



# 2020 Q2 Earnings

August 17, 2020

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# About Agora

**Agora is ...**

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***Video APIs***

***for***

***Real-Time Engagement***

***in any app, anytime, anywhere***

# Video Engagement is Moving Contextual

Real-Time Video Engagement	Before Agora	With Agora
Users	Dedicated App	In any App, in any context
Developers	Difficult	Embed in any App, on-demand and care-free

*Real-Time Video Engagement as a*

**Private technology** → **Public utility**

# The Agora Platform

## Agora Real-Time Engagement Platform-as-a-Service

### Video Products



Real-Time Video



Live Interactive  
Video Streaming

### Audio Products



Real-Time Voice



Live Interactive  
Audio Streaming

### Other Products



Real-Time  
Messaging



Real-Time  
Recording



Real-Time  
Streaming Acceleration



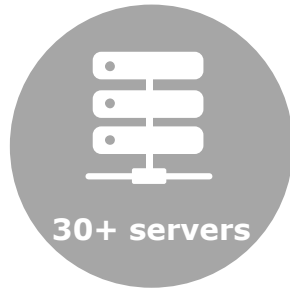
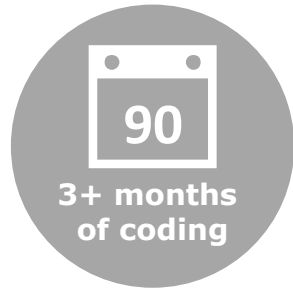
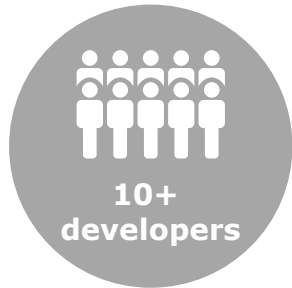
Use Case  
Products

Software Development Kit (SDK)

Software-Defined Real-Time Network (SD-RTN)

# Developer's Life Made Easy

## Do-it-Yourself



Poor quality

Compatibility challenges

Limited functionality

## With Agora's APIs<sup>(1)</sup>



Superior quality

Broad compatibility

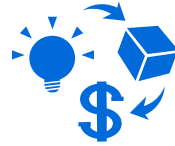
Wide functionality

(1) The number of developers and coding time required to integrate Agora's products could be greater than illustrated on this slide and depend on a variety of factors, including the skill of the individual developer and the complexity of the use case.

# Efficient Business Model Focused on Developers



**Large Developer  
Community**



**Free to Try &  
Pay-as-you-go**



**Deep Engineering  
Support**



**Easy to Adopt and  
Self-Serve**



**Explore New Ideas  
and Get Advice**



# Revenue Model

## Usage-Based Model



### Free-to-try

- **First 10,000 minutes free**, every month
- **Zero upfront cost**



### Pay-as-you-go

- **No fixed monthly fee**
- **Voice:** price per 1,000 minutes
- **Video:** price per 1,000 minutes depending on resolution
- **Tiered volume discount**



