



# 2021 Q2 Earnings

August 9, 2021

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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.

# 2021 Q2 Business Highlights

# Anniversary Since IPO (June 26, 2020)

Powering more than **50 billion** minutes of video and audio engagements each month

Product portfolio expanded to **interactive whiteboard, instant messaging, flexible classroom...**

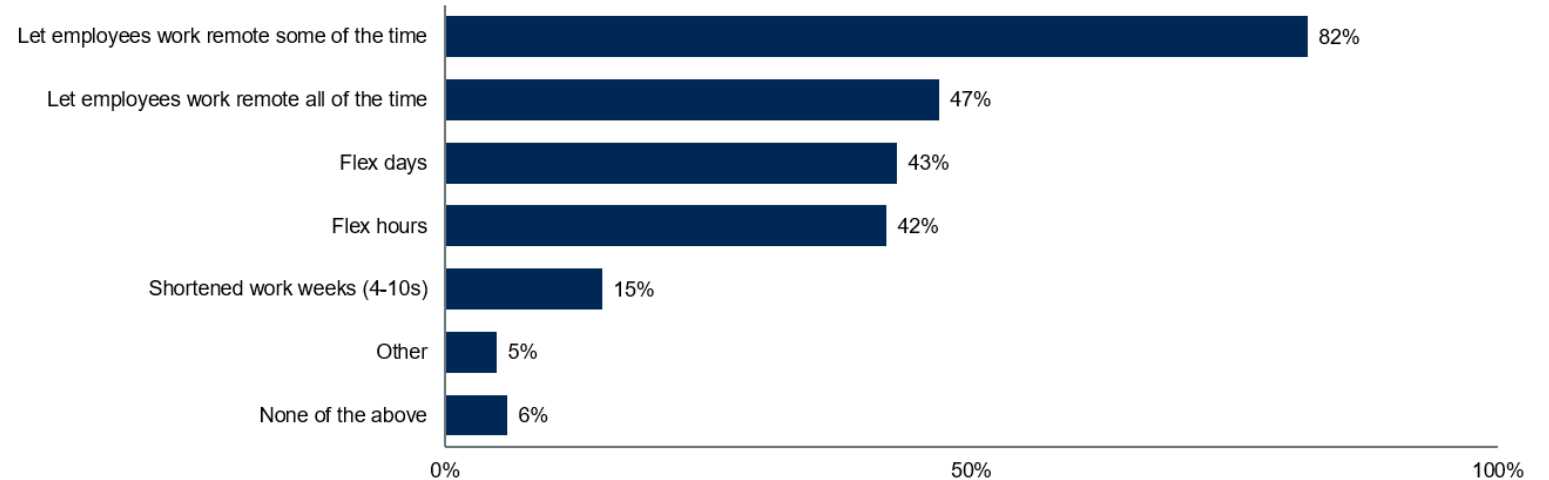
With **developers**, we are changing the way how people **work, study, play, and live**

# World Is Evolving

**82%** of business leaders plant to let employees continue to work remotely at least some of the time, while **47%** plan to allow employees to do so permanently.

## Gartner Study<sup>(1)</sup>

Percent Selecting; Multiple Responses Allowed



n = 127

Q: Are you, or do you plan on, providing any of the following flexibilities to employees as you reopen closed workplaces? Select all that apply..

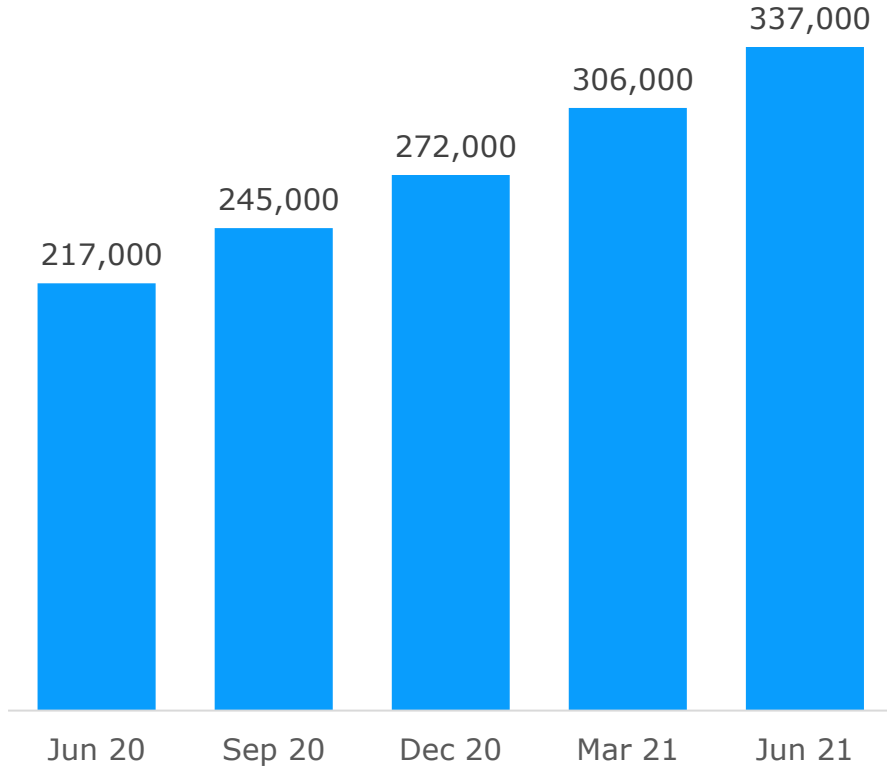
Source: Gartner Return to the Workplace Benchmarking Against Your Peers Webinar Poll (5 June 2020)

*Modern enterprises embrace technologies that enable employees to stay productive from anywhere, anytime.*

