



Earnings Results for the quarter ended June 2021 (Q3 FY 9/21)

PLAID, Inc. (4165, TSE Mothers) | August 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.

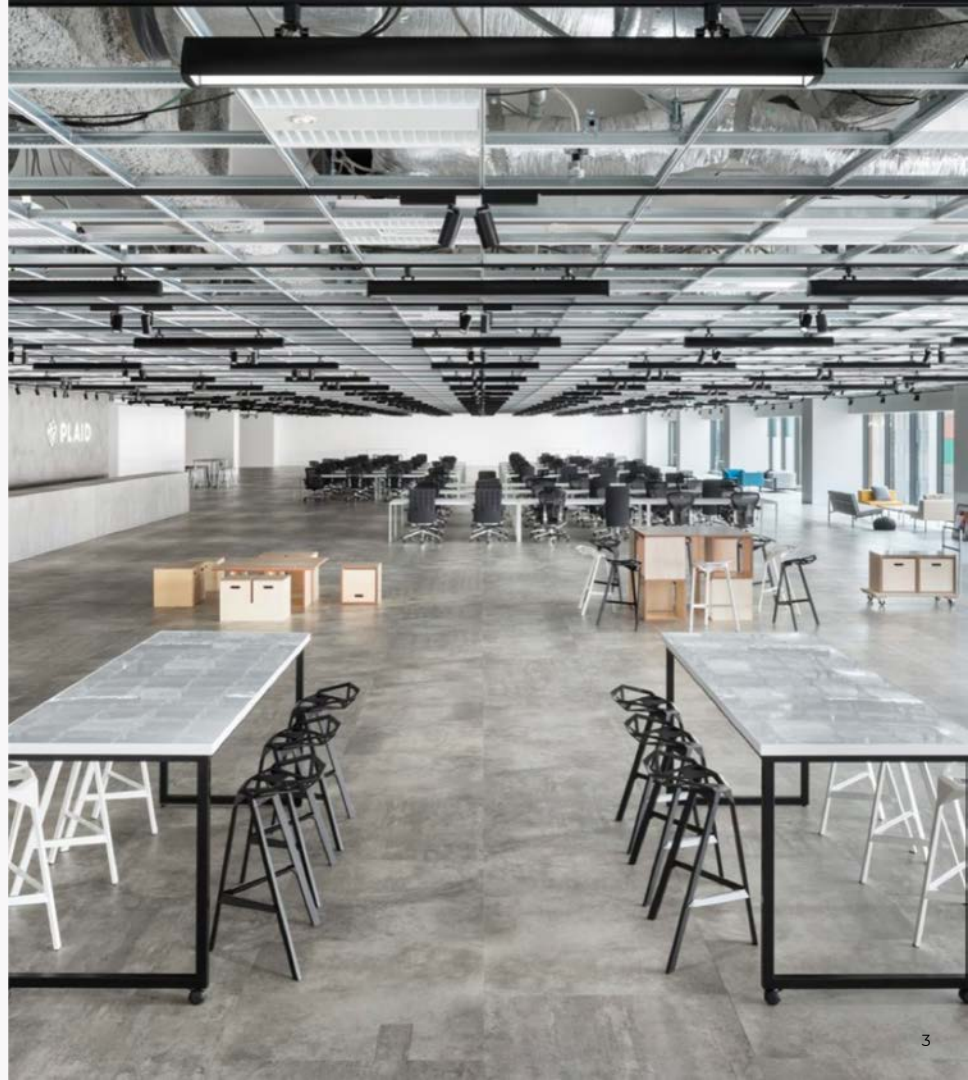
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Maximize the Value of People with the Power of Data

No algorithm goes beyond imagination and flexibility of people.

That is why we focus on developing technologies that encourage people's creativity.




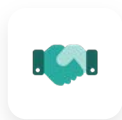
To Realize Customer-Focused Business Activities by Supporting the Use of Customer Data

A high-resolution understanding of the customer (and an environment that facilitates this) is essential to realizing suitable customer experiences. It depends on utilizing customer data

PLAID helps companies understand their customers by processing in real-time the massive amounts of interaction data generated between companies and their customers. Through our products, we realize dramatic progress and change of output in a wide variety of business activities



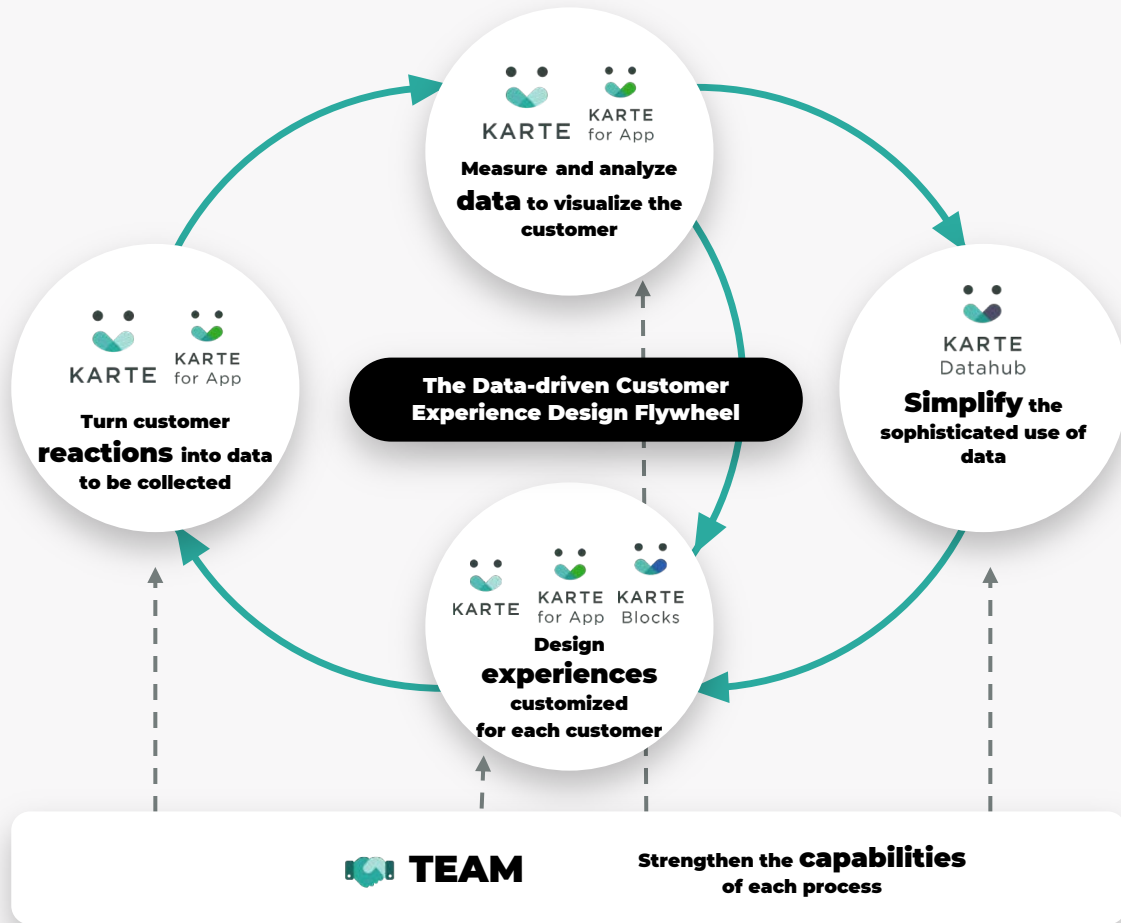
Current Product/Service Lineup

Products/ Services	 KARTE / KARTE for App	 KARTE Datahub	 KARTE Blocks (Beta)	 TEAM
Details	<p>Visualize the "now" of each and every customer based on a proprietary real-time analysis engine.</p> <p>Enable companies to set up flexible actions or experiences suitable for customer's "now"</p>	<p>Integrate, analyze and visualize the customer data, behavioral data, and other data that exist inside and outside of a company keeping it as big data.</p> <p>Seamlessly linked with Google BigQuery</p>	<p>Allow self-served website management without engineering skills (no code editing, low code customization and measuring site performance etc.) with tearing down every element of a website into blocks</p>	<p>Professional services which accompany companies such as supporting KARTE utilization and CX consulting</p>

Focus on Supporting the Design of Customer Experience Centered around Customer Data

Improving customer experience value is realized through the cycle of measuring, integrating, and analyzing data, visualizing customers and improving the resolution of customer understanding through analysis, designing customized experiences for every customer, and collecting reactions

