MAKING AI EASY

BY MAKING
SOFTWARE INTELLIGENT

FY2024 Earnings   Feb 2025

Our Mission

Turning AI into ROI by Making Software Intelligent

FY24 Review
& Achievements

AdCreative.ai

FY25 Guidance &
FY27 Financial Target

2024 recap & 2025 outlook

Growth momentum persists in our key focus regions in FY24

Strong growth in the key regions led to an all-time high revenue of JPY 34.1B with a 29% YoY growth. NEA grew 34% YoY, driven by strong expansion from existing E-Commerce customers. The US & EMEA increased 45% YoY on top of last year's strong performance, fueled by gains in Digital Content and Other Internet Services.

Q4 as Inflection point for over 30% YoY growth in FY25

Momentum strengthened in key regions toward the end of FY24, with Q4 as an inflection point, further driving accelerated growth in FY25. We project FY25 revenue of JPY 45.5B with a 34% YoY increase, including 27% organic growth. We expect continued robust expansion through the penetration and cultivation of key accounts in key regions.

Profitability hits record highs with strong operating leverage in FY24

Operating profit increased 2.5X to JPY 2.0B, with an operating margin of 5.8%. EBITDA also improved 73% YoY, with an EBITDA margin of 14.4%. On an FX-neutral basis, the operating income tripled to JPY 2.4B, while the EBITDA grew 90% YoY to JPY 5.4B. Net income expanded by 2.9X to JPY 2.9B, with a net margin of 8.6%. This strong profit expansion mainly resulted from gross margin gains, improved S&M productivity and disciplined R&D investments.

Tech-driven margin expansion with improved R&D productivity in FY25

With strengthened product synergy following the acquisition, our high-margin products are expected to grow at an accelerated pace. Additionally, the integration of Adcreative.ai's capabilities in ROI-driven ad generation will enhance customers' ROI while significantly improving our gross margin to 55.3%. Operating profit is expected to be JPY 4.1B, more than doubling to JPY 4.8B organically. The cash dividend is projected at JPY 2.25 per share, an increase from FY24, reflecting stronger core free cash flow in FY25.

(1) JPY 0.7B inorganic operating loss includes JPY 0.3B from the acquired company and JPY 0.4B in one-time transaction costs.

Strong growth trajectory: Robust sales & profit expansion toward FY27

High growth through FY27 with enhanced product value and global expansion

Building on a strong FY25, we aim for over JPY 70B in revenue with a 27-31% CAGR through FY27, driven by deeper and more diversified key accounts penetration, wider global coverage, and continued AI advancements. This growth will be further supported by new product offerings, including integrated product solutions after the acquisition, leveraging synergies with AdCreative.ai.

Aiming to grow operating profit by around 5X to JPY 9-11B by FY27

We target JPY 9-11B in operating profit and 7-9B in net profit by FY27, supported by gross margin expansion, ROI-driven S&M spending, and cost-effective R&D investment with AI-powered productivity improvements.

(1) FY24 to FY27 CAGR
(2) Assuming FX rates are same as FY24

2024 Highlights

Revenue

JPY **34.1B**

Revenue YoY Growth(1)

+29%

Profitability

Operating Income JPY **2.0B**

Net Income JPY **2.9B**

Gross Profit YoY Growth(2)

+30%

ARR(3)

JPY **36.3B**

LTM NRR

FX Neutral(4) **131.9%**

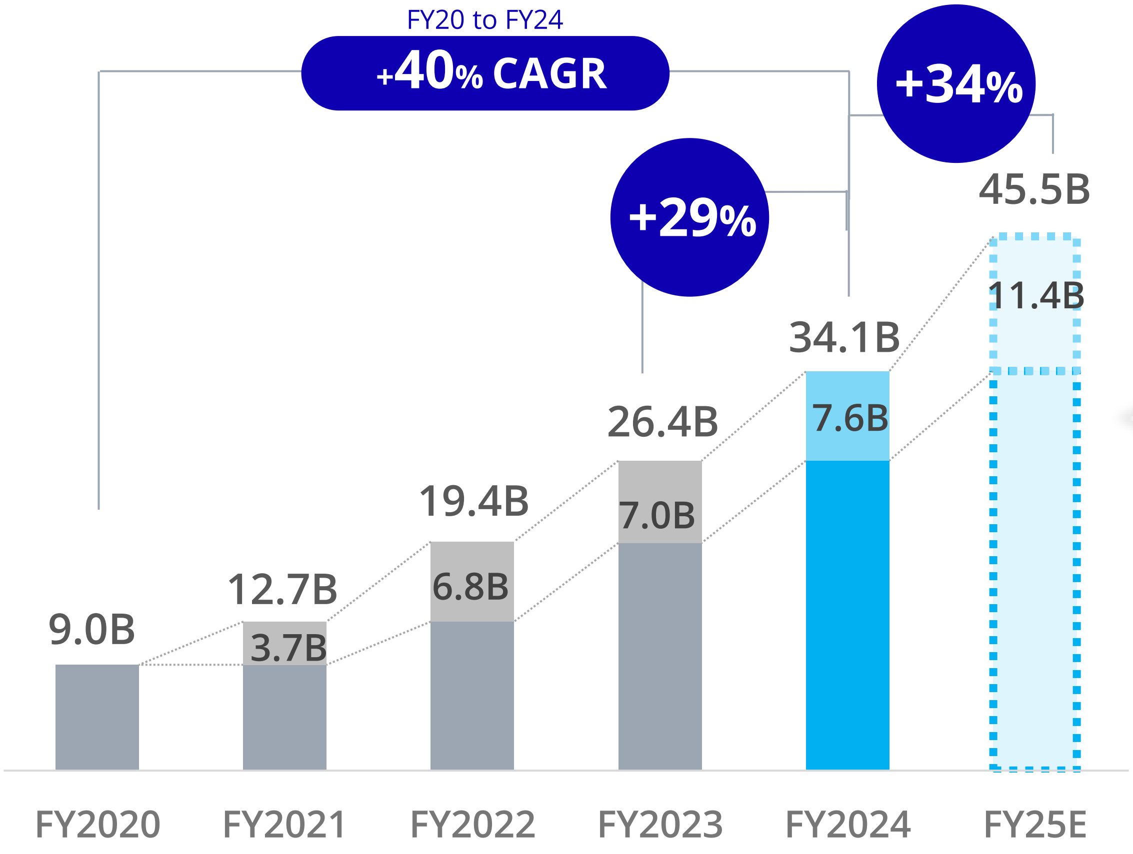
USD-based(5) **118.7%**

(1) Revenue Growth from FY23 to FY24.
(2) Gross Profit Growth from FY23 to FY24.
(3) 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.
(4) We calculate FX neutral 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 and converted to JP Yen based on the FX neutral quarterly average exchange rate of FY24 Q1 to FY24 Q4, by (ii) total revenue calculated in U.S. dollars from such customers during the same period of the prior year and converted to JP Yen based on applicable exchange rate of FY23 Q1 to FY23 Q4.
(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.

Growth reacceleration to over 30% YoY in FY25

- Our growth has remained sustainable over the past few years, driven by ongoing vertical and regional expansion. With these efforts continuing and synergies from the acquisition of AdCreative.ai, we anticipate a reacceleration in growth, reaching 34% YoY in FY25.

Revenue (JPY)



Incremental Revenue of FY24

54% from Existing Customers(1)

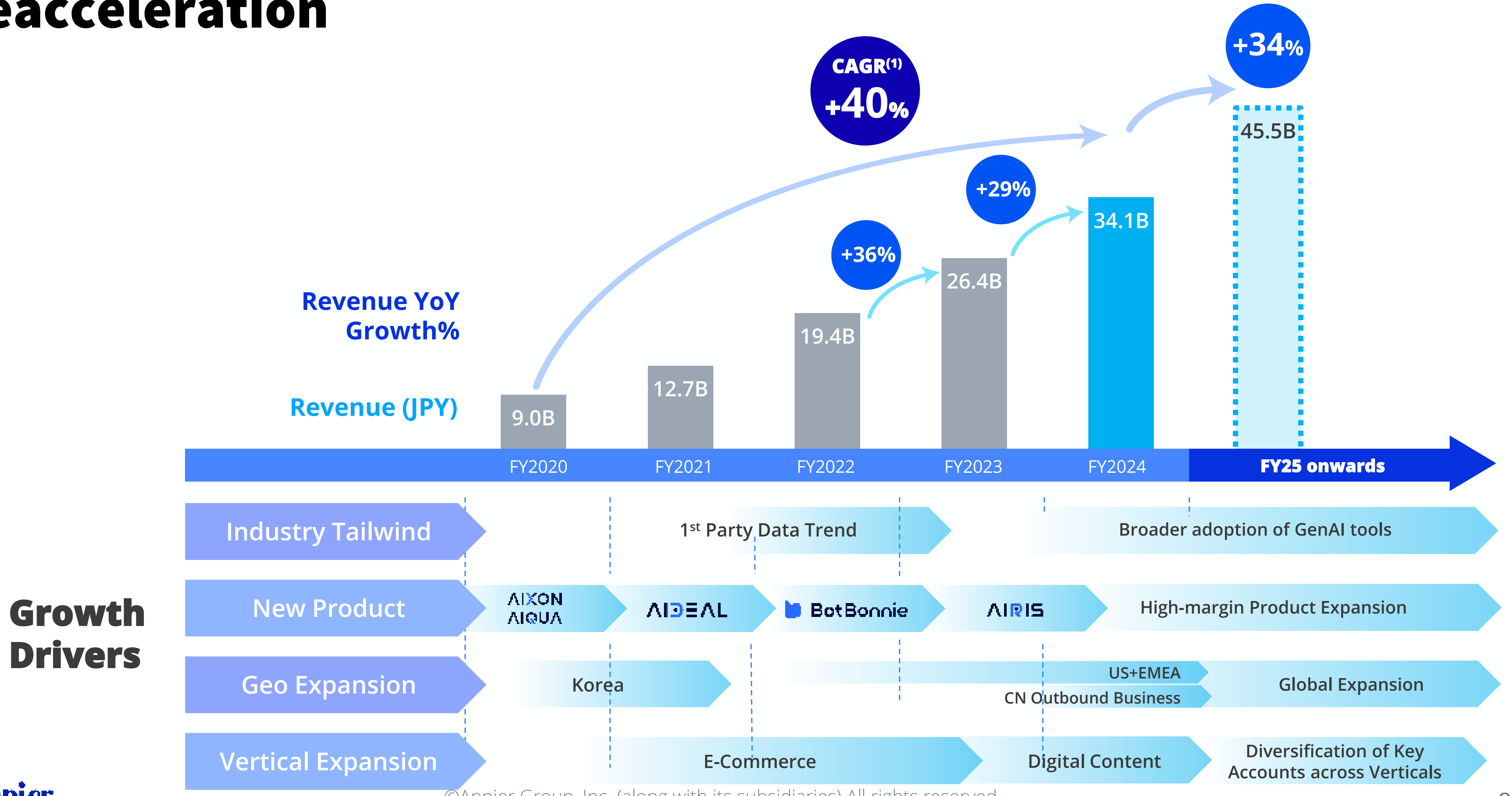
- ROI-driven solutions resulted in strong upsells
- Continuous expansion of E-Commerce and Digital Content verticals

46% from New Customers(2)

- Strong expansion in the US & EMEA
- Expansion in Digital Content
- Strategic focus on larger enterprise customers

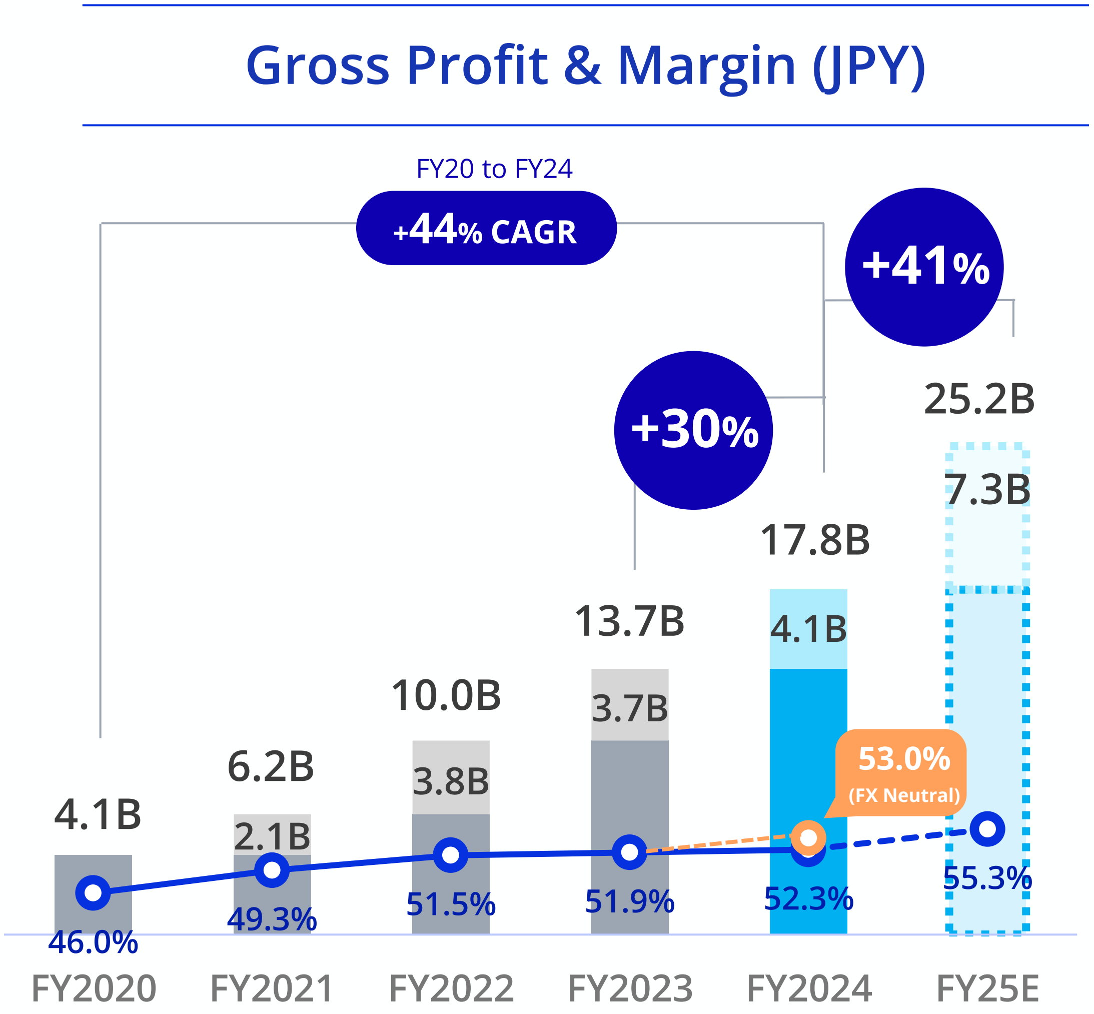
(1)"Existing Customers" refers to customers acquired before FY24.
(2)"New Customers" refers to customers acquired in FY24.

Newly emerged growth drivers play key role in growth reacceleration



(1) FY20 to FY24 CAGR

Driving gross profit growth acceleration through margin expansion & revenue reacceleration



FY2024

- Gross profit increased even faster than revenue despite FX headwinds
- Consistent margin improvement due to continuous technological advancements

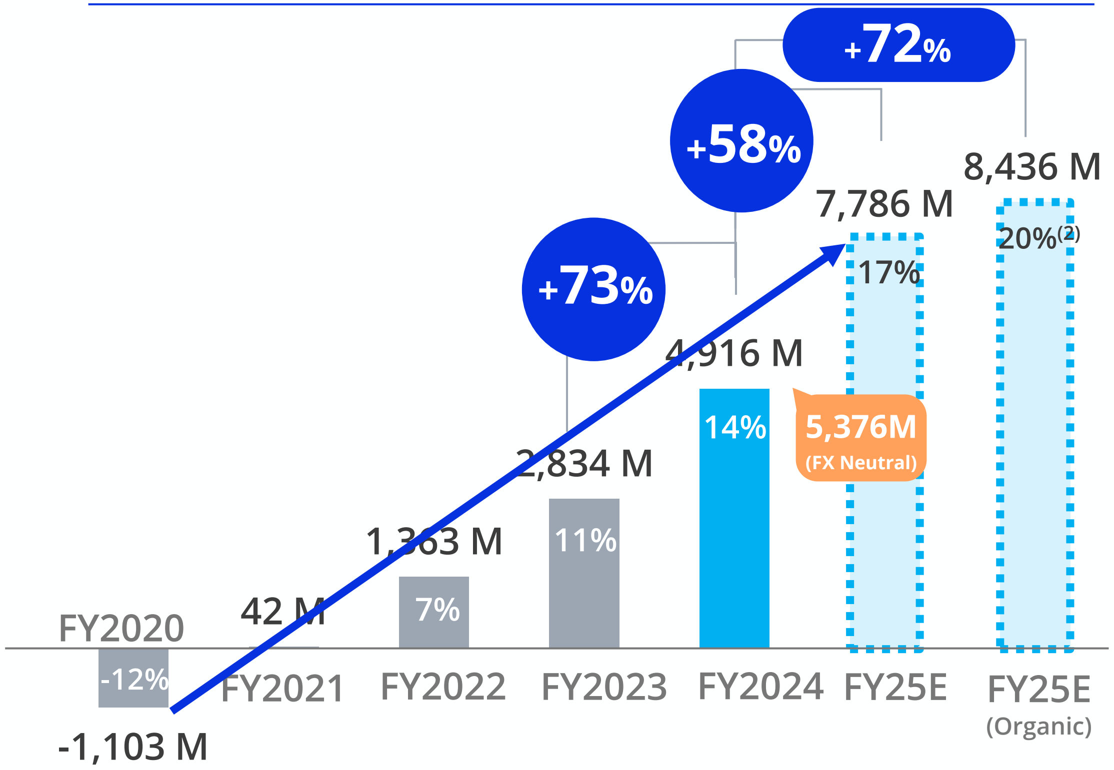
Reaccelerating gross profit growth in FY2025

- Continuous technological experiments to enhance the accuracy of AI predictions, further raising the margin
- Growth acceleration of high-margin products to improve product mix

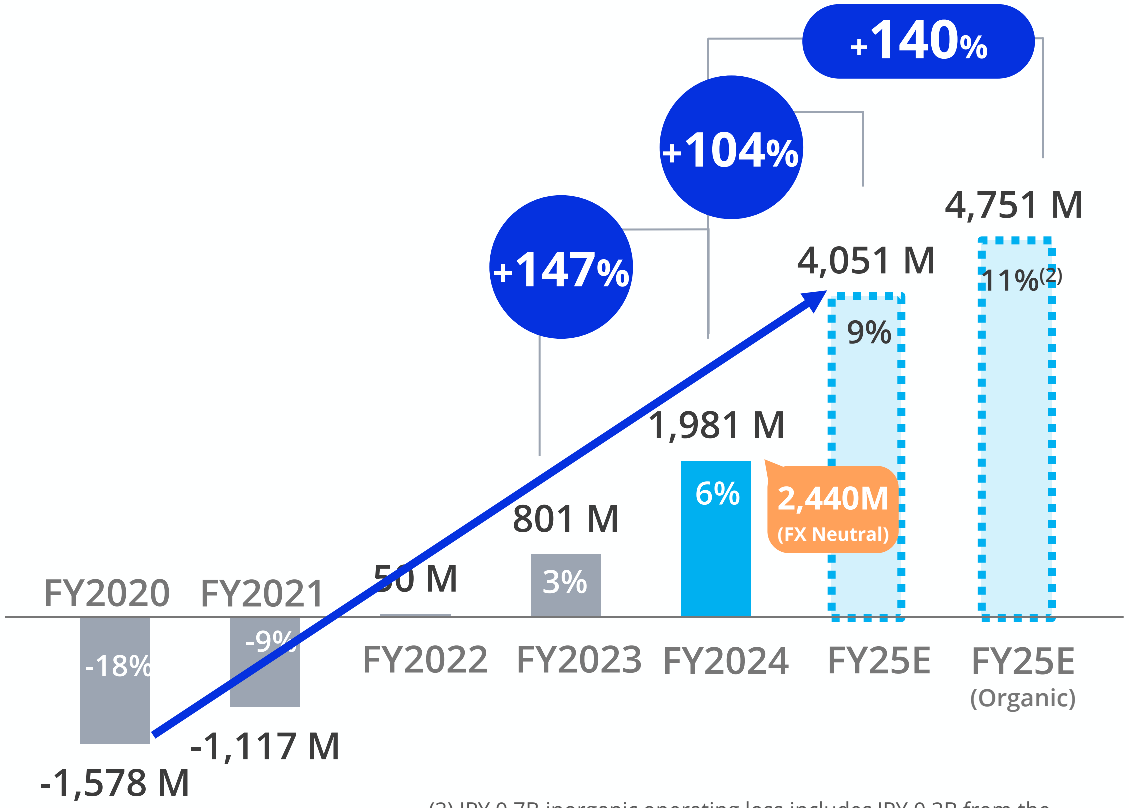
Execution consistency leads to continuous profit improvement

- We achieved a substantial improvement in profitability, with operating income expanding around 2.5X YoY and 3.0X on an FX-neutral basis in FY24 despite FX headwinds, driven by revenue expansion with increased gross margin and strong operating leverage.
- With improved gross margin and operating leverage, we expect operating profit to grow over 2X to JPY 4.1B, driven by JPY 4.8B in organic profit, partially offset by an inorganic loss of JPY 0.7B(3). We anticipate the acquired company's profitability to improve over time.

EBITDA(1) & Margin (JPY)



Operating Income & Margin (JPY)



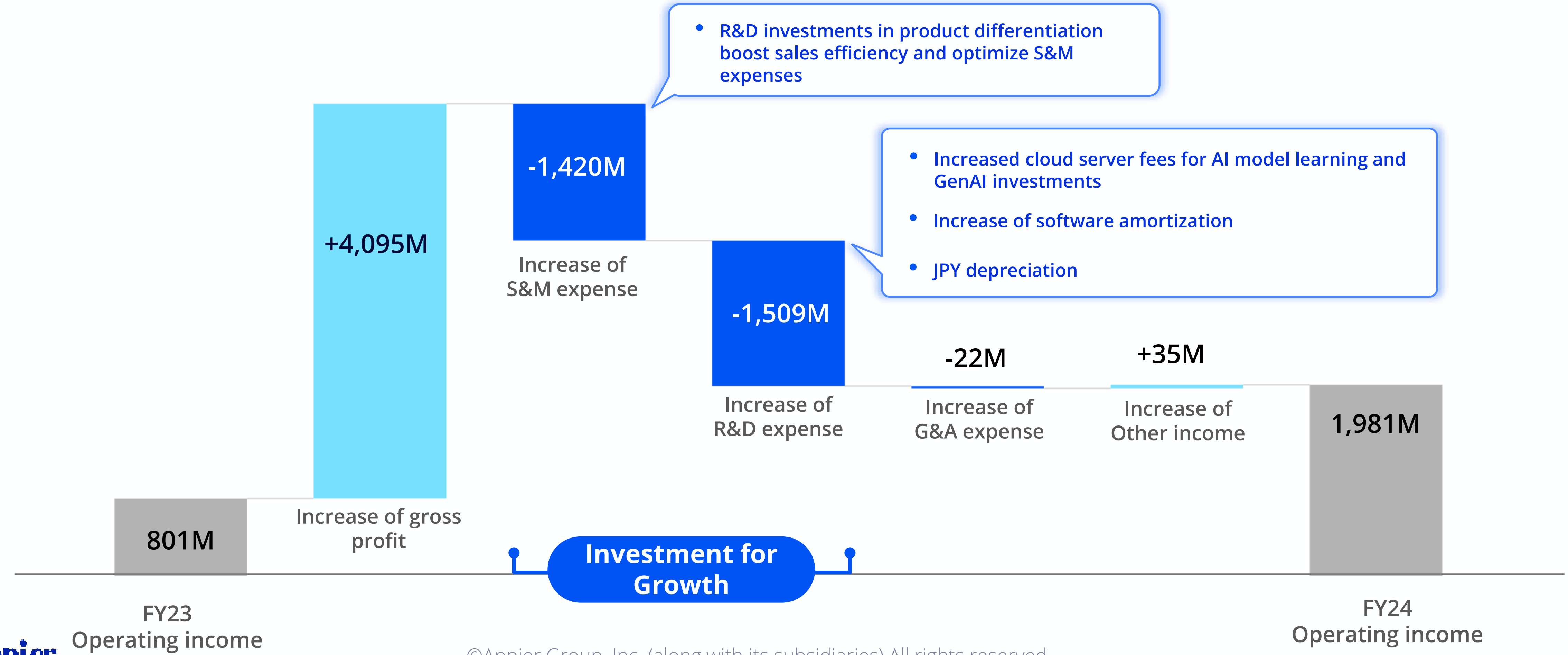
(1) EBITDA = operating income + depreciation and amortization + tax expenses included in operating expenses + IPO-related expenses
(2) Margin is calculated based on the organic revenue estimate of FY25

(3) JPY 0.7B inorganic operating loss includes JPY 0.3B from the acquired company and JPY 0.4B in one-time transaction costs

2024 - Operating Income YoY Change

- The significant increase in operating profit was driven by business growth, improved gross margins, and strong operating leverage. We also invested in R&D to enhance product competitiveness and drive sustainable growth.

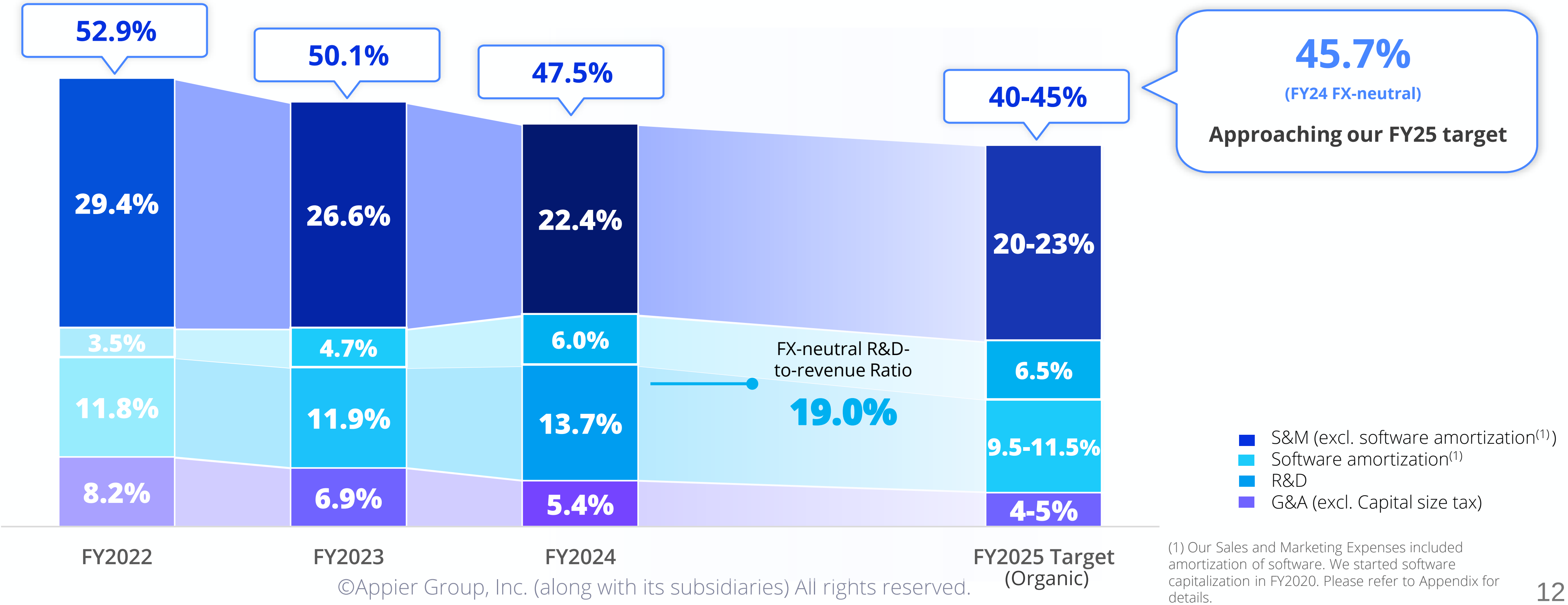
Operating Income Waterfall (JPY)



Continuous improvement of OPEX

- We achieved strong operating leverage despite FX headwinds. Our OPEX- to-revenue ratio has improved 2.6 p.p. YoY and 4.4 p.p. on an FX-neutral basis, and we expect this ratio to continue improving throughout the year.
- S&M and G&A-to-revenue ratios improved through productivity gains and operational efficiency. Meanwhile, the R&D-to-revenue ratio rose with increased AI investment to enhance ROI-driven products, supporting long-term profitable growth and sales efficiency.
- We expect the OPEX-to-revenue ratio to decline to 40-45%, driven by continuous efficiency and productivity improvement.

