



Earnings Results for the quarter ended Mar 2021 (Q2 FY 9/21)

PLAID, Inc. (4165, TSE Mothers) | May 2021

Forward-Looking Statements

This document contains forward-looking statements. These statements are based only on information that is available at the time the statements are made. In addition, these statements do not constitute a guarantee of future results. They are subject to risk and uncertainty. Please note that actual results may differ materially from those expressed or implied in the forward-looking statements due to environmental changes and other factors.

Factors that may affect actual results include, but are not limited to, domestic and overseas economic conditions and trends in the industries that the Company serves.

Even when new information is obtained or an event that is not forecast herein, etc. occurs in the future, the Company assumes no obligation to update or revise any of the forward-looking information contained in this document.

Additionally, the information concerning companies or groups outside the Company is quoted from public information and elsewhere. The Company does not verify in any way or guarantee its accuracy, appropriateness, etc.

Overview

Earnings Results

Q2 FY 9/21

- JPY ⁽¹⁾ 1,322 mil. of Net sales, up 38.4% yoy basis
- 861 mil. of SG&A, down 15.8% yoy basis
- 120 mil. of Operating income
- 88 mil. of Net income

Note: 1. All figures are JPY otherwise specifically mentioned

(JPY mil.)	Q2 FY9/21	Q2 FY9/20	YoY	Q1 FY9/21	QoQ
Net sales	1,322	955	+38.4%	1,209	+9.4%
Cost of sales	340	264	+28.7%	348	▲2.3%
Gross profit	982	691	+42.1%	861	+14.1%
Gross profit margin	74.3%	72.3%	+1.9pt	71.2%	+3.1pt
SG&A	861	1,023	▲15.8%	848	+1.6%
% of Net sales	65.1%	107.1%	▲42.0pt	70.1%	▲5.0pt
Operating income	120	▲332	-	12	+846.6%
Operating margin	9.1%	▲34.8%	+43.9pt	1.1%	+8.1pt
Non-operating income	3	0	+658.3%	1	+237.5%
Non-operating expenses	34	26	+32.3%	175	▲80.3%
Listing expenses	29	24	+22.6%	170	▲82.8%
Other	5	2	+147.1%	4	+24.8%
Ordinary income	89	▲358	-	▲161	-
Extraordinary losses	-	-	-	70	▲100.0%
Loss on valuation of investment securities	-	-	-	70	▲100.0%
Net income	88	▲358	-	▲232	-

Progress Against the Guidance for This Fiscal Year

- Better progress compared with previous fiscal year

Net Sales for Q1-Q2 (6 months) FY 9/21

2,532 mil.

48.6%

Guidance⁽¹⁾
5,211mil.

Net Sales for Q1-Q2 (6 months) FY 9/20

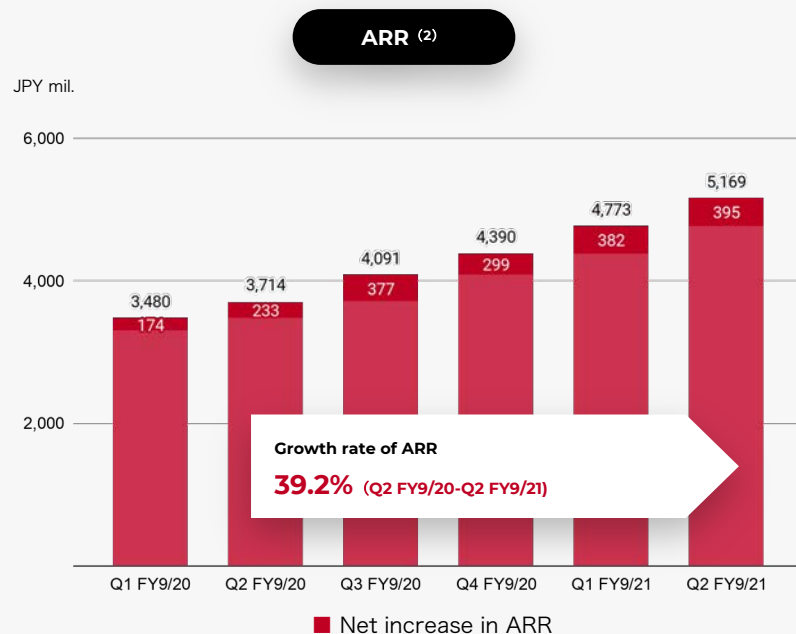
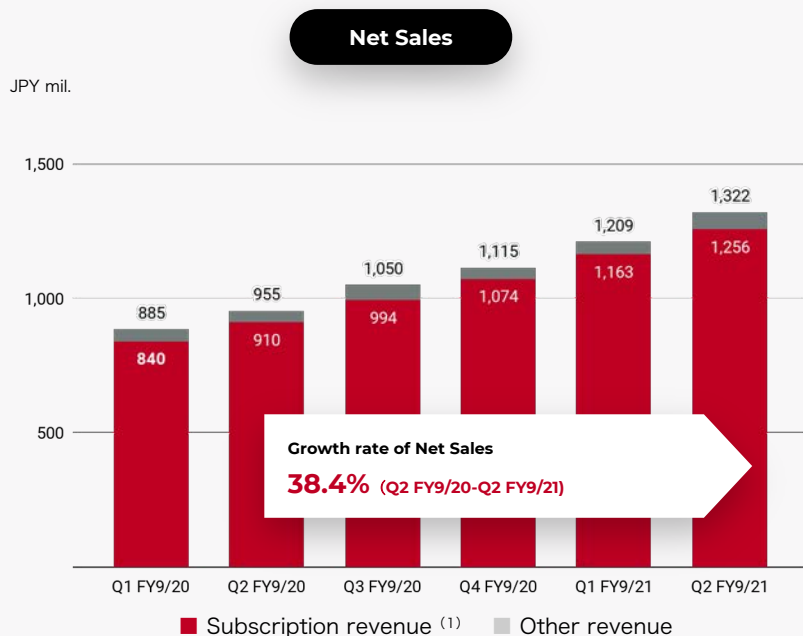
1,841mil.

45.9%

Results
4,007 mil.

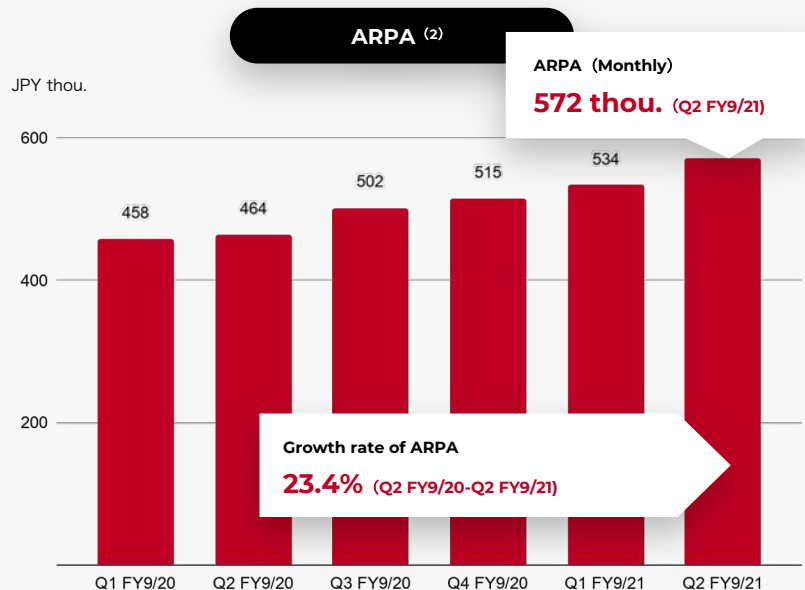
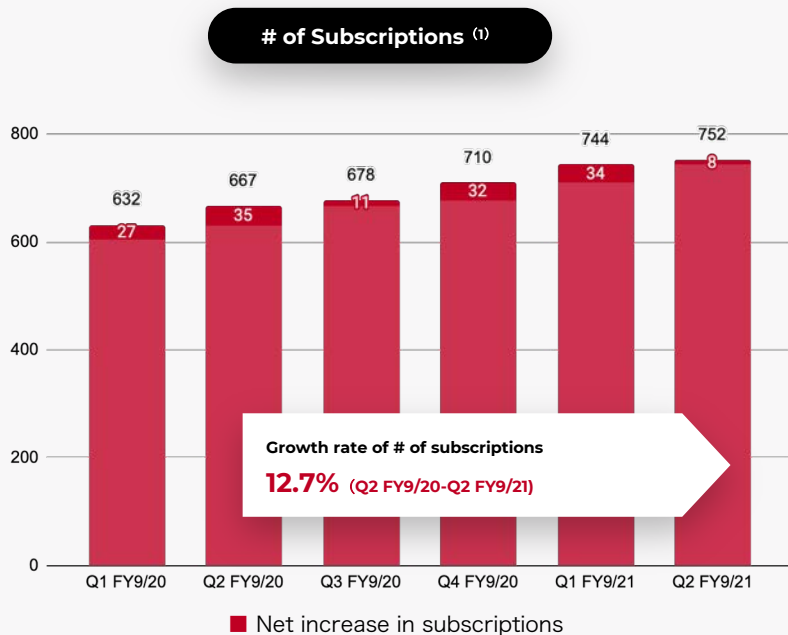
Net Sales and ARR

