

MAKING AI EASY

BY MAKING
SOFTWARE INTELLIGENT

Q2 FY2025 Earnings August 2025

Our Mission

Turning AI into ROI by Making Software Intelligent





**FY25 Q2
Achievements
& Business Outlook**



**FY25 Q2
Business Metrics**



Product Updates

2025 Q2 recap



Ongoing robust revenue growth momentum, achieving 35% YoY on an FX-neutral basis

We delivered record revenue of JPY 10.3 billion, up 27% YoY, with strong growth across all **key regions**. On an FX-neutral basis, revenue reached JPY 11.0 billion, up 35% YoY — **our fastest growth in the past eight quarters**. This performance was driven by both our core business and the strategic contribution from AdCreative.ai, despite facing an FX headwind of **more than JPY 300 million** versus our budget FX rate.

NEA revenue grew 26% YoY, or 35% YoY on an FX-neutral basis, with balanced contributions from both Japan and Korea. The US & EMEA delivered 37% YoY growth, or 48% YoY on an FX-neutral basis, driven by broad-based gains across diversified verticals and product lines.



Accelerated margin expansion to 56.1% driven by high-margin products and organic strength

Gross profit reached a record JPY 5.8 billion, up 38% YoY — the **strongest growth in the past eight quarters**. Gross margin also **hit an all-time high of 56.1%**, expanding 4.8 percentage points YoY, driven by high-margin products, continued organic margin improvements, and further efficiencies enabled by GenAI technology.



Profitability outperformance fueled by consistent execution with enhanced productivity

Operating profit surged to a record JPY 806 million, **up 130% YoY**, with an operating margin of **7.8%** despite higher OPEX from the full consolidation of AdCreative.ai. On an FX-neutral basis and excluding the AdCreative.ai transaction cost, operating profit **exceeded JPY 1.0 billion with a 9.4% margin**, reflecting disciplined execution and sustainable, profitable growth through operational leverage.



Generative AI drives synergies, ROI enhancement, and operational efficiency in our business

Generative AI serves as a significant accelerator for our business by (1) creating synergies with AdCreative.ai and expanding capabilities into the creative aspects of marketing; (2) enhancing return on investment through advanced GenAI-driven personalization; and (3) driving improvements in operational efficiency.

2025 Q2 Highlights

Revenue

JPY **10.3B**

Revenue YoY Growth⁽¹⁾

+27%

Profitability

Operating Income JPY **806M**

Net Income JPY **557M**

Gross Profit YoY Growth⁽²⁾

+38%

ARR⁽³⁾

JPY **38.9B**

LTM NRR⁽⁴⁾

120.0%

(1) Revenue Growth from FY24 Q2 to FY25 Q2.

(2) Gross Profit Growth from FY24 Q2 to FY25 Q2.

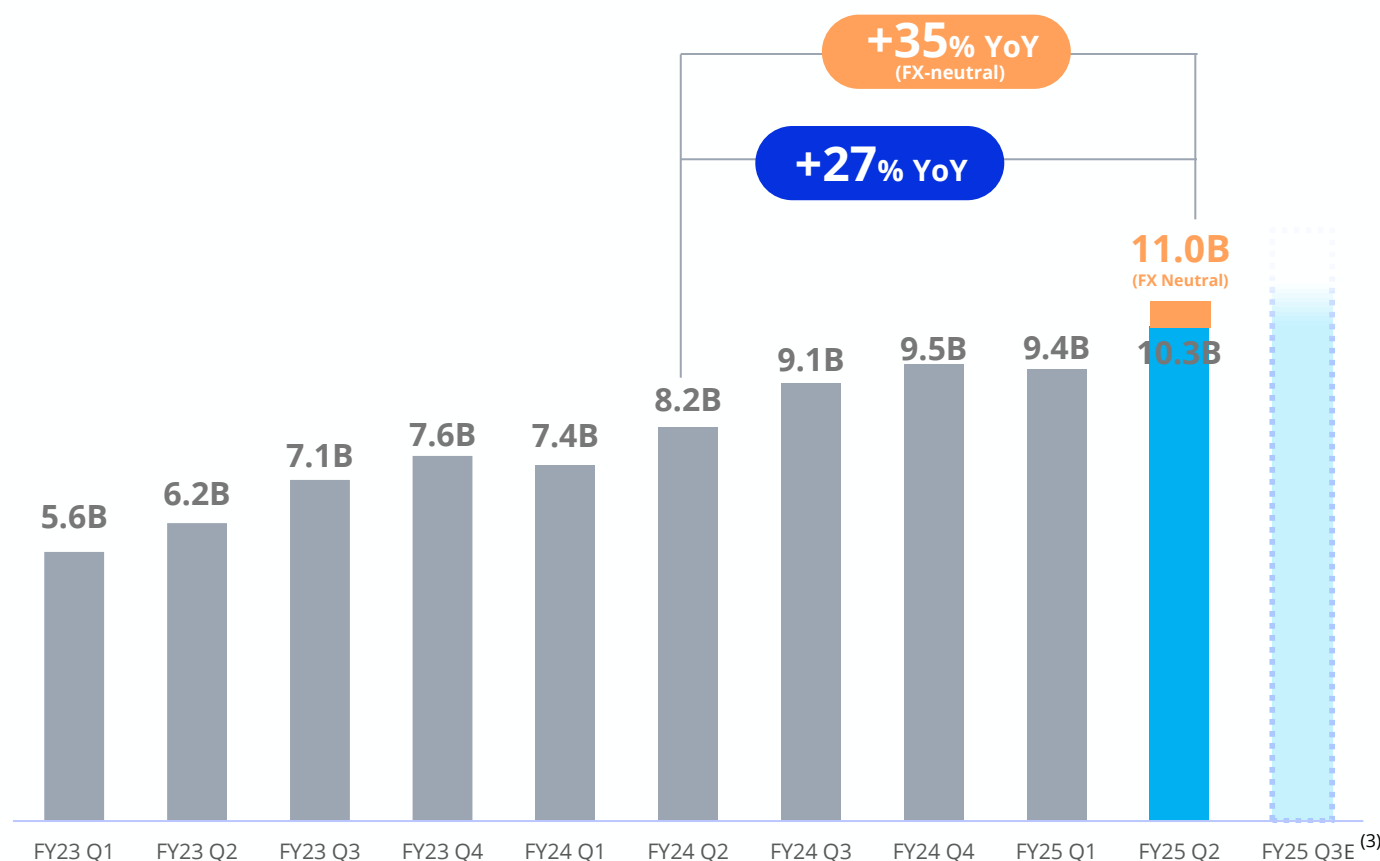
(3) ARR is conducted as the sum of the per-solution ARR. (i) For AIQUA, AiDeal, AIXON, BotBonnie, Woopra and AIRIS, which are offered on a subscription basis, we calculate ARR as of a certain date as the monthly recurring revenue converted in JPY during the one-month period ending on such date, multiplied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

Revenue Trends

- FY25 Q2 revenue reached a record JPY 10.3 billion, up 27% YoY. On an FX-neutral basis, revenue was JPY 11.0 billion, up 35% YoY — the strongest in the past eight quarters. Our organic business maintained strong momentum from Q1, and we expect it to continue in the second half.

Revenue (JPY)



Incremental Revenue of FY25 Q2

51% from Existing Customers⁽¹⁾

- ▶ Drove expansion and deeper penetration across NEA e-commerce
- ▶ Built on positive momentum in the US & EMEA, with opportunities for further acceleration

49% from New Customers⁽²⁾

- ▶ Accelerated new customer acquisition in NEA through strategic vertical diversification
- ▶ Strong customer traction in the US & EMEA, driven by vertical and product diversification

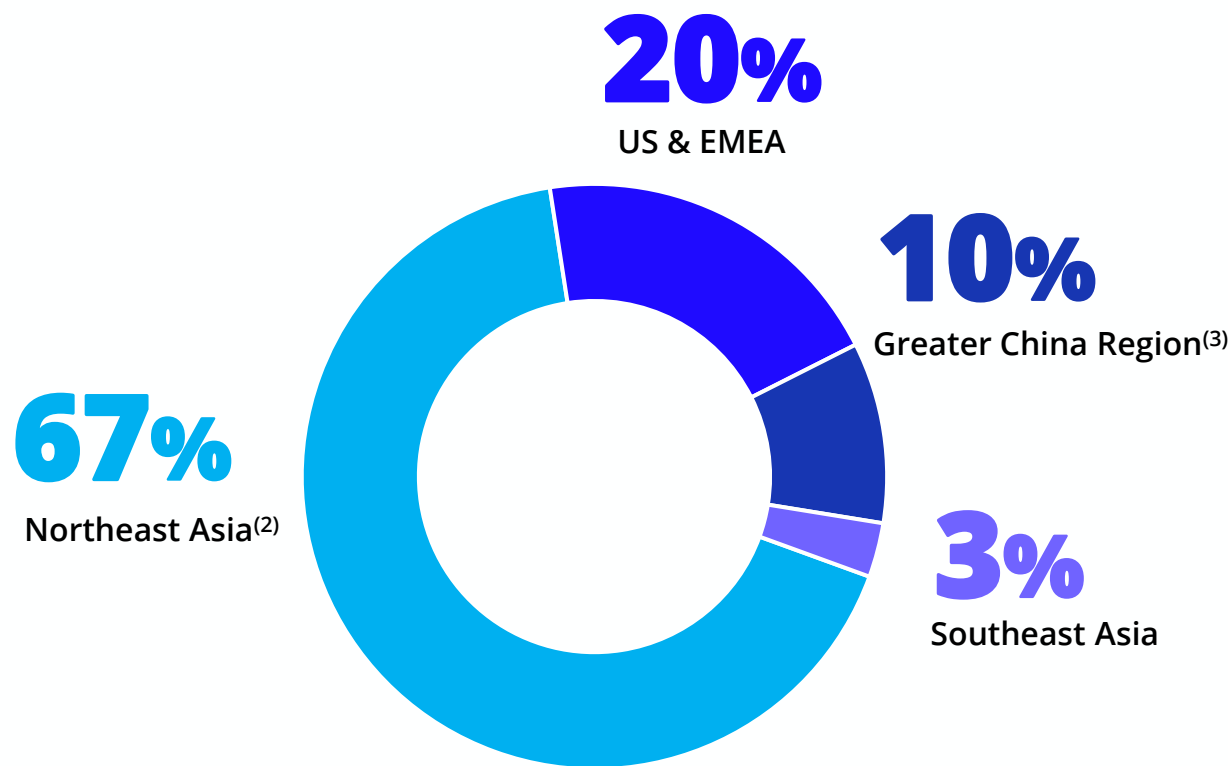
(1)“Existing Customers” refers to customers acquired before FY24 Q3.

(2)“New Customers” refers to customers acquired in FY24 Q3 to FY25 Q2.

(3)FX-neutral based

Diverse Revenue Base: Multiple regions demonstrate continuous growth momentum

FY25 Q2 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

26% YoY revenue growth (35% YoY growth on an FX neutral basis) with strong existing customer expansion and accelerated new customer acquisition with balanced growth across JP and KR

US & EMEA

37% YoY revenue growth (48% YoY growth on an FX neutral basis) due to capturing both vertical expansion and new demand from Digital Content

GCR

Stable YoY revenue growth on a FX-neutral basis, and we expect a gradual increase in business momentum as sales synergies and product benefits materialize

SEA

Remain focused on key accounts for paving a long-term growth runway

Gross Profit

- Gross profit reached a record JPY 5.8 billion, up 38% YoY, with gross margin at an all-time high of 56.1%, driven by high-margin products and greater adoption of GenAI technology.
- We expect gross margin to continue rising as product mix continue improved and experimental costs normalize seasonally toward year-end.

Gross Profit (JPY) & Margin



Major Factors of FY25 Q2 Gross Margin Changes

Positive factors

- ▶ High-margin product mix
- ▶ Positive effects of technological advancements, including algorithm improvements

Negative factors

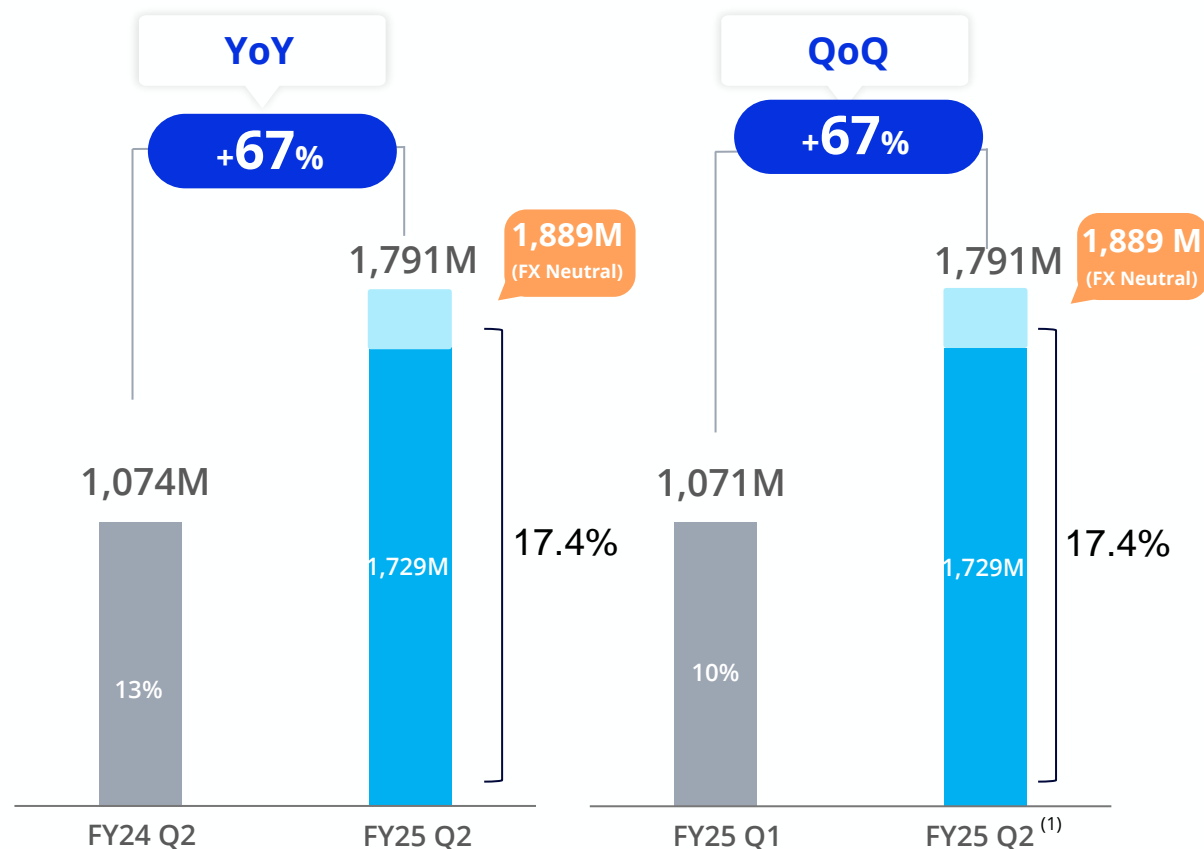
- ▶ Costs from strategic product experiments, aiming to drive sustainable margin expansion in the long-term.

(1) FX-neutral based

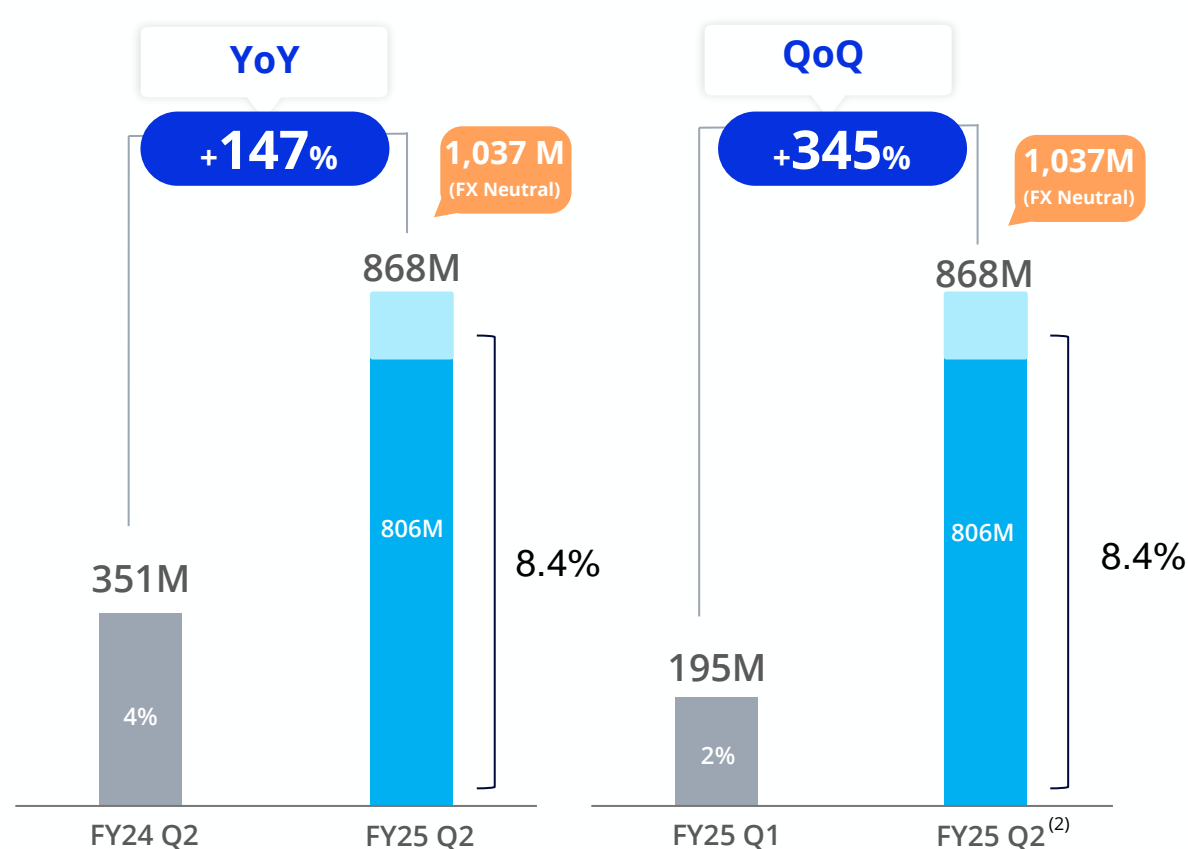
EBITDA & Operating Income

- Profitability improved significantly, with operating income up 147% YoY when excluding the JPY 62 million transaction cost related to the AdCreative.ai acquisition. This was driven by strong gross profit growth despite FX headwinds and accelerated operating leverage from higher productivity. We expect profitability to improve further going forward.

EBITDA & Margin (JPY)



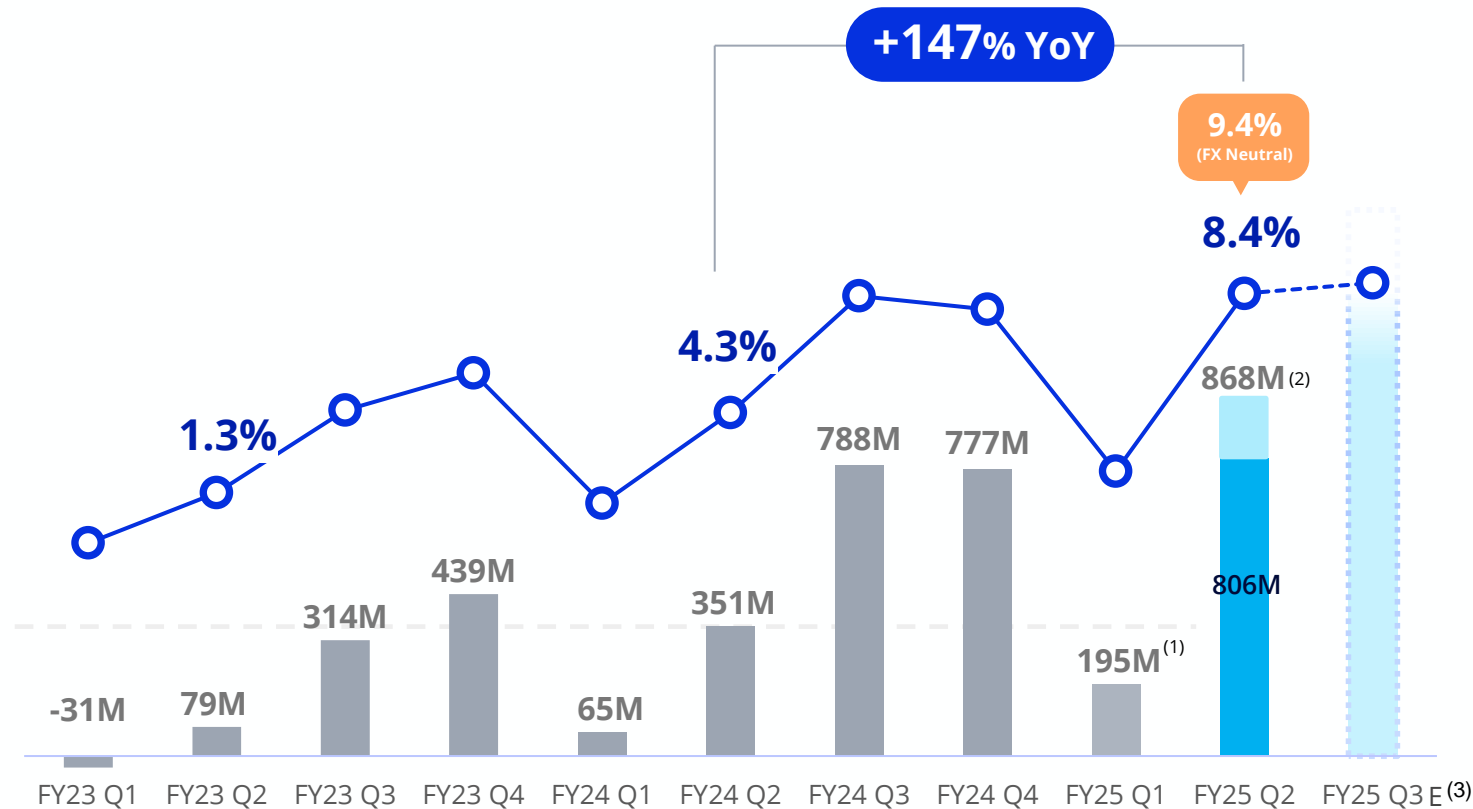
Operating Income & Margin (JPY)



Operating Income

- Operating income hit a record JPY 806 million — over JPY 1.0 billion on an FX-neutral basis and excluding the AdCreative.ai transaction cost — driven by continued operating leverage despite higher OPEX from the acquisition. Core free cash flow also turned positive, reflecting stronger cash generation.
- We expect profitability to improve further toward year-end, driven by seasonal strength consistent with prior years and ongoing AI-powered operational optimizations across all business units, including AdCreative.ai.