OPEX Structure (% Revenue)

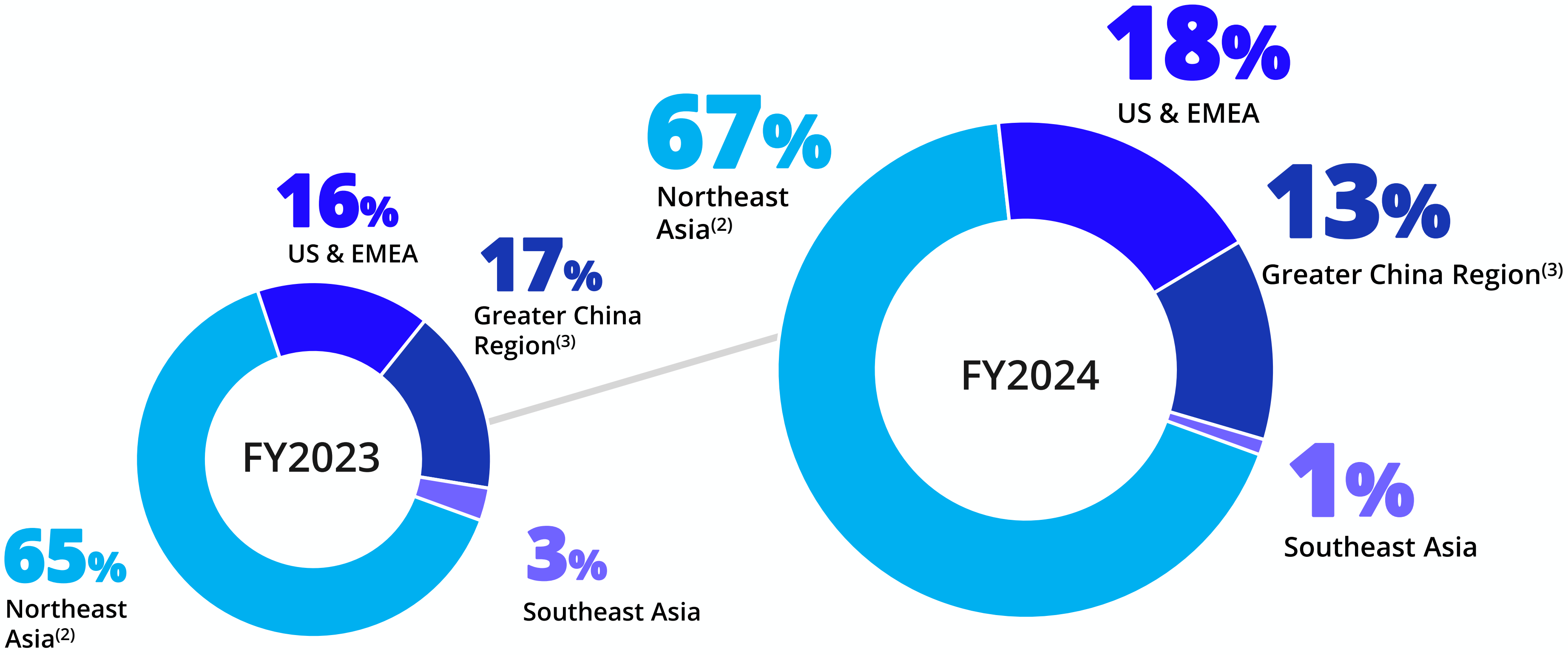


(1) Our Sales and Marketing Expenses included amortization of software. We started software capitalization in FY2020. Please refer to Appendix for details.
(2) Percentages may not equal to the sum due to rounding

Appier

Our key regions have been constantly serving as momentum drivers

FY23 & FY24 Revenue % by Region[1]



(1) Percentages may not total 100 due to rounding
(2) Northeast Asia includes Japan & South Korea
(3) Greater China Region includes Taiwan, Hong Kong & China

NEA

34% YoY revenue growth with vertical penetration and strong existing customer expansion

US & EMEA

Revenue YoY growth reached 45% with emerging opportunities in diversified verticals.

GCR

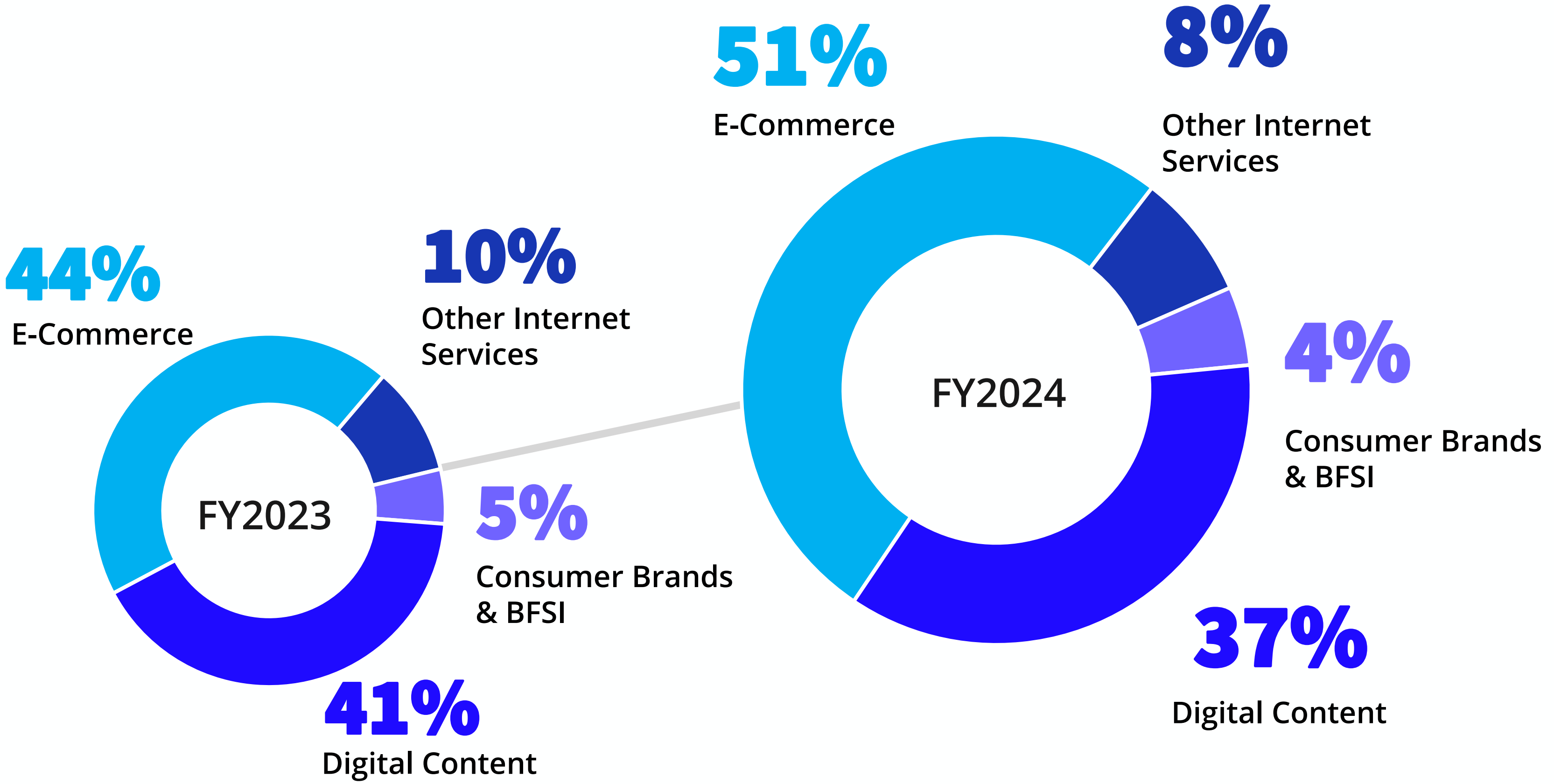
Further solidification of business foundation and emerging expansion of CN outbound business

SEA

Continue to focus on key accounts until the market is more mature

Appier

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



E-Commerce

- **Strong expansion across E-commerce customers, driven by new GenAI offerings**

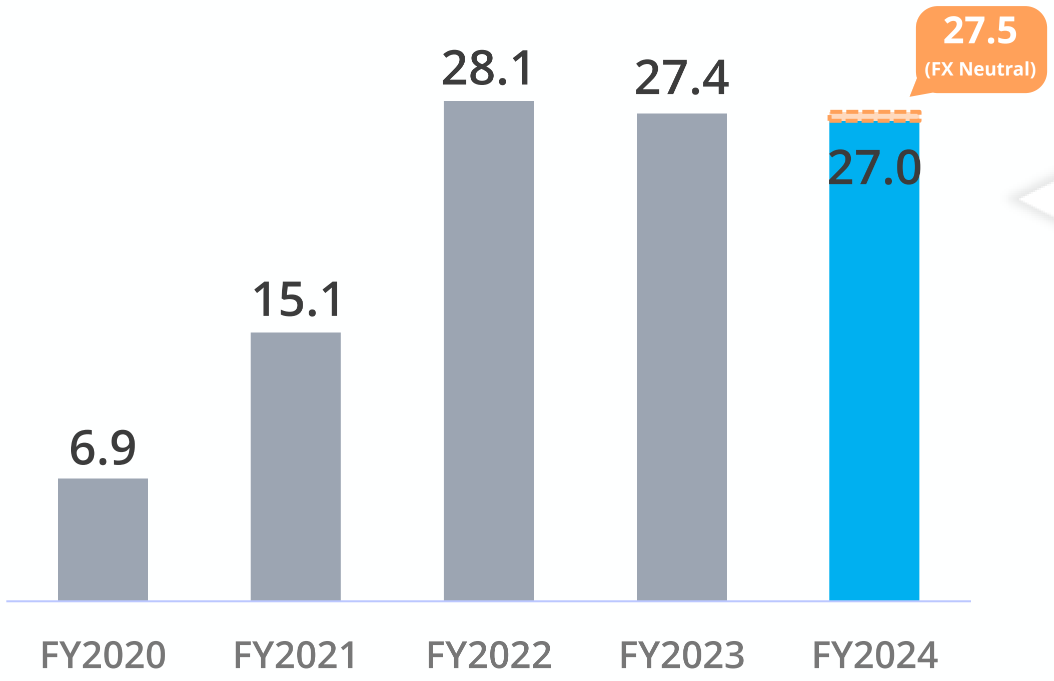
Digital Content

- **Robust growth in US & EMEA and KR with ongoing strength in CN outbound across the year**
- **JP, TW and HK regained the business momentum toward the end of FY24**

Appier

LTV/CAC: Consistently maintaining high levels of business efficiency

LTV/CAC[1]



LTV +10%

Higher ARPC driven by increased customer satisfaction

Churn rate of customer revenue -5% YoY
Gross profit per customer +5% YoY

CAC +11%

Larger enterprises focus with higher productivity

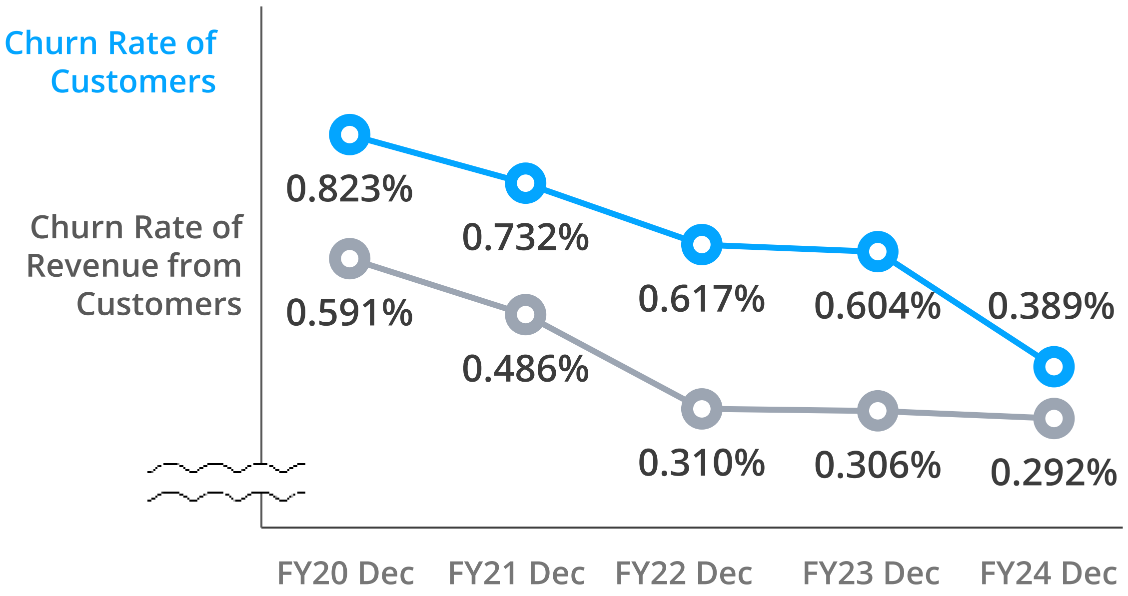
Expenses on new customer acquisition +1% YoY
Number of new customers -9% YoY

(1) LTV (lifetime value) (i) ARPC of newly acquired customer in a given fiscal year in U.S. dollars multiplied by gross margin for such fiscal year, divided by (ii) churn rate of revenue from customers for such fiscal year.
CAC (customer acquisition cost) (i) fully loaded sales and marketing expenses, including employee salaries and benefits, related to all kinds of customers activities and functions in a given fiscal year calculated at the operating level in U.S. dollars, divided by (ii) the number of new customers acquired in such fiscal year (excluding those acquired through business acquisitions).

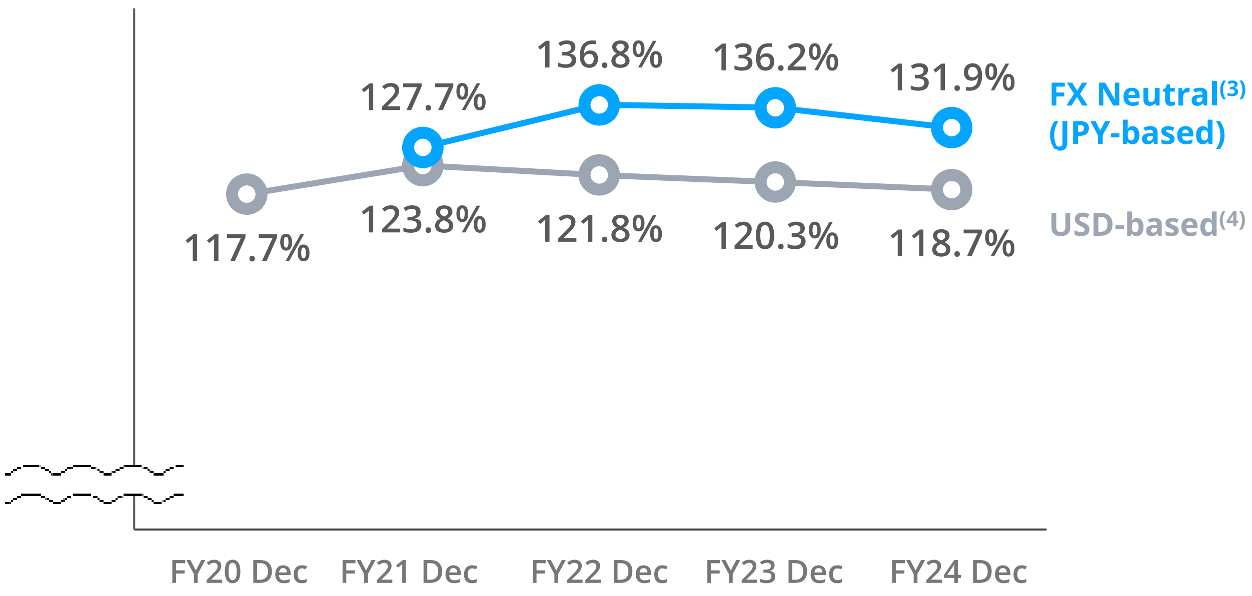
Appier

Churn Rate & LTM NRR: Focusing on larger enterprise customers

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



LTM Net Revenue Retention

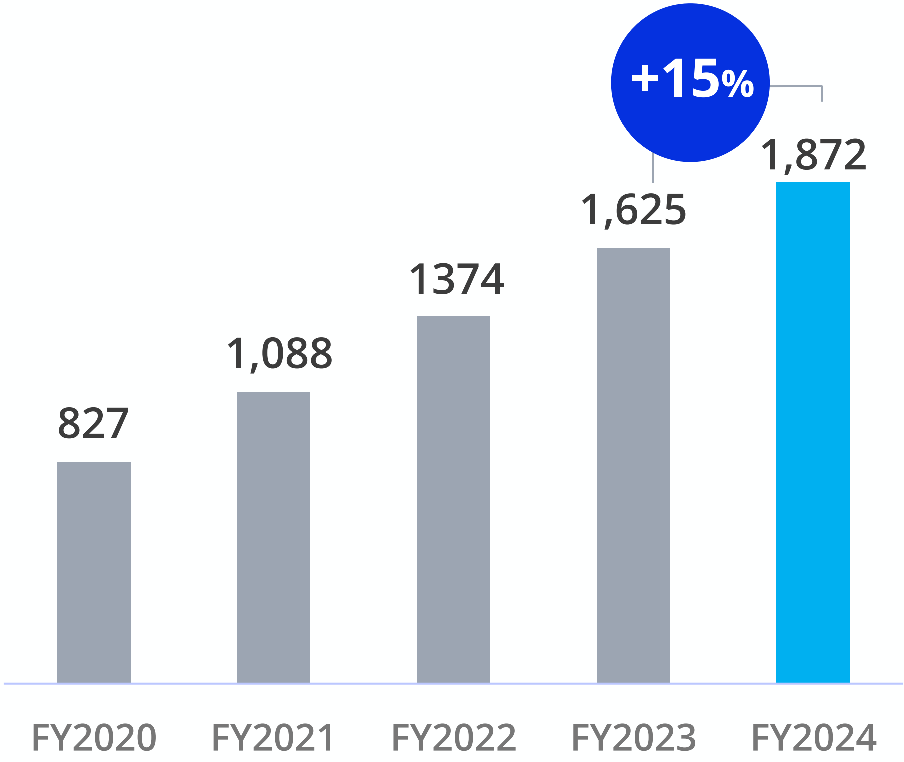


(1) Churn Rate of customers = The number of customers that terminated their relationship with us during the month divided by the number of all customers as of the end of the month.
(2) Churn Rate of Revenue from customers = Revenue calculated in U.S. dollars from customers that terminated their relationship with us during the month, divided by revenue calculated in U.S. dollars from all customers
(3) We calculate FX neutral 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 and converted to JP Yen based on the FX neutral quarterly average exchange rate of FY24 Q1 to FY24 Q4, by (ii) total revenue calculated in U.S. dollars from such customers during the same period of the prior year and converted to JP Yen based on applicable exchange rate of FY23 Q1 to FY23 Q4
(4) 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.
(5) Above calculation does not include BotBonnie's and Woopra's customers.

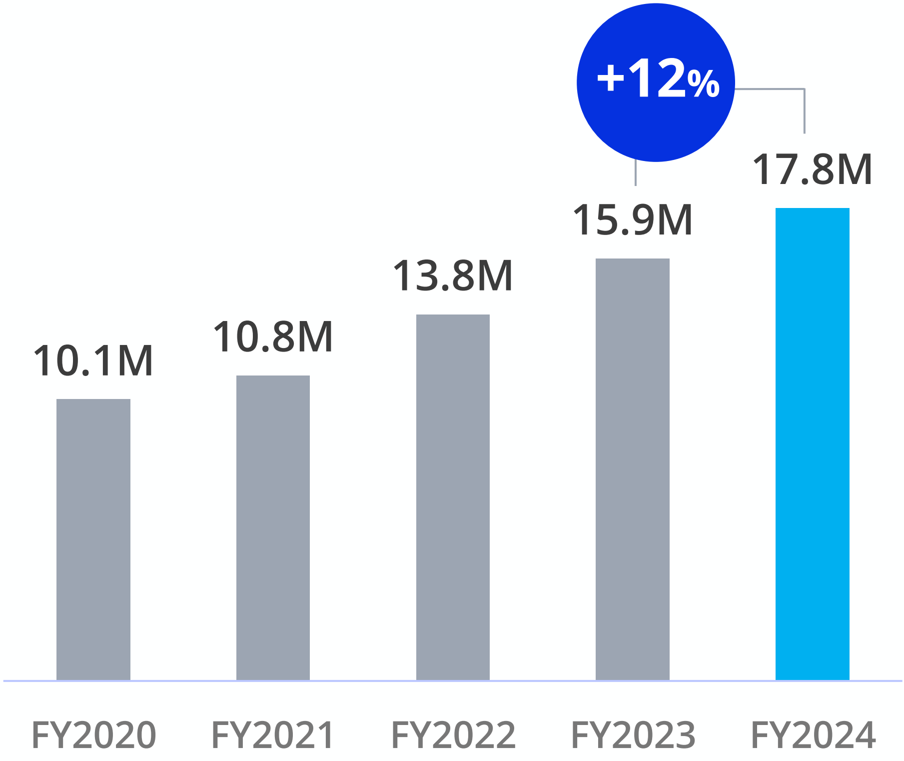
Strategically focus on large enterprises that drive ARPC expansion

- We prioritize customer acquisition of large enterprises as key drivers of ARPC growth through scalable offerings and strategic partnerships to drive consistent long-term expansion of ARPC.

of Customers[1]



Average Revenue Per Customer[1] (JPY)

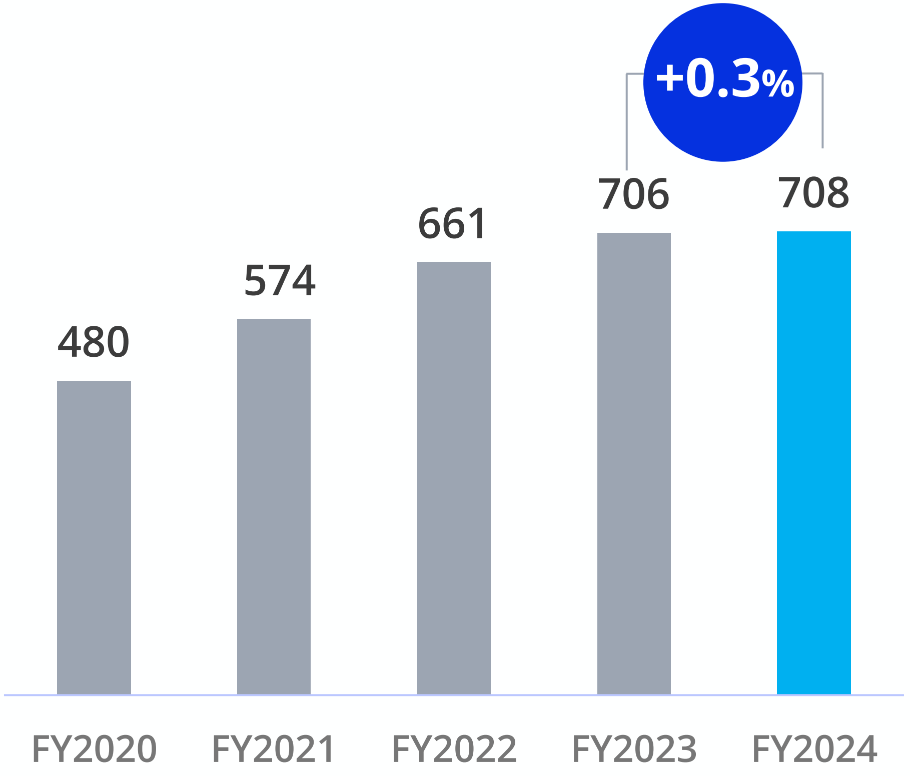


(1) "Customer" refers to a corporate group that has one or more active contracts for our solutions, excluding paid or unpaid trial, demo use and customers acquired through business acquisitions. Such corporate group is counted as a separate "customer" with respect to each solution it uses.

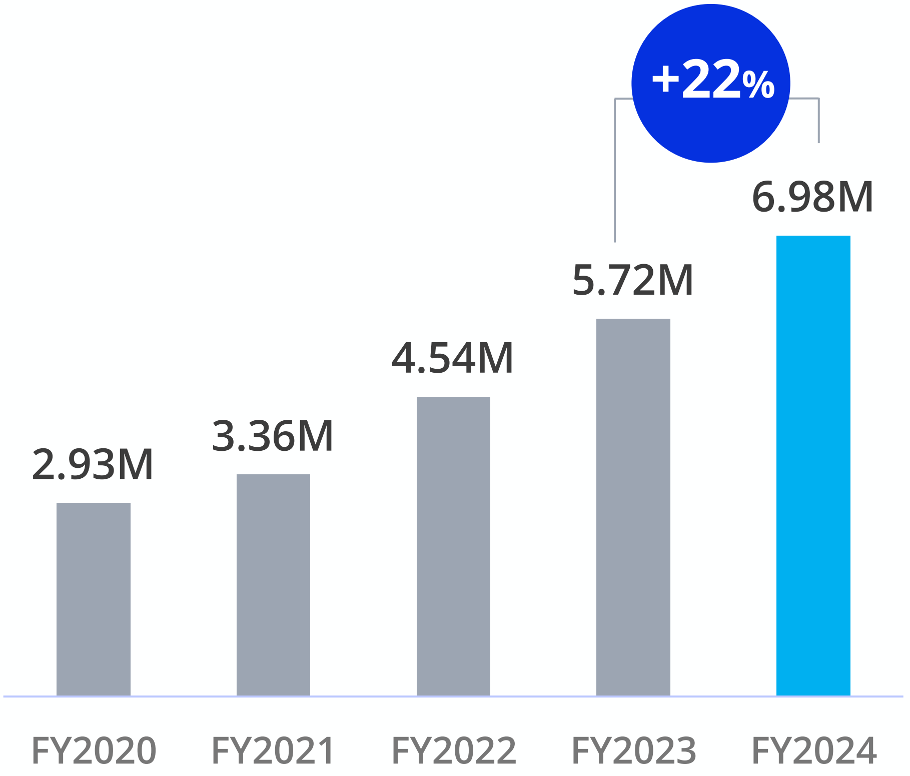
Scalability and Productivity improvement

- The modest headcount increase, driven by AI tools that boost productivity and streamline operations, reduced recruitment needs while allowing us to continue filling key commercial positions as planned.
- We anticipate headcount growth to resume in FY25, fueled by the strategic expansion of commercial roles to seize new business opportunities in GenAI applications.

