

Agora, Inc.

2023 Q1 Earnings

May 30, 2023

Disclaimer

Information in this presentation contains forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current fact included in this presentation are forward-looking statements, including but not limited to statements regarding Agora, Inc.’s financial outlook, beliefs and expectations. Forward-looking statements include statements containing words such as “expect,” “anticipate,” “believe,” “project,” “will” and similar expressions intended to identify forward-looking statements. These forward-looking statements are based on Agora, Inc.’s current expectations and involve risks and uncertainties. Agora, Inc.’s actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to the growth of the RTE-PaaS market; Agora, Inc.’s ability to manage its growth and expand its operations; Agora, Inc.’s ability to attract new developers and convert them into customers; Agora, Inc.’s ability to retain existing customers and expand their usage of Agora, Inc.’s platform and products; Agora, Inc.’s ability to drive popularity of existing use cases and enable new use cases, including through quality enhancements and introduction of new products, features and functionalities; Agora, Inc.’s fluctuating operating results; competition; the effect of broader technological and market trends on Agora, Inc.’s business and prospects; general economic conditions and their impact on customer and end-user demand; and other risks and uncertainties included under the caption “Risk Factors” and elsewhere in our filings with the Securities and Exchange Commission (the “SEC”), including, without limitation, the final prospectus related to the IPO filed with the SEC on June 26, 2020. Our SEC filings are available on our Investor Relations website at investor.agora.io and on the SEC’s website at www.sec.gov. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements, which speak only as of the date hereof. If this presentation is reviewed after the date hereof, even if made available by us, on our website or otherwise, it may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement, and Agora, Inc. undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof.

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, Inc. 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, Inc.’s consolidated financial statements prepared in accordance with U.S. GAAP. Please see the appendices attached to this presentation for an explanation of management’s use of these measures and a reconciliation of the most directly comparable U.S. GAAP financial measures.

Unless otherwise indicated, all references in this presentation to the “Company,” “we,” “our,” “us” or similar terms refer to Agora, Inc. and its subsidiaries, and “Agora” refers to the U.S. and international businesses and “Shengwang” refers to the China business.

Business Highlights

Corporate Structure Update

Agora, Inc. is now the holding company of two independent businesses

The logo for Agora, featuring the word "agora" in a lowercase, blue, sans-serif font.

Headquartered in Santa Clara, CA

**A pioneer and global leader in
Real-Time Engagement PaaS**

www.agora.io

The logo for Shengwang, featuring the Chinese characters "声网" (Shengwang) in a blue, stylized font.

(Shengwang)

Headquartered in Shanghai, China

**A pioneer and leading Real-
Time Engagement PaaS
provider in the China market**

www.shengwang.cn

Local Leadership Update

Agora and Shengwang will be led by separate management teams



Stanley Wei

Chief Operating Officer, Agora
Group Chief Strategy Officer



Robbin Liu

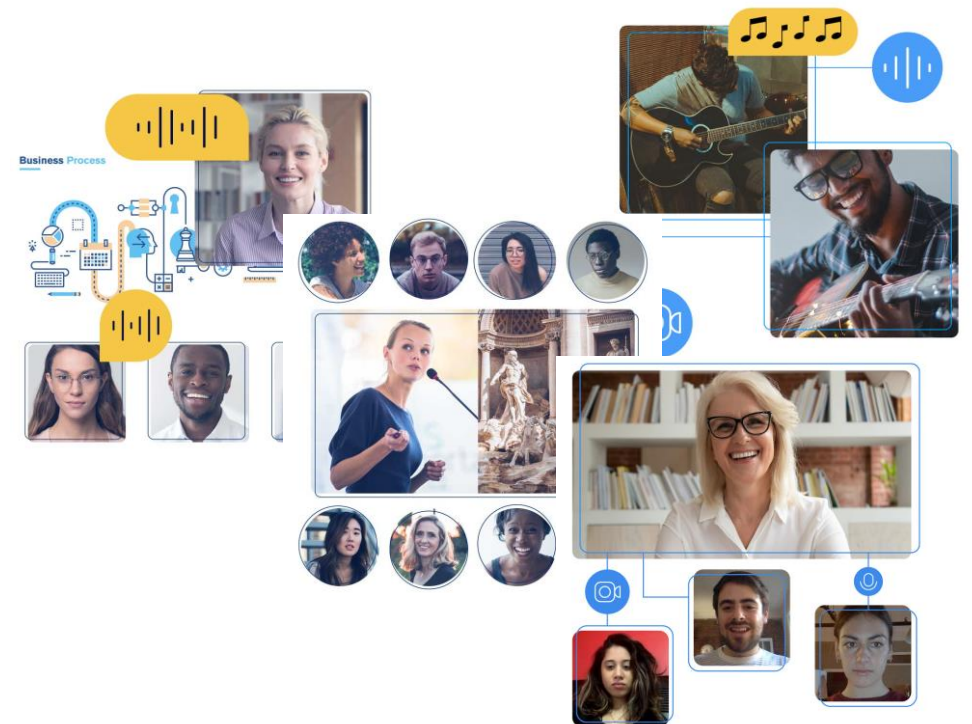
Chief Operating Officer, Shengwang
Group Vice President



Product Update - Agora

Flexible Classroom

- Low-code aPaaS solution designed for building scalable and customizable online classrooms
- We were named a **finalist by EdTech Awards** in the “e-learning, blended, flipped solution or remote solution” category for our Flexible Classroom capability



Product Update - Agora

Metaverse Solutions

- Provides building blocks and a diverse toolset to create branded virtual worlds at any scale, across any industry vertical such as gaming, enterprise, collaboration, education, etc.
- We were recognized as a **Webby Award honoree under the category Metaverse, Immersive & Virtual – Best Realtime Experience** for how our RTE technology is used for HTC's VIVE Sync VR application.



