



2022 Q4 Earnings

February 27, 2023

Disclaimer

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In addition to U.S. GAAP financials, this Presentation includes certain non-GAAP financial measures, including non-GAAP net income (loss), Adjusted EBITDA and free cash flow. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures used by Agora may differ from the non-GAAP financial measures used by other companies. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP financial measures and should be read only in conjunction with Agora's consolidated financial statements prepared in accordance with U.S. GAAP. Please see the Appendices attached to this Presentations for an explanation of management's use of these measures and a reconciliation of the most directly comparable U.S. GAAP financial measures. This Presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any such offering of securities will only be made by means of a registration statement (including a prospectus) filed with the Securities and Exchange Commission, after such registration statement becomes effective.

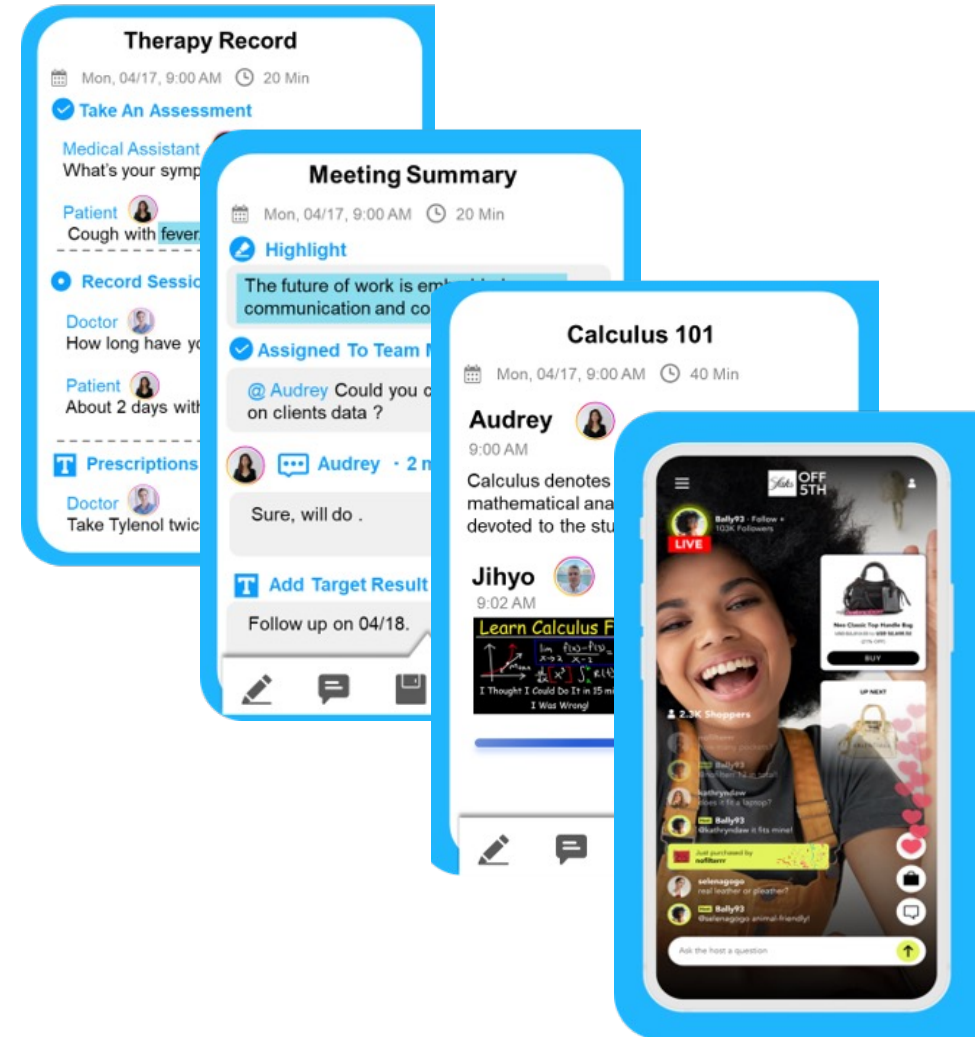
Unless otherwise indicated, all references in this Presentation to "Agora," "we," "our," "us" or similar terms refer to Agora, Inc. and its subsidiaries and, in the context of describing our operations and consolidated financial information, also include our variable interest entity in the PRC.

Business Highlights

Product Update

Beta: Speech-to-Text in RTE Use Cases

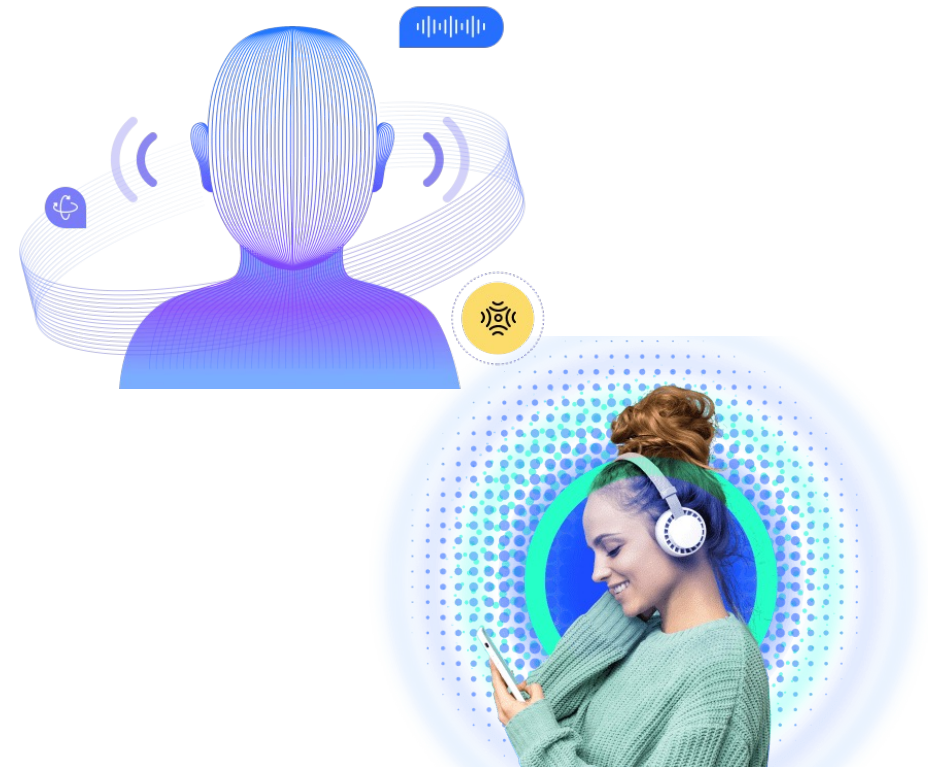
- Working with industry leading partners, Agora developed a cloud native transcription product embedded in real-time video & voice engagement sessions
- Reliable and consistent performance under challenging network conditions and across devices
- Can be used in a wide range of use cases