Operating Income (JPY) & Margin



Major Factors of FY25 Q2 Operating Margin Changes

YoY basis

- ▶ Accelerated gross margin improvement
- ▶ Ongoing ROI-oriented R&D investment resulted in stronger operating leverage
- ▶ Increased OPEX due to full consolidation of AdCreative.ai
- ▶ FX headwinds

QoQ basis

- ▶ Improved margin from revenue expansion due to higher season than Q1

(2) FY25 Q2 operating income excludes JPY 62M in transaction costs related to the acquisition of AdCreative.ai. The reporting operating income is JPY 806M, up 130% YoY, with an operating margin of 7.8%.

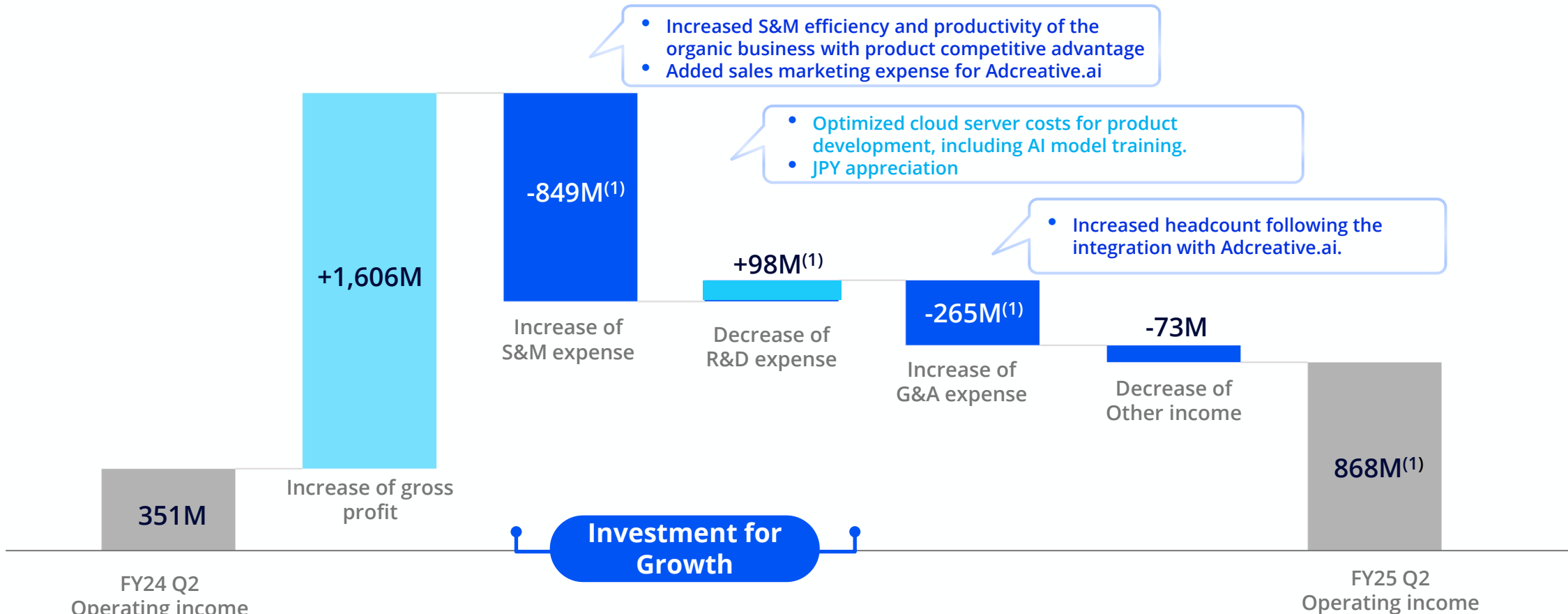
(3) FX-neutral based

(4) Core free cash flow = Cash flows from operating activities + Payments for intangible assets

2025 Q2 - Operating Income YoY Change

- Operating profit growth was driven by business expansion alongside improved efficiency and productivity, offsetting higher S&M and G&A expenses from the AdCreative.ai integration.
- We achieved robust profit growth through ongoing cost-effective investments combined with strong sales growth.

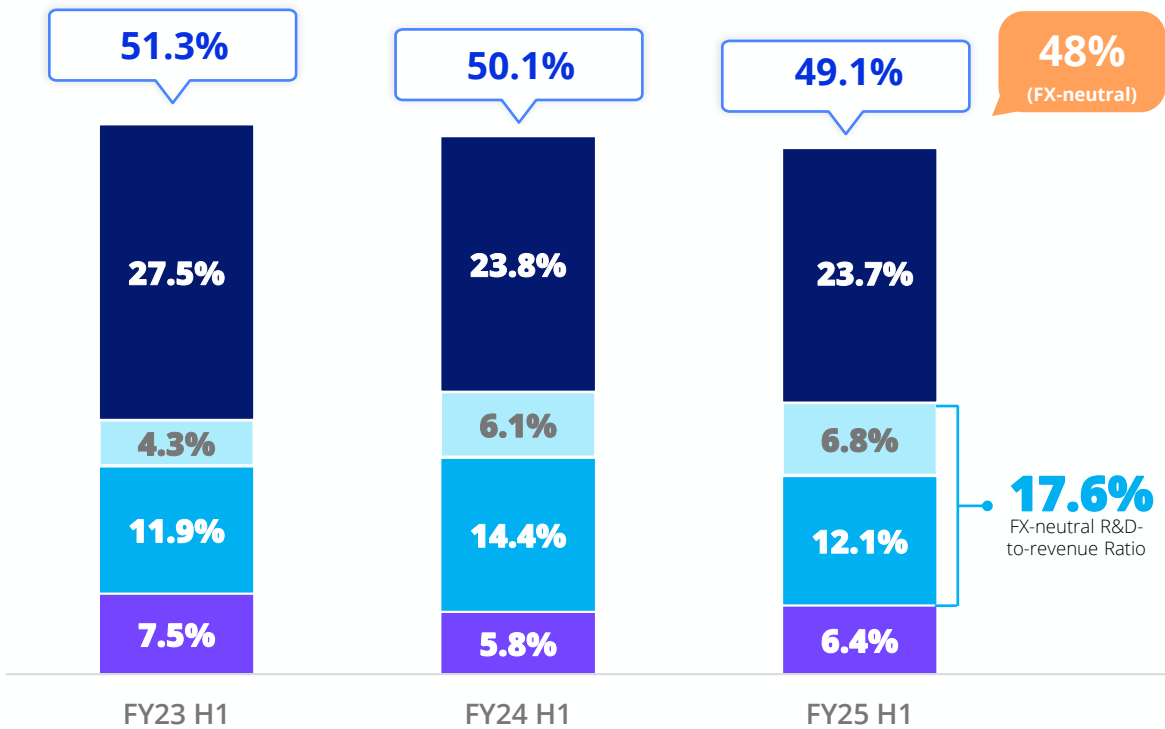
Operating Income Waterfall (JPY)



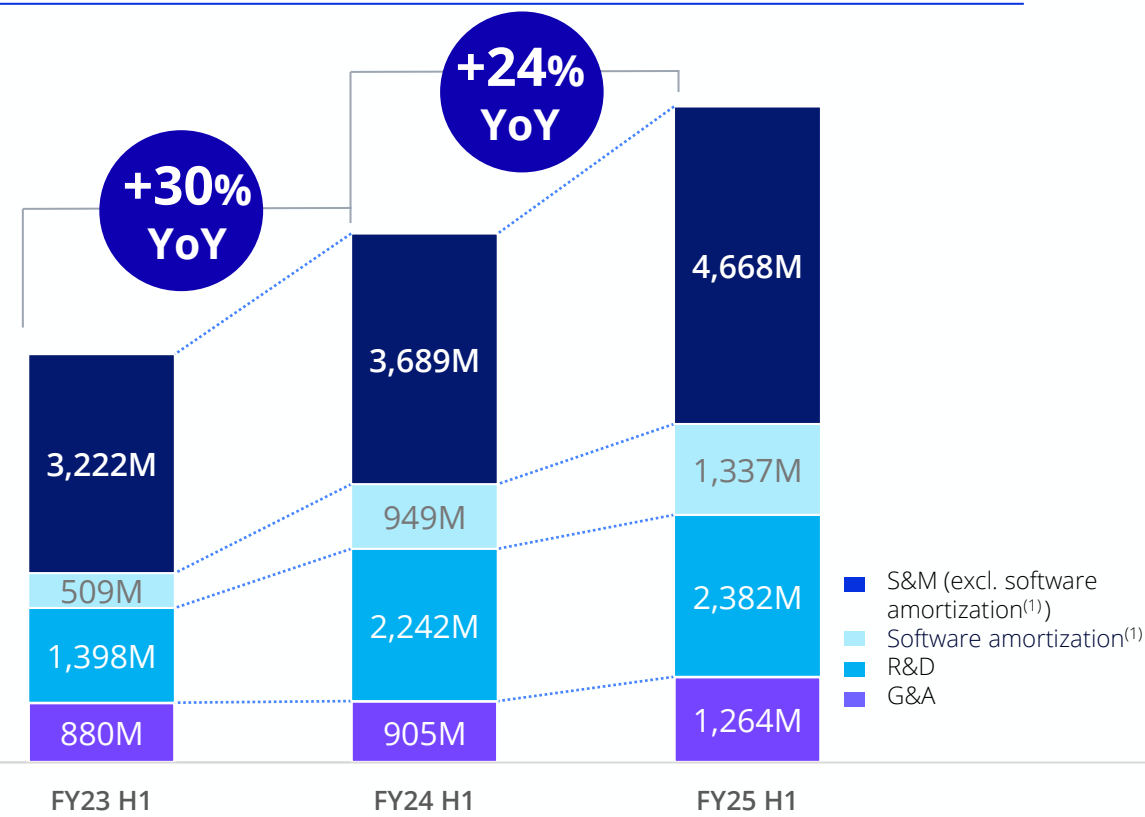
Disciplined OPEX

- The OPEX-to-revenue ratio improved by 1.0 p.p. YoY to 49.1%, driven by disciplined cost management and scalable revenue growth supported by product differentiation from R&D investment. The G&A ratio rose slightly due to the acquisition impact.
- The YoY increase in OPEX improved to 24% from 30%, despite including incremental OPEX from AdCreative. For the organic business, YoY OPEX was even more moderate. The solid OPEX control is supported by AI-powered automation in product development and operations, despite the impact of JPY appreciation.

H1 OPEX Structure (% Revenue)



H1 OPEX (JPY)





**FY25 Q2
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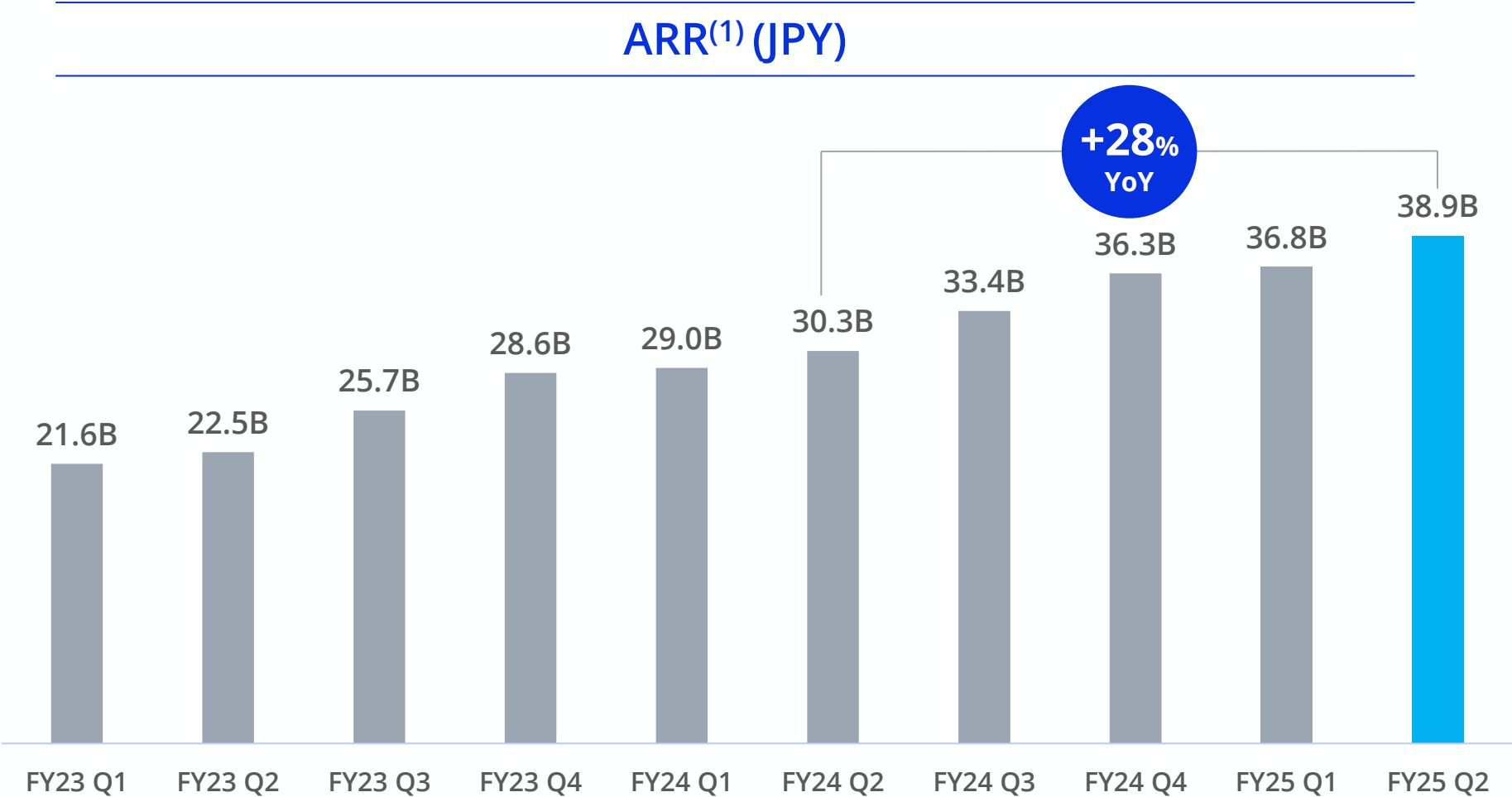
**FY25 Q2
Business Metrics**



Product Updates

Annual Recurring Revenue Quarterly Trends

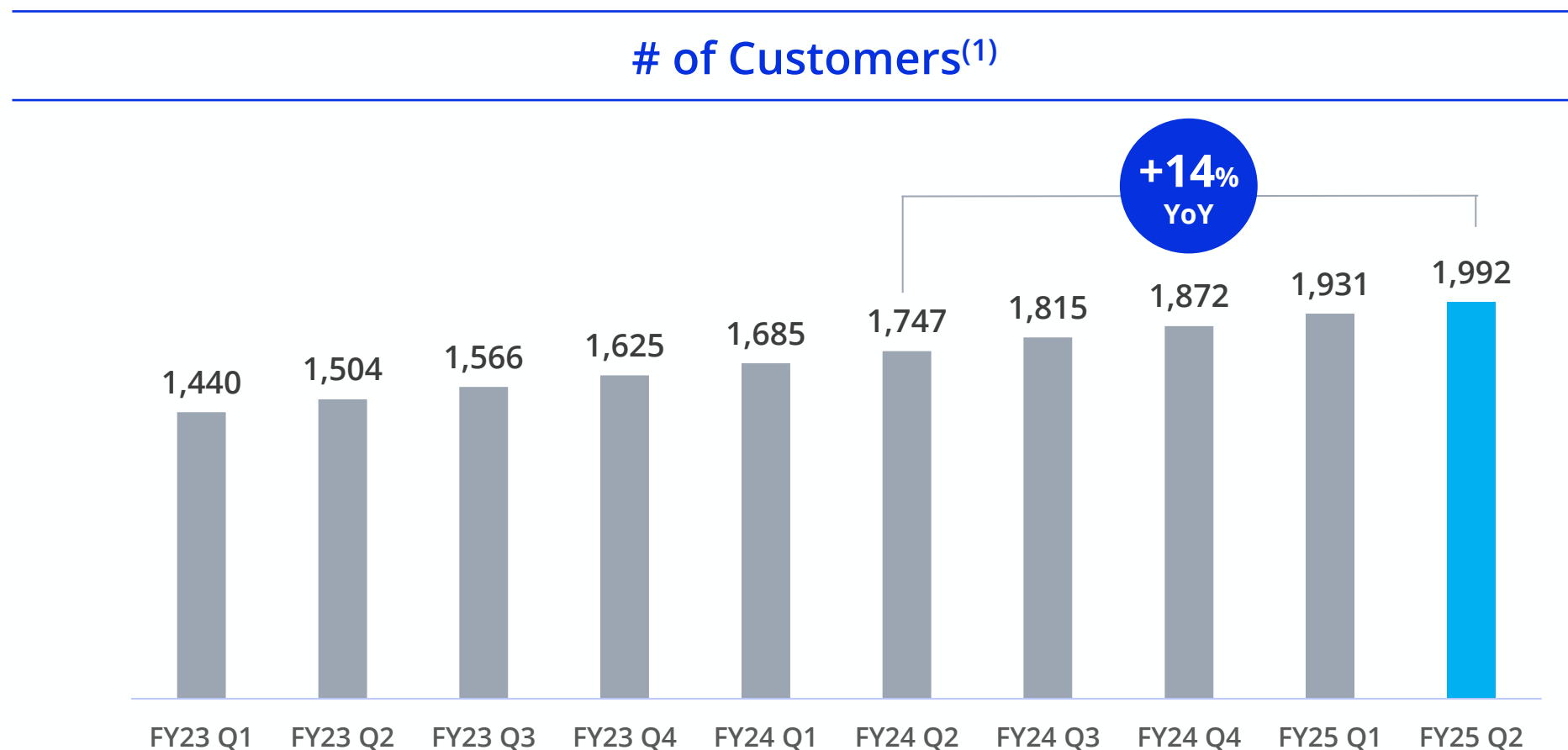
- Our recurring revenue currently constitutes over 95% of our total revenue.



(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 Ad Cloud and AdCreative.ai, 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 FY25 Q2 were mainly from Digital Content (49% of total new customers).
- 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 one-time customers, 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. Customers generating revenue solely through AdCreative.ai are not included.

Quarterly Average Revenue per Customer

- The ARPC YoY growth rate in FY25 Q2 stood at 12.6% on an FX-neutral basis, and the growth momentum was stronger than Q1.
- 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)

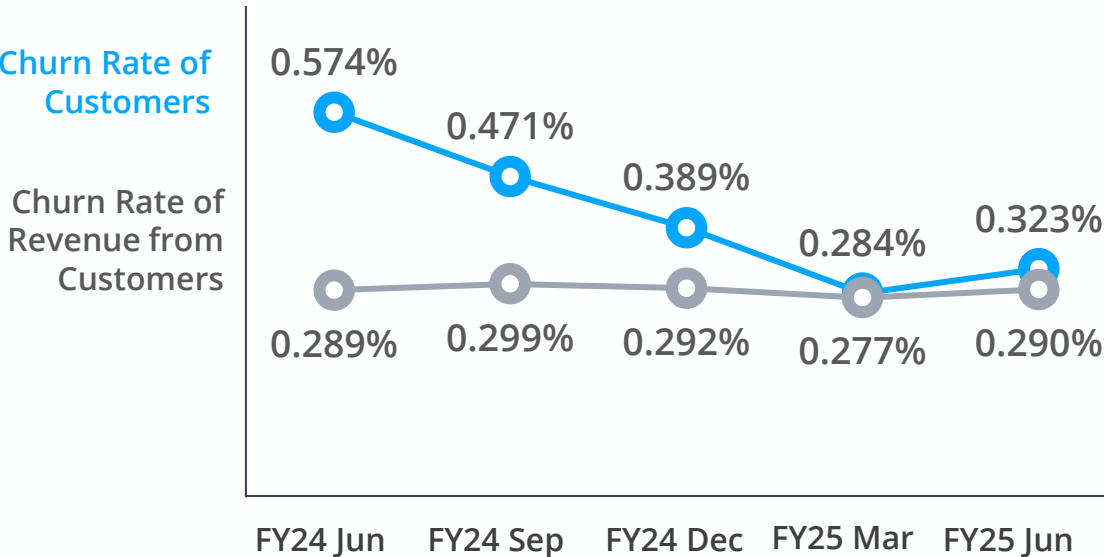


(1)"Customer" refers to a corporate group that has one or more active contracts for our solutions, excluding one-time customers, paid or unpaid trial, demo use and customers acquired through business acquisitions. Such corporate group is counted as a separate "customer" with respect to each solution it uses. Customers generating revenue solely through AdCreative.ai are not included.

