

Sakura Research thinks that Applovin is a company with a large number of red flags. Investors should be cautious about investing in this company.

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**Applovin Corp: NASDAQ: APP**

**Diluted market cap: US\$140B**

Applovin was a top performing stock on Nasdaq in 2024 and its CEO Arash Foroughi was the among the 10 highest paid CEOs in 2023. Impressed by its late 2024 share performance, we studied the 2024 Glassdoor reviews by employees of APPLOVIN. Then we started digging. While doing our research, the first publication by Lauren Balik came online. In the past few weeks, Lauren Balik at The Captain's Log and Edwin Dorsey at The Bear Cave have uncovered more critical issues with APPLOVIN products and operations.

APPLOVIN's finances, disclosures, overseas subsidiaries, and overseas operations raise many questions and require clarifications and transparency from APPLOVIN, as well as potential investigation by regulators.

APPLOVIN operates ad network and MAX mediation to connect advertisers/marketer (especially mobile app/gaming companies, and more recently, eCommerce & DTC advertisers) with the ad inventory of mobile game publishers (i.e., suppliers, or SSPs – Supply-Side Partners). APPLOVIN connects Demand-Side Partners (DSPs, i.e., marketers & advertisers) with SSPs (mobile app publishers/developers) in real-time bidding. APPLOVIN also owns free-to-play mobile game studios and gaming apps (about 1500 apps), which is expected to be sold off in Q2, 2025 to “private buyer” for a mere \$900 million.

1) While APPLOVIN reports impressive Adjusted EBITDA, free cash flow, and earnings for both 2023 and 2024, its tax payments suggest that it may be involved in creative accounting practices. We believe that APPLOVIN is a cash-poor company that cannot generate real cash profits to pay its taxes after the COVID-19 gaming peak in 2021.

US\$ '000	2024	2023	2022	2021	2020
Profit / (Loss) before Tax	1,576,005	380,570	-205,177	46,311	-135,706
Taxes paid / (tax benefit)	-3,771	23,859	-12,230	10,973	-9,772
Net income	1,579,776	356,711	-192,947	35,338	-125,934
<b>Effective tax rate in profitable years</b>	<b>-0.2%</b>	<b>6.3%</b>		<b>23.7%</b>	
Cash and Cash eq.	741,411	502,152	1,080,484	1,520,504	317,235

Table. Suffering since the COVID19-enabled gaming peak of 2021. APPLOVIN is unique among the highly profitable AI-powered software companies in that it is not paying taxes, despite generating a whopping \$1.57B in net income in 2024. Key figures involved in this scheme include CFO Matt Stumpf and Principal Accounting Officer (PAO) Dmitriy Dorosh, both of whom worked for many years in Transactional Services at PwC. We feel that the scheme is masterminded by Iranian-born CEO Arash Foroughi, ex-KKR financier Herald Chen and Russian-born CTO Vasily Sikin.

Notable departures in the finance/accounting functions include PAO Elena Arutunian, who resigned in August 2022, and CFO/President Herald Chen, who resigned in late 2023.

2) APPLOVIN's balance sheet is becoming increasingly leveraged, with its leverage ratio (total assets divided by total equity) rising from 1.53 in December 2021 to 5.38 in December 2024. The distressed quality of its balance sheet assets is also becoming more questionable, as it debuted of \$3.55 billion in bonds in November 2024 that were rated BBB-

After a binge of acquisitions, Intangible Assets (at \$896 million) and Goodwill (at \$1.8 billion) now account for **46% of total assets of APPLOVIN** as of December 31, 2024. In both 2021 and 2022, the auditor Deloitte raised Critical Audit Matters (CAMs) related to the valuation of intangibles during the acquisitions.

As of December 31, 2024, the \$1.8 billion in goodwill post-\$4B+ acquisitions has not recorded a single dollar of impairment since 2019 despite multiple rounds of restructurings, constant layoffs, losing its customers and the decreasing revenues.

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To illustrate this point, let's take a look at Machine Zone, Wurl Connect TV and Adjust GMBH acquisitions.

	Provisional Amounts at December 31, 2021
Cash and cash equivalents	\$ 12,155
Accounts receivable and other current assets	21,840
Intangible assets	
Customer Relationships—estimated useful life of 12 years	155,000
Developed Technology—estimated useful life of 6 years	77,000
Tradenname—estimated useful life of 5 years	8,000
<b>Goodwill</b>	<b>761,747</b>
Operating lease right-of-use assets	8,130
Property and equipment, net	1,897
Finance lease right-of-use assets	43,156
Other assets	16,791
Accounts payable, accrued liabilities and other current liabilities	(15,540)
Deferred revenue	(5,600)
Operating lease liabilities	(8,130)
Finance lease liabilities	(43,156)
Deferred income tax liability	(65,473)
Total purchase consideration	<u>\$ 967,817</u>

Berlin-based Adjust GMBH was acquired for total purchase consideration of \$967m, with intangible assets (at \$240m) and **Goodwill (at \$761m) accounting for a staggering 103% of the purchase consideration.** As recently as November 2024, Adjust went through layoffs (as recently as November 2024), and restructuring, losing key employees and customers, including to Adjust competitors (ref *Singular.net*).

The following table summarizes the fair value of identifiable assets acquired and liabilities assumed (in thousands):

Cash	\$ 37,767
Accounts receivable and other current assets	27,284
Intangible assets	
Tradenname—estimated useful life of 10 years	13,000
Apps—estimated useful life of 3—5 years	272,000
IP license—useful life of 2 years	28,551
<b>Goodwill</b>	<b>82,353</b>
Right-of-use assets under operating leases	125,639
Property, equipment and other tangible assets	42,312
Accounts payable, accrued liabilities and other liabilities	(81,591)
Deferred revenue	(43,200)
License obligations	(35,685)
Operating lease liabilities	(139,875)
Total purchase consideration	<u>\$ 328,555</u>

MZ was acquired in May 2020 for US\$328m. Intangible assets (at \$313m) and Goodwill (at \$82m) combined together accounted for a staggering **120% of the purchase consideration.**

During December 2024 and January 2025, MZ gaming studio generated less than \$5,000 in revenue and fewer than 5,000 downloads from both the Play Store and Apple's App Store each month (according to SensorTower data). Unsurprisingly, that there were reported layoffs at MZ in October 2024 (according to MobileGamer.biz) and again in January 2025 (according to the Silicon Valley Business Journal). Nevertheless, not a single dollar of goodwill impairment.

Machine Zone, Inc.			Download CSV	Search for app publishers...
Total Apps	Downloads Last Month	Revenue Last Month *		
5	< 5k	< \$5k		
AppLovin Corp's Publisher Summary			Interested in Detailed App Revenue Estimates?	
<small>Total AppLovin Corp mobile app revenue in January 2025 was \$49m, including \$32m for iOS apps and \$17m for Android apps. Total mobile app downloads for AppLovin Corp was 19m, including 7m iOS app downloads and 12m Android app downloads. AppLovin Corp has a total of 1,563 apps, including 735 iOS apps, and 828 Android apps. Their top grossing app last month was Project Makeover and their most downloaded app was Project Makeover.</small>			Request a Demo	

Figure. SensorTower's January 2025 revenue and downloads data for MZ (Machine Zone, Inc.)

The following table summarizes the preliminary allocation of the purchase price to the fair value of the assets acquired and liabilities assumed (in thousands):	
Cash and cash equivalents	\$ 400
Accounts receivable and other current assets	15,194
Intangible assets	
Customer Relationships—estimated useful life of 15 years	41,000
Developed Technology—estimated useful life of 6 years	60,500
Tradenname—estimated useful life of 10 years	14,700
<b>Goodwill</b>	<b>264,149</b>
Property and equipment, net	363
Other assets	159
Accounts payable, accrued liabilities and other current liabilities	(12,854)
Deferred revenue	(209)
Deferred income tax liability	(5,235)
<b>Total purchase consideration</b>	<b>\$ 378,167</b>

Figure. Wurl CTV was acquired in April 2022 for US\$378m. Intangible assets (at \$116m) and Goodwill (at \$264m) together **accounted for a staggering 100% of the purchase consideration.**

According to Glassdoor, there was a big round of layoff conducted in 2023 at Wurl including the departure of founder, Mr. Sean Doherty, as well as selling off one of the big revenue generators to its competitor. CEO Arash keeps promising performance-based ads on Wurl CTV. Years have passed since the Wurl acquisition but there is still no meaningful revenue generation by Wurl for APPLOVIN performance. More layoffs at Wurl were reported in November 2024 as well (ref. SFGATE).

In summary, after more than \$4B in acquisitions and \$1.8 billion in goodwill as of the end 2024, APPLOVIN has not recorded a single dollar of goodwill impairment since 2019 despite multiple rounds of restructurings, constant layoffs, and adverse business performance.

**3) Intangible assets** (especially those related to investments in third-party game development) appear to incur significant losses through impairment, gains through the reversal of impairments, and gains and losses related to intangible asset disposals. We believe that APPLOVIN uses these tricks as means to manipulate net income and payable taxes in various countries.

For instance, let's take a look at the Cyprus subsidiary, APPLOVIN Cyprus (HE 413086), which was registered in September 2020.

	Note	2022 US\$	For the period from 23 September 2020 to 31 December 2021 US\$
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		215,879,646	(704,792,139)
Adjustments for:			
Amortisation of intangible assets	15	54,269,405	85,267,541
(Reversal of impairment)/impairment of intangible assets	15	(173,393,106)	577,615,741
Net movement in deferred income	19	(39,732,755)	54,702,554
Interest income calculated using the effective interest rate method	9	(292,090)	-
Interest expense	13	277,777	722,223
Gain on disposal - net	10	(37,288,918)	-
		<b>19,719,959</b>	<b>13,515,920</b>

Figure 1. Screenshot from 2022 annual filing of APPLOVIN Cyprus (HE 413086).