Product Update

General Availability: 3D Spatial Audio and AI-Powered Noise Suppression

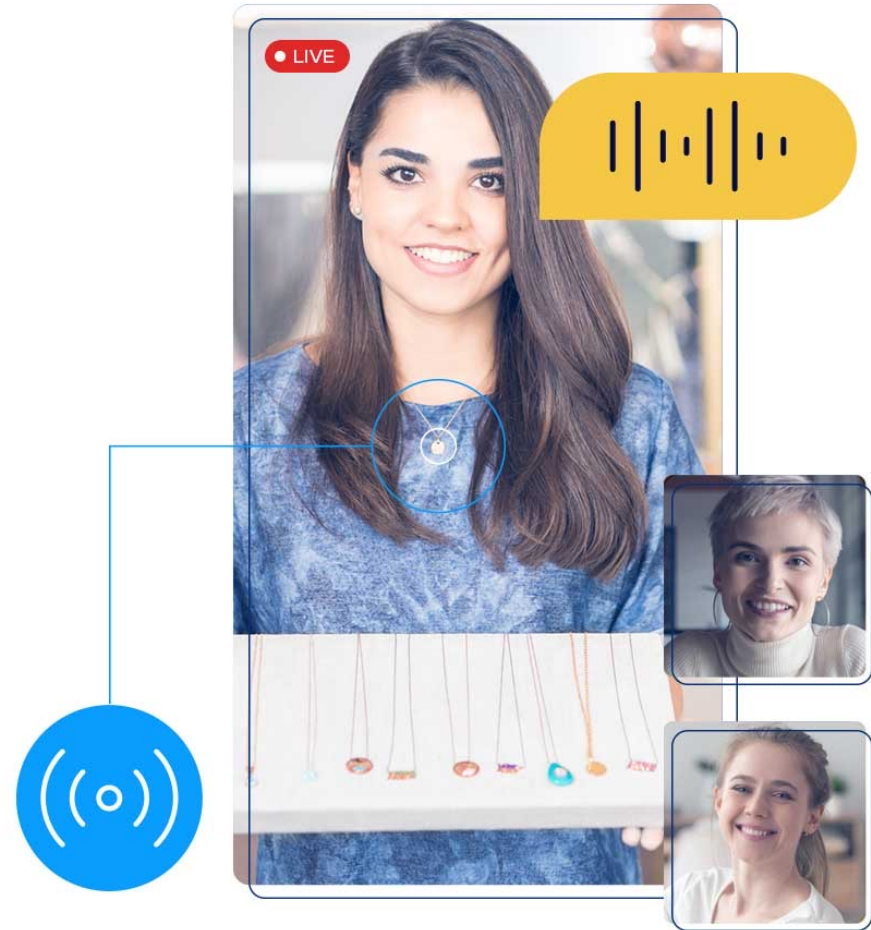
- Enable developers to create more immersive and engaging experiences
- Can be easily integrated with core video & voice products
- Well perceived and embraced by developers during public beta phase



Use Case Adoption

Live Video Shopping

Leveraging Agora's technology, a prominent American television network that traditionally specializes in home shopping began to provide its vast audiences with live interactive shopping.



Recap of 2022

Major challenges

- ❑ Significant revenue reduction from K12 academic tutoring segment due to regulation change in China
- ❑ Challenging global macroeconomic environment

Agora's actions

- Reorganized global R&D team
- Reduced overall workforce
- Streamlined and refocused developer experience and content marketing teams in US & Int'l markets
- Appointed China COO to lead commercialization efforts
- Sale of non-core business

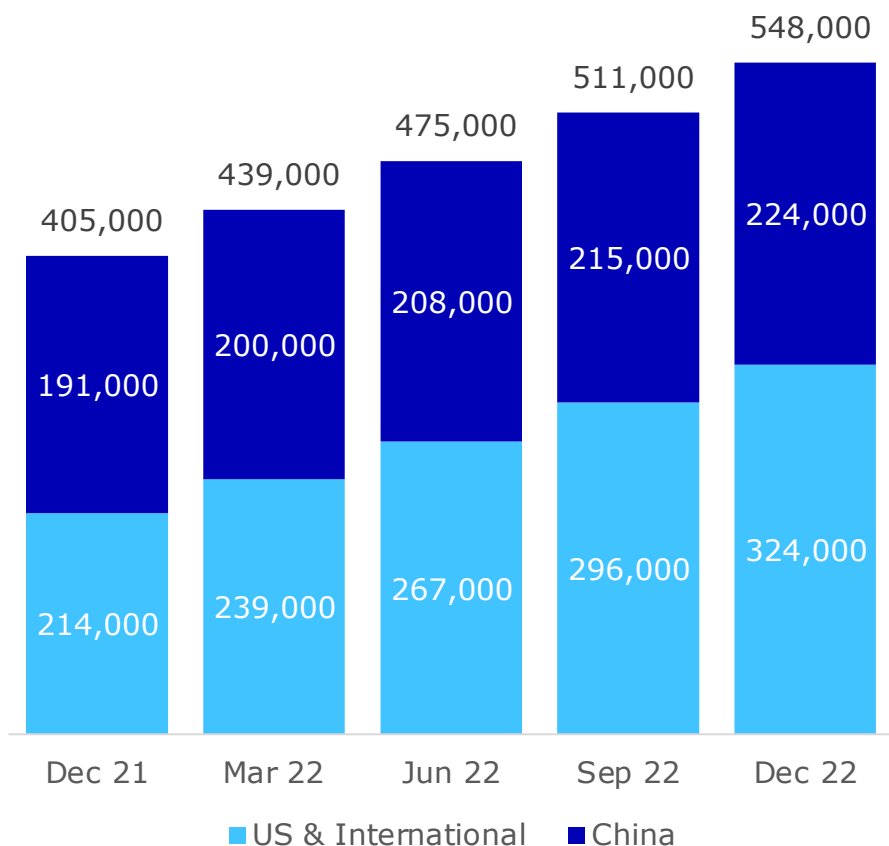
Sale of Easemob's CEC business

Target	<ul style="list-style-type: none">● Easemob's customer engagement cloud ("CEC") business
Target's 2022 revenue	<ul style="list-style-type: none">● \$5.3m
Consideration	<ul style="list-style-type: none">● \$14.6m (subject to certain closing adjustments)
Purchaser	<ul style="list-style-type: none">● TI Cloud Inc. (Stock code: 2167.HK)
Transaction rationale	<ul style="list-style-type: none">● When Agora acquired Easemob in early 2021, it had two business segments: chat API business and CEC business● The chat API business has been fully integrated with Agora● CEC business is not a core market for Agora. The sale will help Agora focus its resources on core products and markets
Transaction status	<ul style="list-style-type: none">● Closed on February 1, 2023