Total Headcount



Quarterly Gross Profit / Headcount (JPY)

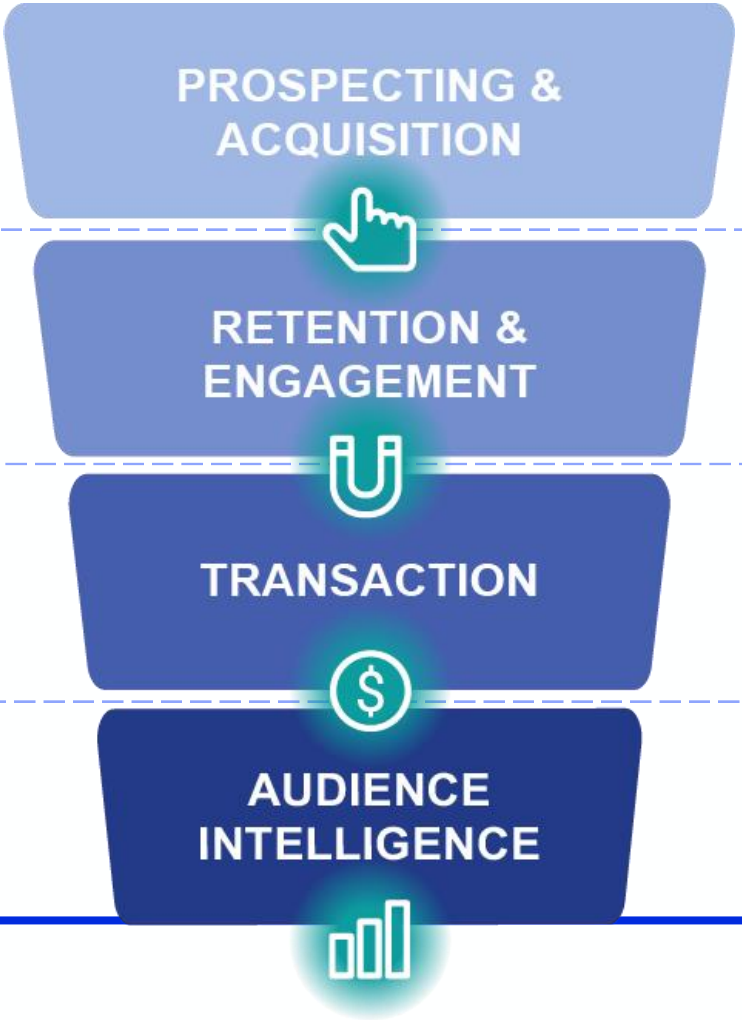


FY24 Review
& Achievements

AdCreative.ai

FY25 Guidance &
FY27 Financial Target

Comprehensive AI-Powered Solutions Across the Funnel



Ad Cloud — CrossX, AIXPERT

Predict end users' lifetime value and acquire the most valuable end users at scale, turning marketing spending into predictable return.

Consumption pricing & Subscription pricing (AIXPERT)

Personalization Cloud — AIQUA, BotBonnie

Increase quality engagement via AI-personalized messages proactively across all channels with the optimal timing.

Subscription pricing

Personalization Cloud — AIDEAL

Predict and only distribute incentives to hesitant buyers to drive revenue while maintaining profitability.

Subscription pricing

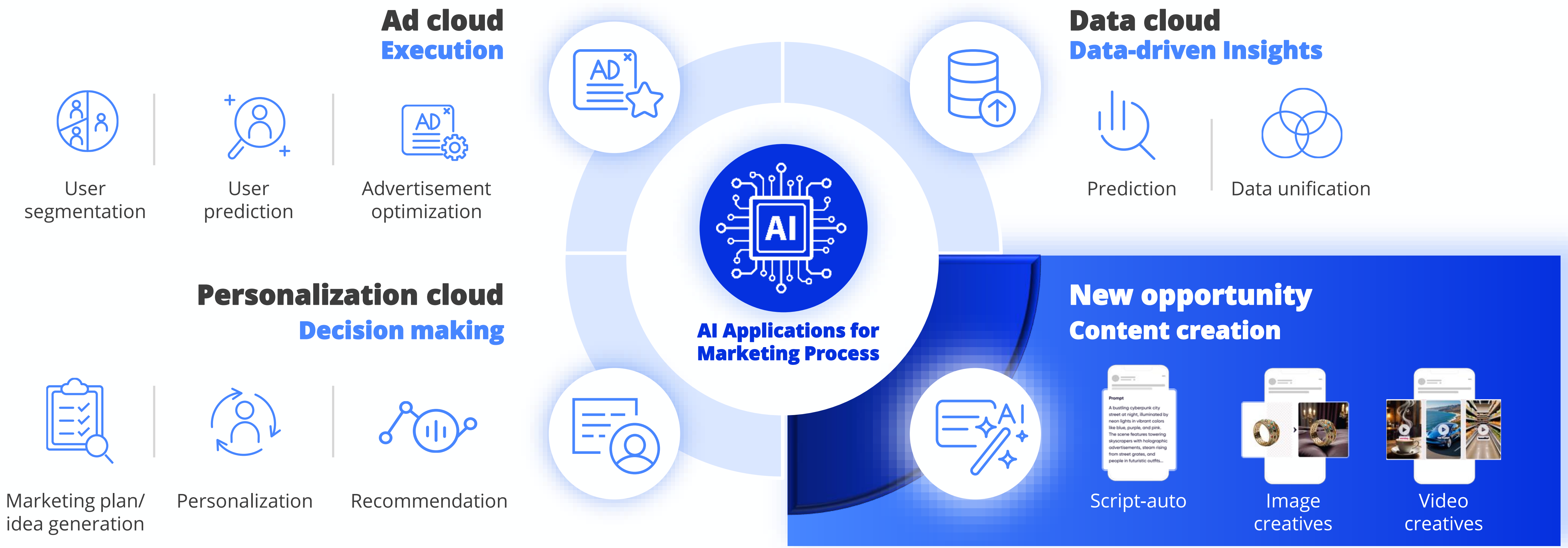
Data Cloud — AIXON, AIRIS

Unify user data in real-time from various sources with intuitive data visualization to predict end user behaviors in a holistic way via Auto-ML.

Subscription pricing

A step forward in completing our AI-powered marketing platform

- We accelerated our GenAI development in multimedia content generation, taking a step forward in completing the final step in building our AI-powered marketing platform, a comprehensive solution to maximize customers' ROI.
- This acquisition advances our mission to turn AI into ROI, delivering data-driven marketing solutions through intelligent software that enhances content creation capabilities.



Overview of AdCreative.ai

- Founded in 2018 and based in Paris
- Launched AdCreative.ai in 2021
- Strong R&D team driving AI-powered creative content creation, backed by a market-focused S&M team

Key strengths

Multiple marketing content formats generated in seconds

ROI-driven solution enabled by proprietary data

A leader in Ad creative generation with strong customer traction in EU & the US

High Gross Margin Profile

Awards and Achievements

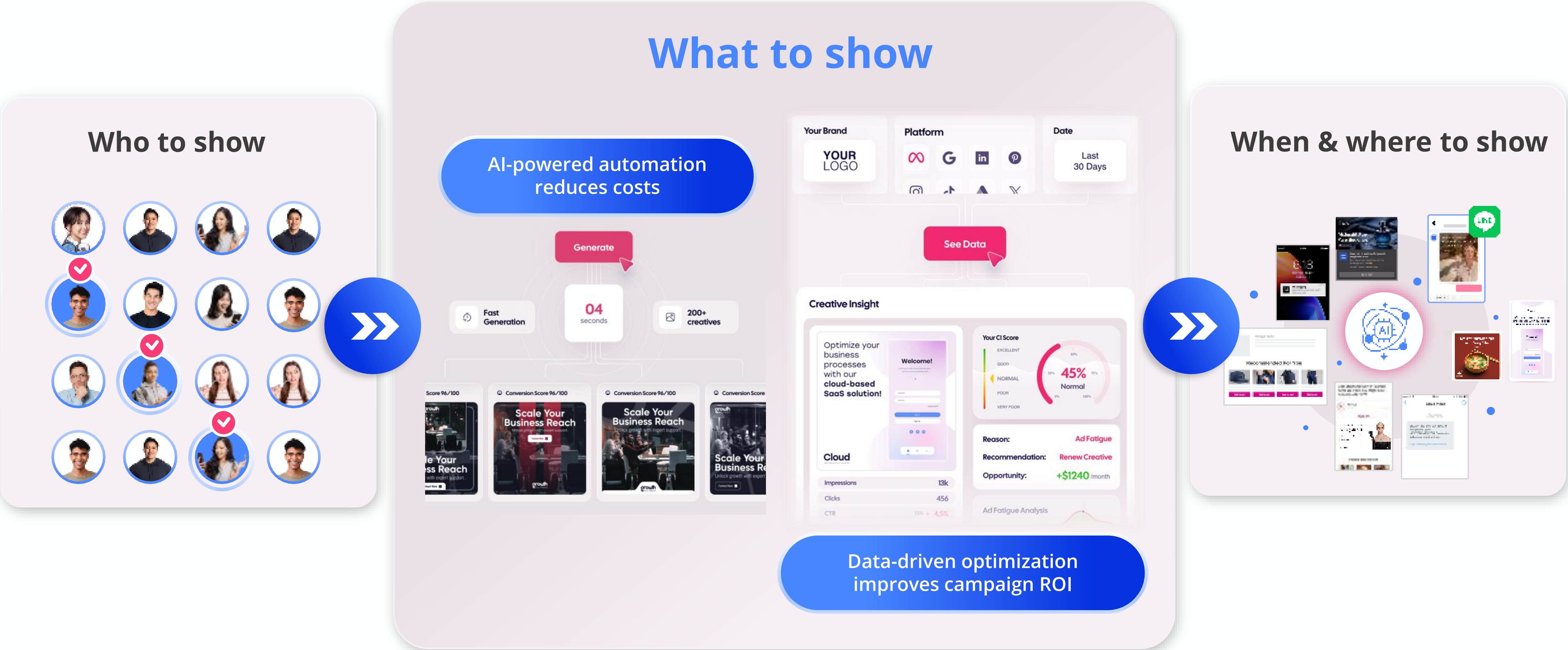
Adcreative.ai won **3rd fastest growing product award in 2023** out of more than 100,000 software products on G2(1).

Analyzed
+ 300 million ads
per year

(1) G2 is the software marketplace with a focus on aggregating user reviews for business software.

Maximizing ROI through AI-Driven automation

- Leveraging AI-powered automation for image and video generation significantly reduces costs, while data-driven optimization further enhances campaign ROI.



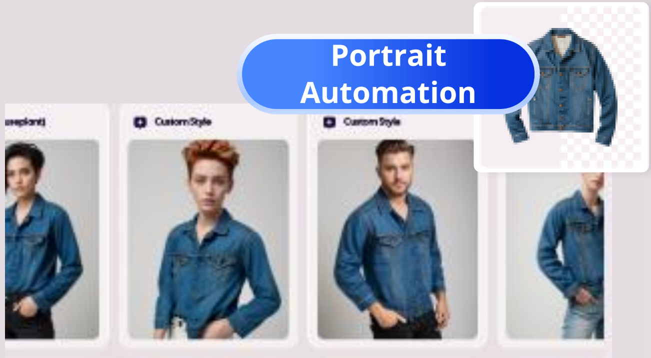
Multiple formats generated within few clicks

- The Ad creative platform offers effortless usability, enabling users to generate multiple ad formats in just a few clicks.

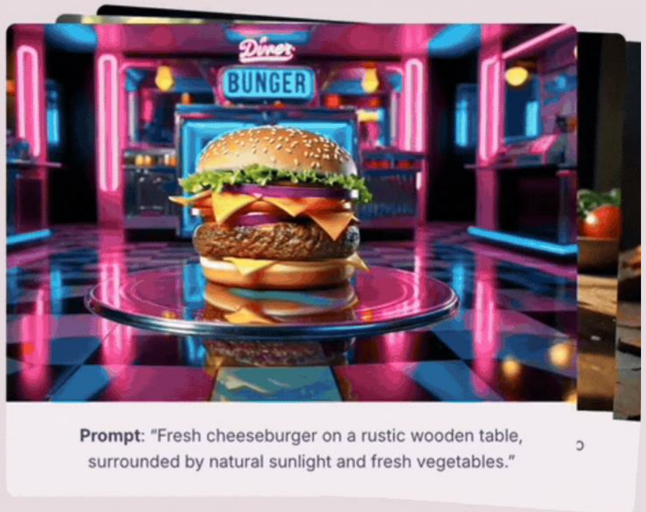
Generate Images

Background Automation

Portrait Automation



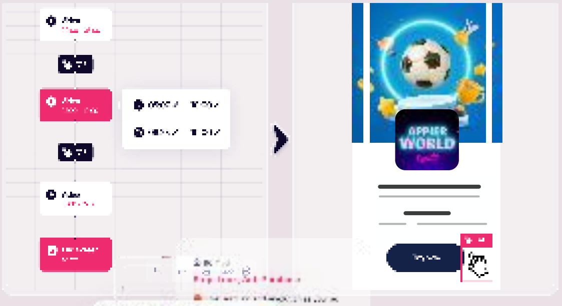
Generate Videos

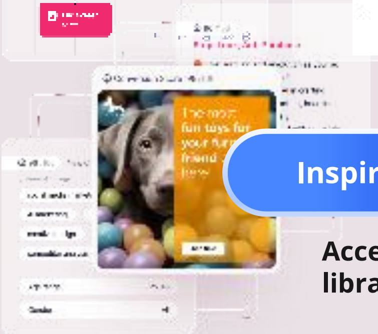


Generate Innovations

Playable Ads

Create interactive & engaging ads





Inspiration Bank

Access a vast library of ad ideas

ROI-driven solution enabled by proprietary data

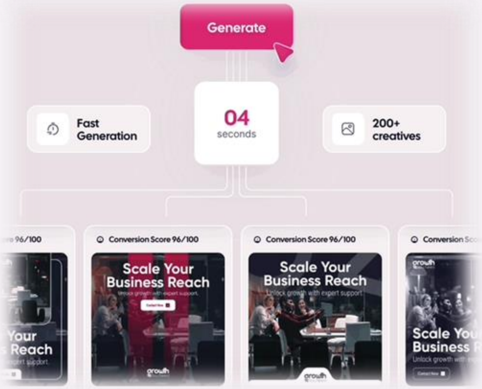
- The Ad creative platform offers an easy-to-use, highly customizable experience, enabling marketers to generate tailored ad content in seconds. Powered by AI and its proprietary data, the generated creatives are geared toward high CTR and maximized campaign performance.

Generate

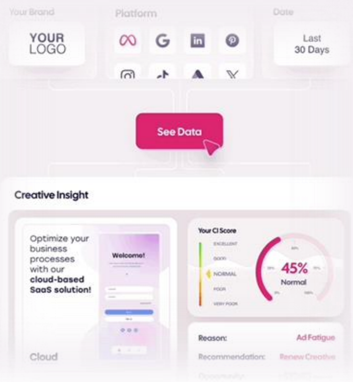
Automate

Analyze, Predict & Check

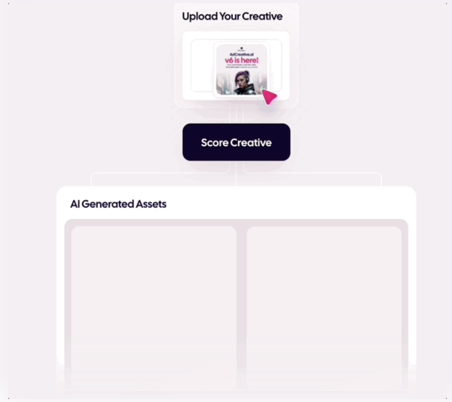
Fastest Ad Generation



Time-to-insight



ROI Prediction



+15% CTR(1) on average (after 2 months)

(1) CTR refers to click-through-rate

A leader in Ad creative generation

- AdCreative.ai is a leader in Ad creative generation, delivering strong customer adoption and a proven performance record across the EU and US, driven by cutting-edge AI innovation and enterprise-level security.

Proven Record

Reduce customers' costs by

up to 30%

+

Enterprise-level Security

Solid enterprise customer base

reckitt | BNP PARIBAS | Häagen-Dazs
Chopard | legrand | PHILIPS
Pernod Ricard | Snap Inc. | ACCOR

...

Success stories with lifted ROI

Häagen-Dazs

Challenge

- Häagen-Dazs struggled to efficiently scale creative production while thoroughly testing and refining assets to maximize ROI, all within the constraints of maintaining brand integrity across multiple markets.

Solution

- By leveraging AdCreative.ai, Häagen-Dazs rapidly scaled ad asset production at a lower cost, ensuring a steady stream of high-quality creatives. Moreover, by integrating its ad data with AdCreative.ai's extensive database, it fine-tuned campaign performance, maximizing engagement and ROI.

+21%

Increase in CTR(1)

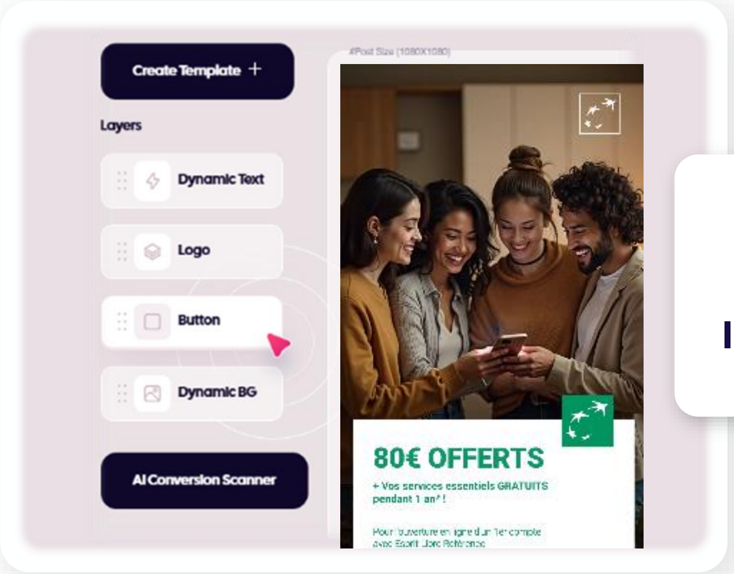
BNP PARIBAS

Challenge

- BNP Paribas faced the challenge of scaling ad performance across diverse markets while navigating complex and strict data regulations, making it difficult to optimize creatives without compromising compliance.

Solution

- BNP Paribas harnessed AdCreative.ai to automate large-scale creative production while ensuring strict adherence to brand guidelines. Meanwhile, AdCreative's predictive AI refined ad creatives in real time, driving higher engagement and improved performance.



+17%

Increase in CTR(1)

(1) CTR refers to click-through-rate

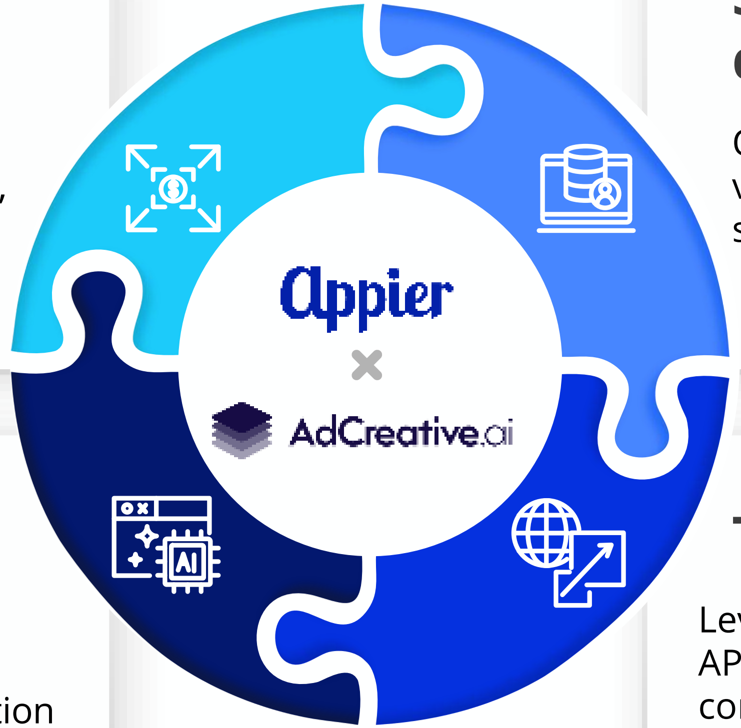
Appier + AdCreative.ai

Margin expansion

Integrating AdCreative.ai's SaaS business improves our product mix, boosting the overall gross margin

Strengthening data moat

Our AI models can also learn from its vast creative database, further strengthening our data moat.



Acceleration of GenAI product development

AdCreative.ai's expertise in GenAI for performance-driven creative automation can accelerate our product development and solidify our leadership in marketing AI.

TAM expansion

Leverage Appier's regional strength in APAC and Digital Content in the US, combined with AdCreative.ai's diversified verticals and geographies, to expand reach and tap into the growth potential of GenAI-related business.

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AdCreative.ai

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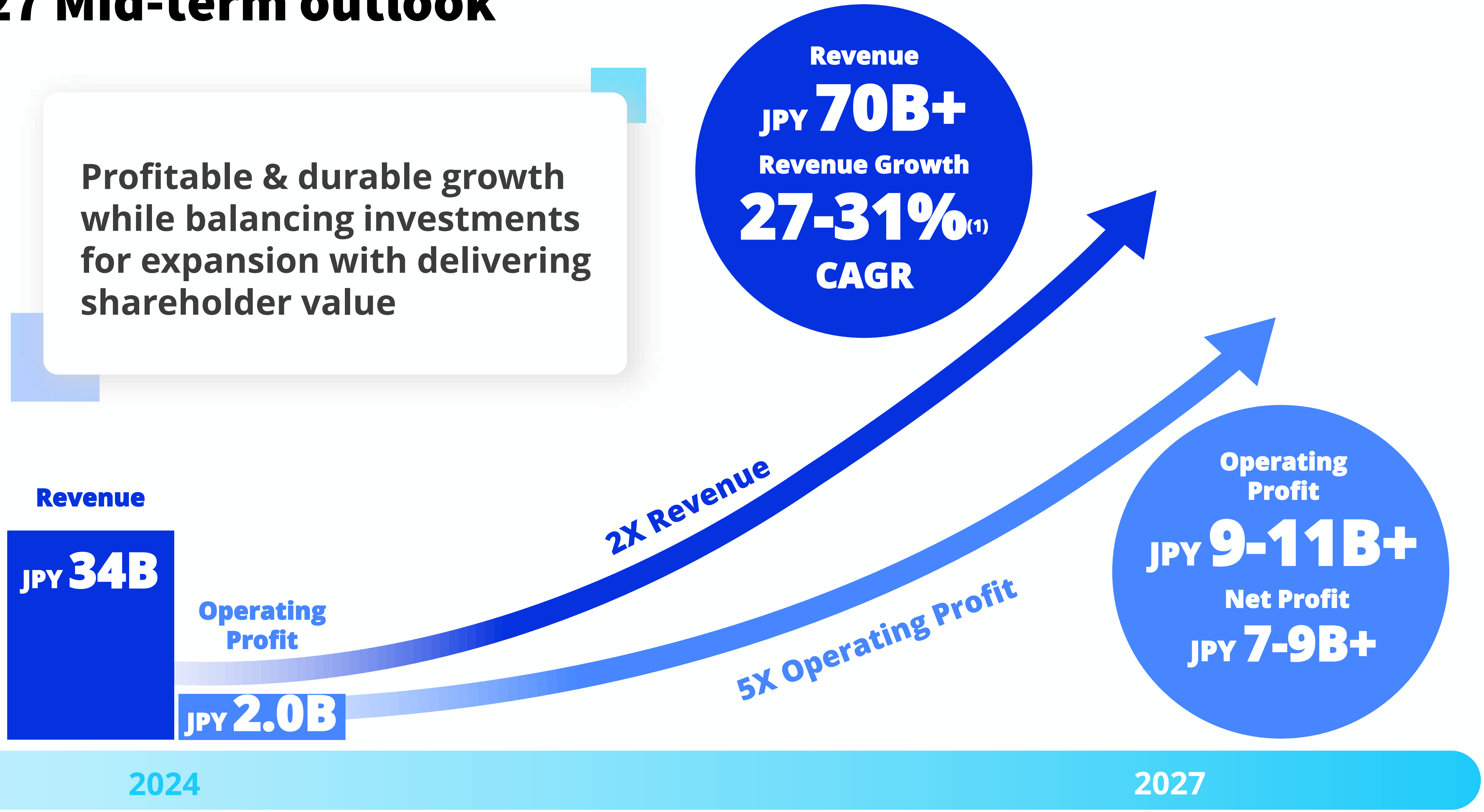
FY27 Mid-term outlook

Profitable & durable growth while balancing investments for expansion with delivering shareholder value



(1) FY24 to FY27 CAGR
(2) Assuming FX rates are same as FY24

Growth levers to expand and diversify revenue sources

Potential upside

Potential upside includes inorganic opportunities, broader expansion, and faster penetration via global partnerships.

2027 JPY 70B+

Unlocking new revenue sources

Cultivate additional key accounts[1] in key regions and key verticals

+

Widening Geo coverage

Global vertical expansion leveraging regional achievement

+

Balanced growth through innovation

Balanced growth drivers across products, with increased cross-selling and synergy effects as our product portfolio becomes more comprehensive

2024 JPY 34B

(1) Key accounts refer to customers contributing over $10M revenue per annum.

Value shifting within the AI stack

- Our unique position in the AI application layer is bolstered by our data moat, differentiated algorithm, and domain knowledge.