The wholly owned subsidiary APPLOVIN Cyprus (HE 413086) added **\$830.56 million** in mobile game intangible assets, of which **\$577.6 million** was impaired, from September 23, 2020, to December 31, 2021 (**i.e., 70% of the added intangible assets were impaired within the same reporting period**). In 2022, \$173.3 million was gained through the reversal of intangible asset impairments (this impairment reversal accounted for about 80% of APPLOVIN Cyprus's total pretax income in 2022).

4) APPLOVIN Cyprus (HE 413086) was still reported as a subsidiary by APPLOVIN in its 2022 annual report by APPLOVIN, but by 2023, it was no longer listed among APPLOVIN's subsidiaries. However, APPLOVIN Cyprus remains active in Cyprus, still owned by APPLOVIN, and Victoria Valenzuela (the Chief Legal Officer and Corporate Secretary at APPLOVIN) serves as one of its directors.

The subsidiary transferred capital to the US parent at the end of both 2023 and 2024. Unfortunately, APPLOVIN Cyprus has not yet filed its 2023 annual report, so the latest questionable moves remain unclear. In both 2023 and 2024, APPLOVIN Cyprus underwent Court-approved capital reduction procedures (€94,393,053 in October 2023 and €12,950,000 in December 2024) to transfer the funds to the US parent in a tax-free manner (Tab. 1).

Date	Shares Issued #, Premium Reduction, Financing Cash Flows	Share Premium per share (EUR)	Total Amount (EUR)	Total Amount USD	Cash, or Non-Cash	EUR/USD
17-Nov-20	1,000	128,312.84	128,313,840	152,000,000	Cash + NC	1.18
21-Apr-21	1,000	249,015	249,016,000	300,000,000	Cash	1.20
17-Jun-21	1,000	107,490	107,491,000	130,000,000	Cash	1.21
01-Jul-21	1,000	84,178.90	84,179,900	100,000,000	Cash	1.19
23-Aug-21	1,000	49,573	49,574,000	58,000,000	NC	1.17
12-Nov-21	100	719,454	71,945,500	83,075,000	Cash	1.15
30-Dec-21	100	671,436	67,143,700	76,000,000	Cash	1.13
<b>TOTAL in 2020</b>	<b>1,000</b>	<b>128,313</b>	<b>128,313,840</b>	<b>152,000,000</b>		<b>1.18</b>
<b>TOTAL in 2021</b>	<b>4,200</b>	<b>149,845</b>	<b>629,350,100</b>	<b>747,075,000</b>		<b>1.19</b>
<b>Total</b>	<b>5,200</b>		<b>€ 757,663,940</b>	<b>\$ 899,068,815</b>		
<b>Total (Sep-2020 to Dec- 2021)</b>	<b>Financing cash inflow from shares issuance</b>			68,514,032		
<b>Total 2022</b>	<b>Financing cash inflow from shares issuance</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>-</b>
<b>23-Oct-23</b>	Share Premium Reduction through the Court process		€ (94,393,053)	-100,000,000		1.06
<b>14-Dec-24</b>	Share Premium Reduction through the Court process		€(12,950,000)			

Table. Massive Share Issuance Proceeds by APPLOVIN Cyprus (HE 413086) – where is the cash?

The table above shows significant amounts raised through share premiums, with a large portion explicitly marked as cash transactions/infusions from 2020 to 2021. We calculated at least \$689,075,000 in pure cash-only share premium infusion from September 2020 to December 2021.

**However, the reported financing cash inflow from share issuance under financing activities is drastically lower, at just \$68,514,032 (at least 10 times lower than the declared fully cash-based share issuance premiums) from September 2020 to December 31, 2021.**

## Statement of cash flows for the year ended 31 December 2022

	Note	2022 US\$	For the period from 23 September 2020 to 31 December 2021 US\$
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		215,879,646	(704,792,139)
Adjustments for:			
Amortisation of intangible assets	15	54,269,405	85,267,541
(Reversal of impairment)/impairment of intangible assets	15	(173,393,106)	577,615,741
Net movement in deferred income	19	(39,732,755)	54,702,554
Interest income calculated using the effective interest rate method	9	(292,090)	-
Interest expense	13	277,777	722,223
Gain on disposal - net	10	(37,288,918)	-
		19,719,959	13,515,920
Changes in working capital:			
Trade and other receivables	16	52,342,229	(90,239,141)
Other financial assets at amortised cost	16	(5,716,852)	(3,338,918)
Trade and other payables	20	(65,827,567)	145,305,826
<b>Cash generated from operations</b>		517,769	65,243,687
Income tax paid		(154,058)	(468,735)
<b>Net cash generated from operating activities</b>		363,711	64,774,952
<b>Cash flows from investing activities</b>			
Earnout additions - intangible assets	15	(81,055,228)	-
Proceeds from disposal of intangibles assets	15	42,000,000	-
Interest received		292,090	-
<b>Net cash used in investing activities</b>		(38,763,138)	-
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	18	-	68,514,032
Interest paid		(277,777)	(722,223)
<b>Net cash (used in)/from financing activities</b>		(277,777)	67,791,809
<b>Net (decrease)/increase in cash and cash equivalents</b>		(38,677,204)	132,566,761
<b>Cash and cash equivalents at beginning of year/period</b>		132,566,761	-
<b>Cash and cash equivalents at end of year/period</b>	17	93,889,557	132,566,761

### Equity and liabilities

#### Capital and reserves

Share capital	18	8,631	8,631
Share premium	18	899,068,815	899,068,815
Accumulated losses		(489,236,828)	(704,961,329)
<b>Total equity</b>		409,840,618	194,116,117

Figure. Share premium infusion of \$899 million since registration in September 2020 (mostly via pure cash, with a smaller portion in non-cash). However, the reported financing cash inflow from share issuance under financing activities is significantly lower, at only \$68.5 million.

These are serious hidden transactions and/or accounting irregularities that could indicate undisclosed transactions, improper accounting practices, or even fraud. APPLOVIN Cyprus may be attempting to conceal the actual source of funds and/or misrepresent its financial position.

APPLOVIN needs to clarify why it stopped disclosing APPLOVIN Cyprus as a subsidiary in 2023 to the SEC, while still owning and operating this subsidiary in both 2023 and 2024. APPLOVIN Cyprus has not yet filed its 2023 annual report, which hinders the ability to analyze and identify further accounting issues at this subsidiary, which had substantial shareholder equity of US\$409.8 million as of the end of 2022.

**17 Share capital and share premium**

	Share capital US\$	Share premium US\$	Total US\$
Issue of shares	8.631	899.068.815	899.077.446
At 31 December 2021	8.631	899.068.815	899.077.446

(31)

**Applovin Cyprus Limited (ex - Solcrest Limited)****17 Share capital and share premium (continued)**

As at 31 December 2021 the Company's total issued and authorised share capital comprised 7,200 shares with a par value of Eur 1 per share.

On 17 November 2020 the Company issued a further 1.000 shares at their nominal value of EUR1,00 each plus a premium of EUR128.312,84 each at a total subscription price of EUR128.313.840 (equivalent to US\$152.000.000).

On 21 April 2021 the Company issued a further 1.000 shares at their nominal value of EUR1,00 each plus a premium of EUR249.015 each at a total subscription price of EUR249.016.000 (equivalent to US\$300.000.000).

On 17 June 2021 the Company issued a further 1.000 shares at their nominal value of EUR1,00 each plus a premium of EUR107.490 each at a total subscription price of EUR107.491.000 (equivalent to US\$130.000.000).

On 1 July 2021 the Company issued a further 1.000 shares at their nominal value of EUR1,00 each plus a premium of EUR84.178,90 each at a total subscription price of EUR84.179.900 (equivalent to US\$100.000.000).

On 23 August 2021 the Company issued a further 1.000 shares at their nominal value of EUR1,00 each plus a premium of EUR49.573 each at a total subscription price of EUR49.574.000 (equivalent to US\$58.000.000).

On 12 November 2021 the Company issued a further 100 shares at their nominal value of EUR1,00 each plus a premium of EUR719.454 each at a total subscription price of EUR71.945.500 (equivalent to US\$83.075.000).

On 30 December 2021 the Company issued a further 100 shares at their nominal value of EUR1,00 each plus a premium of EUR671.436 each at a total subscription price of EUR67.143.700 (equivalent to US\$76.000.000).

APPLOVIN CYPRUS LTD (company number: HE 413086). Share premium infusion of \$899 million since registration in September 2020 (mostly via pure cash, with a smaller portion in non-cash). Yet, the cash is mostly missing from the financing cash flow statements.

Applovin, USD (' 000)	FY 2022	FY 2023	FY 2024
Free Cash Flow (non-GAAP, in-house measure)	388,028	1,037,094	2,073,360
Change in cash (Sum of Operating + Financing + Investing CFs)	-1,485,543	- 579,110	242,413
<b>Adjusted EBITDA (non-GAAP)</b>	<b>1,063,210</b>	<b>1,502,658</b>	<b>2,719,605</b>
Adjusted EBITDA to FCF flow-through rate, %	36.5%	69.0%	76.2%
Income tax / (Tax benefit)	-12,230	23,859	-3771
Net income	-192,947	356,711	1,579,776
Ending cash balance	1,080,484	502,152	741,411

Table. While APPLOVIN reports impressive Adjusted EBITDA and Free Cash Flow growth rates, the ending cash balances have been decreasing, and the balance sheet has become increasingly leveraged since the IPO in 2021. Unbelievably good flow-through rates from “Adjusted EBITDA” to free cash flows, increasing from 36% in 2022 to 76% in 2024.