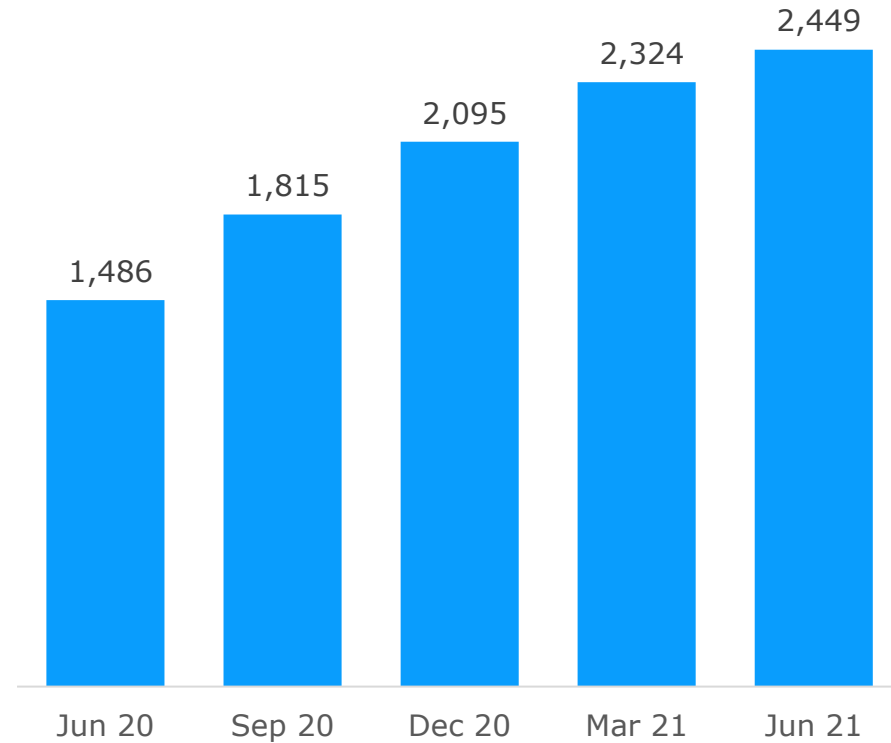
- Note:  
(1) Refer to Gartner report released on July 14, 2020

# Steady Growth in Developers and Customers

**ACCUMULATED REGISTERED APPLICATIONS** <sup>(1)(3)</sup>



**ACTIVE CUSTOMERS** <sup>(2)(3)</sup>



**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 as of March 31, 2021 and June 30, 2021 excluded Easemob.

# Product Update

## Refactored Agora App Builder

Developers can create their own live video chat and streaming apps with **customizable functionalities and visuals** and **without any coding** required.



*Continuous effort in the **low code & no code** direction*

# Product Update

## Agora Silver

*Artificial-intelligence* based **audio codec** optimized for poor network conditions.



Learns patterns in audio signals and artificially reconstructs such signals

Lower computational complexity and more robust noise suppression compared with other leading AI-based audio codecs



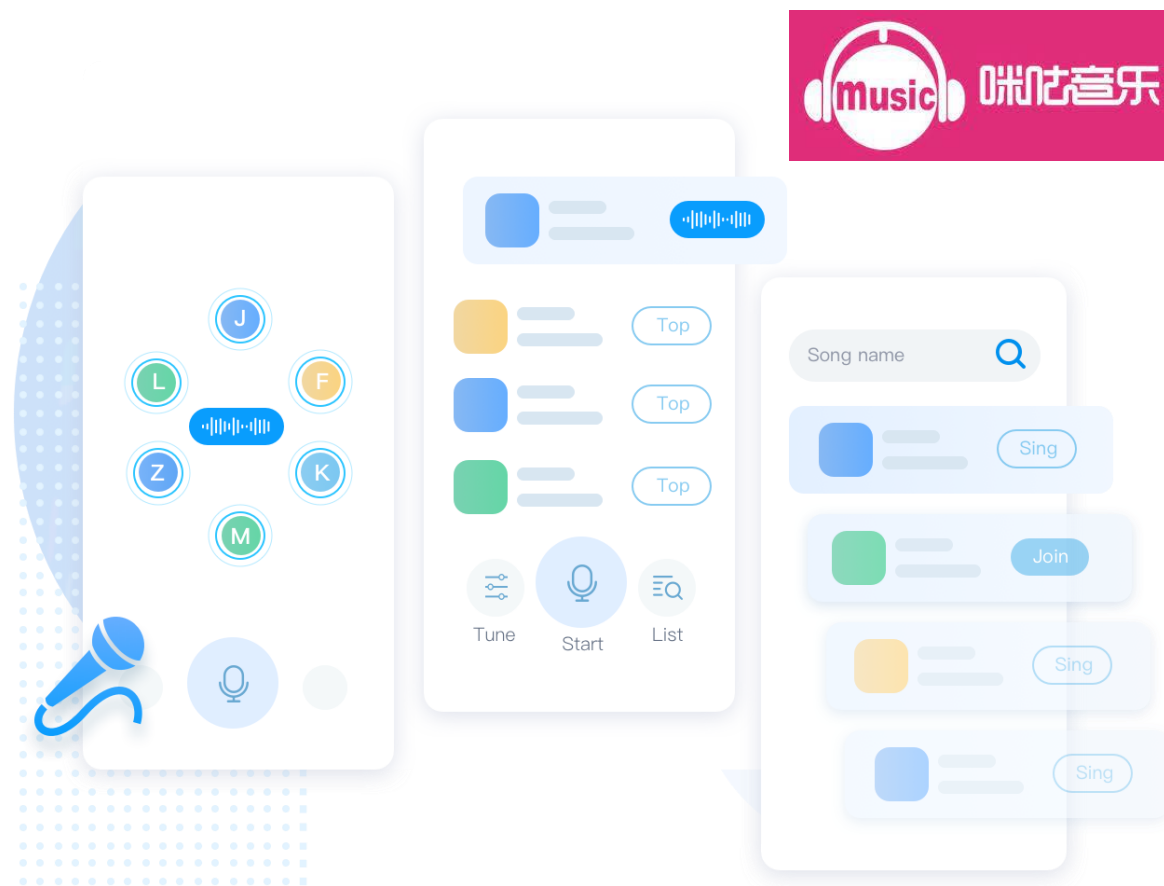
# Partnership with Migu

## Online Karaoke

Develop a one-stop solution for online karaoke

Enabling people to sing songs together remotely

Usage-based copyright solution for the soundtrack



# Partnership with HP

## OMEN Oasis

Our [voice, video, and interactive living streaming](#) capabilities are pre-installed on all OMEN PCs, which allow gamers to [engage](#) during gameplay and [share](#) their amazing gaming experience with others in [real-time](#).