Value expansion

Value Compression

Applications

••• Fintech | Marketing | Cypersecurity •••

Appier

- Data Moat
- Domain Knowledge
- Verticalized model adaption

Foundation Models/ Utility Layer

- Data Breadth
- Model size & sophistication

Hardware

- Computational Efficiency & Capabilities

How we maintain our dominance in AI applications in the marketing domain

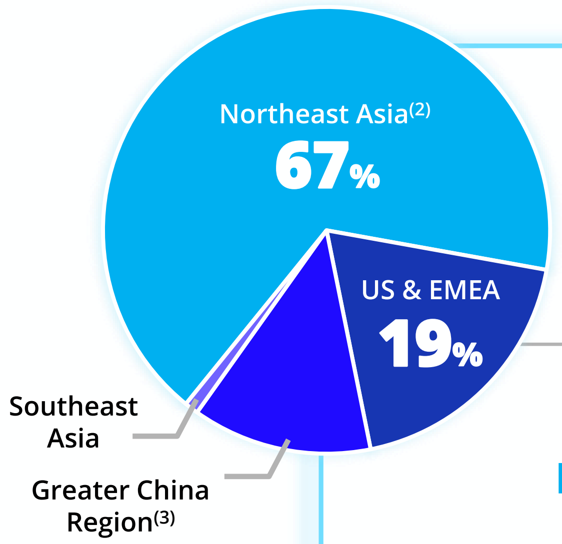
Data Moat

AI Technologies

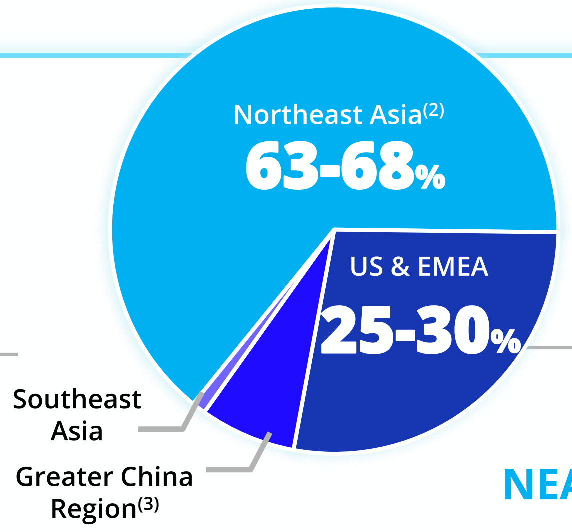
ROI-driven solutions

Robust expansion in key focus regions

FY24 Revenue % by Region[1]



FY27E Revenue % by Region



2025

NEA
- Majority of sales from E-commerce
- Expansion in KR Digital Content
- Vertical diversification in JP

US & EMEA
- Majority of sales from Digital Content
- Expansion in US E-commerce
- Leveraging AdCreative.ai's customer base for domestic EU business expansion

2027

NEA
- +25-35% CAGR[4]
- Balanced growth drivers from E-commerce and other verticals
- Cultivate additional key accounts across diversified verticals

US & EMEA
- +35-45% CAGR[4]
- Make E-commerce another revenue growth driver
- Increase the revenue source from new key accounts

(1) Percentages may not total 100 due to rounding
(2) Northeast Asia includes Japan & South Korea
(3) Greater China Region includes Taiwan, Hong Kong & China
(4) FY24 to FY27 CAGR

AI-powered productivity further strengthens our operating leverage with improved gross margin

Potential upside

Potential upside comes from stronger revenue growth from key account penetration, better profit margins of AdCreative.ai and higher productivity through AI-driven transformation

2027

JPY 9-11B+

Tech-driven gross margin gains

Gross margin expansion through better product mix and continuous technological advancements

+

AI-powered innovation

Integrate AI into product development to boost software productivity and shorten the time-to-market

+

Efficient R&D investments

Growth-oriented R&D investment to strengthen competitiveness, with expected GenAI training and inference cost reductions

+

Driving ROI-focused S&M efficiency

ROI-driven S&M investment focused on productive growth

2024

JPY 2.0B

Appier

2025 Guidance

- In FY25, we expect continued execution to achieve sustainable and profitable growth, demonstrating our core value of innovative technology enhancement, and further business efficiency at scale, in addition to the potential for further profitable growth by accelerating business integration and optimizing marketing expenditures with AdCreative.ai.

	2024	2025	YoY	Highlights
Revenue	34.1B	45.5B	+34%	➤ Continued robust expansion in the US & EMEA, expansions into diversified verticals and deeper penetration of existing customers in the NEA, alongside a steady recovery in GCR with ongoing growth in CN outbound business. ➤ Accelerated GenAI technology development following the acquisition is driving our regional expansion and cross-selling efforts, fueled by improved product synergy.
Gross Profit	17.8B 52.3%	25.2B 55.3%	+41% +3.0 p.p.	➤ Continuous advancements in AI prediction accuracy, along with an improved product mix and the integration of AdCreative.ai, are expected to drive margin expansion
Operating Income	2.0B 5.8%	4.1B 8.9%	+104% +3.1 p.p.	➤ Organic operating income of JPY 4.8B with an 11% margin Organic EBITDA of JPY 8.4B with a 20% margin ➤ Strong operating leverage with better productivity to accelerate margin improvement for S&M and G&A ➤ Increase R&D investment in product enhancements to lift customer satisfaction and drive growth, while maintaining disciplined expense management ➤ Gradual improvement in AdCreative.ai's profitability could further enhance our long-term margin gains
EBITDA	4.9B 14.4%	7.8B 17.1%	+58% +2.7 p.p.	
Dividend	JPY 2 per share year-end dividend payment	JPY 2.25 per share forecasted as year-end dividend payment		➤ Increase the dividend on the back of the expected improvement in core free cash flow

Appier

FY25 Target vs. Guidance

- We are on track for the financial target of FY25, considering FX headwinds since the target was set in May 2022, achieving stronger revenue growth and better operating leverage in S&M and G&A with higher disciplined R&D investment

	FY25 Target	FY25 Guidance FX Neutral (1) (Organic)	FY25 Guidance (Organic)	Achievement Rate	Difference
FY21 - FY25 Revenue CAGR	30%+(2)	32%	36%	✓	• Stronger growth in key regions of NEA and US & EMEA • FX tailwinds from JPY depreciation
Gross Margin	55-60%	56%	54%	✓	• Algorithm improvement in Advertising Cloud despite FX headwinds
OPEX	40-45%	43%	43%	✓	• Better operating leverage in S&M and G&A
Operating Margin(3)	15-20%	14%	11%		• Higher R&D investment in enhancing platform value for sustainable growth
Operating Income		5.2B	4.8B		• FX headwinds from JPY depreciation

(1) Figures calculated assuming no change from FY22Q1 FX rates
KRW: 1 KRW = 0.0973 JPY
USD: 1 USD = 116.20 JPY
TWD: 1 TWD = 4.15 JPY
(2) Average revenue growth rate target from 2022 to 2025
(3) Includes other income primarily derived from fund management
(4) Percentages may not sum exactly due to rounding.

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!

Appendix

FY24 Review & Achievements

AdCreative.ai

FY25 Guidance & FY27 Financial Target

FY24 Q4 Results

2024 Q4 Highlights

Revenue

JPY 9.5B

Profitability

Operating Income JPY 0.8B

Net Income JPY 1.7B

ARR(3)

JPY 36.3B

Revenue YoY Growth(1)

+25%

Gross Profit YoY Growth(2)

+22%

LTM NRR

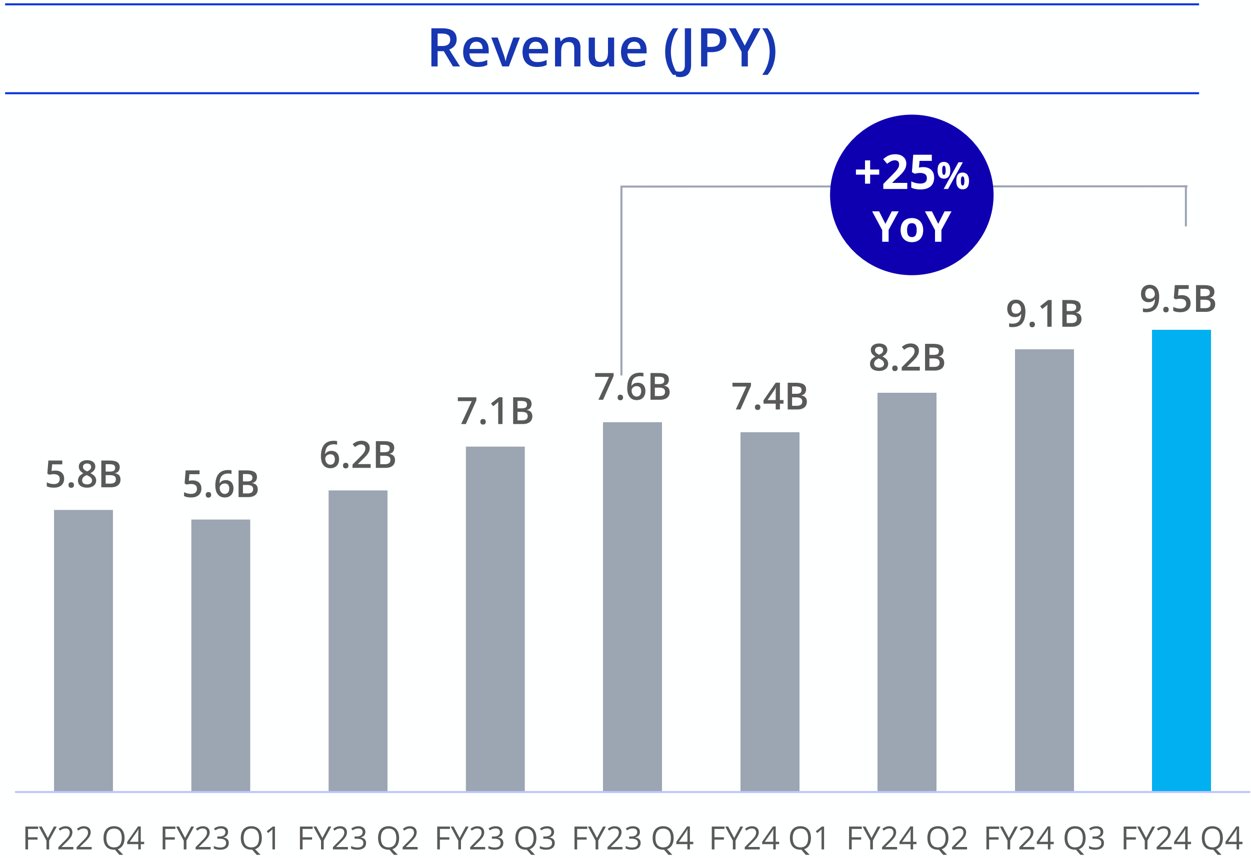
FX Neutral(4) 131.9%

USD-based(5) 118.7%

(1) Revenue Growth from FY23 Q4 to FY24 Q4.
(2) Gross Profit Growth from FY23 Q4 to FY24 Q4.
(3) 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.
(4) 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.
(5) We calculate FX-neutral 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 and converted to JP Yen based on the FX-neutral quarterly average exchange rate of FY24 Q1 to FY24 Q4, by (ii) total revenue calculated in U.S. dollars from such customers during the same period of the prior year and converted to JP Yen based on applicable exchange rate of FY23 Q1 to FY23 Q4.

Revenue Trends

- FY24 Q4 revenue YoY growth was driven by continuous expansion in the NEA, especially in E-Commerce due to its high season, and robust penetration of Digital Content in the US & EMEA despite its low season.



Incremental Revenue

58% from Existing Customers(1)

- **Increasing product usage of NEA E-Commerce customers**
- **Continuous momentum in the US & EMEA Digital Content vertical**

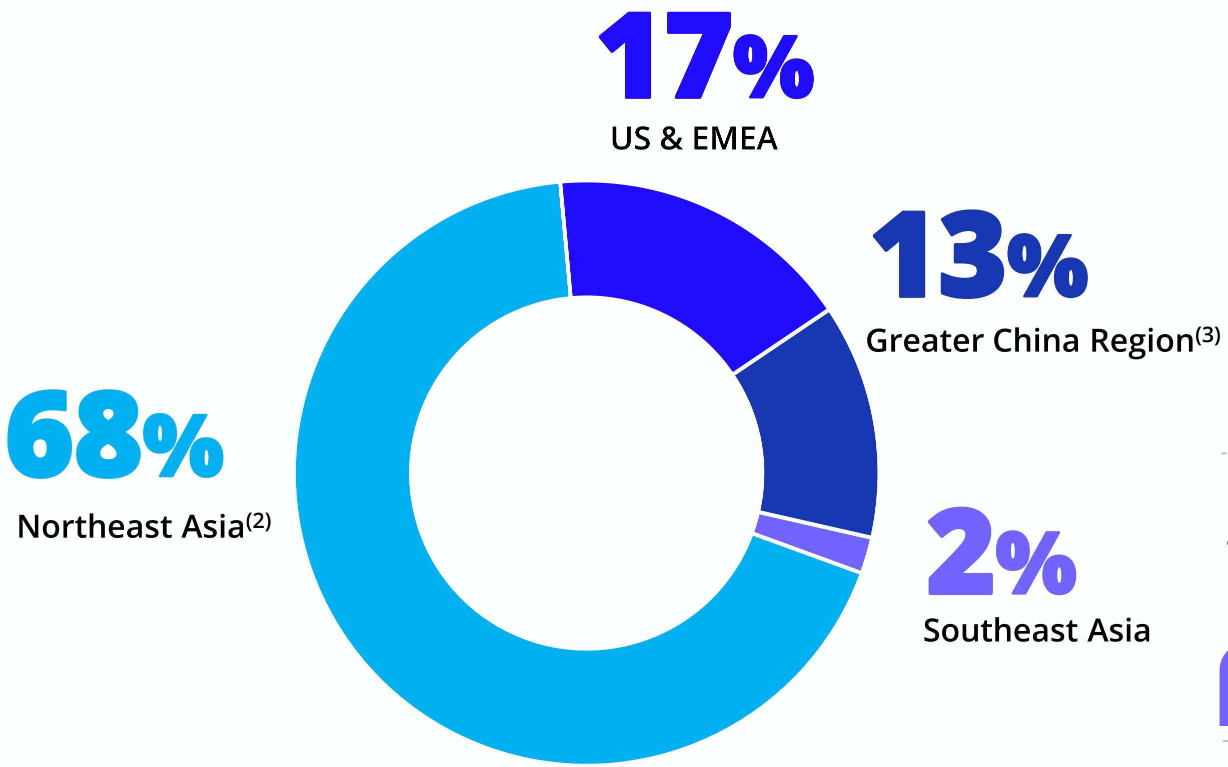
42% from New Customers(2)

- **Scaling up new customer acquisition in the NEA Digital Content**
- **Strong customer traction in the GCR region, especially in Digital Content**

(1)"Existing Customers" refers to customers acquired before FY24 Q1.
(2)"New Customers" refers to customers acquired from FY24 Q1 to FY24 Q4.

Diverse Revenue Base: Multiple regions demonstrate continuous growth momentum

FY24 Q4 Revenue % by Region[1]



(1) Percentages may not total 100 due to rounding
(2) Northeast Asia includes Japan & South Korea
(3) Greater China Region includes Taiwan, Hong Kong & China

NEA

33% YoY revenue growth rate with strong existing customer expansion and accelerated customer acquisition despite FX headwinds from KRW depreciation

US & EMEA

38% YoY revenue growth with expansion of ROI-focused existing customers despite lower season of Digital Content

GCR

Continuous expansion of CN outbound business with further growth opportunities expected as we streamline sales synergies in HK and TW

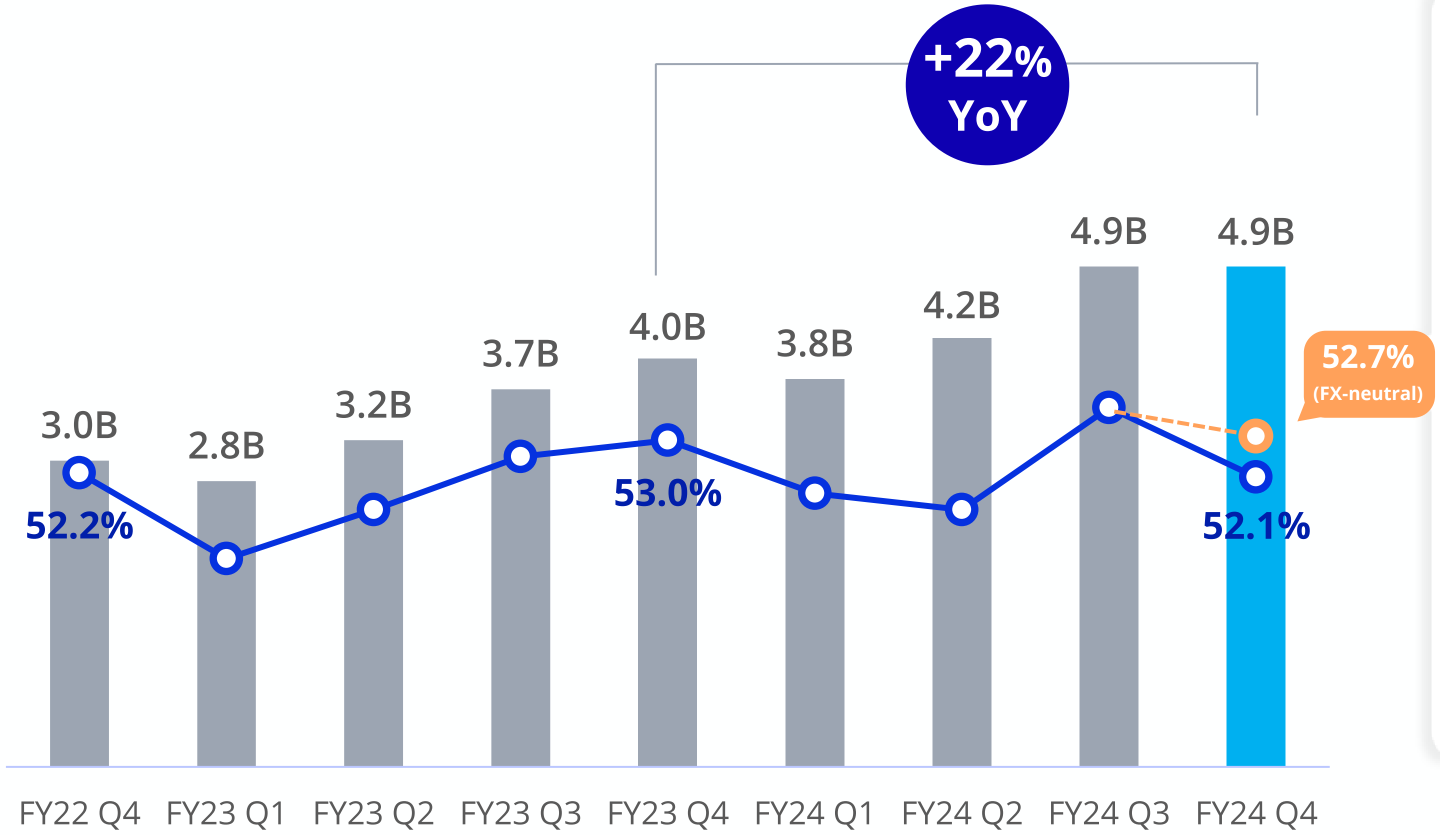
SEA

Continue to focus on key accounts until the market is more mature

Gross Profit

- Gross profit reached a record-high quarterly figure of JPY 4.9B, marking a 22% YoY growth with gross margin of 52.1% and 52.7% on an FX neutral basis, due to FX headwinds and product mix impacted by seasonality.

Gross Profit (JPY) & Margin



Major Factors of Gross Margin Changes

Positive factors

- **Positive effects of technological advancements, including algorithm improvements**

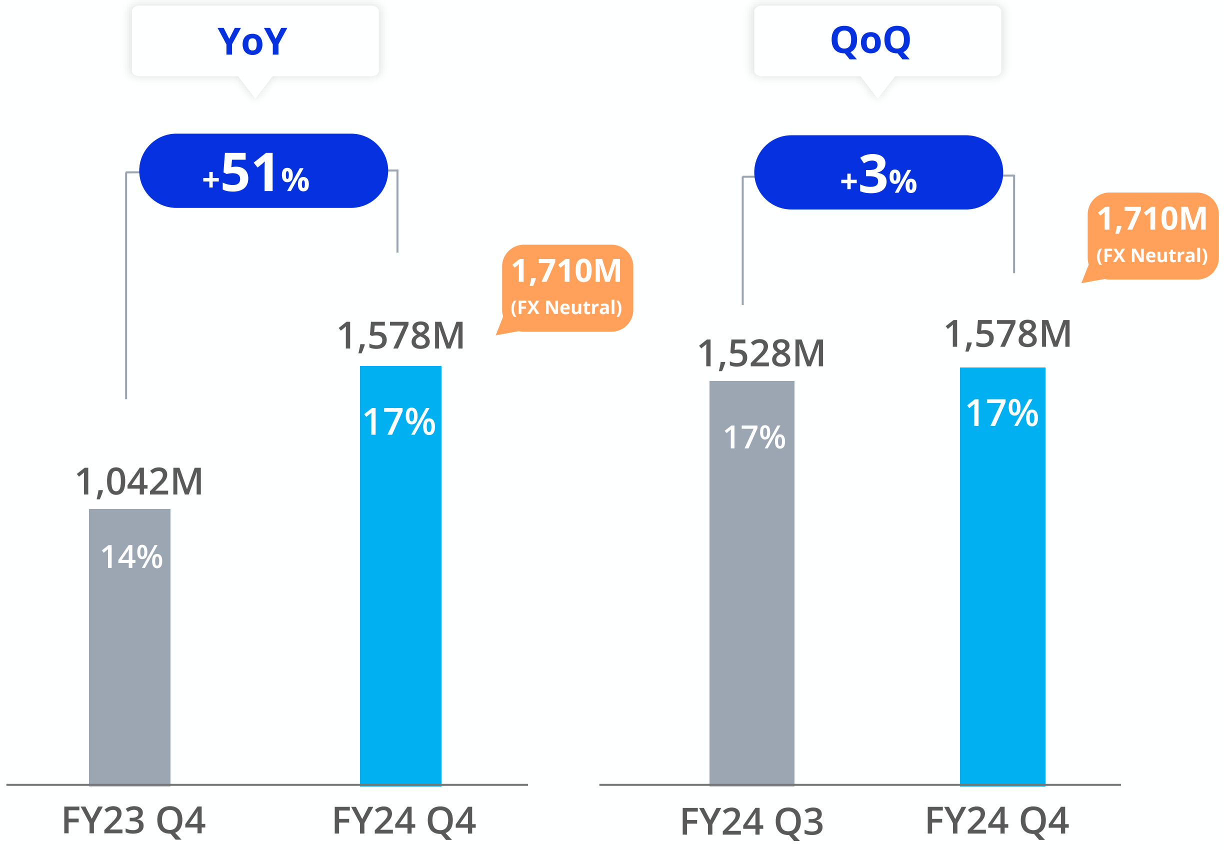
Negative factors

- **FX headwinds due to JPY depreciation**
- **Product mix change due to seasonality and key accounts penetration**
- **Strategic new product experiments to drive margin expansion in FY25**

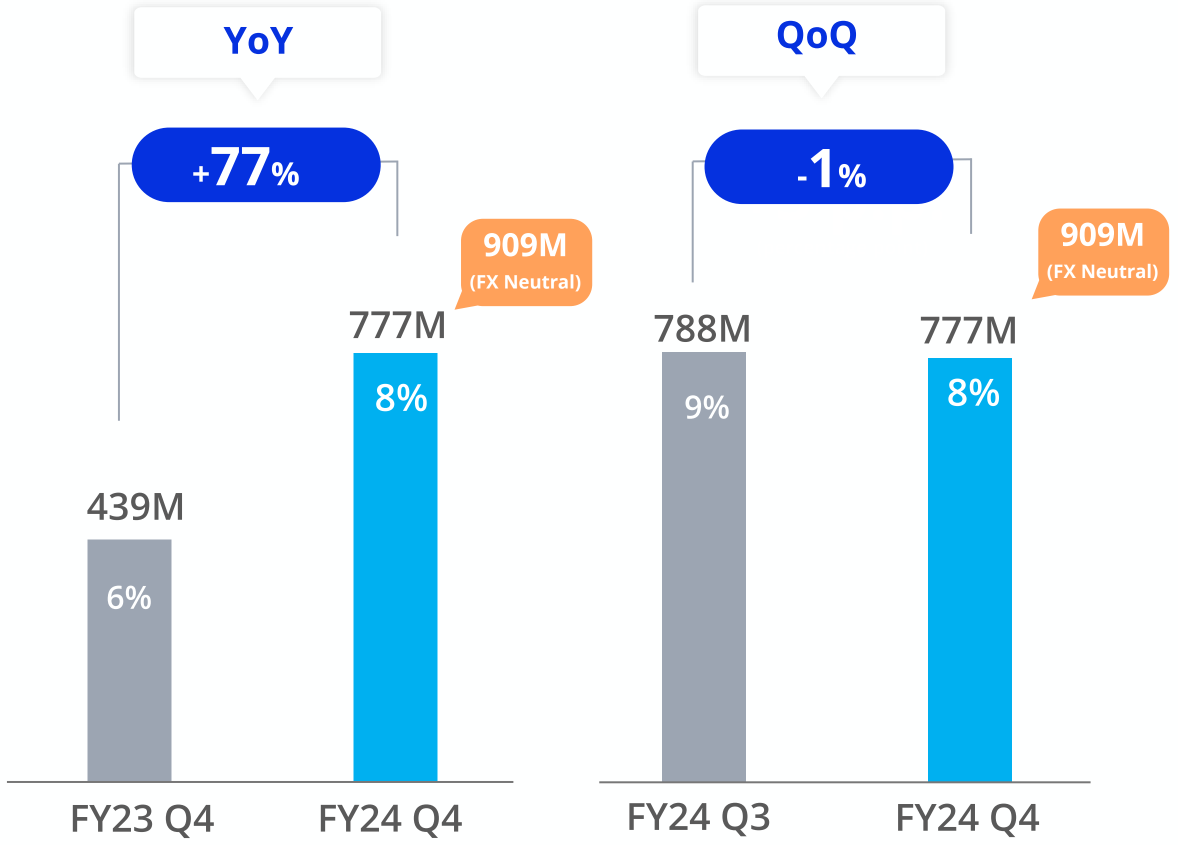
EBITDA & Operating Income

- We improved the profitability with operating income expanding 77% YoY despite FX headwinds, due to strong operating leverage, and we expect further profitability improvement going forward.

