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## Cookpad Inc.

### Consolidated Earnings Results for the Nine Months ended September 30, 2021

[IFRS], unaudited

November 5, 2021

Stock listed: Tokyo Stock Exchange

Securities code: 2193

URL: <https://info.cookpad.com/en/ir>

Representative:

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Scheduled dates

Filing of the quarterly securities report:

November 8, 2021

Dividend payout:

-

Supplementary materials for earnings results:

Yes

Holding of earnings results briefing:

No

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Results for the Nine Months ended September 30, 2021 (January 1, 2021 - September 30, 2021)

#### (1) Operational Results

(% represents year-on-year changes)

|  | Sales revenue |       | Operating income |        | Profit before tax |        | Net profit  |   | Profit attributable to shareholders of Cookpad Inc. |        | Total comprehensive income |   |
|--|---------------|-------|------------------|--------|-------------------|--------|-------------|---|---|--------|----------------------------|---|
|  | million yen   | %     | million yen      | %      | million yen       | %      | million yen | % | million yen   | %      | million yen                | % |
| For the nine months ended September 30, 2021 | 7,516         | (7.2) | (1,839)          | —      | (1,823)           | —      | (2,172)     | — | (1,739)   | —      | (1,618)                    | — |
| September 30, 2020                           | 8,103         | (6.8) | 201              | (74.6) | 194               | (73.7) | (130)       | — | 172   | (65.0) | (553)                      | — |

|  | EPS (Basic) | EPS (Diluted) |
|--|-------------|---------------|
|  | Yen         | Yen           |
| For the nine months ended September 30, 2021 | (16.27)     | —             |
| September 30, 2020                           | 1.60        | 1.60          |

#### (2) Financial Position

|                          | Total assets | Total equity | Total equity attributable to shareholders of Cookpad Inc. | Ratio of total equity attributable to shareholders of Cookpad Inc. to total assets |
|--------------------------|--------------|--------------|---|--|
|                          | million yen  | million yen  | million yen   | %  |
| As of September 30, 2021 | 24,200       | 22,184       | 21,427  | 88.5   |
| As of December 31, 2020  | 26,512       | 24,513       | 23,323  | 88.0   |

### 2. Dividends

|                              | Dividends per share |        |        |          |       |
|------------------------------|---------------------|--------|--------|----------|-------|
|                              | End-Q1              | End-Q2 | End-Q3 | Year-end | Total |
| Fiscal year ended / ending   | Yen                 | Yen    | Yen    | Yen      | Yen   |
| December 31, 2020            | —                   | 0.00   | —      | 0.00     | 0.00  |
| December 31, 2021            | —                   | 0.00   | —      | —        | —     |
| December 31, 2021 (Forecast) | —                   | —      | —      | 0.00     | 0.00  |

Note: Revisions to most recently announced dividend forecast: No

### 3. Full Year Forecast of Consolidated Earnings (January 1, 2021 – December 31, 2021)

To fulfill the corporate mission of “Make everyday cooking fun!” the Cookpad Group is aggressively pursuing investment opportunities to provide cooking services to the people worldwide.

With regard to consolidated earnings forecasts for the fiscal year ending December 31, 2021, due to upfront investments in new businesses we expect to record losses at the operating and pretax level, and to also record a loss attributable to shareholders of Cookpad Inc.

#### \*Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required for the adoption of IFRS: No

2) Changes in accounting policies other than 1): Yes

3) Changes in accounting estimates: No

(3) Number of shares issued (common stocks)

1) Number of shares issued (including treasury shares)

As of September 30, 2021: 107,429,400 shares

As of December 31, 2020: 107,429,400 shares

2) Number of treasury shares

As of September 30, 2021: 3,219,011 shares

As of December 31, 2020: 4,011 shares

3) Number of average shares during the period

Nine months ended September 30, 2021: 106,824,785 shares

Nine months ended September 30, 2020: 107,425,405 shares

\*This report is exempt from the quarterly review by certified public accountants or auditing firms.

