

MAKING AI EASY

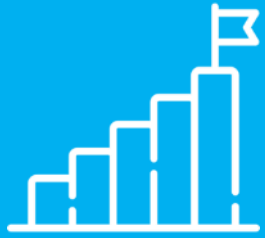
BY MAKING
SOFTWARE INTELLIGENT

Q1 FY2023 Earnings **May 2023**

Our Mission

Turning AI into ROI by Making Software Intelligent





**FY23 Q1 Review
& Achievements**



**FY23 Q1
Business Metrics**



Business Outlook



Product Updates

Key Remarks for 2023 Q1



Revenue growth reached 32%⁽¹⁾, ahead of our budget, despite the low season challenges and higher comps of FY22 Q1. **And our increasingly strong business momentum lays a solid foundation for FY23 Q2 onward.**



Our new vertical expansion in NEA is yielding progress, including successful penetration of key accounts in **Digital Content⁽²⁾ in Korea**, which will provide a greater contribution from FY23 Q2 onwards. **With the continuous development in US & EMEA, the dual growth drivers will accelerate our expansion.**



EBITDA growth reached 47%⁽¹⁾ and 60%⁽¹⁾ on FX neutral basis. Operating margin outperformed our budget with **continuous gain on FX neutral basis** despite more R&D investment, which will strengthen our core competence.



Gross margin landed at 50.1% and **50.7% on FX neutral basis**. As in previous Q1 periods, more experiments for continuous algorithm improvements and new products, which will **provide more upside on margin expansion from Q2 onwards.**



We continue to accelerate our product innovation, including **generative AI** integration into product features, giving our customers better usability and increasing loyalty to our products.

2023 Q1 Highlights

Revenue

JPY **5.6B**

Revenue YoY Growth⁽¹⁾

+32%

EBITDA⁽²⁾

JPY **386M**

Gross Profit YoY Growth⁽³⁾

+32%

ARR⁽⁴⁾

JPY **21.6B**

LTM NRR⁽⁵⁾

FX Neutral **133.8%**

USD-based **116.8%**

(1) Revenue Growth from FY22 Q1 to FY23 Q1.

(2) EBITDA = operating income + depreciation and amortization + tax expenses included in operating expenses + IPO-related expenses

(3) Gross Profit Growth from FY22 Q1 to FY23 Q1.

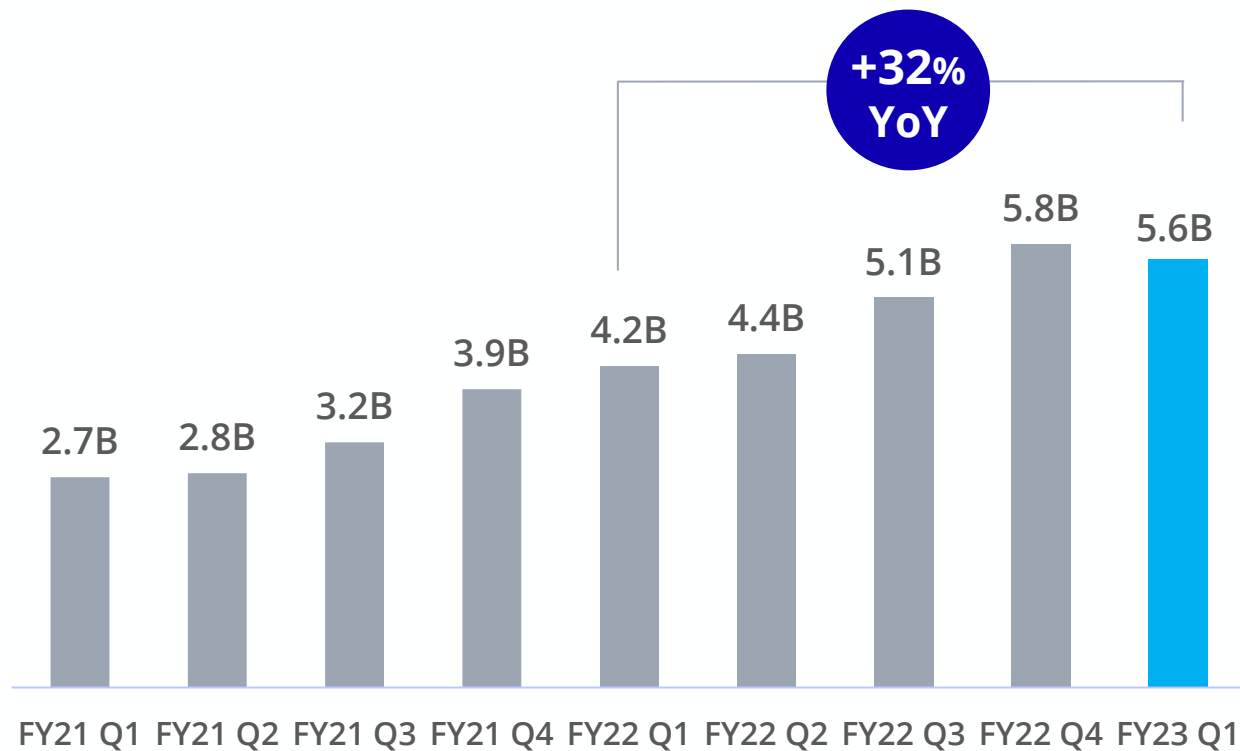
(4) ARR is conducted as the sum of the per-solution ARR. (i) For AIQUA, AiDeal, AIXON, BotBonnie and AIRIS, which are offered on a subscription basis, we calculate ARR as of a certain date as the monthly recurring revenue converted in JPY during the one-month period ending on such date, multiplied by 12. (ii) For CrossX, we calculate ARR as of a certain date as the average of monthly recurring revenue converted in JPY during the six-month period ending on such date, multiplied by 12.

(5) We calculate NRR by dividing (i) total revenue calculated in U.S. dollars from the last 12 months from customers that used one of our solutions during the same period in the prior year, by (ii) total revenue calculated in U.S. dollars from such customers during the same period of the prior year.

Revenue Trends

- FY23 Q1 revenue YoY growth was driven by existing customer expansion, especially in ROI-driven enterprises, and new customers from regions and verticals with high growth potential, such as Digital Content in Korea.
- The expansion of existing customers in Digital Content was impacted by the low season while we expect to see stronger momentum from FY23 Q2 onward due to higher season.

Revenue (JPY)



Incremental Revenue

46% from Existing Customers⁽¹⁾

- ▶ Strong expansion continues from ROI-driven customers in E-commerce sectors
- ▶ Lower expansion in Digital Content due to seasonality

54% from New Customers⁽²⁾

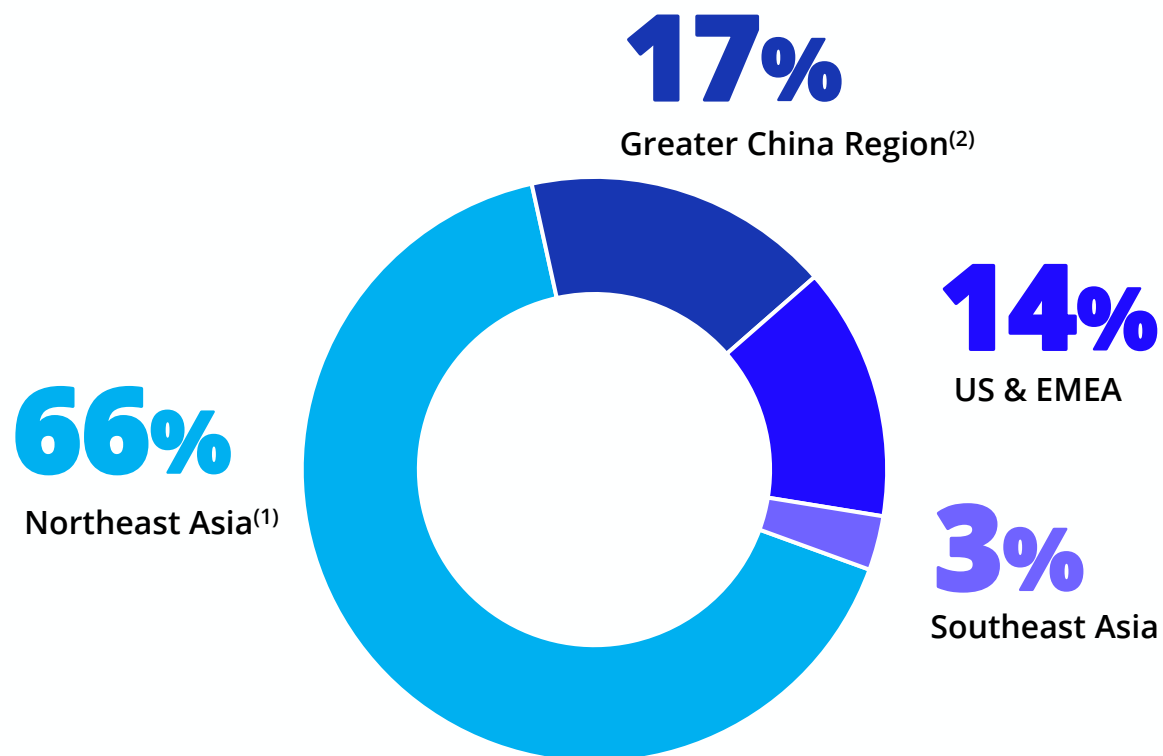
- ▶ Vertical expansion in Digital Content, especially in Korea
- ▶ Growing customer traction in US & EMEA
- ▶ Continuous strategic focus on large enterprise customer acquisition

⁽¹⁾“Existing Customers” refers to customers that used one of our solutions during the prior quarters

⁽²⁾“New Customers” refers to customers acquired in the current quarter

Diverse Revenue Base: Multiple regions provide growth drivers with continuous momentum

FY23 Q1 Revenue % by Region



(1) Northeast Asia includes Japan & South Korea

(2) Greater China Region includes Taiwan, Hong Kong & China

NEA

~40% YoY revenue growth with vertical expansion in Digital Content and existing customer expansion in E-Commerce

GCR

Growth momentum was impacted by low season of larger exposure in Digital content

US & EMEA

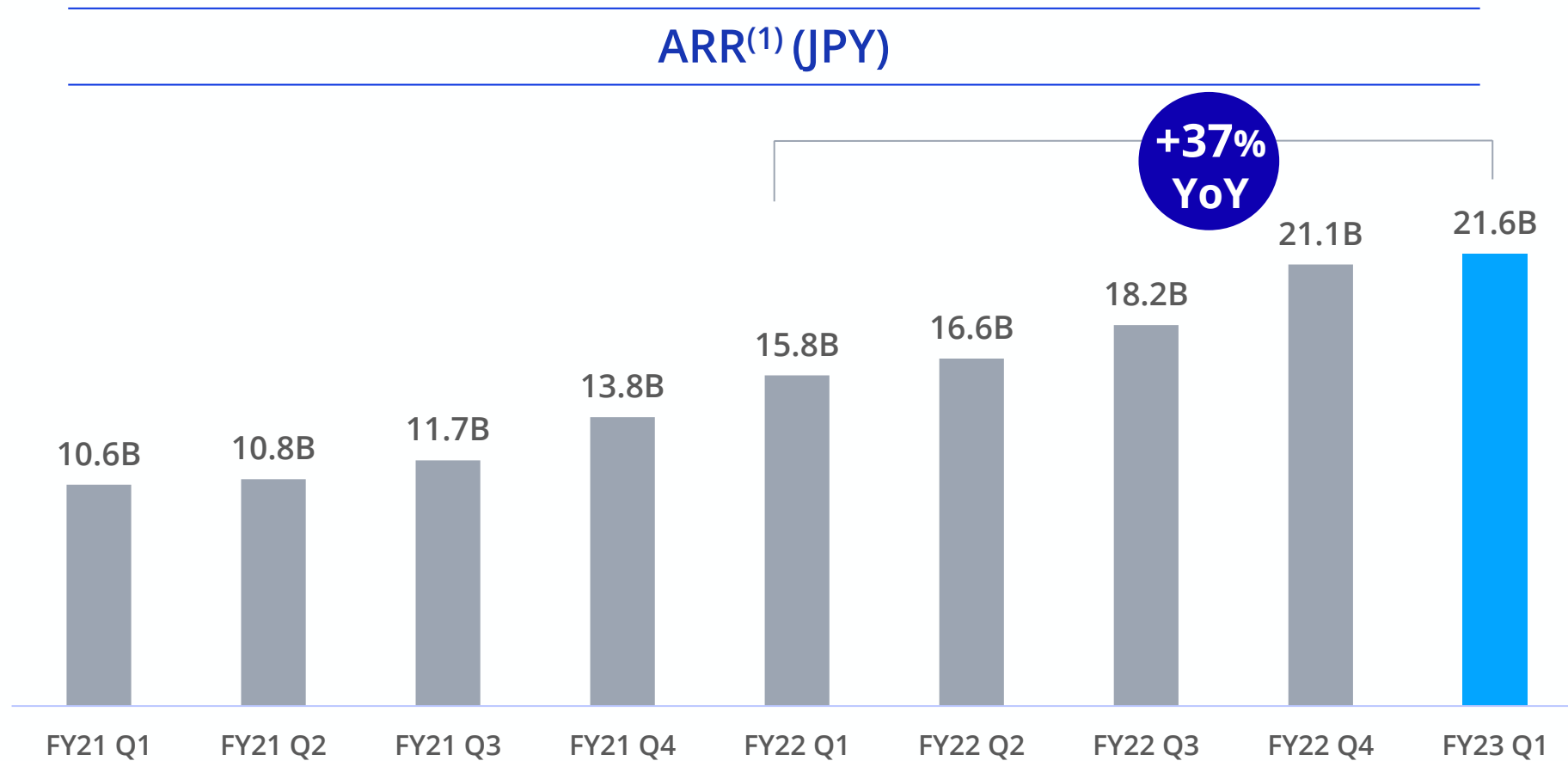
77% YoY revenue growth with revenue contribution up to 14% from 10% a year ago

SEA

Continue to focus on key account strategy until the markets get more mature

Annual Recurring Revenue Quarterly Trends

- Our recurring revenue currently constitutes over 95% of our total revenue.