5) While APPLOVIN Cyprus showed significant questionable accounting actions and figures, APPLOVIN Singapore, incorporated in April 2023, shows even more concerning figures. APPLOVIN (SINGAPORE) PTE. LTD. derives all of its revenues from the ads/software platform segment (with no revenues from mobile gaming apps). The key director at APPLOVIN Singapore is APPLOVIN’s CFO, Matt Stumpf.

In its 2023 annual 10-K report, APPLOVIN mentioned that, “We recently completed an international restructuring that included the inter-entity license of certain intellectual property and other assets used in the business to our Singapore subsidiary.” In reality, the Singapore subsidiary reported only two asset types: cash, and trade and other receivables.

	Note	2023 US\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3.1	109,051
Trade and other receivables	3.2	628,684
Total current assets		737,735
<b>Total assets</b>		737,735
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	3.3	306,880
GST payable		9,882
Income tax payables	2.2	42,137
Total current liabilities		358,899
<b>Equity</b>		
Share capital		151
Accumulated profits		378,685
Total equity		378,836
<b>Total liability and equity</b>		737,735

Figure. The balance sheet of APPLOVIN (SINGAPORE) PTE. LTD. (BRN 202315459Z) as of 31 December 2023.

The balance sheet shows that trade and other receivables account for 85% of total assets. APPLOVIN (SINGAPORE) has generated approximately 25% of APPLOVIN revenues without any tangible assets such as IPs.

APPLOVIN US has two largest revenue generators: the Ads (software platform) segment, with payment terms of 30 days after the end of the month (i.e., a maximum of 59 days), and in-app purchases (which are instant, with no credit terms, as gamers must make the payment before playing). APPLOVIN Singapore states that 'Trade receivables are generally due for settlement within 30 days and are therefore classified as current.'

Applovin	FY 2024	2023	2022	2021	2020
Accounts receivable, net	1,414,246	953,810	702,814	514,520	296,964
Revenues	4,709,248	3,283,087	2,817,058	2,793,104	1,451,086
DSO days	<b>110</b>	106	91	67	75

*It took APPLOVIN approximately 110 days to get its invoices paid in 2024.*

Meta (Nasdaq: META)	FY 2024	FY 2023	FY 2022
Accounts receivable, net	16,994	16,169	13,466
Revenues	164,501	134,902	116,609
DSO days	38	44	42

Alphabet (Nasdaq: GOOG)	FY 2024	FY 2023	FY 2022
Accounts receivable, net	52,340	47,964	40,258
Revenues	350,018	307,394	28,2836
DSO days	55	57	52

Applovin Singapore (US\$ '000)	FY 2023
Accounts receivable, net	628,684
Revenues	834,981
<b>DSO days*</b>	<b>275</b>
Impairment losses on trade receivables and contract assets	1

Table. APPLOVIN US and APPLOVIN Singapore are showing increasingly bad trends in days sales outstanding (DSO) and revenue collection, particularly in Singapore.

While the official payment terms are typically 30 days, with a maximum of 59 days, APPLOVIN now shows 110 DSO days. Meanwhile, Meta and Alphabet have consistently maintained similar DSO days over the past three years, staying below 59 days.

\* DSO days were annualized as APPLOVIN Singapore reported its 2023 results starting operations on April 21.

DSO days at APPLOVIN Singapore are seriously concerning, as it takes the company about 9 months to get paid. This raises the risk of significantly under-reporting impairment losses on trade receivables and/or recognizing fictitious revenues. In the meantime, APPLOVIN Singapore mistakenly reports: "As of 31-Dec-2023, substantially all trade receivables are not past due or are within 30 days past due, and 1% are more than 61 days past due."

**6)** APPLOVIN Singapore (BRN 202315459Z) reported generating US\$834.9 million in revenues within 8 months of operations in 2023, which accounts for about 25% of total APPLOVIN revenues in 2023, totaling US\$3.2 billion. Furthermore, **APPLOVIN Singapore was billed by APPLOVIN US in the amount of US\$1.47 billion for services rendered.**



Significant transactions with ultimate holding company and related companies:	
	2023 US\$ '000
Platform revenue from related companies	(49,345)
Services rendered by ultimate holding company	1,472,474
Staff cost	1,313
Management fees	29,104

Figure 4. Retrieved from APPLOVIN Singapore's 2023 annual filing. APPLOVIN needs to clarify the nature of the services rendered to its 8-month-old Singapore subsidiary for US\$1.472 billion in 2023.

7) APPLOVIN's financial distress and cash flow issues are also evident in the abnormally extended time it takes to pay its suppliers, such as mobile app publishers and developers.

Applovin (US\$ '000)	FY 2024	2023	2022	2021
Accounts payable	563,427	371,702	273,196	258,220
Cost of Revenue	1,166,806	1,059,191	1,256,065	988,095
DPO days	<b>176</b>	128	79	95

In 2024, it took APPLOVIN US an average of about 6 months to settle its supplier invoices, nearly doubling since the IPO in 2021.

Applovin Singapore (US\$ '000)	FY 2023
Accounts payable	297,953
Cost of Sales	389,769
DPO days	<b>279</b>

Figure. Days Payable Outstanding (DPO) of APPLOVIN US and APPLOVIN Singapore subsidiary.

In 2023, it took APPLOVIN Singapore (BRN 202315459Z) more than 9 months on average to settle its supplier invoices, despite reporting an average credit period of only 30 days. **Additionally, 90% of APPLOVIN Singapore's trade payables (US\$267 million) were owed to its US parent.**

	2023 US\$ '000
Trade payables:	
Ultimate holding company (Note 6.1)	<b>267,344</b>
Other related companies (Note 6.1)	12,021
Third parties	18,588
	297,953
Other payables	8,927
	<b>306,880</b>

The average credit period taken for trade purchases is 30 days. No interest is charged on the outstanding balance.

While APPLOVIN Singapore reports that it takes 30 days to settle its supplier invoices, the reality shows that its annualized DPO is around 9 months, possibly indicating financial distress. Furthermore, US\$267 million of APPLOVIN Singapore's trade payables are owed to APPLOVIN US (i.e., **28% of APPLOVIN's total US\$953 million in accounts receivable net in 2023 were from its newly established Singapore subsidiary**). Additionally, it appears that APPLOVIN US is the top supplier of ad inventory to its Singapore subsidiary, as 90% of APPLOVIN Singapore's trade payables were owed to its US parent.

Based on the above transactions uncovered about the APPLOVIN's overseas subsidiaries, we think that APPLOVIN is involved in global revenue round-tripping and fictitious revenues.

8) Curiously, APPLOVIN Singapore's company constitution includes a broad scope of indemnity. The indemnity covers a wide range of liabilities, including those arising from negligence, default, breach of duty, and breach of trust. This is broader than typical indemnities, which often exclude gross negligence or

intentional misconduct. This broad indemnity potentially reduces the accountability of the U.S. parent company and its representatives serving as officers or auditors of the Singapore subsidiary. It may shield them from personal financial losses, even in cases of negligence or breach of duty, as long as they acted in good faith and without fraud or dishonesty.

*“119. Every officer of the company is to be indemnified out of the assets of the company against any liability (other than any liability referred to in section 172B(1)(a) or (b) of the Act) incurred by the officer to a person other than the company attaching to the officer in connection with any negligence, default, breach of duty or breach of trust.*

*120. Every auditor is to be indemnified out of the assets of the company against any liability incurred by the auditor in defending any proceedings, whether civil or criminal, in which judgment is given in the auditor's favour or in which the auditor is acquitted or in connection with any application under the Act in which relief is granted to the auditor by the Court in respect of any negligence, default, breach of duty or breach of trust.”*

Name & Reg number	Registration	Notes	Key Applovin Personnel	Reported subsidiary of Applovin?
Applovin Cyprus Limited HE 413086	23-Sep-2020	2023 annual report is still not filed.	Victoria Valenzuela CLO & Company Secretary at Applovin US	It was removed from the subsidiary list on Applovin's 2023 10K annual report.
<b>Applovin (Singapore) Pte. Ltd.</b> <b>BRN 202315459Z</b>	23-Apr-2023	The 8-month old subsidiary generated 25% of all Applovin's 2023 revenues. No apps revenue, all revenues from the Ads (software platform) segment.	Matt Stumpf CFO at Applovin since the end 2023	Yes
Zenlife Games, Singapore BRN 202005211D	14-Feb-2020	Key accounting figures are missing from the 2023 annual filing (such as B/S and cash flow statements, equity statement and key accounting policies)	In 2024: Matt Stumpf - Applovin CFO  In 2023: Herald Chen - Applovin's CFO till late 2023.	It was removed from the subsidiary list on Applovin's 2023 10K annual report.
Zenlife Cyprus Limited HE 413480	05-Oct-2020	Owned by Zenlife Singapore. 2023 annual report is still not filed.	Victoria Valenzuela CLO & Company Secretary at Applovin US.	It was removed from the subsidiary list on Applovin's 2023 10K annual report.
<b>Aipravi (Beijing) Technology Development Co., Ltd.</b> <b>91110101MA01BDN422</b>	13-Apr-2018	The largest office location for Applovin employees after the US? APPLOVIN needs to come clean about its operations and finances in China.	Legal representative: Adam Frugi - CEO, Applovin US.	<b>APPLOVIN has never disclosed its large operations and subsidiaries in China.</b>
APPLOVIN (SINGAPORE) TECHNOLOGIES I PTE. LTD. 202451011N	20-Dec-2024	New company owned by Applovin		Not disclosed yet.
APPLOVIN (SINGAPORE) TECHNOLOGIES II PTE. LTD. 202451012E	20-Dec-2024	New company owned by Applovin		Not disclosed yet.