PLAID provides products and services for each of these processes



Medium-to-long-term Growth Potential Centered around Customer Data

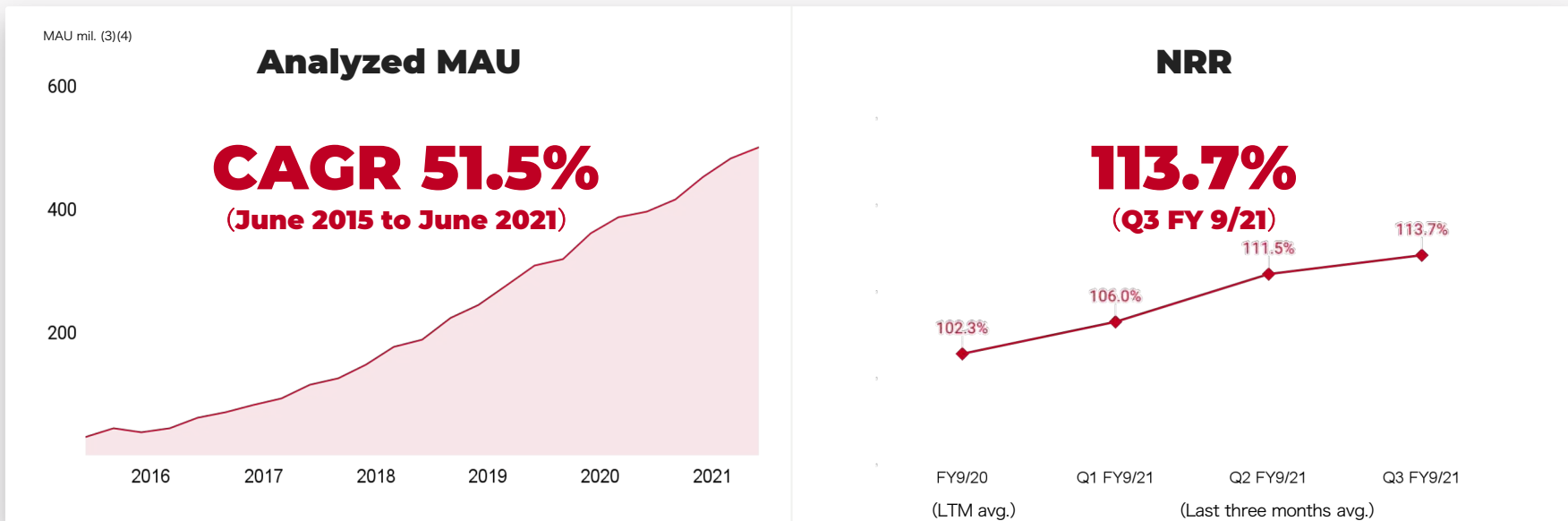
Currently PLAID operates in the area of marketing, which is deeply connected to the improvement of customer experience and has accumulated the biggest trove of customer data

We will leverage accumulated high-volume and high-resolution data and expand our business into realms outside of marketing in the future



Important Indicators in the Long-term Growth Perspective

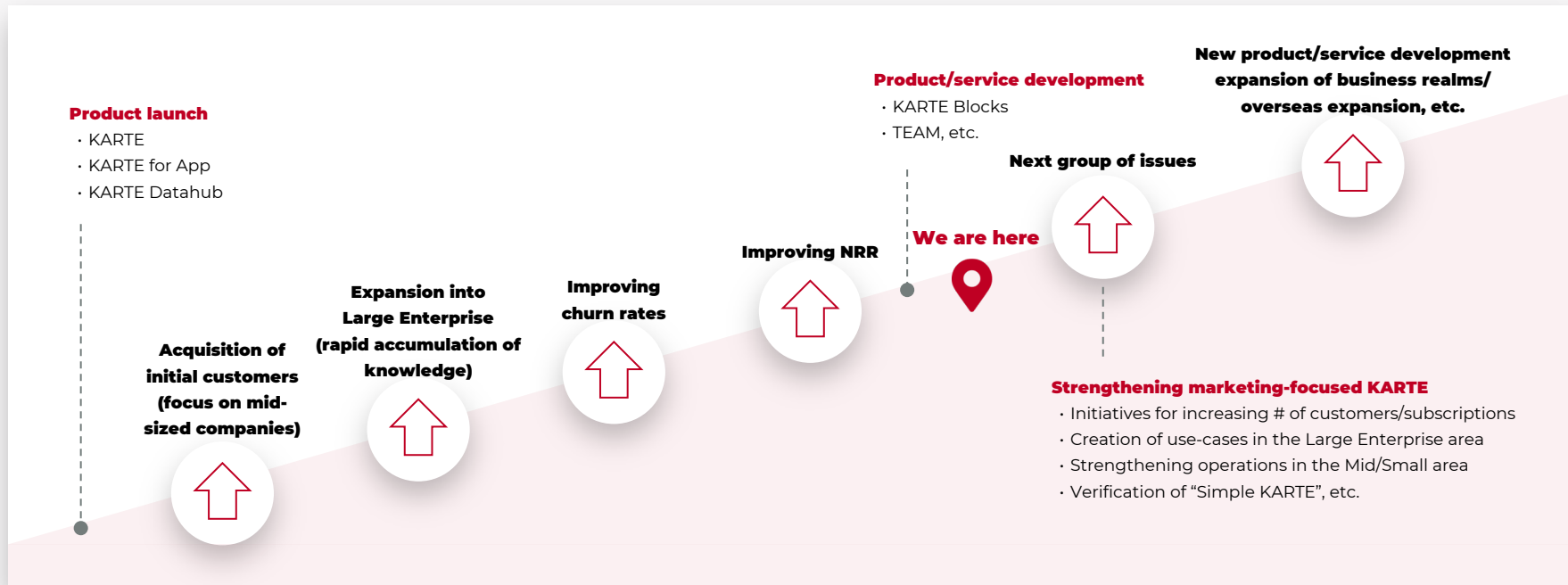
- Analyzed MAU⁽¹⁾...An indicator of accumulated high-volume and high-resolution data and knowledge which are foundation of business expansion. Analyzed MAU is successfully growing
- NRR⁽²⁾ ... An indicator that confirms the perceived value and the expansion of data utilization needs through our product. We regards current NRR is at a good level based on current business situation



Notes: 1. MAU: Monthly active users. The number of unique active users for particular website or mobile application during a particular one-month period / 2. NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year / 3. Quarterly average from April 2015 to June 2021 / 4. Total of the view events

Transition of Growth Strategy Focus

- We will realize sustained growth through the development of products and services while working to further strengthen the marketing-focused KARTE



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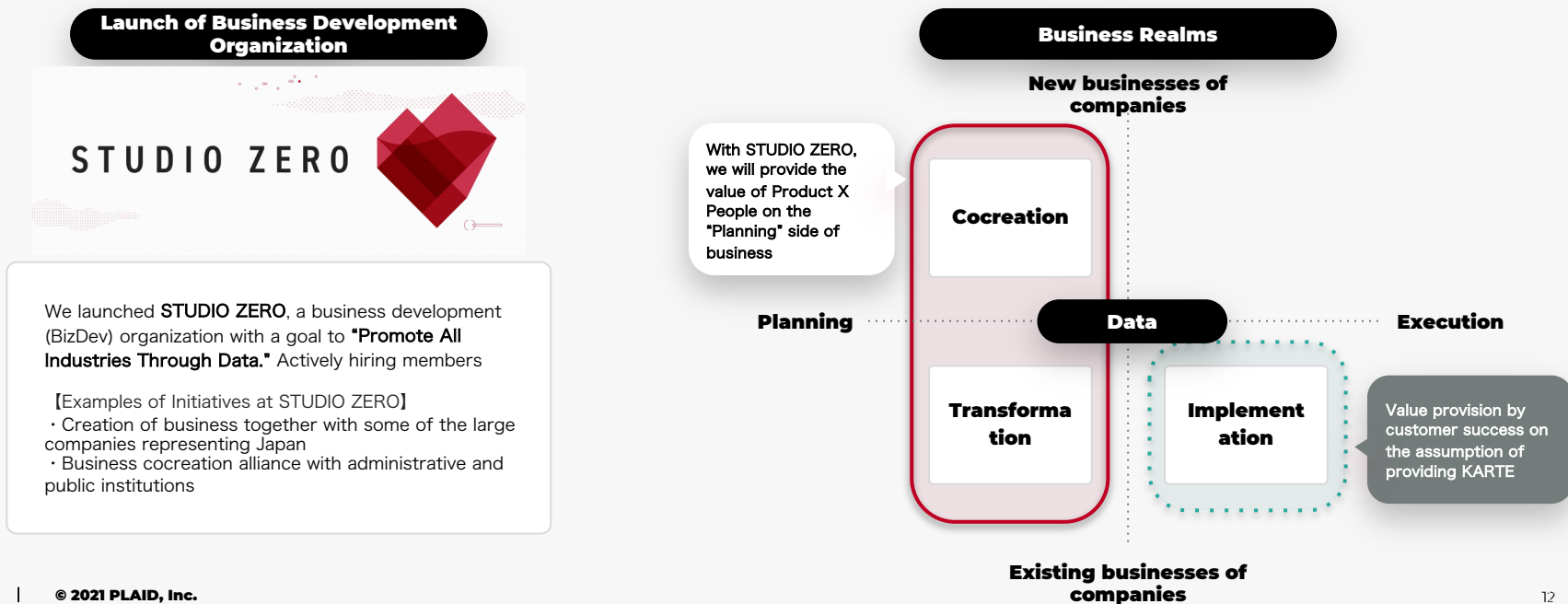
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Cocreation of Flagship Examples in Various Industries with STUDIO ZERO

- Launched STUDIO ZERO, a business development organization, on April 2021
- PLAID will exemplify envisioned world view by realizing the launch of new businesses from customers' perspectives utilizing data and transformation of existing businesses together with some of the large companies representing Japan, the medium and small businesses that support local economies, up-and-coming startups and ventures, and administrative and public institutions



We are Now Verifying the Feasibility of Developing a “Simple KARTE”

- Efforts to eliminate the cost of deploying measures by customers to zero with extracting and common customer needs from many use cases gained through the provision of KARTE and standardising it
- Start verification in EC shopping cart area which is common to many EC companies with dedicated contract plan that restricts the scope of use
- Through the realization of a “Simple KARTE”, we hope to acquire new customers, reduce cancellations, improve the efficiency of customer support, etc. mainly in Mid/Small segments

Steps to Knowledge Spreading Out

Extracting the common needs of businesses
Example) Abandon carts lead to opportunity losses



Development of templates for measures
ex) Implement all measures such as email notification of abandon cart and login errors prevention, FAQ etc. and verify ROI and customer satisfaction