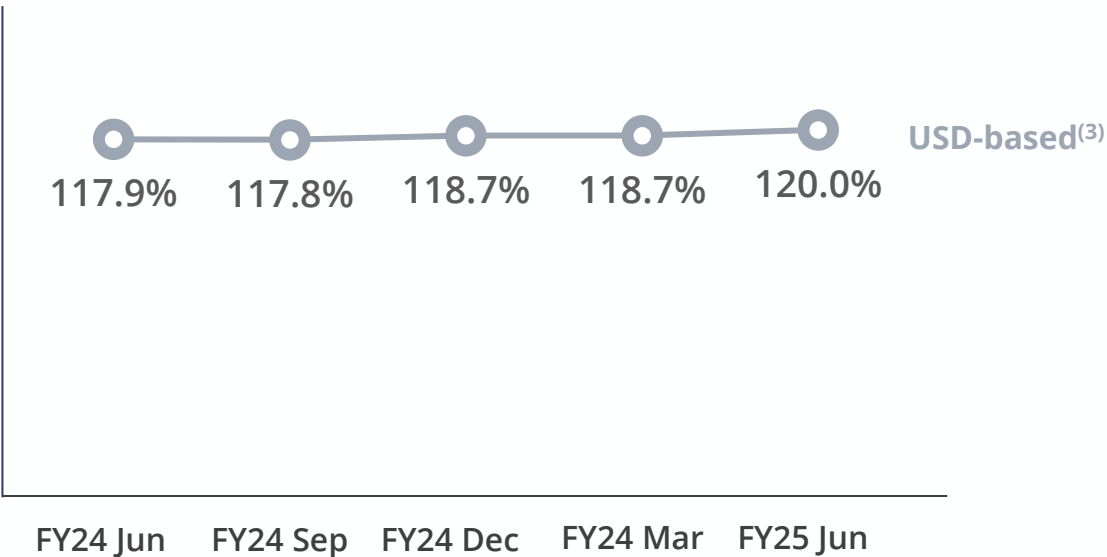
Healthy churn rate & solid LTM NRR prove the stickiness of our customers to our solutions

- Customer churn remained low, supported by stronger engagement and the rising ROI delivered by our solutions.
- The USD-based LTM NRR has remained at a high level, driven by healthy growth from key accounts.

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



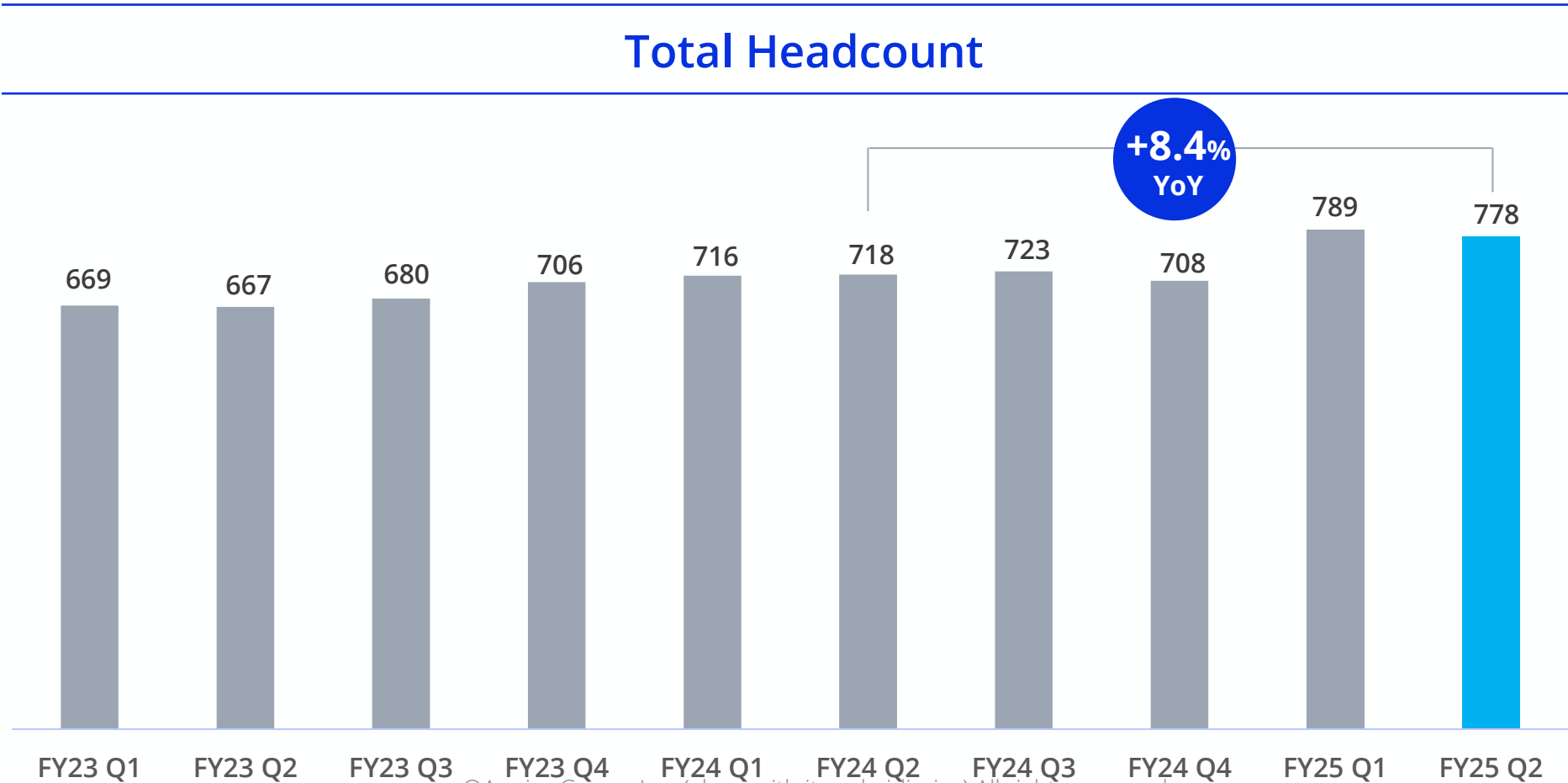
LTM Net Revenue Retention



(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 during the same period of the prior year.
(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, Woopra's and AdCreative.ai's customers.

Hiring to scale our opportunities & continuous investment in new talents

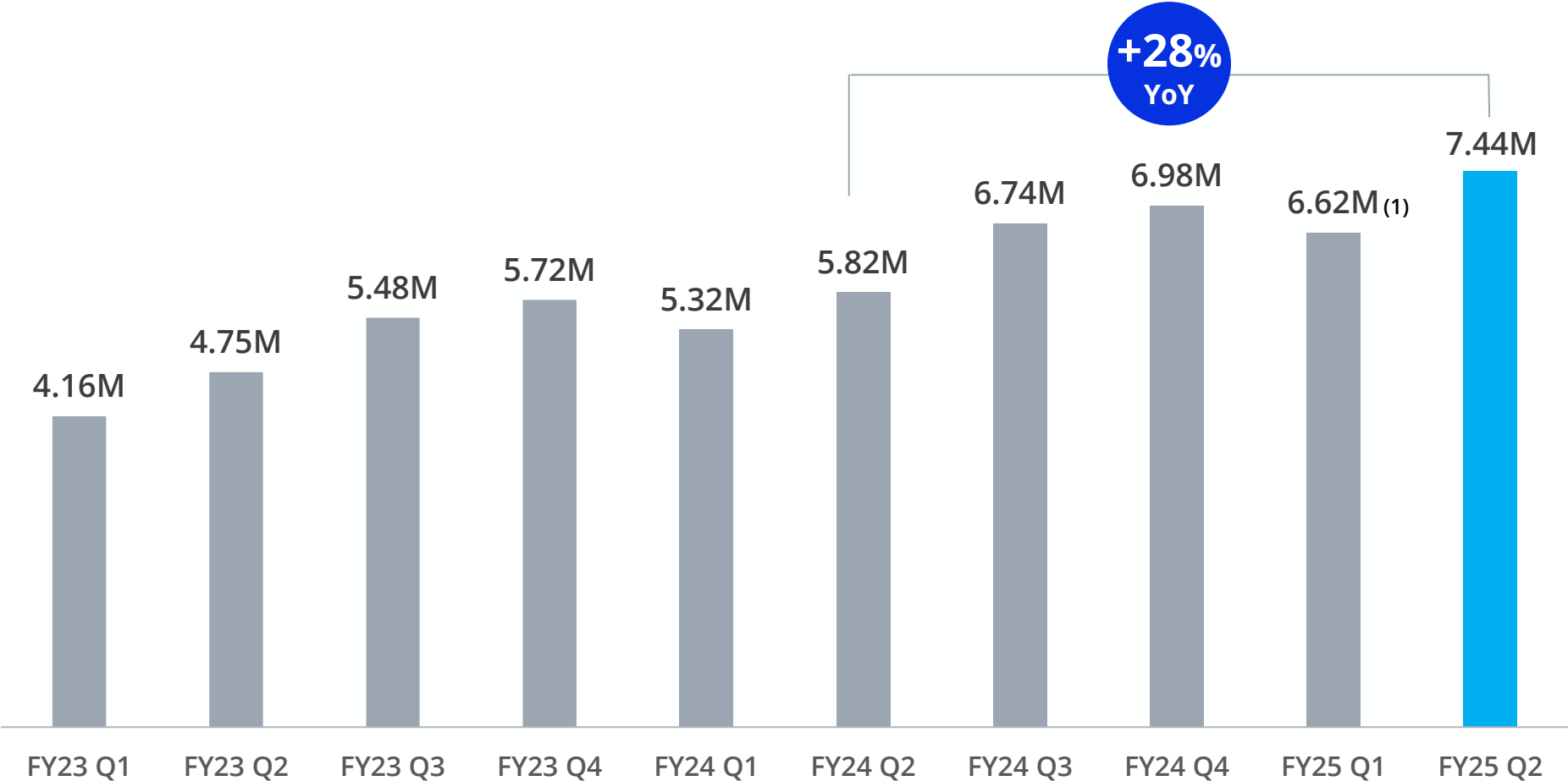
- New hires in FY25 Q2 increased with good progress in commercial and engineering roles recruitment, especially in our key regions.
- The decrease in headcount reflects operating efficiency improvements enabled by the deployment of AI agents, including ongoing efforts to optimize organizational structure and drive operational discipline for AdCreative.ai.



Productivity Improvement

- We further strengthened productivity, achieving a record gross profit per headcount of JPY 7.44 million in FY25 Q2, up 28% YoY — the highest productivity growth in the past four quarters.

Quarterly Gross Profit / Headcount (JPY)





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Product Updates

Agent is in our DNA : innovating in the AI Agent space in the last 13 years

We have innovated AI agents from our mission of “Turning AI into ROI” to newly acquired creative automation and expanded our overall operations.



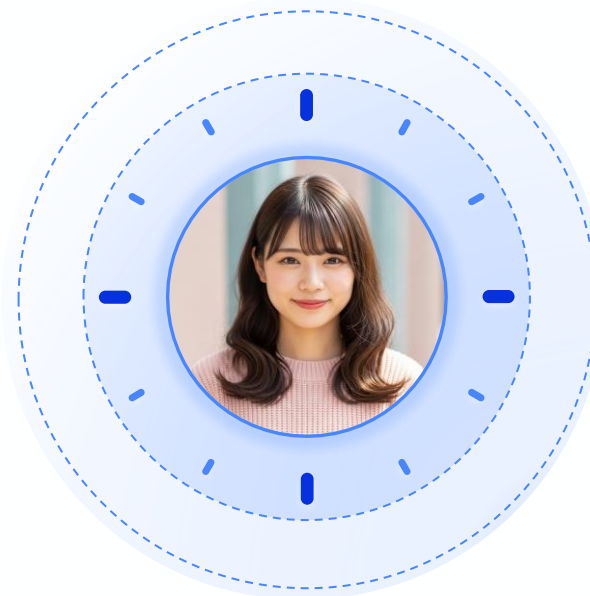
Agent is in our DNA : innovating in the AI Agent space in the last 13 years



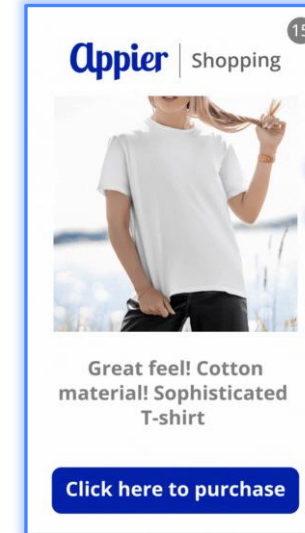
User-Centric GenAI-Powered Marketing Personalization


The Agent continues to increase ROI for marketers by delivering dynamic, contextual marketing experiences that adapt to individual user states and behaviors throughout their journey.

8:00 Commute
Display popular products

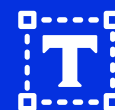
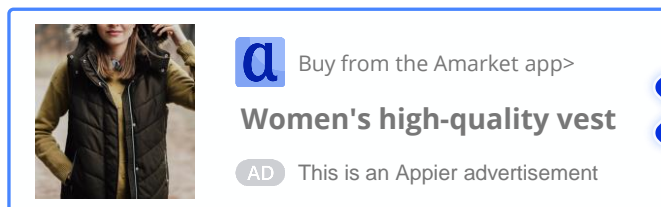


19:00 On the way home
Display products with personalized copywriting based on user's persona




Personalized video
based on user's behaviors

22:00 At home
Display products based on recent browsed products with personalized copywriting



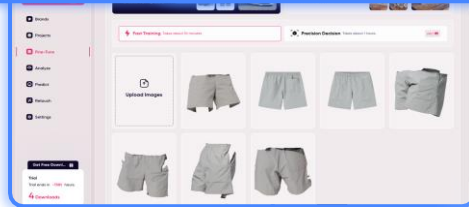
Personalized marketing pitch
generated on-the-fly

Agent is in our DNA : innovating in the AI Agent space in the last 13 years



Director Agent producing commercial videos in hours

Step 1 Fine-tuning



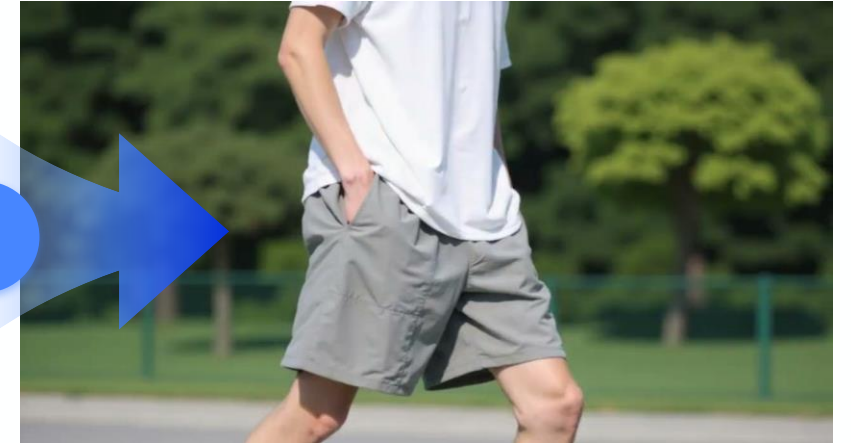
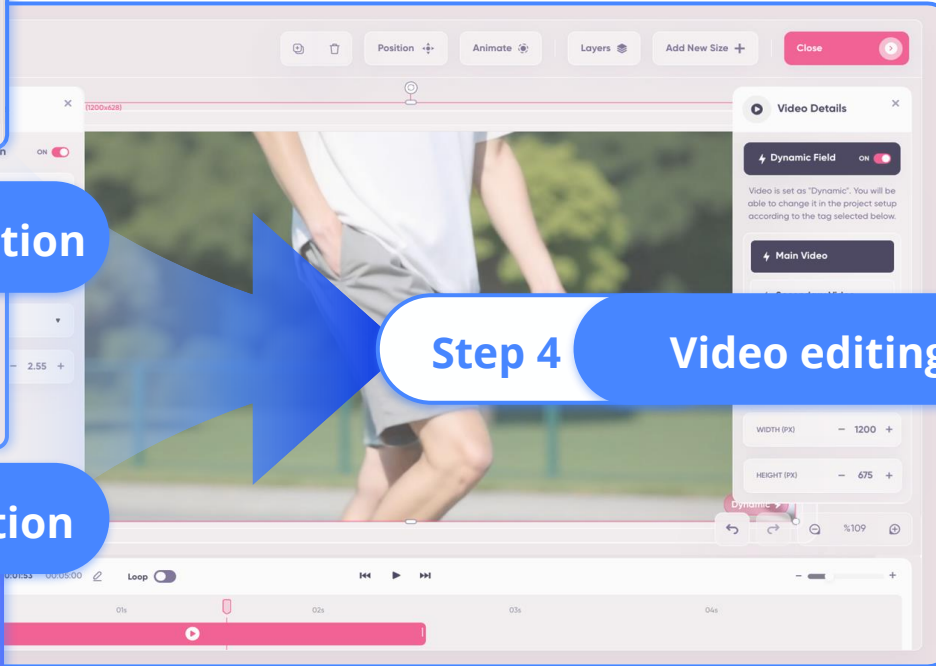
Step 2 Image generation



Step 3 Video generation



Step 4 Video editing



Agent is in our DNA : innovating in the AI Agent space in the last 13 years

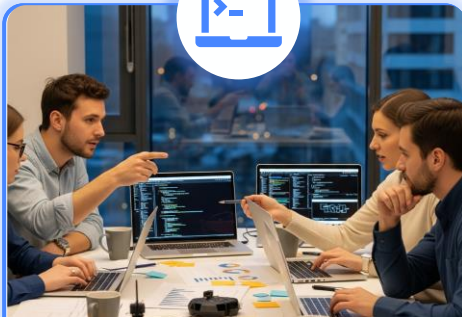


More AI Agents are used to improve operational efficiency

Various AI Agents have improved the productivity of in-house operations, leading to stronger profitability.



Agents for operational efficiency improvement



Coding Agent

Large portion of code is now written by a Coding Agents



HR Agent

Answer employee question and helping employee onboarding process



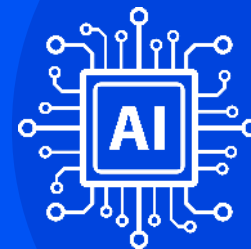
Sales Agent

Prepare sales team for each client pitch meeting



Data Agent

Analyze data and help making informed decisions



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

FY25 Guidance & FY27 Financial Target

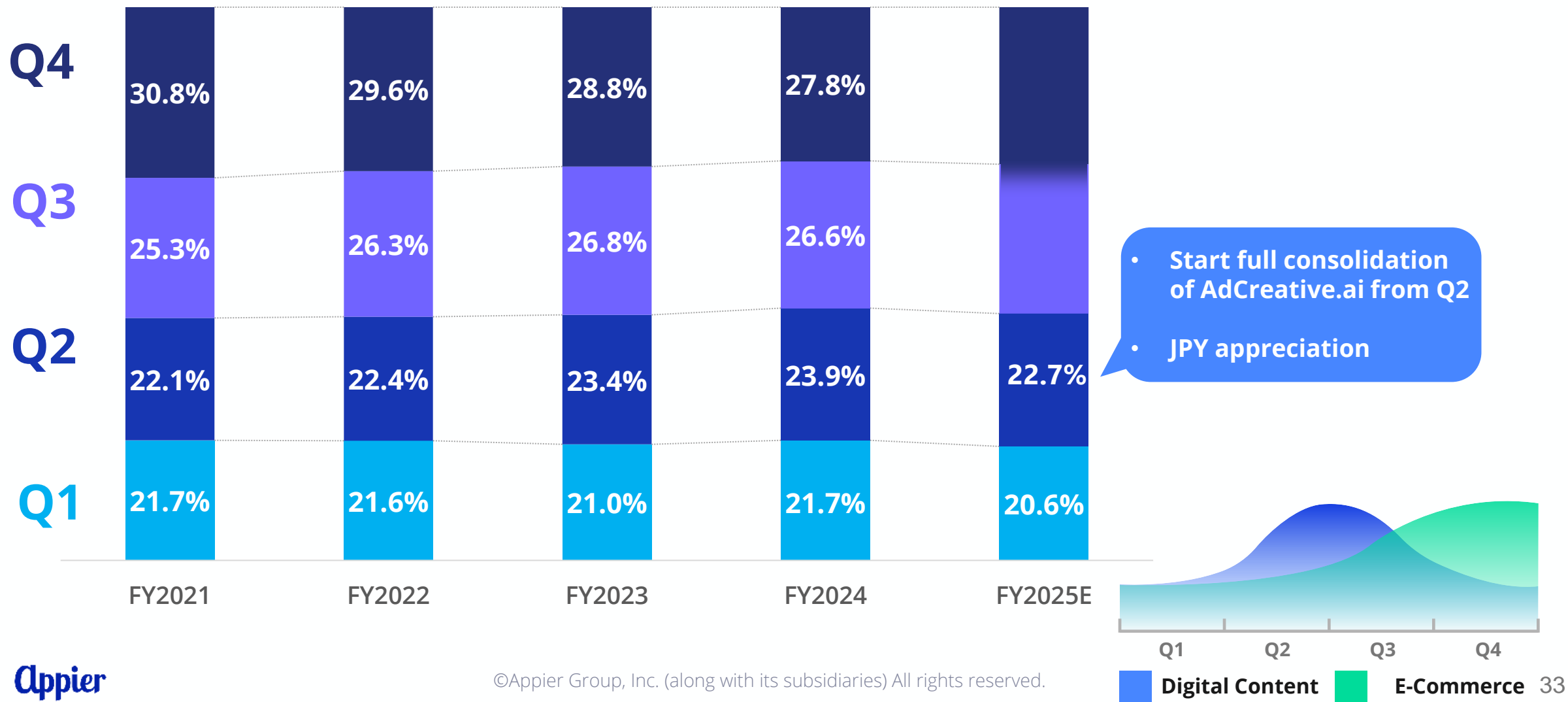
2025 Guidance

- 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.