#### \*Appropriate use of earnings forecasts and other special notes

Forward-looking statements in these materials, including financial forecasts, are based on information currently available to the Company and on certain assumptions believed to be reasonable by the management of the Company. Various factors may cause actual results to differ significantly from forecasts. For matters related to earnings forecasts, refer to “1. Analysis of Operating Results and Financial Position (3) Consolidated Earnings Forecasts and Other Forward-Looking Information” on p.4 of these Earnings Results (Accompanying Materials).

## Accompanying Materials

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## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

The consolidated results for the nine months ended September 30, 2021 are as follows:

(Millions of yen)

|  | Nine months ended<br>September 30, 2020<br>(Jan. 1 - Sept. 30,<br>2020) | Nine months ended<br>September 30, 2021<br>(Jan. 1 - Sept. 30,<br>2021) | YoY change |
|--|---|---|------------|
| Sales revenue  | 8,103   | 7,516   | -7.2%      |
| Operating income                                       | 201   | (1,839)   | —%         |
| Profit before tax                                      | 194   | (1,823)   | —%         |
| Profit attributable to<br>shareholders of Cookpad Inc. | 172   | (1,739)   | —%         |

To achieve our mission “Make everyday cooking fun!”, the Cookpad Group is making active investments to solve various cooking-related problems to increase the number of people who enjoy the cooking around the world. We added “Our Company exists to ‘Make everyday cooking fun!,’ and this is our mission” and “When everyone on the planet enjoys everyday cooking, our company will dissolve” to our Articles of Incorporation to clearly spell out our goal and mission.

Capitalism and its prioritisation of economic growth has had a huge impact on the world: extreme poverty is declining and, in general, life expectancy is increasing. However, we’ve started to realize how much we are sacrificing our own personal health and the health of our planet. Our diet is contributing to ‘lifestyle’ diseases, the biggest cause of deaths around the world. The food value chain is one of the largest sources of carbon dioxide emissions, contributing to global warming as well as threatening the world’s biodiversity.

At the very moment we need to be more conscious of these issues and change our behaviour, we are actually becoming more ignorant of them. Why? Because we’re outsourcing cooking. We’re outsourcing it to processed food, delivery services and restaurants. This act of outsourcing makes us less aware of what is going on with our food and everything connected to it.

We believe that we are at the point of no return: our food system must change. We need to find and act on solutions now. What we eat has an enormous impact on our world. So cooking can help make our own health and the health of both society and the planet better.

How do we make a positive impact on our society and planet through home cooking? By increasing the number of creators. Because once you become a creator, you become more aware. Creators think, they are curious, they are engaged. And they tend to make conscious, informed choices as a result. Choices that can change the world.

We believe that if cooking is more enjoyable, then more people will cook more often. Some people are motivated by learning new skills, some by the creativity and others by being part of the community. Whatever their motivation, we will help make cooking enjoyable for everyone who wants to cook. Of the 7 billion people on our planet, there are many who already enjoy cooking. We will create a community where the passion and wisdom of these people helps and inspires others. We will achieve the health of our planet, people and society by “Make everyday cooking fun!.”

As one of the initiatives to realize this, the Group relocated its headquarters to Yokohama City, Kanagawa in May 2021 to accelerating business development, reduce the physical distance to creators and consumers and rapidly respond to a variety of issues related to cooking.

Sales revenue was 7,516 million yen (down 7.2% year on year) for the nine months ended September 30, 2021. This was due mainly to declines in domestic recipe service advertising sales and in domestic recipe service membership sales. SG&A expenses were 9,050 million yen (up 18.7% year on year), due to expenses associated with new businesses in Japan and one-off costs associated with the relocation of the headquarters, as well as the recording in the three months ended September 30, 2021, of an impairment loss of 201 million yen related to property, plant and equipment for business use owned by consolidated subsidiary CookpadTV Inc.

Loss before tax came to 1,823 million yen (profit of 194 million yen in the same period of the previous fiscal year), while loss attributable to shareholders of Cookpad Inc. came to 1,739 million yen (profit of 172 million yen in the same period of the previous fiscal year), due to the occurrence of a loss attributable to non-controlling interests in connection with CookpadTV Inc., and due to the booking of income tax expense.