- 1,322 mil. of net sales, up 38.4% yoy basis
- 5,169 mil. of ARR, up 39.2% yoy basis



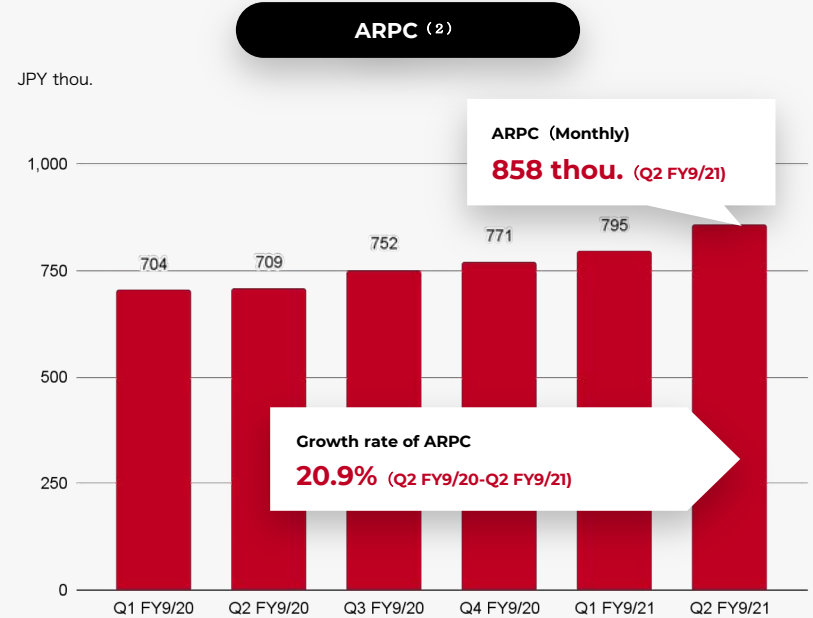
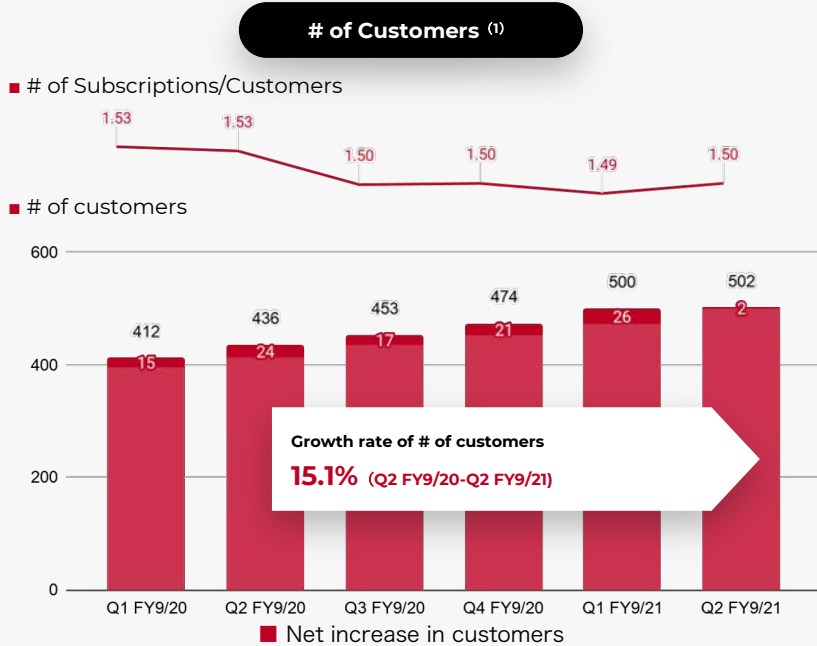
Subscriptions and ARPA

- The number of subscription was increased by 8 to 752, smaller increase than Q2 of previous fiscal year due to slowdown in new acquisition and increase in churn
- ARPA was 572 thou. up 38 thou. qoq basis



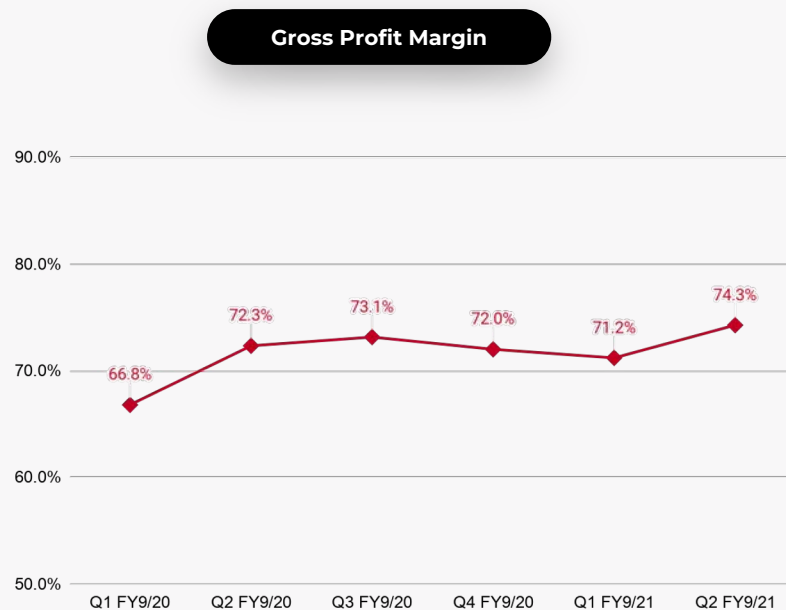
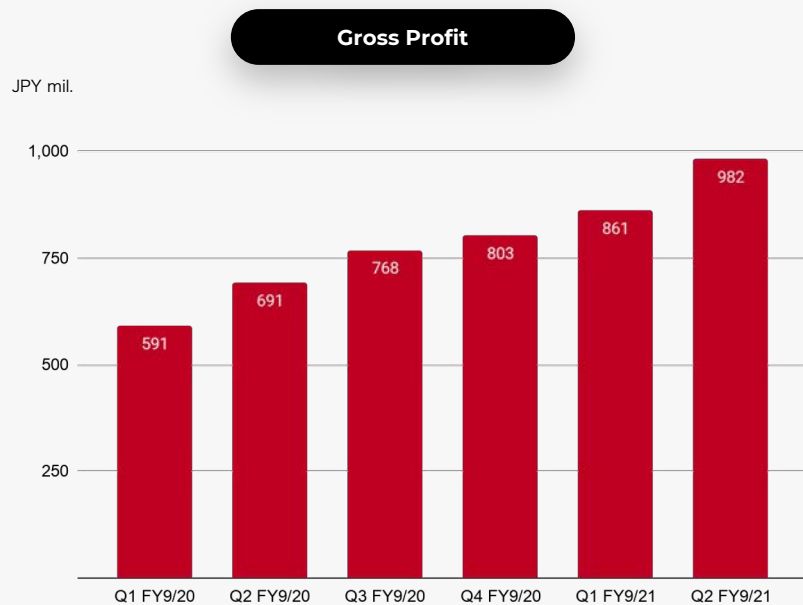
Customers and ARPC

- The number of customers was increased by 2 to 502 due to the same reasons mentioned at subscriptions
- ARPC was 858 thou. up 62 thou. qoq basis