	2025 1H	YoY	2025	YoY	Highlights
Revenue	19.7B	+27%	45.5B	+34%	<ul style="list-style-type: none"> 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	10.6B 53.9%	+33% +2.4 p.p.	25.2B 55.3%	+41% +3.0 p.p.	<ul style="list-style-type: none"> 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	0.9B 4.5%	+111% +1.8 p.p.	4.1B 8.9%	+104% +3.1 p.p.	<ul style="list-style-type: none"> 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
EBITDA	2.7B 13.6%	+48% +2.0 p.p.	7.8B 17.1%	+58% +2.7 p.p.	<ul style="list-style-type: none"> 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
Dividend	JPY 2.25 per share forecasted as year-end dividend payment				<ul style="list-style-type: none"> Increase the dividend on the back of the expected improvement in core free cash flow

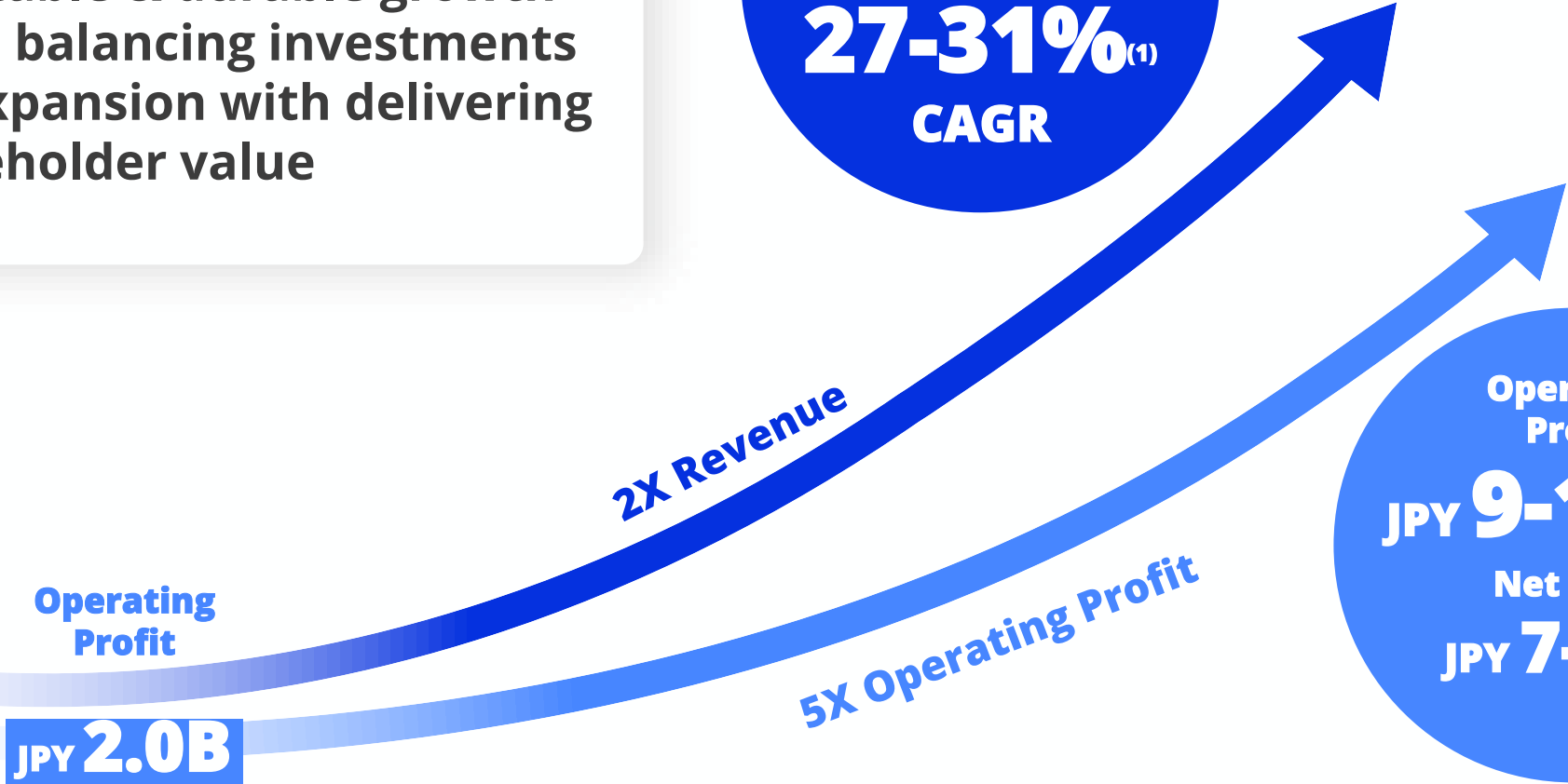
Quarterly Seasonality

Quarterly Revenue Breakdown

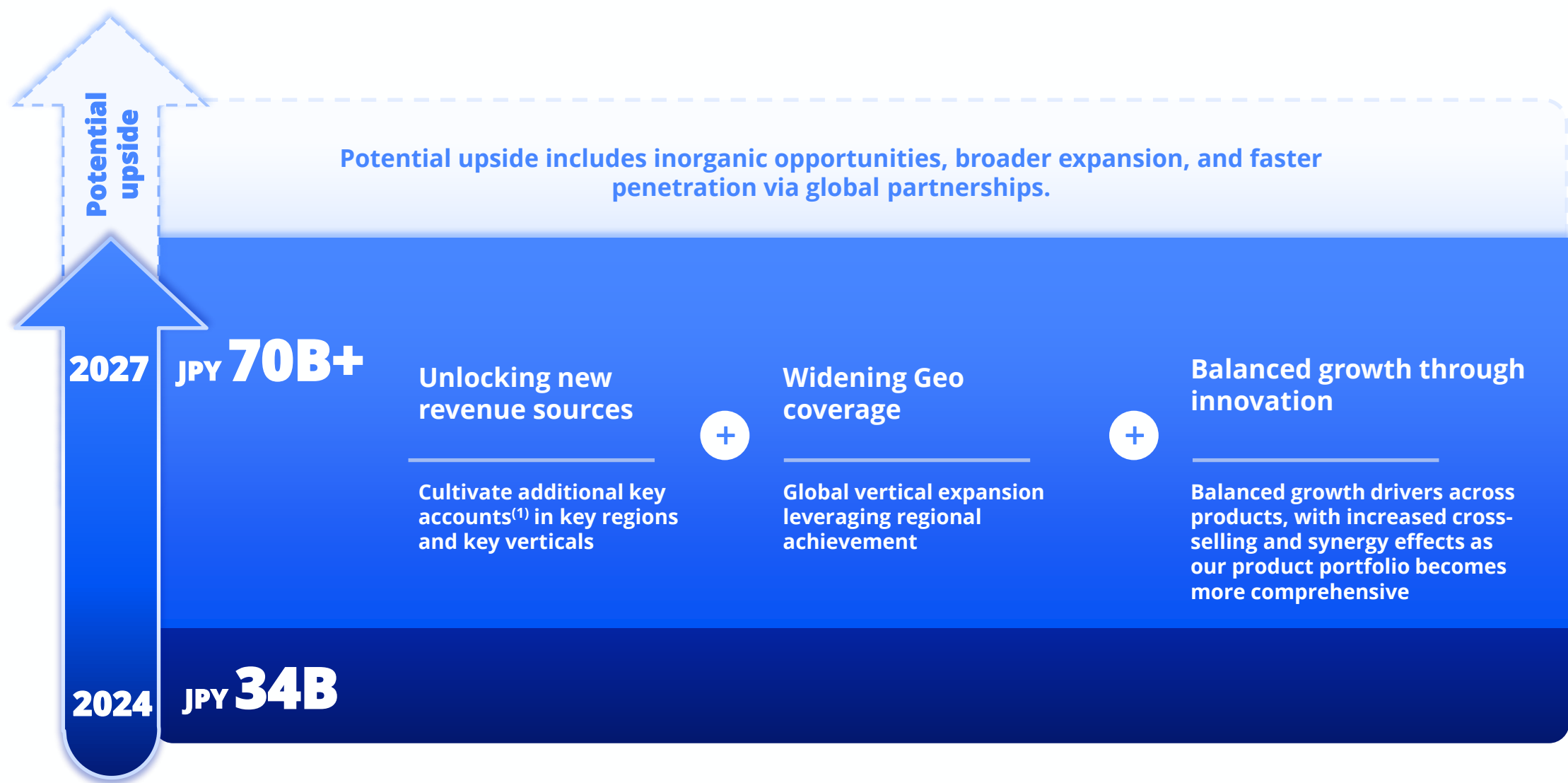


FY27 Mid-term outlook

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

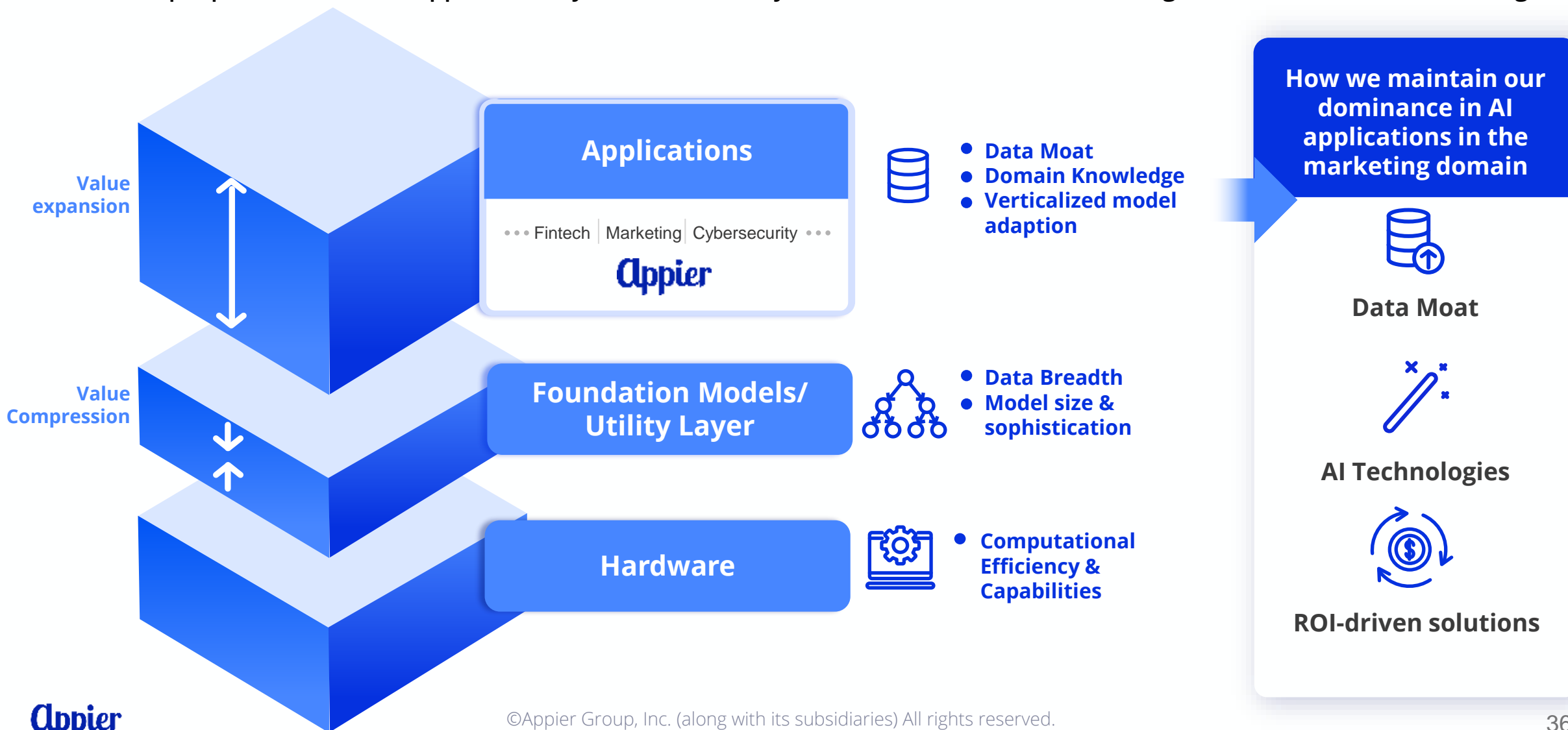


Growth levers to expand and diversify revenue sources



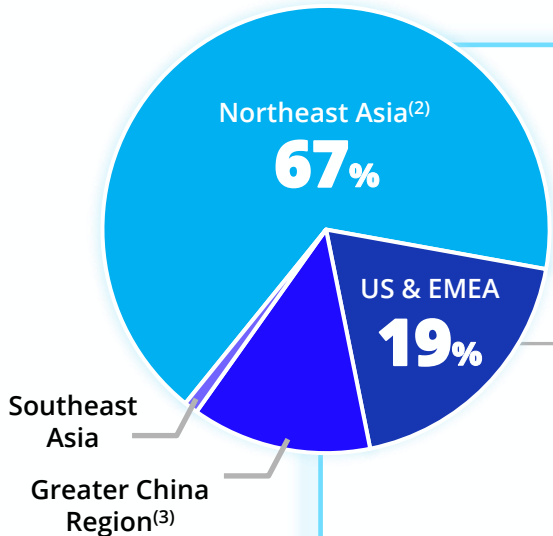
Value shifting within the AI stack

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



Robust expansion in key focus regions

FY24 Revenue % by Region⁽¹⁾



NEA

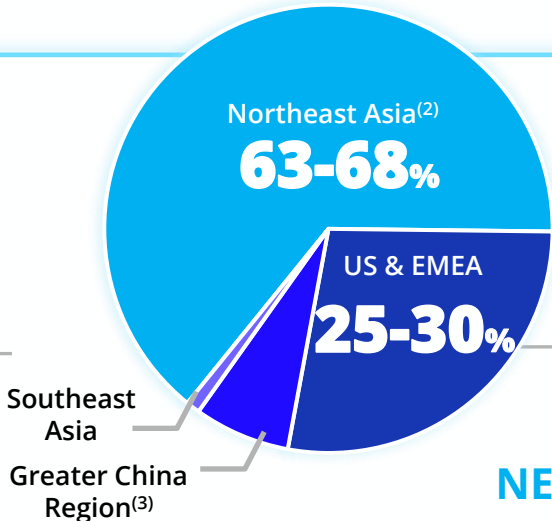
2025

- 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

FY27E Revenue % by Region



NEA

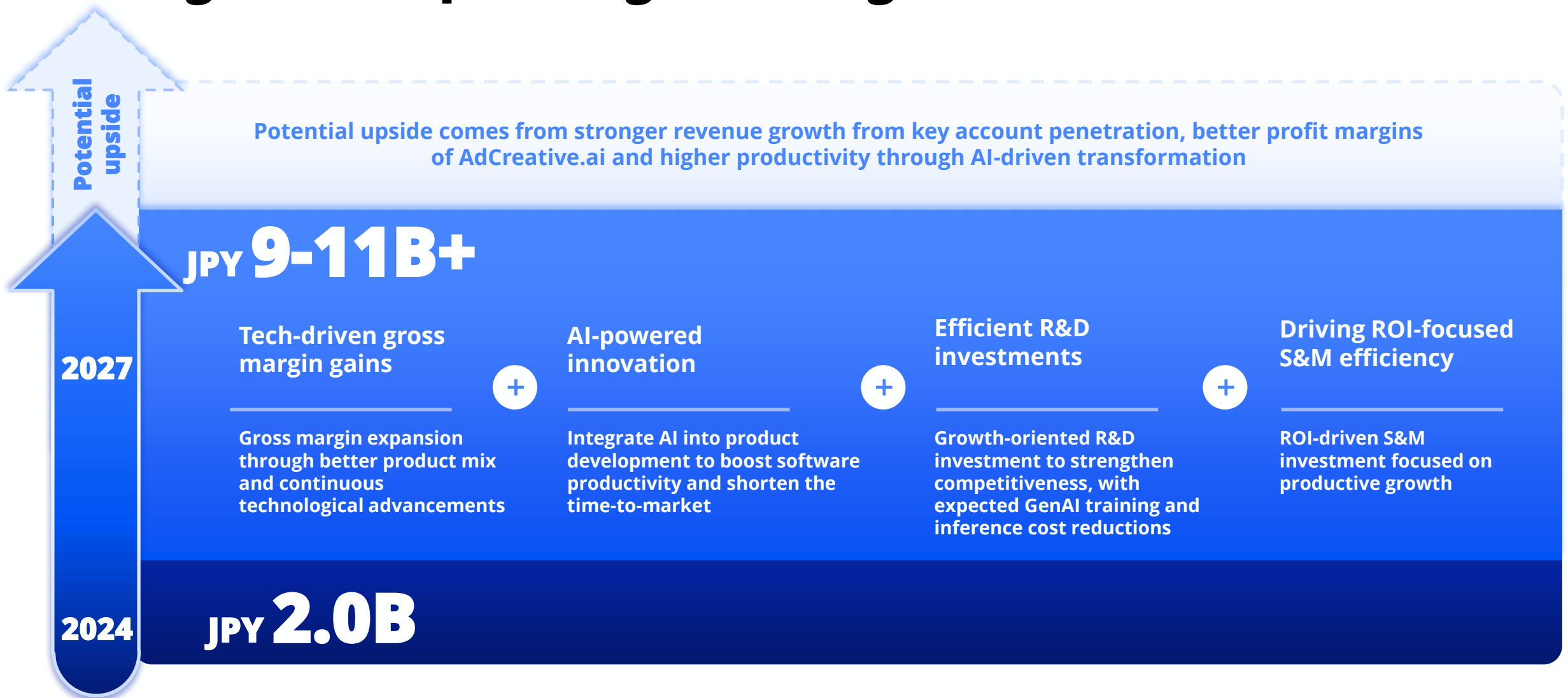
2027

- +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

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



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)

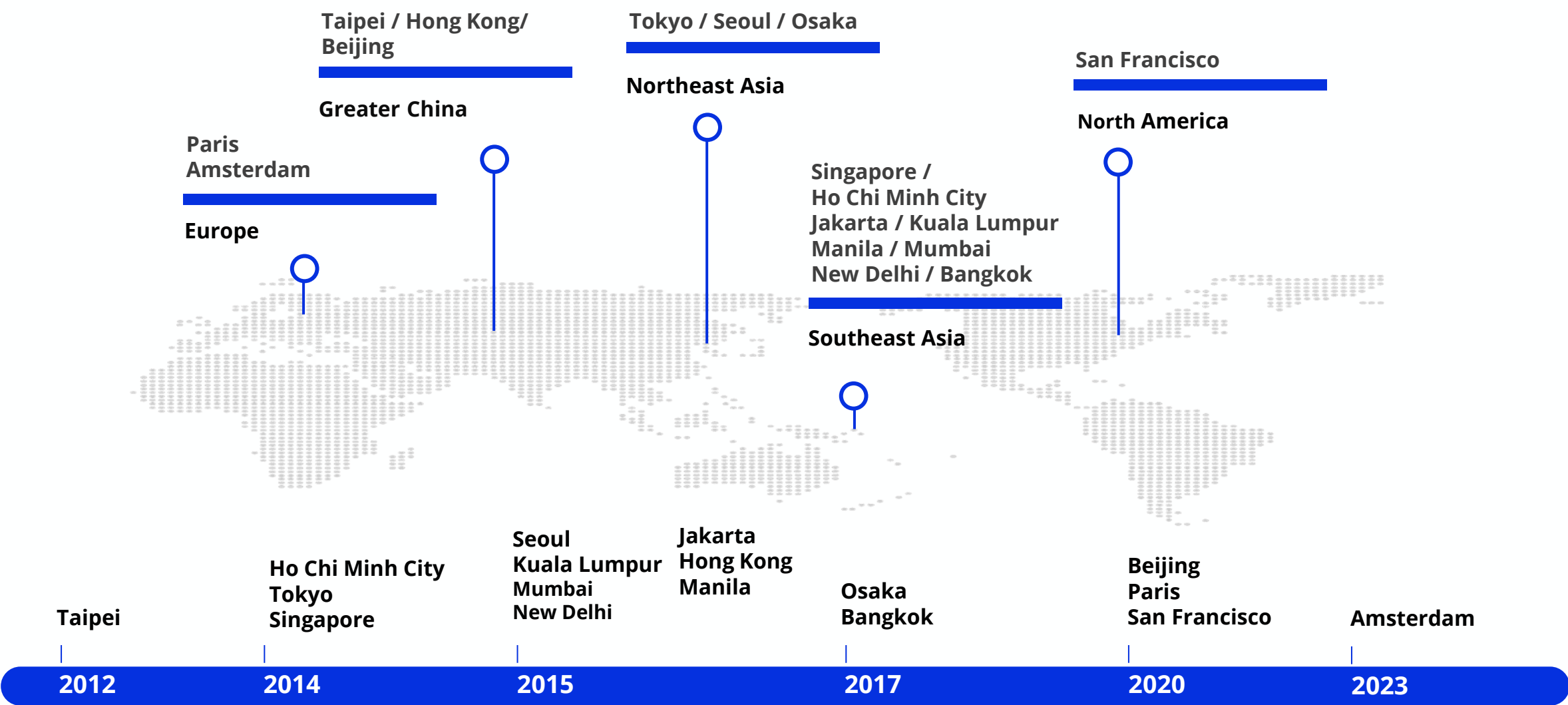


Singular ROI Index
(2025)



LINE Taiwan Biz-Solutions
Gold Partner
(2025)