Product Update - Agora

Premium and Enterprise Support Packages – New Integrations

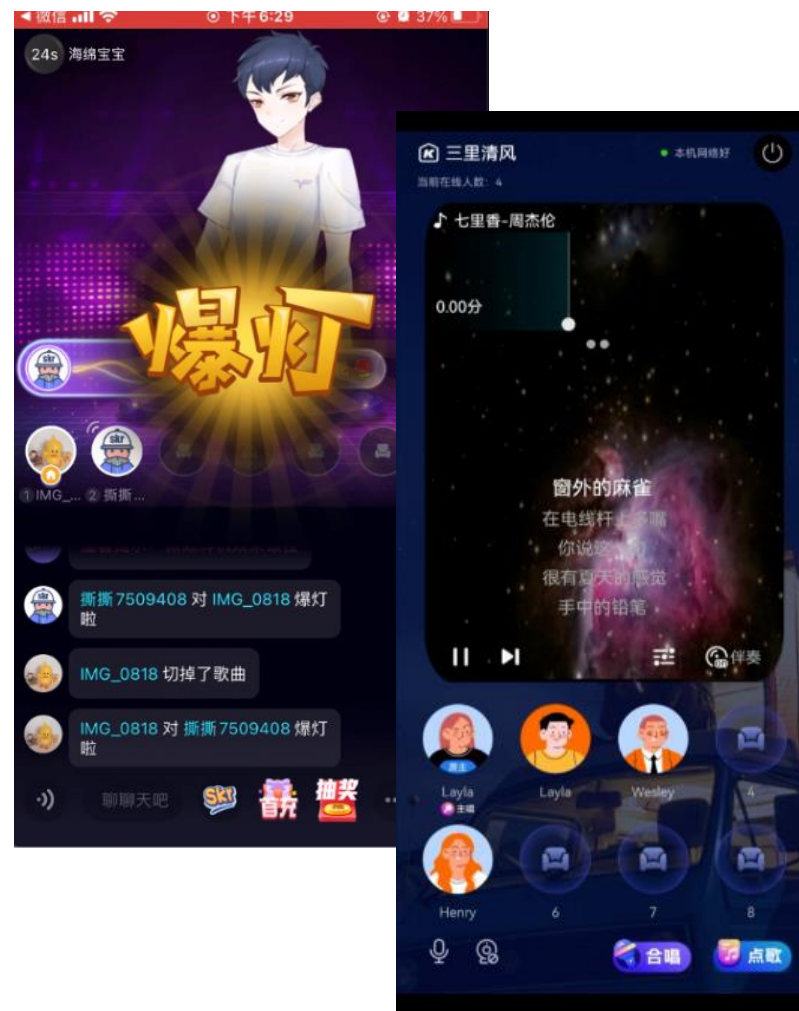
- Okta integration: manage access to Agora Console through Security Assertion Markup Language and System for Cross-domain Identity Management
- Datadog integration: push analytics usage, quality, and performance data directly from Agora Analytics to Datadog account to achieve data visualization on Datadog platform

The Okta logo consists of the word "okta" in a lowercase, blue, sans-serif font.

Product Update - Shengwang

Upgrade of Karaoke Product

- First launched in 2021 that could accommodate two users singing together
- Now **up to 8 users can sing together** with latest version, which unlocks a wide range of new features for our customer's applications
- Mixing multiple real-time soundtracks in a **highly synchronous** manner and delivering to all users with **low latency**



When Generative AI Meets RTE

Significant Expansions of RTE's Scope and Opportunities

- Generative AI can dramatically enhance end user experiences and create new use cases that were previously impossible
- RTE can now occur between among people, digital twins of people, and fully virtual AI-based characters, opening the door to a much broader range of possible use cases
- RTE will also become more intelligent, immersive, and enjoyable