The Cookpad Group has a single segment, “Make everyday cooking fun!,” and a breakdown of sales revenue is provided below.

| (Millions of yen)                         |   |   |            |
|---|---|---|------------|
| Reportable Segment                        | Nine months ended<br>September 30, 2020<br>(Jan. 1 - Sept. 30,<br>2020) | Nine months ended<br>September 30, 2021<br>(Jan. 1 - Sept. 30,<br>2021) | YoY change |
| Make everyday cooking fun!                | 8,103   | 7,516   | -7.2%      |
| Domestic recipe service membership sales  | 5,485   | 5,257   | -4.2%      |
| Domestic recipe service advertising sales | 1,928   | 1,566   | -18.7%     |
| Other sales                               | 689   | 692   | 0.4%       |

Domestic recipe service membership sales were 5,257 million yen (down 4.2% year on year) for the nine months ended September 30, 2021. This was due mainly to users who switched to low-priced plans that began to be offered by telecom carriers towards the end of March 2021, not being able to continue to pay monthly usage fees via carriers, which resulted in the memberships of these users being automatically canceled.

Domestic recipe service advertising sales were 1,566 million yen (down 18.7% year on year) for the nine months ended September 30, 2021. This was due mainly to a decrease in the number of network advertisements displayed, and to a decline in the unit selling price.

## **(2) Analysis of Financial Position**

### 1) Assets, Liabilities, and Equity

#### (Assets)

As of September 30, 2021, total assets were 24,200 million yen, down 2,312 million yen as compared with the previous fiscal year-end. Current assets were 22,972 million yen, down 2,189 million yen, and non-current assets were 1,228 million yen, down 122 million yen.

The main factor behind the change in current assets was the increase in cash used in operating activities, which caused cash and cash equivalents to decrease by 1,718 million yen. With regard to non-current assets, although property, plant and equipment increased by 704 million yen following the relocation of the headquarters due to the acquisition of a right-of-use asset associated with the new office, property, plant and equipment declined by 201 million yen as a result of an impairment loss related to consolidated subsidiary CookpadTV Inc., and fell by a further 234 million yen due to the reversal of deferred tax assets associated with that company.

#### (Liabilities)

As of September 30, 2021, total liabilities were 2,016 million yen, up 17 million yen as compared with the previous fiscal year-end. Current liabilities were 1,124 million yen, down 257 million yen, and non-current liabilities were 891 million yen, up 274 million yen.

In the case of current liabilities this decline was mainly due to a fall in remittances of consumption tax payable. As for non-current liabilities, this was driven by a combination of lease obligations related to the new office increasing by 470 million yen following the relocation of the headquarters, and provisions for expenses related to the withdrawal from the former headquarters decreasing by 199 million yen.

#### (Equity)

As of September 30, 2021, total equity was 22,184 million yen, down 2,329 million yen as compared with the previous fiscal year-end. This was due mainly to a decline of 1,739 million yen in retained earnings caused by the recording of net loss, as well as a 433 million yen decline in non-controlling interests.

This was due mainly to an increase of 576 million yen in other components of equity driven by exchange rate effects such as the weaker yen, a decline of 1,739 million yen in retained earnings caused by the recording of net losses, a 433 million yen decline in non-controlling interests, and an increase in treasury stock of 733 million yen resulting from purchase of treasury stock.

### 2) Cash Flows

As of September 30, 2021, the balance of cash and cash equivalents (“funds”) was 20,967 million yen, down 1,718 million yen compared with the previous fiscal year-end, primarily due to the following factors.

#### (Cash flows from operating activities)

Funds used in operating activities totaled 1,063 million yen. This was mainly due to the recording of a loss before tax of 1,823 million yen, which was caused by the recording of expenses associated with new businesses in Japan and one-off costs associated with the relocation of the headquarters.

#### (Cash flows from investing activities)

Funds used in investing activities totaled 261 million yen. This was due mainly to the discharge of asset retirement obligations of 201 million yen following the withdrawal from the former headquarters.

#### (Cash flows from financing activities)

Funds used in financing activities totaled 1,040 million yen. This was due mainly to purchase of treasury stock of 733 million yen, and repayments of lease obligations of 307 million yen.

## **(3) Consolidated Earnings Forecasts and Other Forward-Looking Information**

To fulfill the corporate mission of “Make everyday cooking fun!” the Cookpad Group is aggressively pursuing investment opportunities to provide recipe services to the people worldwide.