### Payment

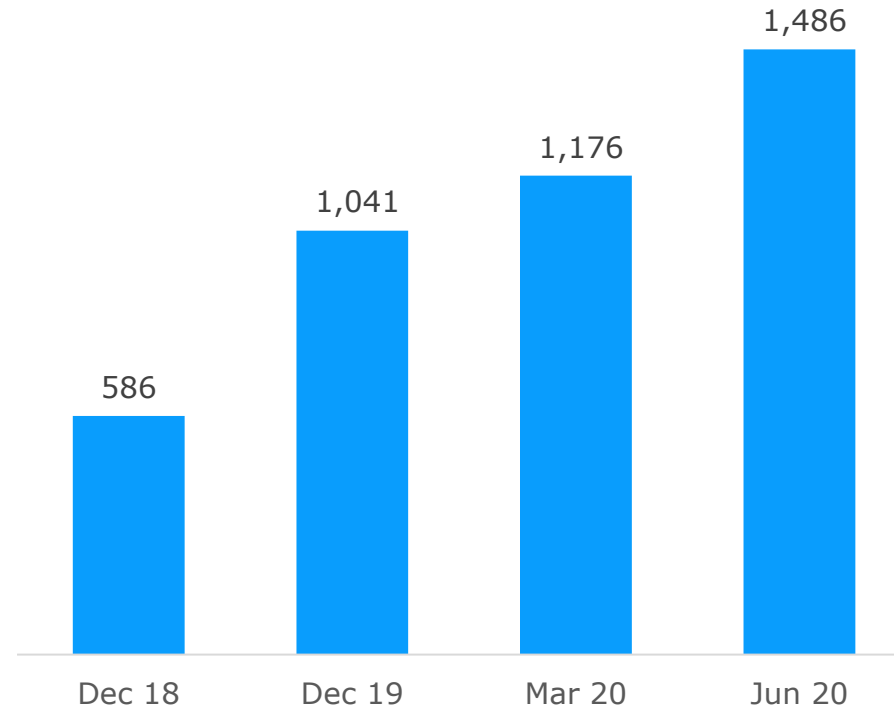
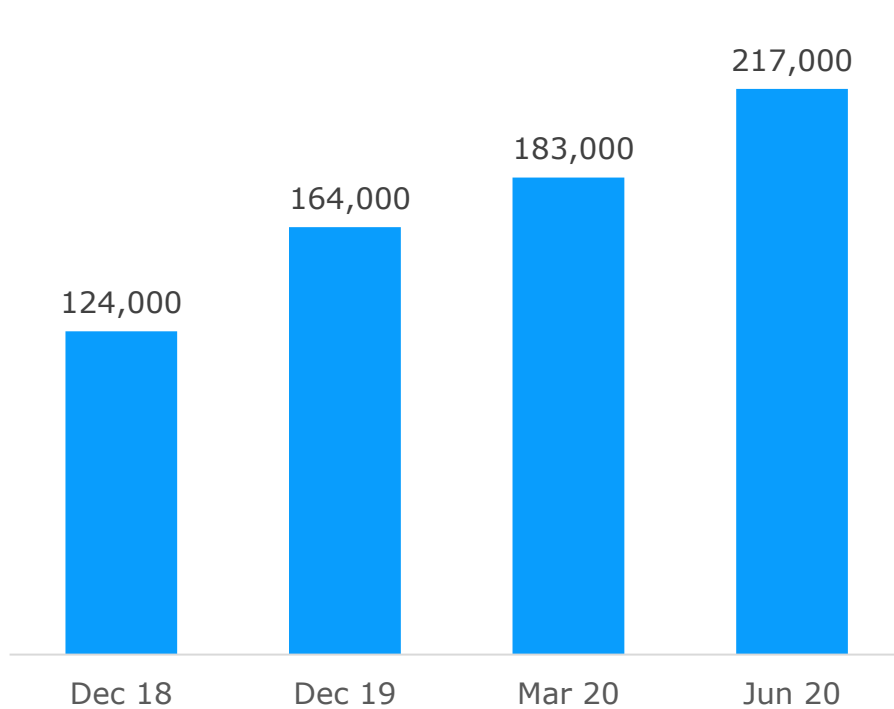
- **Developer:** self-serve and pre-pay
- **Enterprise:** contract and monthly billing

# 2020 Q2 Highlights

# Steady Growth in Developers and Customers

**ACCUMULATED REGISTERED DEVELOPERS (1)**

**ACTIVE CUSTOMERS (2)**



(1) The number of developers are rounded down to the nearest thousand

(2) An active customer at the end of the period is an organization or individual developer from which we generated more than US\$100 of revenue during the preceding 12 months, based on unique customer account identifiers

# Emerging Use Cases

## Co-watching

Enable anyone to connect and interact over video chat while watching streaming content together.

## Co-listening

Brings users the intimate experience of listening to music and sharing their thoughts together with friends, without any compromise on music quality.