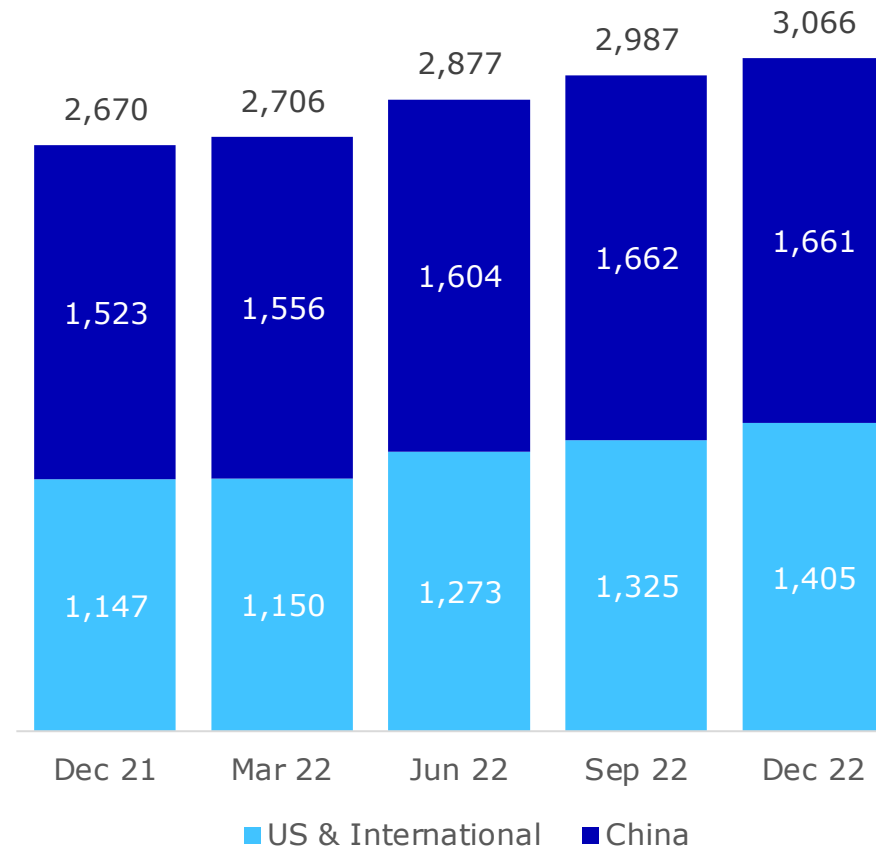
2022 Q4 Financial Update

Growth in Developers and Customers

ACCUMULATED REGISTERED APPLICATIONS (1)(3)



ACTIVE CUSTOMERS (2)(3)



Notes:

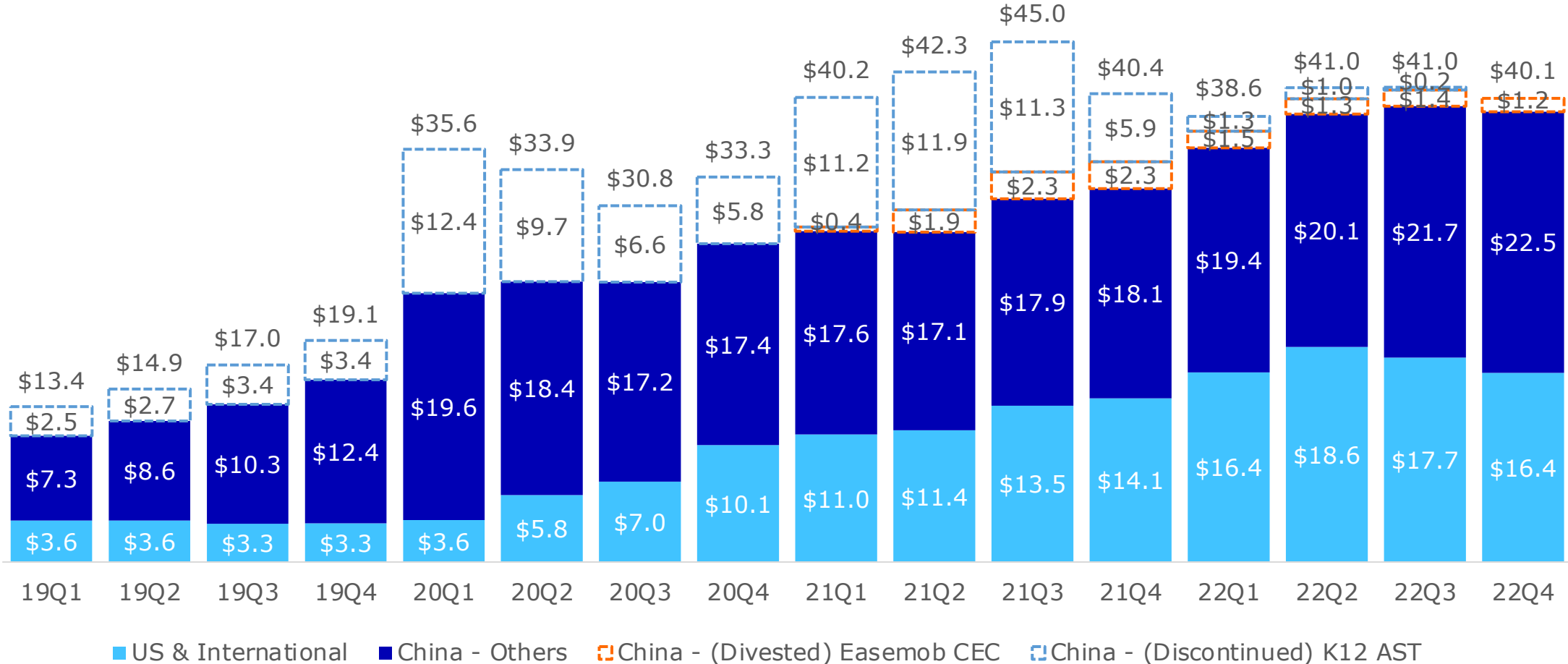
(1) Refer to number of registered application accounts on our platform. Rounded down to the nearest thousand.

(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.

(3) The numbers excluded Easemob.

Revenue Growth and Global Expansion

TOTAL REVENUES
in US\$M



Net Expansion Rate

CONSTANT CURRENCY DOLLAR-BASED NET EXPANSION RATE ⁽¹⁾⁽²⁾

	Dec 19	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22
Agora	>130%	>130%	>130%	110%	104%	104%	95%	95%	84%	81%
US & International	>130%	>130%	>130%	>130%	>130%	>130%	>130%	>130%	>130%	118%
China ex K12 AST	128%	>130%	120%	94%	81%	80%	83%	93%	96%	100%
China K12 AST	>130%	>130%	>130%	114%	116%	108%	87%	53%	20%	7%