Provision of dedicated plan that restricts the scope of use



Plans Limited to the EC Cart Area

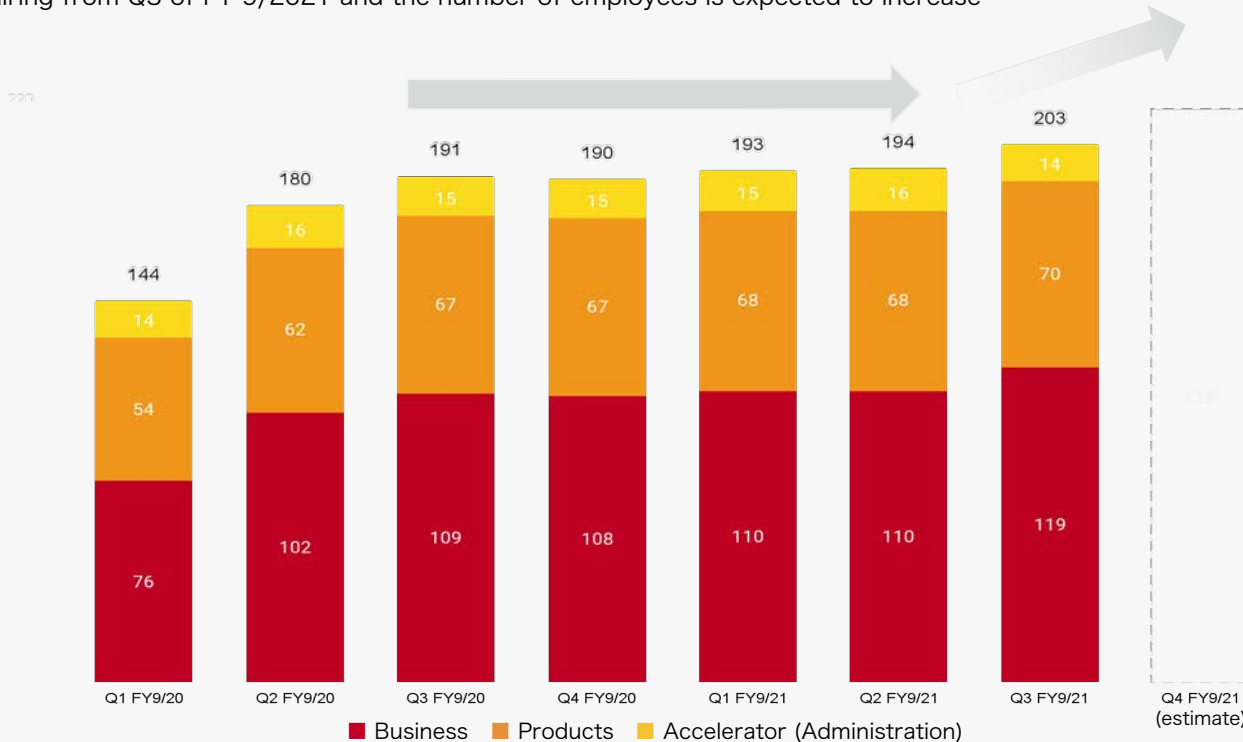
Open beta version started in July 2021

- ✓ Provision of a set of measures focused on preventing EC cart abandonment to help improve purchase rates
- ✓ PLAID supports deployment and operation. Mid/Small companies lacking know-how and resources can introduce without worries
- ✓ Plan to offer a dedicated price plan⁽¹⁾ which is easy to consider introducing



Hiring of All Job Types will be Exhilarated with an Aim to Expand Growth

- The number of employees remained flat due to COVID-19 cost control and productivity improvements after significant hiring until Q2 of FY 9/2020
- Re-accelerate hiring from Q3 of FY 9/2021 and the number of employees is expected to increase



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Note: 1. All figures are JPY otherwise specifically mentioned



Financial Highlights

ARR ⁽¹⁾

5,426 mil. (6/2021)

Subscription revenue ratio ⁽²⁾

95.5% (Q3 FY9/21)

Net sales / Growth rate yoy basis

1,402 mil. (Q3 FY9/21) / **33.5%** (Q3 FY9/21)

NRR ⁽³⁾

108.5% (LTM avg.) / **113.7%** (Last three months avg.)

Gross profit margin

74.2% (Q3 FY9/21)

Employees

203 (6/2021)

Notes: 1. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time / 2. Percentage of net sales taken up by the total amount of monthly charges for KARTE that can be earned on a recurring basis / 3. NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year



Fiscal Year Ending September 30, 2021 Q3 Financial Highlights

- 1 Net sales and ARR are trending steadily upwards
- 2 NRR increased owing to successful upselling & cross-selling and stable customer retention
- 3 Gross profit margin expanded due to efficient server usage and upselling & cross-selling
- 4 SG&A was lower than initially planned due to some delayed spendings
- 5 Revised upward the guidance for this fiscal year, reflecting financial results until Q3

Financial Highlights 1

Net Sales Continue to Trend Favorably Compared with the Full-year Earnings Guidance

- Better progress compared with previous fiscal year

Net Sales for Q1-Q3 (9 months) FY 9/21

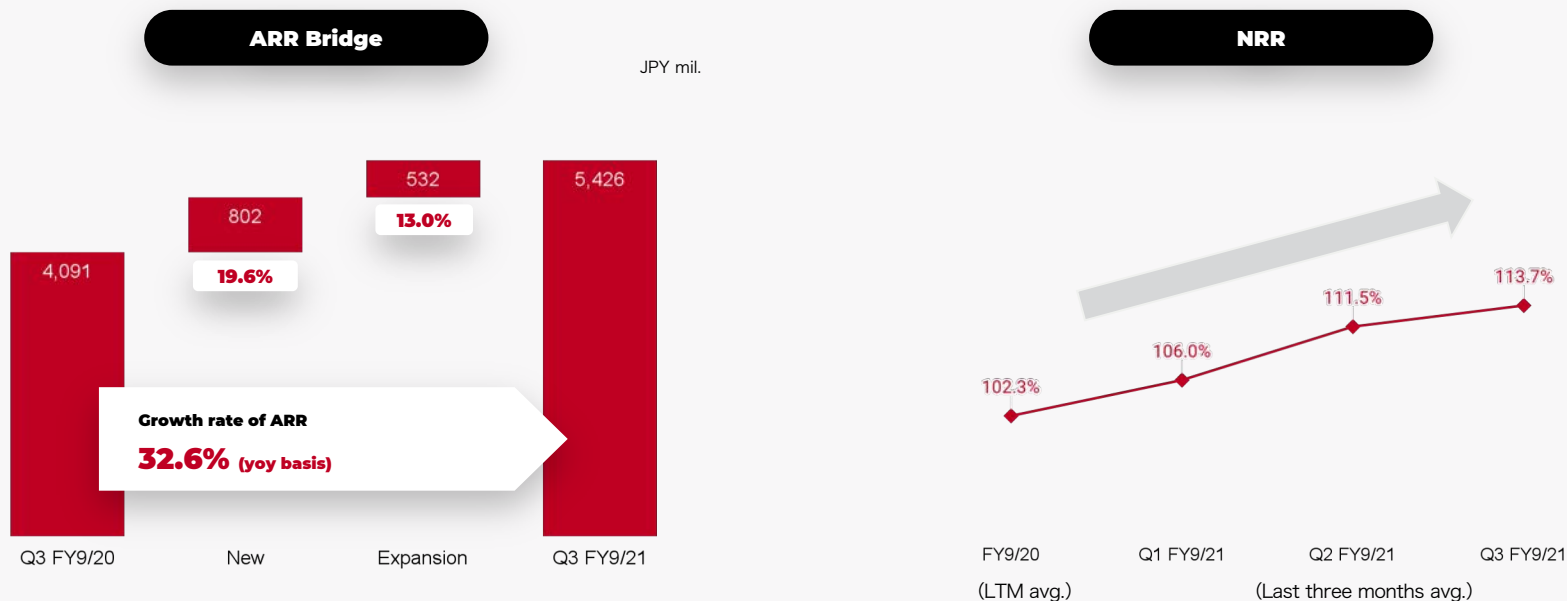


Net Sales for Q1-Q3 (9 months) FY 9/20



Existing Customer Expansion Contributed to ARR Growth and Further Raised NRR

- NRR increases due to the following factors.
 - Reinforced customer success team enhancing customer retentions
 - Tactical shift from acquiring new customers toward existing customer expansion under the COVID-19 pandemic



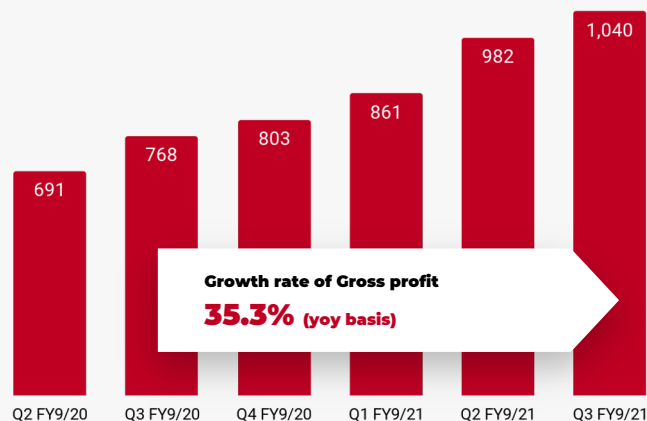
Notes: 1. NRR: Net Revenue Retention (Rate) Calculated by dividing the (i) monthly subscription sales of current customers who have continued to subscribe for at least one year by (ii) the monthly subscription sales for the same month in the previous year / 2. ARR: Annual Recurring Revenue. It is calculated by multiplying the monthly subscription sales at the end of each quarter by 12. It is an indicator that expresses the net sales expected to be obtained from existing subscriptions alone during the 12 months starting the month following the final month of the quarter based on the assumption that all existing subscriptions will be renewed at the specified time