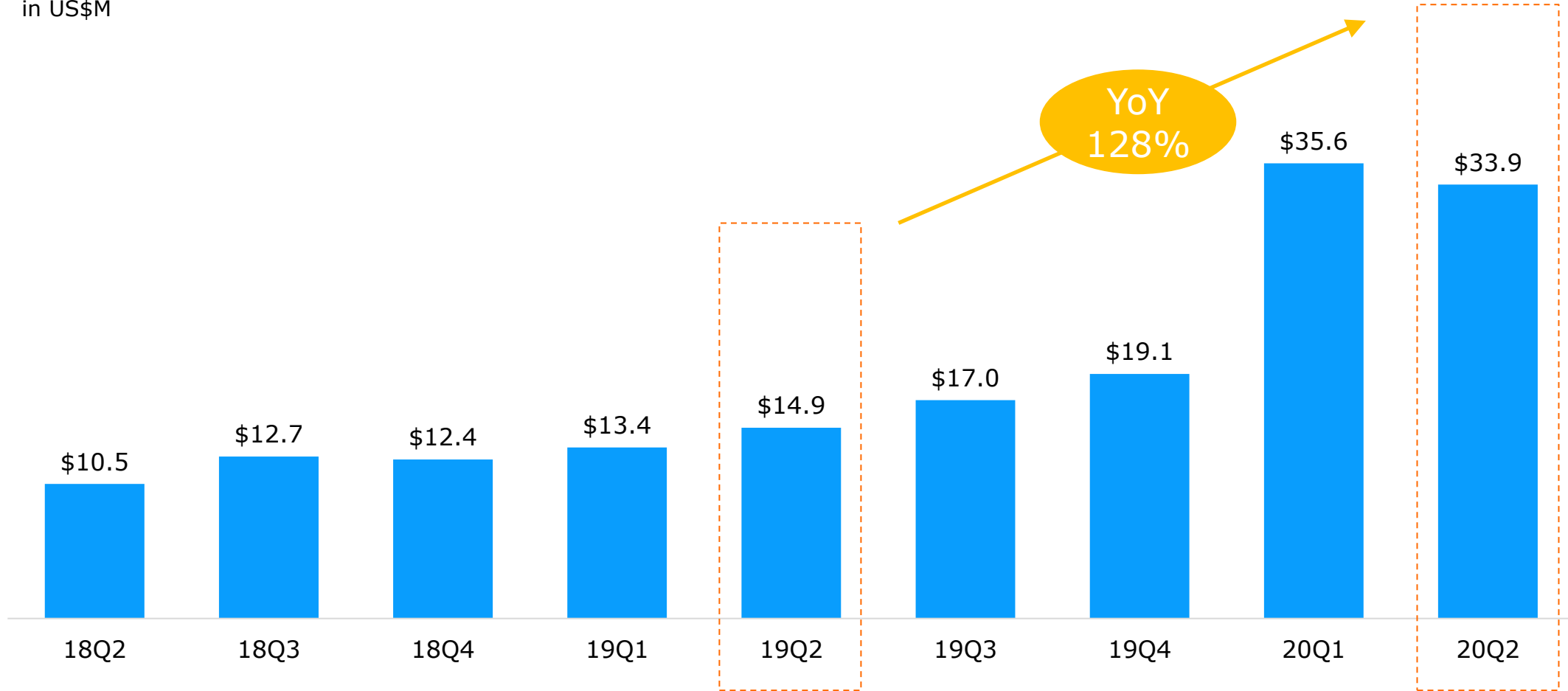
## Online proctoring

Online exam proctoring, a candidate is monitored online during the test duration typically with a real-time video link and access to the screen of the candidate.