Appier's global presence: 17 offices worldwide

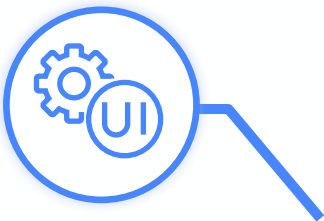


How AI transforms our business operation

Differentiating Products with GenAI

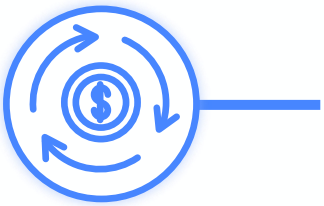
ROI driver

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



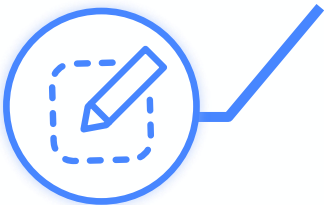
AI is the new UI

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



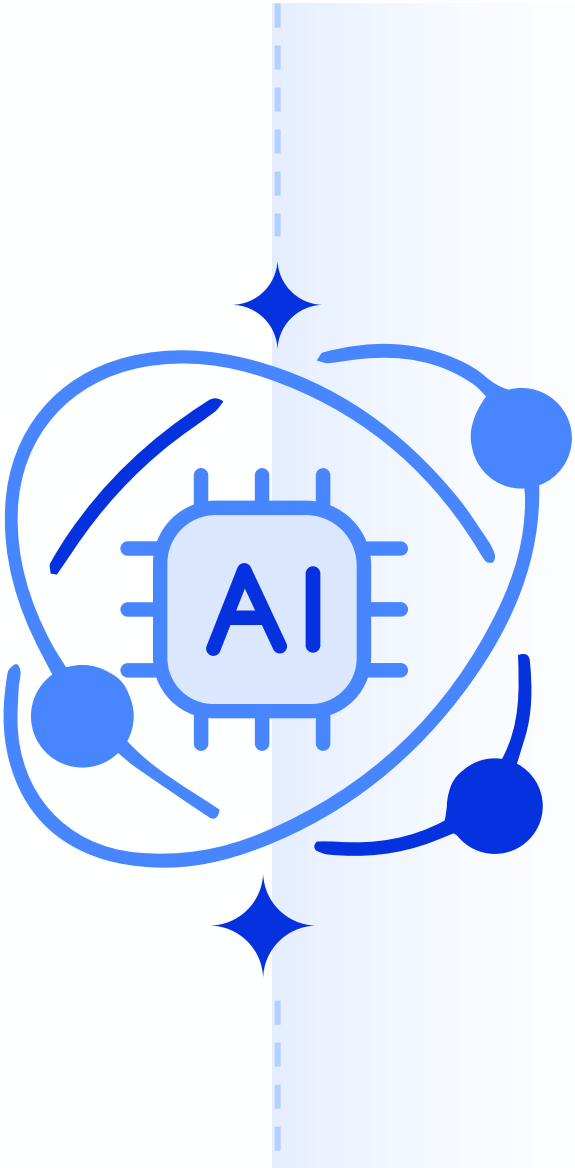
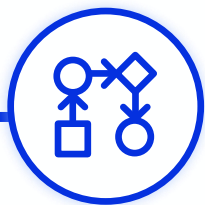
Customer management

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



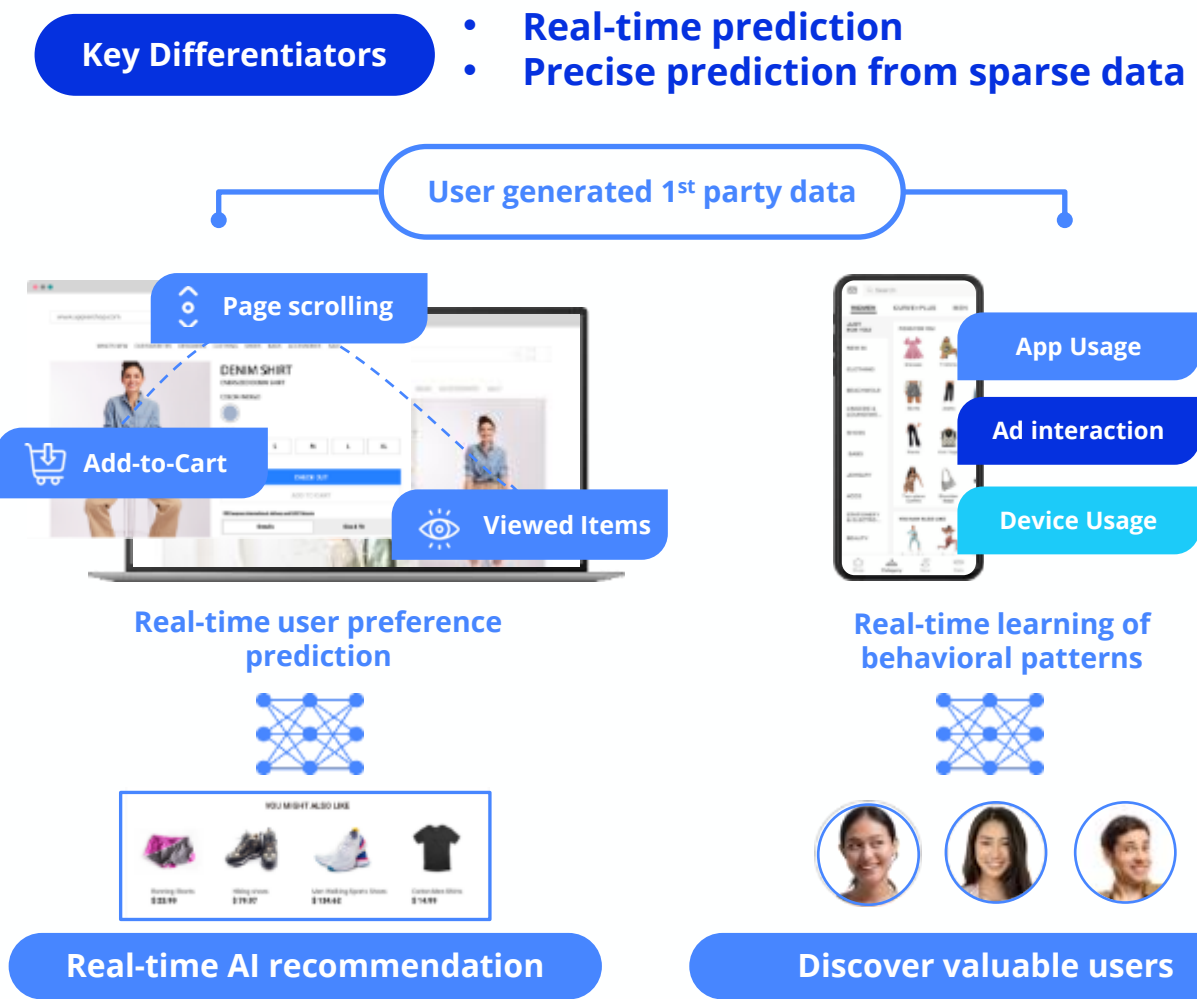
Workflow standardization

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

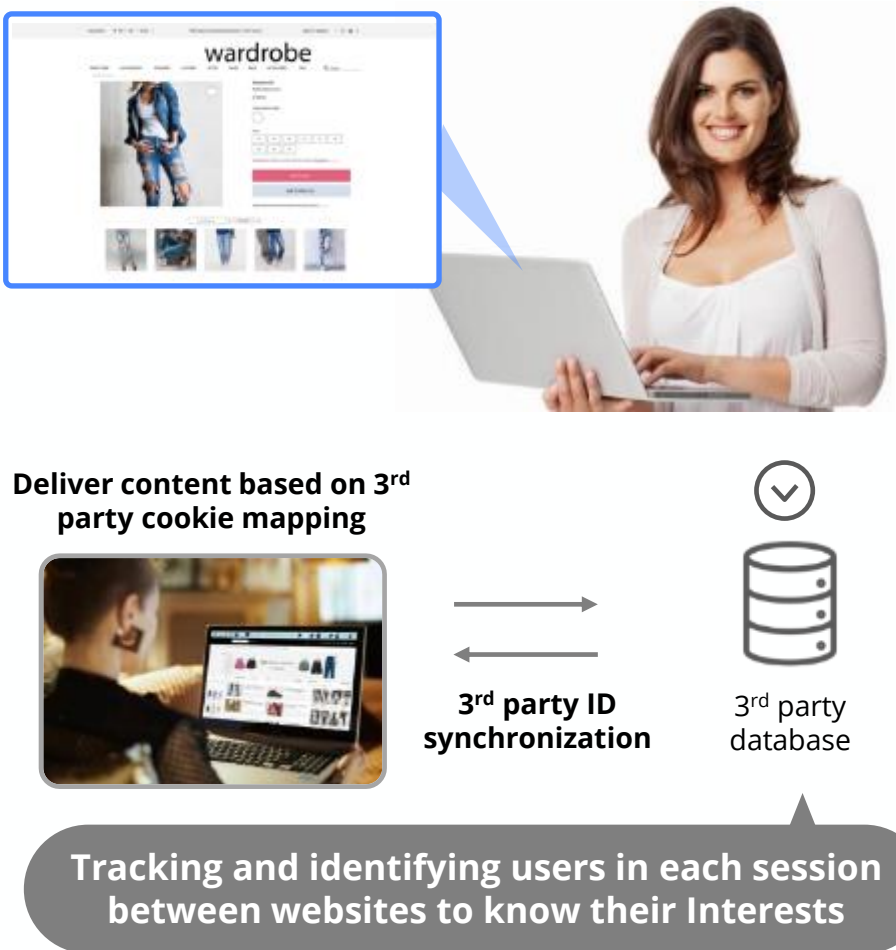


AI is the key component in the 1st party data world

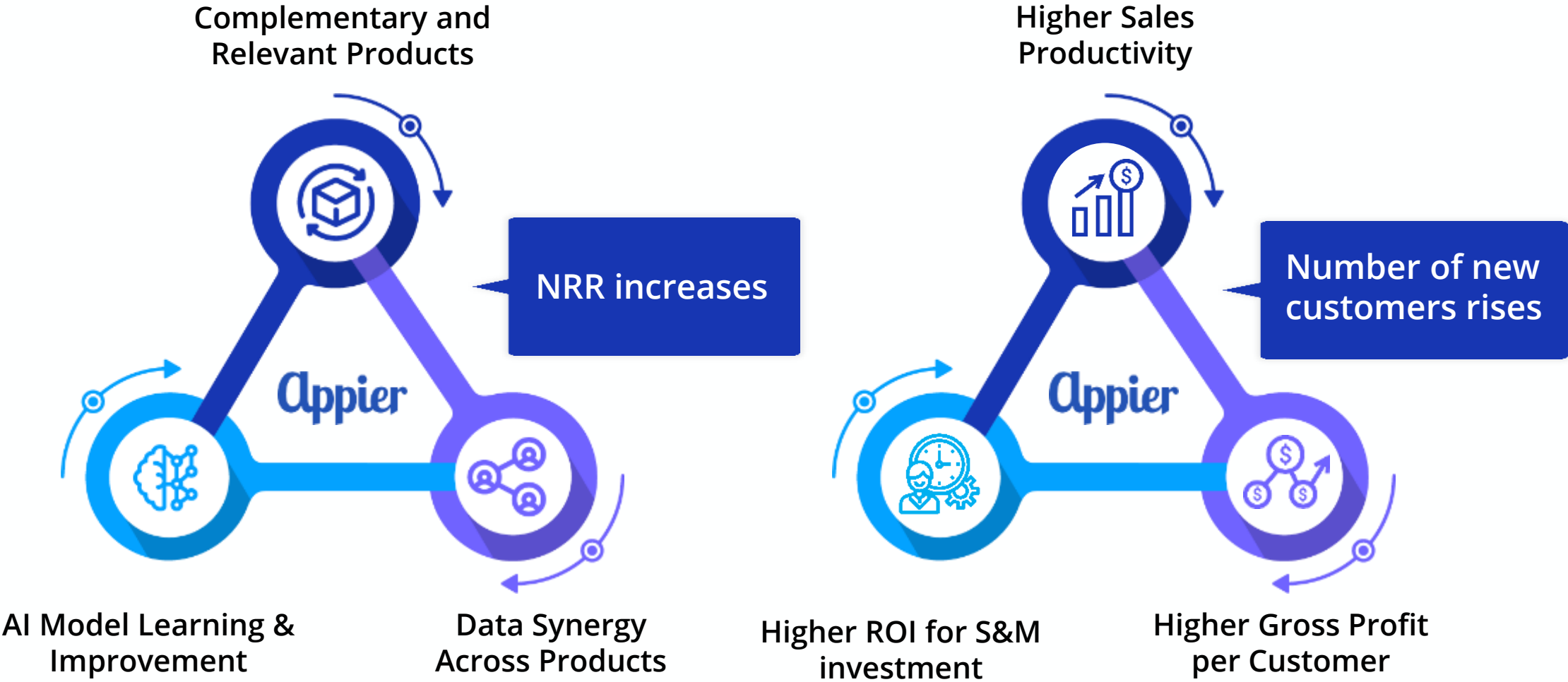
With Only 1st Party Data



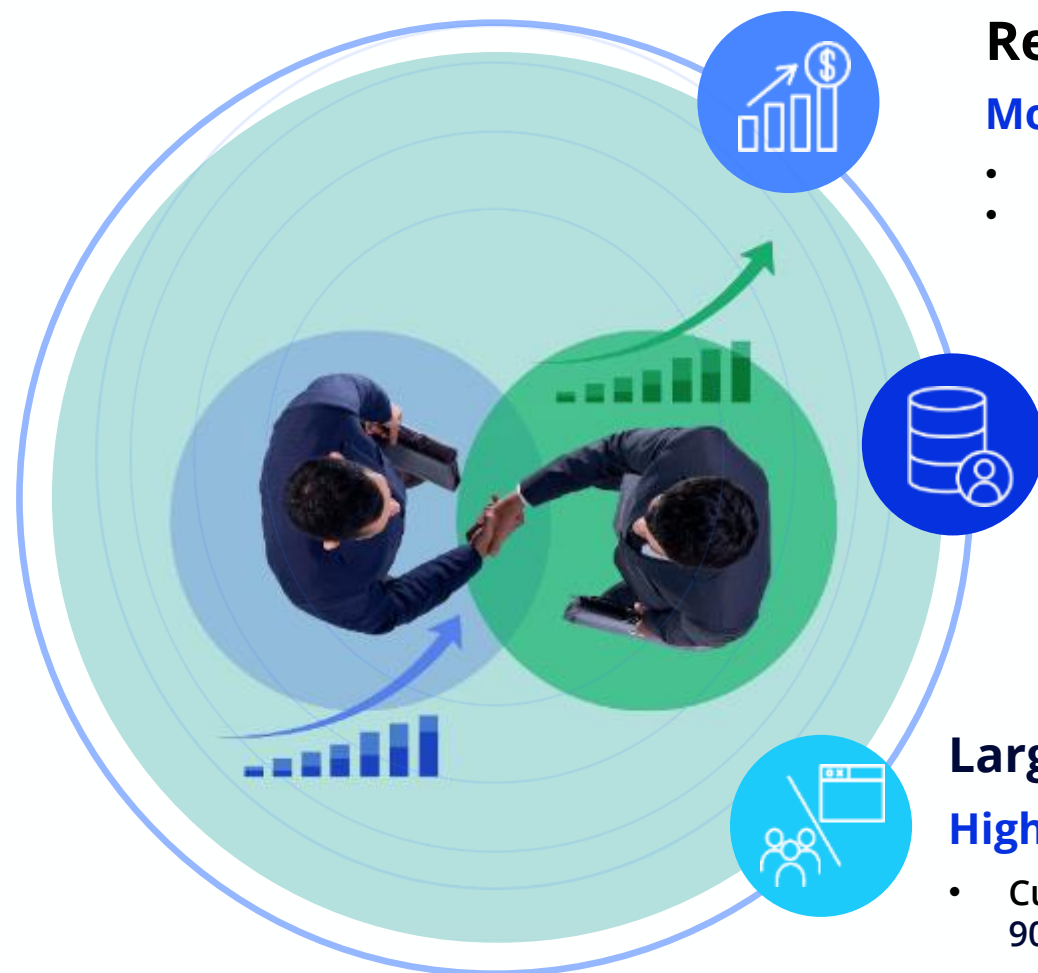
With 3rd Party Data



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

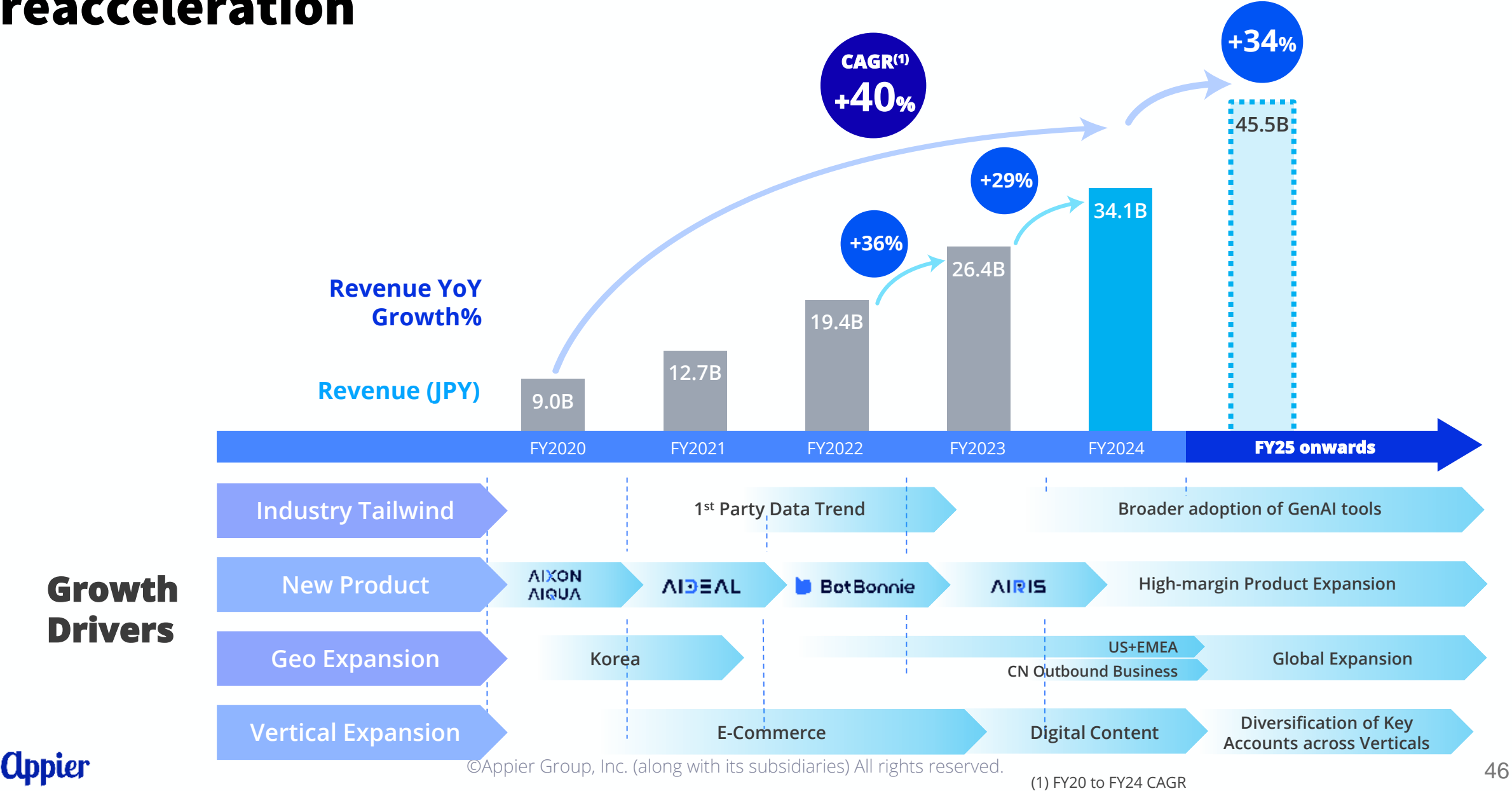
- 1st party data is the key to cope with increased privacy restrictions that accelerates our business expansion, especially in US & EMEA
- Increased awareness of AI underscores our product value and drives our business growth