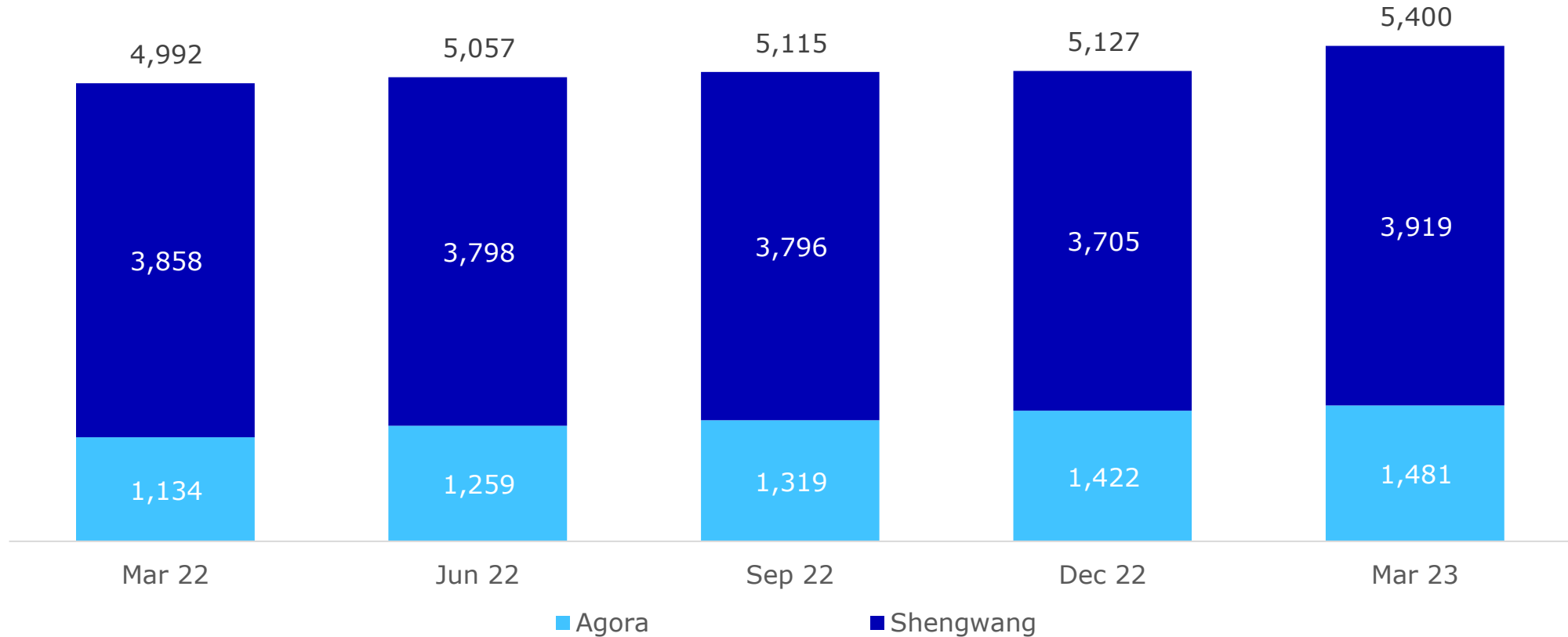


(Picture created with Midjourney)

2023 Q1 Financial Update

A Growing Customer Base

ACTIVE CUSTOMERS ⁽¹⁾⁽²⁾



Notes:

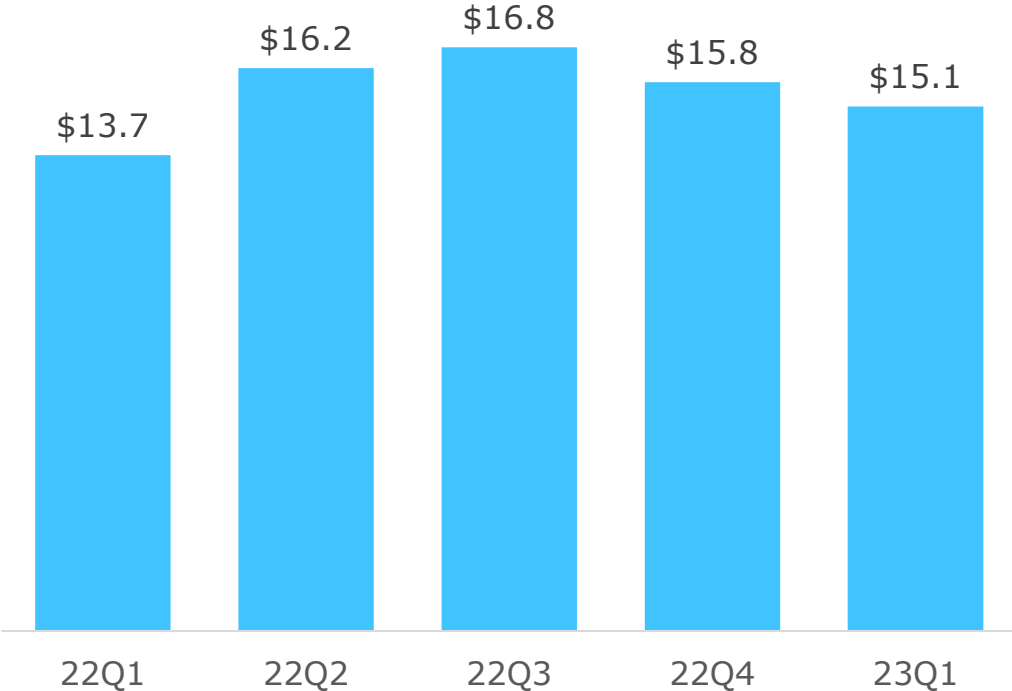
(1) An active customer at the end of the period is an organization or individual developer from which we generated more than US\$100 of revenue during the preceding 12 months, based on unique customer account identifiers.

(2) The numbers for Shengwang excluded the divested Easemob customer engagement cloud business.