Gross Profit Margin was Boosted by Efficient Server Usage

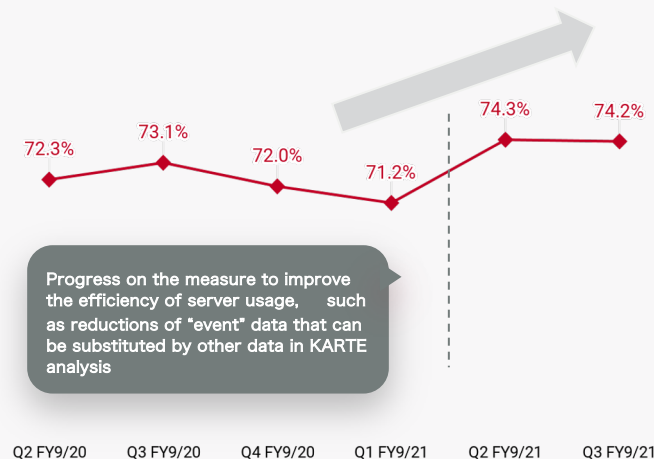
- Efficient server usage and progress in upselling and cross-selling led to an increased gross profit margin
- Particularly since Q2, the margin has been boosted as a result of reductions of unnecessary “event” data measurements

Gross Profit

JPY mil.



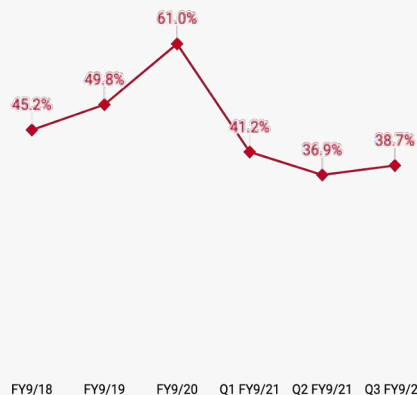
Gross Profit Margin



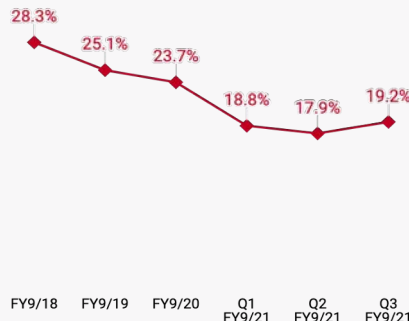
SG&A are Trending Below Initially Planned while Accelerating “Investment” into Ops

- Some SG&A expenses are lower than initially planned budgets due to delayed spendings of expenses
- Accelerate investments into personnel and marketing activities on Q4 and onward

S&M Ratio ⁽¹⁾



R&D Ratio ⁽²⁾



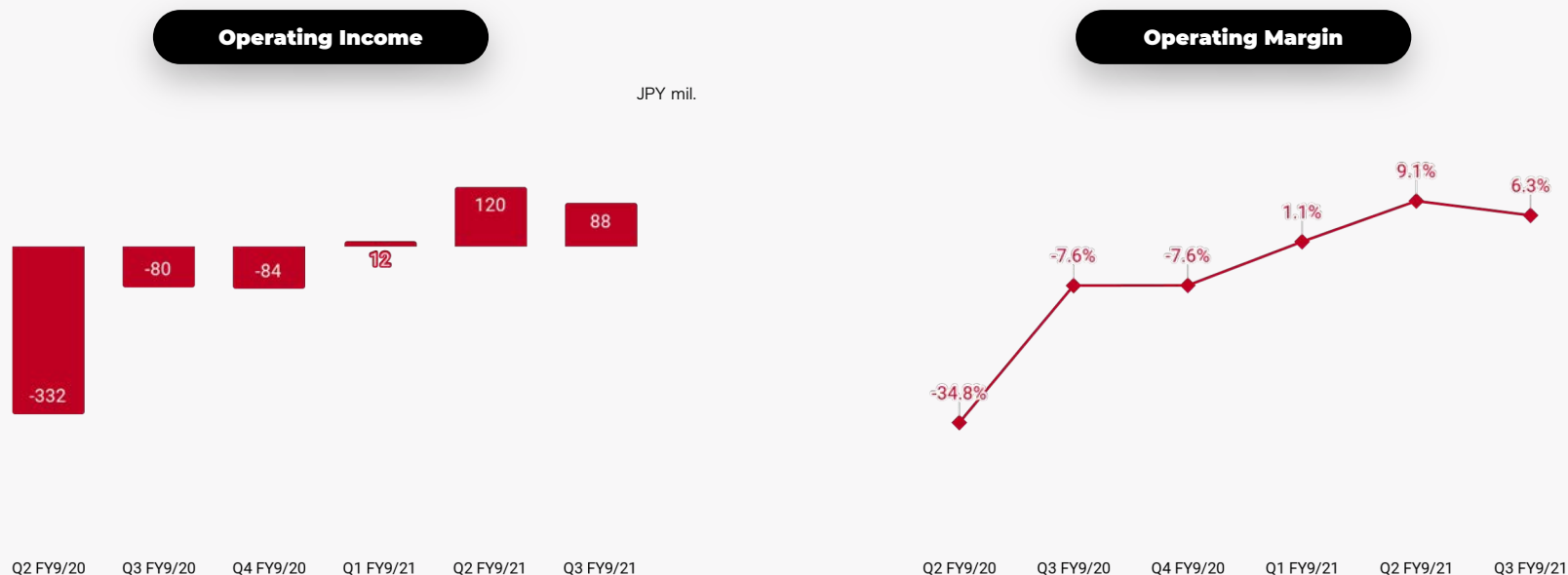
G&A Ratio ⁽³⁾



Notes: 1. S&M: Sales and Marketing Expenses. This is primarily comprised of personnel expenses for employees engaged in sales and marketing, advertising expenses, and related indirect expenses, amortization expenses, etc. apportioned based on the number of employees, etc. / 2. R&D: Research and Development Expenses. This is primarily comprised of personnel expenses for employees on engineering and product design teams as well as related indirect expenses and amortization expenses apportioned based on the number of employees, etc. / 3. G&A: General and Administrative Expenses. This is primarily comprised of personnel expenses for employees engaged in legal, financial, and personnel operations as well as related indirect expenses and amortization expenses apportioned based on the number of employees, etc.

Operating Income has been Positive

- Positive at JPY 88 mil. for Q3 and at JPY 221 mil. for Q1-Q3 due to the steady sale growth and boosted gross profit margin



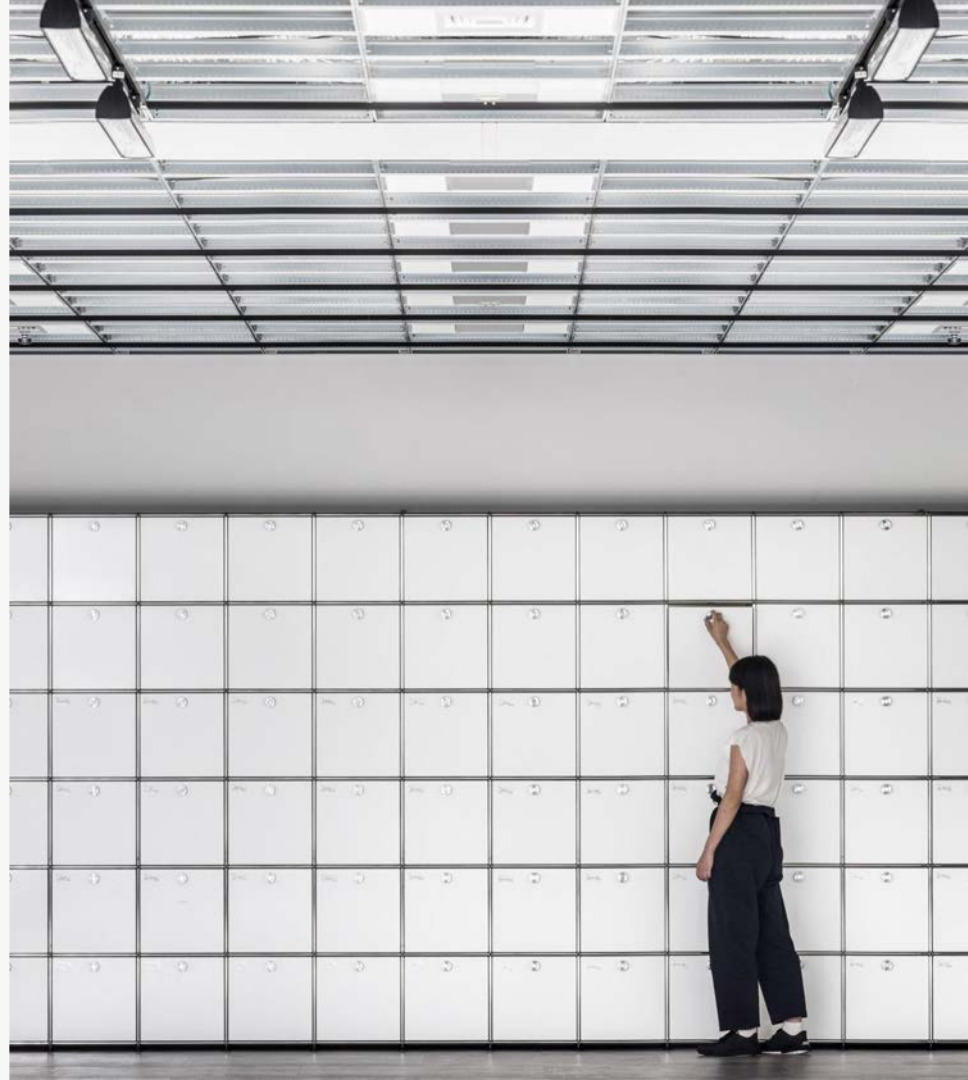
Revision of Full-year Earnings Forecast for FY 9/21