Large Enterprise Customers & Diversified Verticals

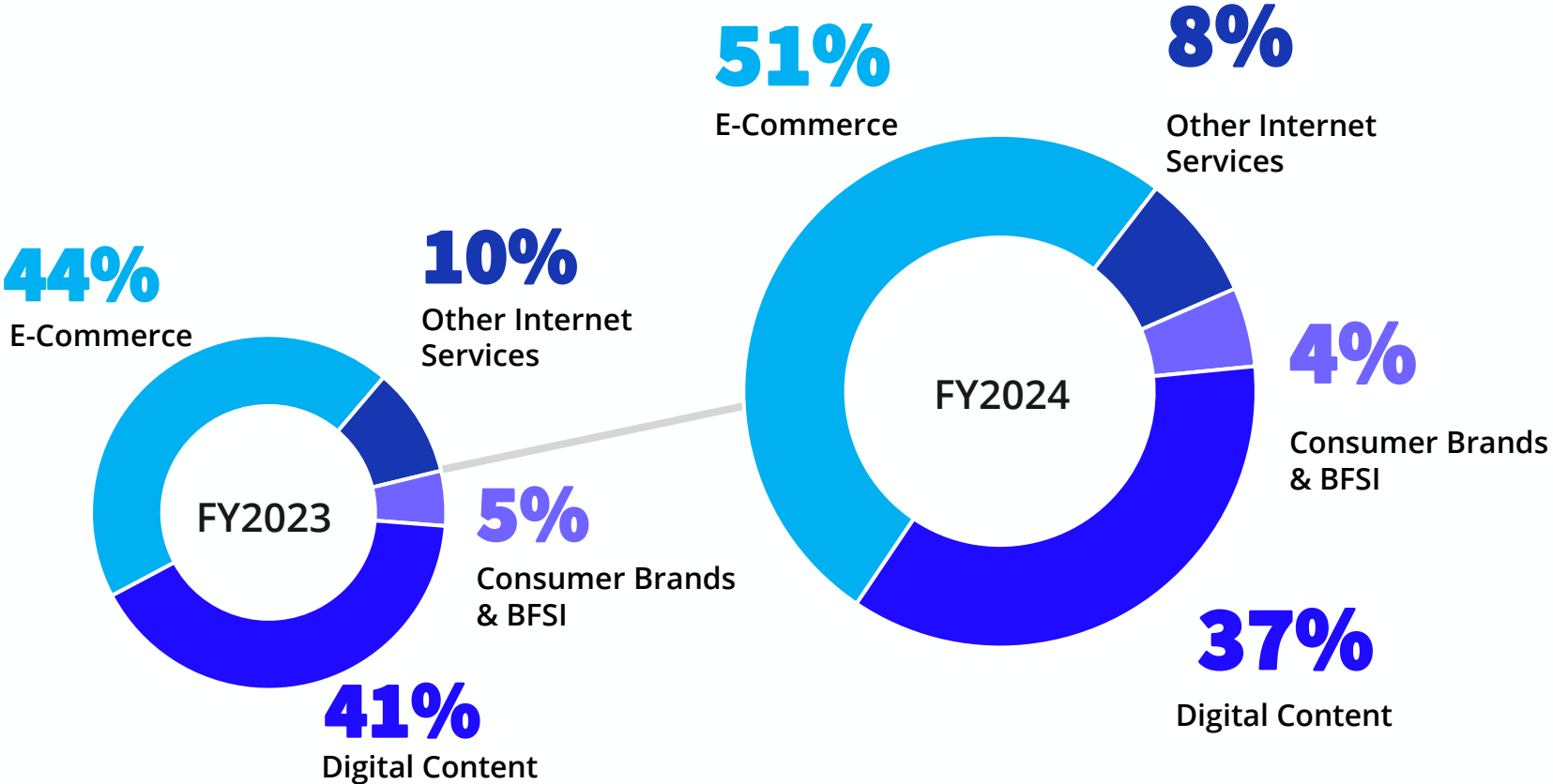
Higher business resilience

- 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

Newly emerged growth drivers play key role in growth reacceleration



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



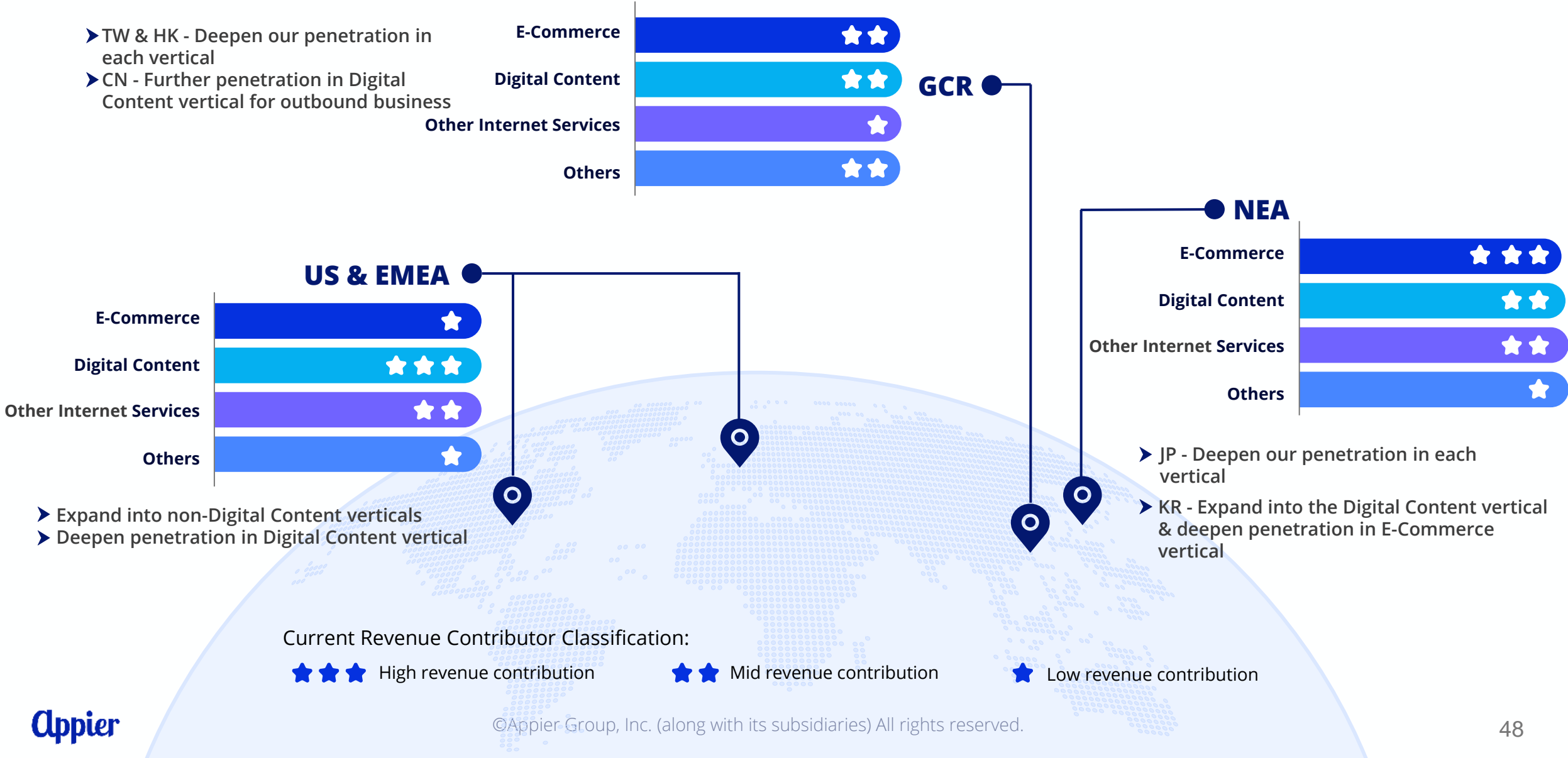
E-Commerce

- 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

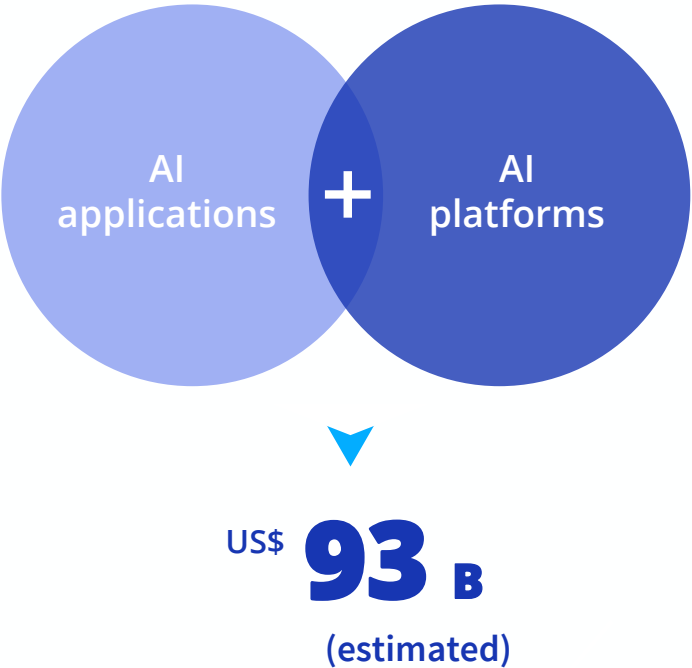
Business Growth Outlook: Key Focus Regions & Verticals



Massive Market Opportunity

Top-Down View 2025

IDC (1)



Bottom-Up View 2025



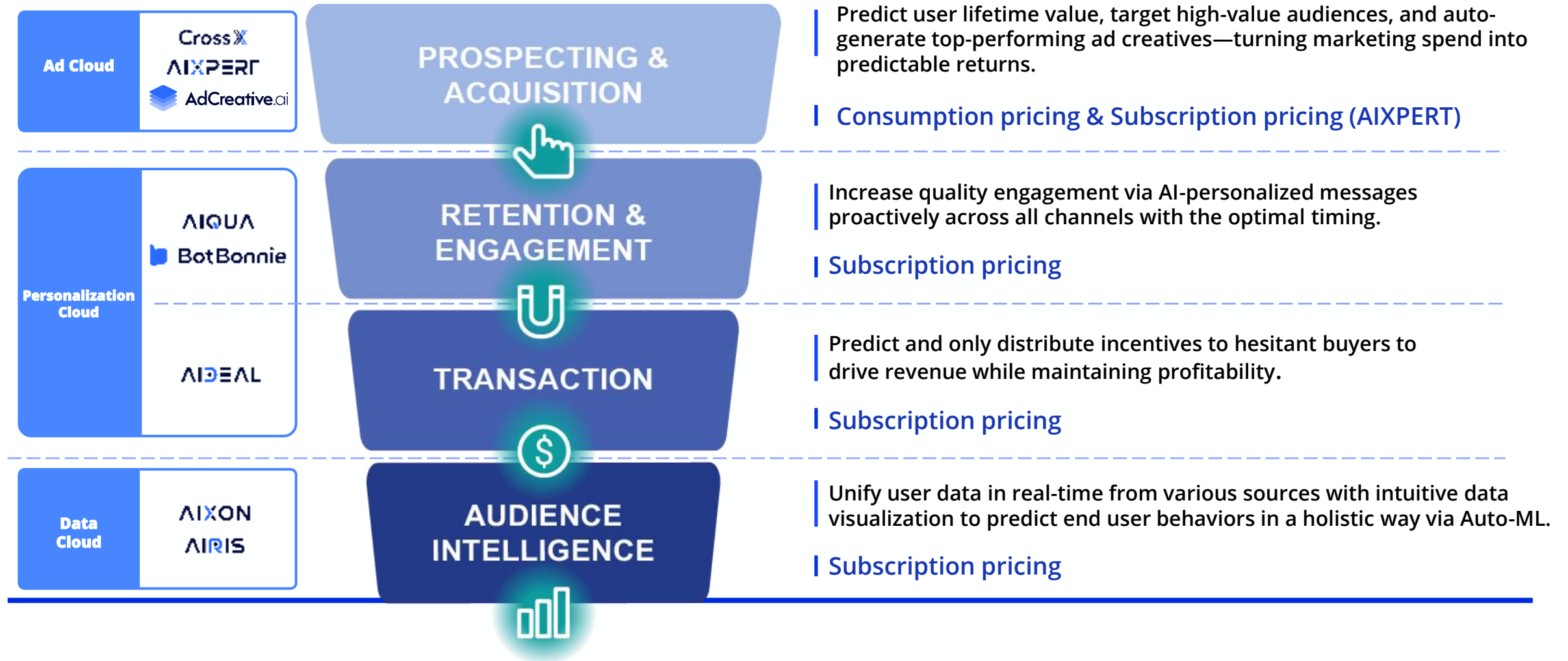
(1) Source: IDC Worldwide Artificial Intelligence Platforms Software Forecast, 2024–2028; IDC Worldwide Artificial Intelligence Software Forecast, 2023–2027

(2) Annualized revenue= FY24 revenue in JPY / exchange rate 151.4

(3) Calculation is based on internal estimation. In terms of APAC marketing investment, we have around 3.3% market share in EC, 3% 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 2.1% market share of APAC marketing investment. APAC marketing investment accounts for around one third of global marketing investment.

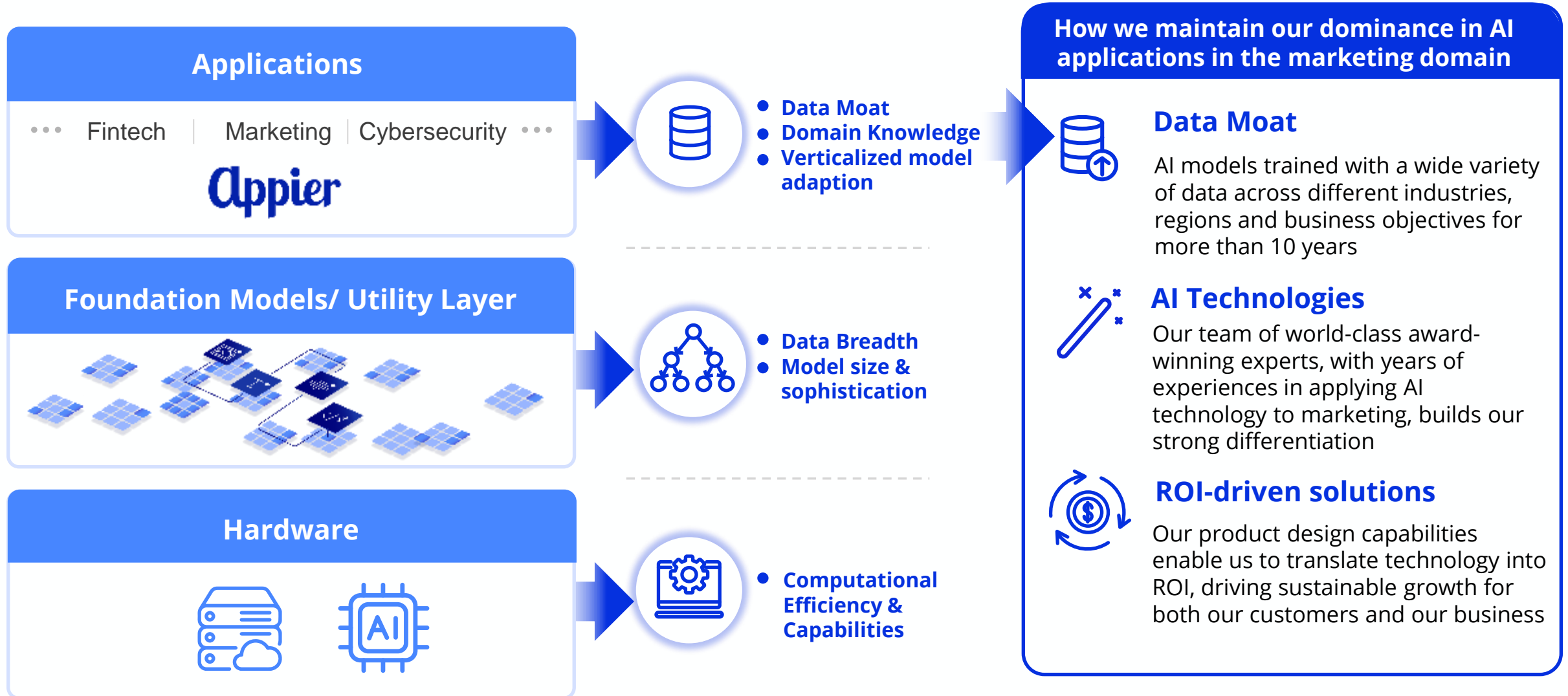
Products

Comprehensive AI-Powered Solutions Across the Funnel

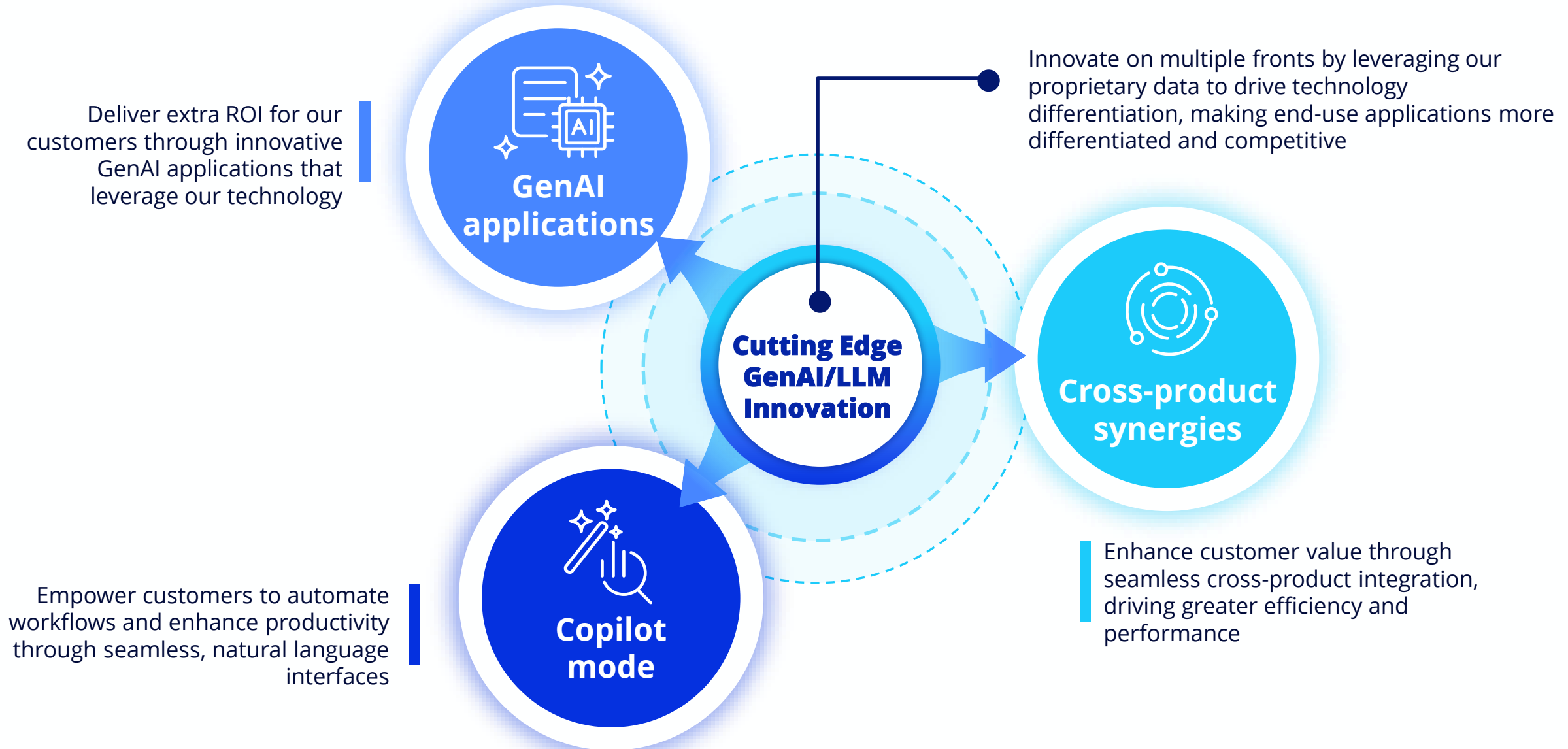


Appier's position in the AI stack

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



Product Development Strategy



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



CrossX

AI XPERT

AdCreative.ai

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

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

AI DEAL

- 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 XON

AI RIS

- 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

Why Customers Choose Appier



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.