Revenues by Division

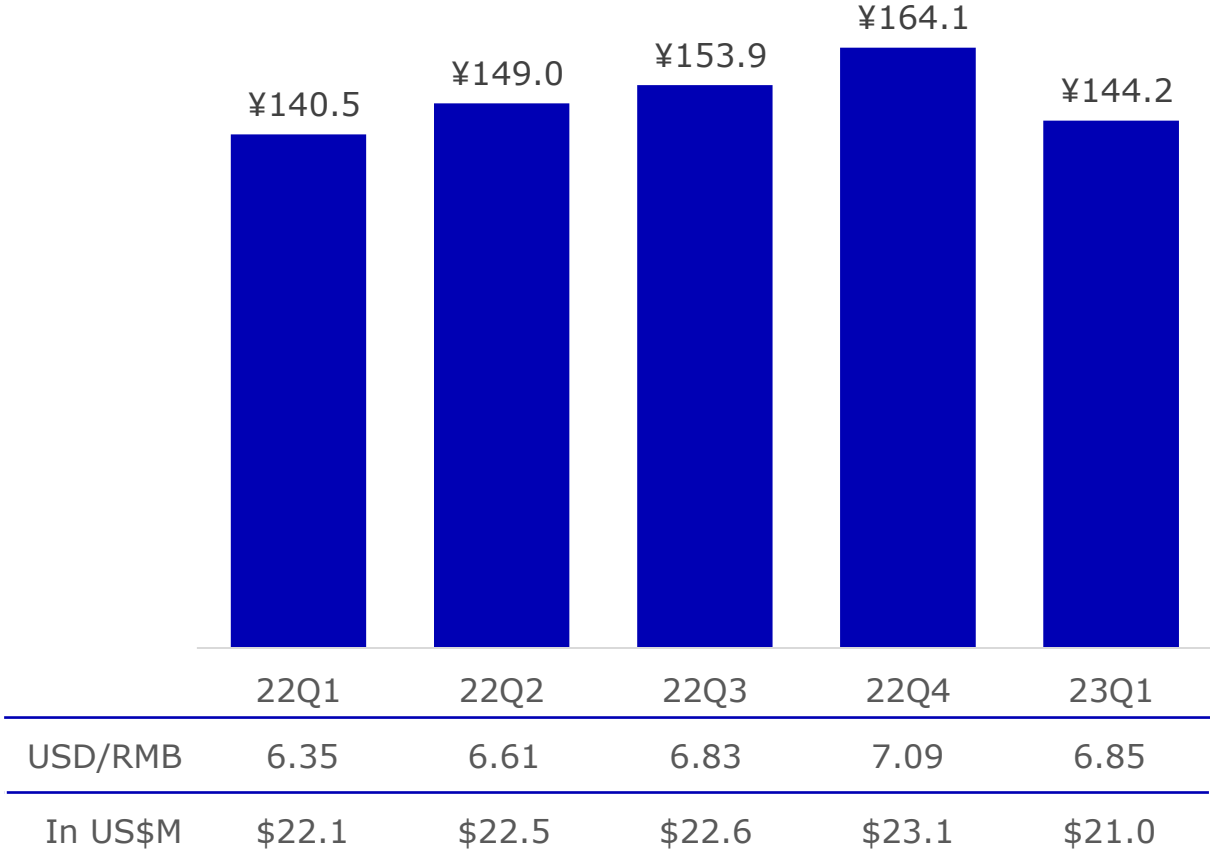
AGORA REVENUES

in US\$M



SHENGWANG REVENUES ⁽¹⁾

in RMB Millions

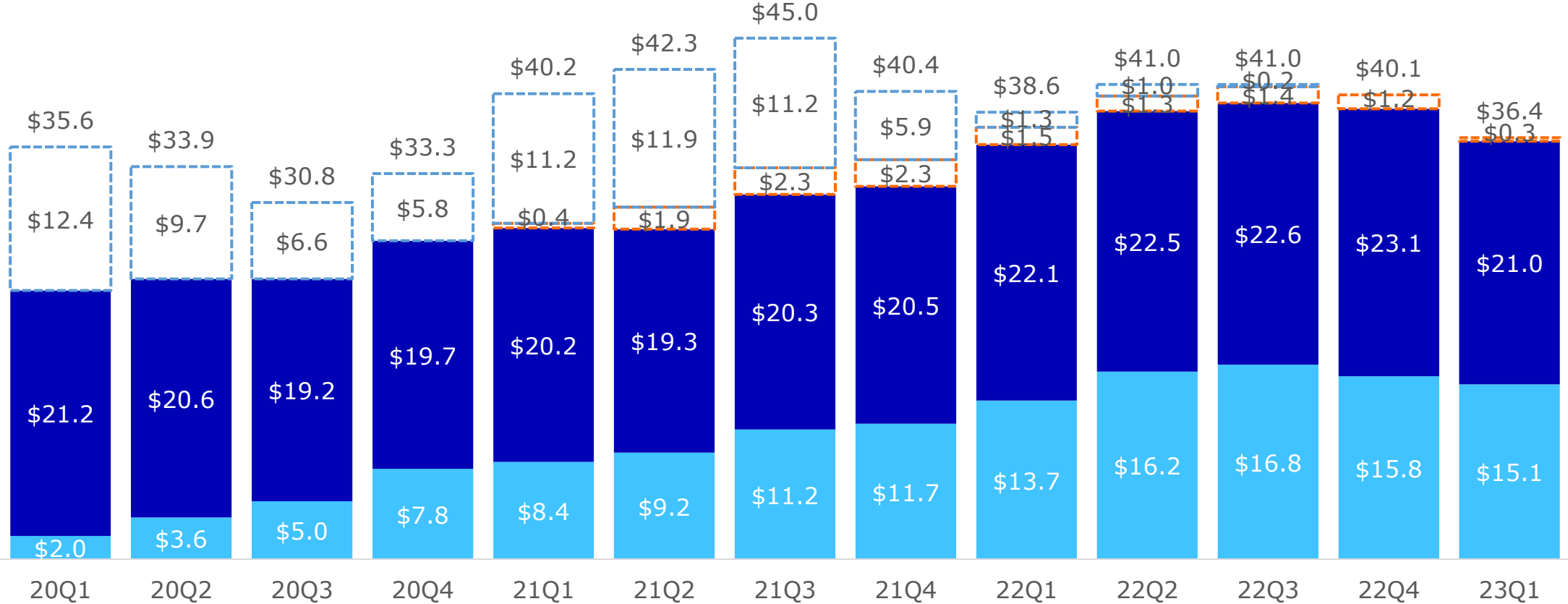


Notes:

1. Shengwang revenues excluded contribution from K12 academic tutoring sector and the divested Easemob customer engagement cloud business

Group Revenues

TOTAL REVENUES
in US\$M



■ Agora ■ Shengwang - Continuing ■ Shengwang - (Divested) Easemob CEC ■ Shengwang - (Discontinued) K12 AST

Net Retention Rate

DOLLAR-BASED NET RETENTION RATE ⁽¹⁾⁽²⁾

	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23
Agora	>130%	>130%	>130%	>130%	>130%	130%
Shengwang	84%	91%	98%	96%	96%	92%