# Emerging Use Cases

## E-shopping Live Streaming

Working with a leading e-commerce platform in Southeast Asia

Merchandise is introduced and demonstrated by a host via livestreaming

Audience can place orders and interact with the host through video or voice chat



# Vibrant Developer Community

## RTE2021 Startup Challenge & Agora Startup Fellows Program

Support over 200 early-stage startups from 6 continents and 24 countries. Provide exclusive backend support and direct access to VC and accelerators to build more immersive real-time engagement use cases.

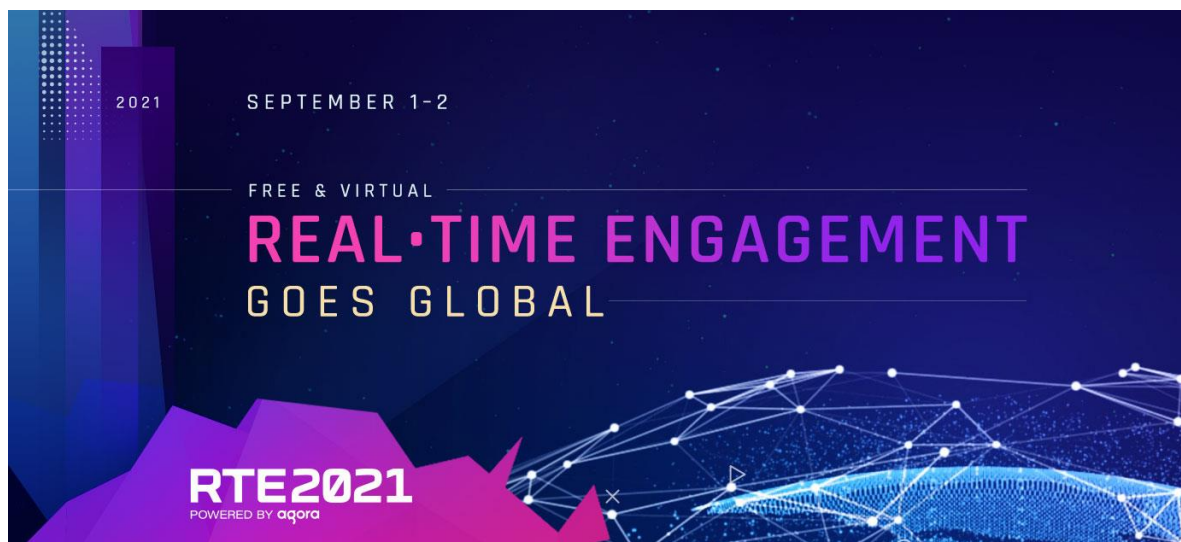
agora

**Agora Debuts  
Program to Help  
Startups Accelerate  
Time-to-Market  
and Create Engaging  
Experiences for  
Customers**