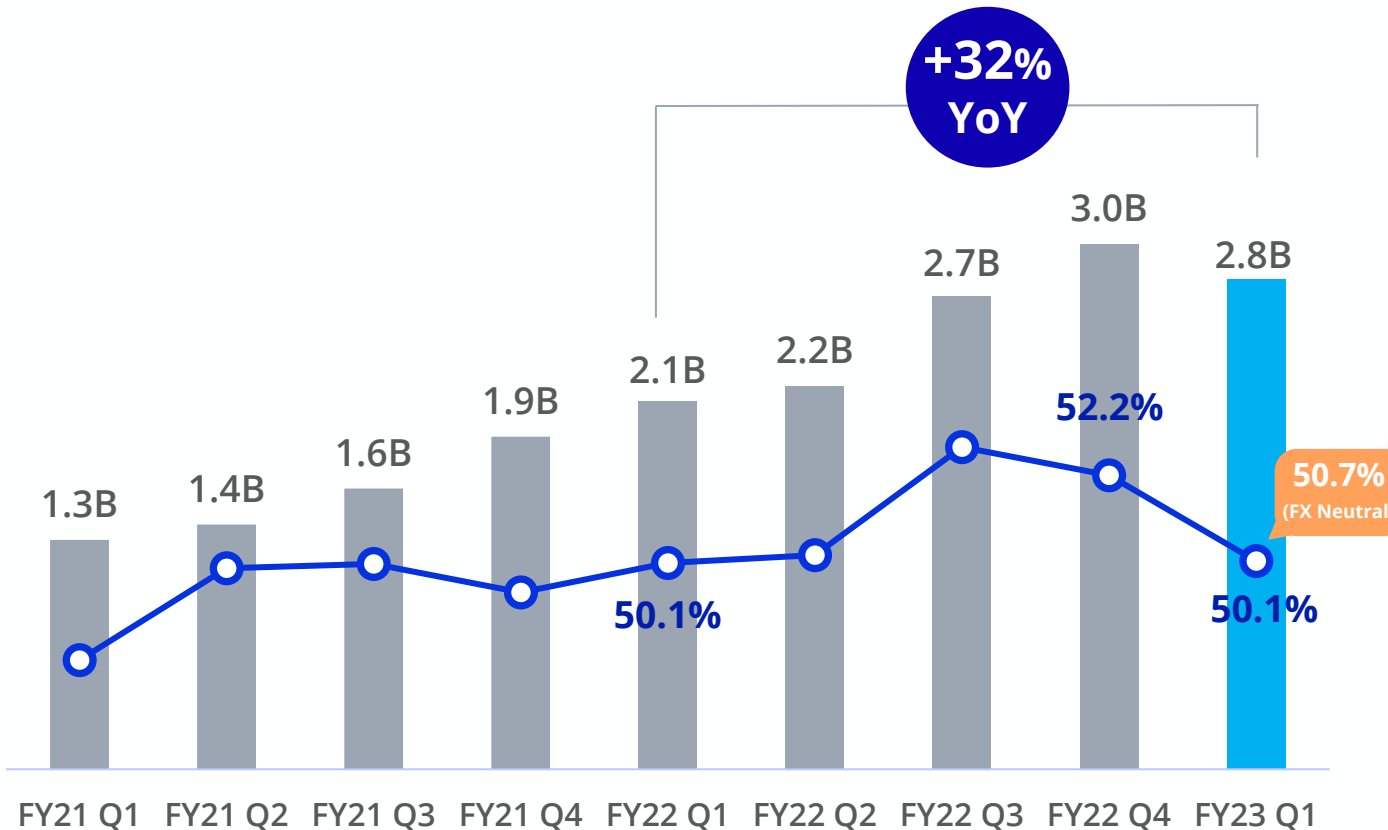


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Gross Profit

- Gross margin landed at 50.1% and 50.7% on FX neutral basis. We strategically experimented for algorithm improvement that will lead to higher gross margins in the following quarters.

Gross Profit (JPY) & Margin



Factors of Gross Margin Changes

YoY basis

- ▶ Continuous algorithm improvement increased CrossX's gross margin
- ▶ FX headwinds resulted in lower gross margin

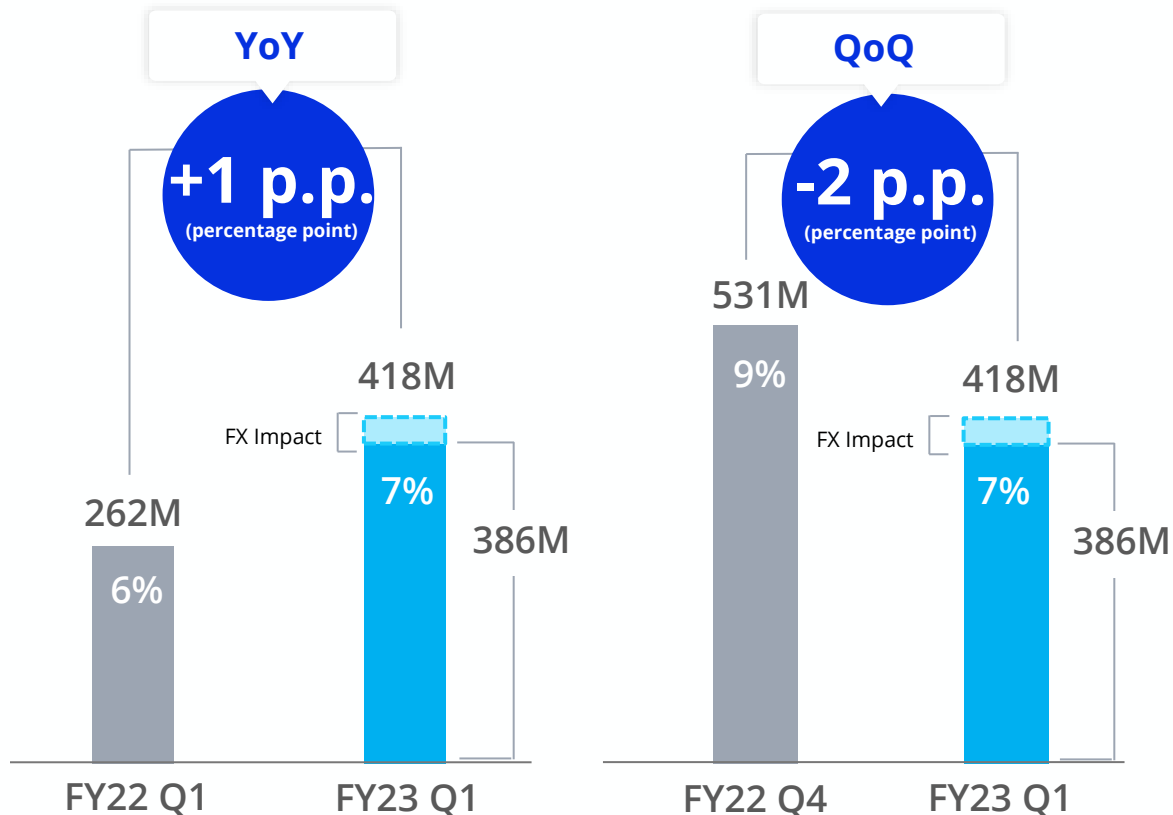
QoQ basis

- ▶ More costs have been spent on experiments for continuous algorithm improvements and new products to accelerate future margin expansion

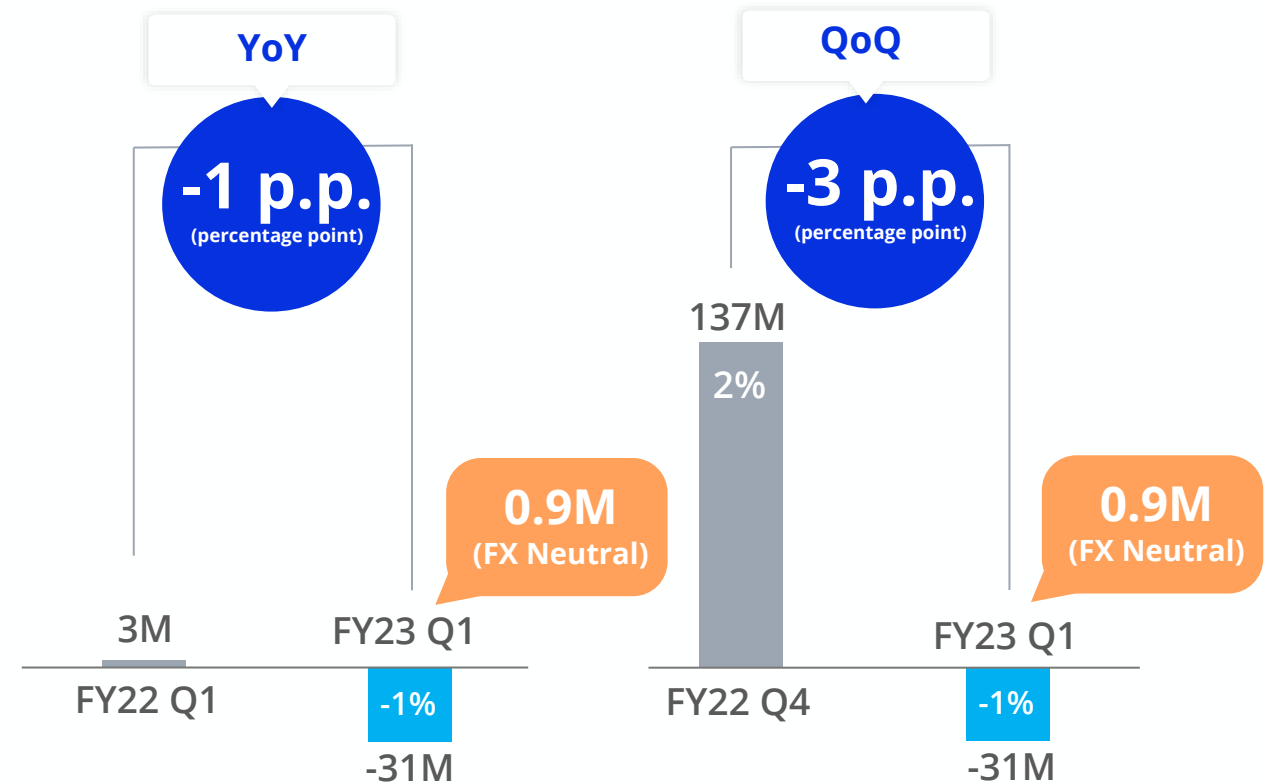
EBITDA & Operating Income

- EBITDA has increased by 47% YoY with 7% EBITDA margin and by 60% YoY with 8% EBITDA margin on FX neutral basis.
- Operating margin was almost flat YoY on FX neutral basis and decreased QoQ due to low season.

EBITDA⁽¹⁾ & Margin (JPY)



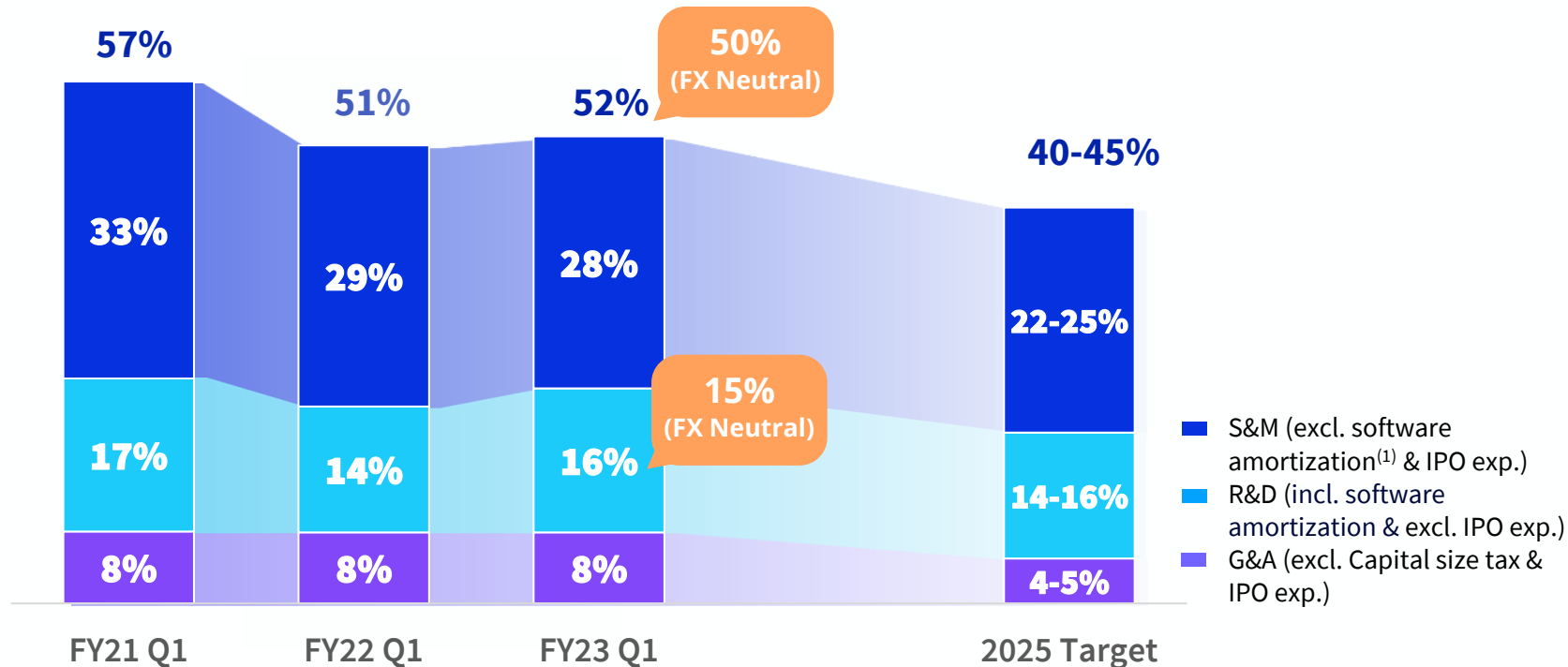
Operating Income & Margin (JPY)



OPEX Structure

- S&M has demonstrated continuous strong leverage and improvement through productivity gains and better scale.
- R&D expenses increased due to JPY depreciation and investment in algorithm and products enhancement, including generative AI features integration, which will contribute to our corporate core value.
- The OPEX to revenue ratio improved by 1.6 p.p. (from 51.3% to 49.7%) on FX neutral basis.

Historical OPEX Structure & 2025 Margin Target (% Revenue)



2025 Financial Target

Revenue Growth⁽²⁾

30%+

Gross Margin⁽³⁾

55-60%

Operating Margin⁽⁴⁾

15-20%

(1) Our Sales and Marketing Expenses included amortization of software. We started software capitalization in FY2020.

(2) Average Revenue Growth Rate target from 2022 to 2025

(3) Gross Margin Target in 2025

(4) Operating Margin Target in 2025



**FY23 Q1 Review
& Achievements**



**FY23 Q1
Business Metrics**



Business Outlook



Product Updates

Quarterly Customer # Trend

- The number of customers increased by 24% YoY.
- New customers in FY23 Q1 were mainly from the Digital Content and E-Commerce verticals (38% and 28% of total new customers respectively).