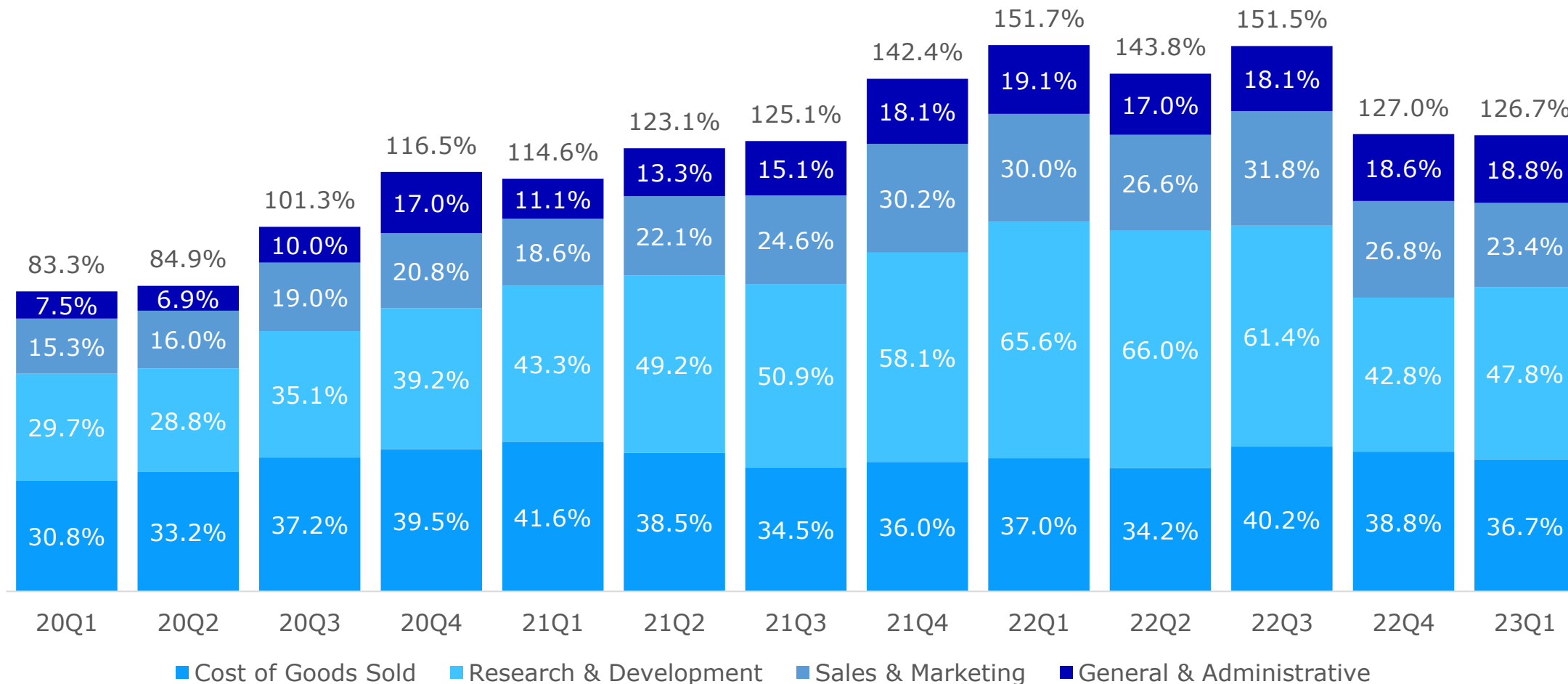
Notes:

1. We calculate Dollar-Based Net Retention 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.

Costs, Expenses and Margins

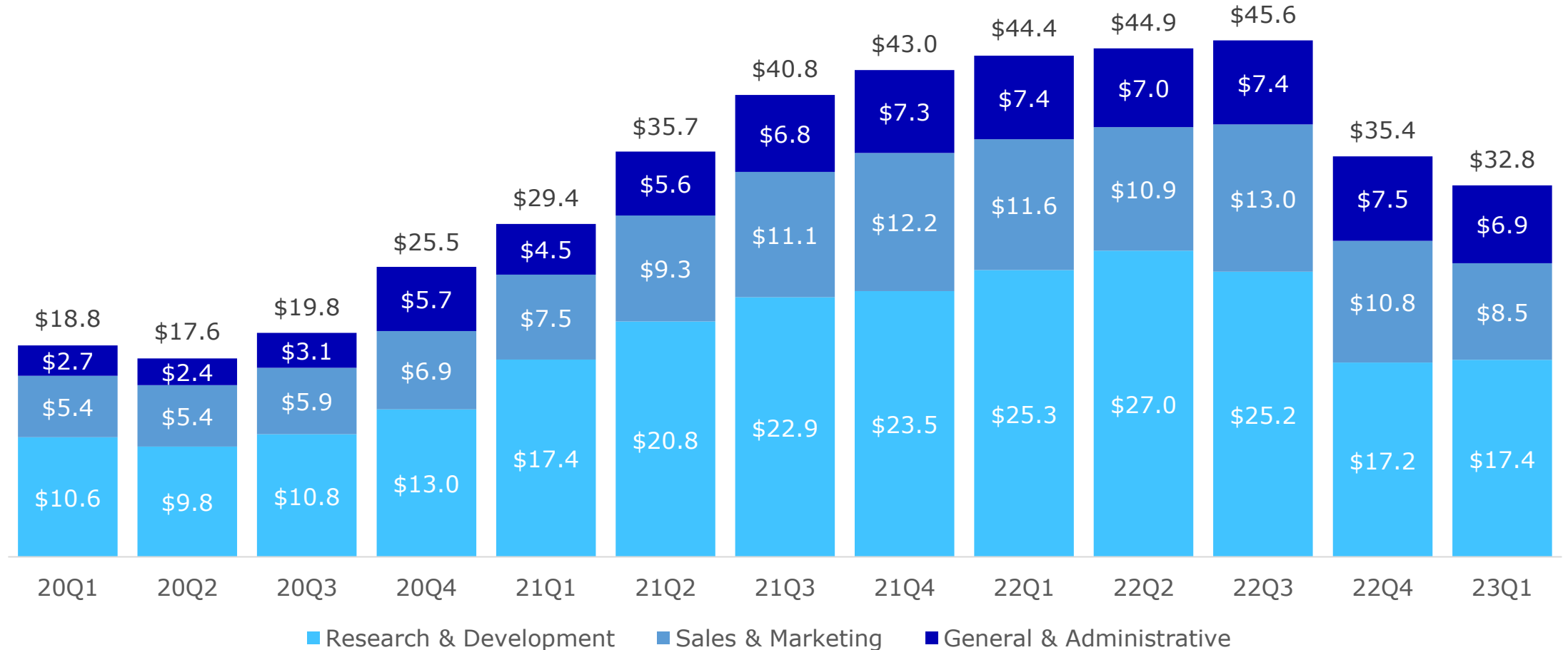
NON-GAAP COST OF GOODS SOLD AND OPERATING EXPENSES

as % of Total Revenues



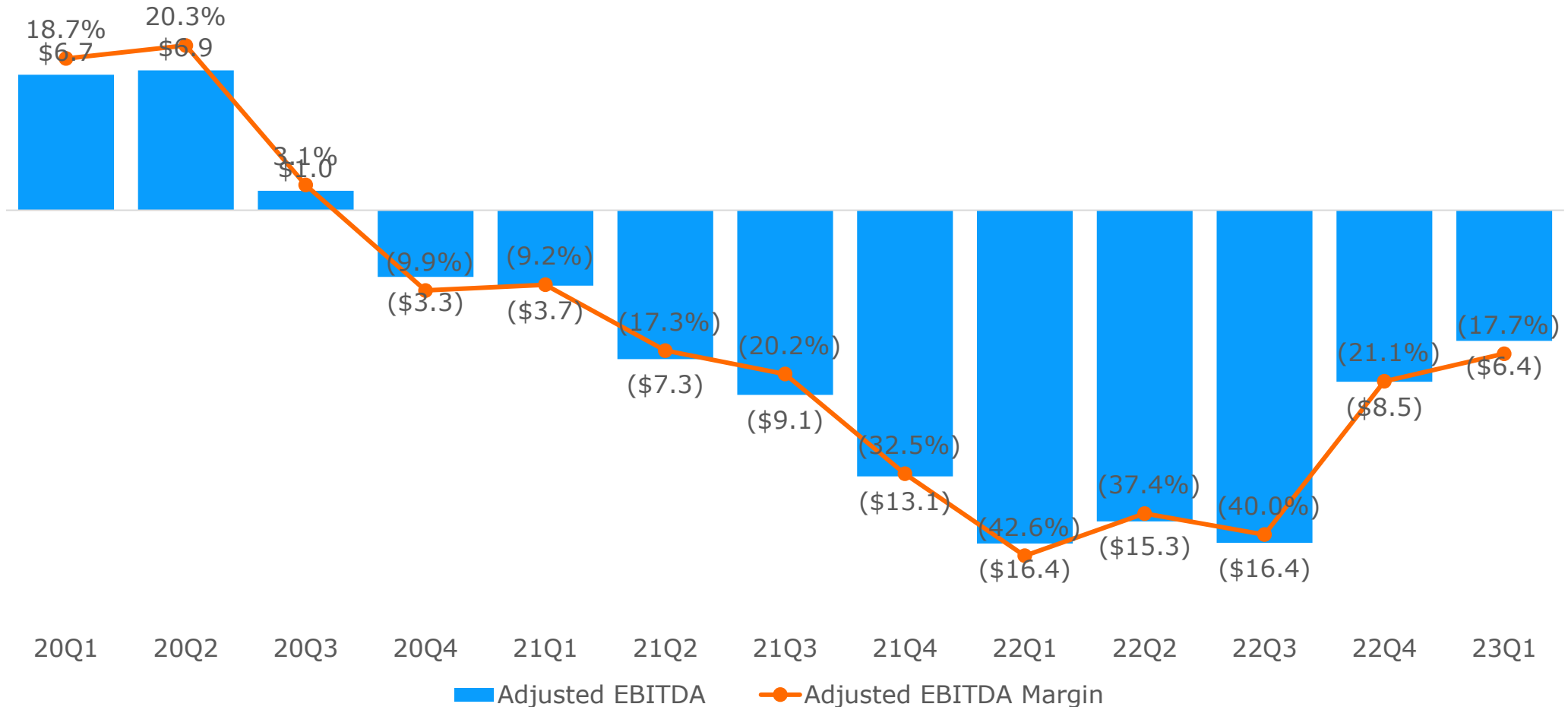
Effective Expense Control

NON-GAAP OPERATING EXPENSES in US\$M



Adjusted EBITDA and Margin

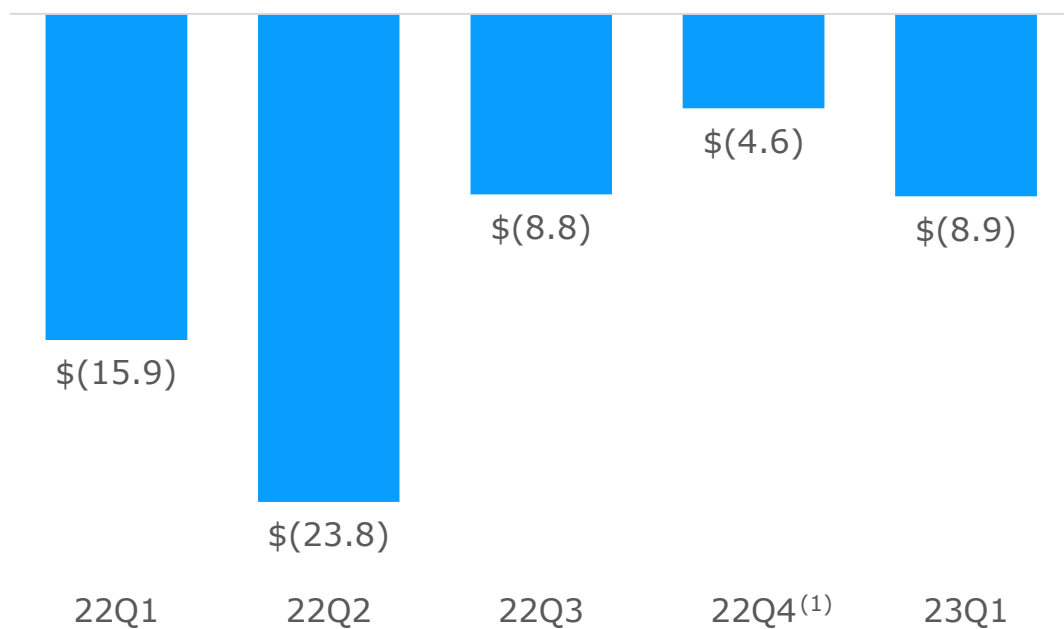
ADJUSTED EBITDA
in US\$M



Cash Flow

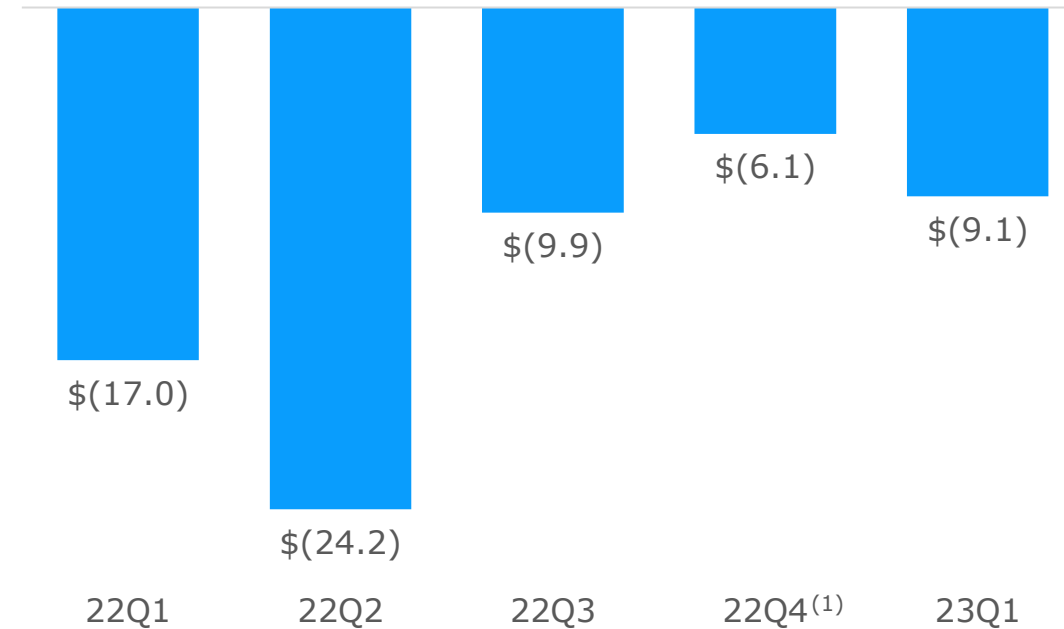
OPERATING CASH FLOW

in US\$M



FREE CASH FLOW

in US\$M



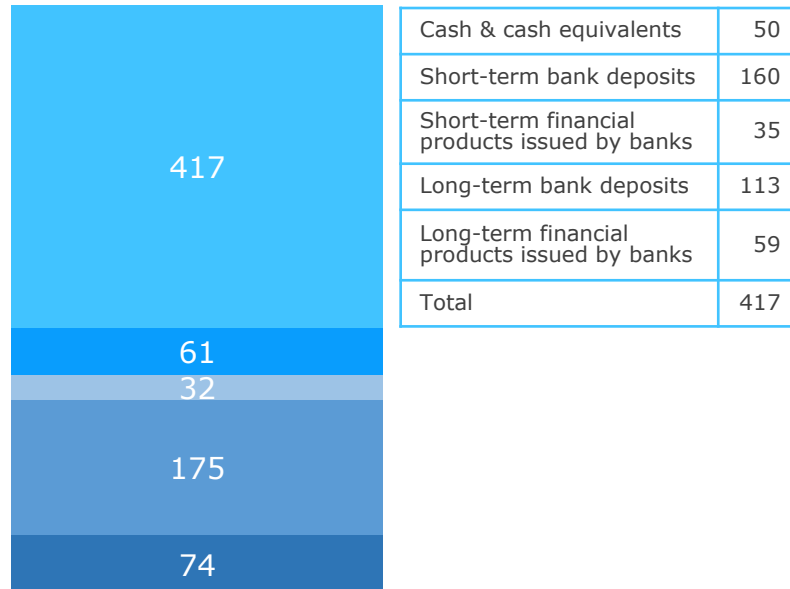
Notes:

1. We made certain update of our unaudited condensed consolidated financial statements as of December 31, 2022 contained in our earnings release