# Agora RTE2021 Conference

**RTE2021 Powered by Agora**  
**North America**



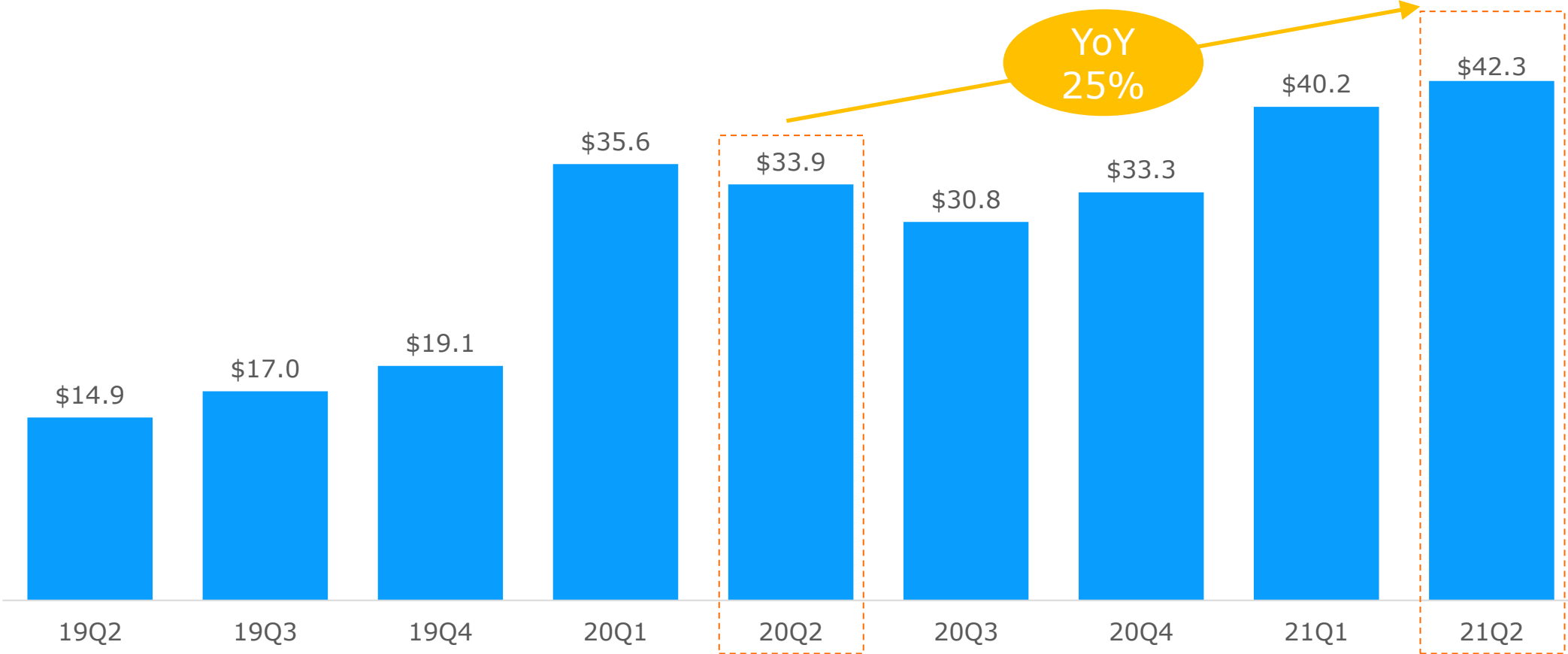
**RTE2021 APAC**  
**Asia**



# 2021 Q2 Financial Update

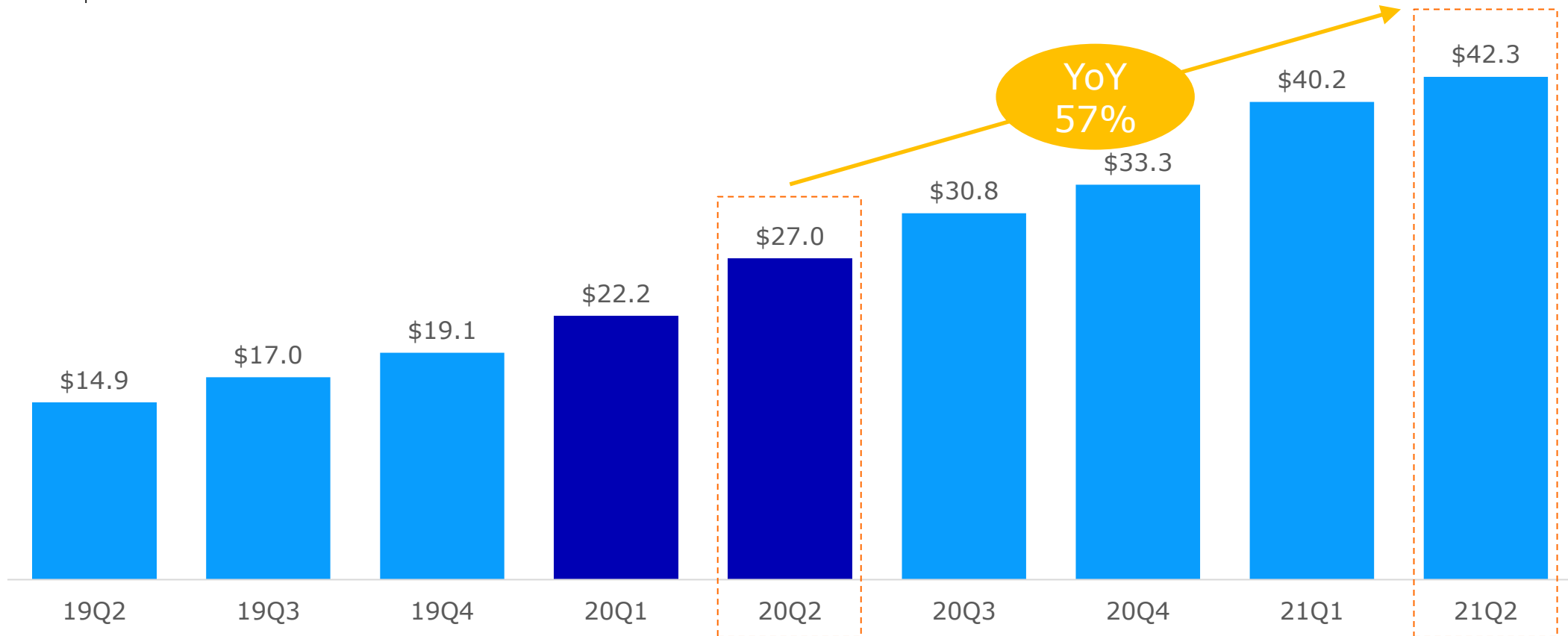
# Strong Revenue Growth

**TOTAL REVENUES**  
in US\$M



# Removal of COVID-19 Impact in China

**ADJUSTED TOTAL REVENUES <sup>(1)</sup>**  
in US\$M



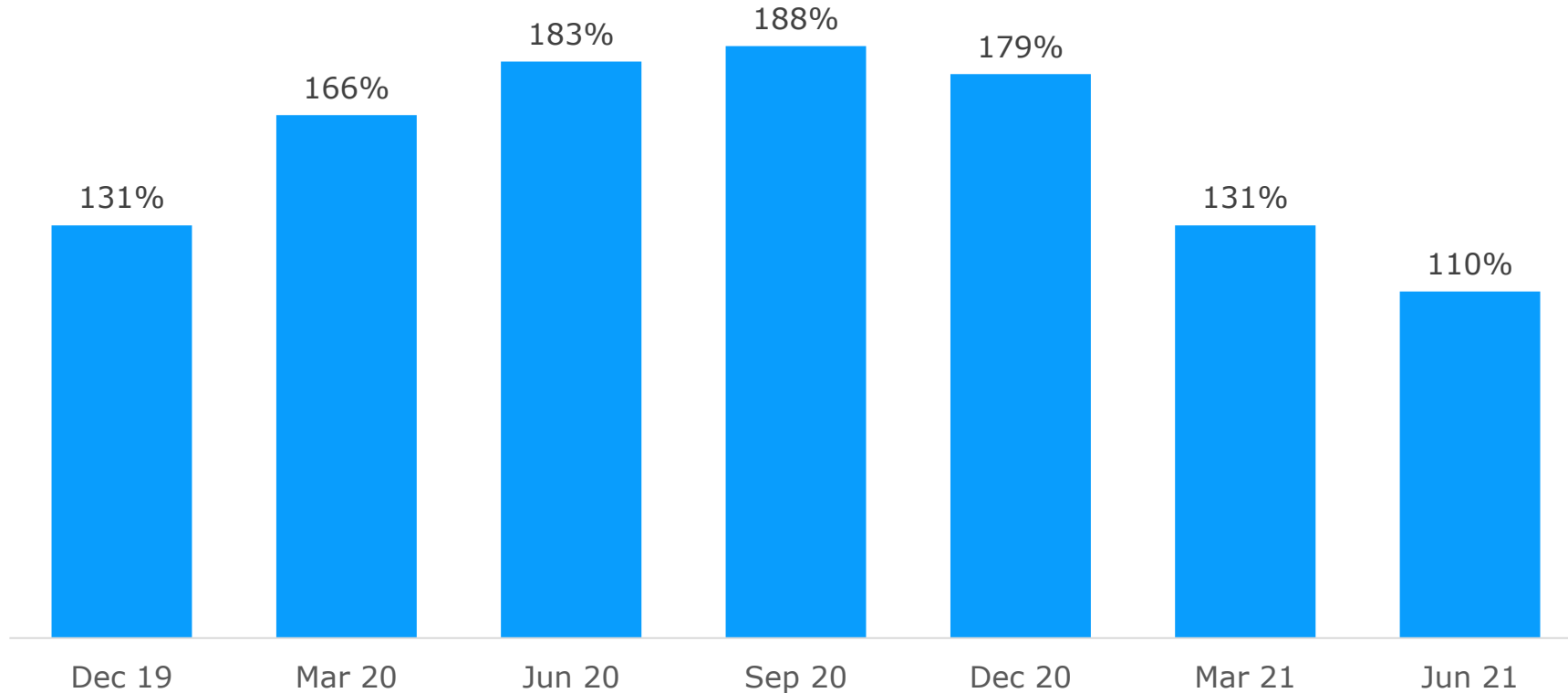
**Notes:**

1. Total revenues in 20Q1 and 20Q2 have been positively impacted by the spike of usage due to COVID-19 in China. In order to reflect organic growth, Agora assumes Total Revenues in 19Q4 and 20Q3 had almost no direct impact from COVID-19 in China and calculates the Adjusted Total