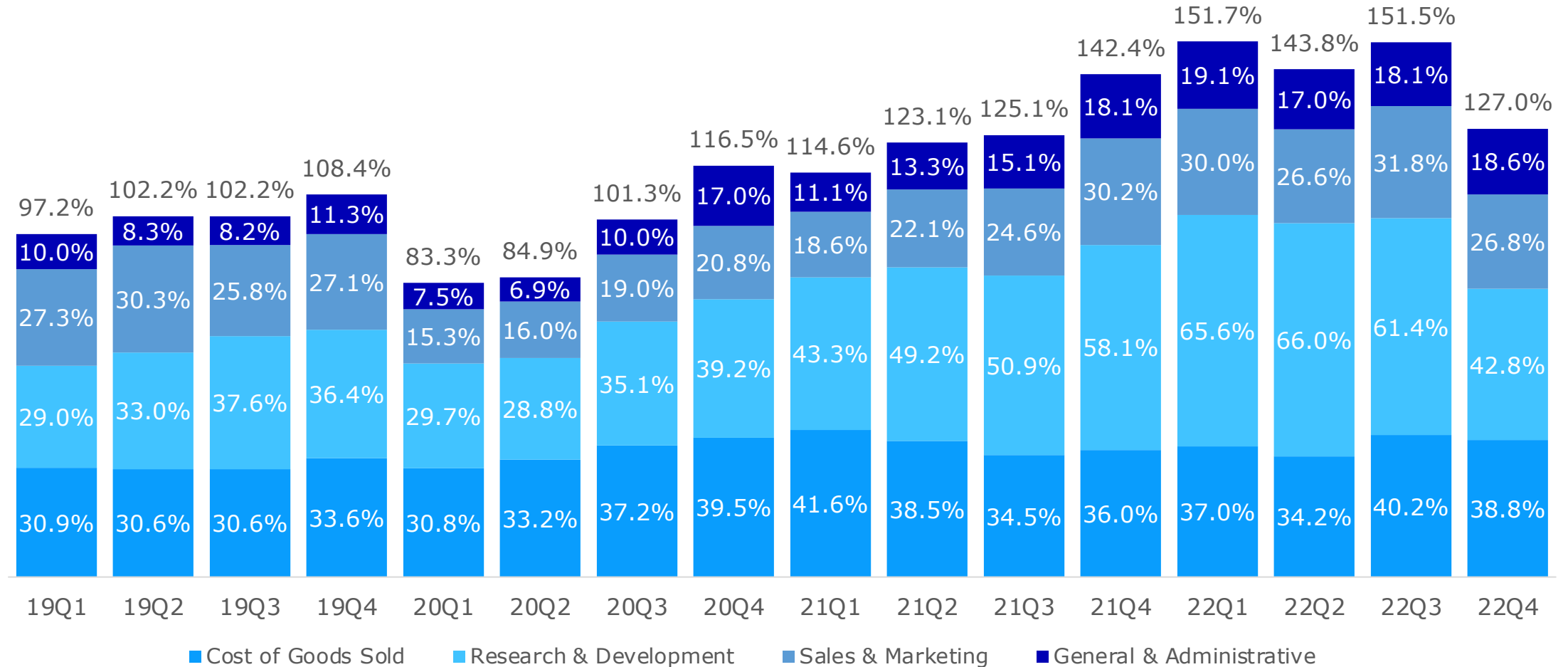
Notes:

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.