EBITDA[1] & Margin (JPY)



Operating Income & Margin (JPY)

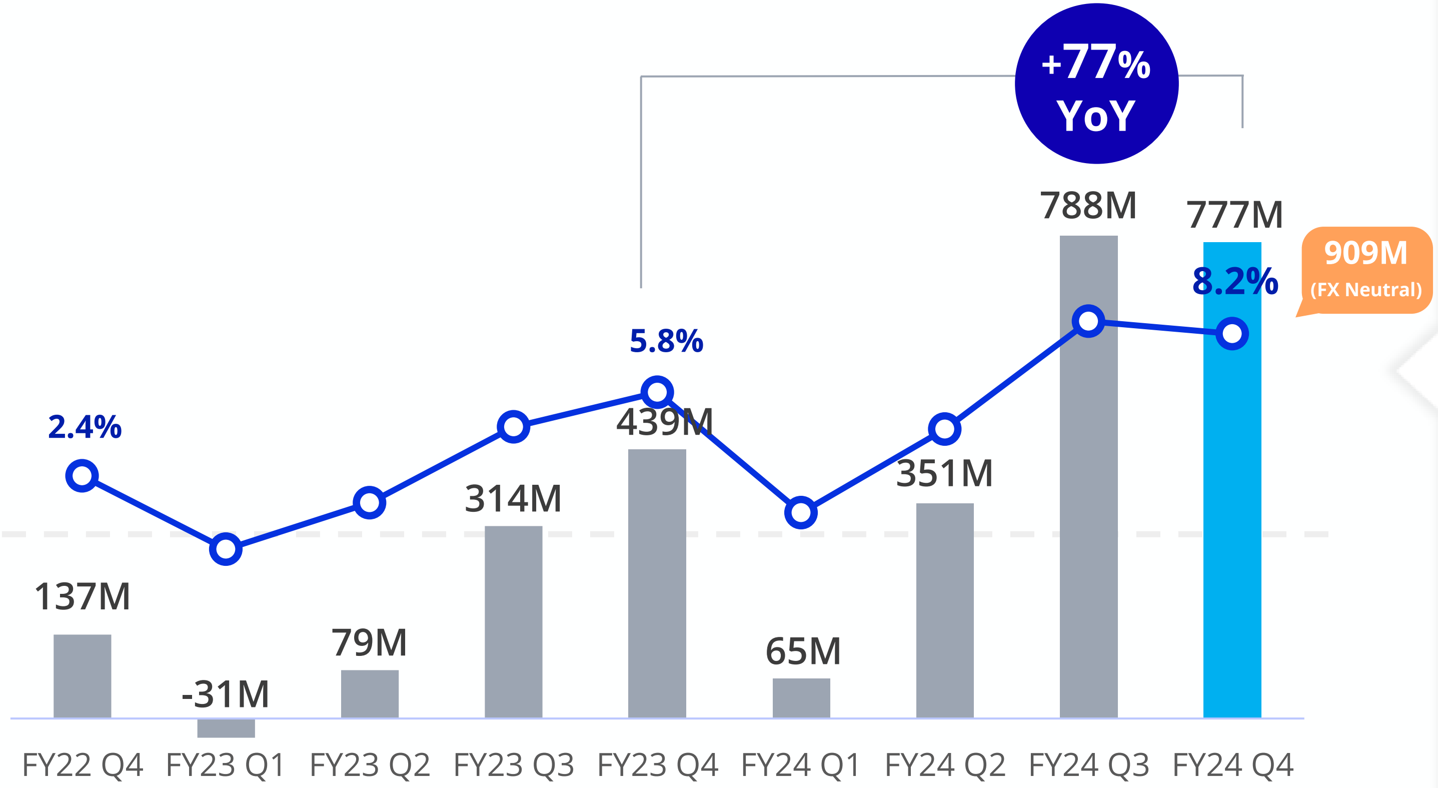


(1) EBITDA = operating income + depreciation and amortization + tax expenses included in operating expenses

Operating Income

- Operating income increased by 77% YoY to 777M, with operating margin improving by 2.4 p.p. YoY to 8.2% (9.5% on an FX-neutral basis) in FY24 Q4. This reflects strong operating leverage and disciplined cost management despite FX headwinds.
- Margin improvement is expected to continue in FY25 and beyond, following the enhanced profitability in FY24.

Operating Income (JPY) & Margin



Major Factors of Operating Margin Changes

YoY basis

- Higher sales productivity resulting in S&M operating leverage improvement
- Better operational efficiency and disciplined expense control
- The increase of ROI-oriented R&D investment resulted in stronger operating leverage in S&M and G&A
- FX headwinds due to JPY depreciation

QoQ basis

- Stronger operating leverage
- Lower gross margin due to seasonal product mix change
- FX headwinds due to JPY depreciation

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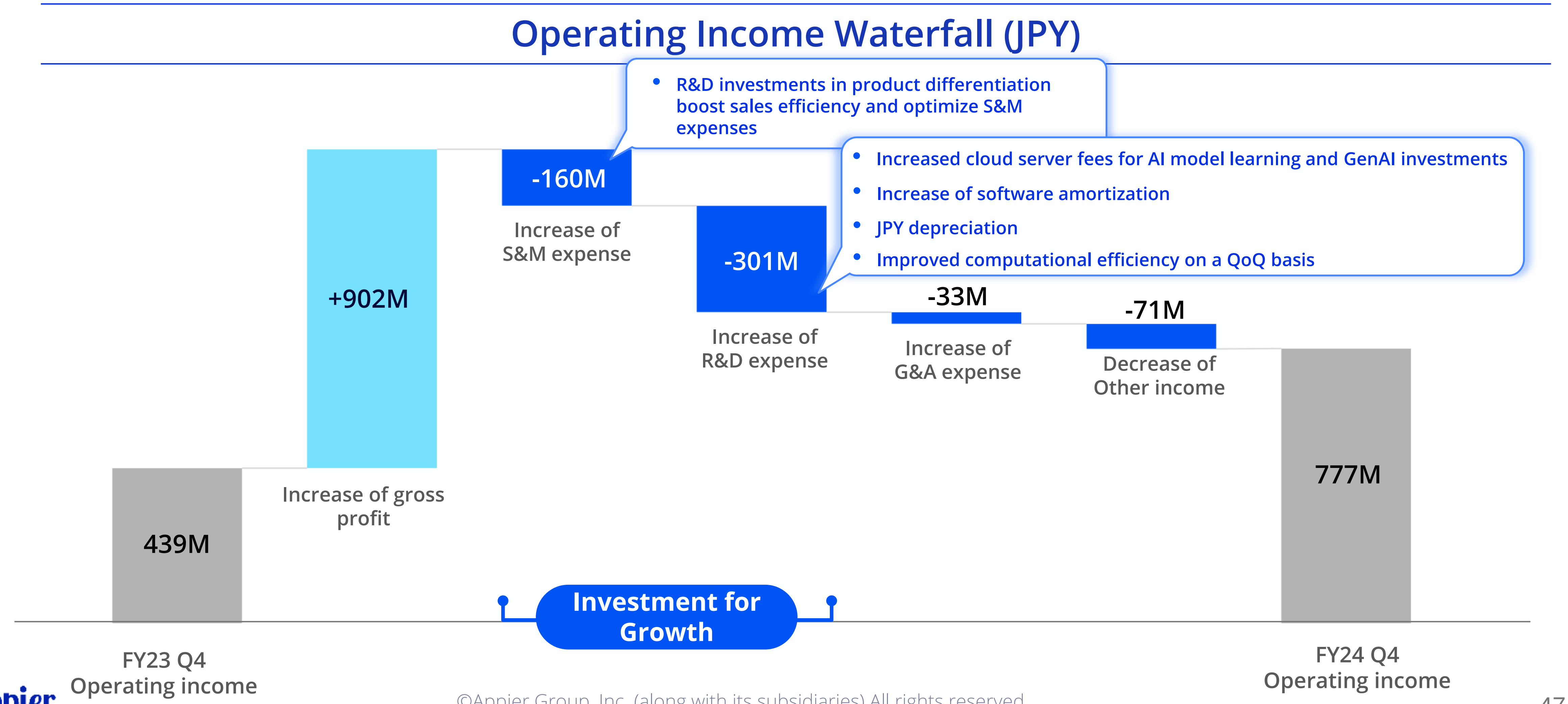
2024 Q4 - Operating Income YoY Change

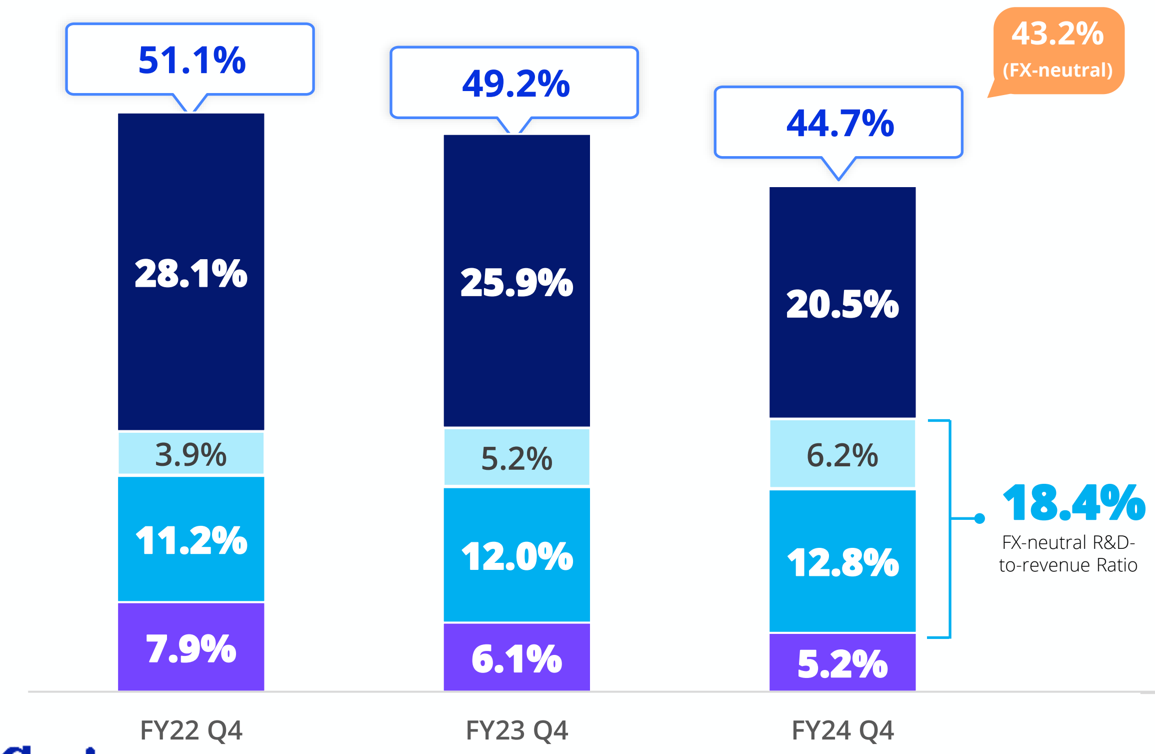
- The significant increase in operating profit was driven by growing business scale with strong operating leverage, particularly in S&M and G&A. We invested in R&D to strengthen our product competitiveness and drive future growth.



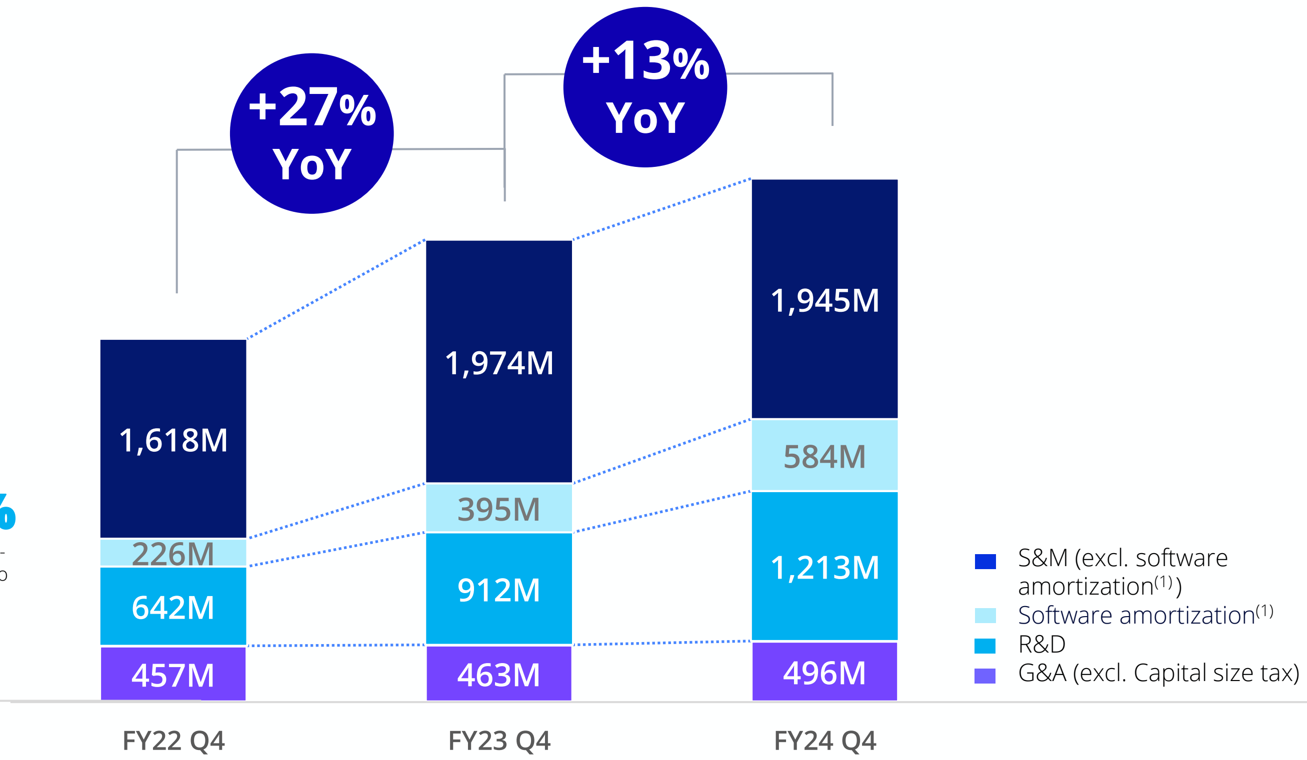
Disciplined OPEX

- The decline in the S&M and G&A-to-revenue ratio shows significant YoY and QoQ improvements, highlighting accelerated operating leverage through productivity and efficiency gains, coupled with enhanced product differentiation from increased R&D investment.
- The increase in R&D spending in FY24 Q4 was primarily due to the increase of cloud server usage fees for product enhancement, other expenses for new algorithm development, and software amortization, in addition to JPY depreciation.

Q4 OPEX Structure (% Revenue)



Q4 OPEX (JPY)



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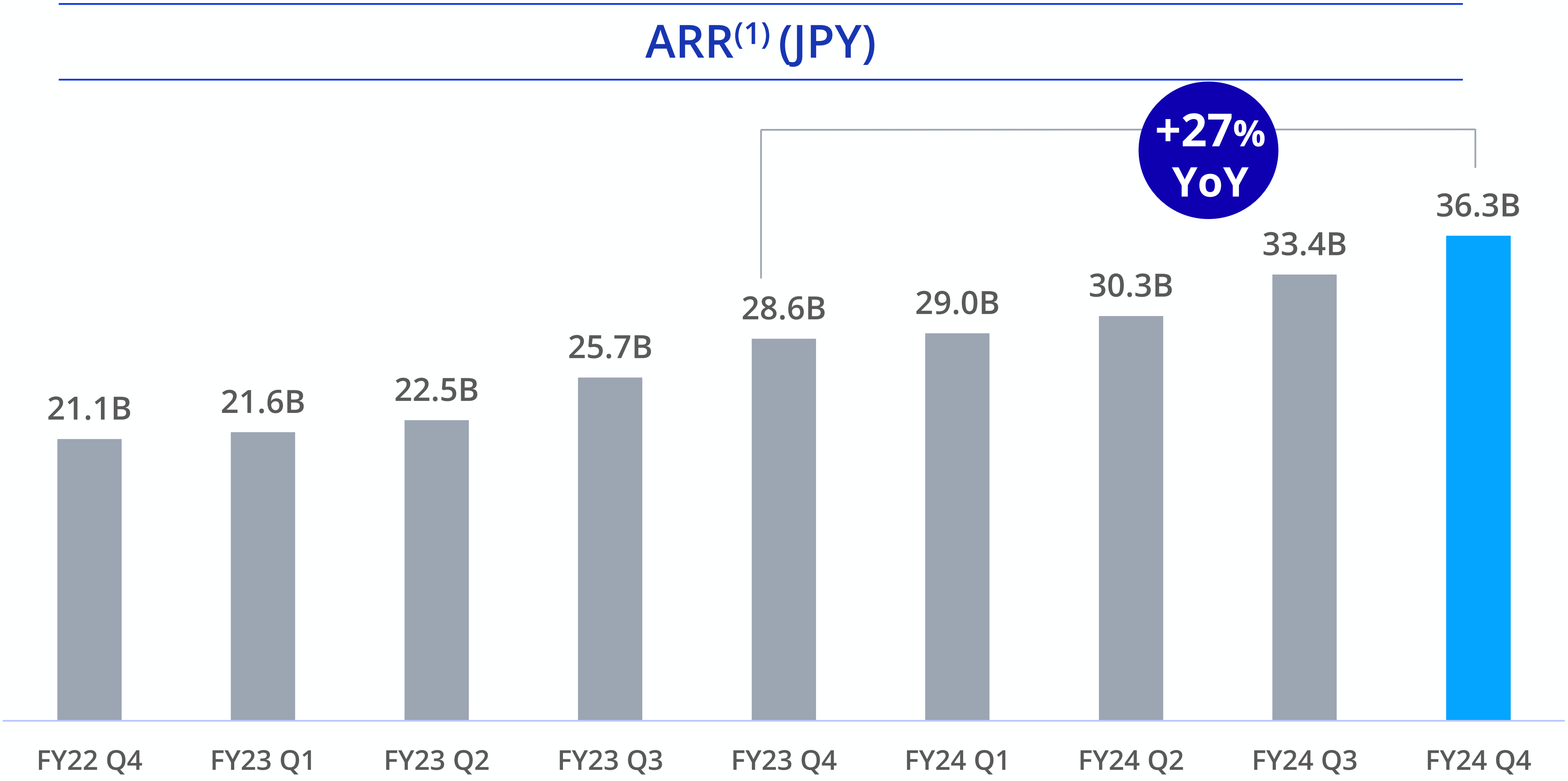
(1) Our Sales and Marketing Expenses included amortization of software. We started software capitalization in FY2020. Please refer to Appendix for details.
(2) Percentages may not equal to the sum due to rounding

Annual Recurring Revenue Quarterly Trends

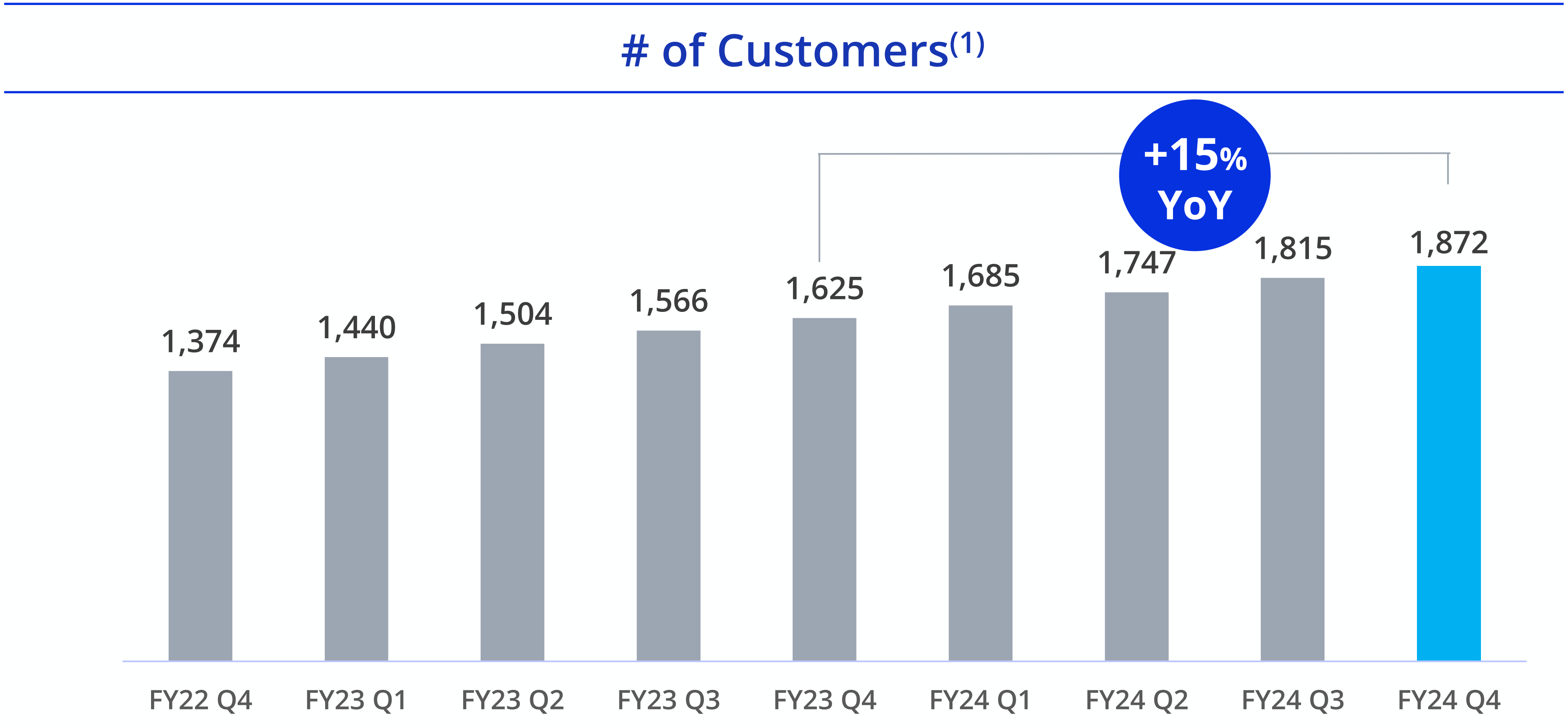
- Our recurring revenue currently constitutes over 95% of our total revenue.



(1) 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.

Quarterly Customer # Trend

- New customers in FY24 Q4 were mainly from Digital Content and E-Commerce (49% and 24% of total new customers respectively).
- We have steadily increased the number of customers each quarter through our strategy of focusing on larger enterprises.

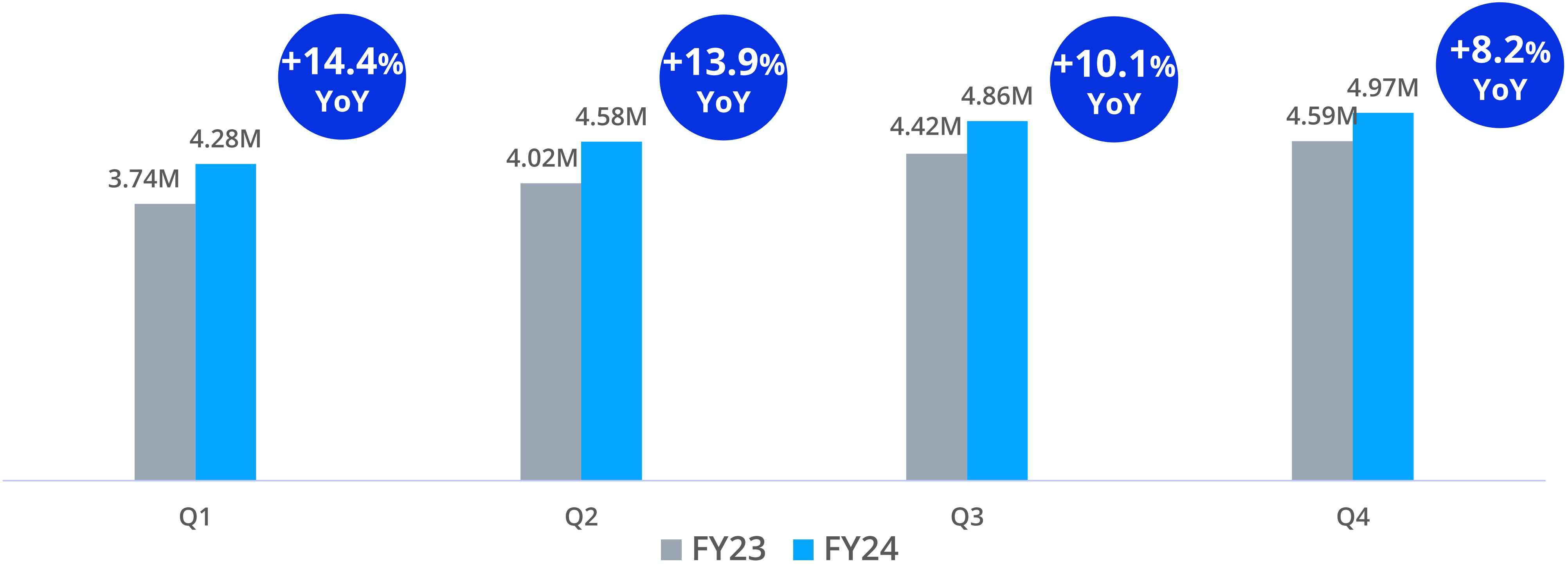


(1) "Customer" refers to a corporate group that has one or more active contracts for our solutions, excluding paid or unpaid trial, demo use and customers acquired through business acquisitions. Such corporate group is counted as a separate "customer" with respect to each solution it uses.

Quarterly Average Revenue per Customer

- The ARPC YoY growth rate in FY24 Q4 stood at 8.2% (9% on an FX-neutral basis), with a less favorable FX impact, particularly from KRW depreciation.
- This is mainly driven by the healthy expansion of existing customers and a continued strategic focus on acquiring larger enterprise customers, who have greater potential to increase ARPC over time.

Quarterly Average Revenue per Customer(1) (JPY)

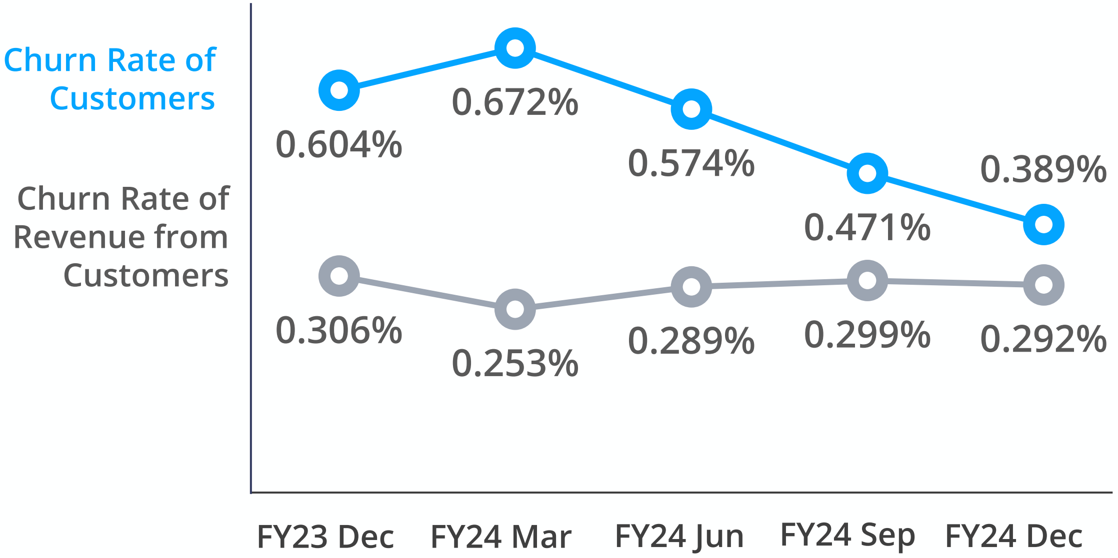


(1) "Customer" refers to a corporate group that has one or more active contracts for our solutions, excluding paid or unpaid trial, demo use and customers acquired through business acquisitions. Such corporate group is counted as a separate "customer" with respect to each solution it uses.

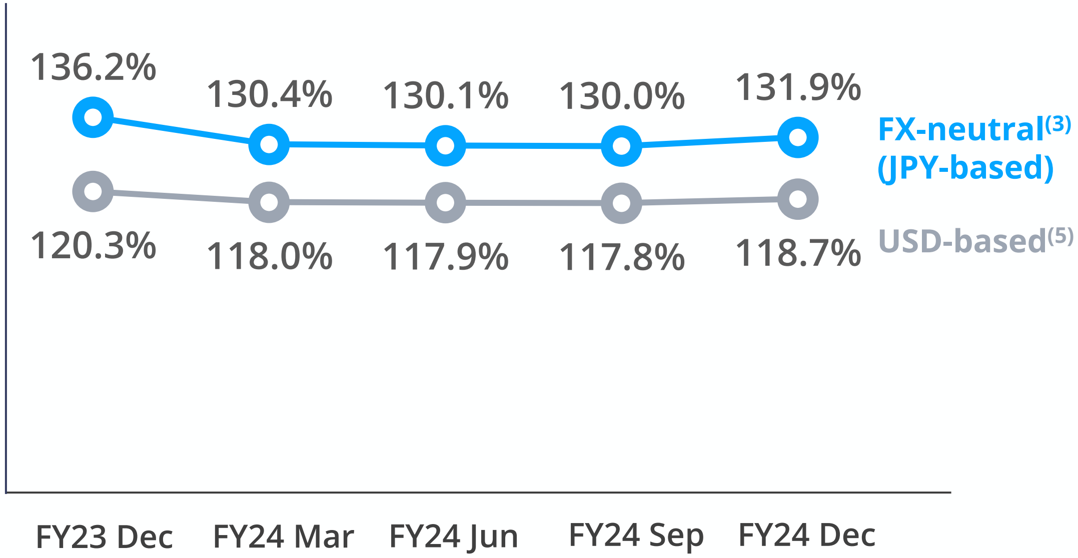
Historical best churn rate & solid LTM NRR prove the stickiness of our customers to our solutions

- The USD-based LTM NRR has remained at a high level, driven by healthy growth from key accounts. The narrowing gap between USD-based and JPY-based LTM NRR is due to smaller USD/JPY fluctuations compared to one year ago in the YoY comparison.