With regard to consolidated earnings forecasts for the fiscal year ending December 31, 2021, due to upfront investments in new

businesses we expect to record losses at the operating and pretax level, and to also record a loss attributable to shareholders of Cookpad Inc.

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

|                               | As of December 31, 2020  | As of September 30, 2021 |
|-------------------------------|--------------------------|--------------------------|
| Assets                        |                          |                          |
| Current assets                |                          |                          |
| Cash and cash equivalents     | 22,685,528               | 20,967,247               |
| Trade and other receivables   | 2,065,144                | 1,524,627                |
| Other financial assets        | 6,166                    | 5,259                    |
| Inventories                   | 32,443                   | 26,426                   |
| Other current assets          | 372,581                  | 448,736                  |
| Total current assets          | <u>25,161,862</u>        | <u>22,972,296</u>        |
| Non-current assets            |                          |                          |
| Property, plant and equipment | 521,760                  | 702,002                  |
| Goodwill                      | 140,920                  | 140,920                  |
| Intangible assets             | 105,922                  | 112,124                  |
| Other financial assets        | 295,944                  | 201,098                  |
| Deferred tax assets           | 275,773                  | 42,964                   |
| Other non-current assets      | 10,634                   | 29,093                   |
| Total non-current assets      | <u>1,350,952</u>         | <u>1,228,202</u>         |
| Total assets                  | <u><u>26,512,813</u></u> | <u><u>24,200,497</u></u> |

(Thousands of yen)

|  | As of December 31, 2020 | As of September 30, 2021 |
|--|-------------------------|--------------------------|
| <b>Liabilities and equity</b>                              |                         |                          |
| <b>Liabilities</b>   |                         |                          |
| <b>Current liabilities</b>                                 |                         |                          |
| Lease obligations  | 288,712                 | 298,670                  |
| Trade and other payables                                   | 765,137                 | 662,195                  |
| Other financial liabilities                                | 42,259                  | 38,294                   |
| Income tax payable   | 8,455                   | 6,607                    |
| Other current liabilities                                  | 277,441                 | 118,787                  |
| <b>Total current liabilities</b>                           | <b>1,382,005</b>        | <b>1,124,554</b>         |
| <b>Non-current liabilities</b>                             |                         |                          |
| Lease obligations  | 365,323                 | 794,226                  |
| Other non-current liabilities                              | 15,324                  | —                        |
| Provisions   | 236,654                 | 97,540                   |
| <b>Total non-current liabilities</b>                       | <b>617,301</b>          | <b>891,766</b>           |
| <b>Total liabilities</b>                                   | <b>1,999,306</b>        | <b>2,016,320</b>         |
| <b>Equity</b>  |                         |                          |
| Capital stock  | 5,286,015               | 5,286,015                |
| Capital surplus  | 7,194,224               | 7,194,224                |
| Retained earnings  | 11,365,838              | 9,626,796                |
| Treasury stock   | (2,022)                 | (735,042)                |
| Other components of equity                                 | (520,558)               | 55,597                   |
| <b>Equity attributable to shareholders of Cookpad Inc.</b> | <b>23,323,497</b>       | <b>21,427,590</b>        |
| Non-controlling interests                                  | 1,190,011               | 756,588                  |
| <b>Total equity</b>  | <b>24,513,508</b>       | <b>22,184,178</b>        |
| <b>Total equity and liabilities</b>                        | <b>26,512,813</b>       | <b>24,200,497</b>        |

**(2) Condensed Consolidated Income Statements and Statements of Comprehensive Income****Condensed Consolidated Income Statements**