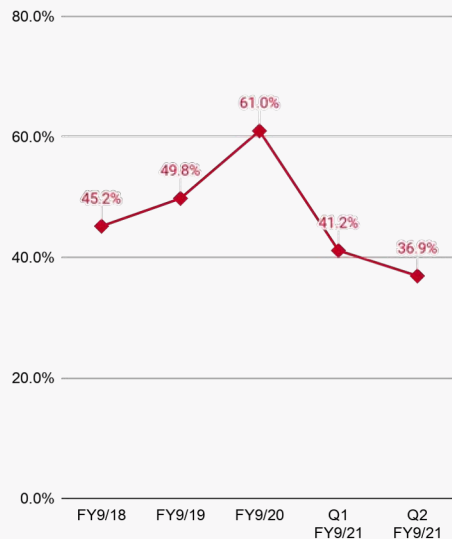
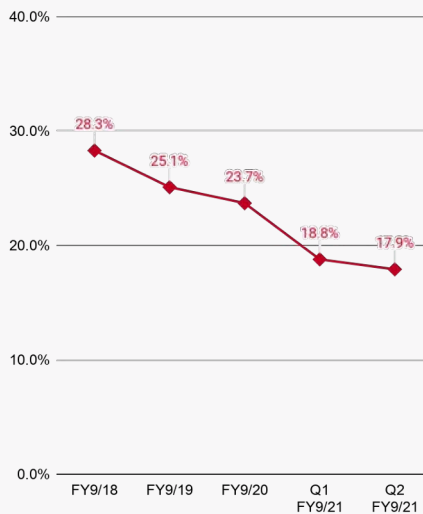


Gross Profit

- 982 mil. of gross profits and 74.3% of gross profit margin
- Gross profit margin has been increased due to effective usage of servers and upselling



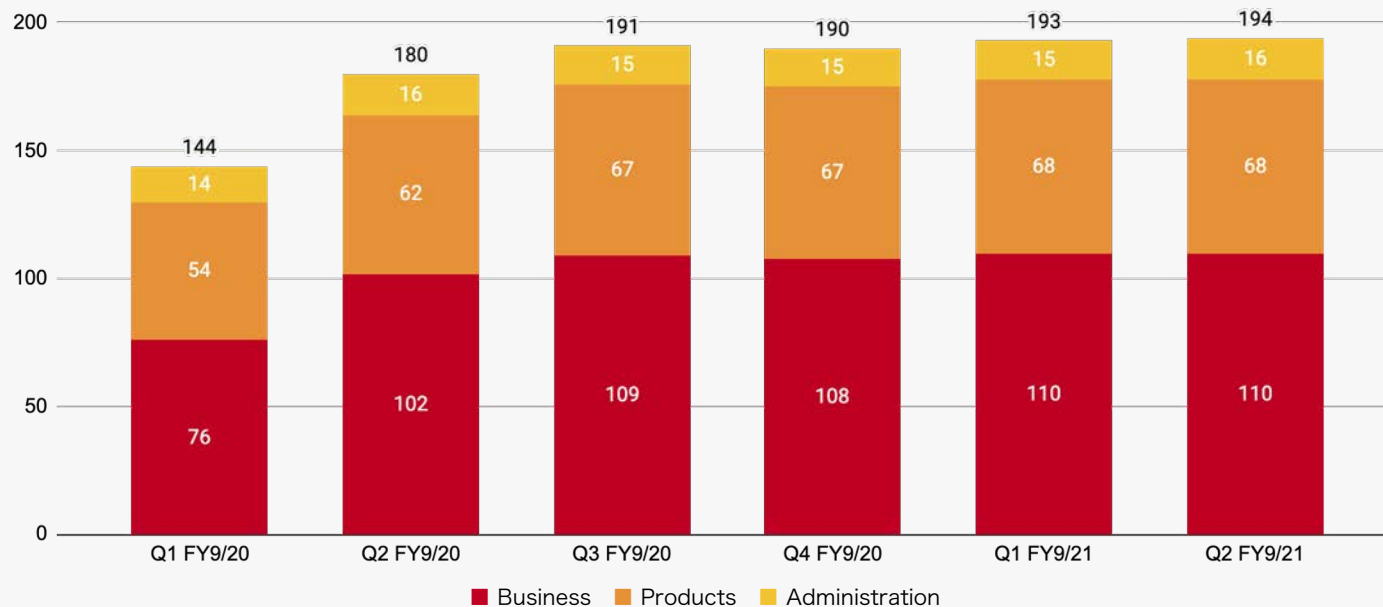
Opex Ratios to Net Sales

S&M ⁽¹⁾R&D ⁽²⁾G&A ⁽³⁾

Notes: 1. S&M: Expenses relate to sales activities, which consist primarily of salaries and allowances for our sales and marketing personnel and advertising expenses as well as allocated overhead costs, and allocated depreciation and amortization, which are generally allocated based on the number of employees / 2. R&D: Expenses consist primarily of salaries and allowances for our engineering, product and design teams, as well as allocated overhead costs, and allocated depreciation and amortization / 3. G&A: Expenses consist primarily of salaries and allowances for our legal, finance and HR operations, as well as allocated overhead costs, and allocated depreciation and amortization

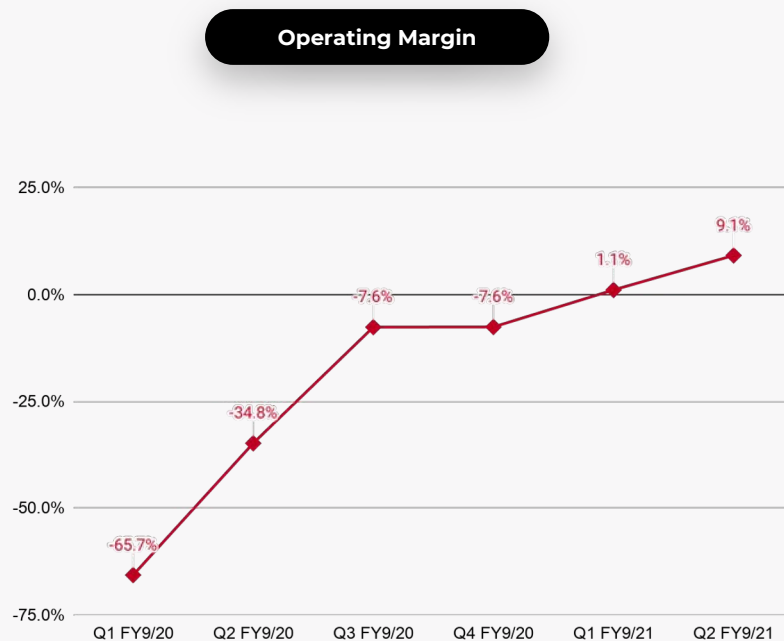
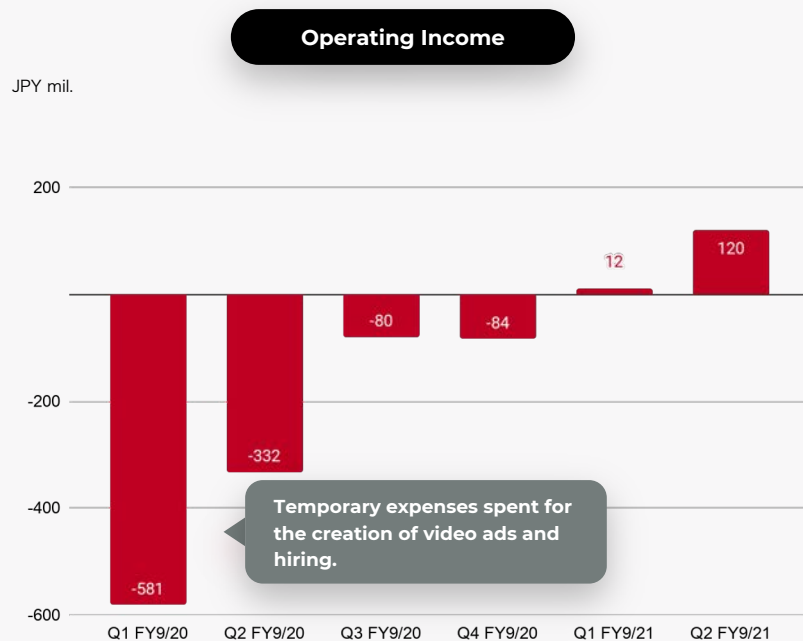
Number of Employees ⁽¹⁾