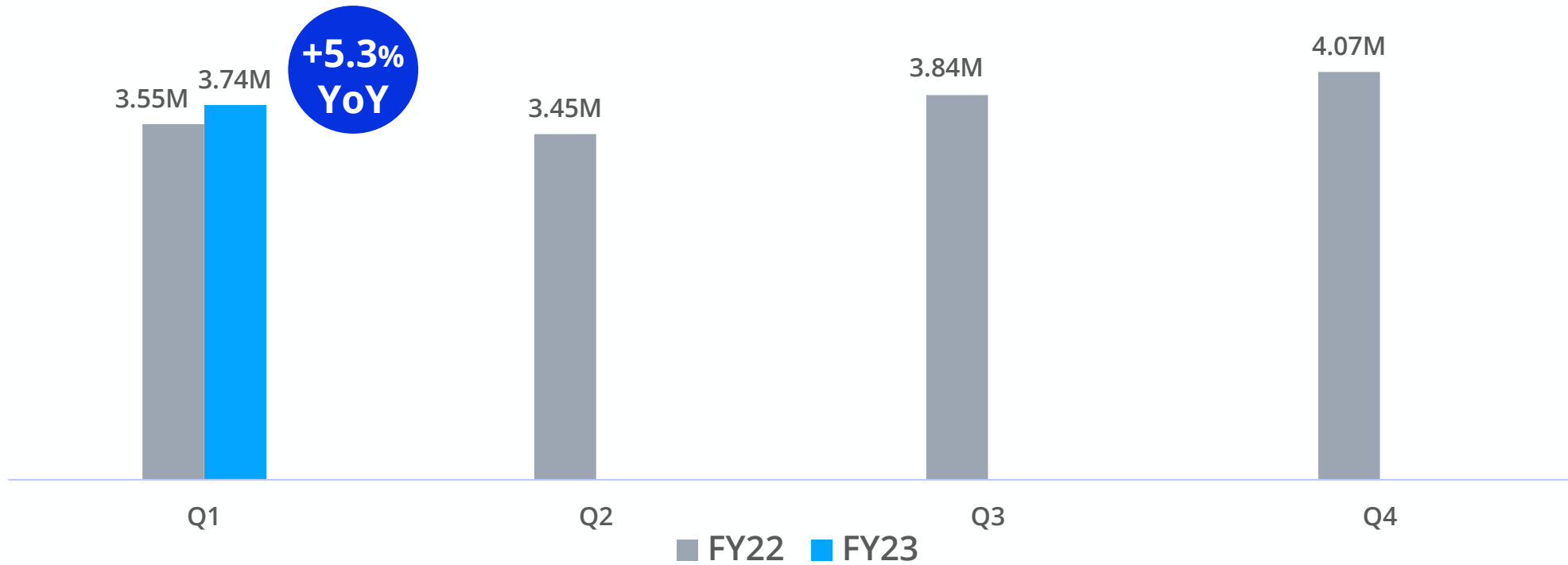


(1) "Customer" refers to a corporate group that has one or more active contracts for our solutions, excluding paid or unpaid trial, demo use and customers acquired through business acquisitions. Such corporate group is counted as a separate "customer" with respect to each solution it uses.

Quarterly Average Revenue per Customer

- The YoY growth rate of ARPC was impacted by the onboarding of more customers with limited contribution in March, as well as mild business momentum among Digital Content customers, which increased the sales ratio YoY, due to seasonality, particularly in the GCR region.

Quarterly Average Revenue per Customer⁽¹⁾ (JPY)

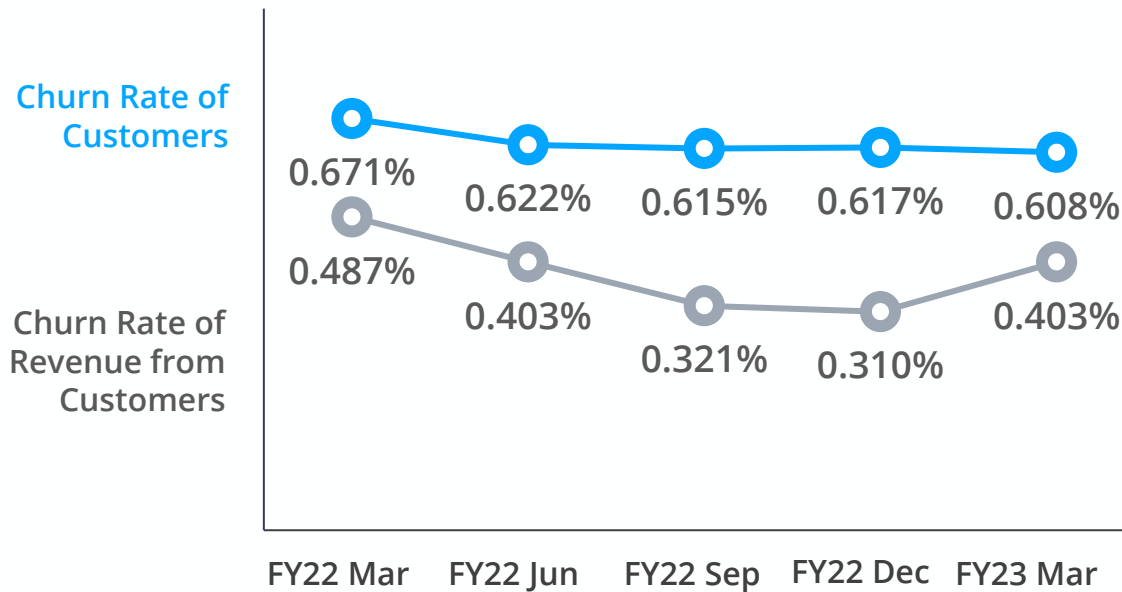


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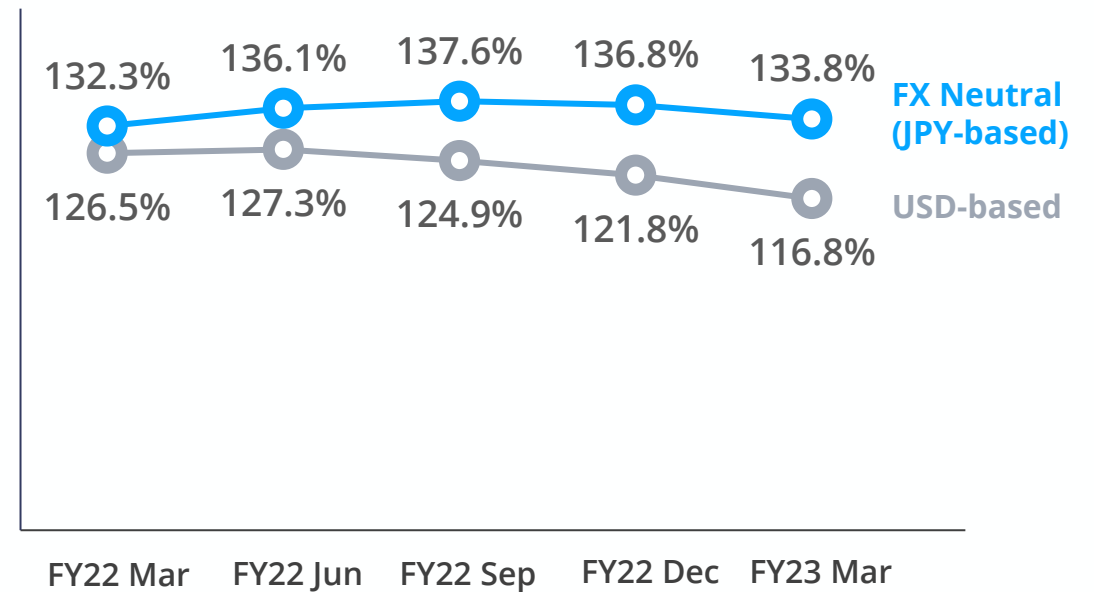
Improving churn rate & solid LTM NRR prove the stickiness of our customers to our solutions

- We maintained a low churn rate in terms of both the number of customers and revenue.
- The strong USD appreciation in the last 4 quarters enlarged the gap of USD-based and JPY-based NRR while the pace of expansion for existing customers remained within a healthy range.

LTM Churn Rate of Customers⁽¹⁾ and Churn Rate of Revenue from Customers⁽²⁾



LTM Net Revenue Retention⁽³⁾



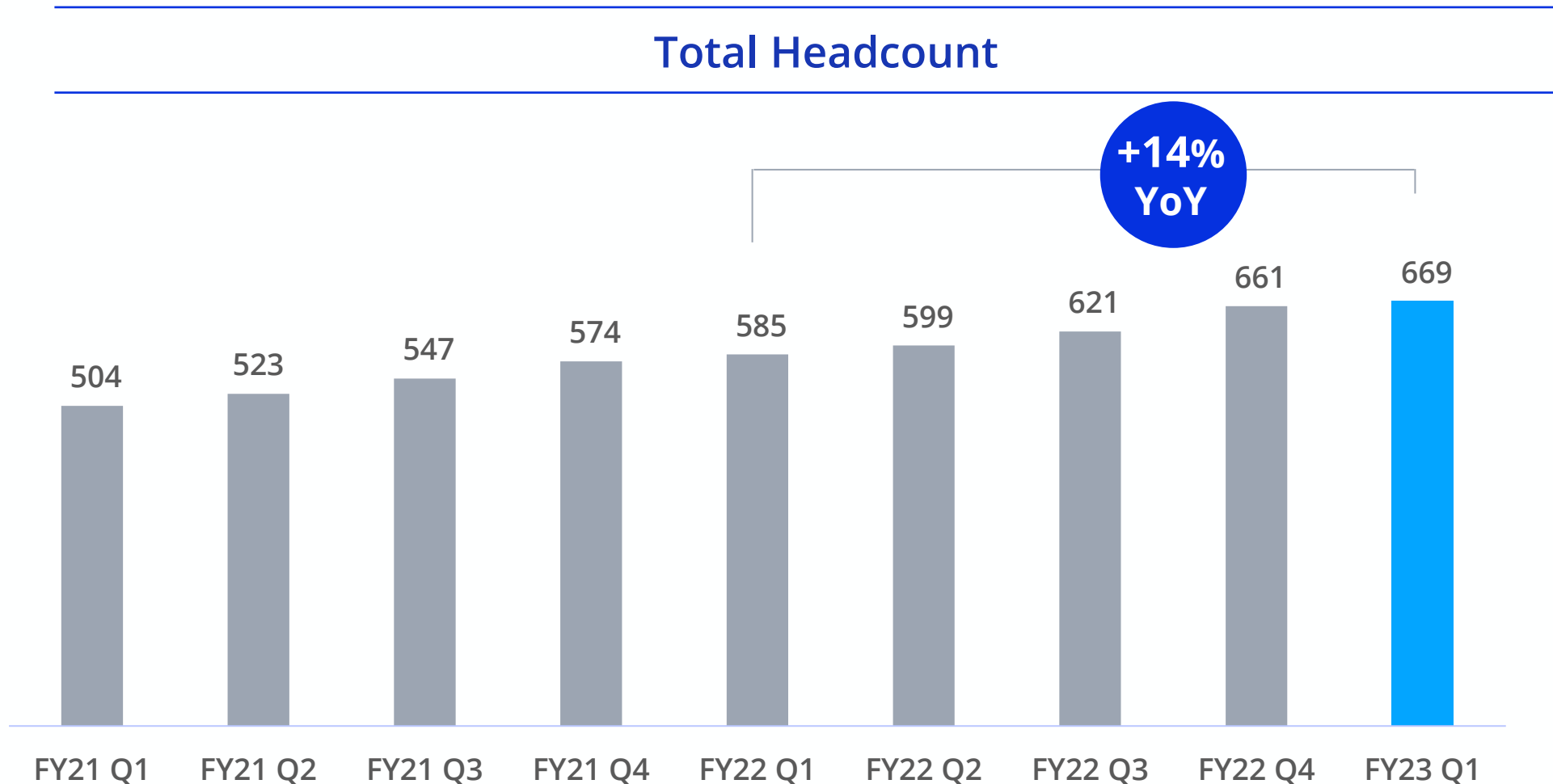
(1) Churn Rate of customers = The number of customers that terminated their relationship with us during the month divided by the number of all customers as of the end of the month.

(2) Churn Rate of Revenue from customers = Revenue calculated in U.S. dollars from customers that terminated their relationship with us during the month, divided by revenue calculated in U.S. dollars from all customers

(3) We calculate NRR by dividing (i) total revenue calculated in U.S. dollars from the last 12 months from customers that used one of our solutions during the same period in the prior year, by (ii) total revenue calculated in U.S. dollars from such customers during the same period of the prior year.

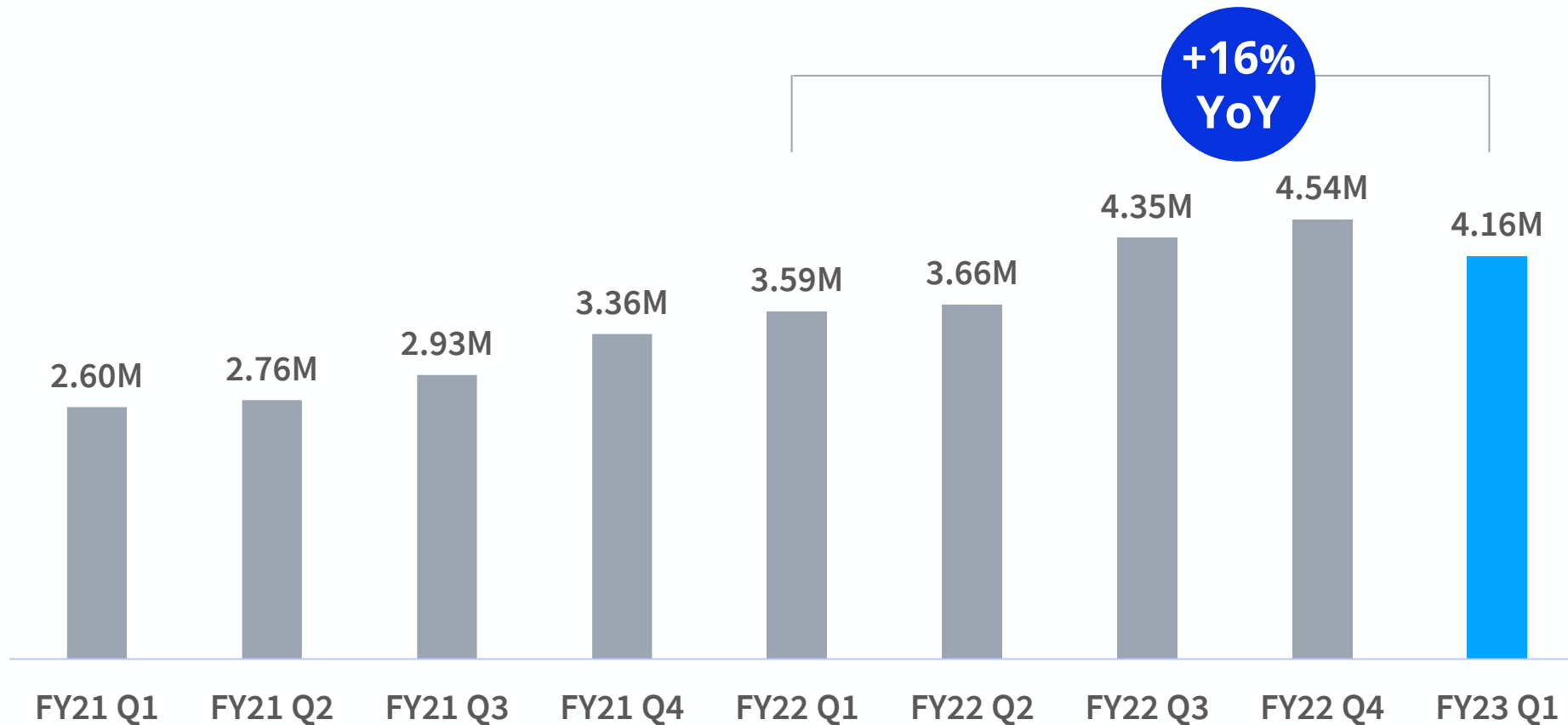
(4) Above calculation does not include BotBonnie's customers.