published on February 28, 2023, including moving US\$7.0 million from operating cash flow to investing cash flow and US\$1.0 million from operating cash flow to financing cash flow.

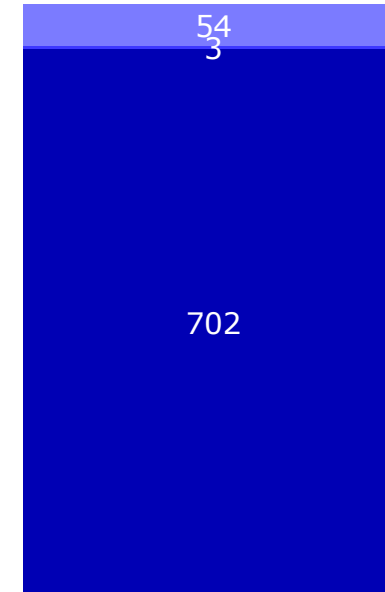
Balance Sheet

BALANCE SHEETS SNAPSHOT AS OF MARCH 31, 2023

in US\$M



- Cash, cash equivalent, bank deposits and financial products issued by banks
- Other current assets
- Goodwill
- Land use right
- Other non-current assets



- Total equity
- Non-current liabilities
- Current liabilities

Share Repurchase Program

	# of ADSs 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	107.5M
1Q23	5.4M	US\$19.5M	102.1M
Total	14.4M	US\$61.3M	

Our current \$200 million share repurchase program will expire at the end of February 2024.