- The number of Employees remained flat due to COVID-19 cost control and productivity improvements
- The number will start to increase from Q3



Operating Income

- Positive at 120 mil., due to an increase in gross profit and delayed spendings in SG&A



Balance Sheet

- 5,186 mil. of cash and cash equivalents, increased due to the exercise of the over-allotment

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q2 FY9/21
Total current assets	2,463	1,892	2,642	5,787
Cash and deposits	2,161	1,374	2,091	5,186
Notes and accounts receivable, trade	232	368	475	537
Other	69	149	75	63
Total non-current assets	494	309	426	354
Total current liabilities	519	615	1,084	1,110
Total non-current liabilities	508	397	380	224
Total net assets	1,929	1,188	1,604	4,806

Key Facts

ARR ⁽¹⁾

5,169 mil. _(3/2021)

of Subscriptions ⁽³⁾

752 _(3/2021)

Net Sales / Growth Rate Yoy Basis

1,322 mil. _(Q2 FY9/21) / **38.4%** _(Q2 FY9/21)

ARPA ⁽⁴⁾

572 thou. _(3/2021)

Gross Profit / Gross Profit Margin

982 mil. _(Q2 FY9/21) / **74.3%** _(Q2 FY9/21)

NRR ⁽⁵⁾

105.3% _(LTM)

Subscription Revenue Ratio ⁽²⁾

95.0% _(Q2 FY9/21)

Employees ⁽⁶⁾

194 _(3/2021)

Notes: 1. Annual Recurring Revenue (ARR): (MRR for 3/2021) * 12. Recurring Revenue includes KARTE (for Web), KARTE for App, KARTE Datahub and other add-on options / 2. Calculation: (Q2 FY9/21 cumulative total Subscription Revenue of KARTE (for Web), KARTE for App, KARTE Datahub and other add-on options (not including initial set-up fee for each services etc.)) / (Q2 FY9/21 cumulative total revenue) / 3. # of subscriptions for KARTE (for Web) + KARTE for App only as of end of the month / 4. Average revenue per account: (MRR for 3/2021) / (# of subscriptions as of 3/2021) / 5. Net revenue retention (NRR): Measures as a percentage the increase or decrease of revenue generated from a particular cohort of customers over time. For a given month we calculate it as (i) MRR for the given month from existing customers who have subscribed for more than one year divided by (ii) MRR for the same month of the preceding fiscal year. We present NRR on an average basis for the last twelve months by calculating the NRR for each month in the relevant period and dividing the sum by 12 / 6. Number of employees as of 3/2021

Earnings Results Q2 FY 9/21

- 1 Net sales has been growing at steady pace
- 2 ARR has been growing steadily too; # of subscription growth slowed down while ARPA expanded
- 3 NRR increased due to progress on cross-selling and upselling
- 4 Well controlled GPM level by effective usage of servers and upselling
- 5 Operating income remained positive due to an increase in GP and delayed spendings in SG&A

Positioning of KARTE in Digital Market and Expansion of Offering Values

Paradigm Shift in Digital Marketing

Digital marketing shift is beginning from the phase of service creation and Increasing customer traffic to the phase communicating value to customers



Expansion of Offering Values

Support customers to create greater value (success stories) more quickly

TEAM

Provide the product which can be utilized for the issues of existing marketing phase in self-propelled way

KARTE Blocks

Express the worldview that KARTE wants to achieve from a different perspective than existing business

KARTE GATHER

Provision of TEAM⁽¹⁾

- "TEAM" is a professional service to “accompany” customer, which includes supporting KARTE utilization and CX consulting
- Support customers to create new values with solving their problems of resource and capability through provision of TEAM
- The revenues from TEAM is NOT included in subscription revenues and ARR

Service Overview

Purpose

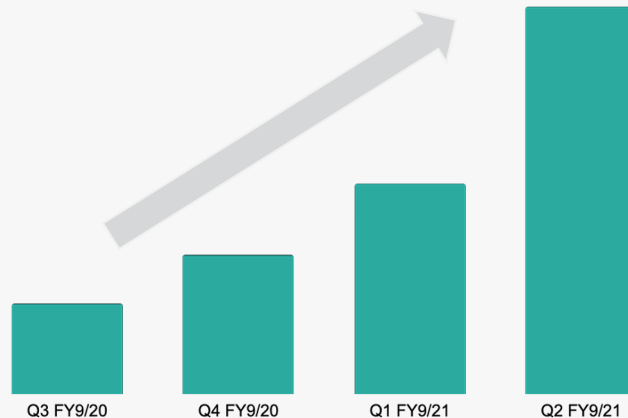
Support customers to

- enhance KARTE utilization
- explore growth opportunity
- transform existing business

Offerings

- KARTE utilization support
- CX consulting
- Workshop etc.

of TEAM Contracts



KARTE Blocks⁽¹⁾

- New concept of CMS which redefines websites as an aggregation of 'blocks' to manage, update and review it by each block
- Users can edit and update the contents of website just by adding a tag without writing code
- November 18, 2020, 'KARTE Blocks' open β version made available

What are possible for website management by this new BMS?



Adding a tag

Ready to use just by adding a tag to the website



Tearing down a website into blocks

A website is torn down into blocks, enabling users to select and replace blocks on their administration screens



Managing blocks

Users can edit and update each block as they desire, without writing code in addition to setting publishing schedules

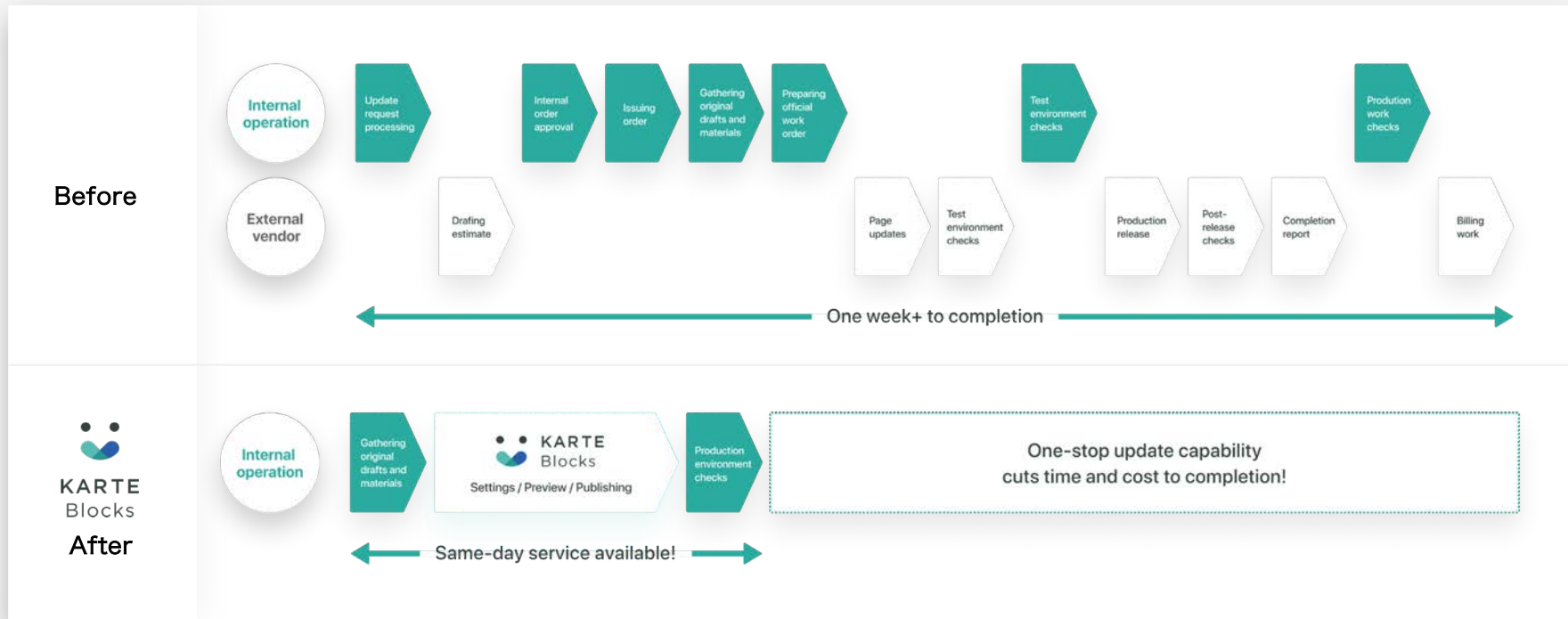


Measuring effects

Effects of blocks can be measured and visualized, enabling users to continuously improve website performance

Case Studies of KARTE Blocks

- Website updating operations that had been outsourced will be completed in-house, allowing for speedy implementations



User Feedbacks about KARTE Blocks



Ayana Sase

Product Management Department
Stripe Department Co., Ltd.