**and many more...**

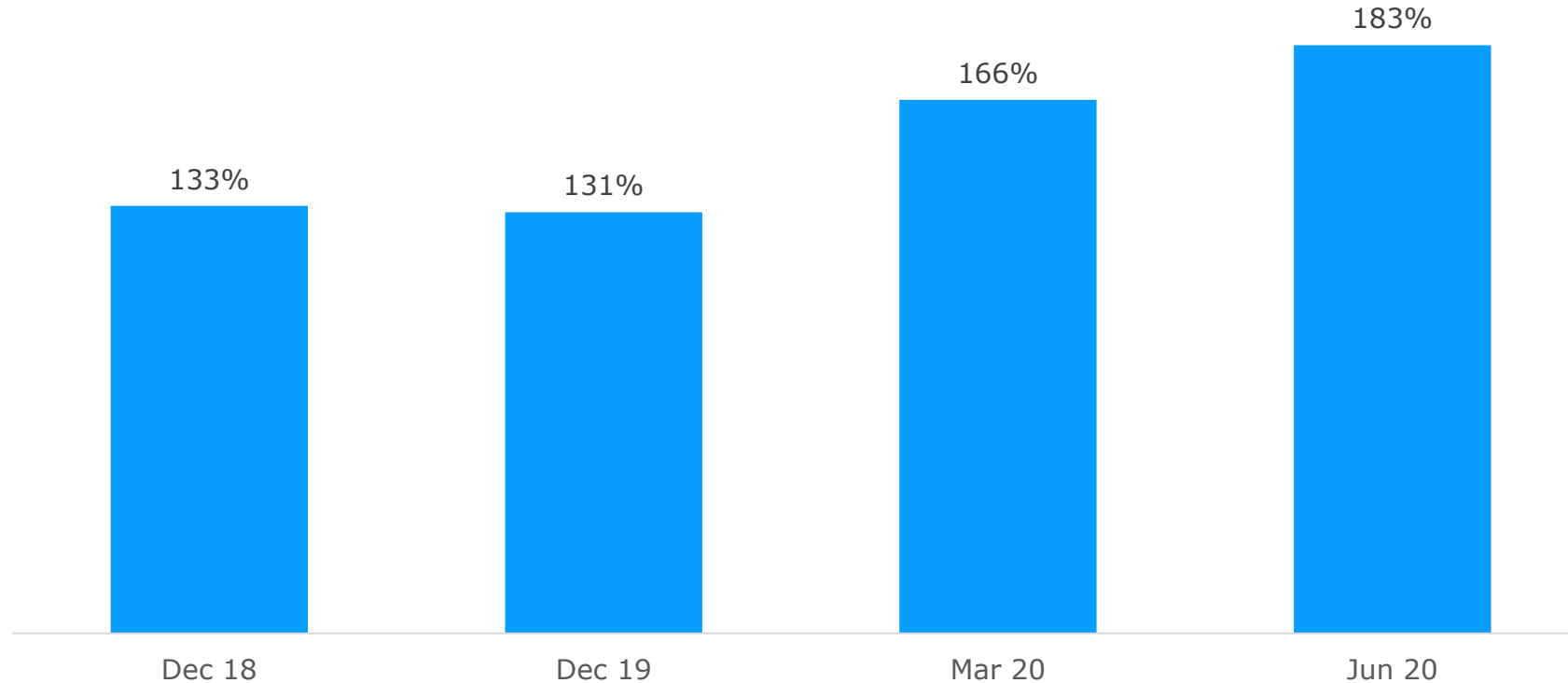
# Strong Revenue Growth

**TOTAL REVENUES**  
in US\$M



# Consistent and Expanding Usage

## CONSTANT CURRENCY DOLLAR-BASED NET EXPANSION RATE <sup>(1)</sup>



### Notes:

1. Agora calculates Dollar-Based Net Expansion Rate for a trailing 12-month period by first identifying all customers in the prior 12-month period, and then calculating the quotient from dividing the revenue generated from such customers in the trailing 12-month period by the revenue generated from the same group of customers in the prior 12-month period. Constant Currency Dollar-Based Net Expansion Rate is calculated the same way as Dollar-Based Net Expansion Rate but using fixed exchange rates based on the daily average exchange rates prevailing during the prior 12-month period to remove the impact of foreign currency translations.