Notes:

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

Appendix

GAAP to Non-GAAP Reconciliation

Gross Margin (US\$000's)	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4⁽¹⁾	23Q1
Total Revenues	40,225	42,333	45,038	40,386	38,585	40,979	40,988	40,118	36,443
GAAP Gross Profit	23,372	25,859	29,349	25,427	24,074	26,609	24,349	24,391	22,846
(+) Share-based Compensation	133	171	152	423	246	349	165	146	217
Non-GAAP Gross Profit	23,505	26,030	29,501	25,850	24,320	26,958	24,514	24,537	23,063
Non-GAAP Gross Margin	58.4%	61.5%	65.5%	64.0%	63.0%	65.8%	59.8%	61.2%	63.3%
Research & Development Expenses (US\$000's)									
GAAP Research & Development	25,216	27,003	29,668	28,779	31,034	32,442	29,771	21,255	21,031
(-) Share-based Compensation	(3,760)	(5,420)	(5,873)	(4,684)	(5,353)	(4,839)	(4,150)	(3,713)	(3,543)
(-) Acquisition Related Expenses	(3,955)	(577)	(656)	(425)	(156)	(357)	(236)	(179)	44
(-) Amortization Expense of Acquired Intangible Assets	(66)	(198)	(198)	(198)	(198)	(198)	(198)	(198)	(118)
Non-GAAP Research & Development	17,435	20,808	22,941	23,472	25,327	27,048	25,187	17,165	17,414
As % of Total Revenues	43.3%	49.2%	50.9%	58.1%	65.6%	66.0%	61.4%	42.8%	47.8%
Sales & Marketing Expenses (US\$000's)									
GAAP Sales & Marketing	8,735	11,009	12,734	13,798	13,856	13,117	14,607	12,189	10,476
(-) Share-based Compensation	(956)	(1,321)	(1,326)	(1,240)	(1,947)	(1,859)	(1,244)	(1,090)	(1,733)
(-) Acquisition Related Expenses	(167)	-	-	-	-	-	-	-	-
(-) Amortization Expense of Acquired Intangible Assets	(116)	(348)	(348)	(348)	(348)	(348)	(348)	(348)	(217)
Non-GAAP Sales and Marketing	7,496	9,340	11,060	12,210	11,561	10,910	13,015	10,751	8,526
As % of Total Revenues	18.6%	22.1%	24.6%	30.2%	30.0%	26.6%	31.8%	26.8%	23.4%

GAAP to Non-GAAP Reconciliation

General & Administrative (US\$000's)	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4⁽¹⁾	23Q1
GAAP General & Administrative	5,721	7,271	7,996	9,338	9,230	8,952	11,257	9,232	8,809
(-) Share-based Compensation	(1,226)	(1,612)	(1,179)	(2,005)	(1,835)	(1,986)	(1,671)	(1,770)	(1,931)
(-) Amortization Expense of Acquired Intangible Assets	(10)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(10)
(-) Financing Related Expenses	-	-	-	-	-	-	(2,166)	-	-
Non-GAAP General Administrative	4,485	5,648	6,806	7,322	7,384	6,955	7,409	7,451	6,868
As % of Total Revenues	11.1%	13.3%	15.1%	18.1%	19.1%	17.0%	18.1%	18.6%	18.8%
Operating Margin (US\$000's)									
Total Revenues	40,225	42,333	45,038	40,386	38,585	40,979	40,988	40,118	36,443
GAAP Operating Loss	(16,012)	(19,082)	(20,839)	(24,760)	(29,008)	(27,712)	(28,921)	(30,122)	(16,974)
(+) Share-based Compensation	6,075	8,524	8,530	8,352	9,381	9,033	7,230	6,719	7,424
(+) Acquisition Related Expenses	4,122	577	656	425	156	357	236	179	(44)
(+) Amortization Expense of Acquired Intangible Assets	192	556	556	556	556	556	556	556	345
(+) Financing Related Expenses	-	-	-	-	-	-	2,166	-	-
(+) Impairment of Goodwill	-	-	-	-	-	-	-	11,941	-
Non-GAAP Operating Loss	(5,623)	(9,425)	(11,097)	(15,427)	(18,915)	(17,766)	(18,733)	(10,727)	(9,249)
Non-GAAP Operating Margin	(13.9%)	(22.3%)	(24.6%)	(38.2%)	(49.0%)	(43.4%)	(45.7%)	(26.7%)	(25.4%)

GAAP to Adjusted EBITDA Reconciliation

Adjusted EBITDA (US\$000's)	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4⁽¹⁾	23Q1
Total Revenues	40,225	42,333	45,038	40,386	38,585	40,979	40,988	40,118	36,443
GAAP Operating Loss	(16,012)	(19,082)	(20,839)	(24,760)	(29,008)	(27,712)	(28,921)	(30,122)	(16,974)
(+) Share-based Compensation	6,075	8,524	8,530	8,352	9,381	9,033	7,230	6,719	7,424
(+) Acquisition Related Expenses	4,122	577	656	425	156	357	236	179	(44)
(+) Amortization Expense of Acquired Intangible Assets	192	556	556	556	556	556	556	556	345
(+) Financing Related Expenses	-	-	-	-	-	-	2,166	-	-
(+) Impairment of Goodwill	-	-	-	-	-	-	-	11,941	-
(+) Depreciation of Property and Equipment	1,899	2,084	1,994	2,303	2,473	2,424	2,334	2,266	2,214
(+) Amortization of Land Use Right	-	-	-	-	-	-	-	-	593
Adjusted EBITDA	(3,724)	(7,341)	(9,103)	(13,124)	(16,442)	(15,342)	(16,399)	(8,461)	(6,442)
Adjusted EBITDA Margin	(9.2%)	(17.3%)	(20.2%)	(32.5%)	(42.6%)	(37.4%)	(40.0%)	(21.1%)	(17.7%)
Free Cash Flow (US\$000's)									
Cash Flow from Operations	(2,742)	(8,326)	(13,982)	5,050	(15,861)	(23,797)	(8,833)	(4,640)	(8,928)
(-) Purchases of PPE	(5,233)	(3,209)	(1,638)	(2,131)	(1,172)	(450)	(1,085)	(1,416)	(185)
Free Cash Flow	(7,975)	(11,535)	(15,620)	2,919	(17,033)	(24,247)	(9,918)	(6,056)	(9,113)

Notes:

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Thank you