Run “do-first” PDCA cycles on our own, changing our sense of speed

Before using KARTE Blocks, we had been ordering site improvements with external engineers, which would take time if they had lots of work. Since we've started using KARTE Blocks, we can immediately implement measures that we come up with by ourselves without being overwhelmed by defining requirements or drafting materials. We can just move things and try it out while running quick improvement cycle. By making it easier for us to try out new things, our teams can work more closely and we've had more lively discussions than before.



Eri Yanagi

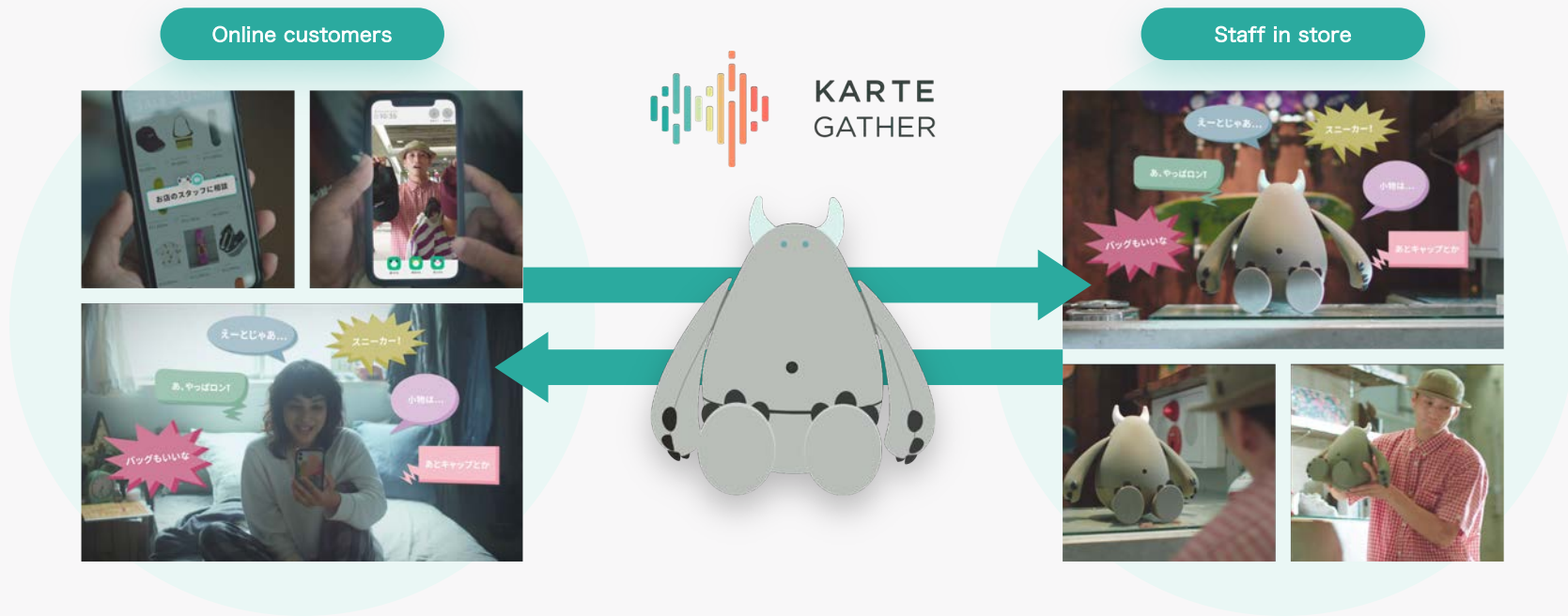
Marketing and PR, Business Strategy Department,
Real Estate Shop.Nakajitsu.co.,LTD

Streamlined our website maintenance operations with Block Management System

We have basically outsourced the creation of our websites. The other day, we needed to prepare pages for a campaign at a release date, and if we outsourced it, we would not be able to meet the deadline. In this case, we updated the websites with KARTE Blocks and were able to meet the deadline. KARTE Blocks is intuitive and easy to use for everyone, so we'd like to keep improving our website to make it more user-friendly by hearing user's voices and quickly detecting their needs.

KARTE GATHER ⁽¹⁾ Smartphone Version Launched

- Developed a smartphone version of KARTE GATHER, which enables customers to communicate with shop staffs online
- Launched at 13 Goldwin-operated stores in Japan, e.g. The North Face Kids Harajuku



Appendix

Income Statement (Quarterly)

(JPY mil.)	Q2 FY9/21	Q2 FY9/20	YoY	Q1 FY9/21	QoQ
Net sales	1,322	955	+38.4%	1,209	+9.4%
Subscription revenue	1,256	910	+38.0%	1,163	+8.0%
Other	66	45	+46.5%	46	+44.3%
Cost of sales	340	264	+28.7%	348	▲2.3%
Gross profit	982	691	+42.1%	861	+14.1%
Gross profit margin	74.3%	72.3%	+1.9pt	71.2%	+3.1pt
SG&A	861	1,023	▲15.8%	848	+1.6%
% of Net sales	65.1%	107.1%	▲42.0pt	70.1%	▲5.0pt
Advertising expenses	79	219	▲63.6%	90	▲11.7%
% of Net sales	6.0%	23.0%	▲17.0pt	7.5%	▲1.4pt
Personnel expenses	529	468	+13.1%	530	▲0.2%
% of Net sales	40.0%	49.0%	▲9.0pt	43.9%	▲3.8pt
Rents	77	77	▲0.2%	77	-
% of Net sales	5.9%	8.1%	▲2.3pt	6.4%	▲0.5pt
Sales commission	26	24	+10.8%	27	▲1.8%
% of Net sales	2.0%	2.5%	▲0.5pt	2.3%	▲0.2pt
Other	147	233	▲36.8%	122	+20.7%
% of Net sales	11.2%	24.5%	▲13.3pt	10.1%	+1.1pt
Operating income	120	▲332	-	12	+846.6%
Operating margin	9.1%	▲34.8%	+43.9pt	1.1%	+8.1pt
Non-operating income	3	0	+658.3%	1	+237.5%
Non-operating expenses	34	26	+32.3%	175	▲80.3%
Listing expenses	29	24	+22.6%	170	▲82.8%
Other	5	2	+147.1%	4	+24.8%
Ordinary income	89	▲358	-	▲161	-
Extraordinary losses	-	-	-	70	▲100.0%
Loss on valuation of investment securities	-	-	-	70	▲100.0%
Net income	88	▲358	-	▲232	-

Income Statement (Q1-Q2)

(JPY mil.)	Q1-Q2 (6 months) FY9/21	Q1-Q2 (6 months) FY9/20	YoY
Net sales	2,532	1,841	+37.5%
Subscription revenue	2,419	1,750	+38.2%
Other	112	90	+24.3%
Cost of sales	688	558	+23.3%
Gross profit	1,843	1,282	+43.7%
Gross profit margin	72.8%	69.7%	+3.1pt
SG&A	1,710	2,196	▲22.2%
% of Net sales	67.5%	119.3%	▲51.8pt
Advertising expenses	170	649	▲73.7%
% of Net sales	6.7%	35.3%	▲28.5pt
Personnel expenses	1,060	854	+24.0%
% of Net sales	41.9%	46.4%	▲4.6pt
Rents	155	155	▲0.2%
% of Net sales	6.1%	8.4%	▲2.3pt
Sales commission	54	46	+17.2%
% of Net sales	2.1%	2.5%	▲0.4pt
Other	269	490	▲45.0%
% of Net sales	10.7%	26.7%	▲16.0pt
Operating income	133	▲914	-
Operating margin	5.3%	▲49.6%	+54.9pt
Non-operating income	4	1	+254.0%
Non-operating expenses	209	36	+471.0%
Listing expenses	200	24	+735.1%
Other	9	12	▲28.7%
Ordinary income	▲71	▲949	-
Extraordinary losses	70	-	-
Loss on valuation of investment securities	70	-	-
Net income	▲143	▲950	-