Table. Notable APPLOVIN subsidiaries exhibit questionable accounting filings and suspicious figures, necessitating clarifications and greater transparency from APPLOVIN.

9) APPLOVIN has recently received poor reviews across various platforms, including Glassdoor from employees and Trustpilot from both mobile gamers and app developers. Since its founding in 2012, APPLOVIN has maintained an average rating of 3.5 stars on Glassdoor. While 2024 was a standout year for APPLOVIN in terms of financial performance and shareholder returns, it caught our attention that its employee reviews on Glassdoor have dropped significantly. It appears that the company has been cutting corners to boost revenue and meet share-price-based targets for stock options vesting for its highest-paid executives, particularly CEO Adam and CTO Vasily.

From January 2024 to December 23, 2024, the average rating was approximately 1.8 stars. During this period, APPLOVIN received 77 employee reviews, with an average rating of 1.8 stars. Common complaints include neglecting employee well-being, firing employees for minor reasons before their stock options vest, and frequent layoffs to meet the short-term performance targets set by the CEO Arash and CTO Vasily.

APPLOVIN is known for generously providing RSUs with a 1-year vesting period and no cliff. As share prices hit record highs and top insiders are cashing out in record amounts, the company resorted to layoffs in October and November 2024 to prevent further RSU shares from vesting and to avoid additional dilution for existing shareholders.

APPLOVIN products have received terrible reviews on TrustPilot. App Publisher accounts—the 'suppliers' of ad space to APPLOVIN's customers (external advertisers and marketers)—are being inexplicably deactivated by the company. Publishers' earned revenues are reportedly being withheld, and the company remains unresponsive to inquiries. Additionally, the games of these app publishers are allegedly displaying inappropriate or vulgar ads. Similar issues have been reported by app publishers on Reddit.

APPLOVIN advertisements are also criticized for being excessively long and difficult to close, as the "X" button is either extremely small or redirects users to the app download page when clicked. 94% of the reviews are 1-star ratings.

**'...Ads automatically click themselves and go to the store page. Need to close the ad three times...'**

Fake low-quality engagement on APPLOVIN mobile apps explains the extremely high CTR (click-through rates) of ads on APPLOVIN, which are about 3 times higher than ads on Meta.

<https://www.trustpilot.com/review/applovin.com>

10) After observing significant figures and abnormal accounting practices at APPLOVIN Singapore, we decided to also check the filings of Zenlife Games Singapore and its subsidiary, Zenlife Games Cyprus. Zenlife Singapore has no employees and no operations in Singapore; its only role is as an investment holding company for its subsidiary, Zenlife Cyprus. All administrative functions of Zenlife Singapore are handled by its US parent company, APPLOVIN. While Zenlife Singapore was removed as a subsidiary of APPLOVIN in its 2023 annual report, it is still owned by APPLOVIN. The CFO of APPLOVIN, Matt Stumpf, is also a director at Zenlife Games Singapore.

Based on our calculations, Zenlife Singapore transferred US\$155 million to APPLOVIN in 2023 through the following two transactions:

1. The capital reserve was converted to share capital in Zenlife Singapore via the issuance of 95,000 ordinary shares at US\$1,000 each to its holding company (APPLOVIN US), amounting to US\$95,000,000. Subsequently, Zenlife Singapore undertook a share buyback, purchasing and canceling 19,020 ordinary shares at approximately US\$4,995 each from its holding company (APPLOVIN), using an amount assigned from its Cyprus subsidiary of US\$95,000,000 to its holding company (APPLOVIN).
2. Moreover, Zenlife Singapore declared and paid a tax-exempt interim dividend of US\$788.64 per share (for a total of 75,980 outstanding shares) to its US parent, APPLOVIN, amounting to US\$60,000,000 for 2023.

<b>Income Statement</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Revenue	0	0	0	67,820,236
Publishing income revenue	0	0	0	34,492,526
In-App sale revenue	0	0	0	33,327,710
Other income	<b>54,131,650</b>	8,082	0	<b>9,977,688</b>
Cost of revenue, SG&A expenses, Amortisation	<b>0</b>	0	0	-70,027,540
Other expenses	-241,383	-72,675	-107,967	-194,291
Profit/(Loss) before tax	53,890,267	-64,593	-107,967	7,576,093
Income Tax	0	0	0	<b>-490,000</b>
P/L for the year, representing total comprehensive income/(loss)	53,890,267	-64,593	-107,967	7,086,093

Figure. Zenlife Games Singapore (BRN: 202005211D) income statement.

<b>Balance sheet, US\$</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Non-current assets</b>				
Investment in its Cyprus subsidiary	not given	2,456	2,456	2,456
<b>Current assets</b>				
Cash and cash equivalents	not given	11,089,710	17,635,408	5,902,867
Other receivables	not given	3,986	1,636	29,737,317
<b>Amount due from subsidiary (Zenlife Cyprus)</b>	<b>not given</b>	<b>91,330,834</b>	<b>93,424,265</b>	<b>93,504,379</b>
<b>Total assets</b>	<b>not given</b>	<b>102,426,986</b>	<b>111,063,765</b>	<b>129,147,019</b>
Share capital	not given	72	72	72
Capital reserve	not given	95,000,000	95,000,000	95,000,000
Retained earnings	not given	6,913,533	6,978,126	7,086,093
<b>Total equity</b>	<b>not given</b>	<b>101,913,605</b>	<b>101,978,198</b>	<b>102,086,165</b>
<b>Current liabilities</b>				
Trade and other payables	not given	23,381	2,412,907	20,388,194
Trade payables due to Related Parties	not given	0	2,404,015	11,345,784
Amount due to US holding company	not given	0	6,182,660	6,182,660
Income tax payable	not given	<b>490,000</b>	<b>490,000</b>	<b>490,000</b>
<b>TOTAL Liabilities</b>	<b>not given</b>	<b>513,381</b>	<b>9,085,567</b>	<b>27,060,854</b>

Figure. Zenlife Games Singapore (BRN: 202005211D) shows suspicious transactions, including the omission of figures on its equity and cash flow statements, balance sheet, and significant accounting policies in its 2023 annual report.

Based on the latest available data, 90% of Zenlife Games Singapore's total assets were amounts due from its Cyprus subsidiary in 2022. Furthermore, it had US\$490,000 in income tax payable outstanding for 2020, 2021, and 2022.

**11)** APPLOVIN operates two revenue-generating segments: the APPs segment (APPLOVIN's gaming studios and mobile free-to-play gaming apps generating in-app purchases and in-app advertising revenues) and the Advertising segment (previously known as the Software Platform). In 2022, the APPs segment generated the majority of APPLOVIN's revenue (63%). However, in just two years since 2022, the tables have turned, and the Advertising segment (formerly known as Software Platform) generated 68% of all revenues in 2024. About 90% of all Adjusted EBITDA was generated by the Advertising segment. This segment generates revenue by connecting third-party advertisers and marketers with mobile app publishers and developers who supply ad inventory. It is powered by AXON AI 2.0.

In Q2 2025, APPLOVIN will be an advertising-only company, with no gaming apps. We have noticed the following suspicions regarding the too-good-to-be-true "black box" AXON 2.0 AI of APPLOVIN, which competes with industry giants such as Google and Meta, generating the "magical" 70%+ Adjusted EBITDA margins and an Adjusted EBITDA to Free Cash Flow flow-through rate of approximately 80%.

**In 2023, the Advertising segment generated \$1.841 billion in revenue for APPLOVIN. Curiously, 45% of this revenue (\$834.9 million) came from APPLOVIN's 8-month-old Singapore subsidiary, incorporated on April 21, 2023. Adding insult to injury, 75% (or \$628.6 million) of the subsidiary's revenue was outstanding as trade receivables as of December 31, 2023.**

Since the end of 2022, the Advertising segment has stopped reporting key metrics such as the number of enterprise clients (EC), average revenue per EC, and net dollar-based retention rate for ECs. While avoiding these key metrics in 2023 and 2024, in February 2025, management decided to use "Adjusted EBITDA per employee" as its key metric going forward. In comparison, industry giants like Meta and Google track numerous key and monetization metrics to gauge the health and engagement levels of their platforms and advertising services.

Furthermore, despite being the top-performing Nasdaq stock and reporting impressive Adjusted EBITDA and free cash flow figures, APPLOVIN has been laying off employees, including in October and November 2024. This is contrary to the practices of highly profitable software companies, which would typically hire AI talent and business development professionals to onboard the many advertisers and marketers allegedly interested in APPLOVIN's new eCommerce/DTC advertising product.

Another baffling point is that while APPLOVIN boasts superb performance-based advertising, user acquisition, and monetization solutions for third-party mobile app developers, it can't even help its own gaming studios acquire new users since the COVID-19-induced gaming peak in 2021. The APPs segment revenues have been stagnant since 2021.

A good case in point is MZ (Machine Zone), which APPLOVIN purchased in May 2020 for \$328 million (including \$82 million in goodwill). During December 2024 and January 2025, this gaming studio generated less than \$5,000 in revenue and fewer than 5,000 downloads from both the Play Store and Apple's App Store each month (according to SensorTower data).

