-class common stock structure and the Voting Agreement among the Voting Agreement Parties, the Voting Agreement Parties collectively hold greater than a majority of the voting power of our outstanding capital stock and the Voting Agreement Parties have the authority to vote the shares of all Class B common stock, subject to the terms of the Voting Agreement, at their discretion on all matters to be voted upon by stockholders. Therefore, we are considered a "controlled company" as that term is set forth in the Nasdaq corporate governance requirements. Under these corporate governance requirements, a company in which over 50% of the voting power for the election of directors is held by an individual, a group, or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that we have a nominating/corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that we have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

We do not currently avail ourselves of any of these corporate governance accommodations, though we may do so in the future. In the event that we cease to be a "controlled company" and our Class A common stock continues to be listed on Nasdaq, we will be required to comply with these provisions within the applicable transition periods.

***The market price of our Class A common stock has been, and could continue to be, volatile, and you could lose all or part of your investment.***

The market price of our Class A common stock has fluctuated, and may continue to fluctuate, substantially depending on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that have in the past caused and could in the future cause fluctuations in the market price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time, including fluctuations due to general economic uncertainty or negative market sentiment;
- volatility in the market and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders;
- rumors and market speculation involving us or other companies in our industry;

- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or perceived significant data privacy or cybersecurity incidents involving our advertising solutions;
- the financial or non-financial metric projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- third-party data published about us or other advertising companies, whether or not such data accurately reflects circumstances;
- announcements by us or our competitors of new products or services;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- fluctuations in the trading volume of shares of our Class A common stock or the size of our public float;
- short selling of our Class A common stock or related derivative securities, and the publication of short seller reports;
- actual or anticipated changes or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- our issuance or repurchase of shares of our Class A common stock;
- litigation or regulatory action involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws, regulations or app store policies or new interpretations of existing laws, regulations or app store policies applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- major catastrophic events in our domestic and foreign markets;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

In addition, the market price of our Class A common stock has in the past fluctuated and could in the future fluctuate for reasons unrelated to our business, financial condition, or results of operations, including if the market for technology stocks or the stock market in general experiences a loss of investor confidence. The market price of our Class A common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Accordingly, we cannot assure you of the liquidity of any trading market, your ability to sell your shares of our Class A common stock when desired, or the prices that you may obtain for your shares of our Class A common stock.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If the market price of our Class A common stock is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management's attention and resources from our business. Such litigation could adversely affect our business, financial condition, and results of operations.

***We may not realize the anticipated long-term stockholder value of our share repurchase programs and any failure to repurchase our Class A common stock after we have announced our intention to do so may negatively impact our stock price.***

Our board of directors has authorized a share repurchase program under which we repurchase shares of our Class A common stock from time to time. We may make share repurchases through a variety of methods, including open share market purchases, block transactions or privately negotiated transactions, in accordance with applicable federal securities laws. Our share repurchase program has no time limit, does not obligate us to repurchase any specific number of shares and may be suspended at any time at our discretion and without prior notice. The timing

and amount of any repurchases, if any, will be subject to liquidity, stock price, market and economic conditions, compliance with applicable legal requirements such as Delaware surplus and solvency tests, compliance with our credit agreement, and other relevant factors. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price.

The existence of this share repurchase program could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Although this program is intended to enhance long-term stockholder value, there is no assurance it will do so because the market price of our Class A common stock may decline below the levels at which we repurchased shares and short-term stock price fluctuations could reduce the effectiveness of the program.

Repurchasing our Class A common stock will reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate requirements, and we may fail to realize the anticipated long-term stockholder value of any share repurchase programs.

***The issuance of additional stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other stockholders.***

Our amended and restated certificate of incorporation authorizes us to issue up to 1,500,000,000 shares of Class A common stock, up to 150,000,000 shares of Class C common stock, and up to 100,000,000 shares of preferred stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue shares of Class A common stock or securities convertible into shares of our Class A common stock from time to time in connection with a financing, acquisition, investment, our equity incentive plans, or otherwise. Any such issuance could result in dilution to our existing stockholders and/or negatively impact the market price of our Class A common stock.