Revenues for 20Q1 and 20Q2. In 20Q1 Adjusted Total Revenues, revenue from each customer in China equals to two thirds of its 19Q4 revenue plus one third of its 20Q3 revenue. In 20Q2 Adjusted Total Revenues, revenue from each customer in China equals to one third of its 19Q4 revenue plus two thirds of its 20Q3 revenue. Revenues from customers outside China remain unchanged in Adjusted Total Revenues in 20Q1 and 20Q2.



# Consistent and Expanding Usage

## CONSTANT CURRENCY DOLLAR-BASED NET EXPANSION RATE <sup>(1)(2)</sup>

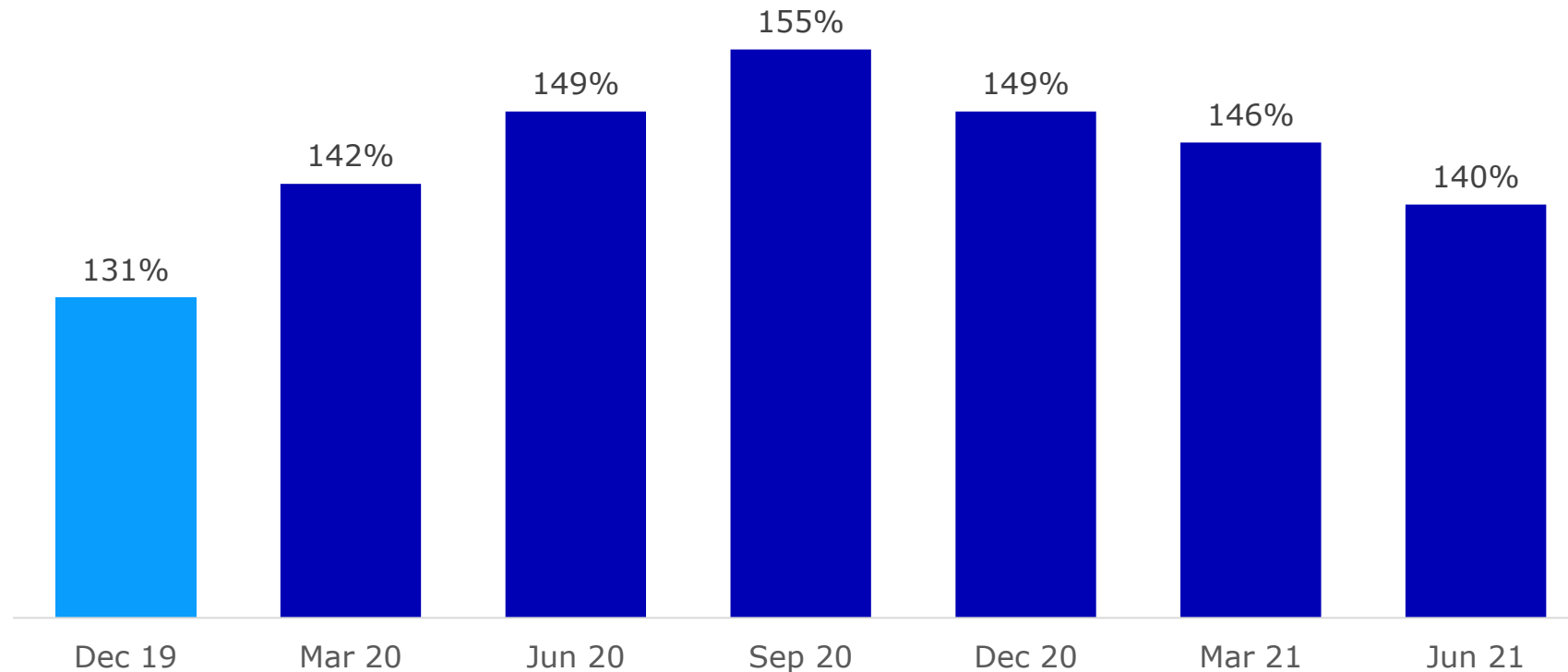


### Notes:

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.
2. The numbers as of March 31, 2021 and June 30, 2021 excluded Easemob.