Hiring to scale our opportunities & continuous investment in new talents

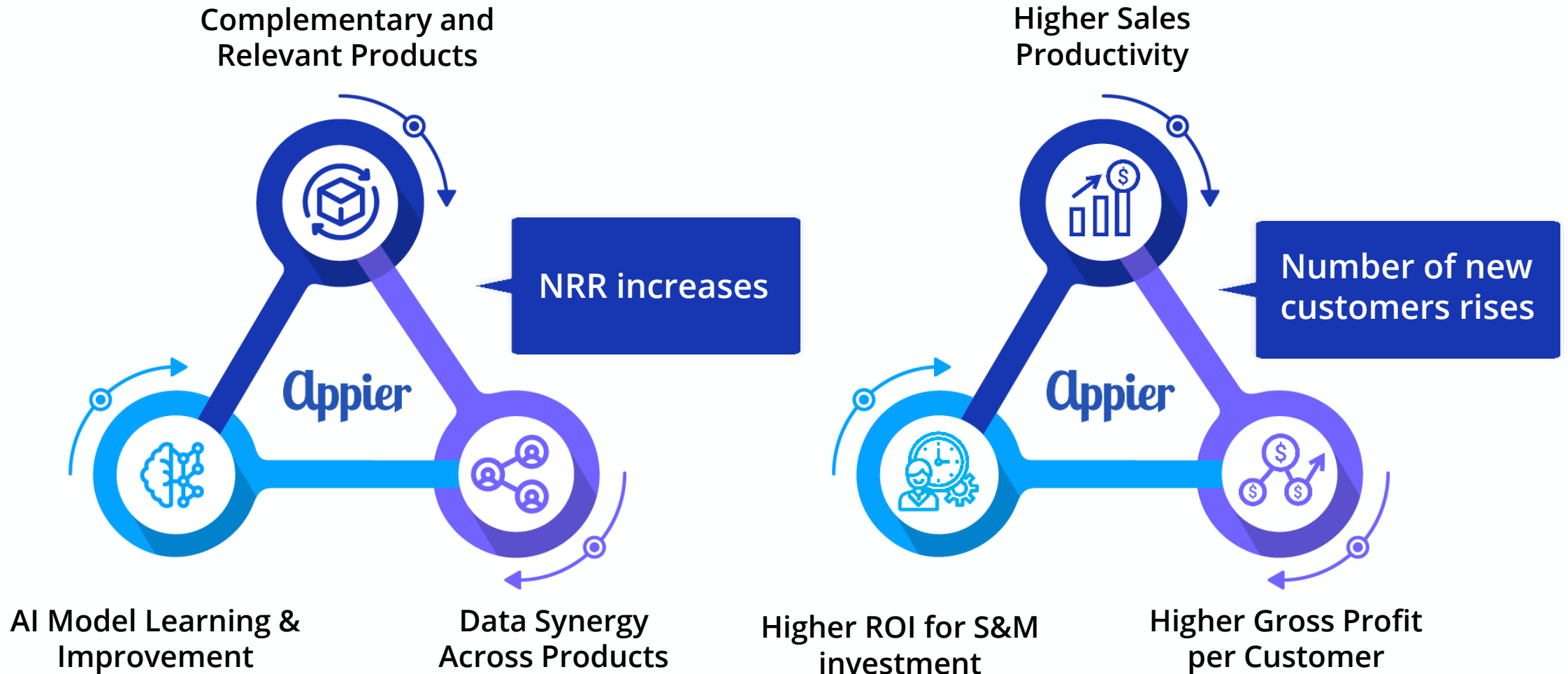


Productivity Improvement

Quarterly Gross Profit / Headcount (JPY)



Appier's Strong Network Effects Drive Platform Value





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Product Updates

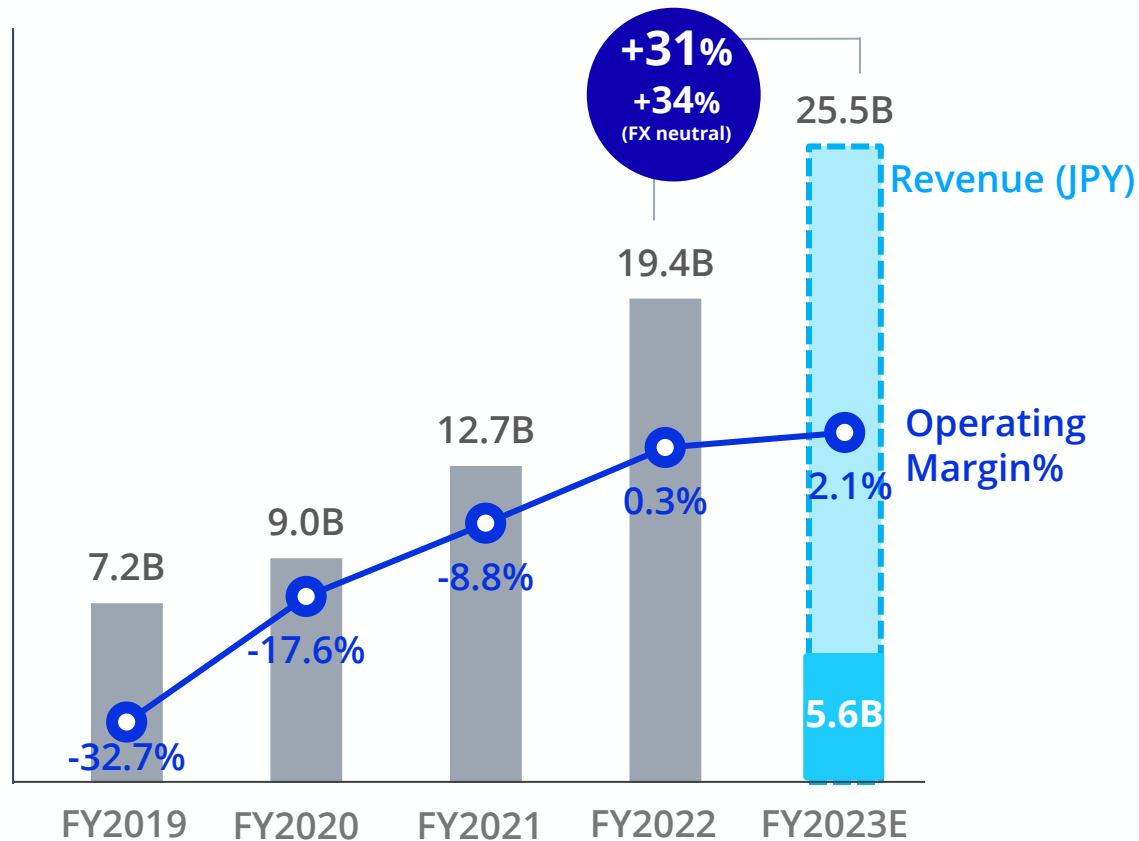
2023 Q1 Overview & 2023 Guidance

- Our FY23 Q1 results exceeded FY2023 budget with our ongoing commitment to achieve sustainable and profitable growth through our core values of turning AI into ROI and swift response to external environment.
- We expect the pace of growth will start accelerating, driven by stronger momentum in Digital Content in Q2 and Q3 and the expansion of newly acquired customers in FY23 Q1.

| | 2023 Q1 | YoY | 2023 Guidance | YoY | Highlights |
|-------------------------|-----------------------|------------------|----------------------|--|---|
| Revenue | 5.6 Bn | +32% | 25.5 Bn | +31% +34% <small>(on FX neutral basis)</small> | <ul style="list-style-type: none"> ▶ Continuous geo and vertical expansion such as Digital Content in Korea ▶ Continuously strong NRR due to the demand of ROI-driven solutions from customers ▶ AI trends enhance customer acceptance of our key differentiators |
| Gross Profit | 2.8 Bn 50.1% | +32% | 13.5 Bn 53.0% | +35% | <ul style="list-style-type: none"> ▶ Algorithm accuracy improvement ▶ Strategically experimental season for new algorithm to improve margin onwards |
| Operating Income | -0.03 Bn -0.6% | -0.6 p.p. | 0.54 Bn 2.1% | +1.8 p.p. | <ul style="list-style-type: none"> ▶ Increasing business efficiency & sales productivity ▶ Strategic R&D spending on new products and features for enhancing corporate core values |
| EBITDA | 0.39 Bn 6.9% | +0.7 p.p. | 2.34 Bn 9.2% | +2.2 p.p. | <ul style="list-style-type: none"> ▶ Utilize about half of the budget of JPY 60M forward-looking investment for corporate function enhancement in Q1 |

2023: A year of balancing **Growth & Profitability** for the financial target in 2025

Revenue (JPY) & Operating Margin%



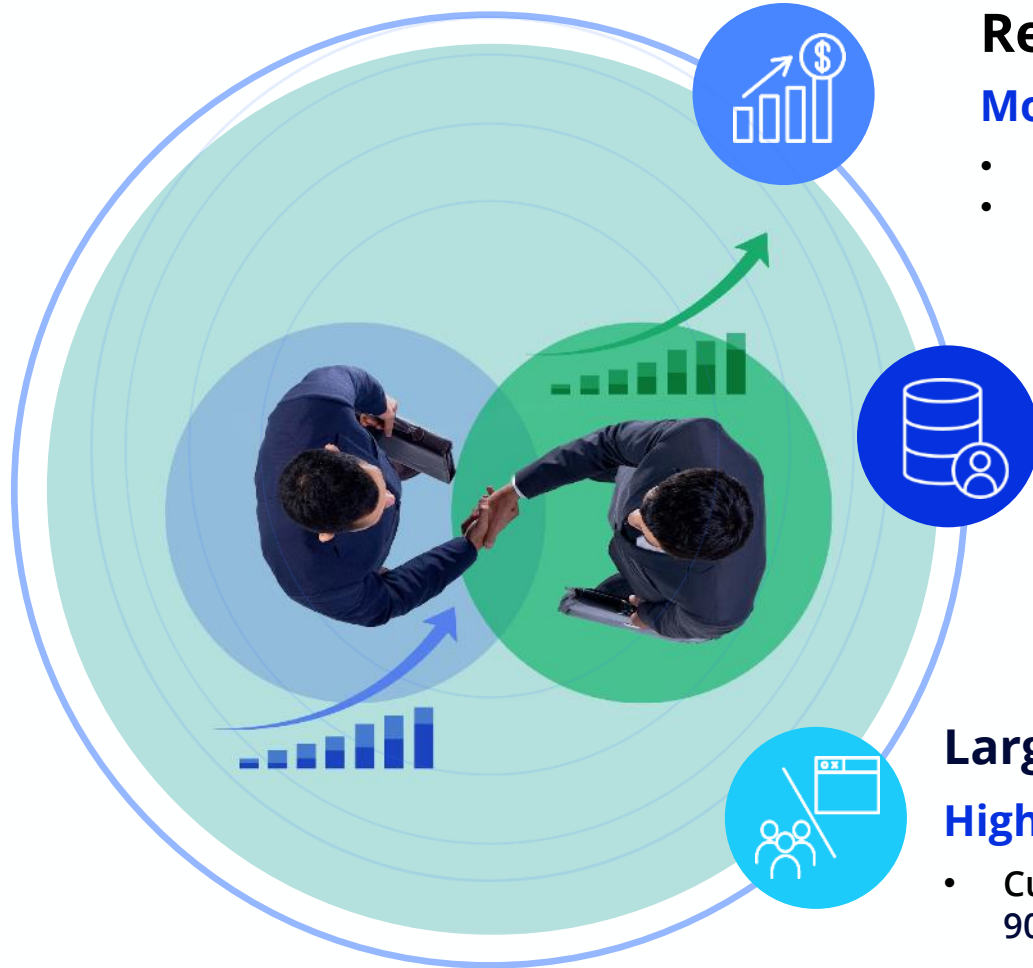
Growth

- ▶ Further Penetration into each region
- ▶ Well Balanced Vertical Expansion
- ▶ Up-sell & cross-sell via product synergy

Profitability

- ▶ High productivity for both Sales and R&D
- ▶ Algorithm enhancement
- ▶ Strong operating leverage with efficiency

Business Growth Outlook: Robust Customer Base



Return-Driven Solution

More recession-proof

- We provide predictable returns on customers' marketing spending.
- Our solutions provide direct revenue or profit impact in over 80% of our customers.

1st Party Data Trend & Higher AI Awareness

Continuous business expansion

- 1st party data is the key to cope with increased privacy restrictions that accelerates our business expansion, especially in US & EMEA
- Increased awareness of AI underscores our product value and drives our business growth

Large Enterprise Customers & Diversified Verticals

Higher business resilience

- Customers with more than ¥10B annual revenue have contributed to over 90% of our revenue.
- Having two strong vertical growth engines in E-commerce and Digital Content, with a large TAM for each, allows us to cope with dynamic and uncertain macro environments

Capital Efficiency Management



Product Synergies with Efficient Go-to-Market Shorten S&M Payback Cycles

Systematic go-to-market strategy, better cross-sell synergies and bundle sale from product synergies lead to productive sales activities which further shorten the payback cycle of our S&M investment.



High ROI Sales & Marketing Investment Driven by Large TAM

As our AI-driven solutions mainly target digitally-oriented larger enterprises and we have widened our TAM through geo and vertical expansion, we can leverage targeted account-based marketing (instead of mass marketing) to promote our solutions to customers efficiently, enabling us to manage S&M expenses with a high ROI.



Efficient AI Technology Scaling through Cloud-based Platform

We deploy our AI technology across customers effectively via our cloud-based platform. This allows us to achieve a high operating leverage from R&D investment.