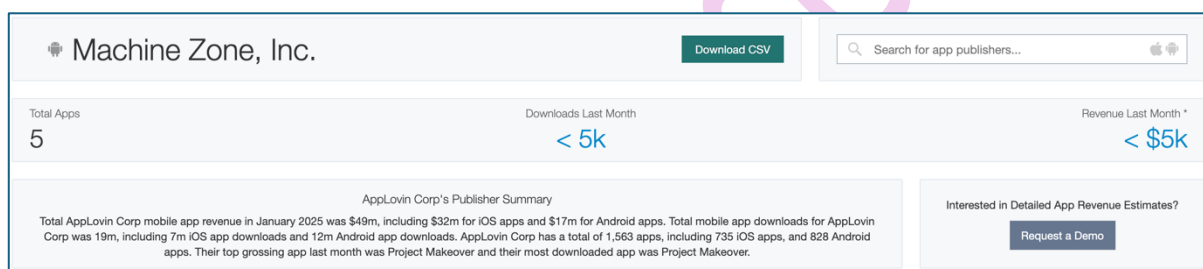


Figure. SensorTower's January 2025 data for MZ.

**12)** During the Q4 2024 results release, APPLOVIN management announced that it intends to sell its mobile games/app development segment (the APPs segment) to a private company for \$900 million, with the transaction expected to close in Q2 2025. APPLOVIN will then become an advertisement-only company, without mobile apps, game studios, and assets. This will make APPLOVIN easier to compare to other ad-focused software companies like Meta and Alphabet.

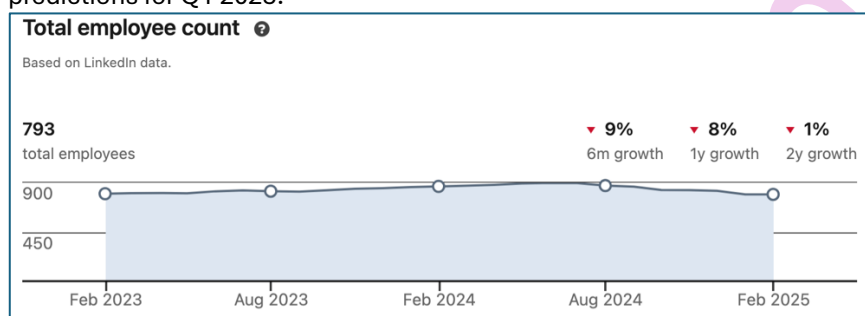
Regarding the \$900 million disposal of the APPs segment, the curious thing is that the private buyer is undisclosed. Of the \$500 million, only \$250 million is actual cash. The second \$250 million appears to be a promissory note from APPLOVIN itself. We also do not know the minority ownership percentage that APPLOVIN will retain in this undisclosed private buyer after the acquisition, nor the value of APPLOVIN's \$400 million worth stake.

Due to the financial shenanigans and chicanery we have observed in APPLOVIN's gaming-related overseas subsidiaries, such as APPLOVIN Cyprus Limited, Zenlife Games Singapore, and Zenlife Games Cyprus, we believe that that the private buyer will most likely be an associated/related party to the company and its insiders. This is further supported by the up to \$250 million in promissory notes that APPLOVIN will provide to the "undisclosed private party" to purchase APPLOVIN's APPs segment. Notably, "promissory notes" are a common method APPLOVIN uses to move cash figures between its subsidiaries, such as between Zenlife Games Singapore and Zenlife Games Cyprus. Additionally, as gaming companies like Unity and Take-Two Interactive rush to reverse engineer APPLOVIN's mobile advertising success, it makes more sense for APPLOVIN to keep the APPs segment with an associated buyer, rather than an arms-length deal with a third party that could end up competing with APPLOVIN (Sketchy APPLOVIN team would not disclose its "secret sauce" and financial chicanery to the outsiders).

US\$ (' 000)	2024	2023
Revenue of APPs segment	1,485,190	1,441,325
Adjusted EBITDA of APPs segment	277,008	226,953
Total disposal price	\$900m	
Paid in cash	\$250m	
<b>Paid with loan from the seller, Applovin</b>	<b>up to \$250m</b>	
Paid via minority stake in the private buyer	\$400m	
<b>P/S multiple</b> of the \$900m sale	<b>0.61</b>	

Table. According to the table data and MobileGamer.biz, the “private buyer” (PB) of the APPs segment received a superbly bargain price of \$900 million with favorable payment terms. We believe that the PB is an undisclosed related party to APPLOVIN and/or its key executives and/or directors.

**13)** In February 2025, APPLOVIN claimed that many third-party eCommerce/DTC advertisers are waiting to be onboarded for its eCommerce product’s pilot, with APPLOVIN personnel handling the process. APPLOVIN still does not offer a self-service option and relies on people-based onboarding. Yet, APPLOVIN is behaving like a company in distress, cutting down its team members (similar to Unity Software Inc.’s layoffs), despite reporting impressive earnings and revenue increases in 2024, along with strong growth predictions for Q1 2025.



APPLOVIN claims that eCommerce/DTC customers are seeing great performance results from ads run with their eCommerce pilot product powered by AXON 2.0 AI. APPLOVIN also claims it is seeing strong results from its AXON 2.0 AI improvements, released in early 2023. Yet, looking at the changes in talent and tech spending, we don’t see significant investments in AI/ML talent or massive increases in AI/ML-related R&D spend. Network infrastructure spend is fairly stable and we think its related more to normal back-end infrastructure and essential operations.

Applovin (Nasdaq: APP)	9M, 2024	2023	2022	2021
Network infrastructure spend (such as Google Cloud), YoY growth	\$98.5m	\$42.7m	\$126.1m	\$49.7
Number of Full-time employees	TBA	1,717	1,707	1,594

As can be seen from the rate of growth in network infrastructure spending, there is no noticeable increase in AI/ML-related tech investments following the alleged revolutionary AXON 2.0 AI rollout in early 2023. While APPLOVIN claims to generate great “free cash flows,” why isn’t it investing in AI/ML talent, R&D, and technology to strengthen its competitive moat for long-term growth?

Xiaochuan (Giovanni) Ge, one of the key executives overseeing Axon AI, said in APPLOVIN’s recent promotional video (ref.) about its Research Science [AI] Team: “We have a very small and talented team, but we’re able to achieve big successes that our competitors couldn’t achieve with even 10 times our team size.” Another key executive at Axon AI, Jack Armand, is based in Denver, Colorado, and works remotely. Looking at recent job hirings at APPLOVIN, there was only one role related to AI/ML, and it was based in Beijing. The industry-beating AXON AI team seems amateur.

**14)** Applovin operations in China.

APPLOVIN reports that it has offices in Beijing, Hangzhou, and Shanghai. Based on LinkedIn data, APPLOVIN has the most employees living in the US and Germany (mainly due to the Berlin-based acquisition of Adjust, a mobile measurement and attribution SaaS), followed by China. Nevertheless, there is no visibility or transparency into APPLOVIN's operations and companies in the PRC, such as Aipravi (Beijing) Technology Development Co., Ltd (Tax ID Number 91110101MA01BDN422). It was registered in April 2018. Its legal representative is APPLOVIN's CEO, Arash Foroughi. APPLOVIN needs to provide more transparency about its offices in the PRC.

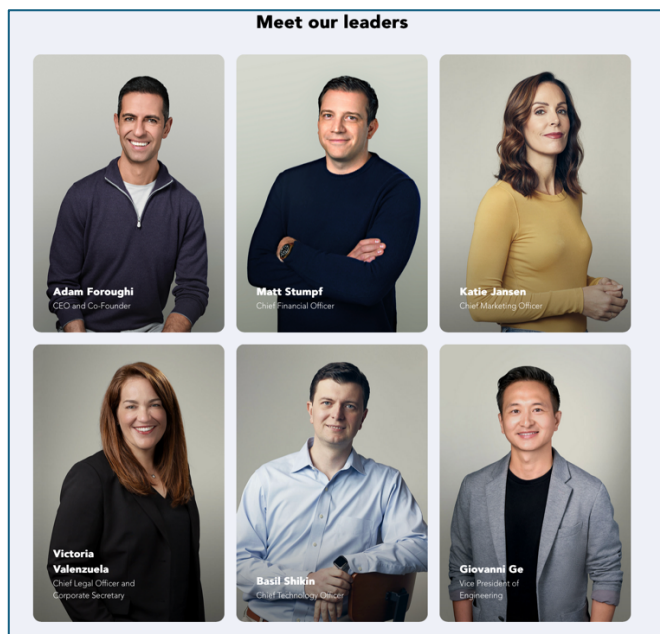


Figure. Applovin leadership. CMO Katie Jensen will conclude her tenure in March following her resignation in February.

We find it strange that other cofounders (such as Andrew Karam – VP of Product) and early employees (such as Omer Hasan – VP of Operations) are not shown prominently by APPLOVIN while they still hold key senior positions at APPLOVIN. Why do they not want to be associated with this “successful” company?

#### 15) Insider trades by key executives, KKR and Chinese shareholders

APPLOVIN is considered a “controlled entity” under Nasdaq rules. Due to the super-voting Class B shares, CEO Arash currently owns approximately 60% of the voting power. During the IPO in 2021, KKR companies owned the majority of the super-voting Class B shares, thus holding around 70% of the voting power. Following KKR's conversion of the majority of its super-voting Class B shares to Class A shares for disposal, particularly in 2024, KKR generated billions in proceeds but lost their voting power. APPLOVIN is one of those “superbly profitable” and “fast-growing AI companies” that invests much more in share repurchases than in AI R&D, technology, and talent to build a competitive moat for long-term growth. Most of its cash outflows are related to financing activities, especially stock repurchases (the cost of repurchasing common stock combined with payments of withholding taxes related to net share settlements). Based on our calculations, from 2021 to 2024, APPLOVIN has spent a staggering \$3.5 billion on stock repurchases.