2. The numbers excluded Easemob.

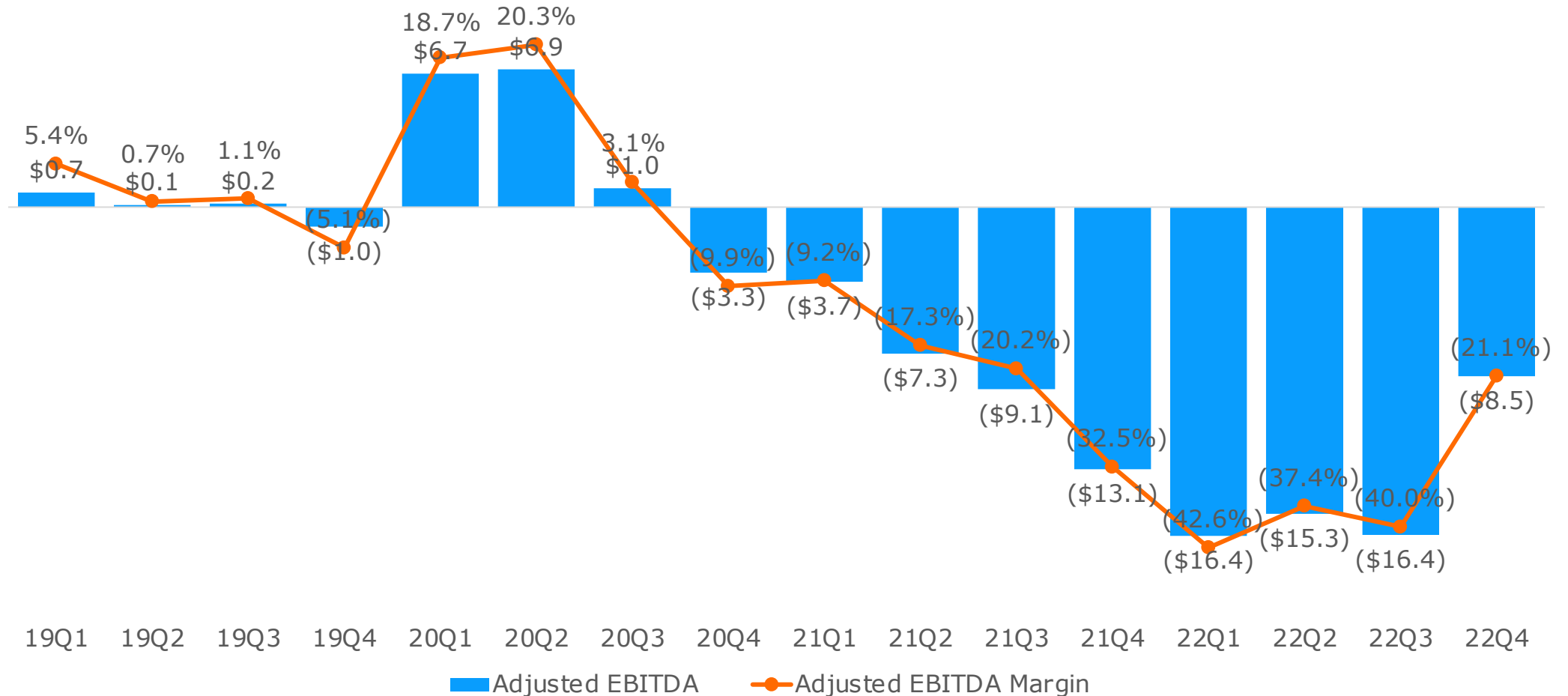
Costs, Expenses and Margins

NON-GAAP COST OF GOODS SOLD AND OPERATING EXPENSES
as % of Total Revenues



Adjusted EBITDA and Margin

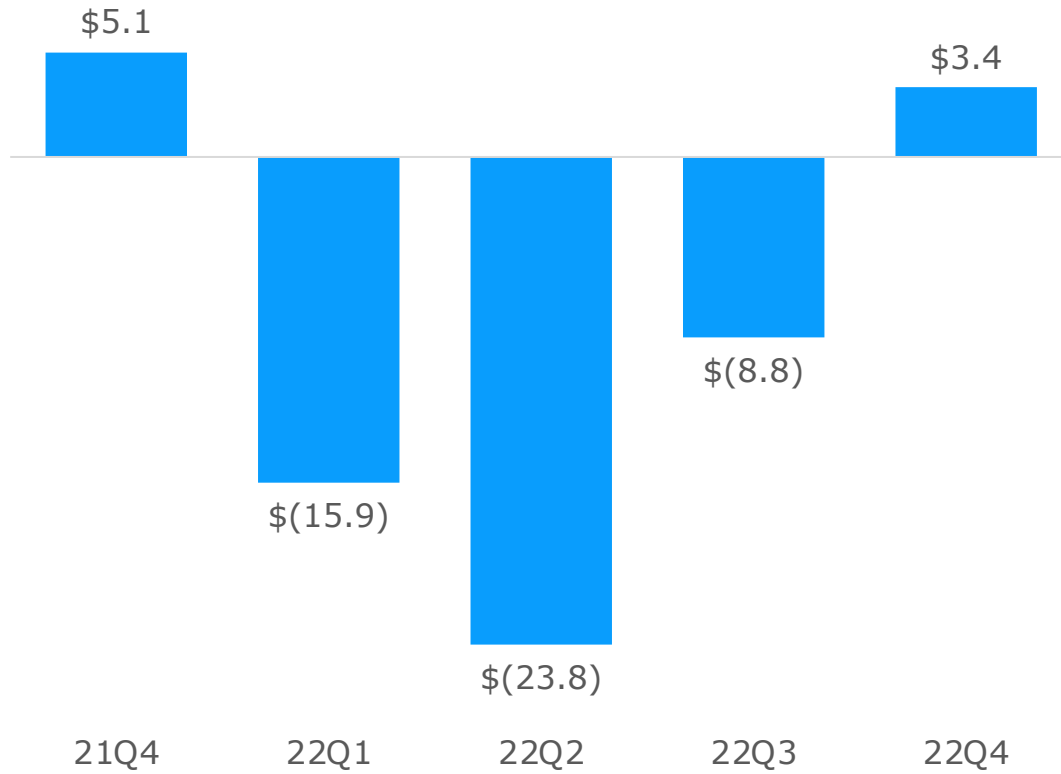
ADJUSTED EBITDA
in US\$M



Cash Flow

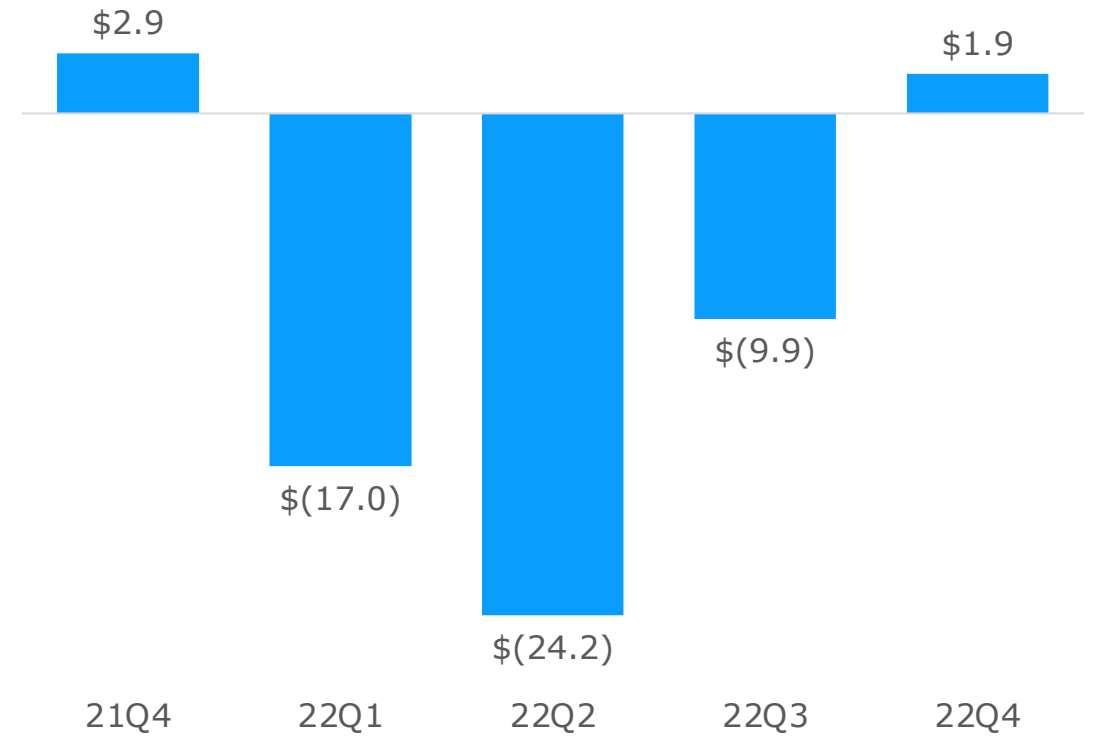
OPERATING CASH FLOW

in US\$M



FREE CASH FLOW

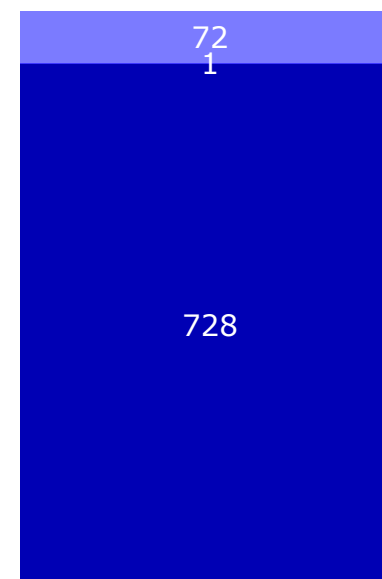