The First Nine Months of FY2020 and FY2021

(Thousands of yen)

|  | Nine months ended<br>September 30, 2020<br>(Jan. 1 - Sept. 30, 2020) | Nine months ended<br>September 30, 2021<br>(Jan. 1 - Sept. 30, 2021) |
|--|--|--|
| Sales revenue                                | 8,103,261  | 7,516,760  |
| Cost of sales                                | <u>(287,954)</u>   | <u>(315,413)</u>   |
| Gross profit                                 | 7,815,307  | 7,201,347  |
| Selling, general and administrative expenses | (7,623,906)  | (9,050,320)  |
| Other income                                 | 14,091   | 14,435   |
| Other expense                                | <u>(4,087)</u>   | <u>(4,999)</u>   |
| Operating income (loss)                      | 201,405  | (1,839,536)  |
| Financial income                             | 7,870  | 19,793   |
| Financial expense                            | <u>(14,430)</u>  | <u>(3,514)</u>   |
| Profit (loss) before tax                     | 194,845  | (1,823,257)  |
| Income tax expense                           | <u>(325,235)</u>   | <u>(349,209)</u>   |
| Net loss                                     | <u>(130,390)</u>   | <u>(2,172,466)</u>   |
| Loss attributable to:                        |  |  |
| Shareholders of Cookpad Inc.                 | 172,637  | (1,739,042)  |
| Non-controlling interests                    | <u>(303,027)</u>   | <u>(433,424)</u>   |
| Net loss                                     | <u>(130,390)</u>   | <u>(2,172,466)</u>   |
| Earnings per share                           |  |  |
| Basic earnings (loss) per share (yen)        | 1.60   | (16.27)  |
| Diluted earnings (loss) per share (yen)      | 1.60   | —  |

The Third Quarter of FY2020 and FY2021

(Thousands of yen)

|  | Three months ended<br>September 30, 2020<br>(Jul. 1 - Sept. 30, 2020) | Three months ended<br>September 30, 2021<br>(Jul. 1 - Sept. 30, 2021) |
|--|---|---|
| Sales revenue                                | 2,701,363   | 2,410,586   |
| Cost of sales                                | (112,669)   | (100,626)   |
| Gross profit                                 | 2,588,694   | 2,309,960   |
| Selling, general and administrative expenses | (2,710,398)   | (3,095,453)   |
| Other income                                 | 4,725   | 3,603   |
| Other expense                                | (1,296)   | (961)   |
| Operating loss                               | (118,275)   | (782,851)   |
| Financial income                             | 838   | 9,473   |
| Financial expense                            | (13,389)  | (1,229)   |
| Loss before tax                              | (130,825)   | (774,607)   |
| Income tax expense                           | (22,187)  | (254,929)   |
| Net loss                                     | (153,012)   | (1,029,536)   |
| Loss attributable to:                        |   |   |
| Shareholders of Cookpad Inc.                 | (44,621)  | (737,278)   |
| Non-controlling interests                    | (108,392)   | (292,258)   |
| Net loss                                     | (153,012)   | (1,029,536)   |
| Earnings per share                           |   |   |
| Loss per share (basic) (yen)                 | (0.41)  | (6.97)  |
| Diluted loss per share (yen)                 | —   | —   |

## Condensed Consolidated Statements of Comprehensive Income

The First Nine Months of FY2020 and FY2021

(Thousands of yen)

|  | Nine months ended<br>September 30, 2020<br>(Jan. 1 - Sept. 30, 2020) | Nine months ended<br>September 30, 2021<br>(Jan. 1 - Sept. 30, 2021) |
|--|--|--|
| Net Loss   | (130,390)  | (2,172,466)  |
| Other comprehensive income   |  |  |
| Items that will not be reclassified subsequently to profit or loss               |  |  |
| Net changes in financial assets at fair value through other comprehensive income | (3,223)  | 255  |
| Total of items that will not be reclassified subsequently to profit or loss      | (3,223)  | 255  |
| Items that may be reclassified subsequently to profit or loss                    |  |  |
| Exchange differences on translating foreign operations                           | (420,278)  | 553,621  |
| Total items that may be reclassified subsequently to profit or loss              | (420,278)  | 553,621  |
| Other comprehensive income, net of tax   | (423,501)  | 553,876  |
| Comprehensive income   | (553,891)  | (1,618,590)  |
| Comprehensive income attributable to:  |  |  |
| Shareholders of Cookpad Inc.   | (250,864)  | (1,185,166)  |
| Non-controlling interests  | (303,027)  | (433,424)  |
| Comprehensive income   | (553,891)  | (1,618,590)  |