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



LTM Net Revenue Retention

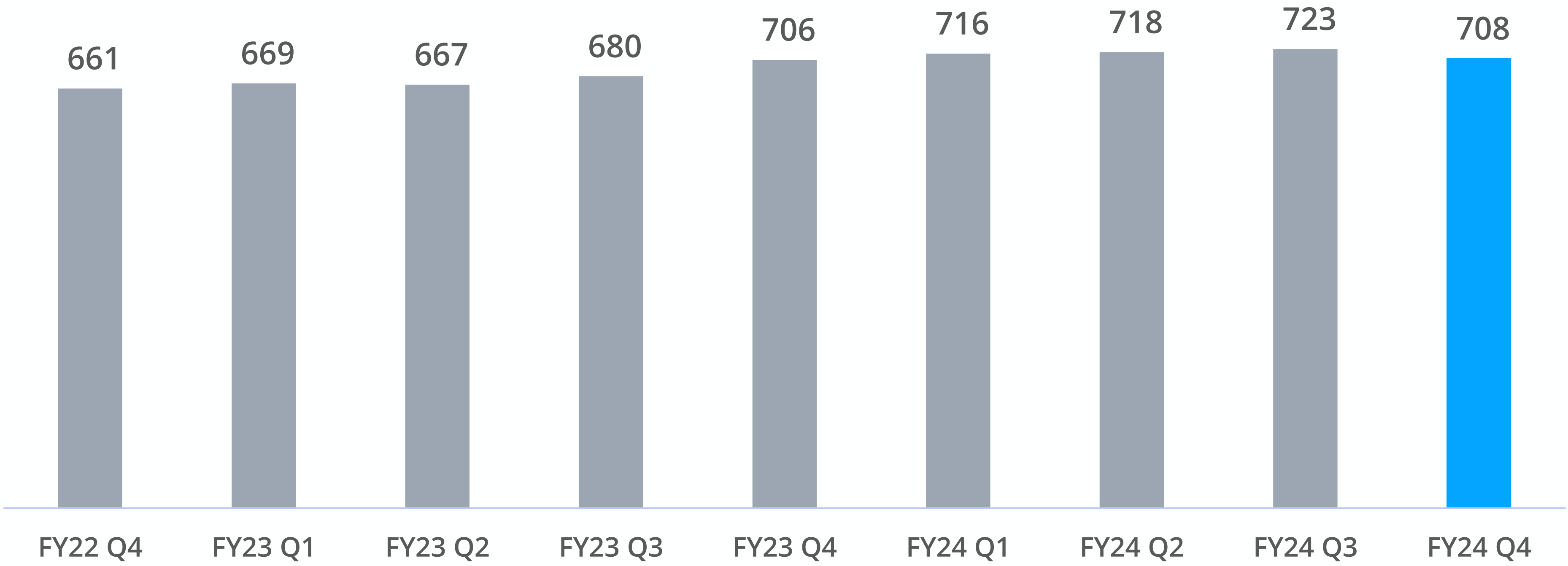


(1) Churn Rate of customers = The number of customers that terminated their relationship with us during the month divided by the number of all customers as of the end of the month.
(2) Churn Rate of Revenue from customers = Revenue calculated in U.S. dollars from customers that terminated their relationship with us during the month, divided by revenue calculated in U.S. dollars from all customers
(3) We calculate FX-neutral 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 and converted to JP Yen based on the FX-neutral quarterly average exchange rate of FY23 Q4 to FY24 Q3, by (ii) total revenue calculated in U.S. dollars from such customers during the same period of the prior year and converted to JP Yen based on applicable exchange rate of FY22 Q4 to FY23 Q3
(4) FX-neutral refers to a calculation using the same applicable exchange rate from the comparison period, excluding the impact of currency fluctuations in the current period.
(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.
(6) Above calculation does not include BotBonnie's and Woopra's customers.

Hiring to scale our opportunities & continuous investment in new talents

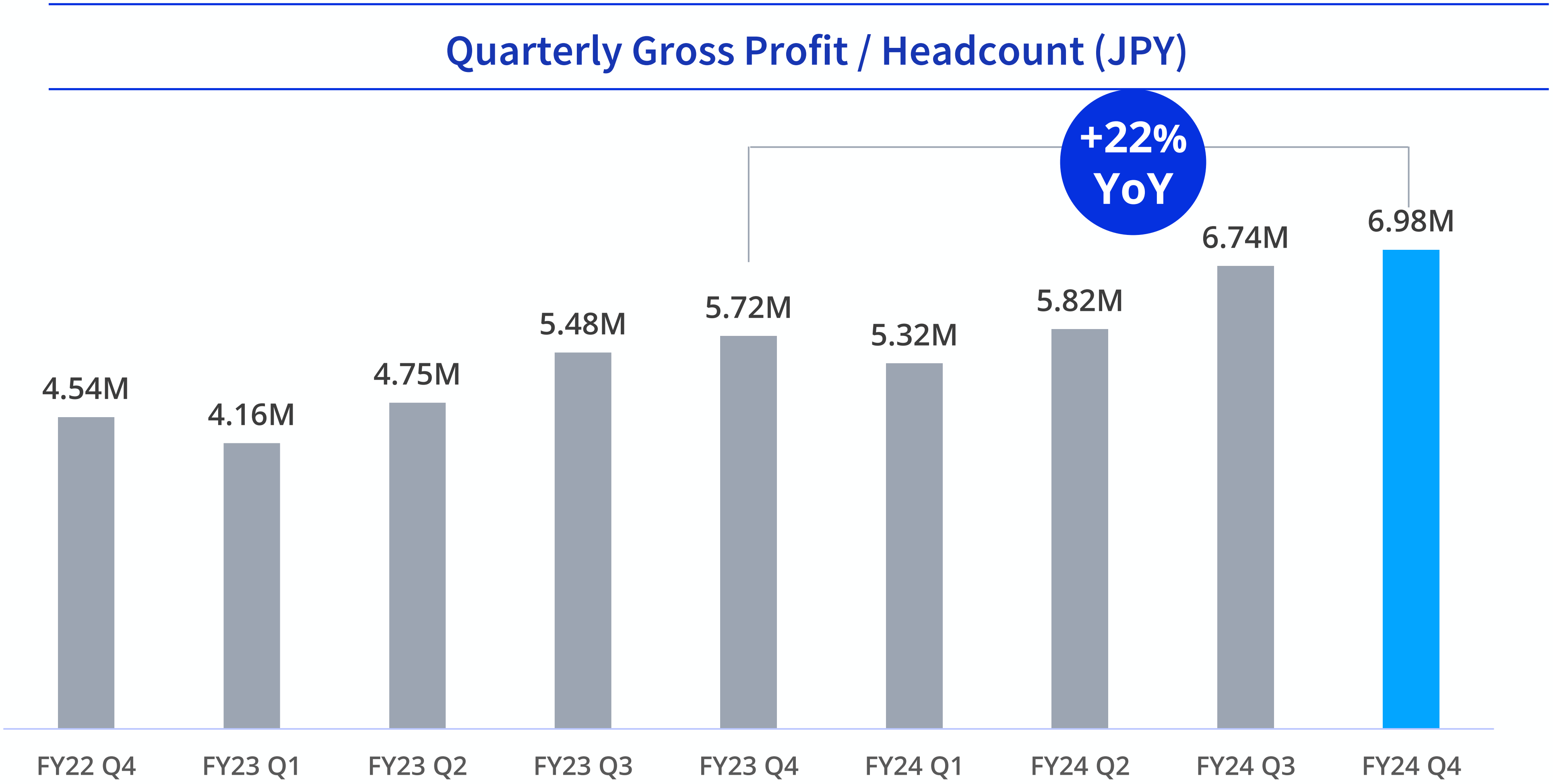
- New hires in FY24 Q4 were moderate, while we made good progress in commercial and engineering roles recruitment, especially in our key regions.
- We have adopted a quality-over-quantity hiring strategy, contributing to our profitable growth and improving productivity.

Total Headcount



Productivity Improvement

- We have further strengthened our productivity improvement, driving our quarterly gross profit per headcount to a historical high of 6.98M with a 22% YoY growth in FY24 Q4.



Business Overview

Founder-led Management of AI & Business Leaders

Founders

Dr. Chih-Han Yu
Chief Executive Officer

Stanford University
Harvard University

Joe Su
Chief Information Officer

Harvard University

Dr. Winnie Lee
Chief Operating Officer

Stanford University
Washington University

Business leadership

Dr. Ming-Yu Chen
Chief Technology Officer

Microsoft, Zillow, Compass

Dr. Joe Chang
Chief Strategy Officer

McKinsey & Company,
IQVIA

Koji Tachibana
Senior Vice President of Finance
Head of Japan

DeNA, NOMURA,
METI

Magic Tu
Senior Vice President,
Sales for Global

HTC, Synopsys

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

Appier's global presence: 17 offices worldwide

Paris
Amsterdam

Europe

Taipei / Hong Kong/
Beijing

Greater China

Tokyo / Seoul / Osaka

Northeast Asia

Singapore /
Ho Chi Minh City
Jakarta / Kuala Lumpur
Manila / Mumbai
New Delhi / Bangkok

Southeast Asia

San Francisco

North America

2012	2014	2015		2017	2020	2023
Taipei	Ho Chi Minh City Tokyo Singapore	Seoul Kuala Lumpur Mumbai New Delhi	Jakarta Hong Kong Manila	Osaka Bangkok	Beijing Paris San Francisco	Amsterdam

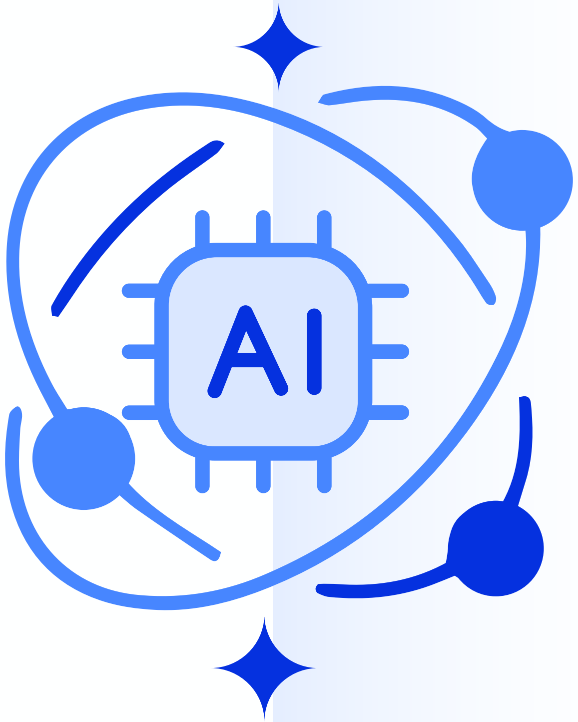
How AI transforms our business operation

Differentiating Products with GenAI

ROI driver
Personalized content and predictive ROI at large scale (Advertising cloud)

AI is the new UI
Enhance ease of use via natural language interfaces (Copilot mode across products)

Productivity enhancement
Improve efficiency with no-code, AI-enabled programming (Personalization Cloud)



A True AI Organization

Product development AI
to strengthen innovation and time-to-market

Customer management
provides customers consistent and high-quality services in a timely manner

Workflow standardization
to ensure the consistent operation and service standard through AI-enabled training

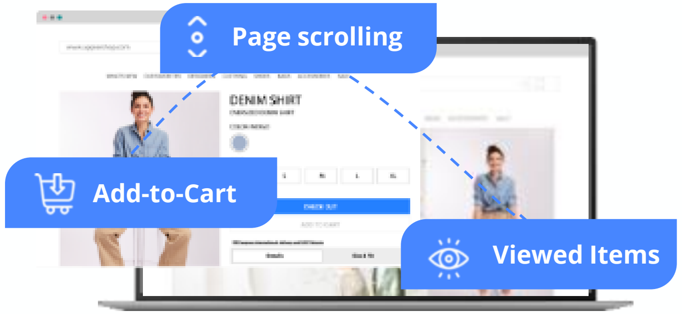
AI is the key component in the 1st party data world

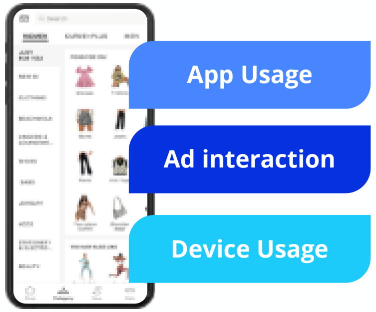
With Only 1st Party Data

Key Differentiators

- Real-time prediction
- Precise prediction from sparse data

User generated 1st party data





Real-time user preference prediction

Real-time learning of behavioral patterns

Real-time AI recommendation

Discover valuable users

With 3rd Party Data

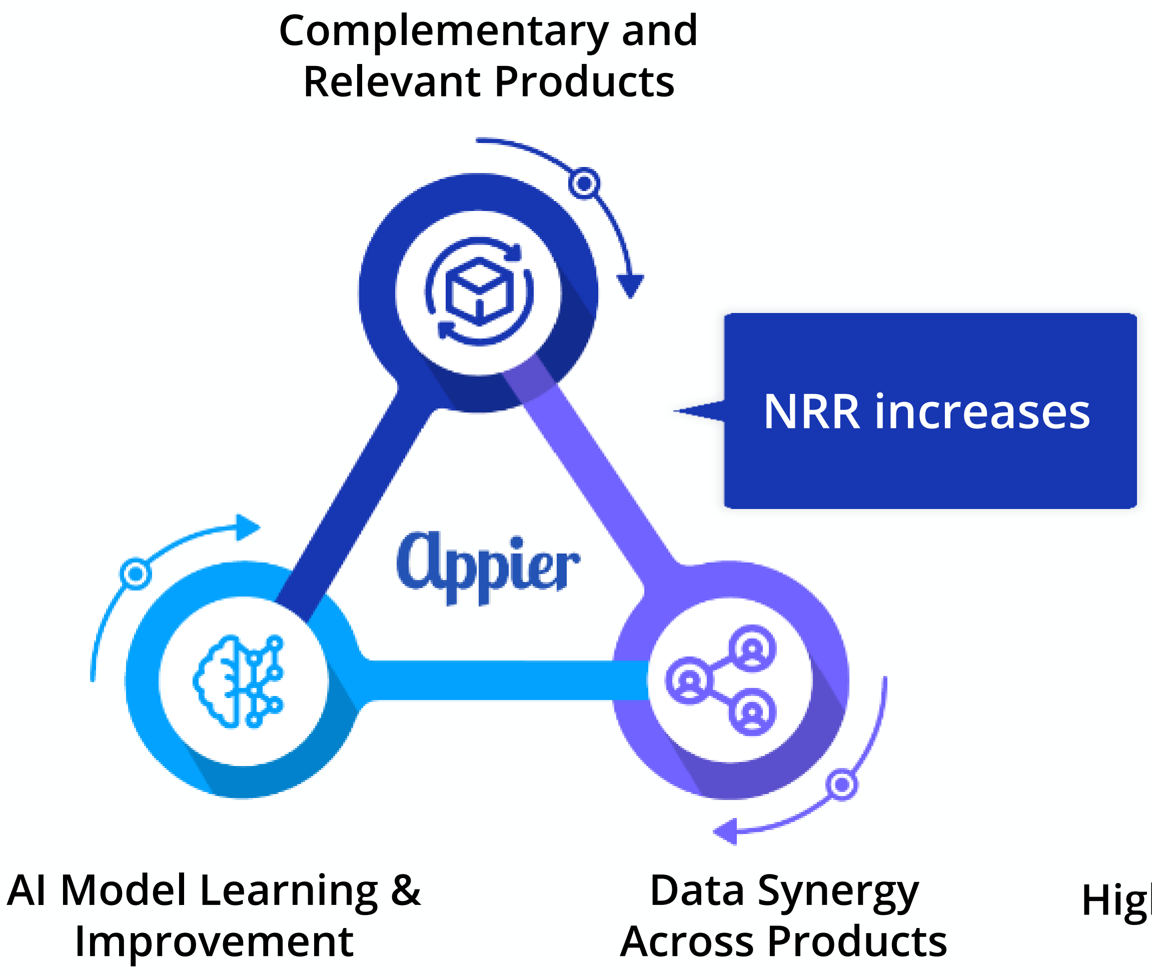
Deliver content based on 3rd party cookie mapping

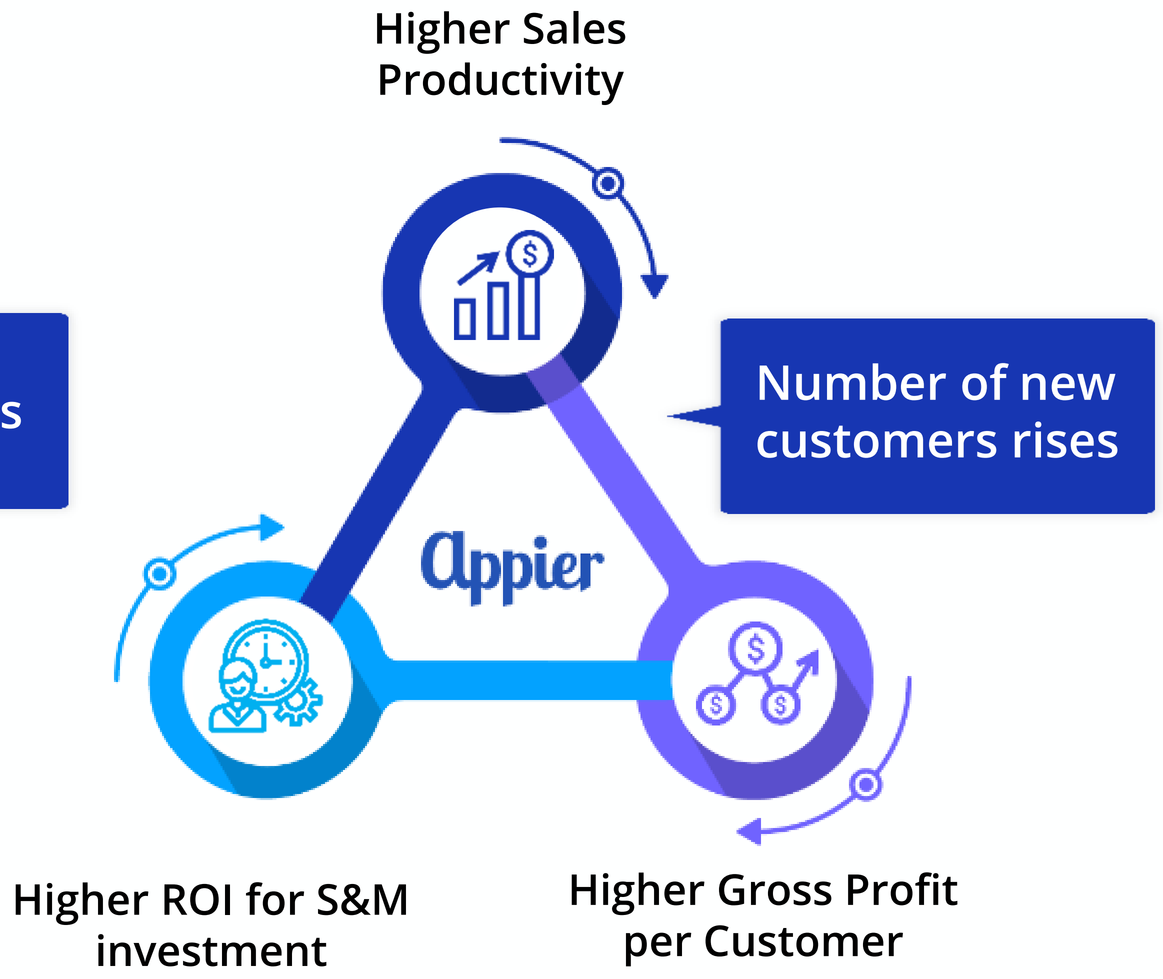
3rd party ID synchronization

3rd party database

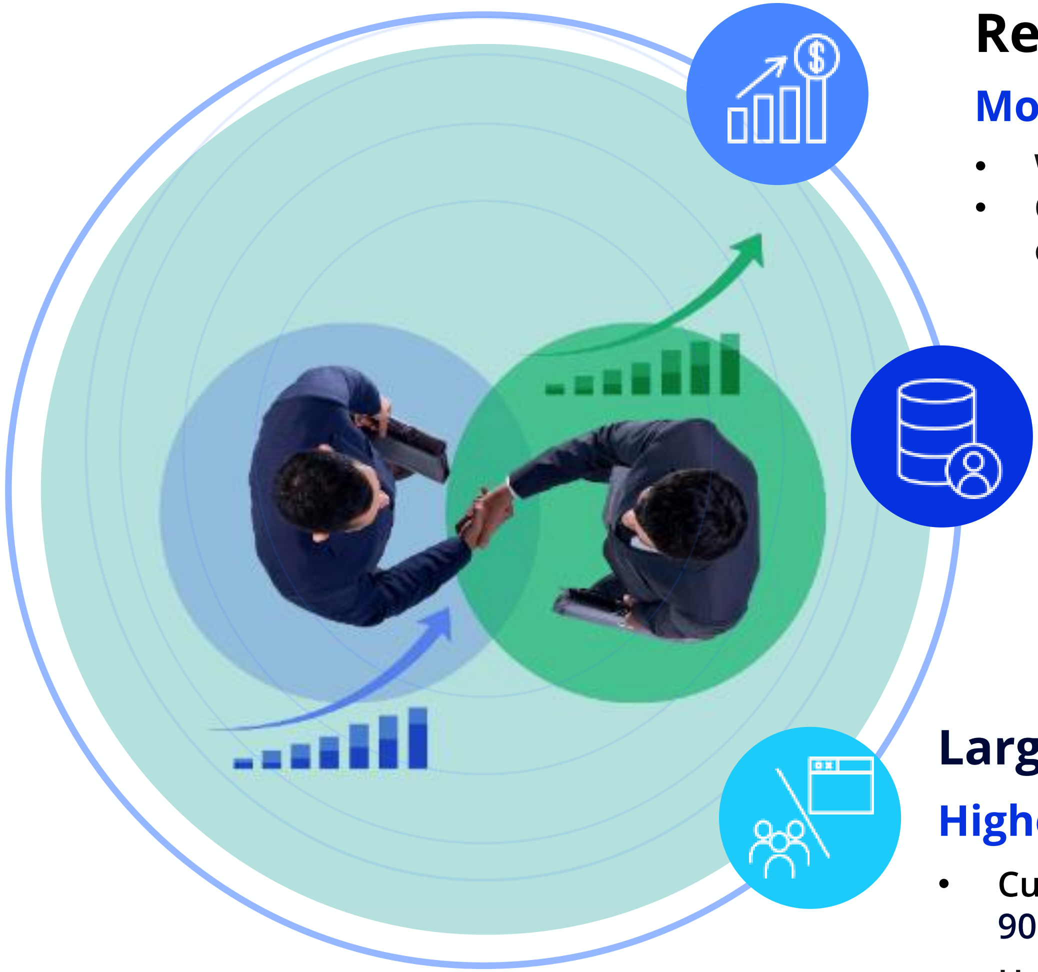
Tracking and identifying users in each session between websites to know their Interests

Appier's Strong Network Effects Drive Platform Value





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

Business Growth Outlook: Key Focus Regions & Verticals

GCR

- TW & HK - Deepen our penetration in each vertical
- CN - Further penetration in Digital Content vertical for outbound business

E-Commerce	★★
Digital Content	★★
Other Internet Services	★
Others	★★

US & EMEA

E-Commerce	★
Digital Content	★★★
Other Internet Services	★★
Others	★

- Expand into non-Digital Content verticals
- Deepen penetration in Digital Content vertical

NEA

E-Commerce	★★★
Digital Content	★★
Other Internet Services	★★
Others	★

- JP - Deepen our penetration in each vertical
- KR - Expand into the Digital Content vertical & deepen penetration in E-Commerce vertical

Current Revenue Contributor Classification:

★★★ High revenue contribution ★★ Mid revenue contribution ★ Low revenue contribution

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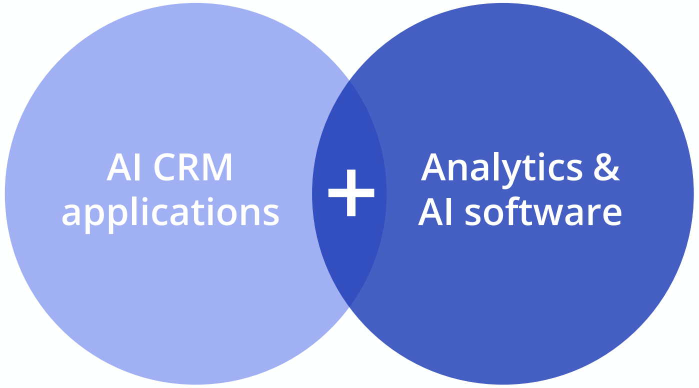
Massive Market Opportunity

Top-Down View 2024

IDC (1)



US$ 92 B
(estimated)

Bottom-Up View 2024

(1) Source: IDC Semiannual Artificial Intelligence Tracker, 2H 2020 (July 2021)
(2) Annualized revenue= FY23 revenue in JPY / exchange rate 140.95
(3) Calculation is based on internal estimation. In terms of APAC marketing investment, we have around 3% market share in EC, 2.7% 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.

Products

Appier's position in the AI stack

- Our unique position in the AI application layer is bolstered by our data moat, differentiated algorithm, and domain knowledge.