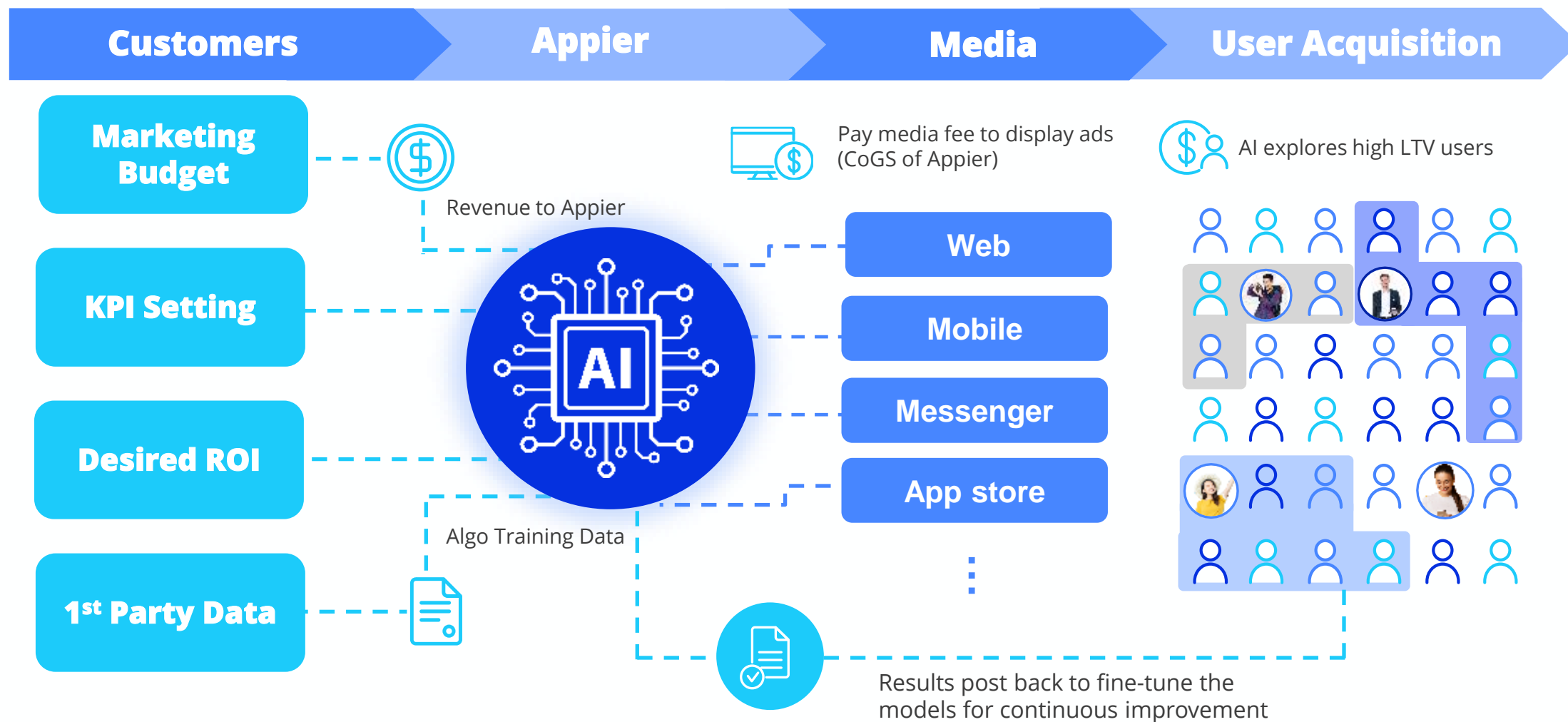


Machine Learning and Deep Learning
to Predict High Lifetime Value End
Users

Acquire The Most Valuable
End Users at Scale

Provide Predictable Returns

How CrossX Works- Full AI Automation for Better ROI



AI Strength: Bring Predictivity & Accuracy to Digital Ads



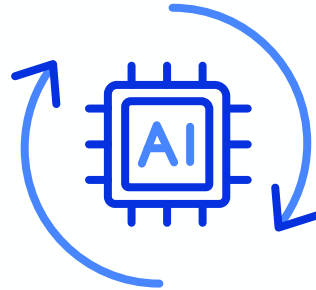
Better Visibility & Return

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



Upsell Opportunity

Predicable ROI brings more usage of CrossX



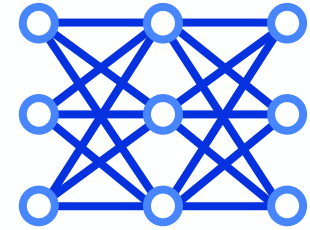
Technology Moat

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



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

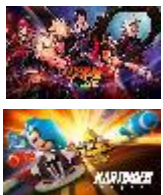
Re-target TOP future CVR & ROAS users

In-app user behavior

Acquire users with high interests to the app & ROAS

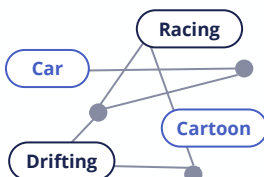
Uplift user's LTV⁽¹⁾

Graphics Style



- Cartoonish
- 3D visual
- Fantasy

App contextual data



Day
1



Secure the day 1 retention

Day
2



Level 20 completion

+6.9%

Day
7



In-app purchase

+1.4x

Day
30

Day
45

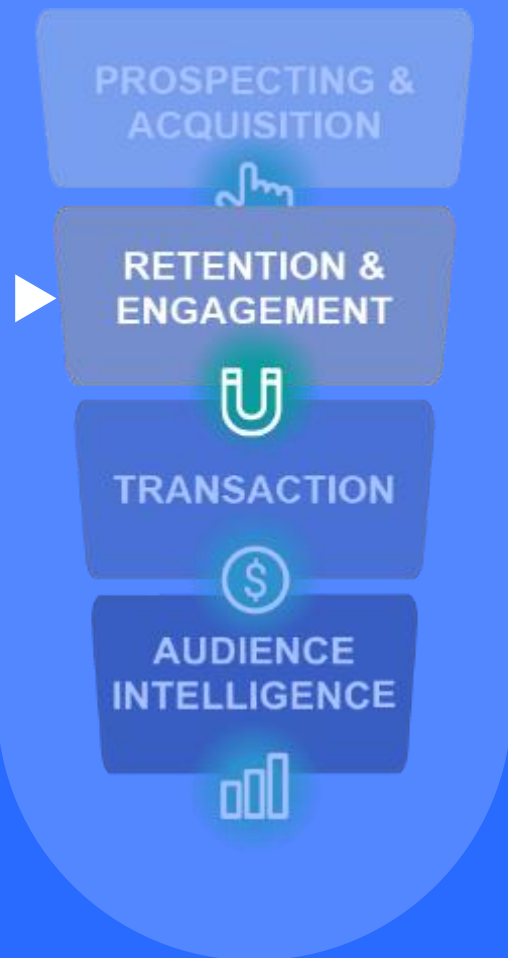


CVR⁽²⁾

+55%

Purchase event

+16%



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

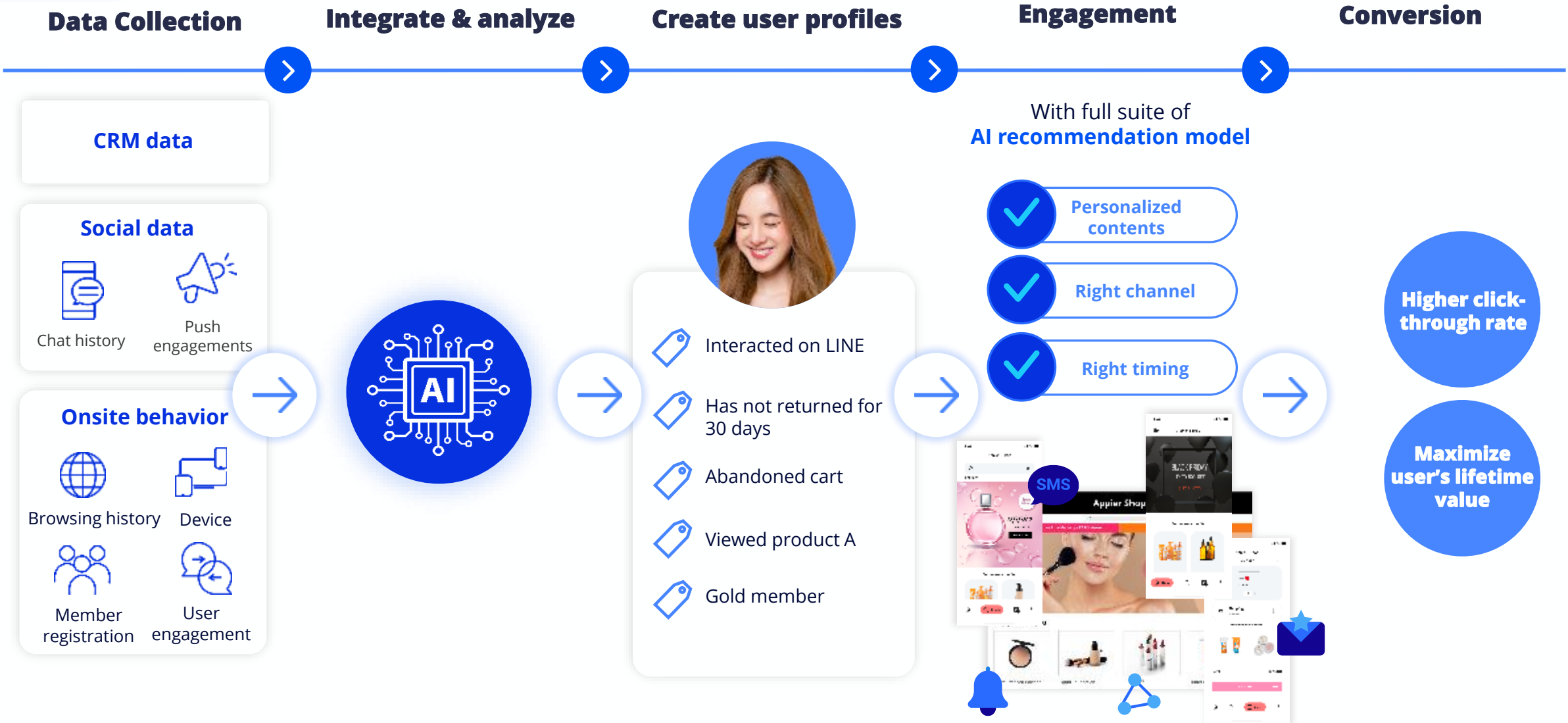


A conversational marketing solution built upon the most popular messenger platforms. Harness the full potential of your followers on LINE, FB Messenger, Instagram, WhatsApp, Website and Google Business Messages, etc.

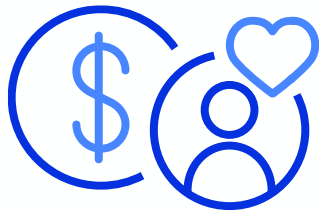
**Codeless instant messaging
solution for marketers**

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

Drive High Conversion with Personalized Engagement



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



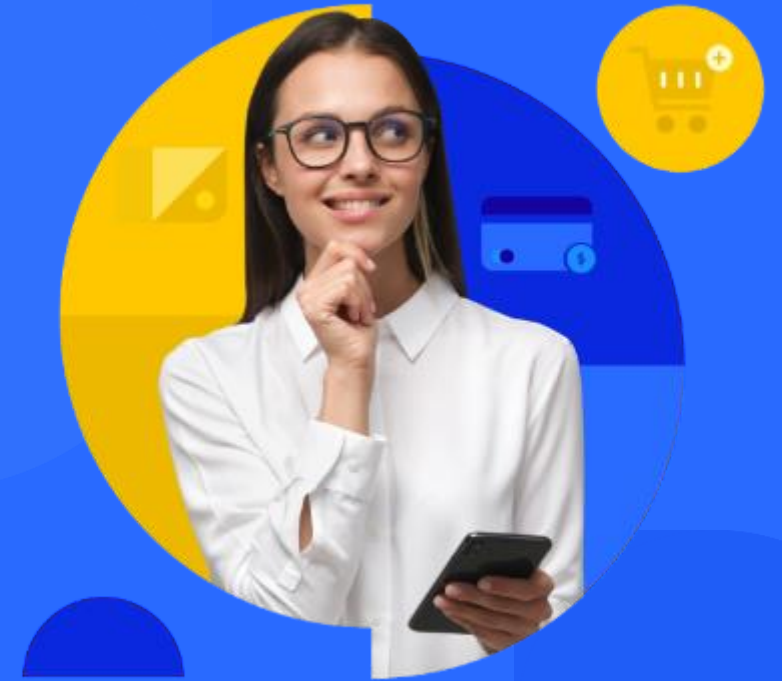
Boost GenAI effectiveness with decision-making AI

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.



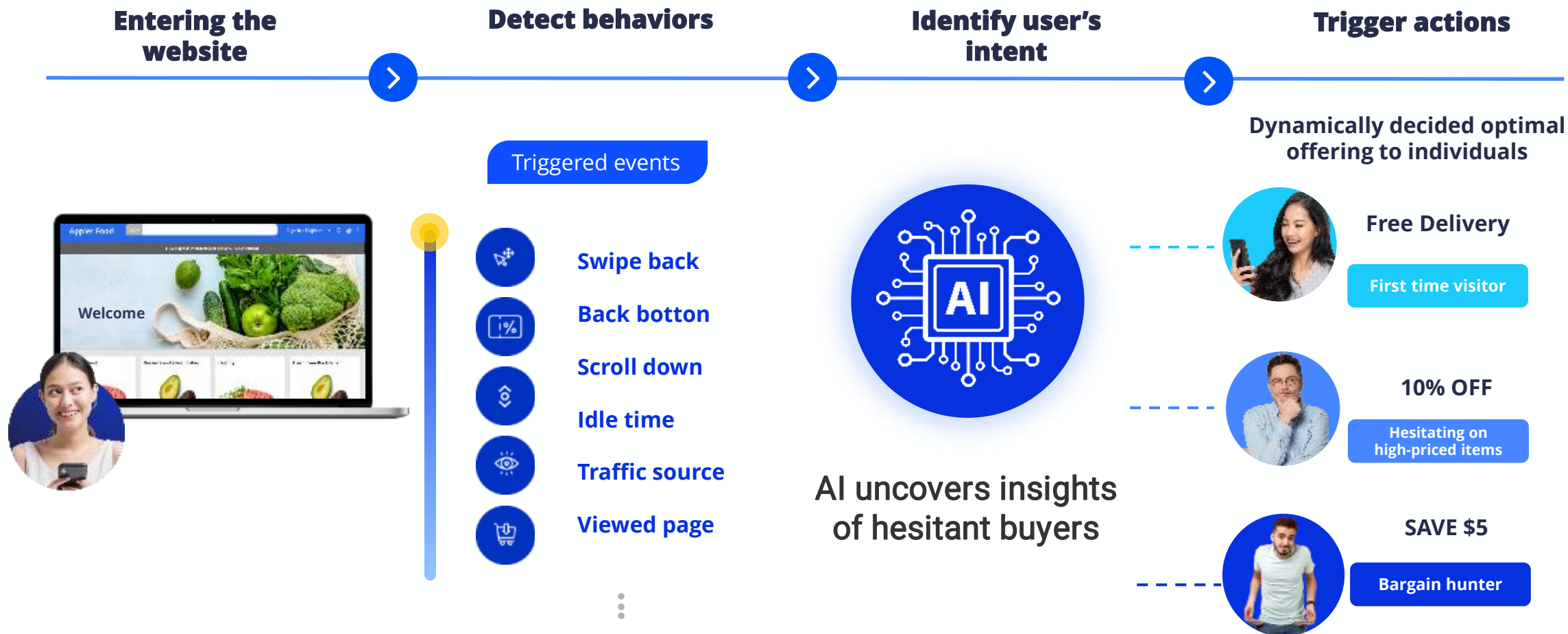
**Predict Purchase Intent with
Machine Learning and Deep Learning**

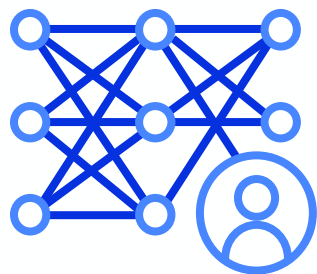
**Optimized Incentives with a
Sense of Urgency**

Real-Time Analytics

Trigger Purchase Decisions with Optimal Incentive Offering

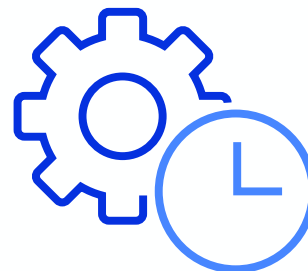
Predict and only distribute the most effective incentive to hesitant buyers while maintaining profitability





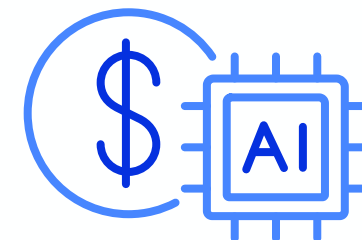
Analysis of Users' Behavior with Advanced Algorithm

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

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**

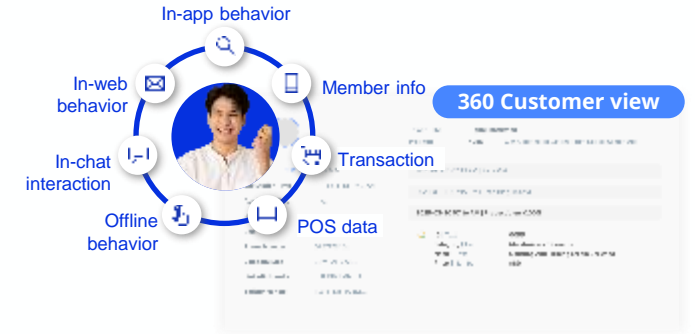
AIRIS Empower Business Growth with AI CDP



Marketers' pain points

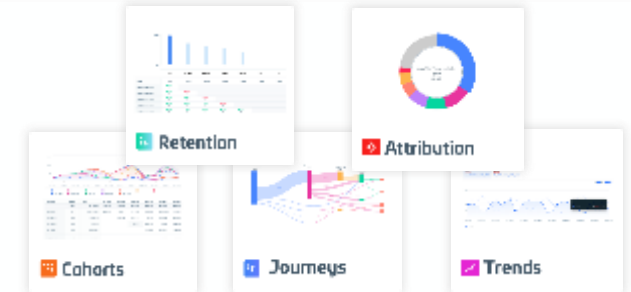
Real-time data ingestion

- 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

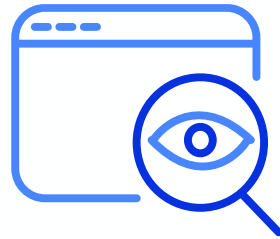
- Allowing marketers to prioritize and target users based on predictions of customer behavior
- Deliver **hyper-personalized engagement** with precise segmentation





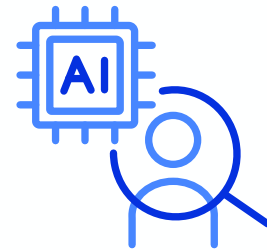
Fastest Time-to-Insight with Seamless Data Ingestion

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)

	2024 Q2 6 months	2025 Q2 6 months	YoY	2024 Q2 3 months	2025 Q2 3 months	YoY	2023	2024	YoY
Revenue	15,524	19,664	26.7%	8,150	10,312	26.5%	26,418	34,057	28.9%
Cost of sales	(7,532)	(9,073)		(3,970)	(4,526)		(12,710)	(16,255)	
Gross profit	7,992	10,591	32.5%	4,180	5,786	38.4%	13,708	17,802	29.9%
Gross margin	51.5%	53.9%		51.3%	56.1%		51.9%	52.3%	
Sales and marketing expenses	(4,638)	(6,056)		(2,310)	(3,201)		(8,263)	(9,682)	
<i>% of Revenue</i>	<i>29.9%</i>	<i>30.8%</i>		<i>28.3%</i>	<i>31.0%</i>		<i>31.3%</i>	<i>28.4%</i>	
Research and development expenses	(2,242)	(2,389)		(1,247)	(1,156)		(3,141)	(4,650)	
<i>% of Revenue</i>	<i>14.4%</i>	<i>12.1%</i>		<i>15.3%</i>	<i>11.2%</i>		<i>11.9%</i>	<i>13.7%</i>	
General and administrative expenses	(905)	(1,391)		(408)	(686)		(1,829)	(1,850)	
<i>% of Revenue</i>	<i>5.8%</i>	<i>7.1%</i>		<i>5.0%</i>	<i>6.7%</i>		<i>6.9%</i>	<i>5.4%</i>	
Other income	215	131		139	65		334	390	
Other expenses	(6)	(7)		(3)	(2)		(9)	(29)	
Operating income	416	879		351	806		801	1,981	
Operating margin	2.7%	4.5%		4.3%	7.8%		3.0%	5.8%	
Finance income	247	79		127	34		547	448	
Finance costs	(199)	(313)		(94)	(257)		(285)	(367)	
Profit before tax	464	645		384	583		1,063	2,062	
Income taxes	(38)	(53)		(15)	(26)		(61)	865	
Profit for the year	426	592		369	557		1,002	2,927	
Basic earnings per share (JPY)	4.18	5.82		3.61	5.48		9.85	28.70	
Diluted earnings per share (JPY)	4.14	5.78		3.58	5.46		9.75	28.47	

Selected Financial Data

Consolidated Statements of Financial Position

(Millions of JPY)	2023	2024	2025 Q2
Cash and cash equivalents	6,134	5,496	10,576
Time deposits	8,004	6,727	3,652
Other financial assets – current assets ⁽¹⁾	4,940	5,794	6,184
Liquidity on hand	19,078	18,017	20,412
Accounts receivables ⁽²⁾	5,355	9,361	10,718
Other current assets	496	621	852
Total current assets	24,929	27,999	31,982
Right-of-use assets (Lease assets) ⁽³⁾	2,686	2,197	1,845
Goodwill and intangible assets ^{(4) (5)}	9,347	12,528	17,918
Deferred tax assets ⁽⁶⁾	190	1,117	1,048
Other non-current assets	700	796	867
Total non-current assets	12,923	16,638	21,678
Total assets	37,852	44,637	53,660

(1) Holding short-term, low-risk securities for cash management purposes.

(2) Accounts receivables = Trade receivables + Contract assets

(3) Lease assets and liabilities relate to office rent and are recognized simultaneously as both assets and liabilities.

(4) Intangible assets mainly consist of capitalized software development costs that meet the criteria for capitalization.

(5) Goodwill increased due to the acquisition of AdCreative.ai.

(6) The increase in deferred tax assets in FY2024 reflects the recognition of loss carryforwards, based on the outlook for improved profitability.

(Millions of JPY)	2023	2024	2025 Q2
Contract liabilities & trade payables	2,610	3,524	4,079
Other liabilities ^{(7) (8)}	2,546	2,736	5,567
Lease liabilities ^{(3) (9)}	2,747	2,279	1,933
Borrowings	600	1,500	9,375
Others	258	283	408
Total liabilities	8,761	10,322	21,362
Shareholders' equity ⁽¹⁰⁾	22,963	25,153	25,665
Other components of equity ⁽¹¹⁾	6,128	9,162	6,633
Total equity	29,091	34,315	32,298

(7) Other liabilities here includes both Other liabilities and Other non-current liabilities in the BS

(8) Other liabilities increased due to the recognition of a contingent consideration liability associated with the M&A transaction.

(9) Total of current and non-current lease liabilities

(10) Shareholders' equity = Share capital + Capital surplus + Treasury shares + Retained earnings

(11) Other components of equity consist mainly of translation differences arising from the financial statements of subsidiaries outside Japan. The amount would be decreased if the Japanese yen appreciates against other currencies.