The Third Quarter of FY2020 and FY2021

(Thousands of yen)

|  | Three months ended<br>September 30, 2020<br>(Jul. 1 - Sept. 30, 2020) | Three months ended<br>September 30, 2021<br>(Jul. 1 - Sept. 30, 2021) |
|--|---|---|
| Net loss   | (153,012)   | (1,029,536)   |
| Other comprehensive income   |   |   |
| Items that may not be reclassified subsequently to profit or loss                |   |   |
| Net changes in financial assets at fair value through other comprehensive income | 311   | (203)   |
| Total of items that may not be reclassified subsequently to profit or loss       | 311   | (203)   |
| Items that may be reclassified subsequently to profit or loss                    |   |   |
| Exchange differences on translating foreign operations                           | 162,145   | (138,333)   |
| Total items that may be reclassified subsequently to profit or loss              | 162,145   | (138,333)   |
| Other comprehensive income, net of tax   | 162,456   | (138,536)   |
| Comprehensive income   | 9,444   | (1,168,071)   |
| Comprehensive income attributable to:  |   |   |
| Shareholders of Cookpad Inc.   | 117,836   | (875,814)   |
| Non-controlling interests  | (108,392)   | (292,258)   |
| Comprehensive income   | 9,444   | (1,168,071)   |

**(3) Condensed Consolidated Statements of Changes in Equity**

Nine months ended September 30, 2020 (January 1 - September 30, 2020)

(Thousands of yen)

|   | Equity attributable to shareholders of Cookpad Inc. |                 |                   |                |                            |   | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|----------------|----------------------------|---|---------------------------|--------------|
|   | Capital stock                                       | Capital surplus | Retained earnings | Treasury stock | Other components of equity | Equity attributable to shareholders of Cookpad Inc. |                           |              |
| Balance as of January 1, 2020                   | 5,286,015   | 7,194,224       | 11,112,155        | (2,008)        | (227,190)                  | 23,363,196  | 1,458,326                 | 24,821,521   |
| Impact of changes in accounting policies        | —   | —               | (225,676)         | —              | —                          | (225,676)   | —                         | (225,676)    |
| Balance after restatement as of January 1, 2020 | 5,286,015   | 7,194,224       | 10,886,479        | (2,008)        | (227,190)                  | 23,137,520  | 1,458,326                 | 24,595,845   |
| Net profit (loss)                               | —   | —               | 172,637           | —              | —                          | 172,637   | (303,027)                 | (130,390)    |
| Other comprehensive income                      | —   | —               | —                 | —              | (423,501)                  | (423,501)   | —                         | (423,501)    |
| Total comprehensive income                      | —   | —               | 172,637           | —              | (423,501)                  | (250,864)   | (303,027)                 | (553,891)    |
| Share-based payment transaction                 | —   | —               | —                 | —              | 16,173                     | 16,173  | —                         | 16,173       |
| Acquisition of subsidiaries                     | —   | —               | —                 | —              | —                          | —   | —                         | —            |
| Purchase of treasury stock                      | —   | —               | —                 | (14)           | —                          | (14)  | —                         | (14)         |
| Total transactions with shareholders            | —   | —               | —                 | (14)           | 16,173                     | 16,159  | —                         | 16,159       |
| Balance as of September 30, 2020                | 5,286,015   | 7,194,224       | 11,059,116        | (2,022)        | (634,517)                  | 22,902,815  | 1,155,298                 | 24,058,114   |

Nine months ended September 30, 2021 (January 1 - September 30, 2021)

(Thousands of yen)