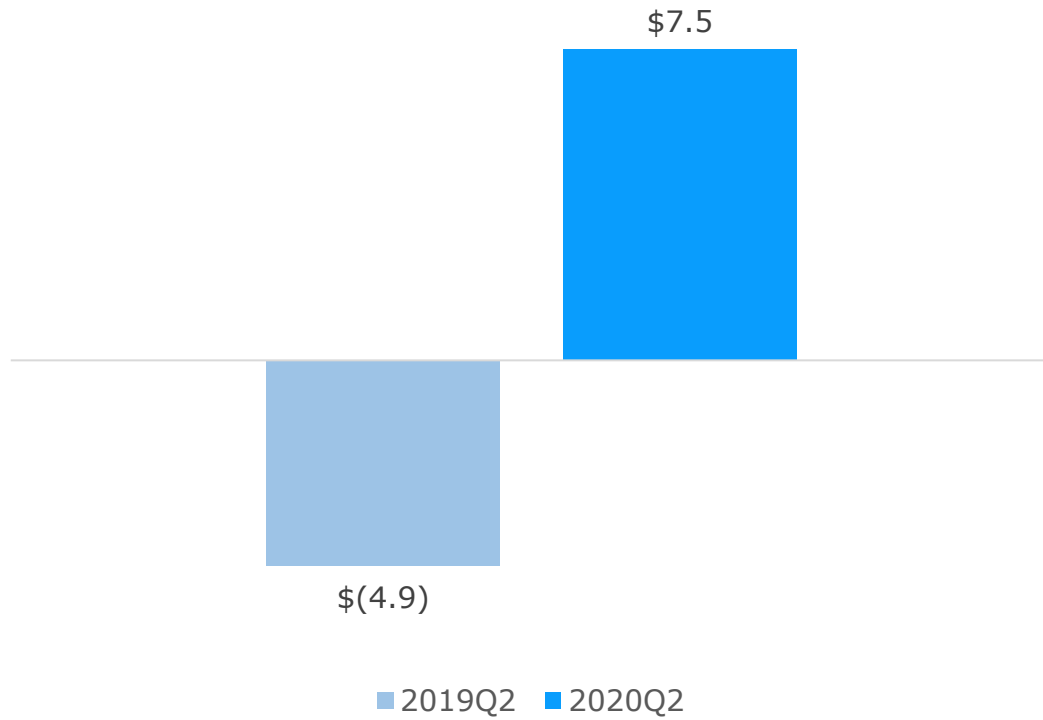
# Costs, Expenses and Margins

		2Q19		2Q20	
		GAAP Results	Non-GAAP Results	GAAP Results	Non-GAAP Results
As % of Revenue	Total Revenues	\$14.9M	\$14.9M	\$33.9M	\$33.9M
	Cost of Goods Sold	30.8%	30.6%	33.6%	33.4%
	<b>Gross Margin</b>	<b>69.2%</b>	<b>69.4%</b>	<b>66.4%</b>	<b>66.6%</b>
	Research & Development	38.3%	33.0%	32.2%	31.1%
	Sales & Marketing	34.0%	30.4%	17.4%	16.2%
	General & Administrative	10.3%	8.3%	10.0%	7.6%
	Other operating income	0.1%	0.1%	2.3%	2.3%
	<b>Operating Margin</b>	<b>(13.3%)</b>	<b>(2.2%)</b>	<b>9.1%</b>	<b>13.9%</b>
	Depreciation & Amortization	-	2.9%	-	3.0%
	<b>Adjusted EBITDA Margin</b>	<b>-</b>	<b>0.7%</b>	<b>-</b>	<b>16.9%</b>