APPLOVIN's share price has jumped significantly in late 2024 and early 2025. Given APPLOVIN's miserably low cash balance of \$741.4 million as of December 31, 2024, and its highly leveraged balance sheet, with bonds rated BBB-, the company does not have enough cash to continue meaningful share repurchases while its shares are at such record-high prices. The very low cash balance is extremely concerning and baffling when you consider that Applovin raised \$3.55B in November 2024 and reported \$1.57 billion in net income in 2024. The recent share disposals by substantial shareholders, Mr. Hao Tang and Ms. Ling Tang, are also noteworthy, as they didn't sell in 2024.

As such, we expect that the dumping of stocks by insiders and key shareholders will put downward pressure on the stock price in the coming weeks.

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Vasily Shikin (Василий Шикин)	\$ 298,044,060	CTO
Chen Herald (ex-KKR financier)	\$ 175,938,543	President and CFO left in end 2023, ex-KKR financier Director
Katie Kihorany Jansen	\$ 157,605,339	Chief Marketing Officer
Arash Adam Foroughi	\$ 88,392,349	CEO, and Chairperson, Co-Founder
Eduardo Vivas	\$ 43,480,556	Director. CEO at Curated curated.com, COO of Flip social shopping. Flip owns Curated. The Company invested \$50m in Flip.
Matthew Stumpf	\$ 20,270,843	CFO since 2024, replaced Chen Herald
Dawson Alyssa Harvey	\$ 24,622,133	Director since 2021
Victoria Valenzuela	\$ 17,752,523	Chief Legal office & Co Secretary
Mary Margaret Hastings Georgiadis	\$ 10,418,634	Director
Craig Scott Billings	\$ 3,035,338	<b>Lead Independent Director, CEO of Wynn Resorts, Casino and Hotels</b>
Dmitriy Dorosh	\$ 564,489	Chief Accounting officer since 2024
Todd R Morgenfeld	0	<b>Director, Audit Committee Chair (7 year CFO/Head of Biz Ops at Pinterest)</b>
Barbara Messing	0	Director since 2024, former Roblox Chief Marketing and Comms Officer
Xiaochuan Ge		Vice President of Engineering (AI/ML), at AppLovin since Dec-2022
Elena Arutunian		Chief Accounting Officer and Principal Accounting Officer, resigned in Aug 2022
KKR Denali & KKR Group Partnership & Companies	Billions of dollars sold. Supervoting B shares converted to A	KKR bought \$400m at \$2b valuation in mid-2018 and 70% of voting power before IPO. Provider of revolving credit facility to APP

Figure. Indicative table of share disposal by insiders & substantial shareholders. Russian-born CTO Vasily Shikin (Шикин Василий), former CFO and President Herald Yun Chen, and CMO Katie Jensen (resigned in February 2025), disposed of the most shares in 2024, followed by CEO Arash.

**16)** Among the senior leaders, CEO Arash and CTO Vasily were awarded the highest amounts of 1-month stock price-based performance-related RSUs (also known as PSUs) in March 2023. While their grant date fair value was calculated at approximately \$106.9 million, the current market value of these PSUs is about 5,600% (56 times) higher, at a staggering \$6 billion — roughly a \$3 billion payday for each, CEO Arash and CTO Vasily from just PSUs.

After the super-voting class B shares conversion to class A shares by the KKR companies for disposal, CEO Arash now controls the majority of APPLOVIN's voting power.

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utoFill can assist with filling in this form. <span style="float: right;">AutoFill F</span>		
<b>Performance-based Restricted Stock Units - Refer to Note 11 to the financial statements</b>		
<b>Critical Audit Matter Description</b>		
<p>In March 2023, the Company granted performance-based restricted stock units ("PSUs") which are eligible to vest based on the achievement of certain stock price targets and the satisfaction of service conditions. The grant date fair value of the PSUs is \$124.3 million.</p> <p>A Monte Carlo simulation was utilized to determine the grant date fair value. The Monte Carlo simulation model utilized the stock price of the Company at the beginning of the grant date, the expected price volatility of the Company, expected term, risk-free rate, and dividend yield to calculate the grant date fair value. The assumptions used in the Monte Carlo simulation model had a significant effect on the grant date fair value of the PSUs.</p> <p>Given the level of judgement involved by management, which included the use of a specialist to determine the grant date fair value of the PSUs, our audit procedures required a high degree of auditor judgement and increased extent of effort, including the need to involve our fair value specialists.</p>		

Screengrab from 2023 annual filing.



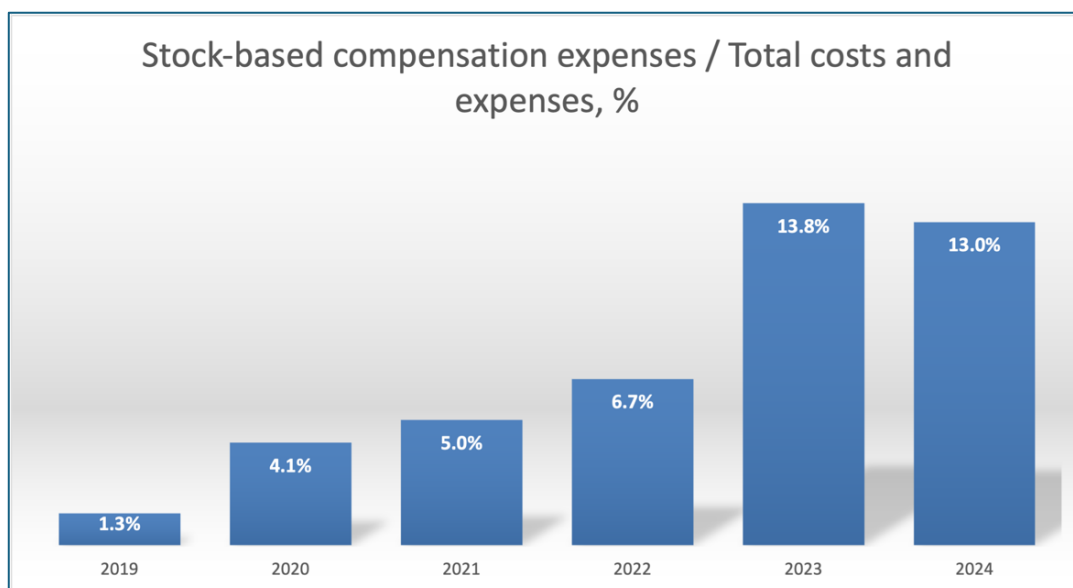


Figure. With the rising total costs, the stock-based compensation percentage ratio is near an all-time high.

We expect that insiders, staff (including key executives), and substantial shareholders (the KKR companies, and the companies of Mr. Hao Tang and Ms. Ling Tang) will continue dumping overpriced APPLOVIN shares in the market.

Meanwhile, the miserably low cash balance at APPLOVIN (\$741 million as of December 31, 2024) is barely enough to meaningfully repurchase shares and prevent further degradation of the share price in the coming weeks. **As a matter of fact, CEO Arash has already started dumping shares in the past several days.**

**17)** Questionable marketers and advertisers from non-gaming verticals (such as in shopping, eCommerce, and DTC Direct-to-Consumer) promoting APPLOVIN.

<https://www.Applovin.com/success-stories/>

Marketer / Advertiser	Date	Notes
Experian - Credit reporting & data	Early 2024	'Shopping' category success story on APPLOVIN website.
Upside - Smarter & more cash back for essential purchases	Early 2024	'Shopping' category success story on APPLOVIN website.
OTTO - eCommerce fashion and lifestyle in <b>Germany</b>	Early 2024	'Shopping' category success story on APPLOVIN website.
DealDash - <b>Scammy</b> (gambling-like) Penny Auction Site	Aug 2023.	'Shopping' category success story on APPLOVIN website.
Yemeksepeti - food delivery in <b>Turkey</b>	2023	'Shopping' category success story on APPLOVIN website.
Twillory (clothing) - The Haberdash Group, Inc.	Nov 2024	Study by <b>Haus</b> . Terrible company reviews on Trustpilot.
Flux FootWear	Nov 2024	Study by <b>Haus</b> . Terrible company reviews on TrustPilot.
Laura Geller (AS Beauty Group) - Scott Kramer, VP	Late 2024	Study by <b>DigitalPosition</b> of Laura Geller using APPLOVIN. Previously, Mr. Kramer has been promoting other ad services such as Outbrain Advertising & TV with KNOcommerce agency. Terrible AS Beauty company reviews on Google.

Table. Success stories for advertisers in shopping, DTC & eCommerce verticals (instead of the usual mobile gaming app marketers).

TEST	PRIMARY KPI	APPOX. WEEKLY SPEND	INCREMENTALITY FACTOR
TWILLORY	New Revenue	~ \$10K	14.18% better than target iROAS
FLUX FOOTWEAR	Total Sales	~ \$15K	37.22% better than target iROAS
JONES ROAD BEAUTY	New Orders	~ \$60K	169.78% worse than CPA target
FRESH CLEAN THREADS	New Revenue	~ \$20K	9.8% worse than target iROAS

Study results conducted by Haus. (<https://www.haus.io/case-study/early-applovin-results-are-in>)

The study covered very little actual ad spend per week (compared to **\$20k daily** minimum required to join Applovin eCommerce pilot product).

Applovin pilot results were rejected by Jones Road Beauty (Mr Cody Plofker, CMO) - Applovin doesn't currently allow brands to exclude new customers from the returning customers.

The rejection was also decided by Fresh Clean Threads - The marketing campaign iROAS on Applovin was 10% lower than target.