- Net sales are expected to exceed the previous guidance owing to better upselling & cross-selling and customer retention than forecasted
- Gross profit margin will be expanded by 2.2 pt due to efficient server usage with gross profit guidance revised upward by 7.6%
- Operating income is expected to exceed the original guidance by 504.8% with higher marketing expenditures than initially projected as well as better net sales and gross profit margin
- Revised the guidance based on above

(JPY mil.)	Previous guidance ⁽¹⁾	Updated guidance	Difference	Change (%)	FY9/20 results
Net sales	5,211	5,437	226	+4.3%	4,007
Year-on-Year	30.0%	35.7%	+5.6pt	-	36.4%
Gross profit	3,695	3,977	281	+7.6%	2,854
Gross profit margin	70.9%	73.1%	+2.2pt	-	71.2%
Operating income	25	151	126	+504.8%	▲1,079
Ordinary income	▲235	▲59	176	-	▲1,205
Net income	▲238	▲132	105	-	▲1,207

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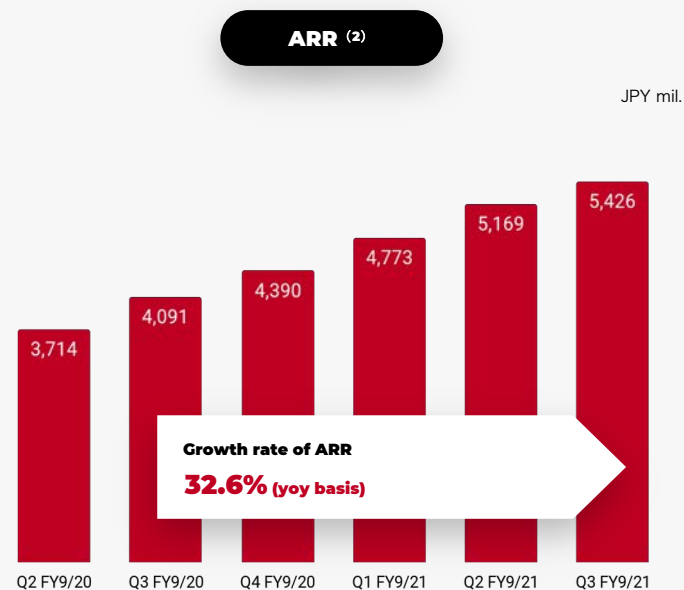
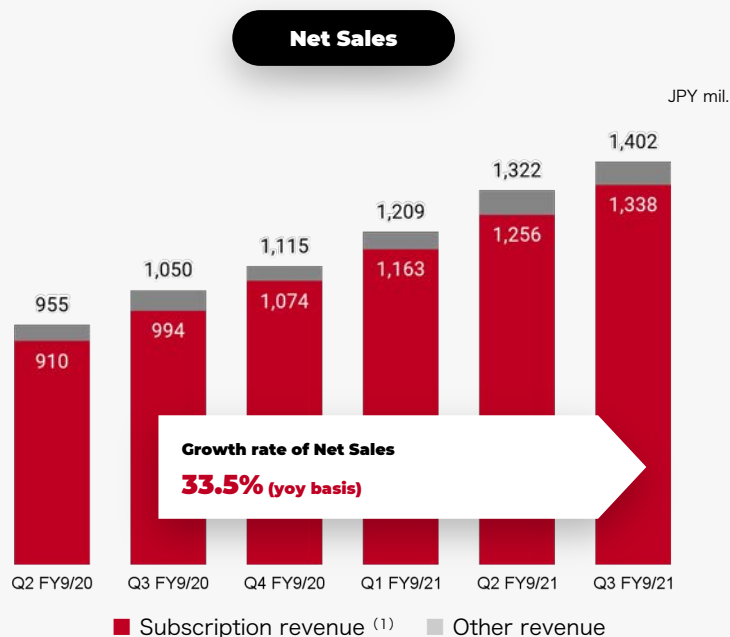
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Financial Information

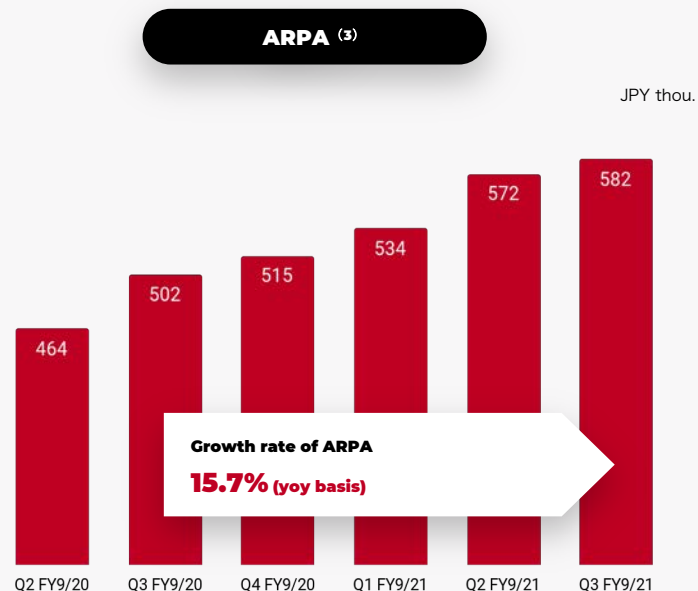
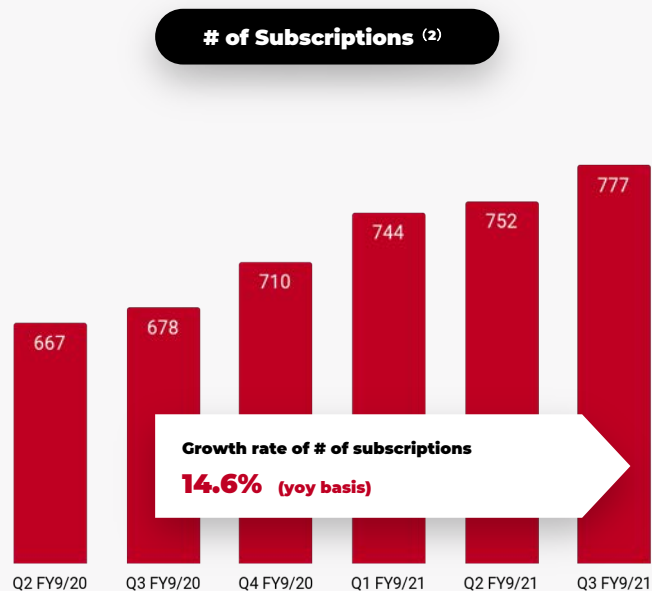
Net Sales and ARR

- Strategically shifted away from acquiring new customers towards existing customers taking into account the COVID-19 pandemic, keep good customer retention rates and expand upselling/cross-selling



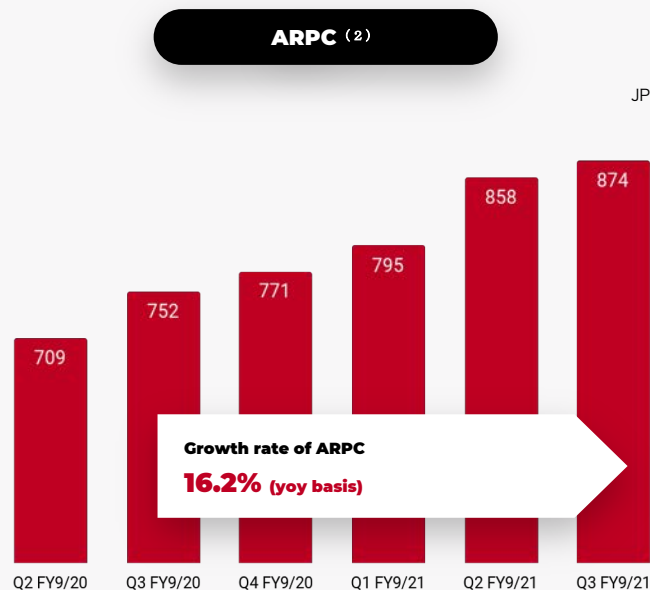
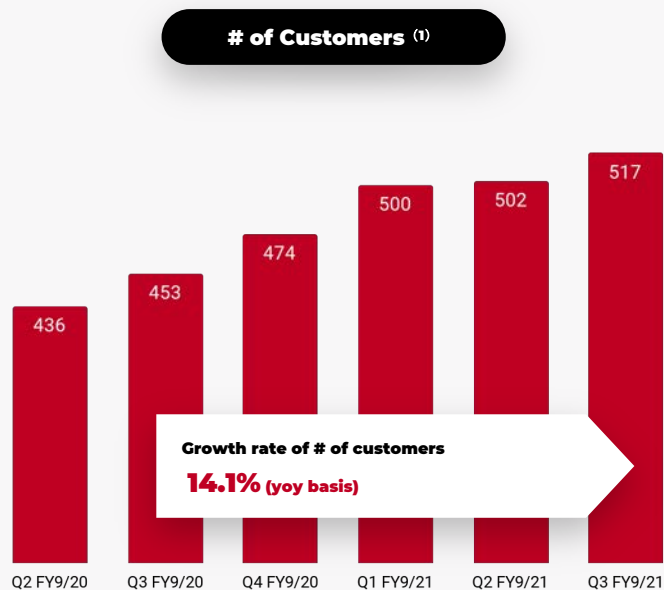
Subscriptions and ARPA

- Both the number of subscriptions and ARPA exceed the expectation⁽¹⁾ at the beginning of FY 9/2021



Customers and ARPC

- Both the number of customers and sales per customer are growing steadily



JPY thou.