***Our multi-class stock structure, the Voting Agreement, and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A common stock.***

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- our multi-class common stock structure and the Voting Agreement, which provide the Voting Agreement Parties with the ability to determine or significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding common stock;
- vacancies on our board of directors may be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by a majority of our board of directors, the chairperson of our board of directors, our Chief Executive Officer, or our President;
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders;
- our amended and restated certificate of incorporation does not provide for cumulative voting;
- our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued by our board of directors, without further action by our stockholders;
- after the first date on which the outstanding shares of our Class B common stock represent less than a majority of the total combined voting power of our Class A common stock and our Class B common stock (the "Voting Threshold Date"), our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter; and
- certain litigation against us may only be brought in Delaware.

These provisions, alone or together, could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the market price of our Class A common stock.

***Our amended and restated bylaws designate a state or federal court located within the State of Delaware and the federal district courts of the United States as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants, and provided that this exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act.

Section 22 of the Securities Act of 1933, as amended (the "Act") creates concurrent jurisdiction for federal and state courts over all such actions brought under the Act. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Act.

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, stockholders, or other employees, which may discourage lawsuits with respect to such claims against us and our current and former directors, officers, stockholders, or other employees. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions.

Further, the enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that a court of law may rule that these types of provisions are inapplicable or unenforceable if they are challenged in a proceeding or otherwise. In the event a court finds either exclusive forum provision contained in our amended and restated bylaws to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

### Sales of Unregistered Securities

During the three months ended June 30, 2026, we issued 566 shares of our Class A common stock upon the vesting and settlement of restricted stock units issued under our 2021 Partner Studio Incentive Plan.

The foregoing transactions did not involve any underwriters, any underwriting discounts or commissions, or any public offering. We believe the offer, sale, and issuance of the above securities was exempt from registration under the Act by virtue of Section 4(a)(2) of the Act and Regulation S promulgated under the Act, because the issuance of securities to the recipients did not involve a public offering. The recipients of the securities in the transaction represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in the transaction. All recipients had adequate access, through their relationships with us or otherwise, to information about us. The issuance of these securities was made without any general solicitation or advertising.

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The following table summarizes the share repurchase activity for the three months ended June 30, 2026:

| Period | Total Number of Shares Purchased [1] | Average Price Paid Per Share [2] | Total Number of Shares Purchased as Part of Publicly Announced Programs [1] | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program [1] |
|---|---|---|---|---|
| | (in thousands) | | (in thousands) | (in millions) |
| April 1 - 30, 2026 | 356 | $ 425.69 | 356 | $ 2,131 |
| May 1 - 31, 2026 | 260 | $ 481.10 | 260 | $ 2,006 |
| June 1 - 30, 2026 | 489 | $ 511.61 | 489 | $ 1,756 |
| Total | 1,105 | Total | 1,105 | |

(1) In February 2022, our board of directors authorized a share repurchase program to purchase shares of our Class A common stock. In October 2025, our board of directors authorized an increase to the repurchase program of $3.2 billion, such that an aggregate amount of approximately $3.3 billion remained available for repurchases as of October 31, 2025. Repurchases may be made from time to time through open market purchases or through privately negotiated transactions, subject to market conditions, applicable legal requirements, including surplus and solvency requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18. We may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of shares. The repurchase program does not obligate us to acquire any particular amount of our Class A common stock, has no expiration date and may be modified, suspended, or terminated at any time at our discretion. See Note 7 – Equity in the notes to condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information related to share repurchases.

(2) Average price paid per share includes commissions and fees associated with the repurchases under our repurchase program.

**ITEM 5. OTHER INFORMATION**

*Securities Trading Plans of Directors and Executive Officers*

On May 15, 2026, Victoria Valenzuela, who served as our Chief Administrative & Legal Officer at the time, terminated a Rule 10b5-1 trading plan, which was previously adopted on December 12, 2025 and intended to satisfy the affirmative defense in Rule 10b5-1(c). The terminated trading plan provided for the potential sale of up to 17,500 shares of our Class A common stock and up to 20,236 additional shares of our Class A common stock issuable upon vesting and settlement of RSUs, net of shares withheld for taxes. The trading plan was scheduled to be effective until December 31, 2026, or earlier if all transactions under the trading plan were completed. On June 11, 2026, Ms. Valenzuela, who served as our Chief Administrative & Legal Officer and a member of our board of directors at the time, adopted a Rule 10b5-1 trading plan intended to satisfy the affirmative defense in Rule 10b5-1(c). The trading plan provides for the potential sale of up to 55,500 shares of our Class A common stock and up to 10,118 additional shares of our Class A common stock issuable upon vesting and settlement of RSUs, net of shares withheld for taxes. The trading plan is scheduled to be effective until December 31, 2026, or earlier if all transactions under the trading plan are completed.