Selected Financial Data

Consolidated Statements of Cash Flows

(Millions of JPY)		2023	2024	2025 Q2
Cash flows from operating activities	(A)	2,224	1,929	721
Excluding change in working capital		2,950	4,828	2,577
Change in working capital		(726)	(2,899)	(1,856)
Cash flows from investing activities		1,971	(2,241)	(2,971)
Payments for intangible assets	(B)	(3,229)	(4,191)	(2,352)
Payments for acquisition of subsidiaries		(381)	-	(2,520)
Withdrawal and placement of time deposits		6,585	2,087	2,732
Acquisition and disposal of other financial assets – current (2)		(817)	(78)	(14)
Others (4)		(186)	(59)	(817)
Cash flows from financing activities		(2,250)	(792)	7,258
FX impact on cash and cash equivalents		385	466	72
Change in cash and cash equivalents		2,330	(638)	5,080
Ending balance of cash and cash equivalents		6,134	5,496	10,576
Core free cash flow (1)	(A)+(B)	(1,005)	(2,262)	(1,631)

(1) Core free cash flow = Cash flows from operating activities + Payments for intangible assets

(2) Holding short-term, low-risk securities for cash management purposes

(3) Payments for property, plant and equipment and Increase in guarantee deposits

(4) Increased in FY25 Q2 due to the placement of escrow funds related to the M&A

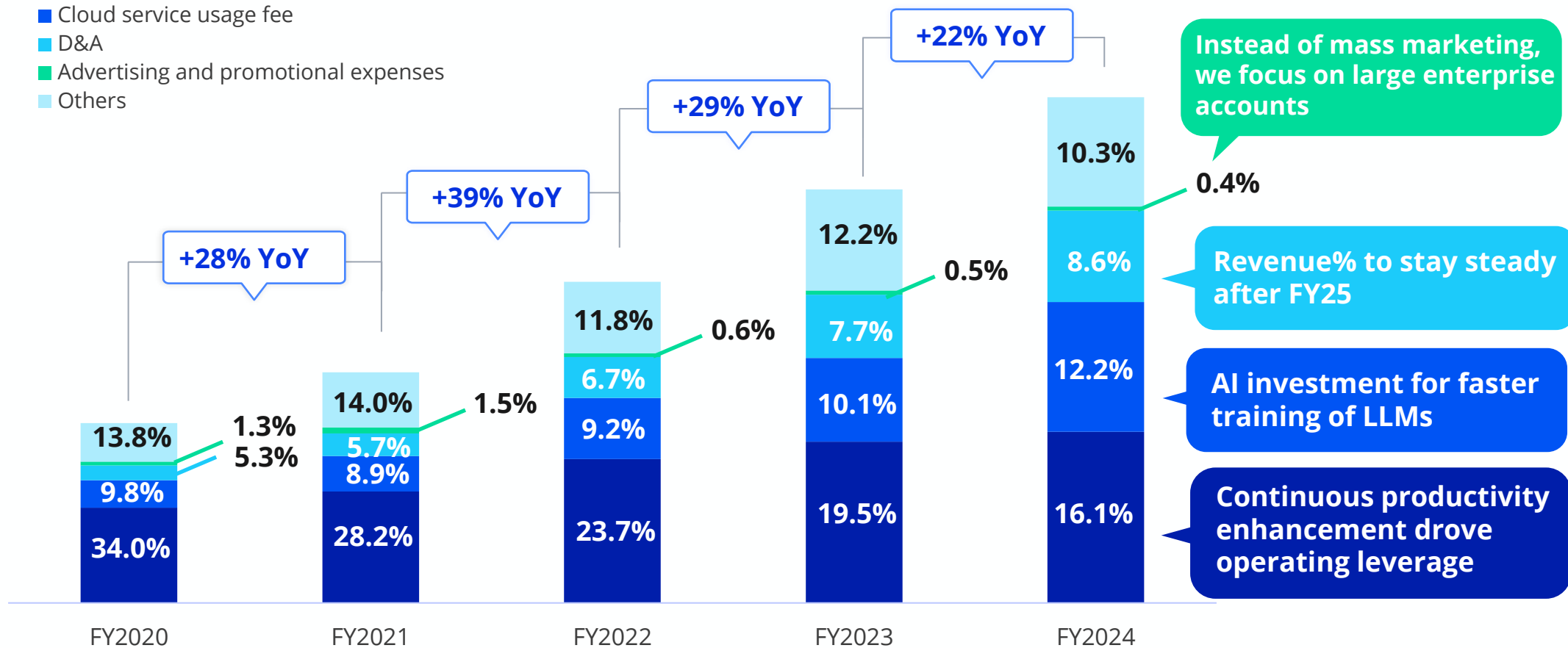
Change in liquidity on hand

(Millions of JPY)	2023	2024	2025 Q2
Balance of liquidity on hand	19,078	18,017	20,412
Cash and cash equivalents	6,134	5,496	10,576
Time deposits	8,004	6,727	3,652
Other financial assets – current (2)	4,940	5,794	6,184
Change in liquidity on hand	(2,235)	(1,061)	2,395
Core Free cash flow (1)	(1,005)	(2,262)	(1,631)
Payments for acquisition of subsidiaries	(381)	-	(2,520)
Cash flows from other investing activities (3)	(186)	(59)	(38)
Cash flows from Financing activities	(2,250)	(792)	7,258
Fair value assessment on other financial assets – current (2)	253	300	124
FX impact	1,336	1,752	(798)
FX impact on cash and cash equivalents	385	466	72
FX impact on time deposits	656	810	(343)
FX impact on other financial assets – current (2)	294	476	(527)

Main Components of OPEX

OPEX (JPY M) & Revenue%

- Personnel expenses
- Cloud service usage fee
- D&A
- Advertising and promotional expenses
- Others

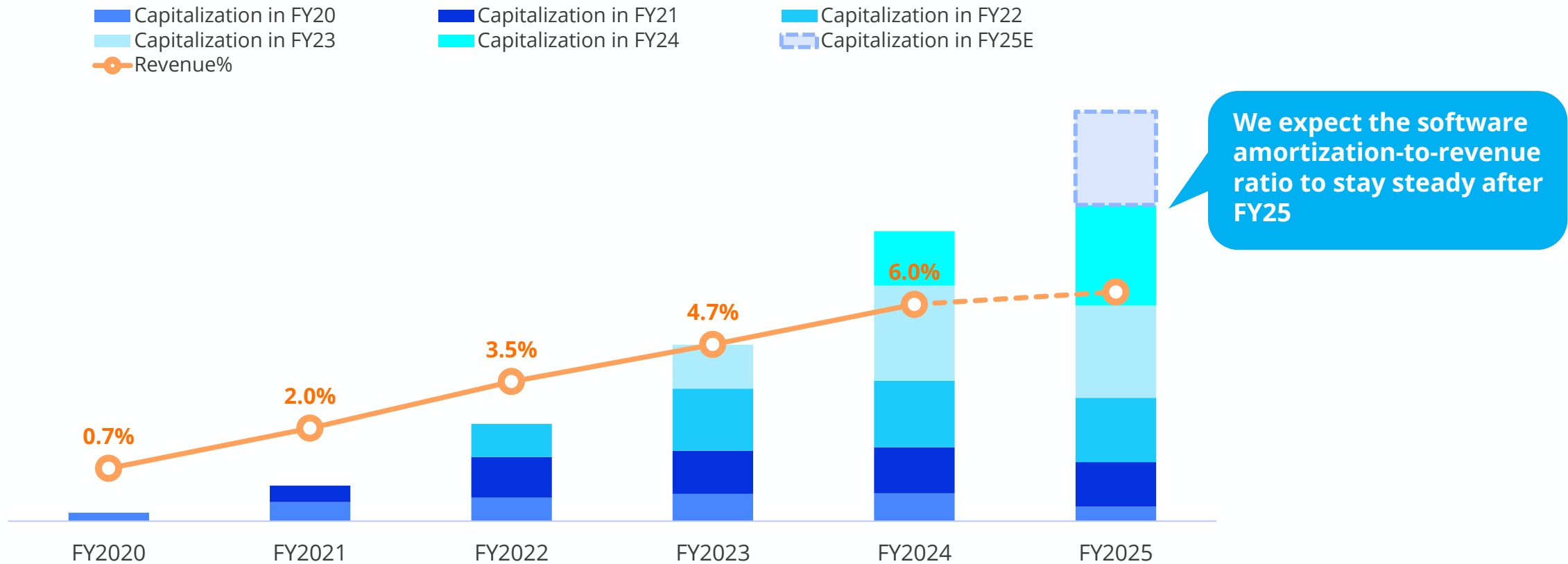


(1) "Others" includes commission fee, professional service fee, T&E and others.

Software Amortization

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

Software Amortization (JPY M) & Revenue Ratio

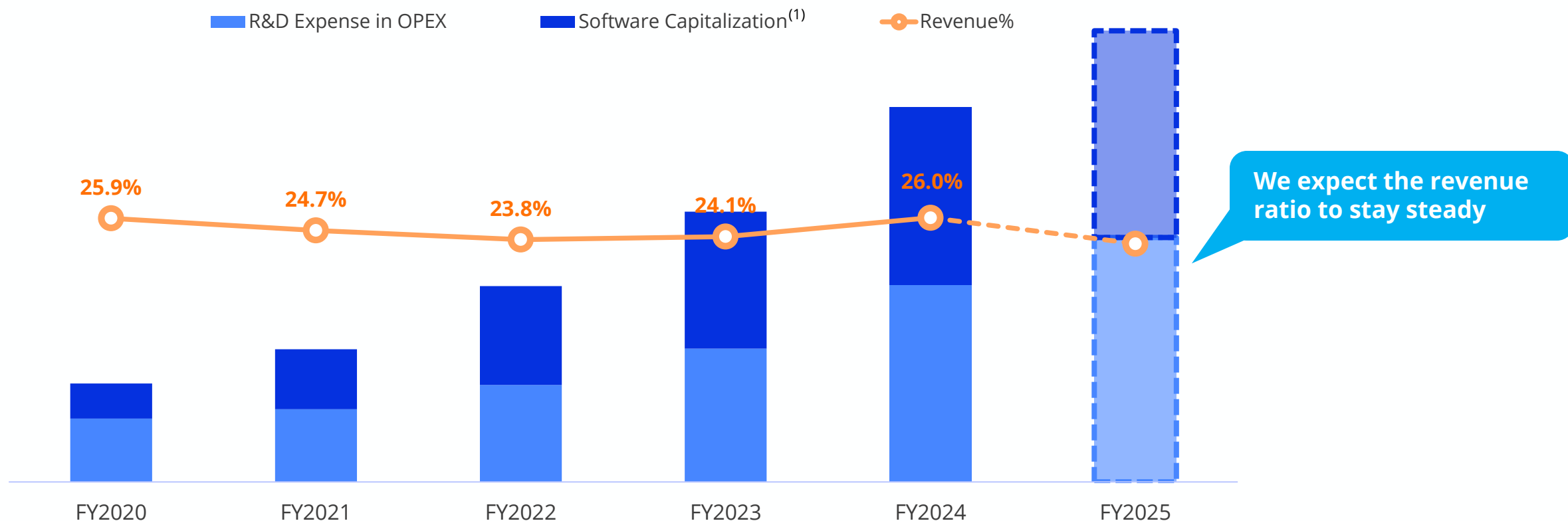


(1) The calculation of software-amortization-to-revenue ratio from FY24 to FY25 includes the software capitalization amount from FY24 to FY25.

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

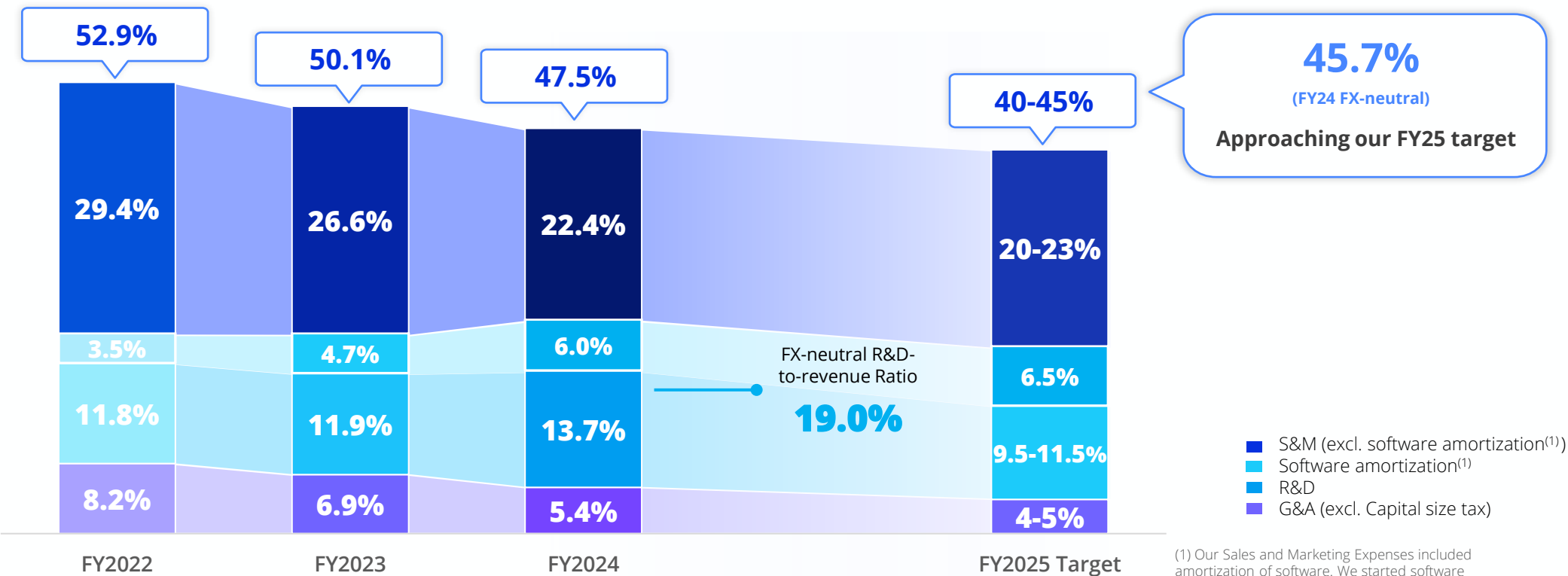


(1) The software capitalization amount refers to the payment for intangible assets in the cash flow.

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)



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%		<ul style="list-style-type: none"> Stronger growth in key regions of NEA and US & EMEA FX tailwinds from JPY depreciation
Gross Margin	55-60%	56%	54%		<ul style="list-style-type: none"> Algorithm improvement in Advertising Cloud despite FX headwinds
OPEX	40-45%	43%	43%		<ul style="list-style-type: none"> Better operating leverage in S&M and G&A
Operating Margin ⁽³⁾	15-20%	14%	11%		<ul style="list-style-type: none"> Higher R&D investment in enhancing platform value for sustainable growth
Operating Income		5.2B	4.8B		<ul style="list-style-type: none"> FX headwinds from JPY depreciation

(1) Figures calculated assuming no change from FY22Q1 FX rates

(4) Percentages may not sum exactly due to rounding.

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

ESG Initiatives

Our Commitment

MSCI
ESG RATINGS



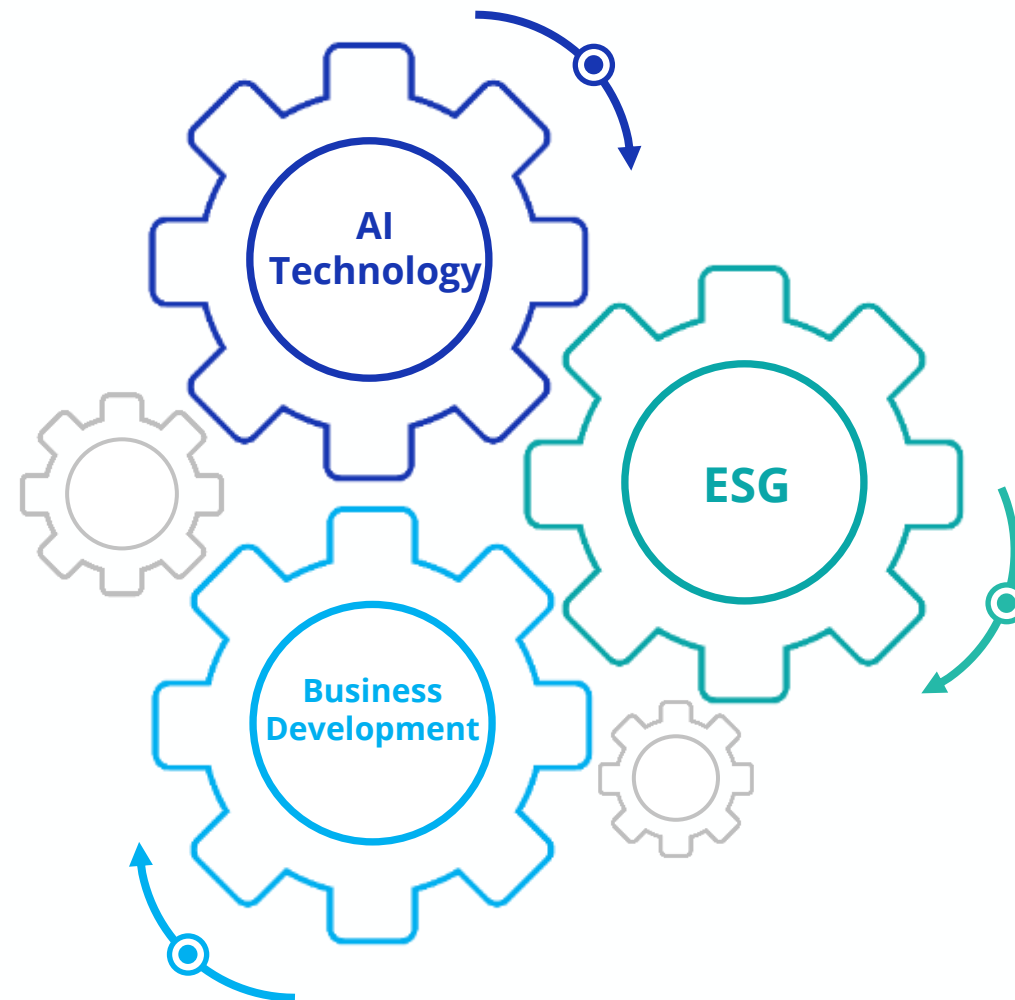
CCC B BB BBB A AA AAA

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.

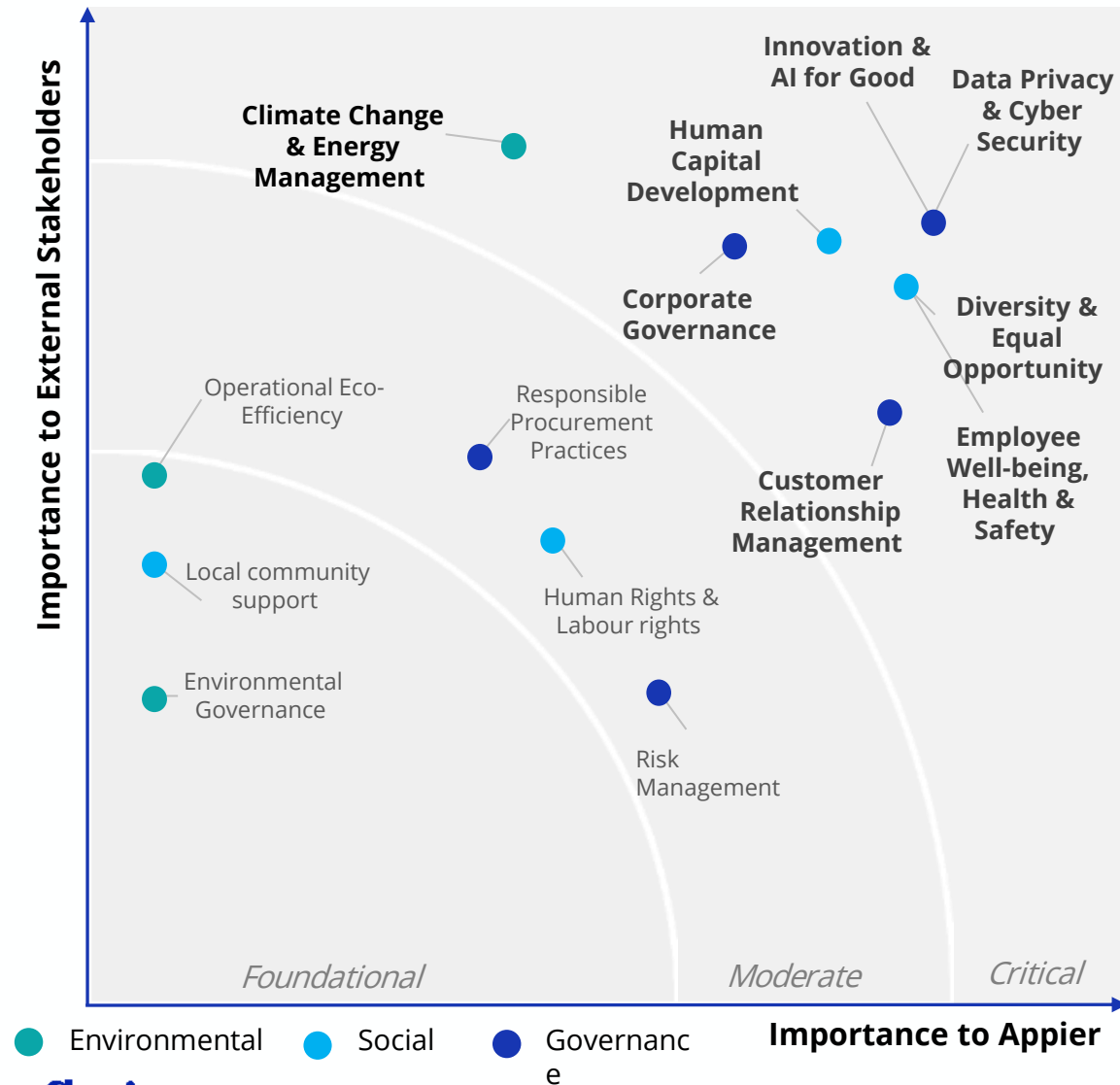
We believe ESG should be placed at the center of our focus on building a sustainable business and are determined to make commitments and to proactively engage our stakeholders in Appier's journey towards ESG excellence, as this is part of our vision for the future of our business.

We were awarded an "AA" 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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