# Healthy Cash Flow

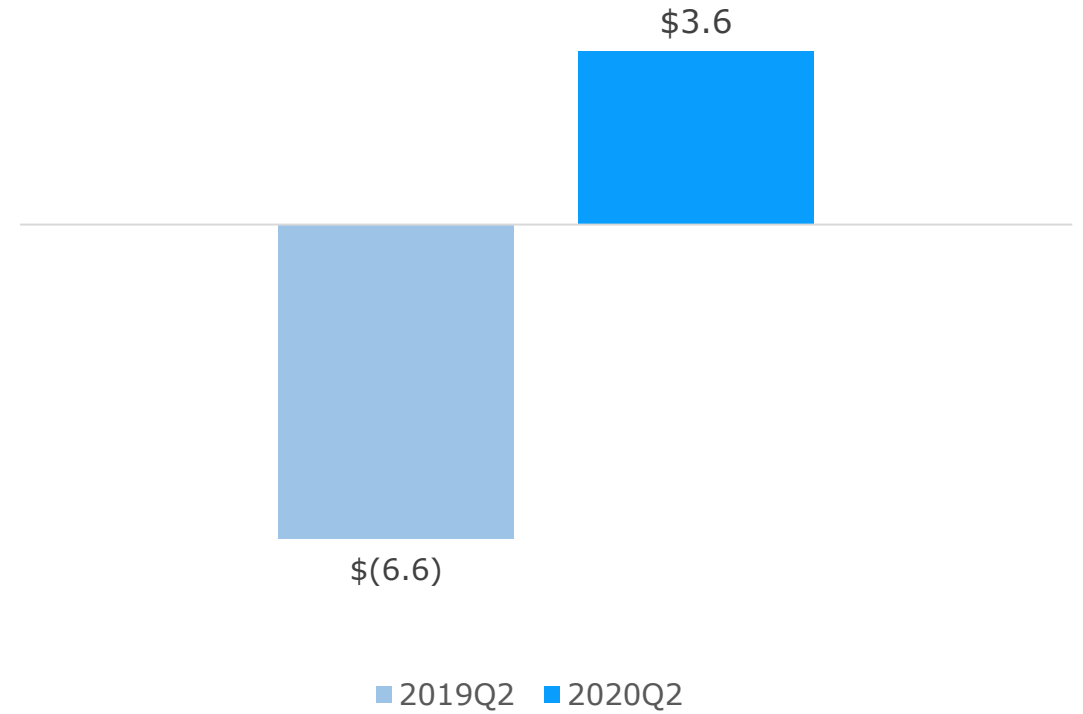
## OPERATING CASH FLOW

in US\$M



## FREE CASH FLOW

in US\$M

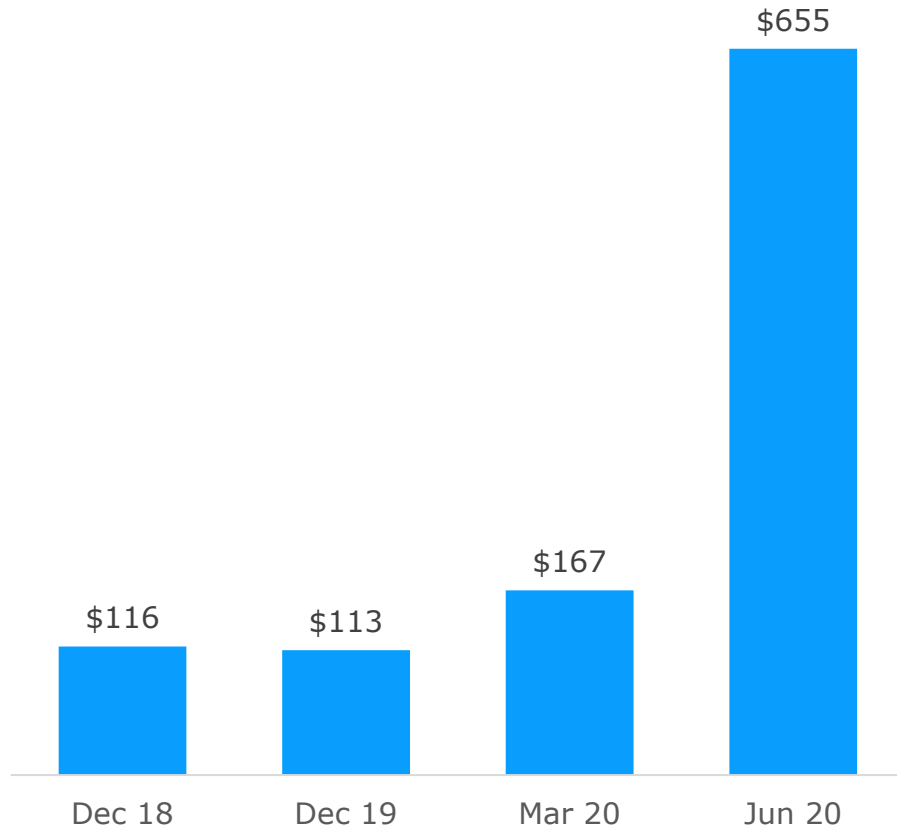




# Robust Liquidity Position

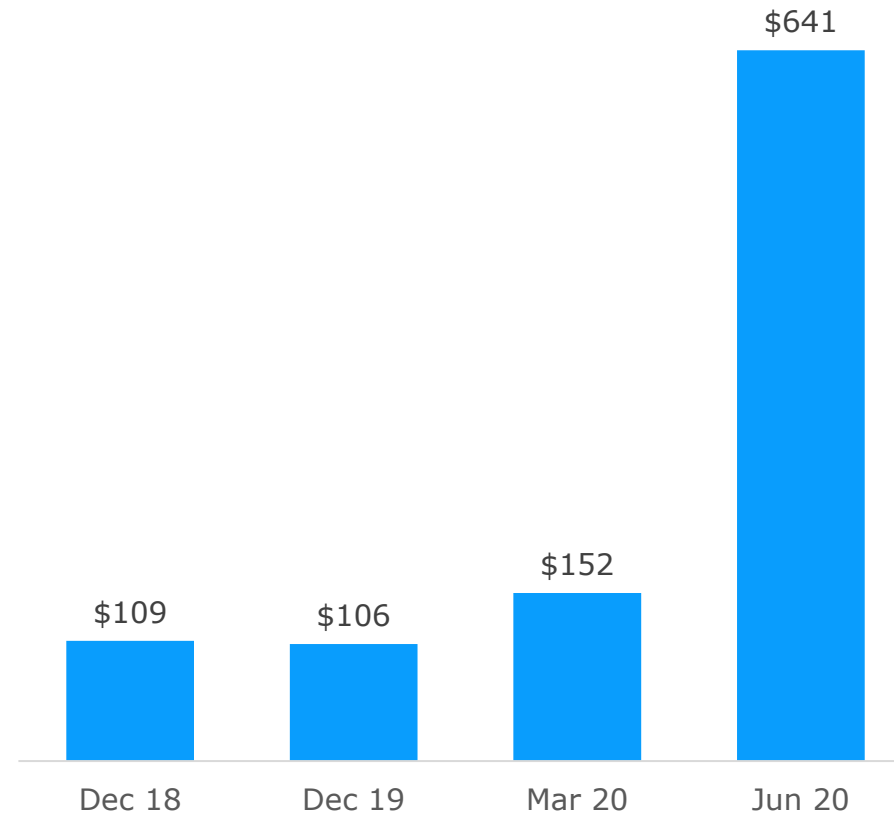
## NET ASSETS

in US\$M



## CASH AND CASH EQUIVALENTS

in US\$M



# Appendix

# GAAP to Non-GAAP Reconciliation

<b>Gross Margin (US\$000's)</b>	<b>19Q2</b>	<b>20Q2</b>
Total Revenues	14,901	33,904
GAAP Gross Profit	10,317	22,527
(+) Share-based Compensation	19	37
Non-GAAP Gross Profit	10,336	22,564
Non-GAAP Gross Margin	69.4%	66.6%
<b>Research &amp; Development Expenses (US\$000's)</b>		
GAAP Research & Development	5,708	10,919
(-) Share-based Compensation	(793)	(379)
Non-GAAP Research & Development	4,915	10,540
<b>Sales &amp; Marketing Expenses (US\$000's)</b>		
GAAP Sales & Marketing	5,067	5,913
(-) Share-based compensation	(549)	(417)
Non-GAAP Sales and Marketing	4,518	5,496
<b>General &amp; Administrative (US\$000's)</b>		
GAAP General & Administrative	1,535	3,396
(-) Share-based Compensation	(295)	(819)
Non-GAAP General Administrative	1,240	2,577

# GAAP to Non-GAAP Reconciliation

<b>Operating Margin (US\$000's)</b>	<b>19Q2</b>	<b>20Q2</b>
Total Revenues	14,901	33,904
GAAP Operating Profit (Loss)	(1,979)	3,069
(+) Share-based Compensation	1,656	1,651
Non-GAAP Operating Profit (Loss)	(323)	4,720
Non-GAAP Operating Margin	(2.2%)	13.9%
<b>Adjusted EBITDA (US\$000's)</b>		
Total Revenues	14,901	33,904
GAAP Operating Profit (Loss)	(1,979)	3,069
(+) Share-based Compensation	1,656	1,651
(+) Depreciation & Amortization	429	1,005
Adjusted EBITDA	106	5,725
Adjusted EBITDA Margin	0.7%	16.9%
<b>Free Cash Flow (US\$000's)</b>		
Cash Flow from Operations	(4,934)	7,451
(-) Purchase of Property and Equipment	(1,645)	(3,825)
Free Cash Flow	(6,579)	3,626

Thank you.