Opex Ratios to Net Sales

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q1 FY9/21	Q2 FY9/21	Q1-Q2 (6 months) FY9/21
S&M	720	1,463	2,443	497	488	986
% of Net sales	45.2%	49.8%	61.0%	41.2%	36.9%	39.0%
R&D	451	738	951	227	237	464
% of Net sales	28.3%	25.1%	23.7%	18.8%	17.9%	18.3%
G&A	230	475	538	123	135	259
% of Net sales	14.5%	16.2%	13.4%	10.2%	10.3%	10.2%

Cash Flow Statement

(JPY mil.)	FY9/18	FY9/20	FY9/20	Q1-Q2 (6 months) FY9/21
Cash flow from operating activities	▲80	▲623	▲1,012	78
Cash flow from investing activities	▲490	19	▲167	▲3
Cash flow from financing activities	2,498	▲183	1,897	3,020
Net change in cash and cash equivalents	1,927	▲787	717	3,095
Cash and cash equivalents at end of period	2,161	1,374	2,091	5,186

Appendix

Long Term Model ⁽¹⁾

	FY9/18	FY9/19	FY9/20	Q1-Q2 (6 months) FY9/21	Long term model
Gross profit margin	75.4%	73.0%	71.2%	72.8%	75-80%
S&M	45.2%	49.8%	61.0%	39.0%	25-30%
R&D	28.3%	25.1%	23.7%	18.3%	18-20%
G&A	14.5%	16.2%	13.4%	10.2%	8-10%
Operating margin	▲12.5%	▲18.2%	▲26.9%	5.3%	20-25%

Notes: 1. This long term model is forward-looking, is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company, and is based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material due to a number of factors, including those described in the "Risk Factors" section of the Offering Circular issued as of December 17, 2020. Nothing in this presentation should be regarded as a representation by any person that this long term model will be achieved, and the Company undertakes no duty to update its model as circumstances change

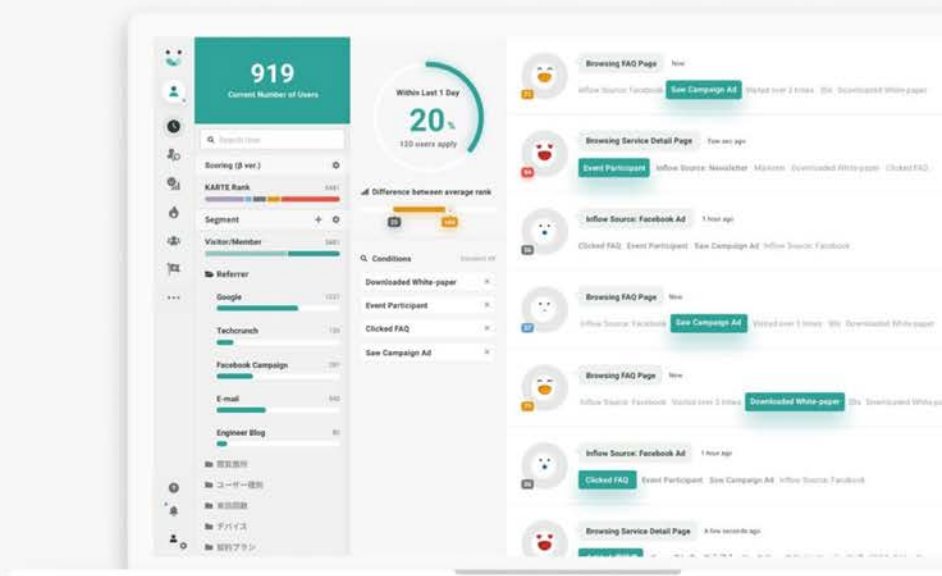
Maximize the value of people With the power of data

Advance the democratization of data to spur innovation in the creation and distribution of value

KARTE (Launched in March 2015)



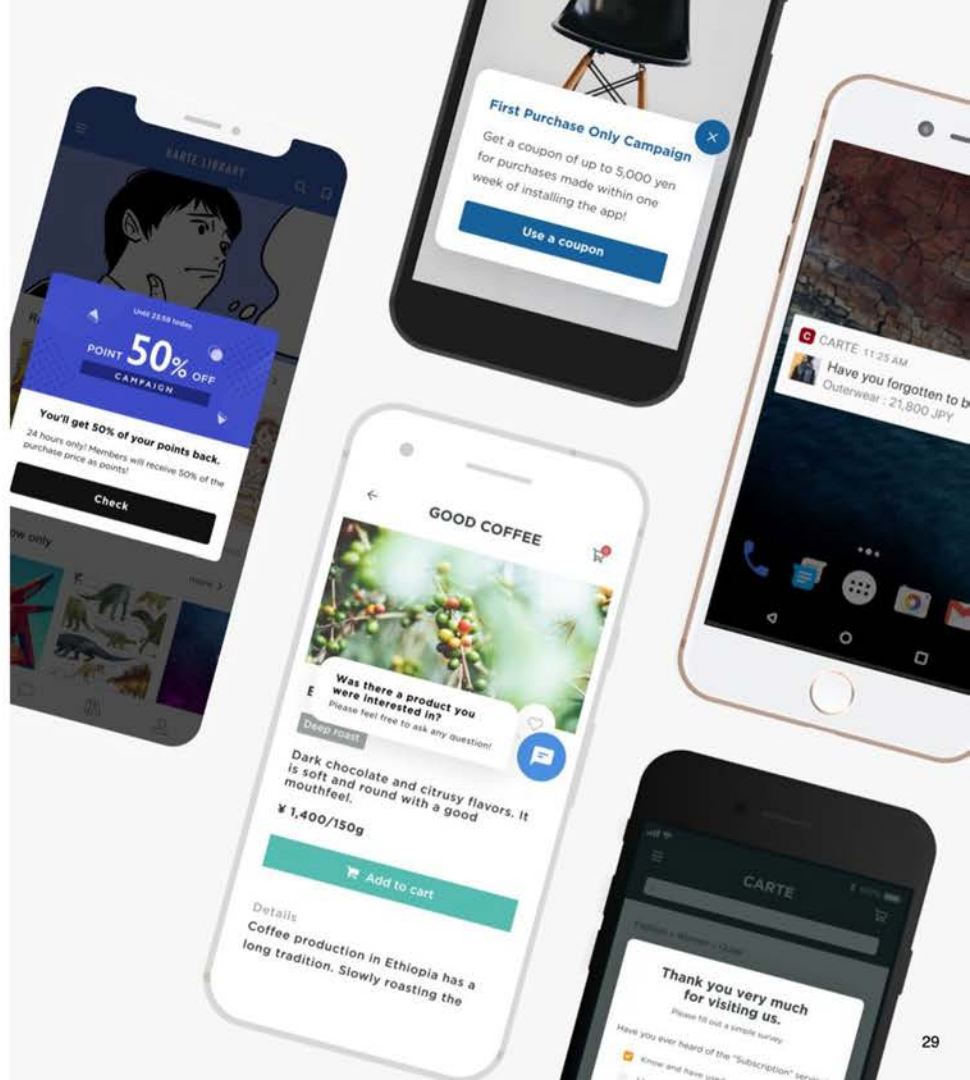
Cloud based software as a service(SaaS) that empowers organizations to make real-time, on-website analysis and segmentation of website visitors and to automate real-time actions such as pop-ups



KARTE for App (Launched in March 2018)



Having the same features with KARTE, KARTE for App provides the features desired by app operators such as automating actions without app version update