The screenshot shows a Google search interface. The search bar contains the query "site:shopify.com \"applovin\"". Below the search bar, there are navigation tabs for "All", "News", "Images", "Videos", "Shopping", "Forums", "Maps", and "More". The search results section shows a single result from "Shopify CDN" with the URL "https://cdn.shopify.com/files/files/...". The file name is "app-ads\_1d247c0a-f39a-423b-8e95-...". Below the file name, there is a list of IP addresses and domain names: "... applovin.com, a7e88da1226b60862b544f1957351b83, DIRECT algorith.co, 60532, RESELLER, 5b394c12fea27a1d contextweb.com, 562615, RESELLER, 89ff185a4c4e857c ...".

Searching [www.Shopify.com](http://www.Shopify.com), there is not a single info, documentation, how-to-do tips, and other ads/marketing integration related to Applovin products and services.

It shows that Applovin does not have any meaningful penetration or interest to DTC Brands and eCommerce shops on Shopify (unlike YouTube, Etsy, Pinterest, Tiktok, Meta, Google, Reddit, Roblox, and Unity).

Parameter	Applovin Axon AI-powered eCommerce Product Pilot	Industry Standards & Competitors
<b>Dependency on Meta/FB Ad Spend</b>	\$600K per month (\$20K daily) on Meta to access Applovin.	No legitimate platform should rely on another for operation.
<b>Creatives/Video</b>	Can use Meta videos/creatives to transfer to Applovin instantly to start your marketing campaign.	TikTok and Meta require original ad creatives/video production.
<b>Lack of Transparency</b>	No visibility of where ads are run. AppStore safety criteria are used. Applovin ads take up full screen. Non-skippable ads.	Lack of app-level visibility prevents evaluation by marketers.
<b>USA Daily Users</b>	~140M users, geared towards older women	Varies by platform: typically broad demographics in social networks.
<b>Geography</b>	Available in the US only (state-specific targeting available).	Global reach (Google, TikTok, Meta, etc.).
<b>Ads Inventory</b>	1,563 game apps owned by Applovin + ~150K third-party gaming apps.	Social networks, video platforms, apps across various industries.
<b>Tools on Shopify</b>	Simple Axon tracking pixel for DTC brands. Applovin tools are not popular at all on Shopify app store.	Shopify supports various platforms like YouTube, Etsy, TikTok, Google, etc.
<b>Control of Supply and Demand</b>	Applovin acts as app mediation partner for Meta's Audience Network. Requires Meta spend on the demand side. Conflict of interest.	Social platforms often separate supply and demand to avoid conflicts.
<b>Questionable Ads Inventory</b>	Primarily mobile gaming ads, associated with accidental clicks, low-quality engagement, and child over-indexing.	Ads inventory spans diverse categories; varying quality depending on platform.
<b>Hype Explosion</b>	Rapid and sudden rise in Oct/Nov, likely driven by heavy paid promotions with questionable brands and third-party ad agencies.	Gradual growth with authentic brand building and engagement.
<b>Customer Choice during campaign: New vs. Returning Customers</b>	Does not allow excluding existing customers, challenging for advertisers who want to focus on new customer acquisition only.	Platforms allow better targeting for new vs. existing customers.
<b>Onboarding Process</b>	Currently people-based; full self-service date is not given yet.	Mostly automated onboarding processes for ease of use.
<b>Testing Landing Pages</b>	Only 1 landing page allowed; no A/B testing options.	Competitors typically support A/B testing and flexible landing page options.
<b>Payment for Ads</b>	Payments via ACH wire transfer (no credit card option yet).	Multiple payment options available, including credit cards.
<b>Time Zone</b>	UTC time zone.	Various time zone options depending on the platform.
<b>Investments in eCommerce Platform</b>	Investment in Flip Shop (Humans Inc) – helps merchants monetize e-stores. Terrible reviews of Flip Shopping on TrustPilot.	
<b>Demographic Targeting</b>	Primarily based on customer actions (clicks). Not based on age, gender, or income.	Targeting options typically include gender, age, income, and more.
<b>Published Results</b>	Too small \$ ad spend with lowly-reviewed DTC & eCommerce brands. No scaled marketing campaign info available yet.	Competitors typically have published success stories and case studies from diverse advertisers and agencies.
<b>Marketer's Campaign</b>	CPP (Cost per Purchase) and ROAS campaigns; adjustments every 48 hours.	Flexible campaign types and frequent performance optimization.

Comparison of APPLOVIN's "revolutionary" Axon AI-powered eCommerce Product pilot (ref. Mr. David Nyurenberg on LinkedIn) to the industry standards.

Among the Nasdaq 100 companies, no other profitable company has a lower cash balance/market cap ratio % than Applovin, combined with not paying income tax as APPLOVIN (except MicroStrategy Inc. which is doing the highly leveraged bitcoin bets). Data on Saturday February 15, 2025.

Company	Feb15, 2025 Cash	Feb15, 2025 MarketCap	Cash/M.Cap, %	TTM or in 2024 Pretax income	TTM or in 2024 Tax paid / (tax benefit)	Tax rate	
Apple Inc	53.77B	3.674T	1.46%	125,746,000	29,596,000	24%	
NVIDIA Corp	38.49B	3.31T	1.16%	72,915,000	9,841,000	13%	
Microsoft Corp	71.55B	3.05T	2.35%	113,611,000	20,861,000	18%	
Amazon.com Inc	101.2B	2.44T	4.1%	68,614,000	9,265,000	14%	
Broadcom Inc	11.11B	1.105T	1.01%	9,916,000	3,748,000	38%	
Meta Platforms Inc	77.81B	1.866T	4.2%	70,663,000	8,303,000	12%	
Tesla Inc	36.56B	1.145T	3.2%	8,990,000	1,837,000	20%	
Costco Wholesale Corp	11.83B	475.79B	2.5%	9,940,000	2,364,000	24%	
Netflix Inc	9.58B	452.824B	2.1%	9,965,657	1,254,026	13%	
Alphabet Inc	95.66B	2.267T	4.2%	119,815,000	19,697,000	16%	
Alphabet Inc	--	--	--	--	--	--	
T-Mobile US Inc	5.41B	309.2B	1.75%	14,712,000	3,373,000	23%	
Palantir Technologies Inc	5.23B	268.601B	2.0%	514,882	26,987	5%	
Cisco Systems Inc	16.85B	258.362B	6.5%	10,059,000	666,000	7%	
Linde PLC	4.85B	217.60B	2.2%	8,302,000	1,928,000	23%	
Intuitive Surgical Inc	4.01B	212.407B	1.89%	2,673,800	336,300	13%	
Adobe Inc	7.89B	200.308B	3.94%	6,931,000	1,371,000	20%	
PepsiCo Inc	9.27B	198.29B	4.7%	11,946,000	2,320,000	19%	
QUALCOMM Inc	14.31B	190.40B	7.5%	11,009,000	530,000	5%	
Advanced Micro Devices Inc	5.13B	183.276B	2.80%	1,989,000	381,000	19%	
Booking Holdings Inc	15.77B	166.953B	9.4%	6,139,000	1,103,000	18%	
Texas Instruments Inc	7.58B	166.963B	4.5%	5,453,000	654,000	12%	
Intuit Inc	2.872B	164.418B	1.7%	3,499,000	580,000	17%	
Amgen Inc	11.97B	156.508B	7.6%	4,679,000	449,000	10%	
Applied Materials Inc	8.21B	137.509B	5.97%	8,152,000	975,000	12%	
Honeywell International Inc	10.95B	131.838B	8.3%	7,175,000	1,477,000	21%	
Comcast Corp	7.32B	133.81B	5.5%	18,673,000	2,796,000	15%	
Palo Alto Networks Inc	3.23B	132.474B	2.4%	1,074,300	-1,659,800	-155%	generated profits, got tax benefits
Gilead Sciences Inc	9.99B	129.712B	7.7%	176,000	63,000	36%	
Starbucks Corp	3.96B	127.849B	3.1%	4,612,800	1,094,000	24%	
Automatic Data Processing Inc	2.22B	126.219B	1.76%	5,133,200	1,199,500	23%	
Vertex Pharmaceuticals Inc	6.12B	118.837B	5.2%	248,500	784,100	316%	
Applovin Corp	741.41M	173.466B	0.43%	1,576,005	-3,771	-0.24%	generated profits, got tax benefits
Lam Research Corp	5.67B	106.929B	5.3%	4,889,965	596,395	12%	
MercadoLibre Inc	6.67B	106.971B	6.2%	1,899,000	462,000	24%	
Micron Technology Inc	7.59B	110.882B	6.8%	4,547,000	661,000	15%	
Analog Devices Inc	2.36B	106.478B	2.2%	1,777,340	142,067	8%	
CrowdStrike Holdings Inc	4.26B	111.769B	3.81%	169,547	38,471	23%	
KLA Corp	3.78B	101.562B	3.72%	3,698,267	489,902	13%	
Constellation Energy Corp	1.79B	97.45B	1.84%	3,800,000	950,000	25%	
Intel Corp	22.06B	102.188B	22%	-11,210,000	8,023,000	-72%	Made loss, but paid tax.
Marvell Technology Inc	868.1M	89.56B	1.0%	-1,181,800	296,100	-25%	Made loss, but paid tax.
Fortinet Inc	4.07B	84.29B	4.83%	1,855,700	292,400	16%	
Cintas Corp	122.39M	83.126B	0.15%	2,125,688	413,266	19%	
Mondelez International Inc	1.35B	79.11B	1.71%	6,261,000	1,469,000	23%	
Marriott International Inc	396M	79.466B	0.50%	3,151,000	776,000	25%	
Cadence Design Systems Inc	2.94B	81.226B	3.6%	1,321,229	282,056	21%	
PDD Holdings Inc ADR	308.46B	172.43B	179%	127,146,942	18,764,192	15%	
Synopsys Inc	4.05B	81.662B	4.96%	1,513,858	99,718	7%	
DoorDash Inc	5.34B	88.637B	6.0%	-159,000	19,000	-12%	Made loss, but paid tax.
PayPal Holdings Inc	10.82B	77.131B	14.0%	5,329,000	1,182,000	22%	