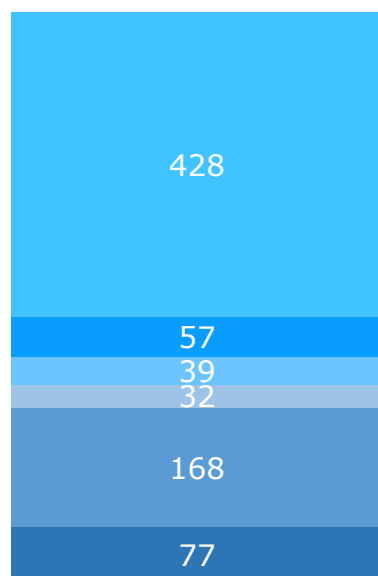
in US\$M



Balance Sheet

BALANCE SHEETS SNAPSHOT AS OF DECEMBER 31, 2022

in US\$M



- Cash, cash equivalents and short-term investments
- Other current assets
- Time deposit with maturity over one year
- Goodwill
- Land use right
- Other non-current assets

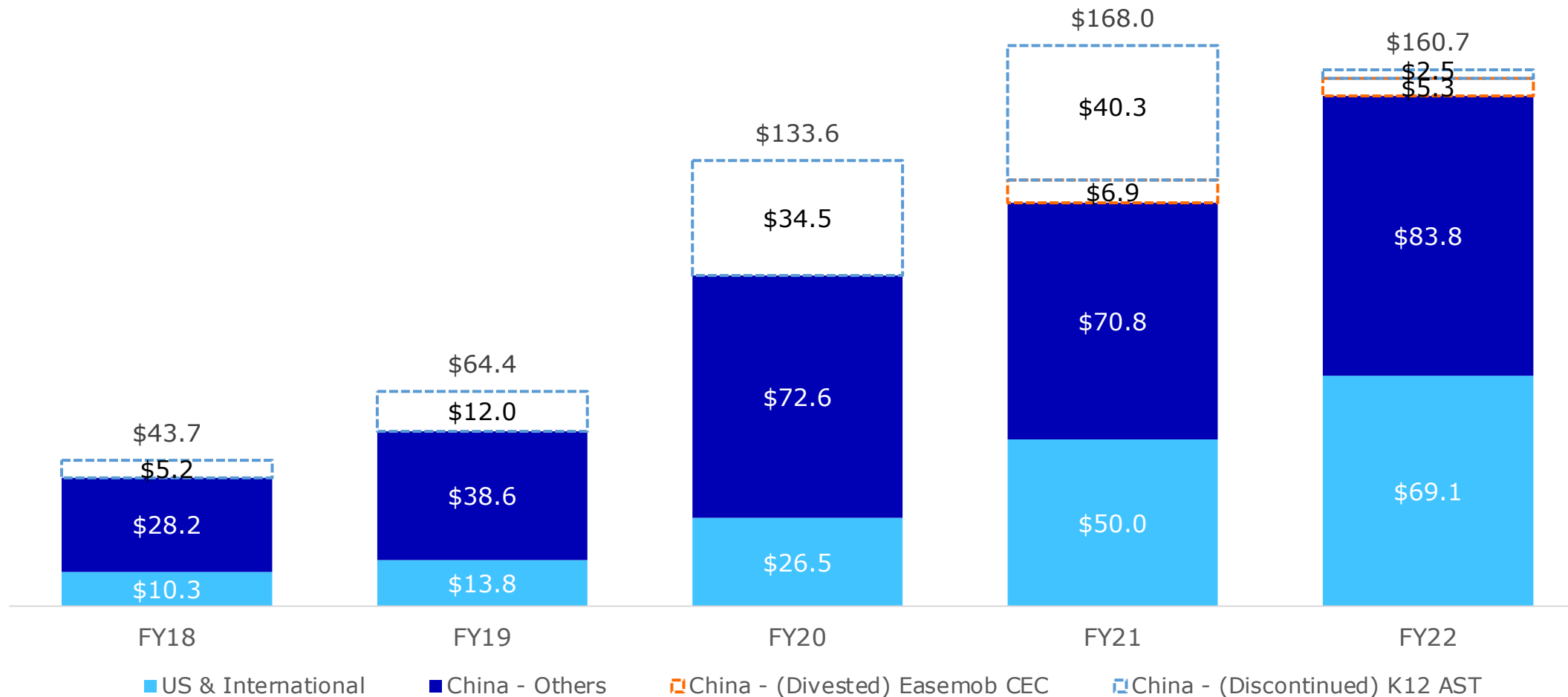
- Current liabilities
- Non-current liabilities
- Total equity