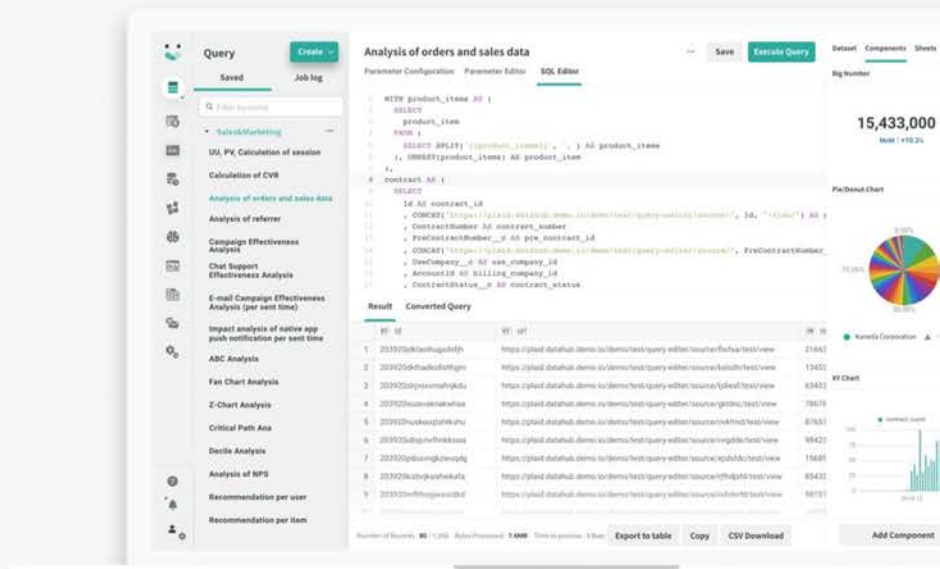


KARTE Datahub

(Launched in December 2018)



Customer data platform enabling organizations to link various data held by organizations to behavioral data measured and segments created on KARTE



Growing Importance of Customer Experience

82%

of the top-performing
companies report paying
close attention to the
human experience around
digital and tech

73%

of all people point to
customer experience as an
important factor in their
purchasing decisions

65%

of U.S. customers consider
a positive experience with a
brand to be more impactful
than great advertising

59%

of U.S. customers will walk
away after several bad
experiences, even if they
love the company or
product

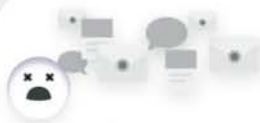
Note: Source: PwC surveyed a representative sample of 15,000 people from 12 countries, via an online survey and in-field interviews; 4,000 respondents were from the U.S., the remaining 11,000 were from a sampling of countries (Argentina, Australia, Brazil, Canada, China, Colombia, Germany, Japan, Mexico, Singapore, and the U.K.)

Increasing Frustrations with Digital Marketing

The customers'

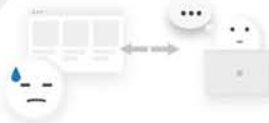


Contents are not
streamlined for individual
customers



Overwhelming amount of
information and repetitive
messages from
marketers

Marketers'



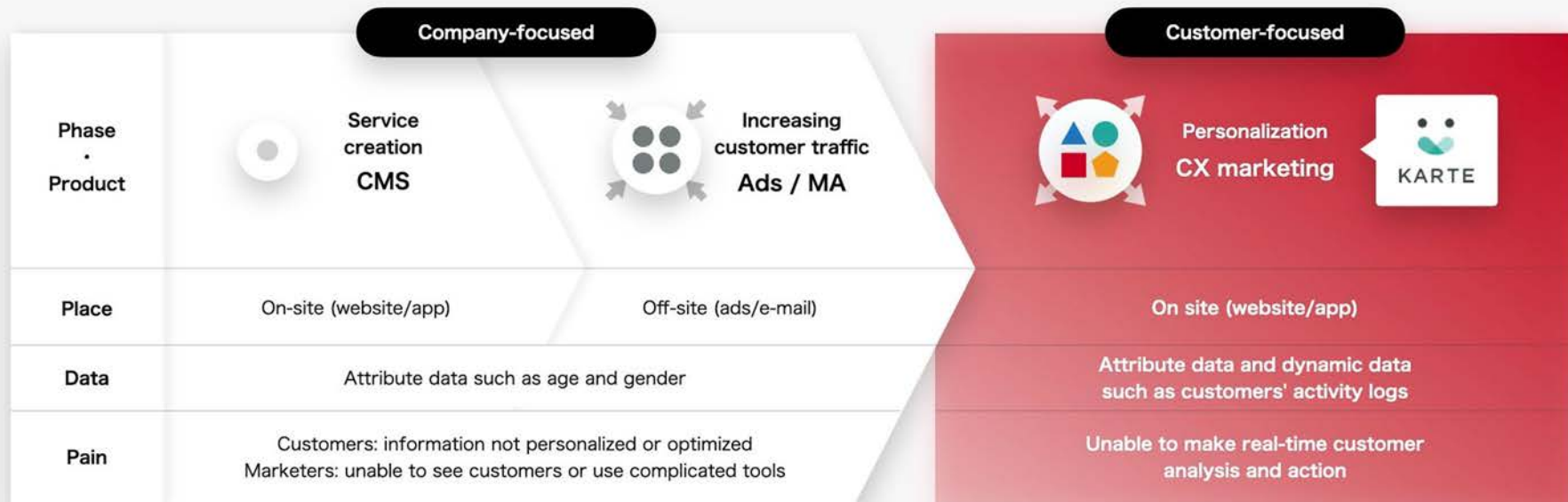
Unable to understand website
customer behavior
and make actions to them
on real-time basis



Lack of basis for
"individual"
and "personalized"
actions

**Digital marketing initiatives taken by companies
without understanding their customers do not necessarily contribute to
the improvement of the user and customer experience**

Paradigm Shift in Digital Marketing



From the phase of service creation and customer attraction
To the phase communicating value to customers

Business Model

A subscription model in which pricing is based on monthly active users on website or smartphone app



Features of KARTE

Feature 1.

**Visualization of
individual customers**

Feature 2.

**Real-time
analysis**

Feature 3.

**End-to-end
solution**

Feature 1.

Visualization of individual customers

KARTE accumulates behavioral data of customers visiting a website on a customer-by-customer basis, and visualizes those by customer. This enables business operators to understand the status and needs of individual customers intuitively and to implement and examine measures to provide a better experience to customers



Feature 2.

Real-time analysis

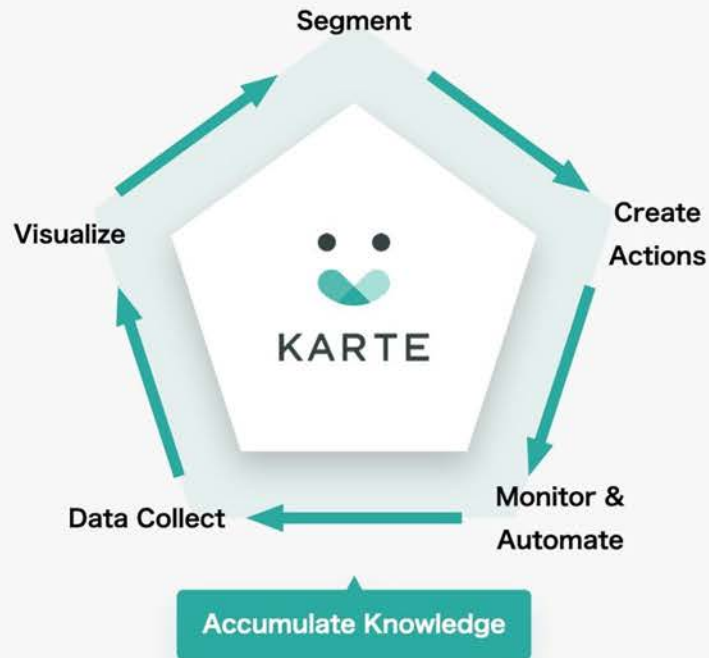
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent to purchase or similar factor



Feature 3.