|   | Equity attributable to shareholders of Cookpad Inc. |                 |                   |                |                            |   | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|----------------|----------------------------|---|---------------------------|--------------|
|   | Capital stock                                       | Capital surplus | Retained earnings | Treasury stock | Other components of equity | Equity attributable to shareholders of Cookpad Inc. |                           |              |
| Balance as of January 1, 2021                   | 5,286,015   | 7,194,224       | 11,365,838        | (2,022)        | (520,558)                  | 23,323,497  | 1,190,011                 | 24,513,508   |
| Impact of changes in accounting policies        | —   | —               | —                 | —              | —                          | —   | —                         | —            |
| Balance after restatement as of January 1, 2021 | 5,286,015   | 7,194,224       | 11,365,838        | (2,022)        | (520,558)                  | 23,323,497  | 1,190,011                 | 24,513,508   |
| Net profit (loss)                               | —   | —               | (1,739,042)       | —              | —                          | (1,739,042)   | (433,424)                 | (2,172,466)  |
| Other comprehensive income                      | —   | —               | —                 | —              | 553,876                    | 553,876   | —                         | 553,876      |
| Total comprehensive income                      | —   | —               | (1,739,042)       | —              | 553,876                    | (1,185,166)   | (433,424)                 | (1,618,590)  |
| Share-based payment transaction                 | —   | —               | —                 | —              | 22,280                     | 22,280  | —                         | 22,280       |
| Acquisition of subsidiaries                     | —   | —               | —                 | —              | —                          | —   | 0                         | 0            |
| Purchase of treasury stock                      | —   | —               | —                 | (733,020)      | —                          | (733,020)   | —                         | (733,020)    |
| Total transactions with shareholders            | —   | —               | —                 | (733,020)      | 22,280                     | (710,740)   | 0                         | (710,740)    |
| Balance as of September 30, 2021                | 5,286,015   | 7,194,224       | 9,626,796         | (735,042)      | 55,597                     | 21,427,590  | 756,588                   | 22,184,178   |

**(4) Condensed Consolidated Statements of Cash Flows**

(Thousands of yen)

|   | Nine months ended<br>September 30, 2020<br>(Jan. 1 - Sept. 30, 2020) | Nine months ended<br>September 30, 2021<br>(Jan. 1 - Sept. 30, 2021) |
|---|--|--|
| Cash flows from operating activities                              |  |  |
| Profit before tax   | 194,845  | (1,823,257)  |
| Impairment loss   | 66,944   | 261,129  |
| Depreciation and amortization                                     | 350,205  | 446,013  |
| Financial (income) expense  | 75,524   | (60,154)   |
| Net (increase) decrease of trade and other<br>receivables         | (161,425)  | 587,736  |
| Net increase (decrease) of trade and other<br>payables            | 67,986   | (131,321)  |
| Net increase (decrease) of consumption tax payable<br>increase    | (22,698)   | (174,478)  |
| Other   | (59,680)   | (53,119)   |
| Subtotal  | 511,700  | (947,450)  |
| Interest and dividend income received                             | 7,870  | 652  |
| Interest expenses paid  | (6,772)  | (3,642)  |
| Income taxes paid   | (155,330)  | (113,153)  |
| Cash flows from operating activities                              | 357,469  | (1,063,593)  |
| Cash flows from investing activities                              |  |  |
| Purchase of property, plant and equipment                         | (136,264)  | (98,291)   |
| Purchase of intangible assets                                     | (22,813)   | (25,674)   |
| Purchase of subsidiaries  | (53,282)   | —  |
| Payments of leasehold and guarantee deposits                      | (697)  | (117,653)  |
| Proceeds from the recovery of leasehold and guarantee<br>deposits | 10,754   | 181,490  |
| Discharge of asset retirement obligations                         | —  | (201,993)  |
| Other   | —  | 456  |
| Cash flows from investing activities                              | (202,302)  | (261,664)  |

(Thousands of yen)

|   | Nine months ended<br>September 30, 2020<br>(Jan. 1 - Sept. 30, 2020) | Nine months ended<br>September 30, 2021<br>(Jan. 1 - Sept. 30, 2021) |
|---|--|--|
| Cash flows from financing activities                        |  |  |
| Repayments of long-term debt                                | (40,000)   | —  |
| Repayments of lease obligations                             | (292,218)  | (307,573)  |
| Purchase of treasury stock                                  | (14)   | (733,020)  |
| Cash flows from financing activities                        | (332,232)  | (1,040,593)  |
| Net increase (decrease) in cash and cash equivalents        | (177,065)  | (2,365,851)  |
| Cash and cash equivalents at beginning of period            | 23,105,395   | 22,685,528   |
| Effect of exchange rate change on cash and cash equivalents | (499,643)  | 647,570  |
| Cash and cash equivalents at end of period                  | 22,428,686   | 20,967,247   |

## **(5) Notes on the Condensed Consolidated Financial Statements**

### **1. Reporting entity**

Cookpad Inc. (“the Company”) is a company located in Japan. The condensed consolidated financial statements of the Company for the nine months ended September 30, 2021, consist of the Company and its subsidiaries (“the Cookpad Group”).