FY2022 Financial Highlights

Revenue Growth and Global Expansion

TOTAL REVENUES

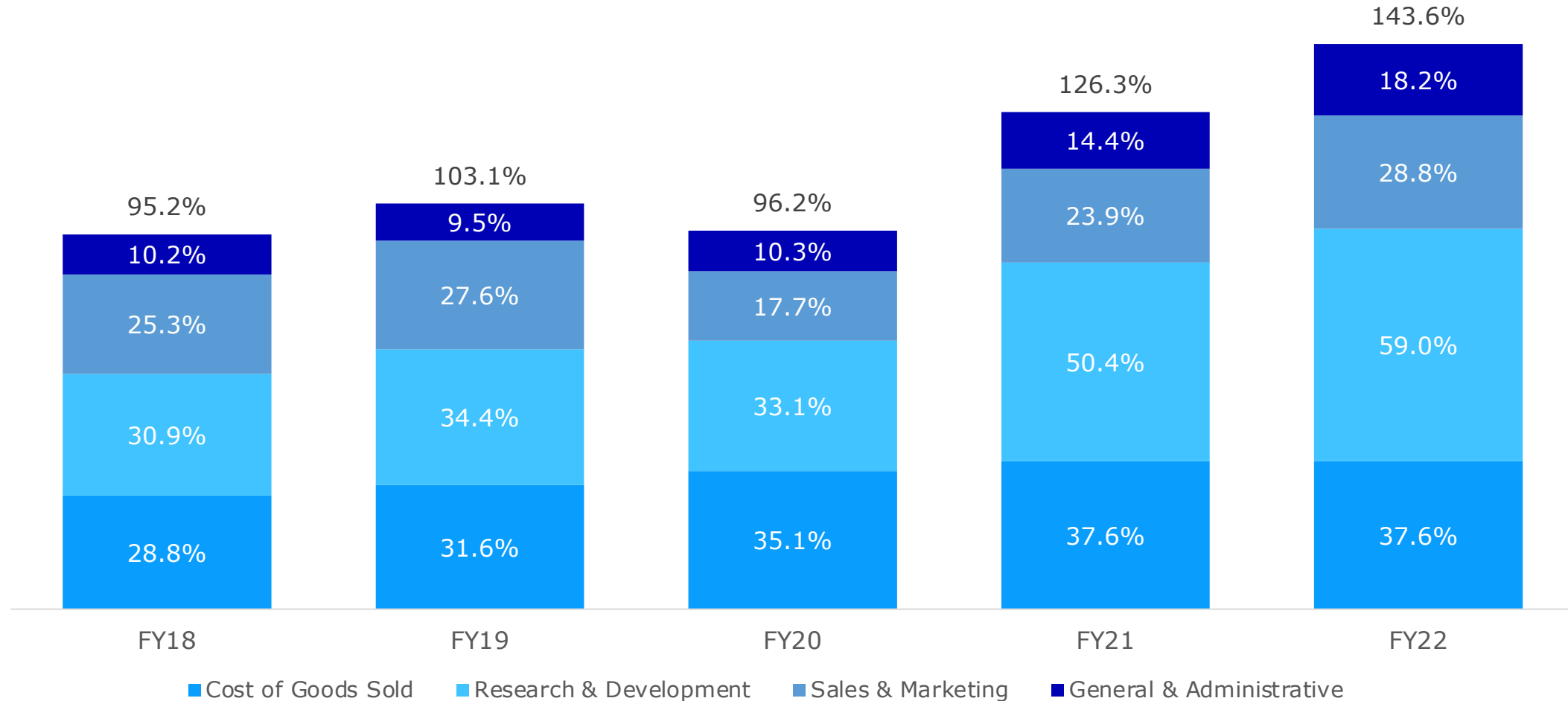
in US\$M



Costs, Expenses and Margins

NON-GAAP COST OF GOODS SOLD AND OPERATING EXPENSES

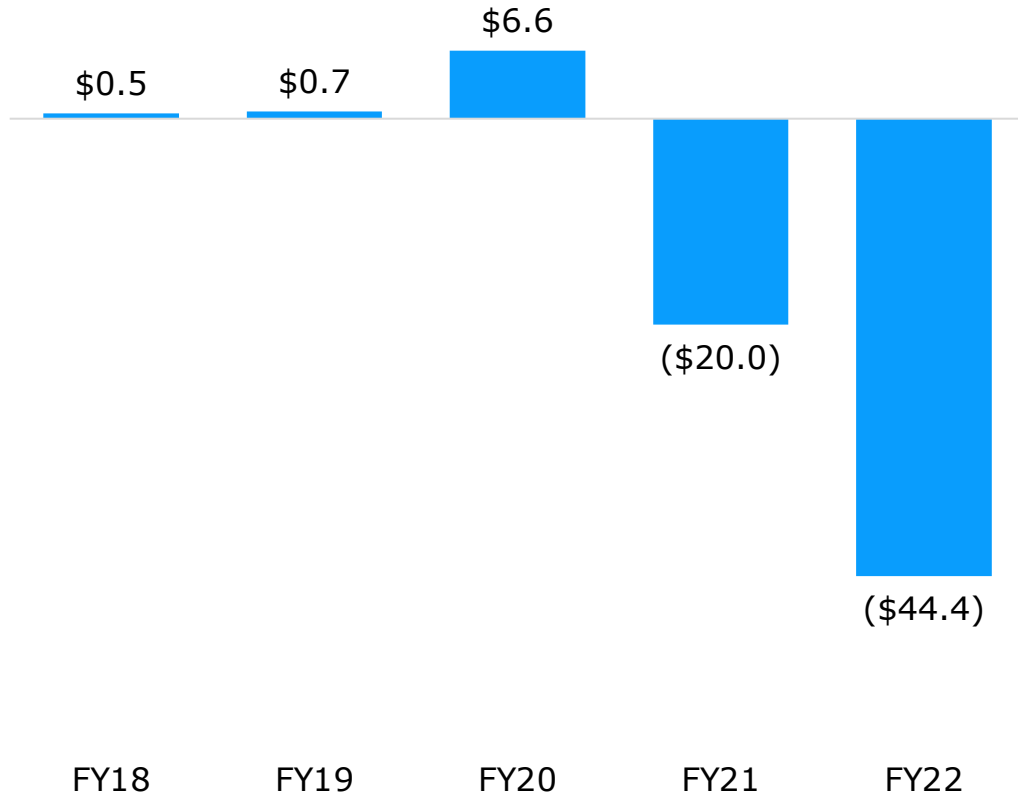
as % of Total Revenues



Cash Flow

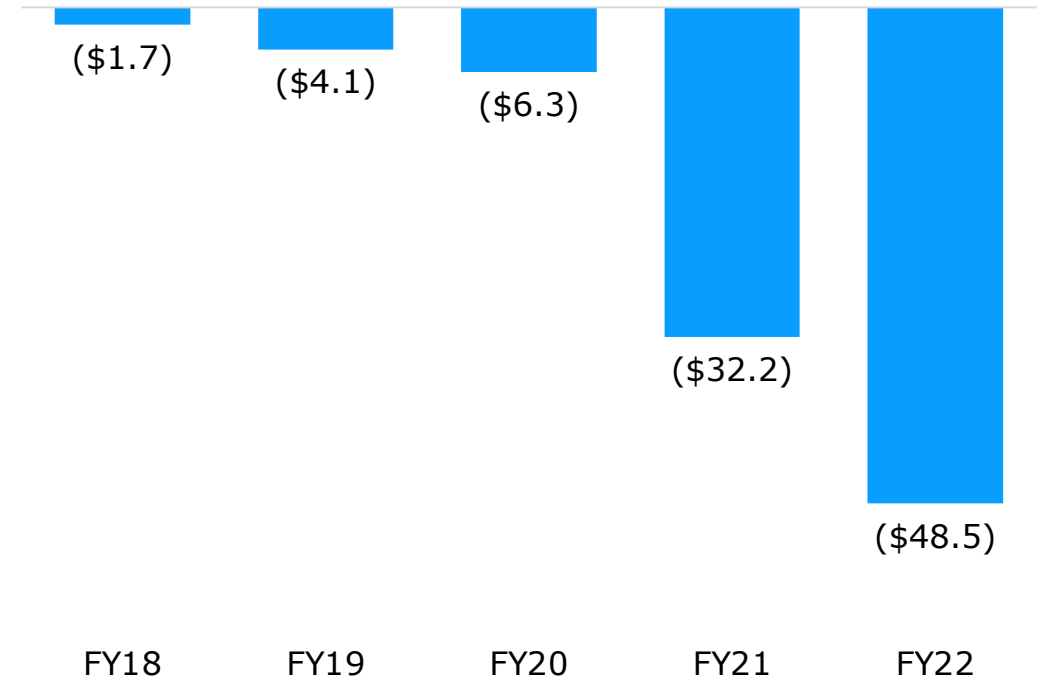
OPERATING CASH FLOW

in US\$M



FREE CASH FLOW

in US\$M



Share Repurchase Program

The board has authorized an extension of the US\$200 million share repurchase program through February 28, 2024.

	# of shares repurchased ⁽¹⁾	Cost	Total shares outstanding at period end
1Q22	0.9M	US\$8.0M	112.8M
2Q22	1.5M	US\$11.7M	111.5M
3Q22	0.9M	US\$3.5M	112.2M
4Q22	5.7M	US\$18.6M	107.2M
Total	9.0M	US\$41.8M	

Additionally, we were informed by our CEO, Tony Zhao, that as of December 31, 2022, he had used his personal funds to purchase a total of approximately 1.6 million of our ADSs in the open market under his US\$30 million management share purchase plan.

Notes:

1. Number in American Depositary Shares (ADSs). One ADS represents four Class A ordinary shares.

FY2023 Outlook

Outlook for 2023

Market outlook

- Macro challenges likely to remain
- Post-COVID reopening in more countries will cause demand pressure
- On the other hand, there are clear opportunities for us

Agora's strategy for 2023

- Laser-focused on customer value
- Enhance competitive advantage
- Gain market share globally

FY2023 Revenue Guidance

In US\$M	FY22	FY23
Total Revenues	160.7	
Ex Divested Business ⁽¹⁾	(5.3)	
Retained Business	155.4	155 - 157

Notes:

1. Divested Business refers Easemob's Customer Engagement Cloud business.

Appendix

GAAP to Non-GAAP Reconciliation

Gross Margin (US\$000's)	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Total Revenues	33,253	40,225	42,333	45,038	40,386	38,585	40,979	40,988	40,118
GAAP Gross Profit	20,096	23,372	25,859	29,349	25,427	24,074	26,609	24,349	24,391
(+) Share-based Compensation	18	133	171	152	423	246	349	165	146
Non-GAAP Gross Profit	20,114	23,505	26,030	29,501	25,850	24,320	26,958	24,514	24,537
Non-GAAP Gross Margin	60.5%	58.4%	61.5%	65.5%	64.0%	63.0%	65.8%	59.8%	61.2%
Research & Development Expenses (US\$000's)									
GAAP Research & Development	14,438	25,216	27,003	29,668	28,779	31,034	32,442	29,771	21,255
(-) Share-based Compensation	(1,411)	(3,760)	(5,420)	(5,873)	(4,684)	(5,353)	(4,839)	(4,150)	(3,713)
(-) Acquisition Related Expenses	-	(3,955)	(577)	(656)	(425)	(156)	(357)	(236)	(179)
(-) Amortization Expense of Acquired Intangible Assets	-	(66)	(198)	(198)	(198)	(198)	(198)	(198)	(198)
Non-GAAP Research & Development	13,027	17,435	20,808	22,941	23,472	25,327	27,048	25,187	17,165
As % of Total Revenues	39.2%	43.3%	49.2%	50.9%	58.1%	65.6%	66.0%	61.4%	42.8%
Sales & Marketing Expenses (US\$000's)									
GAAP Sales & Marketing	7,437	8,735	11,009	12,734	13,798	13,856	13,117	14,607	12,189
(-) Share-based Compensation	(504)	(956)	(1,321)	(1,326)	(1,240)	(1,947)	(1,859)	(1,244)	(1,090)
(-) Acquisition Related Expenses	-	(167)	-	-	-	-	-	-	-
(-) Amortization Expense of Acquired Intangible Assets	-	(116)	(348)	(348)	(348)	(348)	(348)	(348)	(348)
Non-GAAP Sales and Marketing	6,933	7,496	9,340	11,060	12,210	11,561	10,910	13,015	10,751
As % of Total Revenues	20.8%	18.6%	22.1%	24.6%	30.2%	30.0%	26.6%	31.8%	26.8%