**FY23 Q1 Review
& Achievements**



**FY23 Q1
Business Metrics**

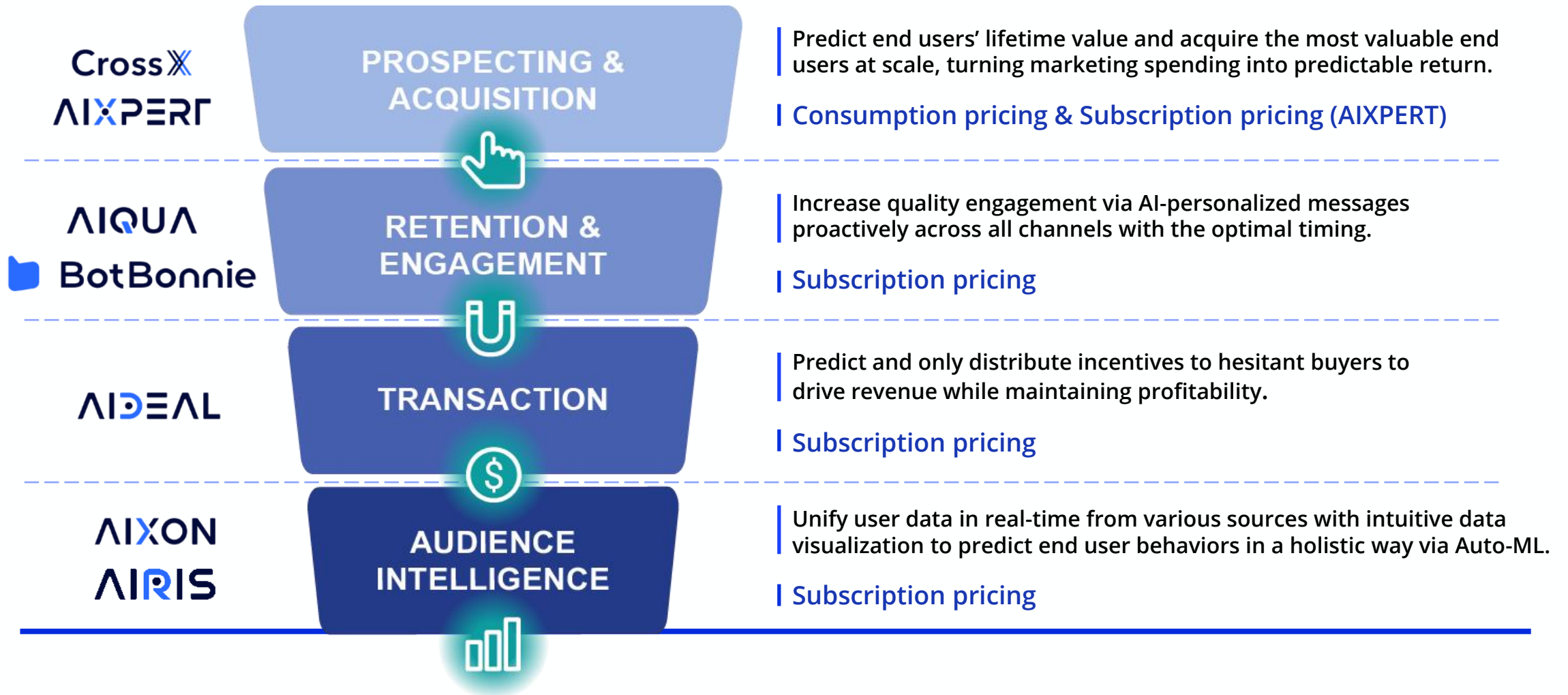


Business Outlook



Product Updates

Comprehensive AI-Powered Solutions Across the Funnel



AIRIS

Our CDP product AIRIS demonstrates strong data orchestration value via cross-product synergies

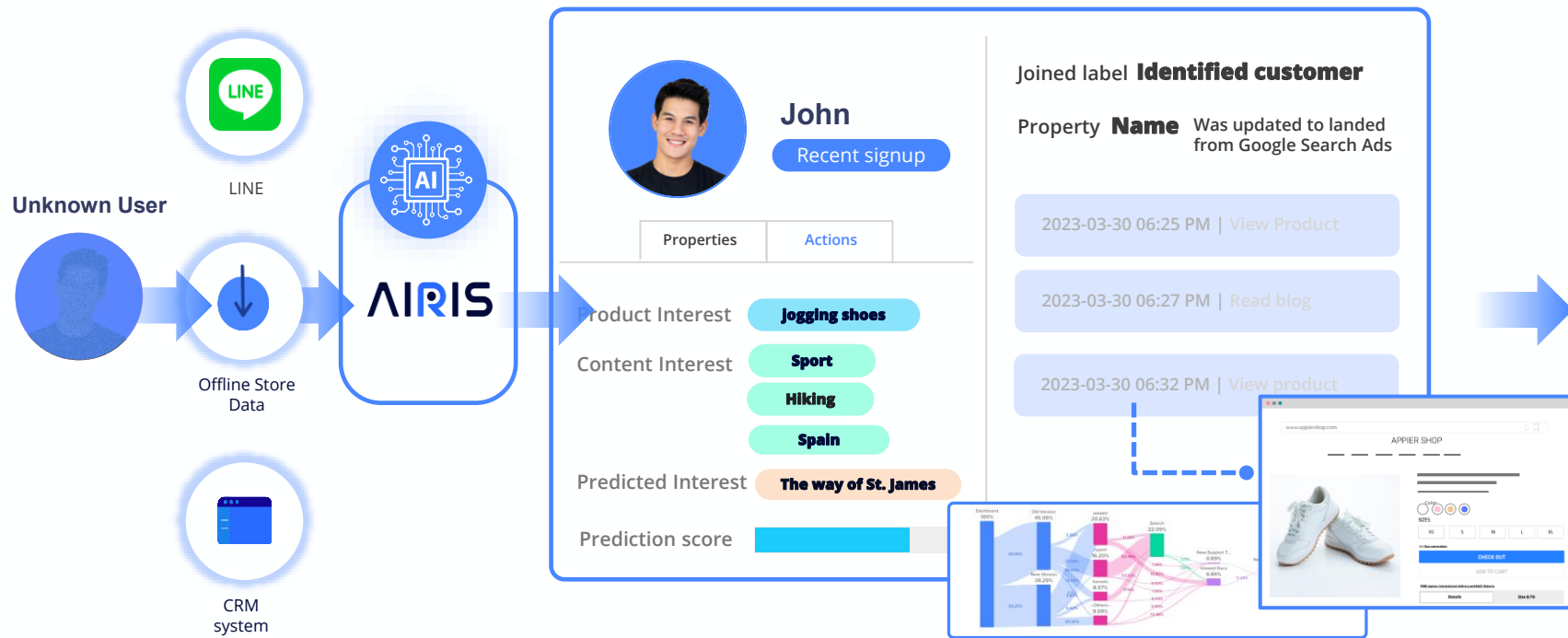
Successful case - a leading global sports brand

Goals

- Allow customer to see real-time revenue and campaign conversion rate across different channels, with profile unification and analytics updates to facilitate data-driven decision-making
- Consolidate brand messaging channels via AIQUA and BotBonnie to provide users' real-time personalized content and drive O2O purchases
- Streamline user journey data and unify all touch points across different channels in one profile
- Connect cross-channel data from LINE and physical stores to enable users to enjoy a seamless, personalized experience

Solution

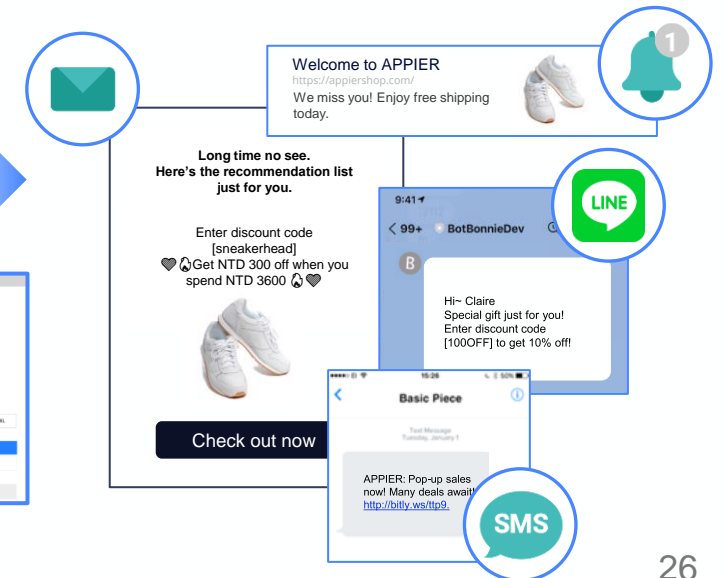
Capture real-time customer event to unlock more business opportunities



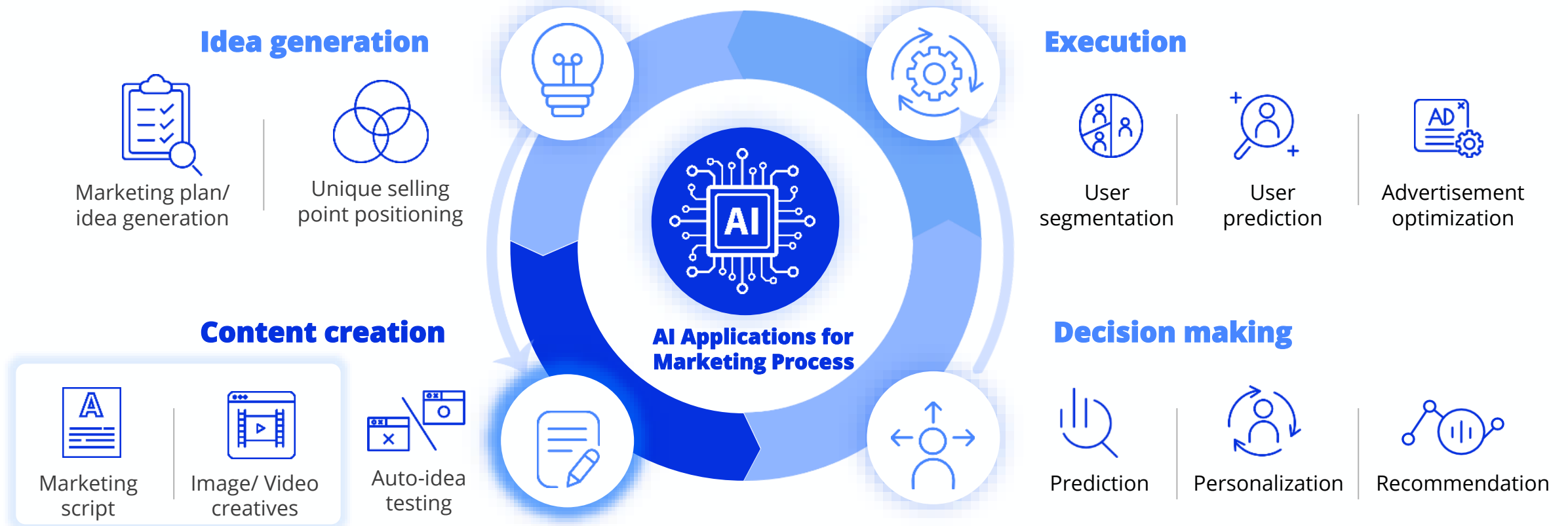
Optimize marketing campaign result through personalized engagement

AIQUA BotBonnie

Personalized content distribution & Cross-channel interaction



Generative AI: Enlarge our TAM from decision making to content creation



Utilizing first party data for generating effective and high ROIs interest segments with GenAI

Challenge

- Limited or ineffective interest segments is one of marketers' pain points, making it hard to create various versions of campaigns for multiple paid channels.

Solution

- With Appier's GenAI-powered interest segment and parameter expansions, marketers can efficiently identify the most appealing segment clusters to acquire high-value users.
- Based on AI-predicted performance metrics and audience overlap rate, marketers can also optimize ads content across channels to achieve better campaign Return on Ad Spend (ROAS).



Interest expansions

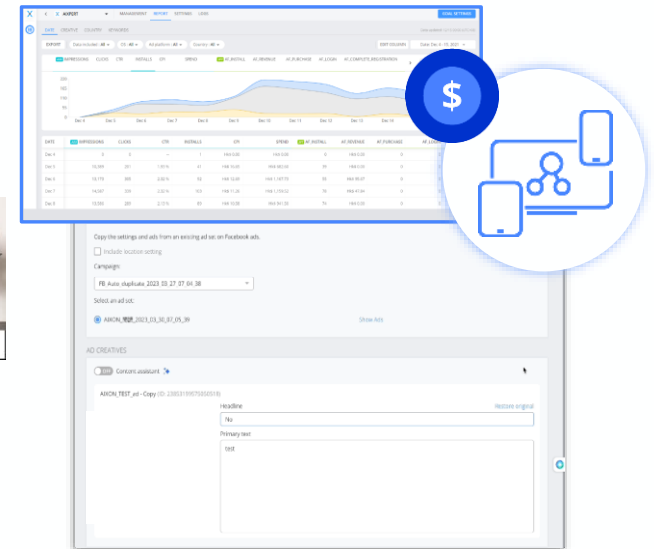
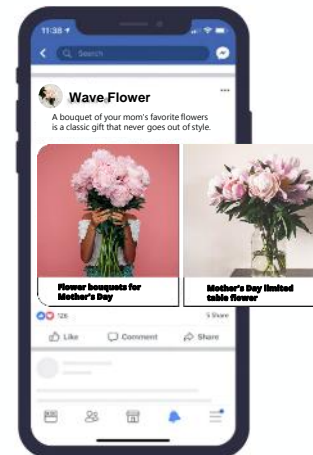
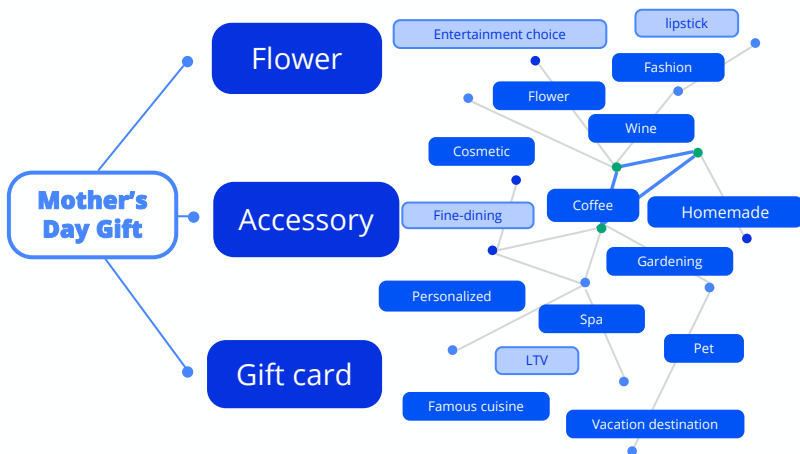
Idea consolidation with performance data feedback

Create top interest list

Top list based on performance metric & audience overlap rate

Scale across multiple advertising platforms

Generate optimized marketing copies within a few seconds



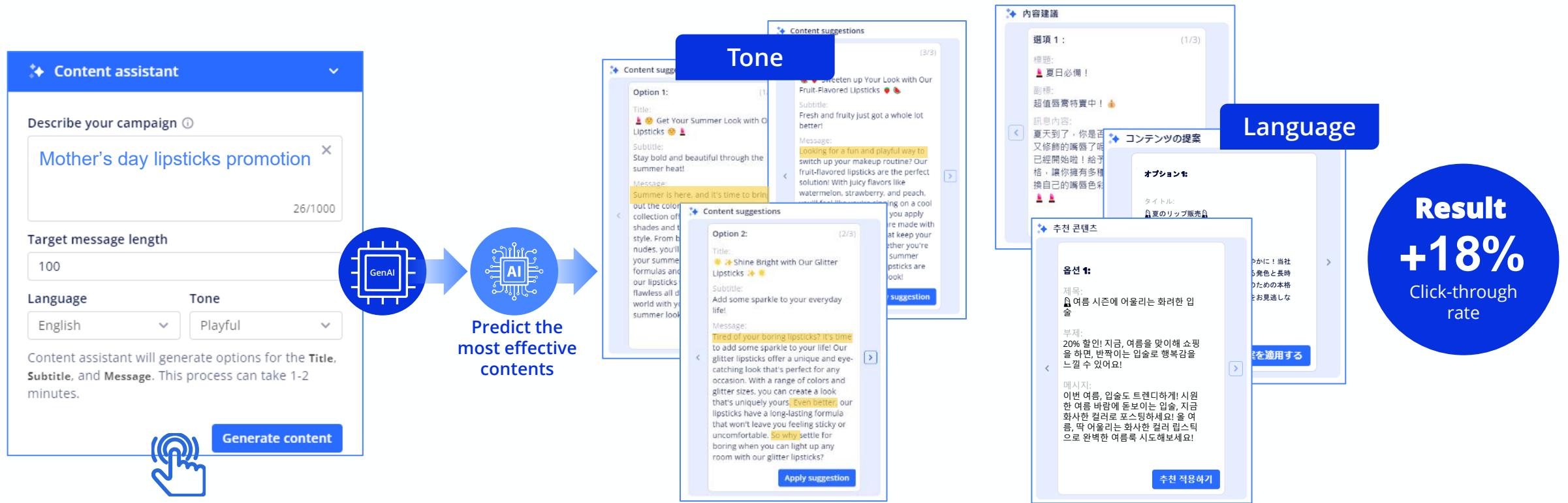
Generate effective marketing messages with different tones and lengths with AI assistant

Challenge

- Less efficient to generate marketing and engagement campaigns from scratch or create multiple versions for A/B testing

Solution

- AIQUA with GenAI provides a diverse range of content ideas with custom-made length or tones and leverages marketing specialized AI to predict and recommend the most effective contents



AI assistant for live chat: Manage the tone, manner, and translation of messages effortlessly

Challenge

- Difficult for customer service professionals to provide a quick and detailed response to each customer, and it was hard to standardize quality of such responses

Solution

- After integrating BotBonnie with GenAI, the reply generation process can now be automated. AI assistant for live chat can also provide rewrite suggestions and adjust the response languages, length or tones (professional, friendly, empathetic, confident) for different situations, enabling better results from conversational commerce and customer satisfaction.