# Removal of COVID-19 Impact in China

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



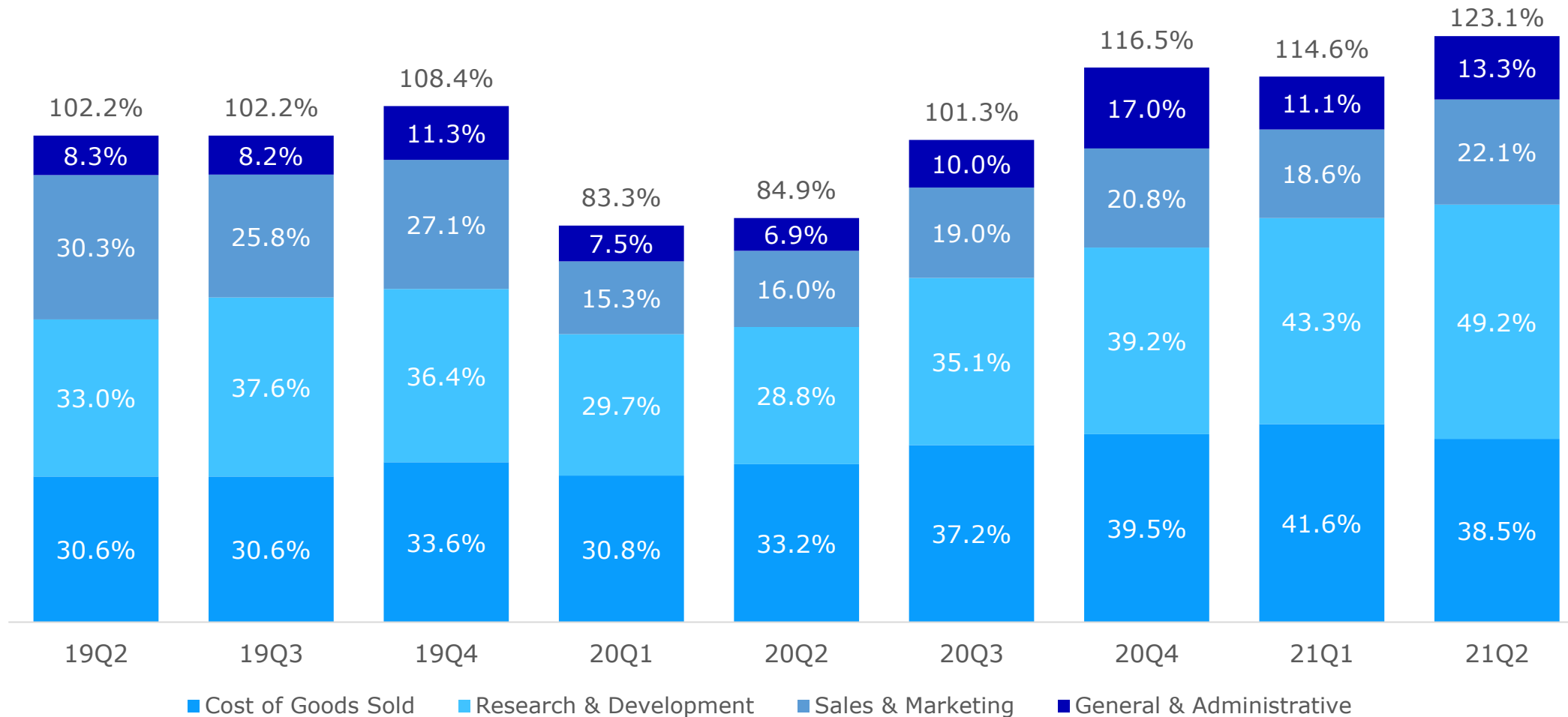
### Notes:

1. Adjusted Constant Currency Dollar-Based Net Expansion Rate is calculated the same way as Constant Currency Dollar-Based Net Expansion Rate but using Adjusted Total Revenues.