PayPal Holdings Inc	10.82B	77.131B	14.0%	5,329,000	1,182,000	22%	
O'Reilly Automotive Inc	130.25M	76.64B	0.17%	3,031,398	643,344	21%	
MicroStrategy Inc	38.12M	83.888B	0.05%	-1,934,346	-767,685	40%	made loss, got tax benefit
Regeneron Pharmaceu	9.01B	73.71B	12.2%	4,779,900	367,300	8%	
ASML Holding NV	12.74B	301.516B	4.2%	8,077,800	1,342,400	17%	
Autodesk Inc	1.71B	65.239B	2.62%	1,349,000	258,000	19%	
CSX Corp	1B	64.351B	1.55%	4,825,000	1,159,000	24%	
Airbnb Inc	10.61B	101.782B	10.43%	3,331,000	683,000	21%	
Roper Technologies In	188.2M	61.504B	0.31%	1,853,100	388,600	21%	
Copart Inc	3.7B	57.224B	6.47%	1,742,610	351,619	20%	
NXP Semiconductors	3.29B	56.967B	5.78%	3,344,000	592,000	18%	
Trade Desk Inc/The	1.92B	39.565B	4.85%	446,379	138,209	31%	
Workday Inc	7.16B	68.641B	10.43%	656,000	-964,000	-147%	generated profits, but got tax benefit
American Electric Pow	418.3M	54.297B	0.77%	2,842,900	-39,200	-1%	generated profits, but got tax benefit
PACCAR Inc	9.65B	55.565B	17.37%	5,892,900	1,185,600	20%	
Paychex Inc	1.24B	53.019B	2.34%	2,251,800	532,500	24%	
Atlassian Corp	2.47B	82.032B	3.01%	-111,691	234,453	-210%	Made loss, but paid tax.
Axon Enterprise Inc	1.16B	52.113B	2.23%	350,618	53,263	15%	
Charter Communicati	459M	51.14B	0.90%	7,502,000	1,649,000	22%	
Monster Beverage Cor	1.63B	47.897B	3.40%	2,053,457	448,141	22%	
Lululemon Athletica In	1.19B	44.656B	2.67%	2,450,269	714,588	29%	
Datadog Inc	4.19B	44.507B	9.42%	207,381	15,236	7%	
Ross Stores Inc	4.35B	45.781B	9.50%	2,782,631	669,002	24%	
Baker Hughes Co	3.36B	45.941B	7.31%	3,265,000	257,000	8%	
Diamondback Energy I	370M	45.839B	0.81%	4,371,000	949,000	22%	
Cognizant Technology	2.24B	44.862B	4.99%	2,938,000	713,000	24%	
Old Dominion Freight	108.68M	44.053B	0.25%	1,647,747	402,003	24%	
AstraZeneca PLC ADR	5.65B	230.943B	2.45%	8,691,000	1,650,000	19%	
Exelon Corp	371M	43.074B	0.86%	2,667,000	207,000	8%	
Keurig Dr Pepper Inc	552M	42.932B	1.29%	2,967,000	689,000	23%	
Fastenal Co	255.8M	42.88B	0.60%	1,508,100	357,500	24%	
Verisk Analytics Inc	459.2M	41.443B	1.11%	1,196,200	266,700	22%	
GE HealthCare Techno	2.87B	42.167B	6.81%	2,581,000	531,000	21%	
Xcel Energy Inc	1.56B	39.399B	3.96%	1,731,000	-150,000	-9%	generated profits, but got tax benefit
Coca-Cola Europacific	1.71B	39.127B	4.37%	2,203,000	534,000	24%	
IDEXX Laboratories Inc	288.27M	36.4B	0.79%	1,093,112	226,873	21%	
Take-Two Interactive S	1.21B	36.845B	3.28%	-3,434,000	221,700	-6%	Made loss, but paid tax.
Kraft Heinz Co/The	1.33B	34.559B	3.86%	856,000	-1,890,000	-221%	generated profits, but got tax benefit
Electronic Arts Inc	3.16B	33.724B	9.37%	1,458,000	409,000	28%	
Dexcom Inc	2.58B	34.8B	7.41%	743,900	63,100	8%	
Zscaler Inc	2.71B	32.636B	8.31%	-9,157	27,117	-296%	Made loss, but paid taxes
CoStar Group Inc	4.94B	30.362B	16.27%	257,900	82,500	32%	
ANSYS Inc	1.3B	29.639B	4.39%	683,517	115,751	17%	
Microchip Technology	586M	29.989B	1.95%	406,900	98,100	24%	
CDW Corp/DE	717.7M	25.239B	2.84%	1,464,600	354,900	24%	
Warner Bros Discover	3.35B	25.03B	13.38%	-11,645,000	-411,000	4%	made loss, got tax benefit
GLOBALFOUNDRIES In	3.39B	23.853B	14.2%	816,000	71,000	9%	
MongoDB Inc	2.3B	23.477B	9.80%	-187,839	12,519	-7%	Made loss, but paid tax.
ON Semiconductor Co	2.99B	21.842B	13.7%	1,837,400	262,800	14%	
ARM Holdings PLC AD	2.67B	173.731B	1.54%	634,000	-172,000	-27%	
Biogen Inc	2.38B	20.266B	14.0%	1,906,000	273,800	14%	

Figure. Nasdaq 100 components: their cash/market cap ratios and implied income tax rates.

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1.0 ★☆☆☆☆

20 Sept 2023 ...

## Don't do it

 Anonymous employee

Former employee, more than 1 year

✗ Recommend ✗ CEO approval ✗ Business outlook

### Pros

1. Some good, smart people who are kind. 2. The streaming world is fascinating and growing exponentially.

### Cons

1. Don't count on your stock vesting. They laid off more than half of the company within the past year, many right before their stock vested. Additionally, they offered zero support to anyone on finding another job - it was cold, calculated, and nasty. 2. AppLovin management is awful and full of backstabbers. Wurl's newly appointed (by AppLovin) senior leadership team has since adopted these tactics as well and are a miserable lot to interact with. 3. The products are suspect. There's a ton of smoke and mirrors behind their metrics, and you'll be lucky to get a consistent story from just two people in the company. This is why they've offloaded their core (read money-making) business to their biggest competitor and doubled down on the one product that will feed AppLovin new clients. 4. You are a cog. Do what you are told and no more or you'll get a target on you. 5. There's zero work-life balance. Additionally, if you encounter any sort of personal strife that may interrupt your workday (death, injury, disaster, etc), do not expect any sympathy from leadership and do not even tell them what you're going through or you'll be viewed as weak and ineffective.

Glassdoor review of Wurl.

### Questions for APPLOVIN management about its Singapore subsidiary (Company No 202315459Z)

- 1) 8-months old Singapore subsidiary was billed 1.47B USD by the US parent in 2023 (45% of all US parent 2023 revenues). What kind of services?  
Were these arms-length transactions? Why is there no disclosure about this to the SEC?
- 2) 8-months old Singapore subsidiary reported generating US\$834m in revenues for April-December 2023 (25% of Total revenues of Applovin for 2023), and it had \$628m in receivables at the end of 2023. This gives 275 DSO days (9 months to collect its invoices).  
How is that even possible? A lot of fake and fictitious revenues and/or revenue round-tripping?

Considering that its reported payment term is only 30 days, and it had only \$1,000 in receivables impairment. APPLOVIN Singapore reports **“at 31 December 2023, substantially all trade receivables are not past due or within 30 days past due and 1% are more than 61 days past due”**.

- 3) 8-months old Singapore subsidiary \$267m in payables to Applovin as of the end 2023, 28% of all receivables of Applovin (out of total of \$953m) as of the end 2023.  
From this, we can see that APPLOVIN is the top supplier to its Singapore subsidiary.  
What kind of services?  
Why is there no disclosure about this material transaction with RP?
- 4) In 10K 2023 annual report, APP reported that *“We recently completed an international restructuring that included the inter-entity license of certain intellectual property and other assets used in the business to our Singapore subsidiary.”*  
However, the end-2023 Singapore subsidiary balance sheet has only cash and trade receivables. What kind of IPs and other assets did APPLOVIN transfer to its 8-month-old Singapore subsidiary which generated a whopping US\$834m in revenues in 2023, all from the Software Platform (i.e., Ads) segment?
- 5) 99% of Singapore subsidiary receivables are from the third parties (with ~0% receivables impairment), and 91% of total payables are owed to the US parent & related companies. Applovin US is the top and the most important supplier to its Singapore subsidiary.
- 6) For 8 months in 2023, Singapore subsidiary generated operating cash flow of 108 million, and with 109 million in cash/cash eq. at the end of 2023, pays **\$378.68m** in dividends to the US parent for 2023, its entire net income of 2023!  
Why do you pay every single dollar of net income as a dividend payout to Applovin US?  
No cash on the balance sheet, but the dividend “cash” still flows to Applovin US?
- 7) Days Payable Outstanding (DPO): 30 days as per company reported policy. The actual end-2023 DPO days: 279 DAYS. Most of the payables are owned to the US parent. Why is there no disclosure about this to the SEC?  
How is that even possible, when the normal credit term is about 30 days?