Hi, how long does it take for refunds to process?

The screenshot shows a chat window with a customer asking, "How long does it take for refunds to process?". The AI assistant responds with a detailed answer about refund processing times. The interface includes a "Start Chat" button and a "Send" button at the bottom.

Setting within few clicks

The settings dialog box is titled "AI assistant settings" and contains three sections: "Tone" with a dropdown menu set to "Professional", "Length" with a dropdown menu set to "Short", and "Language" with a dropdown menu set to "English". There are "Cancel" and "Apply" buttons at the bottom.

Enter prompt

Tell AI what to write and AI will rewrite it

Tone

- Professional
- Casual
- Confident
- Empathetic
- Friendly

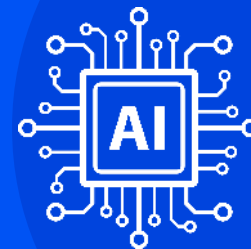
Language

- English
- Chinese
- Japanese
- Korean

Length

- Long
- Short

The AI assistant's response is displayed in a chat window. The text reads: "The length of time it takes for a refund to be processed depends on the payment method used and the company's refund policy. Some refunds may take a couple of business days to process, while others may take several weeks. It's always best to check the company's refund policy or contact their customer service team for more information on their specific refund processing times." The interface includes a "Send" button and options to "Enter prompt" and "Edit response".



Turning AI into ROI

Our enhanced product synergies mean data synergies for our customers. Our improved AI brings extra ROI to our customers. With these principles, we continue delivering value to our customers in all kinds of environments.



Thank you!

Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
Management

Technology
Innovation
SYSTEM



Technology
Innovation
SYSTEM

Appier

Appendix

Founder-led Management of AI & Business Leaders

Founders



Dr. Chih-Han Yu

Chief Executive Officer

Stanford University
Harvard University



Joe Su

Chief Technology Officer

Harvard University



Dr. Winnie Lee

Chief Operating Officer

Stanford University
Washington University

Business leadership



Koji Tachibana

Senior Vice President of Finance
Head of Japan

DeNA, NOMURA,
METI



Magic Tu

Senior Vice President,
Sales for APAC

HTC, Synopsys



Dr. Joe Chang

Chief Strategy Officer

McKinsey & Company,
IQVIA

Awards and Recognitions



7 world champions
in data mining contests ⁽¹⁾
(2008 - 2020)



AI100
CB Insights (2017, 2018)



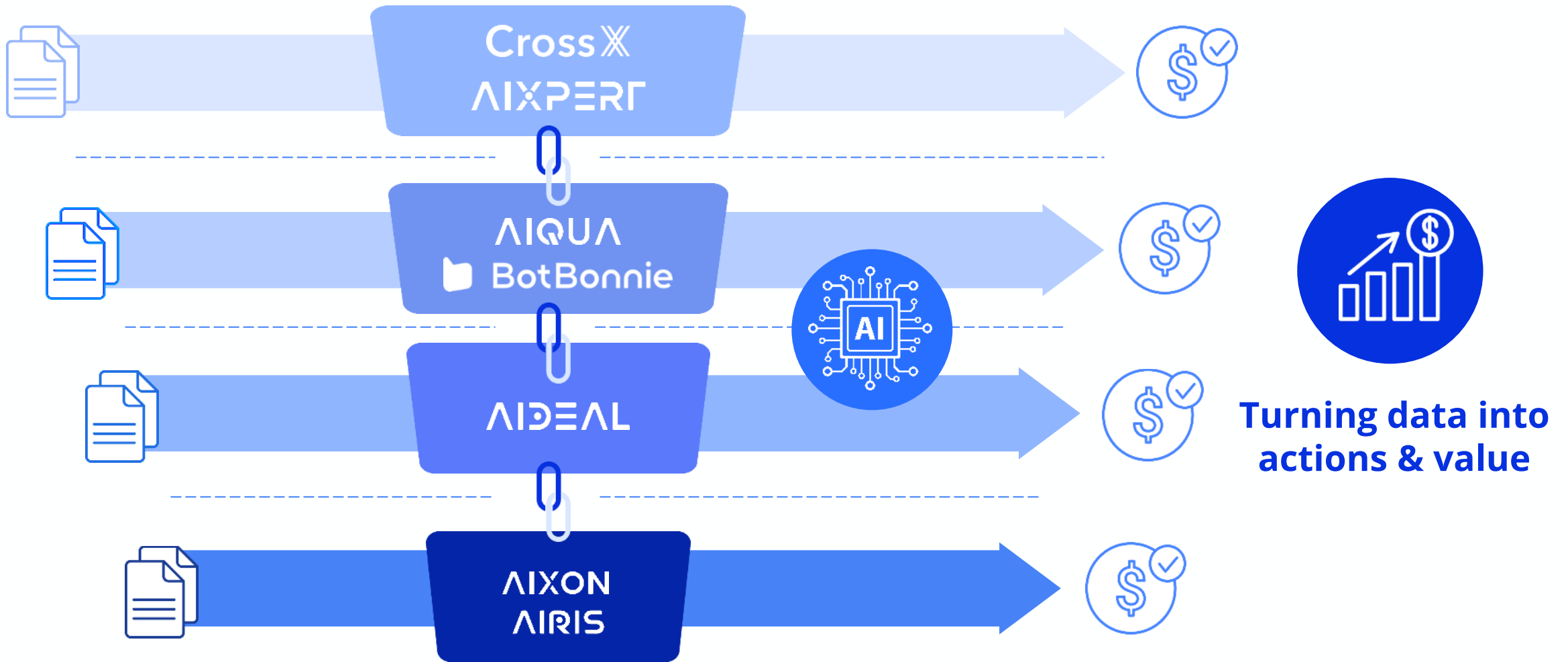
Top 50
AI startups worldwide
(2017)



Cool Vendor in AI
Gartner
(2017)

(1) Championships on which Appier employees were part of the winning team

Turning AI into ROI



Solving data fragmentation via solution synergies

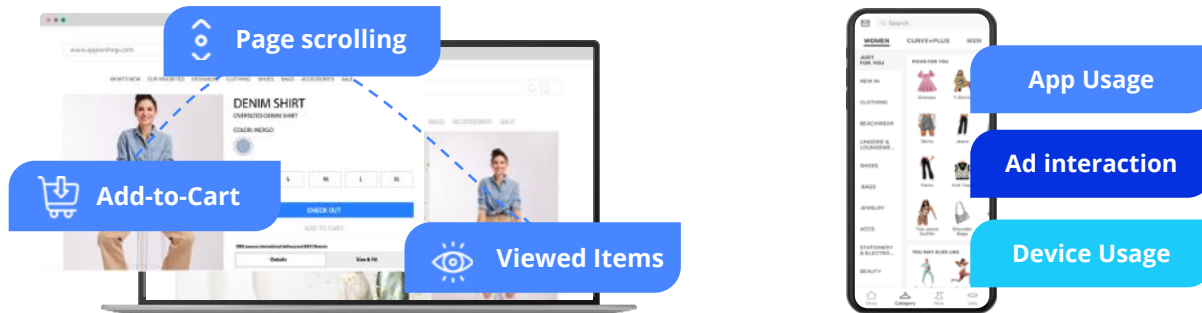
AI is the key component in the 1st party data world

With Only 1st Party Data

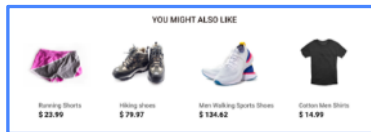
Key Differentiators

- Real-time prediction
- Precise prediction from sparse data

User generated 1st party data

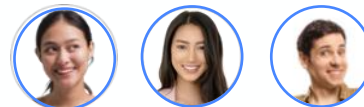


Real-time user preference prediction



Real-time AI recommendation

Real-time learning of behavioral patterns



Discover valuable users

With 3rd Party Data



Deliver content based on 3rd party cookie mapping

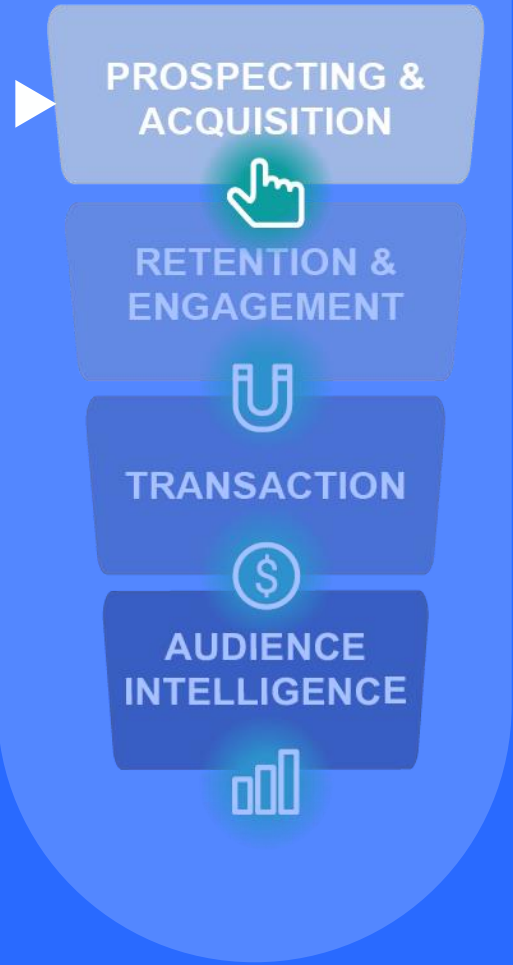


3rd party ID synchronization

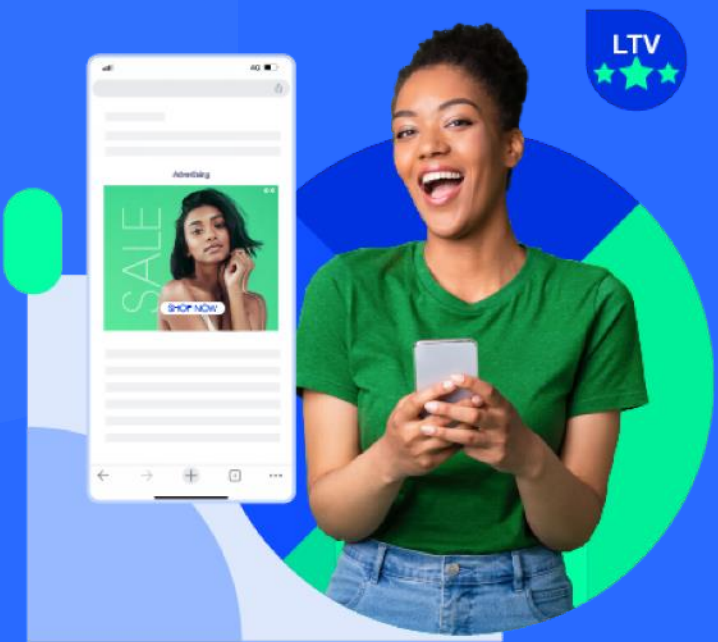


3rd party database

Tracking and identifying users in each session between websites to know their Interests



CrossX



CrossX enables businesses to use Machine Learning and Deep Learning to predict users' lifetime value and acquire the most valuable end users at scale, allowing businesses to turn marketing spending into predictable returns.

Machine Learning and Deep Learning
to Predict High Lifetime Value End
Users

Acquire The Most Valuable
End Users at Scale

Provide Predictable Returns

PROSPECTING &
ACQUISITION



RETENTION &
ENGAGEMENT



TRANSACTION



AUDIENCE
INTELLIGENCE



AIQUA

AIQUA enables businesses to increase quality engagement with end users through AI-personalized messages proactively and effectively across all their own communication channels with the optimal timing.



**Multichannel
Messaging**

**AI-Generated
Messages**

**Send Time
Optimization**

**Proactive Actions with
Predictive Segments**

PROSPECTING &
ACQUISITION



RETENTION &
ENGAGEMENT



TRANSACTION



AUDIENCE
INTELLIGENCE



Bot Bonnie

A conversational marketing solution built upon the most popular messenger platforms. Harness the full potential of your followers on LINE, FB Messenger, Instagram, WhatsApp, Website and Google Business Messages, etc.



**Codeless instant messaging
solution for marketers**

**Gamified prebuilt marketing kits to boost
conversion with engaging customer experiences**

PROSPECTING &
ACQUISITION



RETENTION &
ENGAGEMENT



▶ TRANSACTION



AUDIENCE
INTELLIGENCE



AIDEAL

AiDeal enables businesses to use Machine Learning and Deep Learning to predict hesitant buyers through user patterns and only distribute incentives to hesitant users to drive revenue while maintaining profitability.



**Predict Purchase Intent with
Machine Learning and Deep Learning**

**Optimized Incentives with a
Sense of Urgency**

Real-Time Analytics

PROSPECTING &
ACQUISITION



RETENTION &
ENGAGEMENT



TRANSACTION



▶ AUDIENCE
INTELLIGENCE



AIXON

AIXON enables businesses to utilize their own end user data from various sources to predict end user behaviors in a holistic view with Automated ML model building and without the hassle of building an entire AI technology stack in-house.



Data Unification and
Auto-processing

Scenario-based Prediction
with Automated ML models

Explainable AI

PROSPECTING &
ACQUISITION



RETENTION &
ENGAGEMENT



TRANSACTION



AUDIENCE
INTELLIGENCE



AIRIS

A fast time-to-insight AI CDP with superior analytics and intuitive data visualization. By building a robust 360° view of customers with 1st party data, businesses can easily visualize and measure the impact at every touchpoint, and predict the return before businesses make their investments.