Appendix

Income Statement (Quarterly)

(JPY mil.)	Q3 FY9/21	Q3 FY9/20	YoY	Q2 FY9/21	QoQ
Net sales	1,402	1,050	+33.5%	1,322	+6.0%
Subscription revenue	1,338	994	+34.6%	1,256	+6.6%
Other	63	56	+12.6%	66	▲4.5%
Cost of sales	362	282	+28.3%	340	+6.4%
Gross profit	1,040	768	+35.3%	982	+5.9%
Gross profit margin	74.2%	73.1%	+1.0pt	74.3%	▲0.1pt
SG&A	952	849	+12.2%	861	+10.5%
% of Net sales	67.9%	80.8%	▲12.9pt	65.1%	+2.8pt
Advertising expenses	88	68	+28.6%	79	+10.8%
% of Net sales	6.3%	6.6%	▲0.2pt	6.0%	+0.3pt
Personnel expenses	568	521	+9.0%	529	+7.4%
% of Net sales	40.5%	49.6%	▲9.1pt	40.0%	+0.5pt
Rents	77	77	▲0.1%	77	-
% of Net sales	5.5%	7.4%	▲1.9pt	5.9%	▲0.3pt
Sales commission	30	24	+22.2%	26	+12.8%
% of Net sales	2.2%	2.4%	▲0.2pt	2.0%	+0.1pt
Other	187	156	+20.1%	147	+27.0%
% of Net sales	13.4%	+14.8%	▲1.5pt	11.2%	+2.2pt
Operating income	88	▲80	-	120	▲27.1%
Operating margin	6.3%	▲7.6%	+13.9pt	9.1%	▲2.9pt
Non-operating income	1	0	-	3	▲68.1%
Non-operating expenses	3	84	▲95.3%	34	▲88.4%
Listing expenses	-	81	▲100.0%	29	▲100.0%
Other	3	2	+45.4%	5	▲20.5%
Ordinary income	85	▲164	-	89	▲5.2%
Extraordinary losses	-	-	-	-	-
Loss on valuation of investment securities	-	-	-	-	-
Net income	84	▲165	-	88	▲5.3%

Appendix

Income Statement (Q1-Q3)

(JPY mil.)	Q1-Q3 (9 months) FY9/21	Q1-Q3 (9 months) FY9/20	YoY
Net sales	3,934	2,892	+36.1%
Subscription revenue	3,758	2,744	+36.9%
Other	176	147	+19.8%
Cost of sales	1,050	840	+25.0%
Gross profit	2,884	2,051	+40.6%
Gross profit margin	73.3%	70.9%	+2.4pt
SG&A	2,662	3,045	▲12.6%
% of Net sales	67.7%	105.3%	▲37.7pt
Advertising expenses	259	718	▲63.9%
% of Net sales	6.6%	24.8%	▲18.2pt
Personnel expenses	1,629	1,376	+18.3%
% of Net sales	41.4%	47.6%	▲6.2pt
Rents	232	233	▲0.1%
% of Net sales	5.9%	8.1%	▲2.1pt
Sales commission	84	70	+18.9%
% of Net sales	2.1%	2.5%	▲0.3pt
Other	457	646	▲29.3%
% of Net sales	11.6%	22.4%	▲10.7pt
Operating income	221	▲994	-
Operating margin	5.6%	▲34.4%	+40.0pt
Non-operating income	5	1	+347.3%
Non-operating expenses	213	121	+76.1%
Listing expenses	200	105	+89.4%
Other	13	15	▲15.5%
Ordinary income	13	▲1,114	-
Extraordinary losses	70	-	-
Loss on valuation of investment securities	70	-	-
Net income	▲59	▲1,116	-

Appendix

Opex Ratios to Net Sales

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q1 FY9/21	Q2 FY9/21	Q3 FY9/21	Q1-Q3 (9months) FY9/21
S&M	720	1,463	2,443	497	488	542	1,529
% of Net sales	45.2%	49.8%	61.0%	41.2%	36.9%	38.7%	38.9%
R&D	451	738	951	227	237	269	734
% of Net sales	28.3%	25.1%	23.7%	18.8%	17.9%	19.2%	18.7%
G&A	230	475	538	123	135	140	399
% of Net sales	14.5%	16.2%	13.4%	10.2%	10.3%	10.0%	10.2%

Appendix

Long Term Model ⁽¹⁾

	FY9/18	FY9/19	FY9/20	Q1-Q3 (9 months) FY9/21	Long term model
Gross profit margin	75.4%	73.0%	71.2%	73.3%	75-80%
S&M	45.2%	49.8%	61.0%	38.9%	25-30%
R&D	28.3%	25.1%	23.7%	18.7%	18-20%
G&A	14.5%	16.2%	13.4%	10.2%	8-10%
Operating margin	▲12.5%	▲18.2%	▲26.9%	5.6%	20-25%

Note: 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

Balance Sheet

(JPY mil.)	FY9/18	FY9/19	FY9/20	Q3 FY9/21
Total current assets	2,463	1,892	2,642	6,002
Cash and deposits	2,161	1,374	2,091	5,351
Notes and accounts receivable, trade	232	368	475	562
Other	69	149	75	88
Total non-current assets	494	309	426	356
Total current liabilities	519	615	1,084	1,287
Total non-current liabilities	508	397	380	163
Total net assets	1,929	1,188	1,604	4,908

Company Overview

Company Overview

Overview

Company Name	PLAID, Inc.
Founded	October 2011
Headquarter	GINZA SIX 10F, GINZA 6-10-1, Chuo-ku, Tokyo, Japan 104-0061
CEO	Kenta Kurahashi
# of Employees	203 (as of June 2021)
Business Detail	Provision of KARTE (CX⁽¹⁾ Platform SaaS)

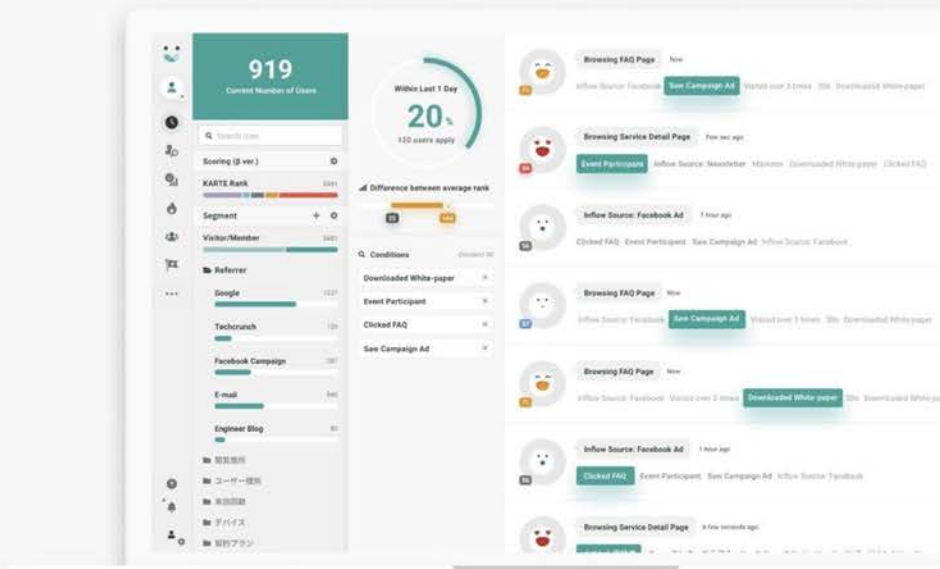
Note: 1. Customer experience. This refers to the sum of interactions between an organization and its customer that contributes to the resulting impression that the customer develops and maintains with respect to that organization or its products and services. This can encompass anything from product design and quality to traditional notions of customer service



KARTE (Launched in March 2015)



