October 15, 2025

As of October 13 and as of the submission of this letter on October 15, I had/have a short position in AppLovin.

RE: AppLovin false statements about permission to install apps on users' devices, about reason for discontinuing "Array" installation business

I write to report false statements by AppLovin (NASDAQ: APP) as to its installation of certain software on users' devices, and as to the importance of these installations in AppLovin's business.

About AppLovin

AppLovin runs a mobile ad network. When a user plays a game, the game maker can interrupt the user to give AppLovin an opportunity to show ads -- often, promoting other games; sometimes, promoting other ecommerce.

In general, if an Android user expresses interest in installing an app, AppLovin sends the user to the Google Play Store, where the user presses an Install button to proceed. In an alternative implementation which it calls Array, AppLovin found a way to do the installs itself, on Android devices, without the Google Play Store or its Install button.

Nonconsensual Installations

In February 2025, skeptical investors reported that AppLovin was installing apps onto users' Android phones and tablets without users consenting. See Culper[1] and Fuzzy Panda.[2]

In response, AppLovin CEO Adam Faroughi wrote in a February 26, 2025 post on the AppLovin site: "Every download results from an explicit user choice."[3]

On October 13, 2025, I posted results of my multi-month research into AppLovin installation practices. I decompiled AppLovin code and followed that code along its execution path, from start to end, to prove that AppLovin installs apps without user consent, in three different configurations:

1. AppLovin installs apps without any notice at all, and hence certainly no consent.
2. AppLovin installs apps when a user presses X. But pressing X is widely understood as wanting to exit or cancel, not authorization to install.
3. AppLovin installs apps after a 5-second timer. But the expiration of a timer indicates only a user's silence, not consent.

I presented 208 different user complaints about nonconsensual installations. I presented user screenshots showing installations without consent. I presented a user video showing a nonconsensual installation with a countdown timer, from start to finish. I explained how details from the decompiled code matched details from the complaints and video. I explained how nonstandard Android permissions, along with partnerships with phone manufacturers and carriers, gave AppLovin the technical capability to install apps even though Android would ordinarily prevent such installations. See my "AppLovin Nonconsensual Installs."[4]

On October 15, 2025, Bloomberg published a statement from an unnamed AppLovin spokesperson: "Users never get downloads with any of our products without explicitly requesting it."[5]

AppLovin's February 26, 2025 and October 15, 2025 statements are false. My October 13, 2025 article proves that AppLovin installs without "explicit user choice" and without a user "explicitly requesting" such installation. A user did not agree to install, and cannot be claimed to have made a "choice" to install or "explicitly request[ed]" to install, when the user merely tapped an ad but never pressed Install, Agree, or a similar button. A user cannot be said to have agreed to install when he pressed an X to cancel or exit an installation solicitation. A user cannot be said to have agreed to install when he merely failed to press a Cancel button within a 5-second window in response to an installation solicitation the user had no reason to expect.

Nor does the fact of a user tapping an ad constitute permission to install. Users reasonably expect that tapping an ad only opens a landing page or other confirmation screen where the user can evaluate whether to install. Android security architecture does not ordinarily allow new apps to be installed onto a user's device when a user merely taps an ad. Furthermore, AppLovin designed its ads with user interface elements (including multiple taps required to close ads, and unusually small "x" buttons at the extreme corner) that make accidental taps especially likely. With this design, tapping an ad is a particularly poor indication of supposed user agreement to install.

Importance of Nonconsensual Installations to AppLovin's Business

During an earnings call on February 14, 2024, AppLovin Chief Financial Officer Matthew Stumpf cited "early contributions from our Array business" as a driver of growth.[6] Array is the marketing name for the AppLovin business that installs apps onto users' devices.

AppLovin favorably mentioned Array in a series of SEC filings. For example, AppLovin's 2023 10-K filing stated that the company's "future growth" may include "OEM and carrier-related markets through our Array product initiative."[7] SEC Edgar search reports this same phrase appearing, verbatim, in AppLovin's 10-K for 2024,[8] as well as 10-Q's for Q1 2024,[9] Q2 2024,[10] Q3

2024,[11] and Q1 2025.[12] Most recently, AppLovin repeated that same statement in its Q2 2025 10-Q,[13] filed August 6, 2025. Thus the statement appeared in a total of seven adjacent quarterly and annual filings.

On October 15, 2025, Bloomberg published a statement from an AppLovin spokesperson: "The Array product was a test product and *was shut down last quarter as it was not economically viable for us*."[14] (emphasis added)

No prior statement from AppLovin indicated any significant concern about the profit opportunity of the Array installations business. To the contrary, seven SEC filings described Array favorably, as did the February 14, 2024 CFO remarks. Jia-Hong Xu, previously Head of Product for Array, wrote on his LinkedIn page that Array was "the company's top revenue driver."[15]

On information and belief, the real problem with the Array business is <u>not</u> any serious doubt about its economic viability. Rather, the problem is that it was improper and unlawful—that it is untenable to put apps on users' phones without consent. Having gotten caught, AppLovin had no choice but to stop. AppLovin made a false statement to Bloomberg and the public when it stated that the reason for shutting the Array business was that it was not economically viable. The true reason was that the Array business became unsustainable in the face of public scrutiny including from my October 13 article.

<u>Array Was a Real Business, Not a Test</u>

AppLovin's October 15, 2025 Bloomberg quote also claimed the Array installation product was only "a test product." But Array was available in the market beginning in 2023. Jia-Hong Xu, previously Head of Product for Array, wrote on his LinkedIn page that he led this product beginning in July 2023.[16] My tabulation of user complaints shows users reporting problems reasonably attributed to AppLovin as early as August 2023.[17] AppLovin made a false statement to Bloomberg and the public when it stated that Array was only "a test product" and thereby suggested that closing Array would have low to no impact on its business.

/s/
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