Unify your data seamlessly
with Customer 360°

Fast Data-to-
Visualization

Fast Data-to-
Prediction

Why Appier Wins

Existing Solutions

Manual A/B testing

- Leading to waste of budget and unlikely to outperform machines

Marketing Cloud solutions

- Mostly based on a reactive approach based on past behaviors

Broadcasting or Segmenting users into groups and providing different incentives

- Waste of coupon subsidies, which damages profitability, and is unable to fully drive the top-line growth

AI vendors or building an inhouse data scientist team

- Potentially hard to scale and more costly

Prospecting & Acquisition



Retention & Engagement



Transaction



Audience Intelligence



Why Customers Choose Appier

Cross
AIXPERT

- ML modules predict high life-time value end users
- Acquire the most valuable users at scale with predictable return on investment

AQUA
BotBonnie

- Predict end users' potential behaviors and proactively engage them effectively
- Fully automated solutions with tightly integrated AI on all messaging channels
- BotBonnie: Interactive conversational marketing chatbot solution

AIDEAL

- AI detects hesitant buyers by identifying end user patterns and distributing incentives only to those hesitant buyers
- Increase sales while reducing coupon subsidies and costs

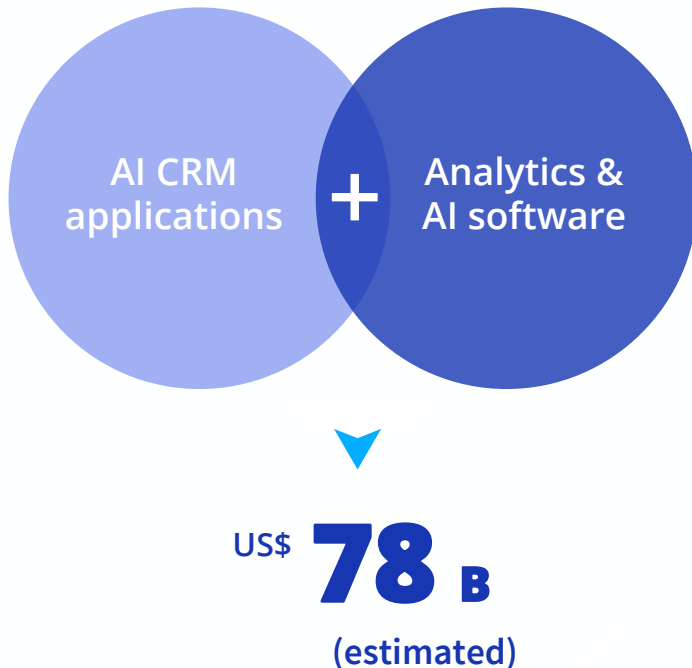
AIXON
AIRIS

- Automated ML to build differentiated best-in-class AI prediction models through SaaS
- Business users able to leverage AI capabilities without scientists / engineers
- Fast time-to-insight with superior analytics and intuitive data visualization

Massive Market Opportunity

Top-Down View 2023

IDC (1)



Bottom-Up View 2023

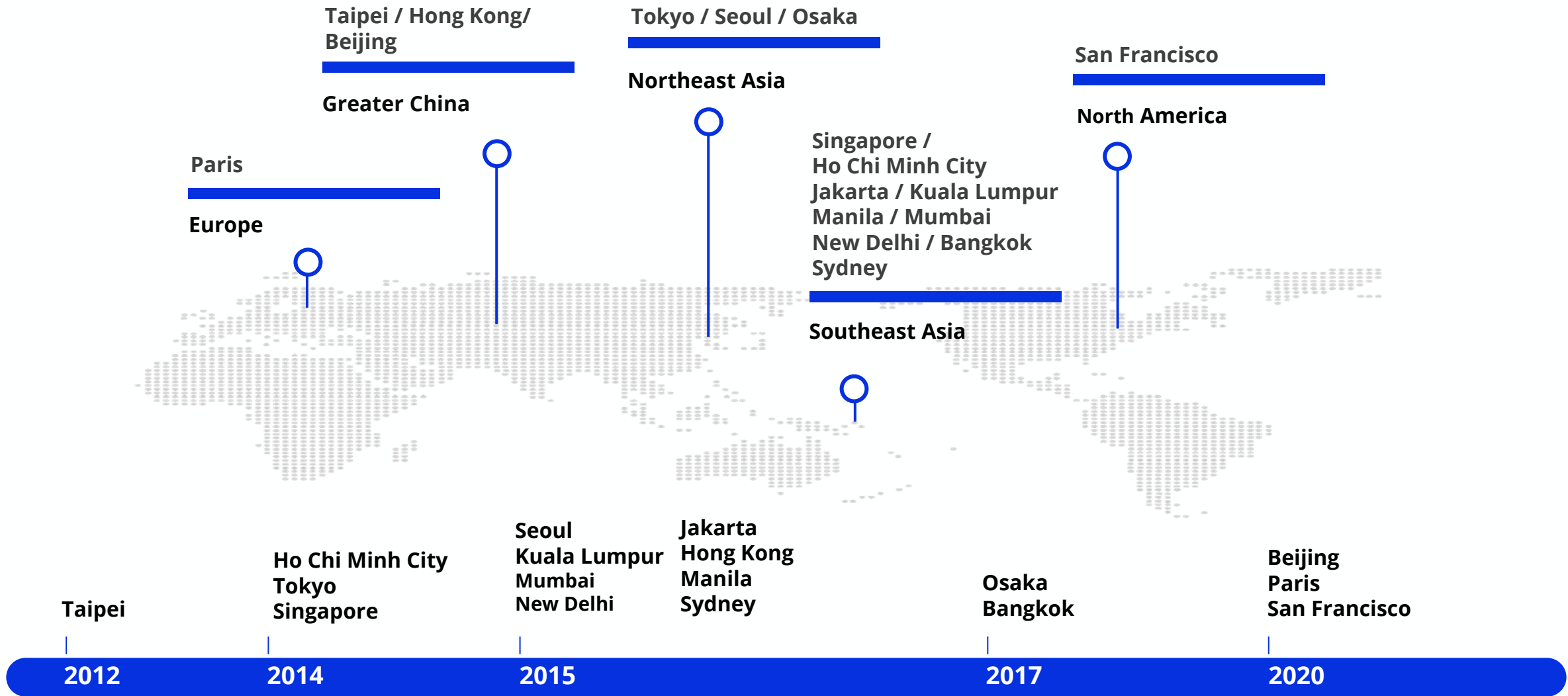


(1) Source: IDC Semiannual Artificial Intelligence Tracker, 2H 2020 (July 2021)

(2) Annualized revenue= FY22 revenue in JPY / exchange rate 131.64

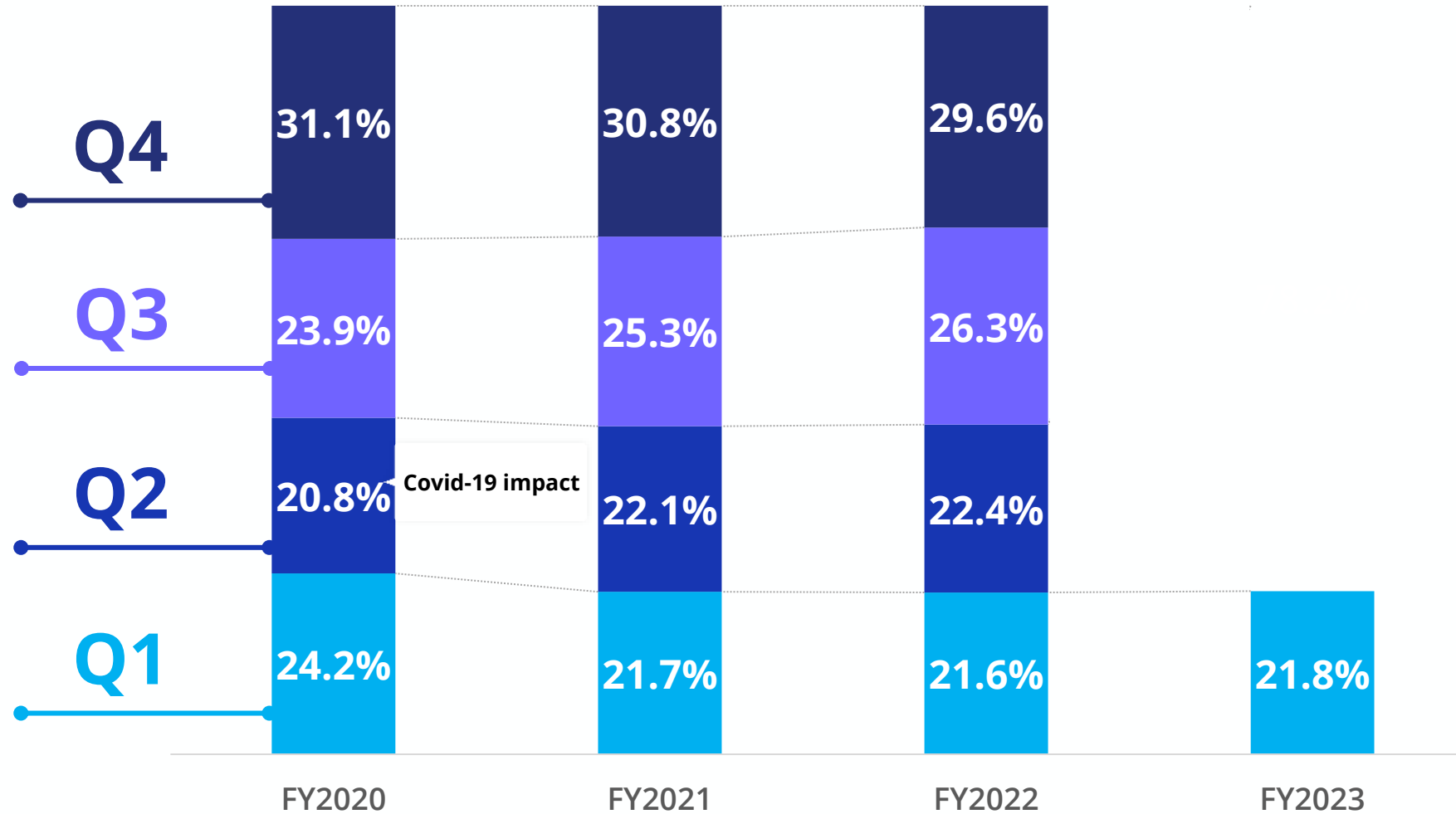
(3) Calculation is based on internal estimation. In terms of APAC marketing investment, we have around 3% market share in EC, 2.5% in digital content and 1% in others. EC accounts for 30% of marketing investment and digital content providers accounts for 20%. Thus, we roughly have 1.9% market share of APAC marketing investment. APAC marketing investment accounts for around one third of global marketing investment.

Appier's global presence: 17 offices worldwide



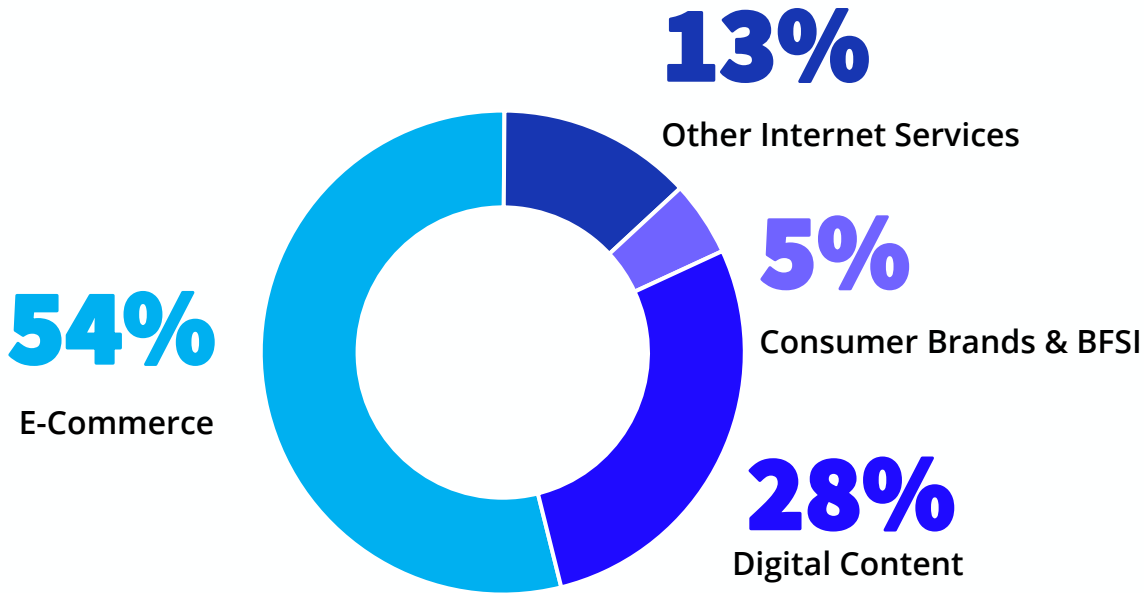
Quarterly Seasonality

Quarterly Revenue Breakdown

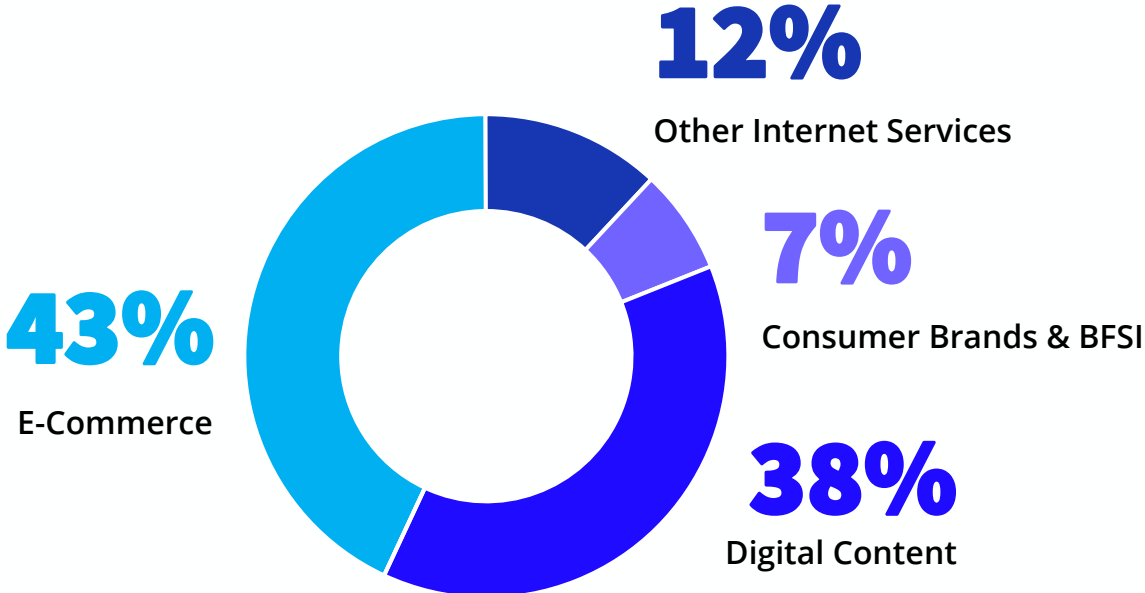


Continuous growth momentum through vertical expansion along with diversified verticals & geo moderate business seasonality