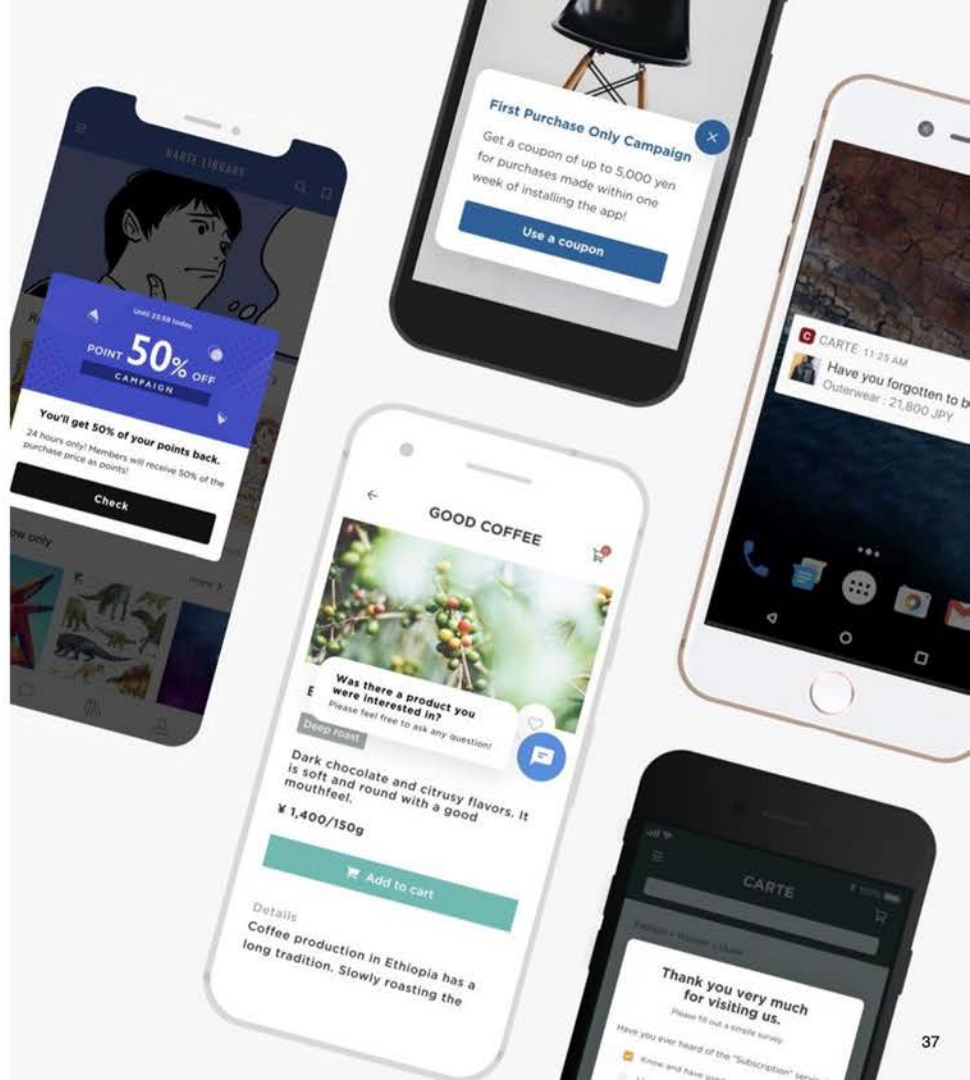
Cloud based software as a service(SaaS) that empowers organizations to make real-time, on-website analysis and segmentation of website visitors and to automate real-time actions such as pop-ups



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

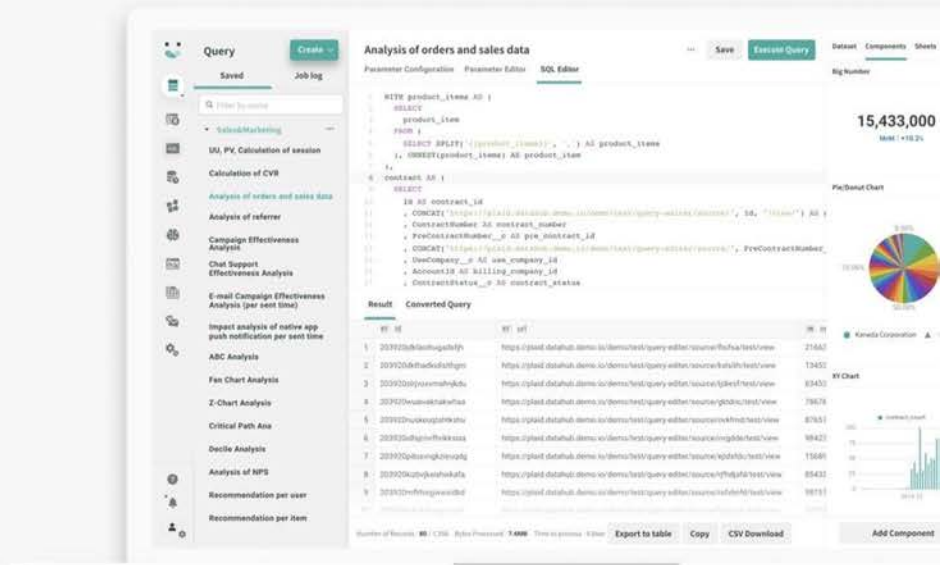


KARTE Datahub

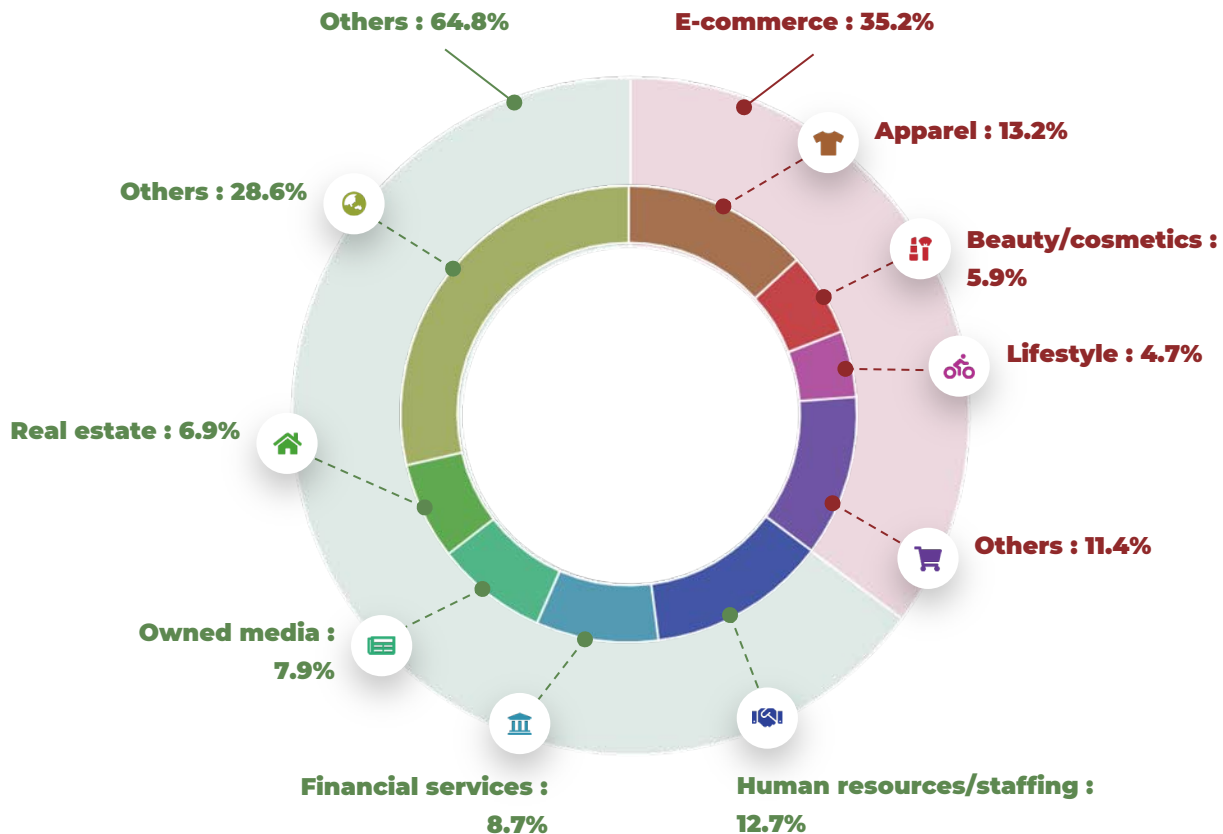
(Launched in December 2018)



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



Percentages of Subscriptions by Industry ⁽¹⁾



Note: 1. Industry percentage as of September 30, 2020

Increasing Frustrations with Digital Marketing

The customers'

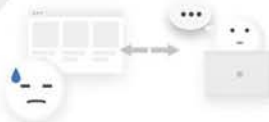


Contents are not
streamlined for individual
customers



Overwhelming amount of
information and repetitive
messages from
marketers

Marketers'



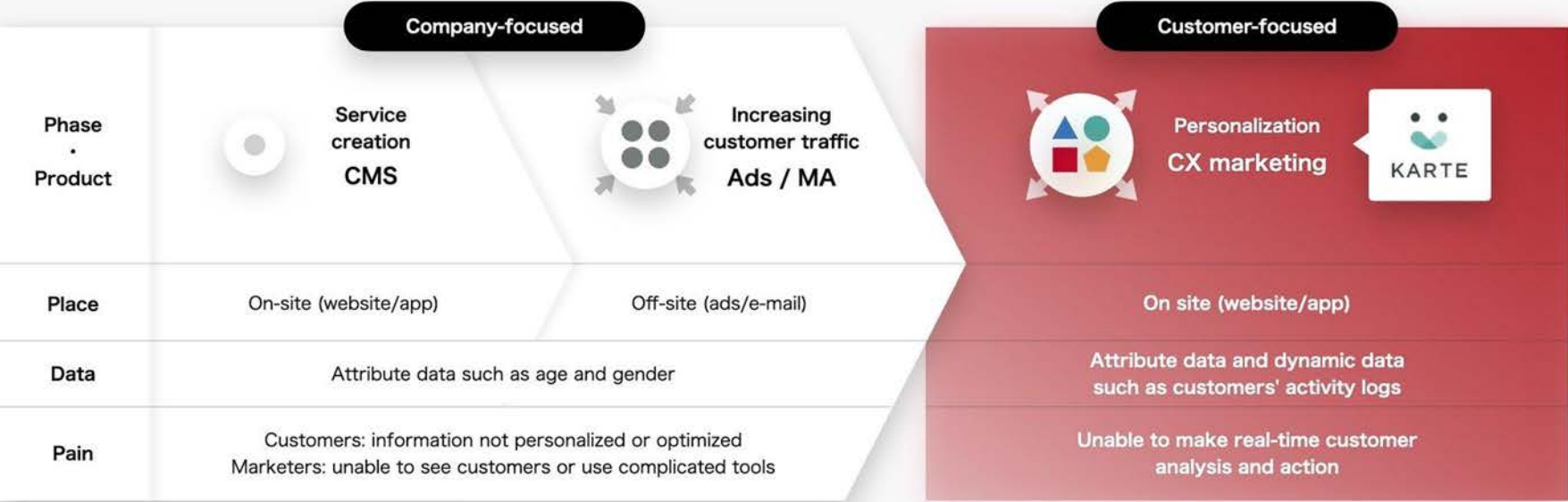
Unable to understand website
customer behavior
and make actions to them
on real-time basis