The mission of the Cookpad Group is to “Make everyday cooking fun!,” and its business is centered on “Cookpad,” which enables users to post and search for recipes on the internet.

### **2. Basis of preparation**

#### **(1) Compliance with IFRS**

The Cookpad Group’s condensed consolidated financial statements satisfy the requirements set forth in Article 1-2 of the “Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements” (Cabinet Office Order No. 64 of 2007), and because the Company falls under the category of “Specified Company Complying with Designated International Accounting Standards” are prepared in accordance with IAS 34 “Interim Financial Reporting” pursuant to the provisions of Article 93 of the said regulation.

Furthermore, because the condensed consolidated financial statements do not include all of the information required for the full-year consolidated financial statements, they should be used in conjunction with the consolidated financial statements of the previous fiscal year.

#### **(2) Basis of measurement**

With the exception of specific financial instruments, etc. that are measured on the basis of fair value, the condensed consolidated financial statements of the Cookpad Group are prepared on the historical cost basis.

#### **(3) Functional currency and presentation currency**

The condensed consolidated financial statements of the Cookpad Group are presented in Japanese yen, which is the functional currency of the Company, with figures of less than one thousand yen rounded to the nearest thousand.

### **3. Significant Accounting Policies**

The significant accounting policies applied in the preparation of these condensed consolidated financial statements are the same as the accounting standards applied in the preparation of the consolidated financial statements for the previous fiscal year, except for the changes below.

Income taxes for the nine months ended September 30, 2021 are calculated using the estimated average annual effective tax rate.

#### **(Changes in Accounting Policies)**

The Cookpad Group had previously applied IAS 38 “Intangible Assets,” and recognized intangible assets in relation to configuration or customization costs in a cloud computing arrangement. However, based on the discussions leading up to the IFRS Interpretations Committee agenda decision released in April 2021, the Company changed its approach to one of recognizing the costs as an expense when it receives the configuration or customization services, beginning in the second quarter of the fiscal year ending December 31, 2021.

This accounting policy change has been applied retroactively, such that the first nine months of the fiscal year ended December 31, 2020, the third quarter of the fiscal year ended December 30, 2020, and the fiscal year ended December 31, 2020, are all presented using restated figures that reflect the retroactive change.

As a result, compared to the figures from before the retroactive application of this change, consolidated SG&A expenses for the first nine months of the fiscal year ended December 31, 2020 declined by 56,620 thousand yen, and operating income, profit before tax, and net profit each increased by 56,620 thousand yen. Also, consolidated SG&A expenses for the third quarter of the fiscal year ended December 31, 2020 declined by 19,046 thousand yen, operating income and profit before tax increased by 19,046 thousand yen, and net loss decreased by 19,046 thousand yen. In the consolidated balance sheet for the previous fiscal year, intangible assets declined by 156,082 thousand yen, and deferred tax assets increased by 4,089 thousand yen.

The reflection of the cumulative impact in the amount of consolidated net assets at the beginning of the previous fiscal year led to a 225,676 thousand yen decline in the consolidated retained earnings balance at the beginning of the previous fiscal year.

### **4. Significant Accounting Estimates and Judgments**

During the preparation of condensed consolidated financial statements, management is required to apply accounting policies and to make judgments, estimates and assumptions that affect the amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and the assumptions that underpin them are reviewed continuously. The effects of a change in accounting estimates will be recognized in the accounting period in which the change took place and in future accounting periods that are affected.

Accounting estimates and judgments applied by management that have a significant effect on the amounts in the condensed quarterly consolidated financial statements are the same as for the consolidated financial statements for the previous fiscal year.

#### **5. Operating segments**

The Cookpad Group has a single segment, “Make everyday cooking fun!,” and so statements of income, profits or losses, and other items by business field have been omitted.

#### **6. Subsequent events**

Not applicable

#### **(6) Notes on the Going Concern Assumption**

Not applicable