FY2021 Revenue % by Vertical



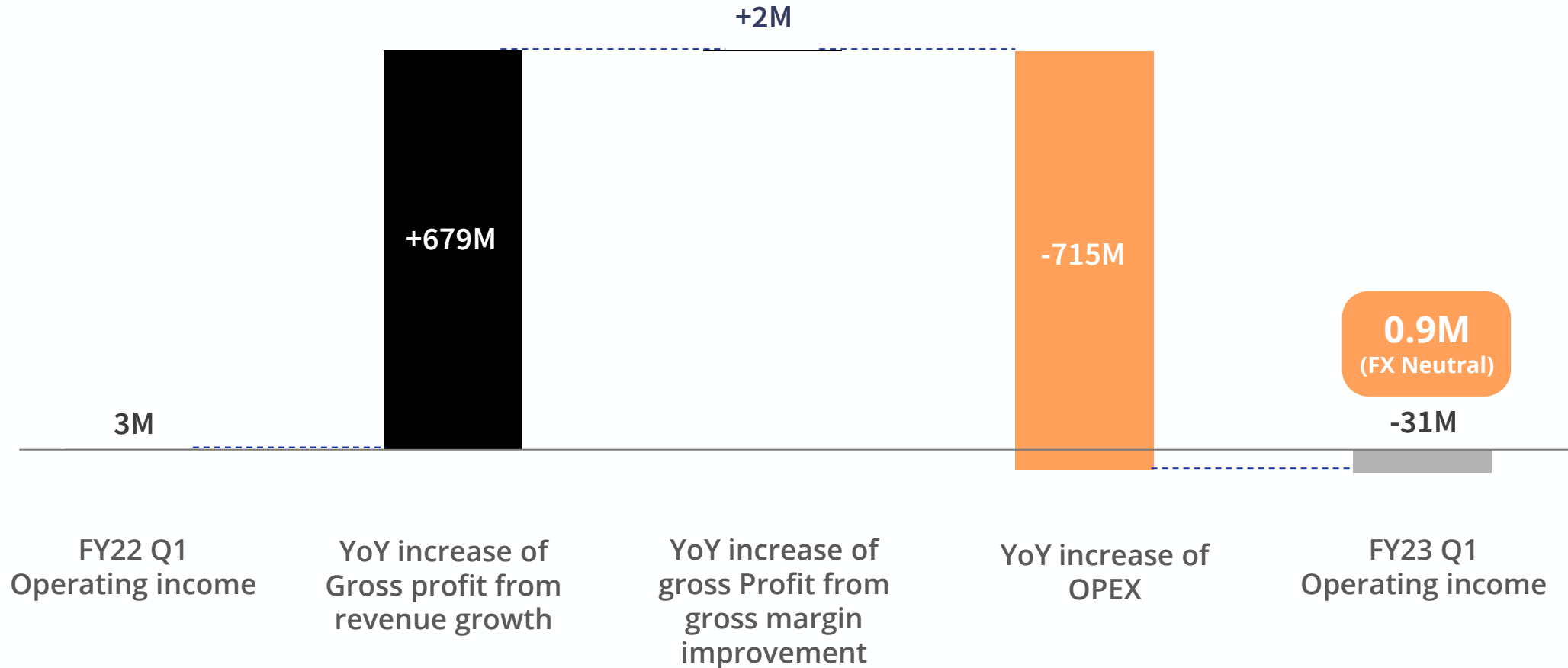
FY2022 Revenue % by Vertical



2023 Q1 Operating Income YoY Change

We drive our bottom-line improvements steadily with higher sales productivity, higher NRR, higher gross margin, R&D excellence and better operation efficiency.

Operating Income Waterfall (JPY)



ESG Initiatives

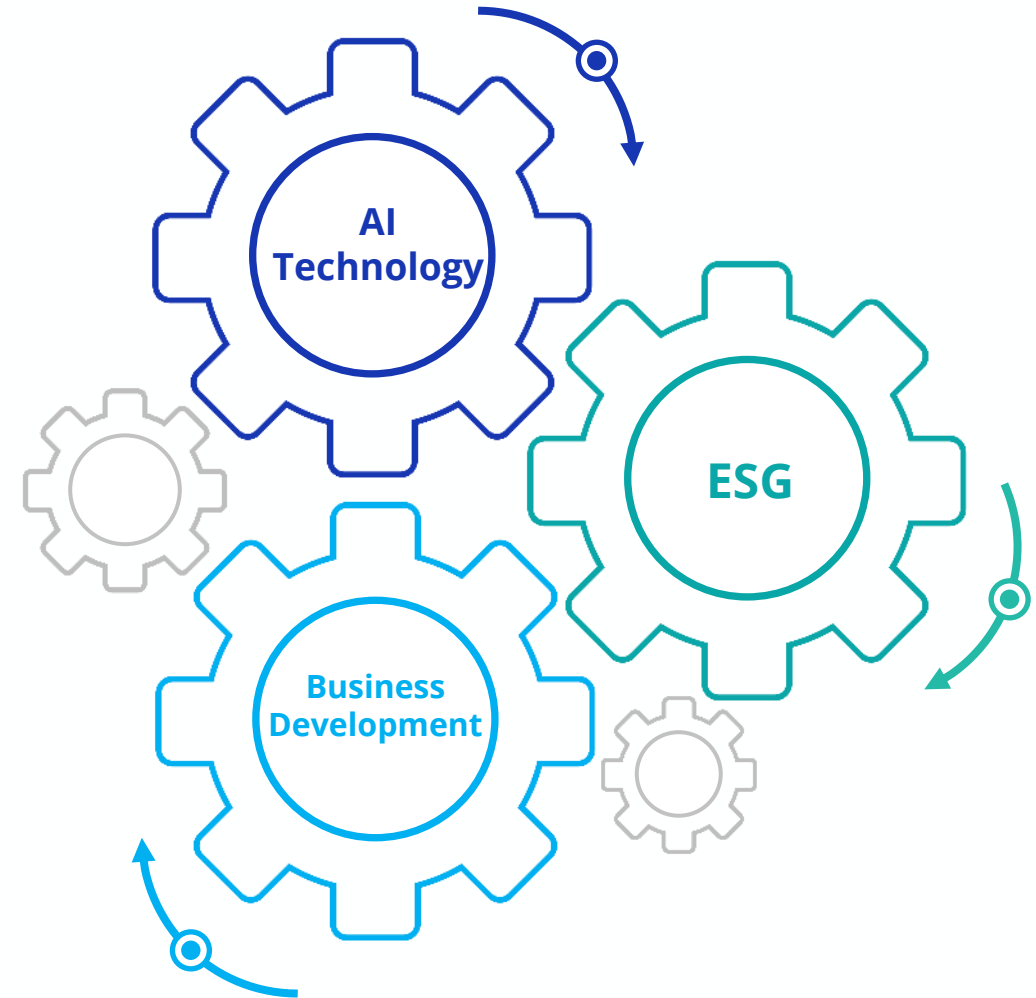
Our Commitment

Embed ESG into Our Business

Appier envisions a future where precise, automated, and proactive decision-making is made possible through enterprise software powered by AI.

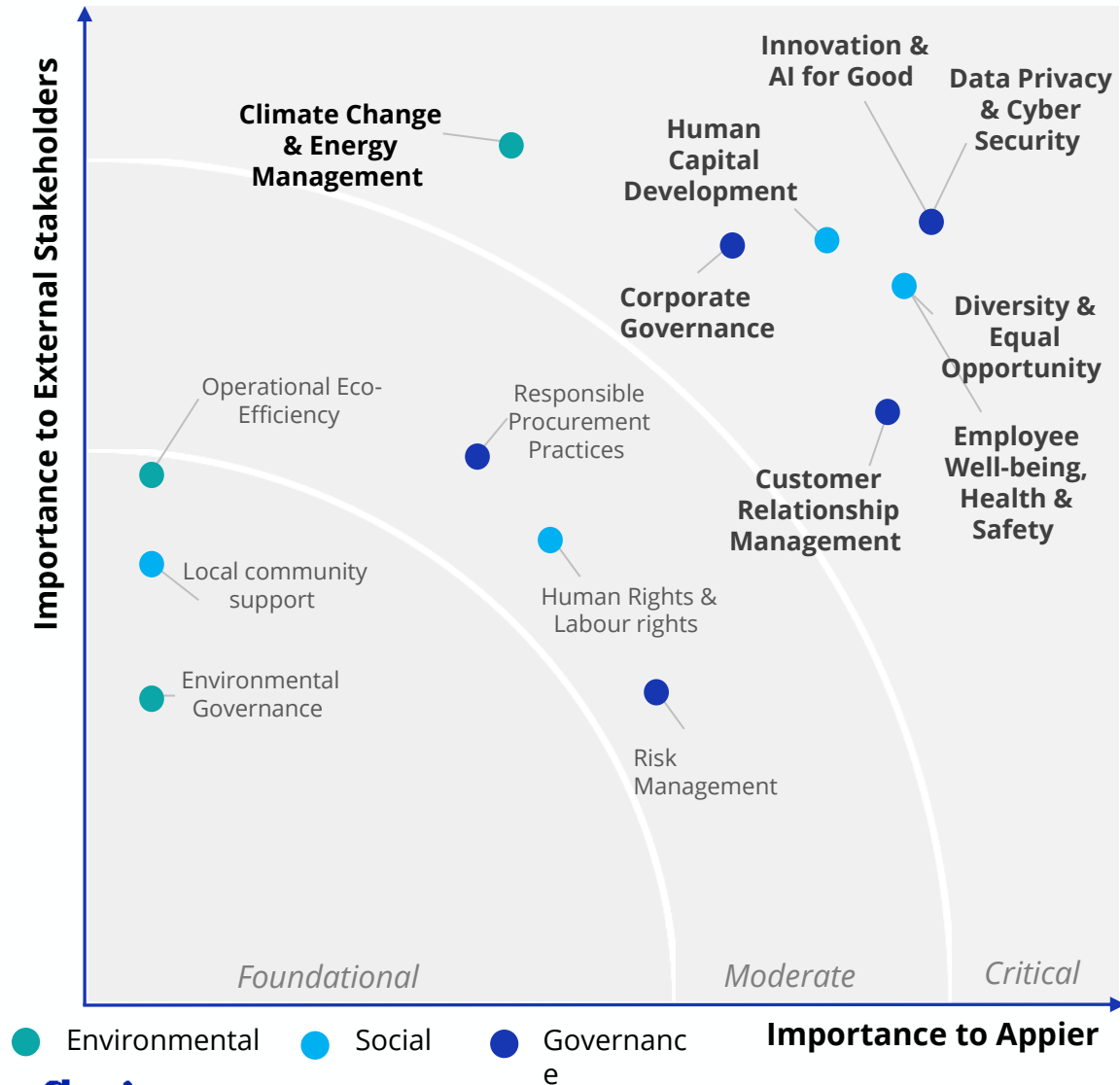
We believe ESG should be placed at the center of our focus on building a sustainable business and are determined to make commitments and to proactively engage our stakeholders in Appier's journey towards ESG excellence, as this is part of our vision for the future of our business.

We were awarded an "A" rating by MSCI ESG Research⁽¹⁾ and we will continue to improve towards ESG excellence.



(1) MSCI ESG Research provides MSCI ESG Ratings on more than 8,500 global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. MSCI ESG research is today known as one of the leading ESG rating agencies.

Defining ESG Priorities: Materiality Assessment



Our Methodology

We worked with a third party to identify priority sustainability issues based on external trends and stakeholder engagements including interviews with internal and external stakeholders.

Our Environmental, Social & Governance Framework



Environment Greener Operation

- > Minimizing the impact of our operations: Green & sustainable office
- > Our AI solutions support smart working and contribute to our customers GHG reduction.



Social Happier Crew

- > Building a culture within our community that values long-term growth and sustainability
- > Diversity, Equity and Inclusion (DE&I) as a core value
- > Building a skilled labor force to add value to the tech / AI industry



Governance Security & Privacy Protection

- > Policies in place to ensure good governance with involvement from top management.
- > Certified under the ISO/IEC 27001:2013 standard to ensure digital security

Selected Financial Data

Consolidated Statements of Profit or Loss

| (Millions of JPY) | 2022 Q1 3 months | 2023 Q1 3 months | YoY | 2021 | 2022 |
|-------------------------------------|---------------------|---------------------|------------|----------------|---------------|
| Revenue | 4,197 | 5,552 | 32% | 12,661 | 19,427 |
| Cost of sales | (2,097) | (2,771) | | (6,422) | (9,428) |
| Gross profit | 2,101 | 2,781 | 32% | 6,239 | 9,998 |
| Gross margin | 50% | 50% | | 49% | 51% |
| Sales and marketing expenses | (1,346) | (1,777) | | (4,322) | (6,394) |
| <i>% of Revenue</i> | <i>32%</i> | <i>32%</i> | | <i>34%</i> | <i>33%</i> |
| Research and development expenses | (461) | (651) | | (1,711) | (2,284) |
| <i>% of Revenue</i> | <i>11%</i> | <i>12%</i> | | <i>14%</i> | <i>12%</i> |
| General and administrative expenses | (349) | (434) | | (1,349) | (1,602) |
| <i>% of Revenue</i> | <i>8%</i> | <i>8%</i> | | <i>11%</i> | <i>8%</i> |
| Other income | 59 | 49 | | 28 | 334 |
| Other expenses | (1) | (1) | | (2) | (2) |
| Operating Income | 3 | (31) | | (1,117) | 50 |
| Finance income | 16 | 122 | | 43 | 213 |
| Finance costs | (47) | (102) | | (96) | (153) |
| Profit before tax | (27) | (12) | | (1,170) | 111 |
| Income taxes | (19) | (22) | | (8) | (90) |
| Profit for the year | (46) | (34) | | (1,179) | 21 |
| EBITDA (excl. IPO related) | 262 | 386 | | 42 | 1,363 |
| EBITDA margin | 6% | 7% | | 0% | 7% |

Selected Financial Data

Consolidated Statements of Financial Position

| (Millions of JPY) | 2020 | 2021 | 2022 | 2023 Q1 |
|---|---------------|---------------|---------------|---------------|
| Cash and cash equivalents | 1,635 | 6,561 | 3,804 | 10,113 |
| Time Deposit | 6,577 | 14,939 | 13,933 | 5,561 |
| Other financial assets – current assets ⁽¹⁾ | - | - | 3,577 | 4,467 |
| Substantial cash | 8,212 | 21,500 | 21,313 | 20,141 |
| Other current assets | 1,834 | 2,984 | 4,050 | 4,330 |
| Total current assets | 10,046 | 24,484 | 25,363 | 24,471 |
| Total non-current assets | 2,348 | 6,722 | 10,576 | 11,025 |
| Total assets | 12,394 | 31,206 | 35,939 | 35,496 |
| Total liabilities | 4,726 | 8,370 | 9,737 | 9,122 |
| Total equity | 7,668 | 22,836 | 26,201 | 26,374 |

(1) Holding low-risk securities for fund management purposes.

Consolidated Statements of Cash Flows

| (Millions of JPY) | 2021 | 2022 | 2023 Q1 |
|---|--------|--------|---------|
| Cash flows from operating activities | -747 | 996 | -401 |
| Cash flows from investing activities | -9,075 | -3,772 | 6,783 |
| Cash flows from financing activities | 14,396 | -520 | -131 |
| Ending balance of cash and cash equivalents | 6,561 | 3,804 | 10,113 |

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