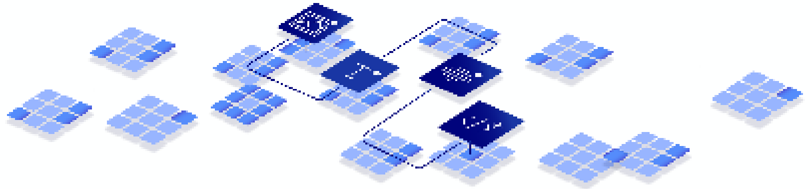
Applications

••• Fintech | Marketing | Cybersecurity •••

Appier

- Data Moat
- Domain Knowledge
- Verticalized model adaption

Foundation Models/ Utility Layer



- Data Breadth
- Model size & sophistication

Hardware

- Computational Efficiency & Capabilities

How we maintain our dominance in AI applications in the marketing domain

Data Moat

AI models trained with a wide variety of data across different industries, regions and business objectives for more than 10 years

AI Technologies

Our team of world-class award-winning experts, with years of experiences in applying AI technology to marketing, builds our strong differentiation

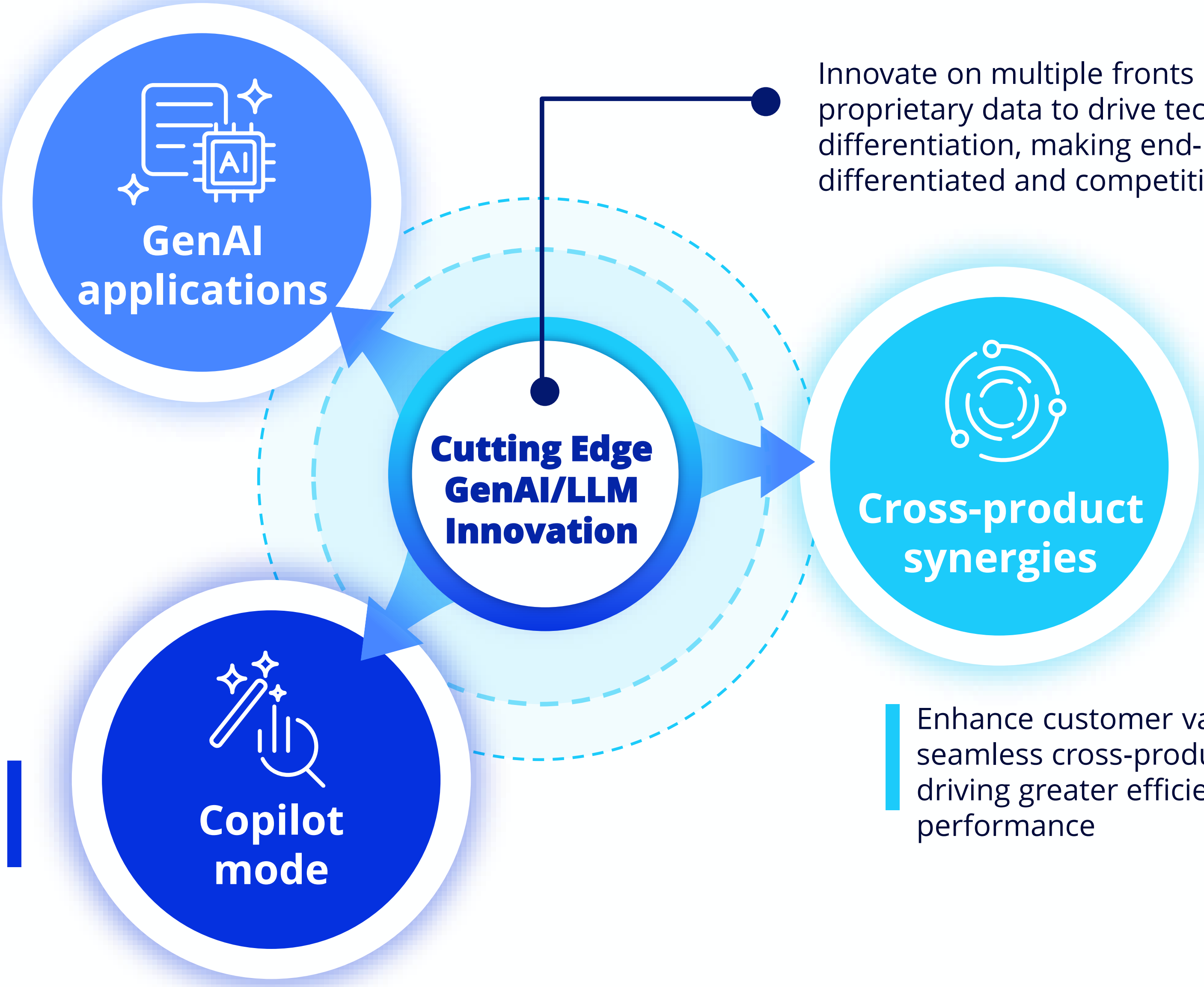
ROI-driven solutions

Our product design capabilities enable us to translate technology into ROI, driving sustainable growth for both our customers and our business

Product Development Strategy

Deliver extra ROI for our customers through innovative GenAI applications that leverage our technology

Innovate on multiple fronts by leveraging our proprietary data to drive technology differentiation, making end-use applications more differentiated and competitive



Empower customers to automate workflows and enhance productivity through seamless, natural language interfaces

Enhance customer value through seamless cross-product integration, driving greater efficiency and performance

Why Appier Wins

Existing Solutions			Why Customers Choose Appier
Manual A/B testing • Leading to waste of budget and unlikely to outperform machines	Prospecting & Acquisition	CrossX AIXPERT	• ML modules predict high life-time value end users • Acquire the most valuable users at scale with predictable return on investment
Marketing Cloud solutions • Mostly based on a reactive approach based on past behaviors	Retention & Engagement	AIQUA 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
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	Transaction	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
AI vendors or building an inhouse data scientist team • Potentially hard to scale and more costly	Audience Intelligence	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

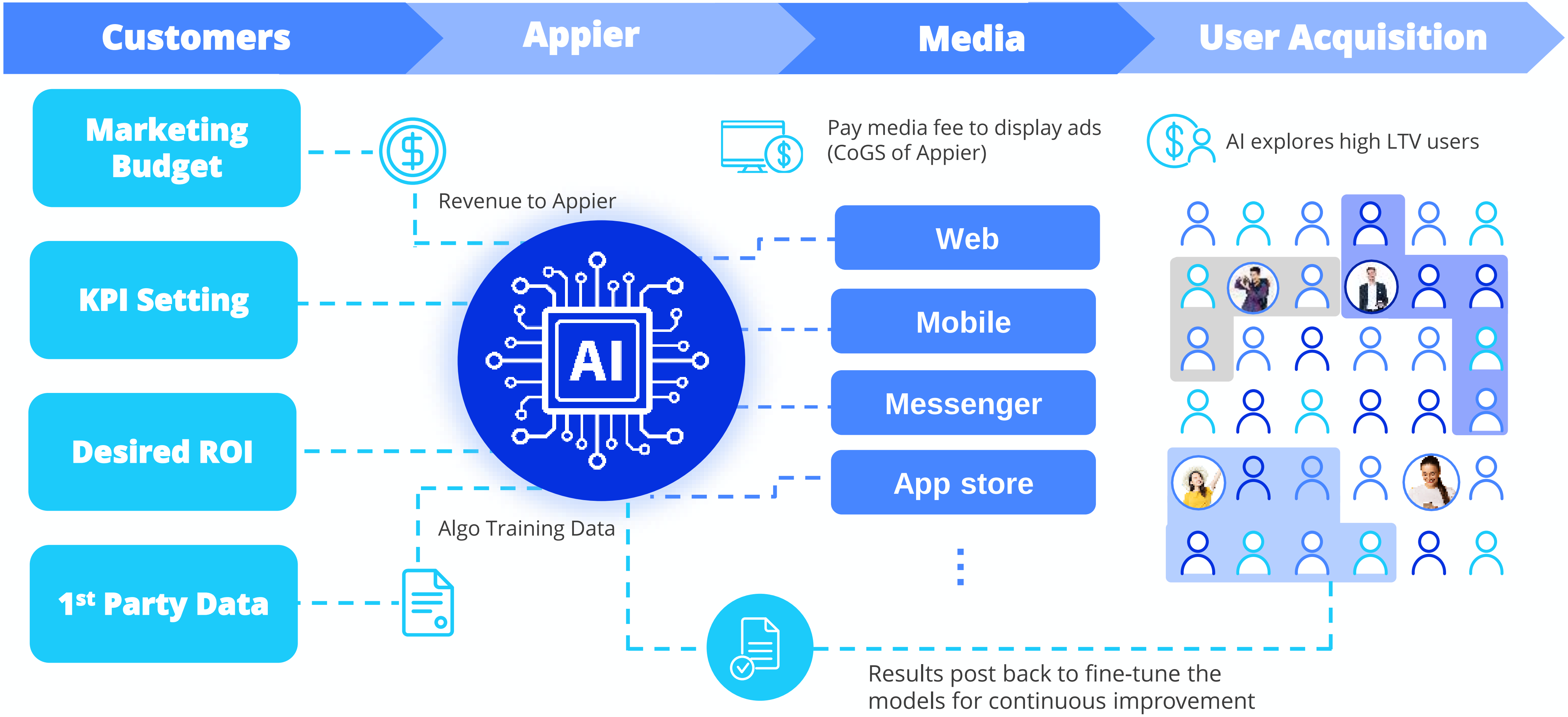
CrossX

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**

CrossX

How CrossX Works- Full AI Automation for Better ROI



CrossX

AI Strength: Bring Predictivity & Accuracy to Digital Ads

Better Visibility & Return

Let customers know their return before spending and simultaneously increase overall return

Upsell Opportunity

Predicable ROI brings more usage of CrossX

Technology Moat

Our AI has been trained for more than 10 years with marketing data across regions and industries

Barriers to Entry

Higher AI accuracy with accumulated data learning

Auto Algo Exploration

Continuous experiments to improve prediction accuracy and maintain our leading edge

Win-Win with Customer

Better ROI for customers and revenue growth for Appier

NEXON | CrossX

Boost growth with a consistent stream of high-quality users with high ROAS

Successful case – a leading global game publisher

Goals

- Boost installs in the acquire high value users who are interested in the game title during the initial game launch to boost installs
- Ensure the ROAS and retention rate

Solution

- Leverage Appier’s proprietary AI audience model that analyzes users’ in-app behavior as well as the game’s app contextual data and marketing graphics to identify high-quality users
- Analyzes gamer’s behavior, including in-app purchases, completion level of the game and the pattern of opening the game app, for re-targeting

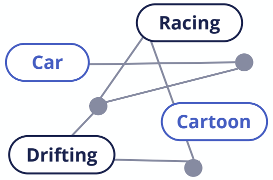
Appier’s AI audience model for new users

In-app user behavior

Graphics Style

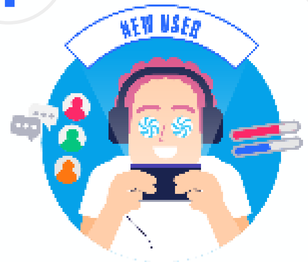
- Cartoonish
- 3D visual
- Fantasy

App contextual data



Acquire users with high interests to the app & ROAS

Day 1



Secure the day 1 retention

Day 2

Level 20 completion

+6.9%

Day 7

In-app purchase

+1.4x

Day 30

Re-target TOP future CVR & ROAS users

Uplift user’s LTV(1)

Day 45

Day X

CVR(2)

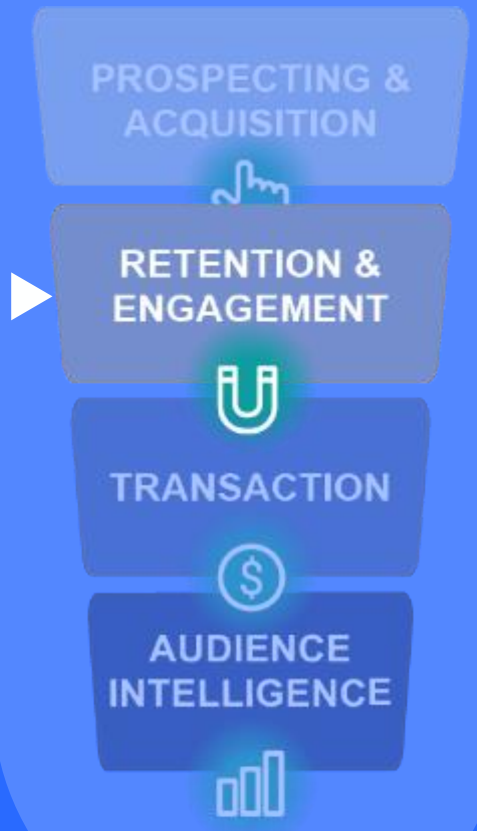
+55%

Purchase event

+16%

Appier

(1) LTV= Lifetime value
(2) CVR= Conversion Rate



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**

BotBonnie

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

AIQUA
BotBonnie

Drive High Conversion with Personalized Engagement

Data Collection → **Integrate & analyze** → **Create user profiles** → **Engagement** → **Conversion**

CRM data

Social data
- Chat history
- Push engagements

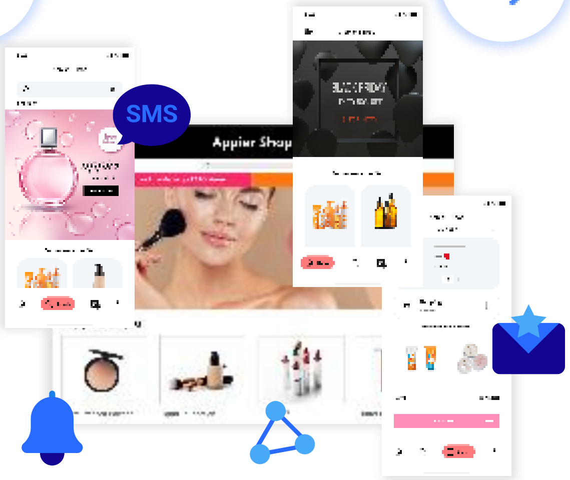
Onsite behavior
- Browsing history
- Device
- Member registration
- User engagement

AI

- Interacted on LINE
- Has not returned for 30 days
- Abandoned cart
- Viewed product A
- Gold member

With full suite of
AI recommendation model

- Personalized contents
- Right channel
- Right timing



Higher click-through rate

Maximize user's lifetime value

Appier

AIQUA
BotBonnie

Key Strengths

Optimize ROI with AI Recommendation Models

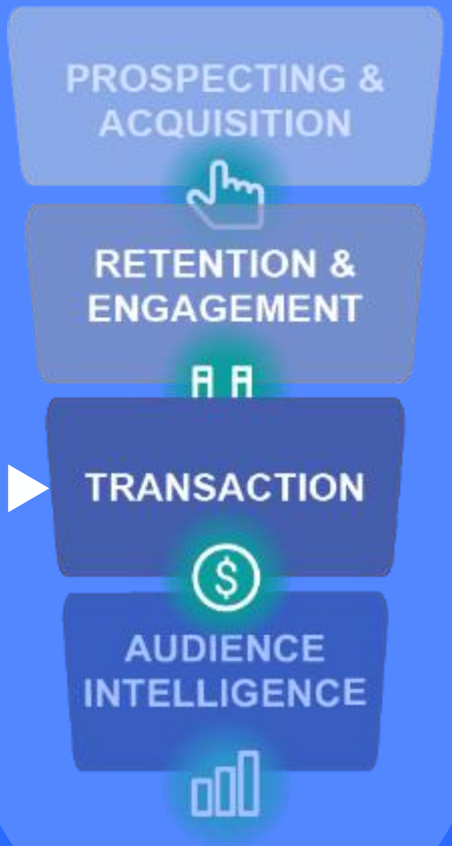
Provide highly personalized user experience to boost conversions and maximize users' LTV

Maximize customer engagement with AI-driven precision

Predict the optimal timing and deliver personalized content through the right channel for streamlined effectiveness and efficiency

Boost GenAI effectiveness with decision-making AI

Create compelling marketing content with the robust GenAI, evaluated by decision-making AI for superior results



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**

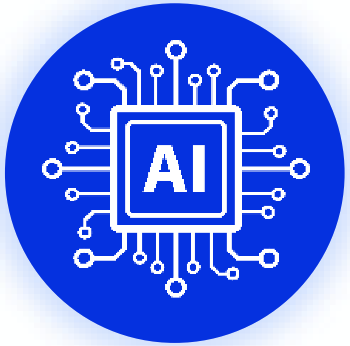
Trigger Purchase Decisions with Optimal Incentive Offering

Predict and only distribute the most effective incentive to hesitant buyers while maintaining profitability

Entering the website → **Detect behaviors** → **Identify user's intent** → **Trigger actions**

Triggered events

- Swipe back
- Back botton
- Scroll down
- Idle time
- Traffic source
- Viewed page



AI uncovers insights of hesitant buyers

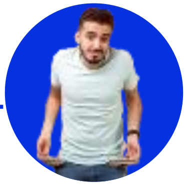
Dynamically decided optimal offering to individuals

Free Delivery

First time visitor

10% OFF

Hesitating on high-priced items



SAVE $5

Bargain hunter

AIDEAL

Key Strengths

Analysis of Users' Behavior with Advanced Algorithm

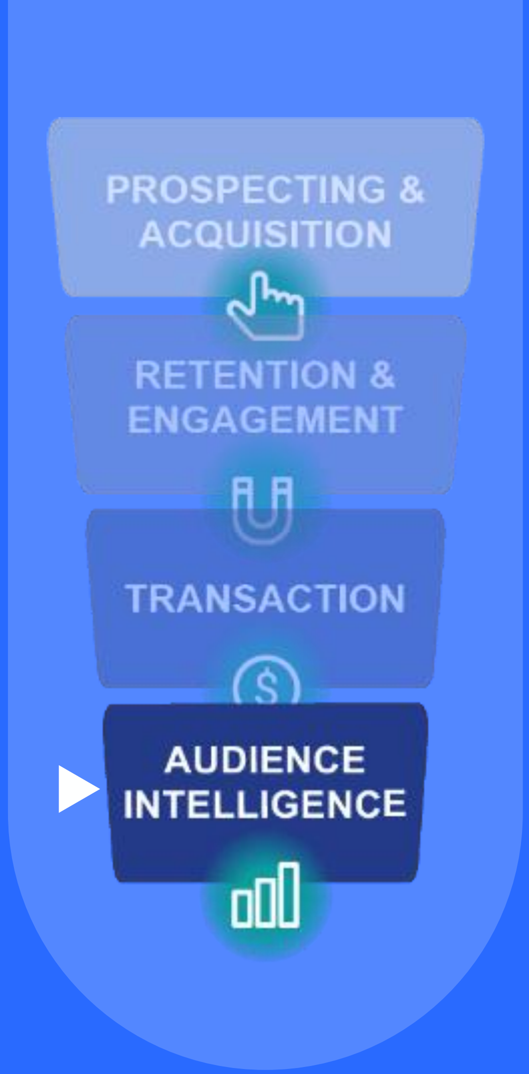
Generate accurate and reliable outputs with extensive training data

Improve ROI with Real-time AI Predictions

Predict hesitant buyers in real-time to deliver incentives and drive higher ROI with the same budget amount

Uplift GMV with Tailored Incentives

Push indecisive users to check-out through optimal incentive offering predicted by AI



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.

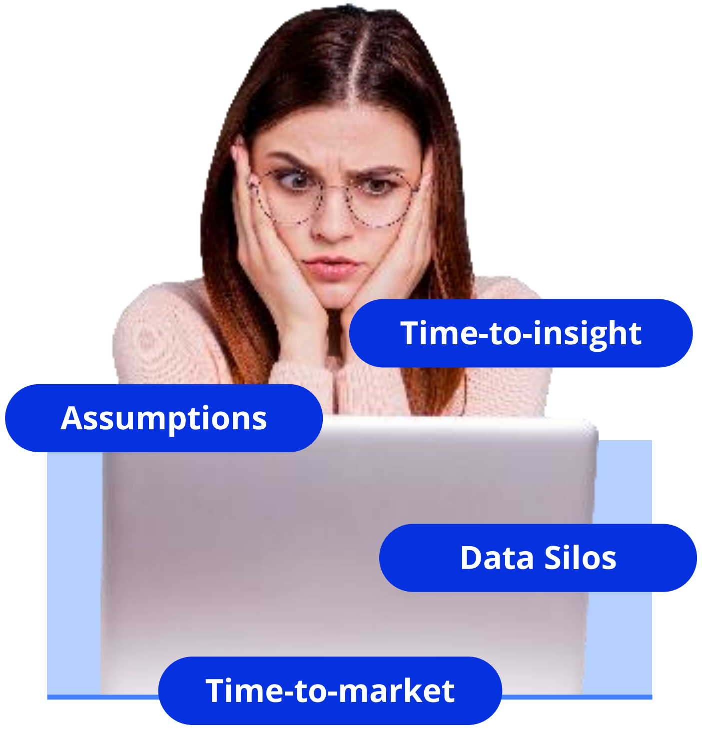
Data Unification and Auto-processing | **Scenario-based Prediction with Automated ML models** | **Explainable AI**

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**

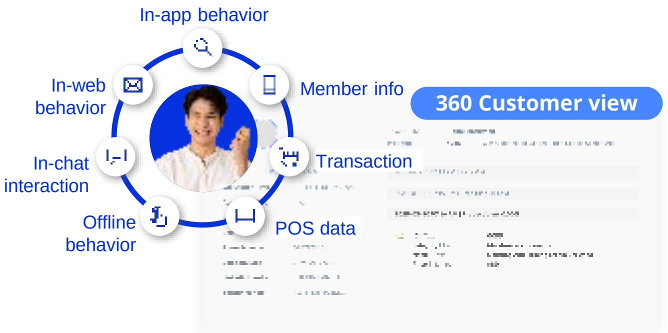
Empower Business Growth with AI CDP



Marketers' pain points

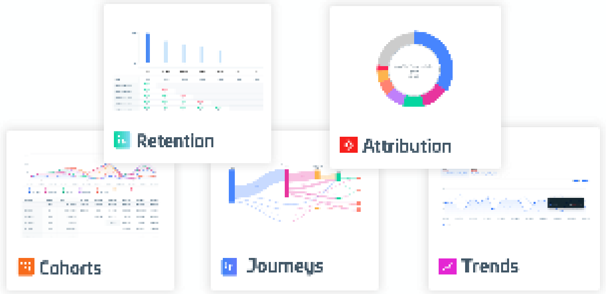
Real-time data ingestion

- Ingest, clean, and align data from multiple sources
- **AI-powered Unified Customer profile and Customer 360**



Fastest code-free visualization analytics

- Quickly build an insight dashboard from templates with **customized visualization to democratize data across organizations**



AI-powered customer prediction

- Allowing marketers to prioritize and target users based on predictions of customer behavior
- Deliver **hyper-personalized engagement** with precise segmentation

Key Strength

Fastest Time-to-Insight with Seamless Data Ingestion

Real-time data unification to provide 360 view of each user even with anonymous actions

Fastest Time-to-Action with code-free visualization

Visualize insights and measure the impact at every touchpoint to take necessary actions

AI-Powered Insights for Proactive User Engagement

Precise real-time AI prediction of end-user behaviors and tailor effective acquisition/ engagement strategy

Financial Data

Selected Financial Data

Consolidated Statements of Profit or Loss

(Millions of JPY)	2022	2023	2024	YoY	2023 Q4 3 months	2024 Q4 3 months	YoY
Revenue	**19,427**	**26,418**	**34,057**	**29%**	**7,616**	**9,483**	**25%**
Cost of sales	(9,428)	(12,710)	(16,255)		(3,579)	(4,545)	
Gross profit	**9,998**	**13,708**	**17,802**	**30%**	**4,037**	**4,938**	**22%**
Gross margin	**51.5%**	**51.9%**	**52.3%**		**53.0%**	**52.1%**	
Sales and marketing expenses	(6,394)	(8,263)	(9,682)		(2,369)	(2,529)	
% of Revenue	*33%*	*31%*	*28%*		*31%*	*27%*	
Research and development expenses	(2,284)	(3,141)	(4,650)		(912)	(1,213)	
% of Revenue	*12%*	*12%*	*14%*		*12%*	*13%*	
General and administrative expenses	(1,602)	(1,829)	(1,850)		(464)	(497)	
% of Revenue	*8%*	*7%*	*5%*		*6%*	*5%*	
Other income	334	334	390		151	86	
Other expenses	(2)	(9)	(29)		(2)	(8)	
Operating income	**50**	**801**	**1,981**		**439**	**777**	
Operating margin	**0.3%**	**3.0%**	**5.8%**		**5.8%**	**8.2%**	
Finance income	213	547	448		141	92	
Finance costs	(153)	(285)	(367)		54	(107)	
Profit before tax	**111**	**1,063**	**2,062**		**634**	**762**	
Income taxes	(90)	(61)	865		(15)	925	
Profit for the year	**21**	**1,002**	**2,927**		**619**	**1,687**	
Basic earnings per share (JPY)	**0.21**	**9.85**	**28.70**		**6.08**	**16.53**	
Diluted earnings per share (JPY)	**0.21**	**9.75**	**28.47**		**6.02**	**16.45**	

Selected Financial Data

Consolidated Statements of Financial Position

(Millions of JPY)	2022	2023	2024
Cash and cash equivalents	3,804	6,134	5,496
Time deposits	13,933	8,004	6,727
Other financial assets – current assets (1)	3,577	4,940	5,794
Liquidity on hand	**21,313**	**19,078**	**18,017**
Accounts receivables (2)	3,764	5,355	9,361
Other current assets	286	496	621
Total current assets	25,363	24,929	27,999
Right-of-use assets (Lease assets) (3)	2,882	2,686	2,197
Goodwill and intangible assets (8)	6,937	9,347	12,528
Deferred tax assets (9)	175	190	1,117
Other non-current assets	582	700	796
Total non-current assets	10,576	12,923	16,638
Total assets	**35,939**	**37,852**	**44,637**

(1) Holding short-term low-risk securities for fund management purposes.
(2) Accounts receivables = Trade receivables + Contract assets
(3) Lease assets and liabilities are related to office rents and are recognized simultaneously as assets and liabilities.
(4) Trade and other payables = Trade payables + Contract liabilities + Other liabilities
(5) Total of current and non-current lease liabilities
(6) Shareholders' equity = Share capital + Capital surplus + Treasury shares + Retained earnings

(Millions of JPY)	2022	2023	2024
Trade and other payables (4)	4,375	5,156	6,260
Lease liabilities (3) (5)	2,912	2,747	2,279
Borrowings	2,149	600	1,500
Others	301	258	283
Total liabilities	**9,737**	**8,761**	**10,322**
Shareholders' equity (6)	21,774	22,963	25,153
Other components of equity (7)	4,427	6,128	9,162
Total equity	**26,201**	**29,091**	**34,315**

(7) Other components of equity consists mainly of translation differences in financial statements of subsidiaries outside Japan. The amount would increase in case of JPY depreciation to other currencies.
(8) Intangible assets mainly consist of the capitalized amount of software development costs that meet capitalization requirements.
(9) The Increased deferred tax assets in FY24 consist of the recognized amount on loss carryforwards, reflecting the outlook for improved profitability.