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

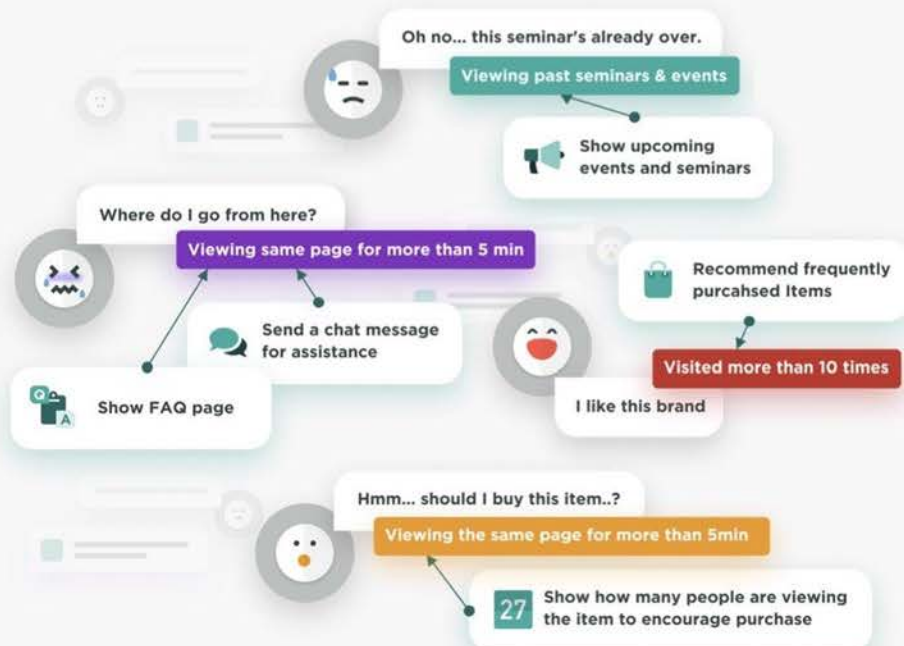
KARTE accumulates behavioral data of customers visiting a website on a customer-by-customer basis, and visualizes those by customer. This enables business operators to understand the status and needs of individual customers intuitively and to implement and examine measures to provide a better experience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



Feature 2.

Real-time analysis

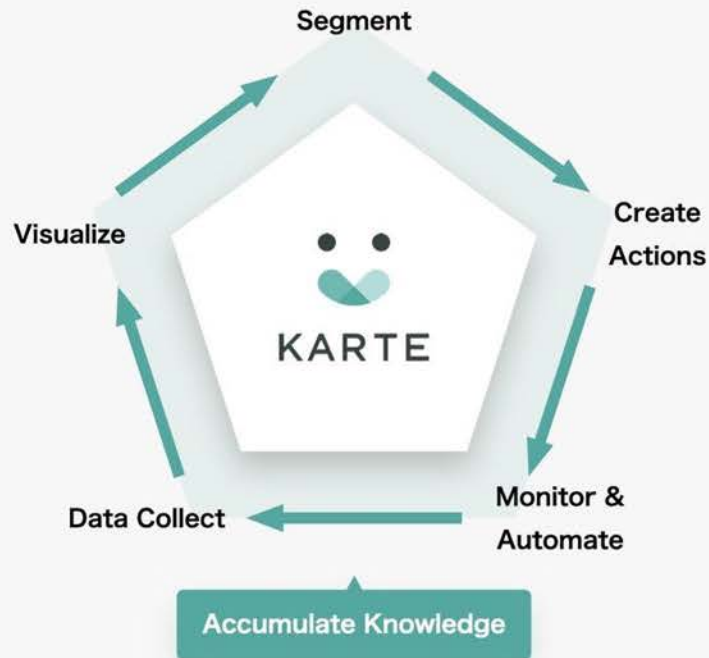
KARTE analyzes the real-time behaviors of customers visiting a website, etc., such as "They have been considering a specific product for a long time," together with the past data. This enables businesses to communicate appropriately with customers, without overlooking a timing or sign of their intent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

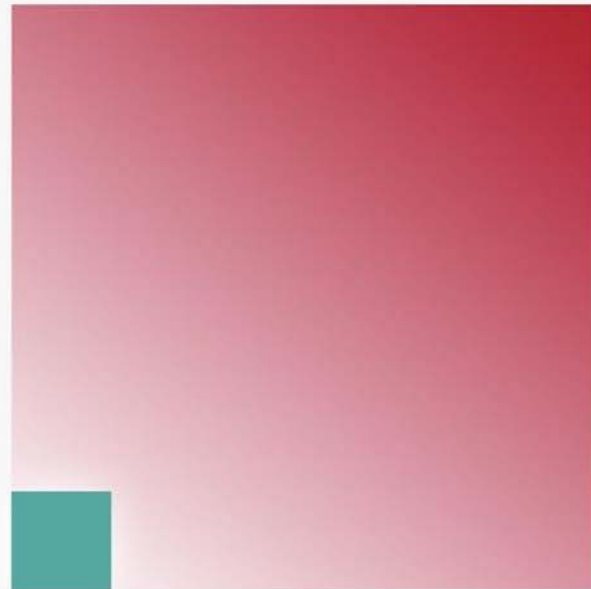
There are approximately 19,100 Japanese websites⁽¹⁾ that have more than 30,000 unique users (UUs) each and those are potentially addressable market for KARTE. We believe that there is a white space for KARTE

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



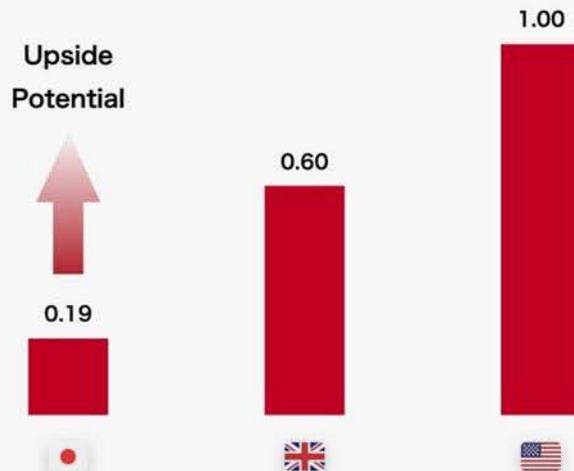
Multiple Touchpoints to Large and Extensive TAM

Extensive Estimated TAM in Japan⁽¹⁾



Cloud CRM Software Penetration⁽⁶⁾

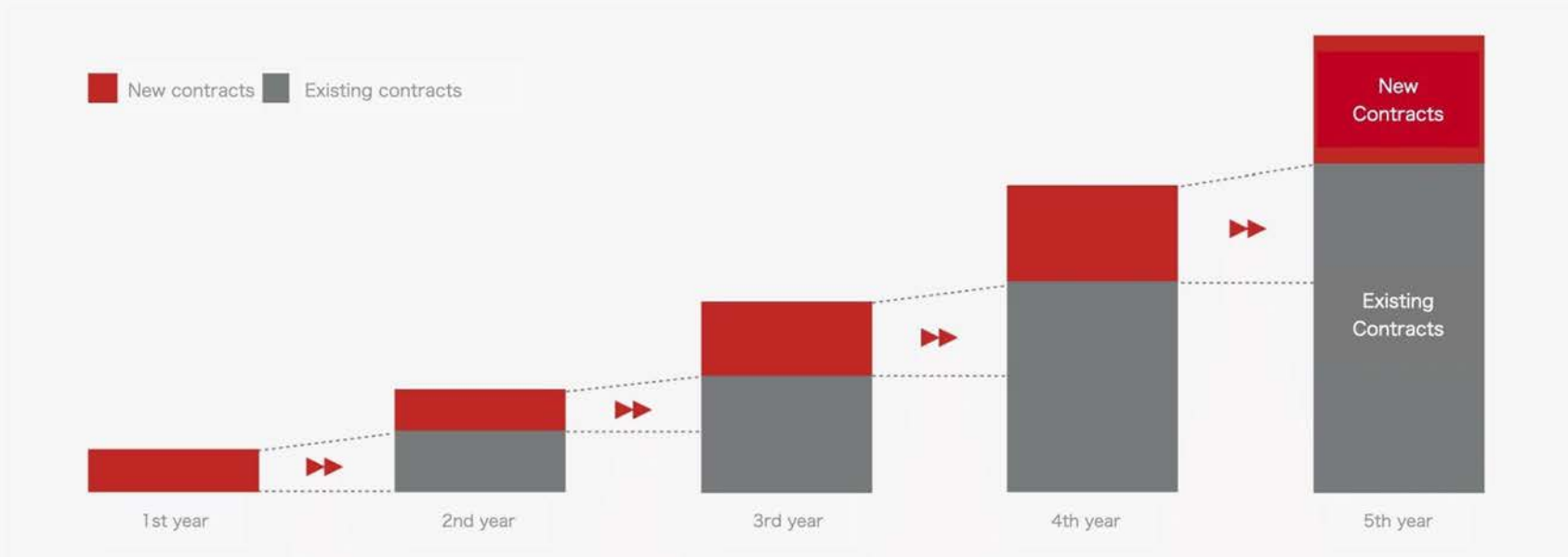
Standardized with the United States as 1.0



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.

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 688345 / ISO 27017



IS 622929 / 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**