# Costs, Expenses and Margins

## NON-GAAP COST OF GOODS SOLD AND OPERATING EXPENSES

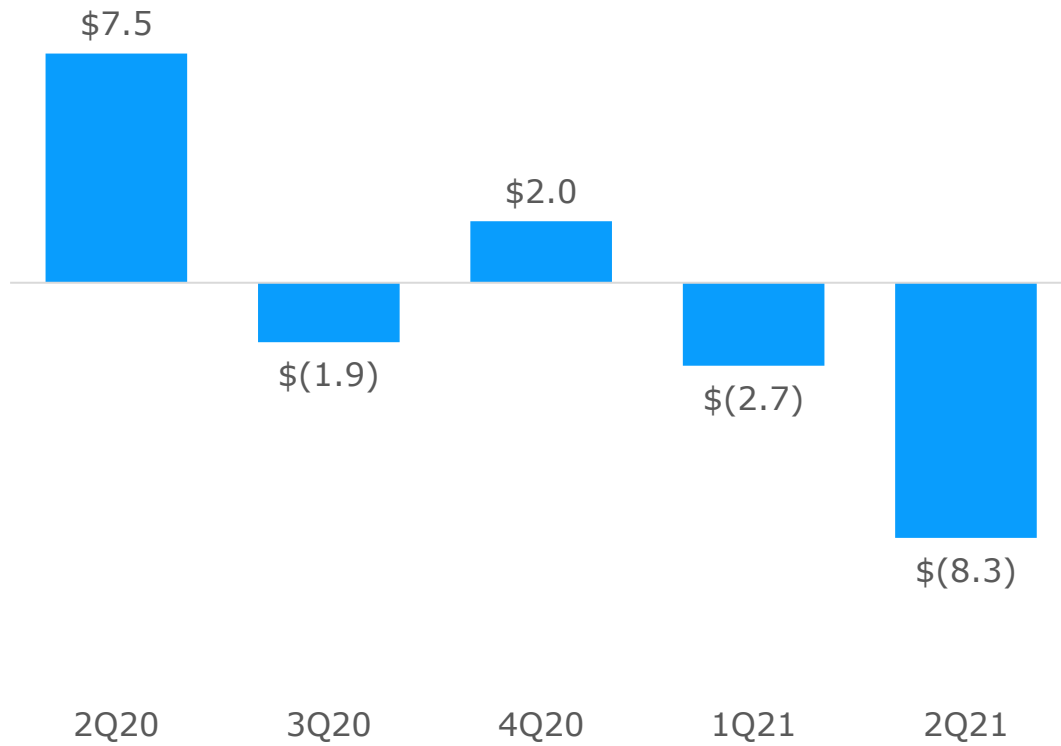
as % of Total Revenues



# Healthy Cash Flow

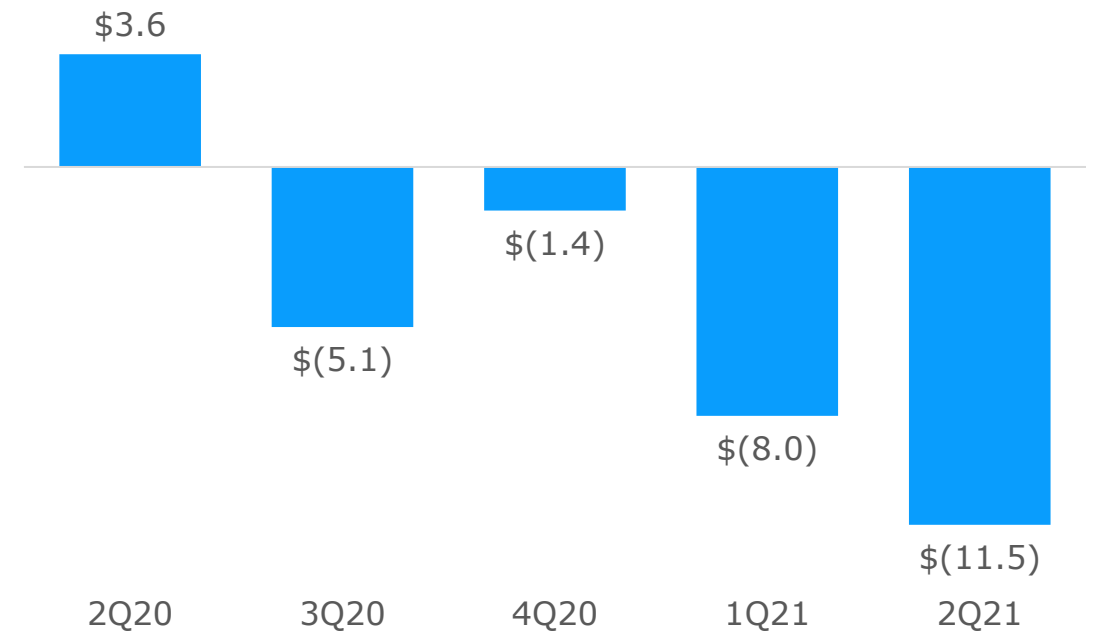
## OPERATING CASH FLOW

in US\$M



## FREE CASH FLOW

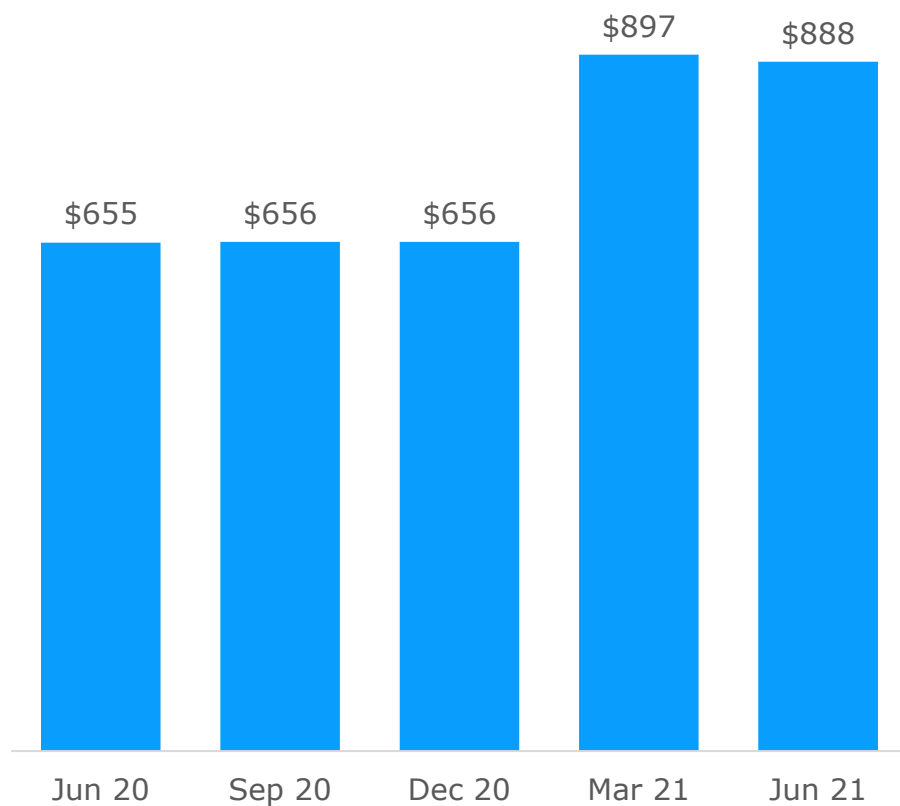
in US\$M



# Robust Liquidity Position

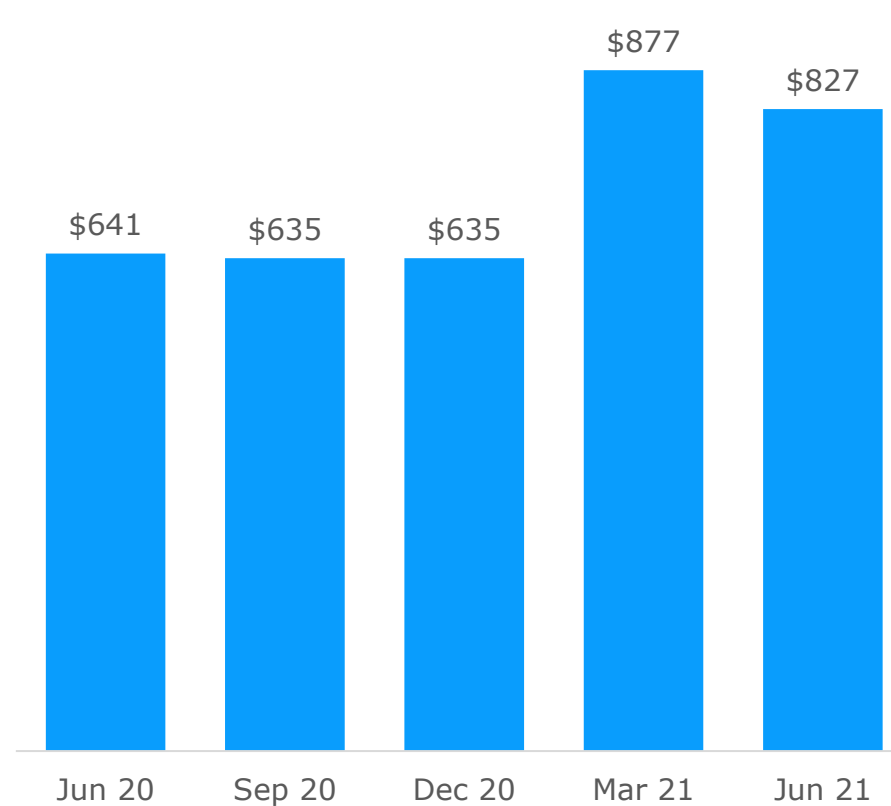
## NET ASSETS

in US\$M



## CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

in US\$M



# Appendix

# GAAP to Non-GAAP Reconciliation

<b>Gross Margin (US\$000's)</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>	<b>21Q2</b>
Total Revenues	14,901	17,061	19,105	35,560	33,904	30,847	33,253	40,225	42,333
GAAP Gross Profit	10,317	11,813	12,671	24,478	22,527	19,264	20,096	23,372	25,859
(+) Share-based Compensation	19	21	20	116	118	105	18	133	171
Non-GAAP Gross Profit	10,336	11,834	12,691	24,594	22,645	19,369	20,114	23,505	26,030
Non-GAAP Gross Margin	69.4%	69.3%	66.4%	69.1%	66.8%	62.8%	60.5%	58.4%	61.5%
<b>Cost of Goods Sold (US\$000's)</b>									
GAAP Cost of Goods Sold	4,584	5,248	6,434	11,082	11,377	11,583	13,157	16,853	16,474
(-) Share-based Compensation	(19)	(21)	(20)	(116)	(118)	(105)	(18)	(133)	(171)
Non-GAAP Cost of Goods Sold	4,565	5,227	6,414	10,966	11,259	11,478	13,139	16,720	16,303
As % of Total Revenues	30.6%	30.6%	33.6%	30.8%	33.2%	37.2%	39.5%	41.6%	38.5%

# GAAP to Non-GAAP Reconciliation

<b>Research &amp; Development Expenses (US\$000's)</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>	<b>21Q2</b>
GAAP Research & Development	5,708	6,588	7,128	11,688	10,919	12,449	14,438	25,216	27,003
(-) Share-based Compensation	(793)	(169)	(183)	(1,121)	(1,169)	(1,612)	(1,411)	(3,760)	(5,420)
(-) Acquisition Related Expenses	-	-	-	-	-	-	-	(3,955)	(577)
(-) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	(66)	(198)
Non-GAAP Research & Development	4,915	6,419	6,945	10,567	9,750	10,837	13,027	17,435	20,808
As % of Total Revenues	33.0%	37.6%	36.4%	29.7%	28.8%	35.1%	39.2%	43.3%	49.2%

## **Sales & Marketing Expenses (US\$000's)**

GAAP Sales & Marketing	5,067	4,778	5,557	6,002	5,913	6,372	7,437	8,735	11,009
(-) Share-based compensation	(549)	(370)	(373)	(564)	(492)	(502)	(504)	(956)	(1,321)
(-) Acquisition related expenses	-	-	-	-	-	-	-	(167)	-
(-) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	(116)	(348)
Non-GAAP Sales and Marketing	4,518	4,408	5,184	5,438	5,421	5,870	6,933	7,496	9,340
As % of Total Revenues	30.3%	25.8%	27.1%	15.3%	16.0%	19.0%	20.8%	18.6%	22.1%



# GAAP to Non-GAAP Reconciliation

<b>General &amp; Administrative (US\$000's)</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>	<b>21Q2</b>