End-to-end solution

Unlike dedicated marketing tools for customer analysis, e-mail delivery, Web chat, delivery via social media, or other specific purposes, KARTE enables organizations to implement customer-related operations, from customer analysis to the automating actions



Potential Market Size

Potential Market Size of the CX Platform

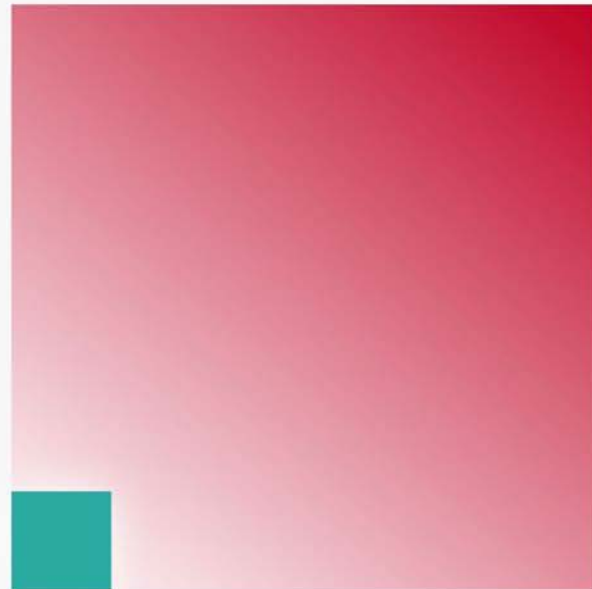
There are approximately 19,100 Japanese websites⁽¹⁾ that have more than 30,000 unique users (UUs) each and those are potentially addressable market for KARTE. We believe that there is a white space for KARTE

This number does not include the number of mobile app so that the size of the potential market including KARTE for App might be even larger

Notes: 1. This is the number of Japanese websites with more than 30,000 UUs each, based on data from SimilarWeb Ltd. as of February 2019.

Websites with
more than
30,000 UUs each

Number of the
websites: 19,100



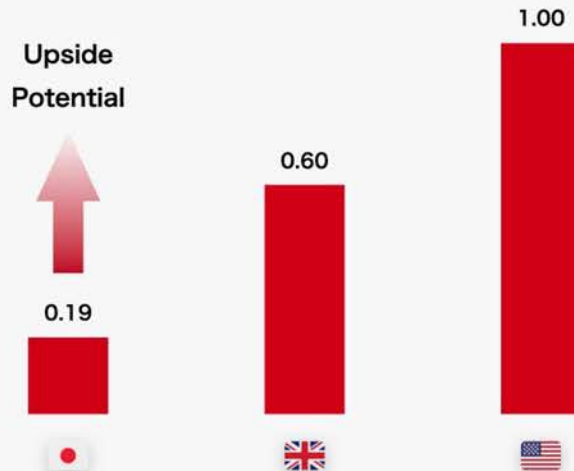
Multiple Touchpoints to Large and Extensive TAM

Extensive Estimated TAM in Japan⁽¹⁾



Cloud CRM Software Penetration⁽⁶⁾

Standardized with the United States as 1.0



Notes: 1. Exchange rate at JPY/USD=110.0. /2. Ministry of Economy, Trade and Industry, "Results of FY2019 E-Commerce Market Survey". /3. Dentsu Inc., "Advertising Expenditures in Japan for 2019", Internet advertising expenditure. /4. IDC, spending in 2019, "Digital Marketing-related Services Market in Japan, 2020-2024". /5. Gartner, "Forecast: Enterprise Application Software, Worldwide, 3Q20 Update". Market size of customer experience and relationship management excluding digital commerce market in 2019. /6. Source: Gartner, "Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update", Neha Gupta, et al., 30 September 2020, Penetration = (Market Size of Customer Experience and Relationship Management (CRM) Software CY2019) / (CY2019 Total Selling and Marketing Expense by Listed Companies). Market Size of Customer Experience and Relationship Management (CRM) Software includes the market both for listed and private companies. Total Selling and Marketing Expense includes numbers only from listed companies.

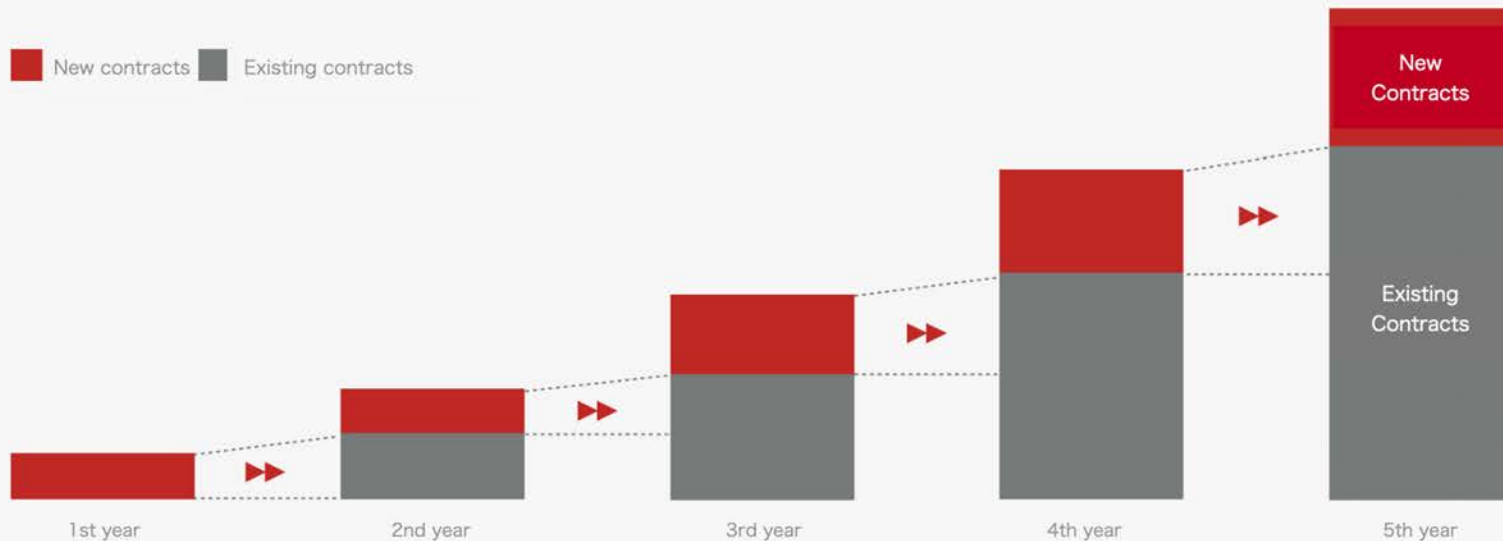
Potential as a CX Platform

From a tool for marketing, KARTE can be positioned as a core platform for all customer related functions at organization as if visualized customers data is a common 'language' within organizations



A subscription model in which the contract volume accumulates

- A model in which new contracts continue to accumulate and existing contracts continue to increase
- Regarding existing contracts, the additional sale of optional services and the like can also contribute to the increase of the average revenue per existing contract



Security, Privacy Protection, etc

Information assets handled by the Company are valuable information held by its corporate customers. The Company takes measures based on its understanding of initiatives to protect this information, believing that the protection of privacy and personal information are extremely important. At present, the Company's services are used by a large number of corporate customers including major financial institutions

Security

Authentication

The Company has obtained multiple security authentications, including ISMS (ISO 27001) and cloud security authentications (ISO 27017)

Encryption

All communications with KARTE are encrypted using https (TLS 1.3)

Authorizations

KARTE permits detailed authorizations on a user-by-user basis

SLA

Operation rate of 99.5% is set in SLA for KARTE

Automatic testing

In addition to several hours of automatic testing including testing using multiple browsers, humans also test manually

Auto scaling

Active servers are added automatically based on load, ensuring stable operations



CLOUD 488345 / ISO 27017



IS 623929 / ISO 27001

Redundancy

All servers are redundant, in principle, to improve fault tolerance

Operation

Human error is eliminated by automating deployment, server operations, and other daily operations using commands, etc

Monitoring

The Company has created a flow in which all components such as instances and databases, including the cloud, are monitored so that abnormalities can be addressed immediately

Protection of privacy



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Authentication

The Company has acquired the Privacy Mark certification

Unrestricted permissions

The data sent to KARTE can be designed without restrictions, in accordance with customer's privacy policy

Customer alerts, etc.

The Company takes more initiatives than required by law to protect privacy and personal information, such as alerting customers and receiving agreements from them

Opt-out

The Company has created an opt-out page for end users who wish to opt out of tracking. It is striving to inform users of this page

**Improve creativity and productivity
globally by developing products**