No other officers, as defined in Rule 16a-1(f), or directors adopted and/or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as defined in Regulation S-K Item 408, during the last fiscal quarter.

**ITEM 6. EXHIBITS**

We have filed the exhibits listed on the accompanying Exhibit Index, which is incorporated herein by reference.

**EXHIBIT INDEX**

| Exhibit Number | Description | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filing Date |
| 3.1 | Certificate of Amendment to Amended and Restated Certificate of Incorporation of the registrant. | | | | |
| 10.1+ | AppLovin Corporation Outside Director Compensation Policy. | 10-Q | 001-40325 | 10.1 | May 6, 2026 |
| 31.1 | Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | |
| 31.2 | Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | |
| 32.1† | Certifications 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. | | | | |
| 101 | The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements. | | | | |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). | | | | |

+ Indicates management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of AppLovin Corporation 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 this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

**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.

**APPLOVIN CORPORATION**

Date: August 5, 2026

By: /s/ Adam Foroughi
Chief Executive Officer
*(Principal Executive Officer)*

Date: August 5, 2026

By: /s/ Matthew A. Stumpf
Chief Financial Officer
*(Principal Financial Officer and Principal Accounting Officer)*

**Exhibit 3.1**

# CERTIFICATE OF AMENDMENT
# TO THE
# AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
# OF
# APPLOVIN CORPORATION

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

AppLovin Corporation, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "***Delaware General Corporation Law***"),

**DOES HEREBY CERTIFY:**

**FIRST:** That the name of this corporation is AppLovin Corporation (the "***Corporation***") and that the Corporation was originally incorporated pursuant to the Delaware General Corporation Law on July 18, 2011 under the name AppLovin Corporation.

**SECOND:** That pursuant to Section 242 of the Delaware General Corporation Law, this Certificate of Amendment to the Amended and Restated Certificate of Incorporation (this "***Certificate of Amendment***") amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 19, 2021 (the "***Certificate of Incorporation***").

**THIRD:** That pursuant to Section 242 of the Delaware General Corporation Law, the Board of Directors of the Corporation duly adopted resolutions setting forth the terms and provisions of this Certificate of Amendment, declaring the terms and provisions of this Certificate of Amendment to be advisable, and directing that the terms and provisions of this Certificate of Amendment be submitted to and considered by the stockholders of the Corporation for approval, which resolution setting forth the terms and provisions of this Certificate of Amendment is as follows:

**RESOLVED,** that the Certificate of Incorporation is hereby amended by amending and restating Article IX thereof in its entirety as follows:

"**Article IX**

To the fullest extent permitted by law, no director or officer of the Corporation shall be personally liable for monetary damages for breach of fiduciary duty as a director or officer. Without limiting the effect of the preceding sentence, if the Delaware General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director or officer, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

No amendment, repeal, or elimination of this Article IX, or adoption of any provision of this Amended and Restated Certificate inconsistent with this Article IX, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director or officer of the Corporation existing at the time of such amendment, repeal, elimination or adoption of such an inconsistent provision."

***

**FOURTH:** The terms and provisions of this Certificate of Amendment have been duly adopted in accordance with Section 242 of the Delaware General Corporation Law.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Certificate of Amendment has been duly executed by a duly authorized officer of this corporation on this 5th day of June, 2026.

By: /s/ Adam Foroughi
Name: Adam Foroughi
Title: Chief Executive Officer

**Exhibit 31.1**

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Adam Foroughi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AppLovin Corporation;

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 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 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 5, 2026

By: /s/ Adam Foroughi
Adam Foroughi
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew A. Stumpf, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AppLovin Corporation;

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 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 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 5, 2026

By: /s/ Matthew A. Stumpf
Matthew A. Stumpf
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32.1**

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

I, Adam Foroughi, 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 AppLovin Corporation for the fiscal 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 the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of AppLovin Corporation.

Date: August 5, 2026

By: /s/ Adam Foroughi
Name: Adam Foroughi
Title: Chief Executive Officer
(Principal Executive Officer)

I, Matthew A. Stumpf, 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 AppLovin Corporation for the fiscal 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 the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of AppLovin Corporation.

Date: August 5, 2026

By: /s/ Matthew A. Stumpf
Name: Matthew A. Stumpf
Title: Chief Financial Officer
(Principal Financial Officer)