Selected Financial Data

Consolidated Statements of Cash Flows

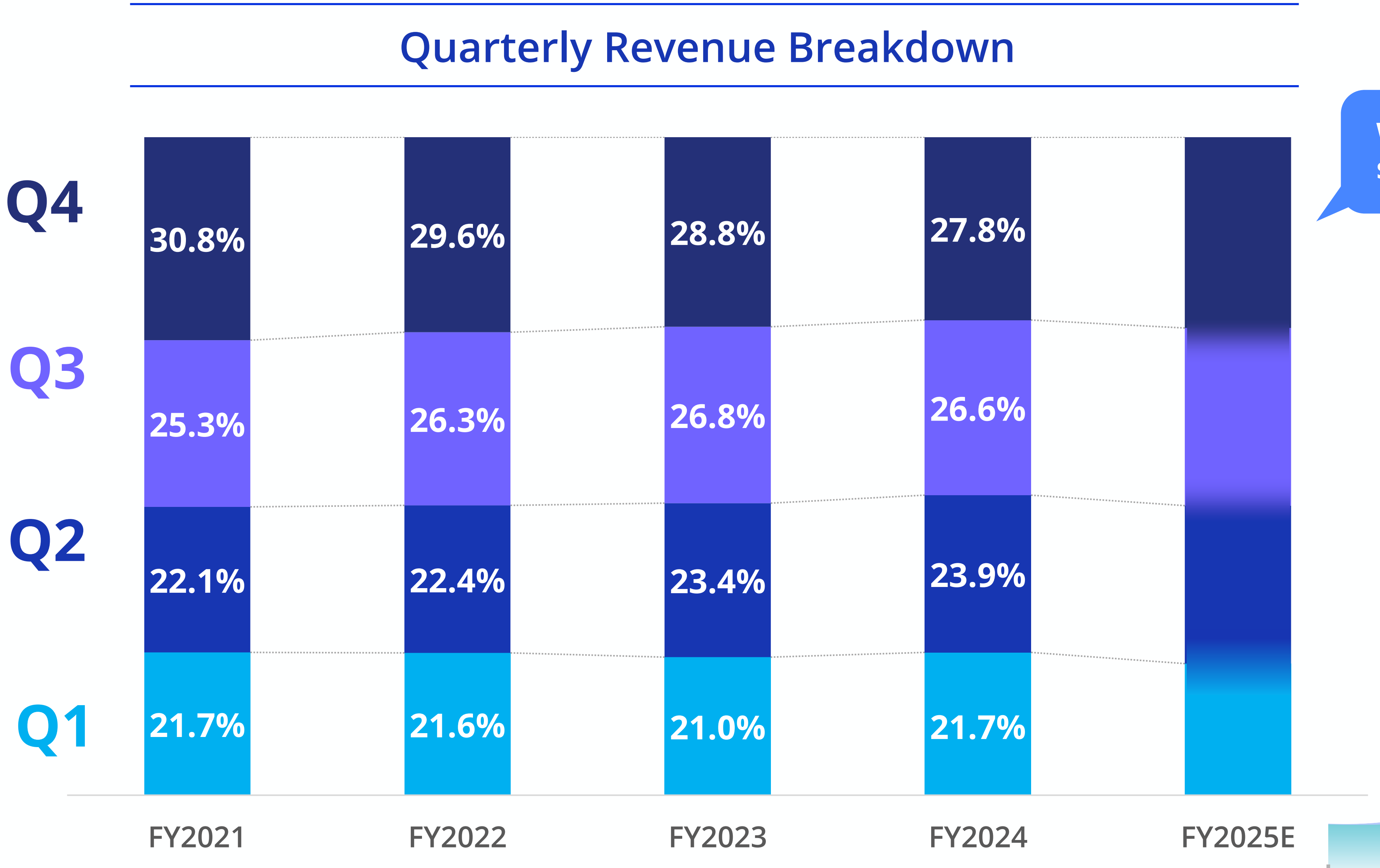
(Millions of JPY)		2022	2023	2024
Cash flows from operating activities	**(A)**	**996**	**2,224**	**1,929**
Excluding change in working capital		1,304	2,950	4,828
Change in working capital (4)		-308	-726	-2,899
Cash flows from investing activities		**-3,772**	**1,971**	**-2,241**
Payments for intangible assets	(B)	-2,330	-3,229	-4,191
Payments for acquisition of subsidiaries		-1,237	-381	-
Withdrawal and placement of time deposits		3,317	6,585	2,087
Acquisition and disposal of other financial assets – current (2)		-3,411	-817	-78
Others		-111	-186	-59
Cash flows from financing activities		**-520**	**-2,250**	**-792**
FX impact on cash and cash equivalents		539	385	466
Change in cash and cash equivalents		**-2,757**	**2,330**	**-638**
Ending balance of cash and cash equivalents		3,804	6,134	5,496
Core free cash flow (1)	**(A)+(B)**	**-1,334**	**-1,005**	**-2,262**

Change in liquidity on hand

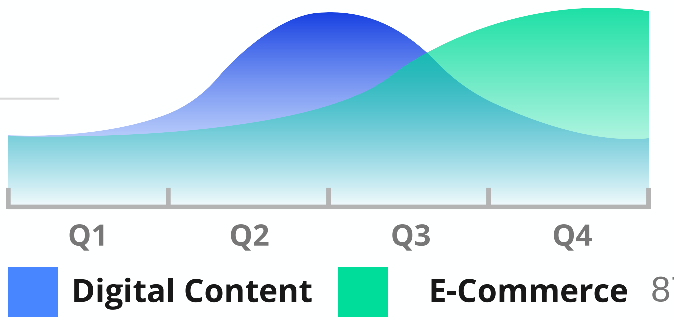
(Millions of JPY)	2022	2023	2024
Balance of liquidity on hand	**21,313**	**19,078**	**18,017**
Cash and cash equivalents	3,804	6,134	5,496
Time deposits	13,933	8,004	6,727
Other financial assets – current (2)	3,577	4,940	5,794
Change in liquidity on hand	**-187**	**-2,235**	**-1,061**
Core Free cash flow (1)	-1,334	-1,005	-2,262
Cash flows from other investing activities	-1,348	-568	-59
Cash flows from Financing activities	-520	-2,250	-792
Fair value assessment on other financial assets – current (2)	68	253	300
FX impact	2,947	1,336	1,752
FX impact on cash and cash equivalents	539	385	466
FX impact on time deposits	2,310	656	810
FX impact on other financial assets – current (2)	98	294	476

(1) Core free cash flow = Cash flows from operating activities + Payments for intangible assets
(2) Holding short-term low-risk securities for fund management purposes
(3) Payments for property, plant and equipment, Payments for acquisition of subsidiaries, and Increase in guarantee deposits
(4) Working capital increases due to revenue growth and longer payment terms resulting from a focus on large enterprise customers

Quarterly Seasonality

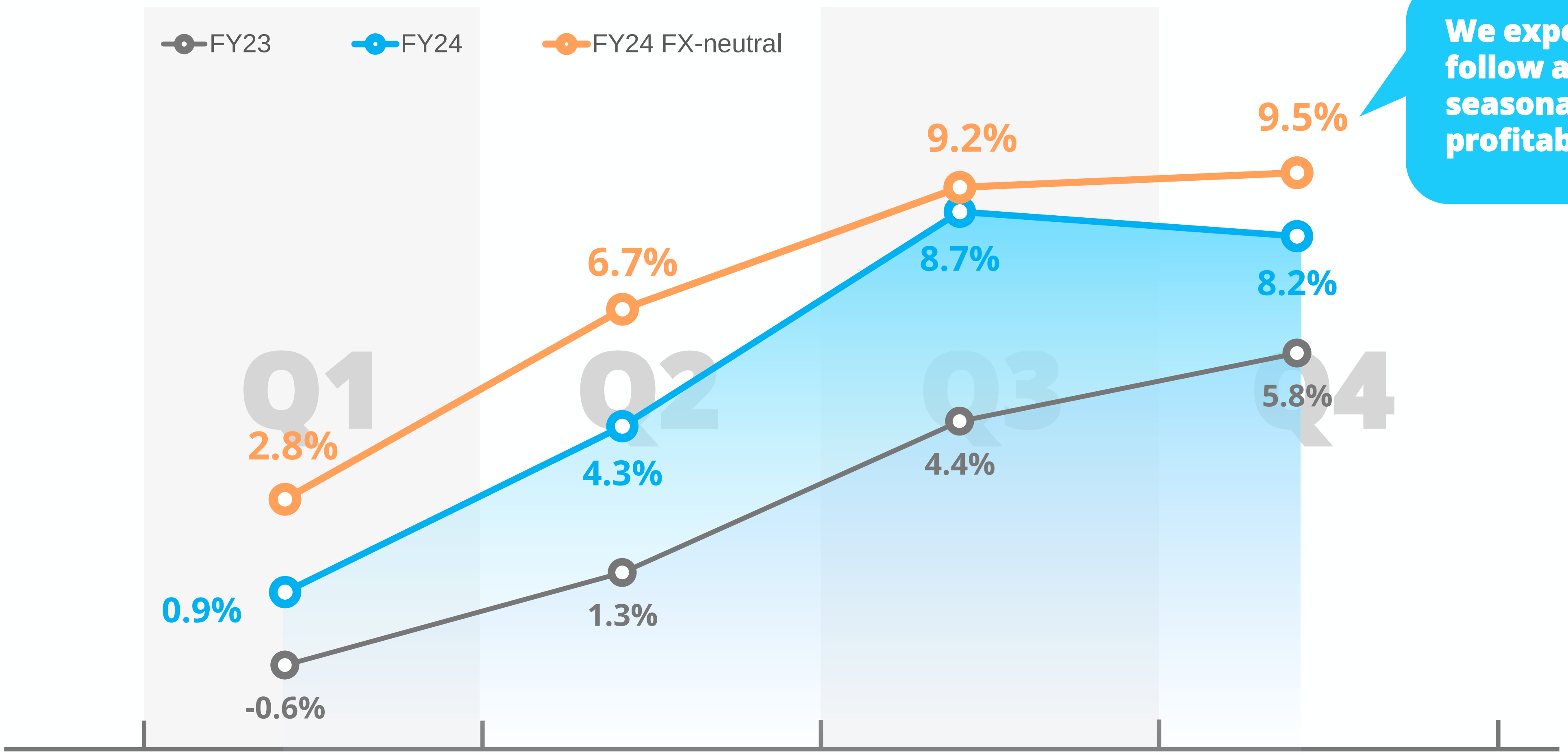


We expect FY25 to have a similar seasonal pattern



Quarterly Seasonality in Profitability

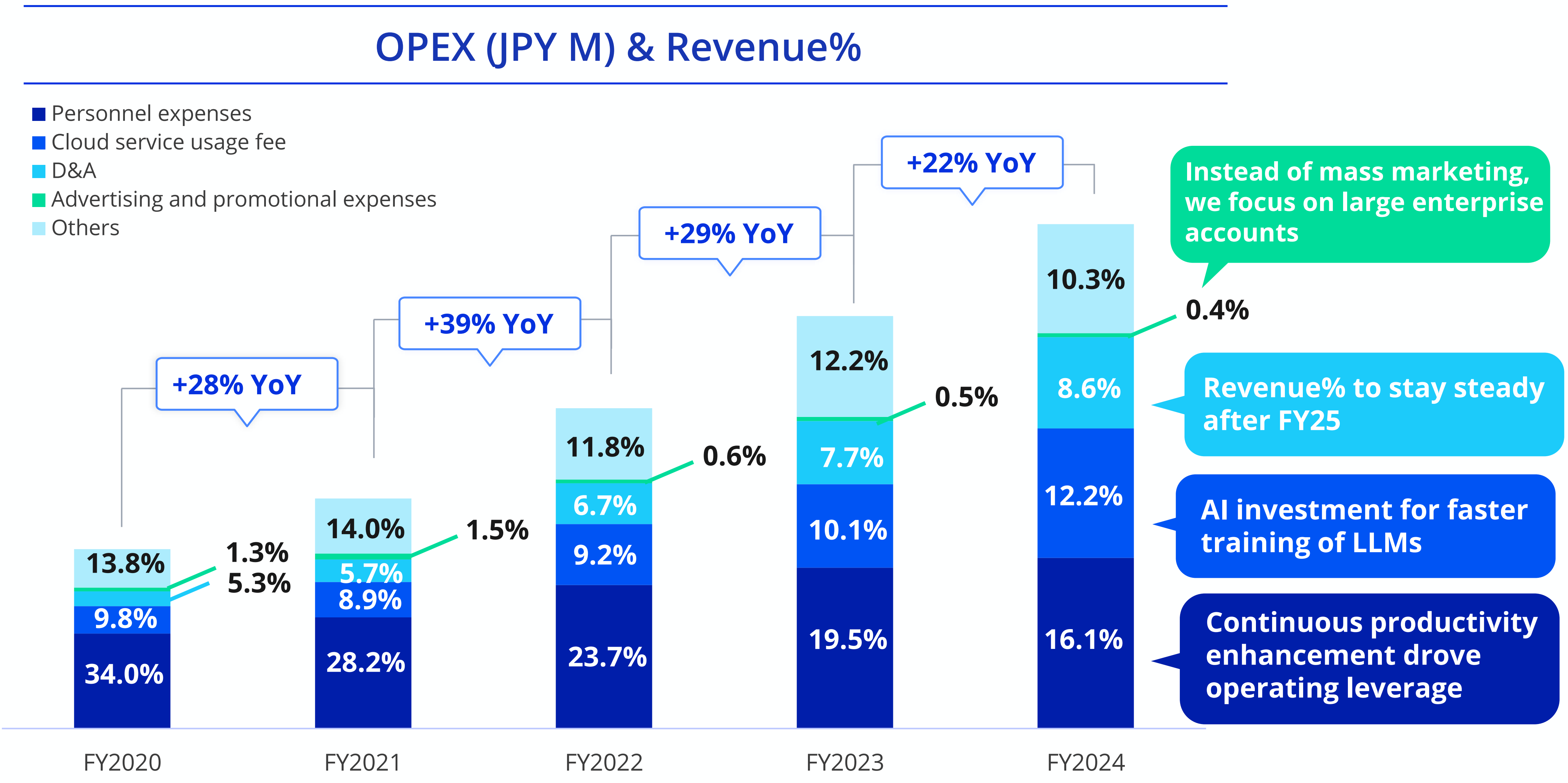
Quarterly Operating Margin



We expect FY25 to follow a similar seasonality in profitability as FY24

Appier

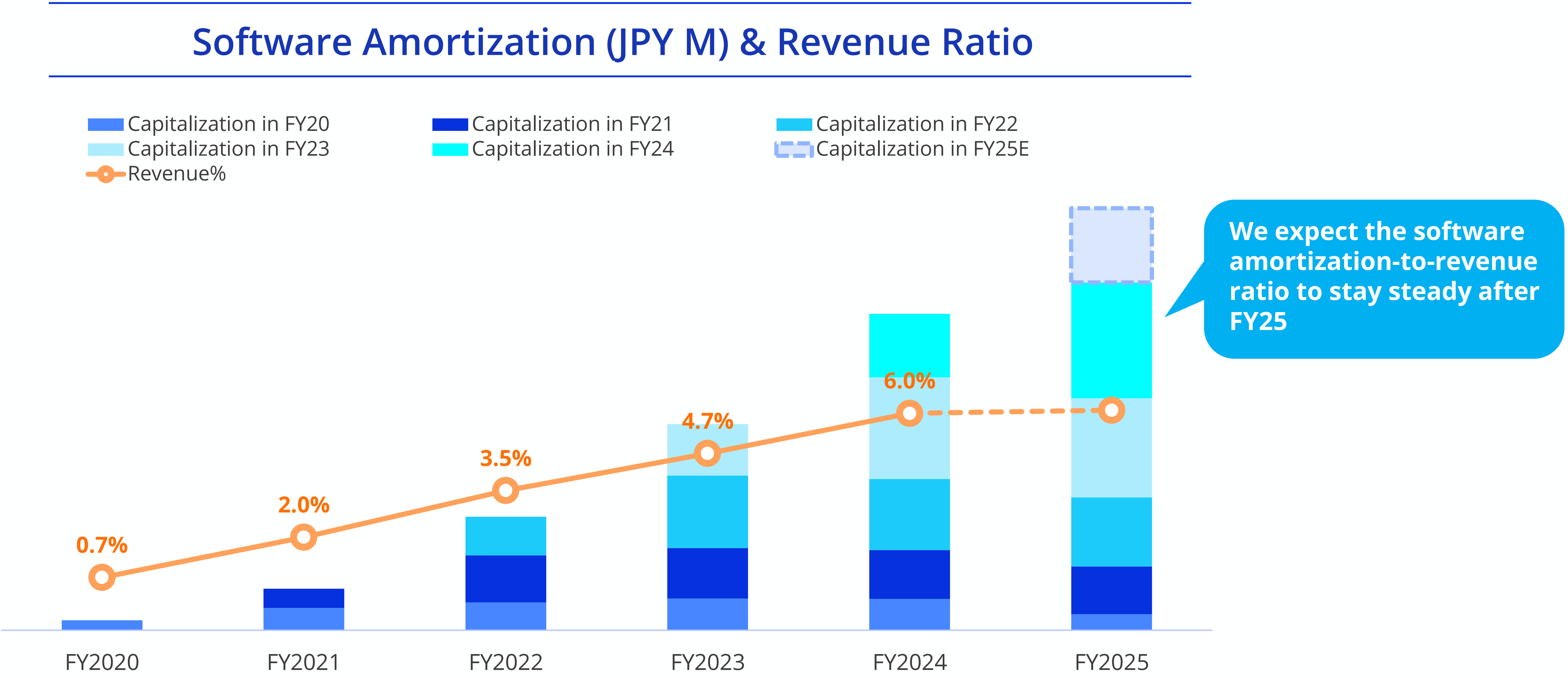
Main Components of OPEX



(1) "Others" includes commission fee, professional service fee, T&E and others.

Software Amortization

- We started software capitalization in FY2020 and amortized the capitalization for 5 years.

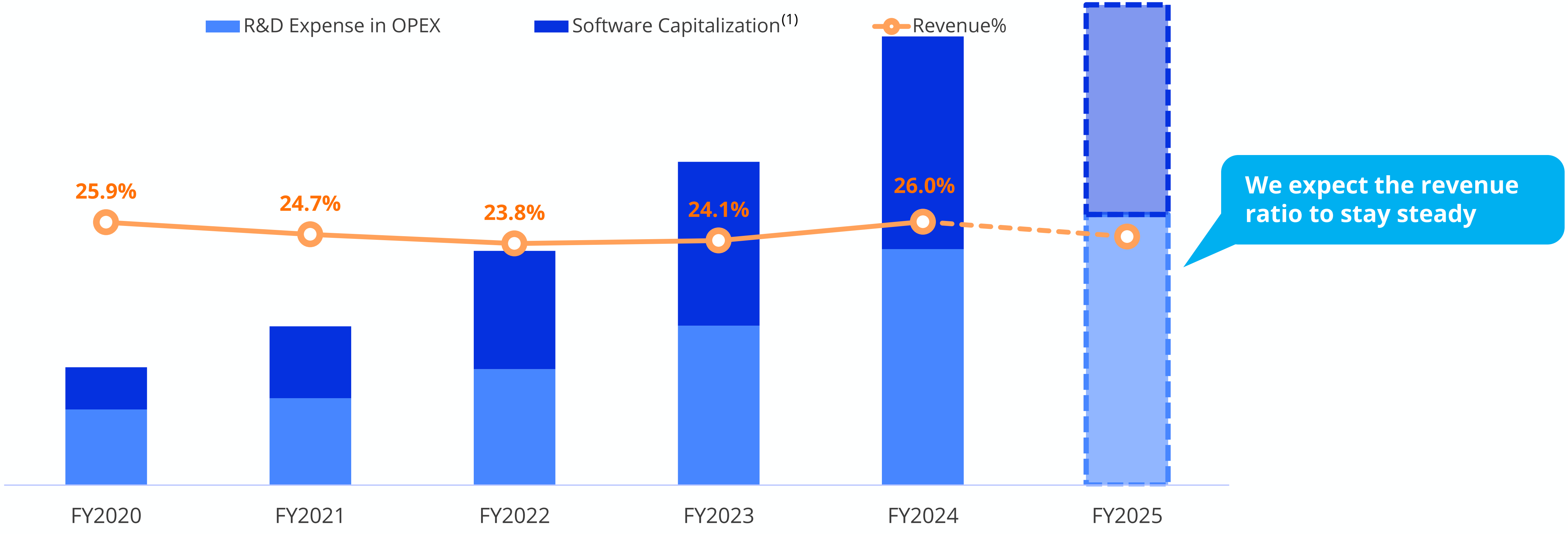


(1) The calculation of software-amortization-to-revenue ratio from FY24 to FY25 includes the software capitalization amount from FY24 to FY25.

R&D Investment

- Total R&D investment-to-revenue ratio remained stable in past years due to our disciplined project management, despite increased demand of R&D investment while expanding business opportunities in Generative AI.

Total R&D Investment (JPY M) & Revenue Ratio



(1) The software capitalization amount refers to the payment for intangible assets in the cash flow.

ESG Initiatives

Appier

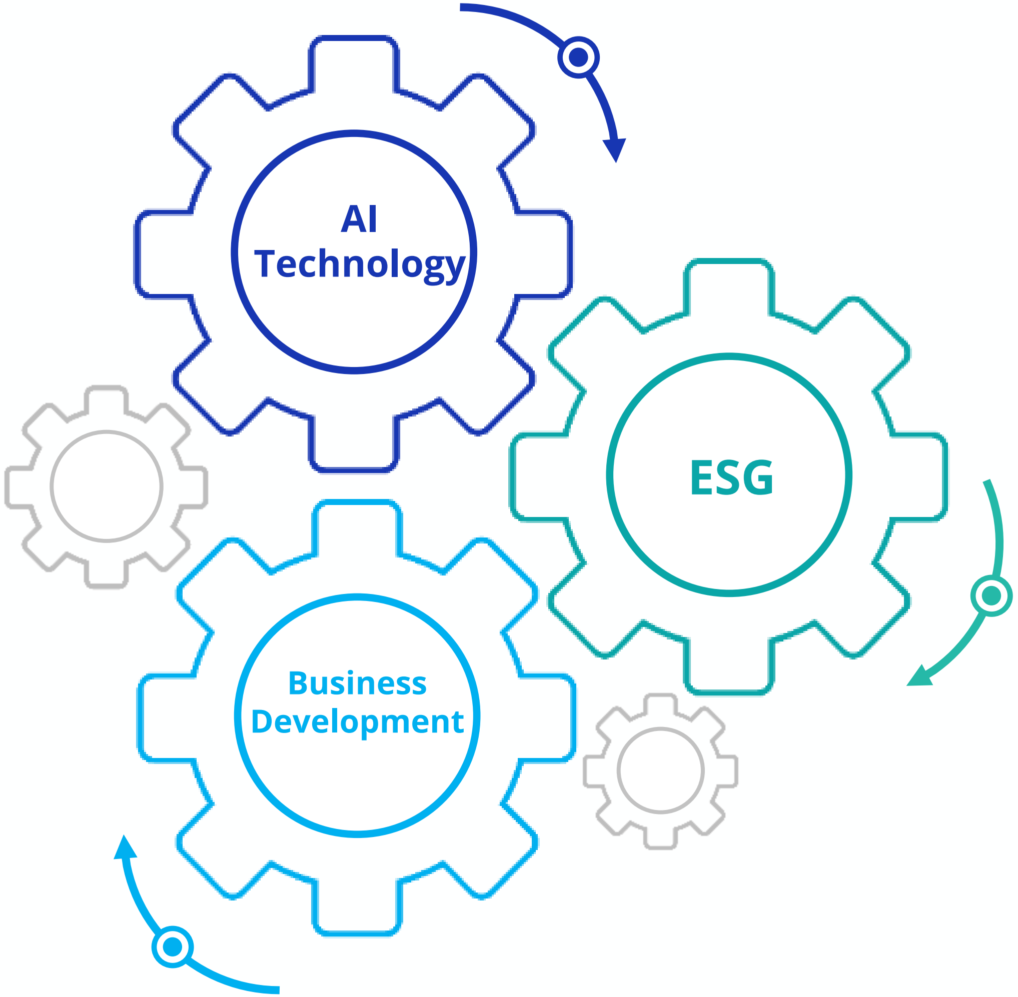
Our Commitment

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.

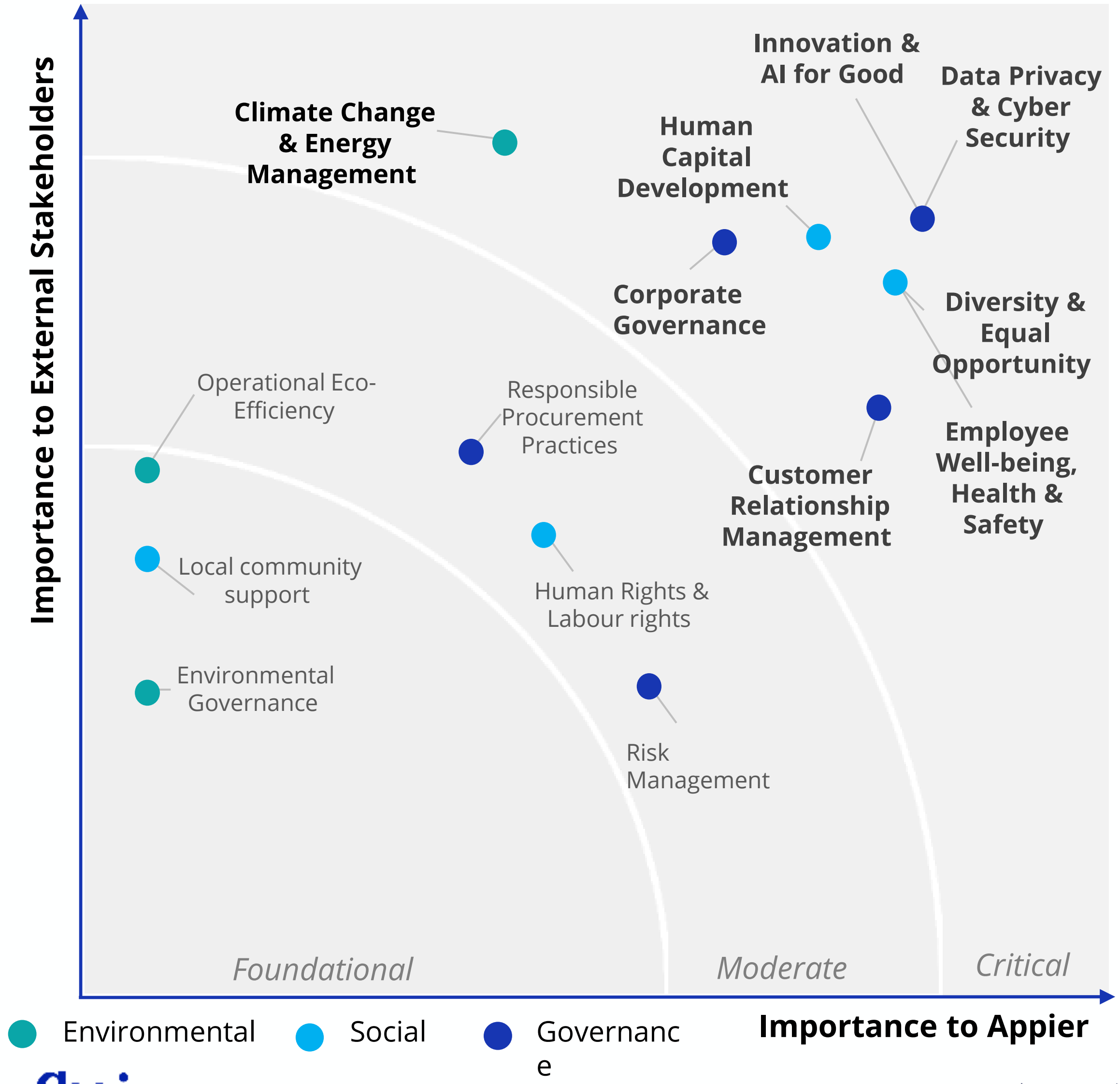
We believe ESG should be placed at the center of our focus on building a sustainable business and are determined to make commitments and to proactively engage our stakeholders in Appier's journey towards ESG excellence, as this is part of our vision for the future of our business.

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

TCFD Report Initiation

Embracing Environmental Responsibility

Introducing our TCFD report[1], a testament to our unwavering commitment to environmental responsibility. Aligned with global climate efforts, this comprehensive disclosure transparently addresses both risks and opportunities.

As we move forward, sustainability remains a driving force, propelling innovation towards a greener future.

(1) Report link: https://www.appier.com/en/greener-operation-appier

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