GAAP to Non-GAAP Reconciliation

General & Administrative (US\$000's)	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
GAAP General & Administrative	6,668	5,721	7,271	7,996	9,338	9,230	8,952	11,257	9,232
(-) Share-based Compensation	(1,015)	(1,226)	(1,612)	(1,179)	(2,005)	(1,835)	(1,986)	(1,671)	(1,770)
(-) Amortization Expense of Acquired Intangible Assets	-	(10)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
(-) Financing Related Expenses	-	-	-	-	-	-	-	(2,166)	-
Non-GAAP General Administrative	5,653	4,485	5,648	6,806	7,322	7,384	6,955	7,409	7,451
As % of Total Revenues	17.0%	11.1%	13.3%	15.1%	18.1%	19.1%	17.0%	18.1%	18.6%
Operating Margin (US\$000's)									
Total Revenues	33,253	40,225	42,333	45,038	40,386	38,585	40,979	40,988	40,118
GAAP Operating Loss	(7,749)	(16,012)	(19,082)	(20,839)	(24,760)	(29,008)	(27,712)	(28,921)	(18,181)
(+) Share-based Compensation	2,948	6,075	8,524	8,530	8,352	9,381	9,033	7,230	6,719
(+) Acquisition Related Expenses	-	4,122	577	656	425	156	357	236	179
(+) Amortization Expense of Acquired Intangible Assets	-	192	556	556	556	556	556	556	556
(+) Financing Related Expenses	-	-	-	-	-	-	-	2,166	-
Non-GAAP Operating Loss	(4,801)	(5,623)	(9,425)	(11,097)	(15,427)	(18,915)	(17,766)	(18,733)	(10,727)
Non-GAAP Operating Margin	(14.4%)	(13.9%)	(22.3%)	(24.6%)	(38.2%)	(49.0%)	(43.4%)	(45.7%)	(26.7%)

GAAP to Adjusted EBITDA Reconciliation

Adjusted EBITDA (US\$000's)	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Total Revenues	33,253	40,225	42,333	45,038	40,386	38,585	40,979	40,988	40,118
GAAP Operating Loss	(7,749)	(16,012)	(19,082)	(20,839)	(24,760)	(29,008)	(27,712)	(28,921)	(18,181)
(+) Share-based Compensation	2,948	6,075	8,524	8,530	8,352	9,381	9,033	7,230	6,719
(+) Acquisition Related Expenses	-	4,122	577	656	425	156	357	236	179
(+) Amortization Expense of Acquired Intangible Assets	-	192	556	556	556	556	556	556	556
(+) Financing Related Expenses	-	-	-	-	-	-	-	2,166	-
(+) Depreciation of Property and Equipment	1,514	1,899	2,084	1,994	2,303	2,473	2,424	2,334	2,266
Adjusted EBITDA	(3,287)	(3,724)	(7,341)	(9,103)	(13,124)	(16,442)	(15,342)	(16,399)	(8,461)
Adjusted EBITDA Margin	(9.9%)	(9.2%)	(17.3%)	(20.2%)	(32.5%)	(42.6%)	(37.4%)	(40.0%)	(21.1%)
Free Cash Flow (US\$000's)									
Cash Flow from Operations	1,967	(2,742)	(8,326)	(13,982)	5,050	(15,861)	(23,797)	(8,833)	3,360
(-) Purchases of PPE	(3,347)	(5,233)	(3,209)	(1,638)	(2,131)	(1,172)	(450)	(1,085)	(1,416)
Free Cash Flow	(1,380)	(7,975)	(11,535)	(15,620)	2,919	(17,033)	(24,247)	(9,918)	1,944

GAAP to Non-GAAP Reconciliation

Gross Margin (US\$000's)	FY19	FY20	FY21	FY22
Total Revenues	64,428	133,564	167,982	160,670
GAAP Gross Profit	44,011	86,365	104,007	99,423
(+) Share-based Compensation	80	357	879	906
Non-GAAP Gross Profit	44,091	86,722	104,886	100,329
Non-GAAP Gross Margin	68.4%	64.9%	62.4%	62.4%
Research & Development Expenses (US\$000's)				
GAAP Research & Development	23,623	49,494	110,666	114,502
(-) Share-based Compensation	(1,473)	(5,312)	(19,737)	(18,055)
(-) Acquisition Related Expenses	-	-	(5,613)	(928)
(-) Amortization Expense of Acquired Intangible Assets	-	-	(659)	(792)
Non-GAAP Research & Development	22,150	44,182	84,657	94,727
As % of Total Revenues	34.4%	33.1%	50.4%	59.0%
Sales & Marketing Expenses (US\$000's)				
GAAP Sales & Marketing	19,408	25,724	46,276	53,769
(-) Share-based Compensation	(1,654)	(2,061)	(4,843)	(6,140)
(-) Acquisition Related Expenses	-	-	(167)	-
(-) Amortization Expense of Acquired Intangible Assets	-	-	(1,159)	(1,392)
Non-GAAP Sales and Marketing	17,754	23,663	40,107	46,237
As % of Total Revenues	27.6%	17.7%	23.9%	28.8%

GAAP to Non-GAAP Reconciliation

General & Administrative (US\$000's)	FY19	FY20	FY21	FY22
GAAP General & Administrative	7,177	18,010	30,326	38,671
(-) Share-based Compensation	(1,046)	(4,244)	(6,022)	(7,262)
(-) Amortization Expense of Acquired Intangible Assets	-	-	(43)	(44)
(-) Financing Related Expenses	-	-	-	(2,166)
Non-GAAP General Administrative	6,131	13,766	24,261	29,199
As % of Total Revenues	9.5%	10.3%	14.4%	18.2%
Operating Margin (US\$000's)				
Total Revenues	64,428	133,564	167,982	160,670
GAAP Operating Income/(Loss)	(6,089)	(5,191)	(80,693)	(103,822)
(+) Share-based Compensation	4,253	11,974	31,481	32,363
(+) Acquisition Related Expenses	-	-	5,780	928
(+) Amortization Expense of Acquired Intangible Assets	-	-	1,861	2,224
(+) Financing Related Expenses	-	-	-	2,166
Non-GAAP Operating Income/(Loss)	(1,836)	6,783	(41,571)	(66,141)
Non-GAAP Operating Margin	(2.9%)	5.1%	(24.7%)	(41.2%)

GAAP to Adjusted EBITDA Reconciliation

Adjusted EBITDA (US\$000's)	FY19	FY20	FY21	FY22
Total Revenues	64,428	133,564	167,982	160,670
GAAP Operating Income/(Loss)	(6,089)	(5,191)	(80,693)	(103,822)
(+) Share-based Compensation	4,253	11,974	31,481	32,363
(+) Acquisition Related Expenses	-	-	5,780	928
(+) Amortization Expense of Acquired Intangible Assets	-	-	1,861	2,224
(+) Financing Related Expenses	-	-	-	2,166
(+) Depreciation of Property and Equipment	1,868	4,460	8,281	9,497
Adjusted EBITDA	31	11,243	(33,290)	(56,644)
Adjusted EBITDA Margin	0.1%	8.4%	(19.8%)	(35.3%)
Free Cash Flow (US\$000's)				
Cash Flow from Operations	706	6,564	(20,000)	(44,380)
(-) Purchases of PPE	(4,802)	(12,878)	(12,211)	(4,123)
Free Cash Flow	(4,096)	(6,314)	(32,211)	(48,503)

Thank you