GAAP General & Administrative	1,535	1,658	2,421	3,545	3,396	4,401	6,668	5,721	7,271
(-) Share-based Compensation	(295)	(260)	(271)	(871)	(1,040)	(1,318)	(1,015)	(1,226)	(1,612)
(-) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	(10)	(11)
Non-GAAP General Administrative	1,240	1,398	2,150	2,674	2,356	3,083	5,653	4,485	5,648
As % of Total Revenues	8.3%	8.2%	11.3%	7.5%	6.9%	10.0%	17.0%	11.1%	13.3%
<b>Operating Margin (US\$000's)</b>									
Total Revenues	14,901	17,061	19,105	35,560	33,904	30,847	33,253	40,225	42,333
GAAP Operating Income/(Loss)	(1,979)	(1,153)	(2,404)	3,266	3,069	(3,777)	(7,749)	(16,012)	(19,082)
(+) Share-based Compensation	1,656	820	847	2,672	2,819	3,537	2,948	6,075	8,524
(+) Acquisition Related Expenses	-	-	-	-	-	-	-	4,122	577
(+) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	192	556
Non-GAAP Operating Income/(Loss)	(323)	(333)	(1,557)	5,938	5,888	(240)	(4,801)	(5,623)	(9,425)
Non-GAAP Operating Margin	(2.2%)	(2.0%)	(8.1%)	16.6%	17.4%	(0.8%)	(14.4%)	(13.9%)	(22.3%)

# GAAP to Adjusted EBITDA Reconciliation

<b>Adjusted EBITDA (US\$000's)</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>	<b>21Q2</b>
Total Revenues	14,901	17,061	19,105	35,560	33,904	30,847	33,253	40,225	42,333
GAAP Operating Income/(Loss)	(1,979)	(1,153)	(2,404)	3,266	3,069	(3,777)	(7,749)	(16,012)	(19,082)
(+) Share-based Compensation	1,656	820	847	2,672	2,819	3,537	2,948	6,075	8,524
(+) Acquisition Related Expenses	-	-	-	-	-	-	-	4,122	577
(+) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	192	556
(+) Depreciation of Property and Equipment	429	520	577	745	1,005	1,196	1,514	1,899	2,084
Adjusted EBITDA	106	187	(980)	6,683	6,893	956	(3,287)	(3,724)	(7,341)
Adjusted EBITDA Margin	0.7%	1.1%	(5.1%)	18.7%	20.3%	3.1%	(9.9%)	(9.2%)	(17.3%)
<b>Free Cash Flow (US\$000's)</b>									
Cash Flow from Operations	(4,934)	(54)	2,077	(920)	7,451	(1,556)	1,967	(2,742)	(8,326)
(-) Purchases of PPE	(1,645)	(1,213)	(1,180)	(2,496)	(3,825)	(3,210)	(3,347)	(5,233)	(3,209)
Free Cash Flow	(6,579)	(1,267)	897	(3,416)	3,626	(4,766)	(1,380)	(7,975)	(11,535)

## Notes:

1. In the fourth quarter of 2020, Agora formally implemented the Venture Partners Plan, which was a new incentive plan that can be settled in shares or cash at the discretion of the plan administrator. Therefore, \$1.2M, \$1.1M and \$1.1M accrued in the first, second and third quarter of 2020, respectively, was reclassified from cash bonus expenses to share-based compensation expenses to reflect the costs related to the new incentive plan.

**Thank you**