agora

2021 Q4 Earnings

February 22, 2022

Disclaimer

Information in this presentation and the accompanying oral presentation (the "Presentation"), including, among others, any statements regarding Agora's market position, customer data and other metrics, is based on data and analyses from various sources as of the date of this Presentation, unless otherwise indicated.

Information in this Presentation contains "forward-looking statements". 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'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's current expectations and involve risks and uncertainties. Agora'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's ability to manage its growth and expand its operations; the continued impact of the COVID-19 pandemic on global markets and Agora's business, operations and customers; Agora's ability to attract new developers and convert them into customers; Agora's ability to retain existing customers and expand their usage of Agora's platform and products; Agora'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's fluctuating operating results; competition; the effect of broader technological and market trends on Agora'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 the Investors section of our website at www.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 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 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.

agora

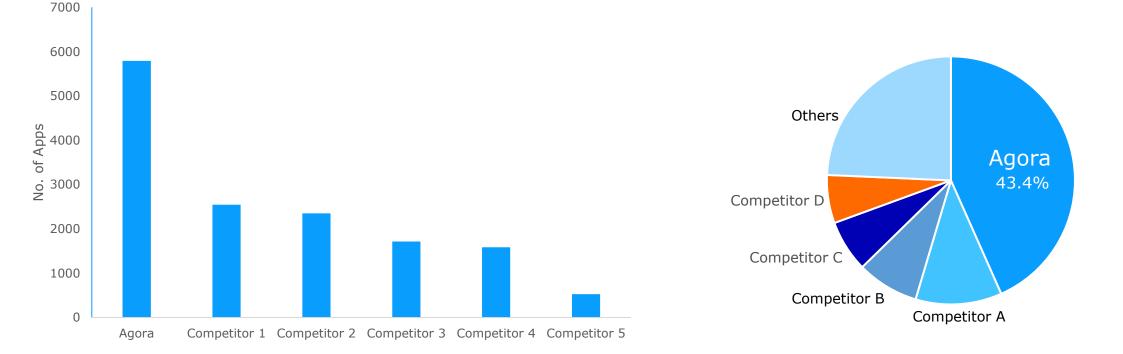
2021 Q4 Business Highlights



Dominant Market Position

Global Unique Apps with Real-time Audio and Video SDK Installed (1)

China RTE Cloud Solution Provider Market Share (2)



(1) Number of unique apps with real-time audio and video SDK installed worldwide as of December 31, 2021, ranked by SDK vendor. Source: data.ai (previously App Annie)(2) Market share by revenues in the first half of 2021. Source: IDC

agora

Emerging Use Cases

Blue Frog Robotics



Powered by Agora technology, changing the way hospitalized students attend school. They can now interact with teachers, classmate, friends and family through this emotional robot named Buddy.

Emerging Use Cases

Telemedicine



University of Maryland Medical System built "TelePort" to obtain patient information across 14 hospitals and 200 departments. Agora is embedded in their application/platform for all video and audio sessions between doctors and patients as well as between providers and staff.

Meta "Universe"

Meta KTV – PartyOn



With XRSPACE, we built an online karaoke platform combining reality and virtual worlds.

Supported by our spatial audio technology and end-to-end engineering improvements, singing volume will change at sub-second latency when avatars move away.

Meta "Universe"

MetaChat

Users can create a customizable avatar with hundreds of options and tools, select to meet friends in any shared virtual space.

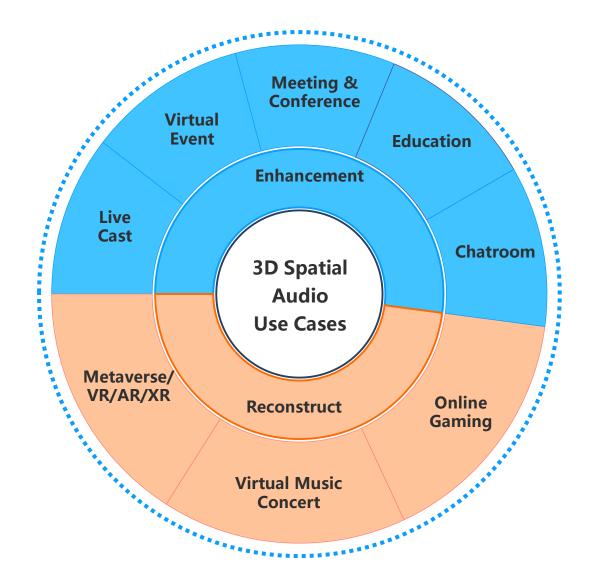


New Product

3D Spatial Audio

Industry leading audio rendering engine based on our proprietary algorithm.

Allows users to perceive sound as coming from different locations and distance around the user in the virtual space, creating a life-like audio experience.



Security, Compliance & Privacy Protection

Recent Developments

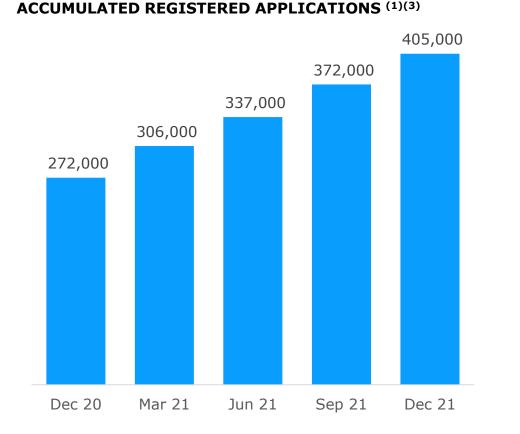


Recently added

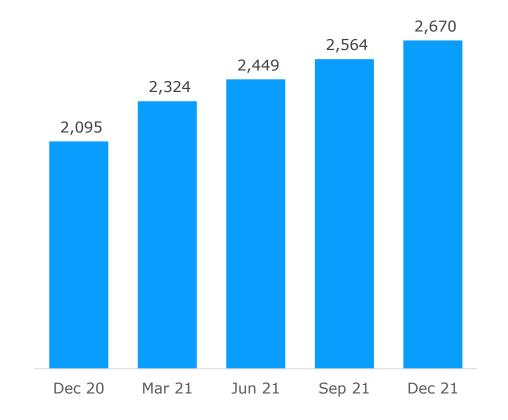
2021 Q4 Financial Update



Steady Growth in Developers and Customers



ACTIVE CUSTOMERS (2)(3)



Notes:

agora

(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, June 30, 2021, September 30, 2021 and December 31, 2021 excluded Easemob.

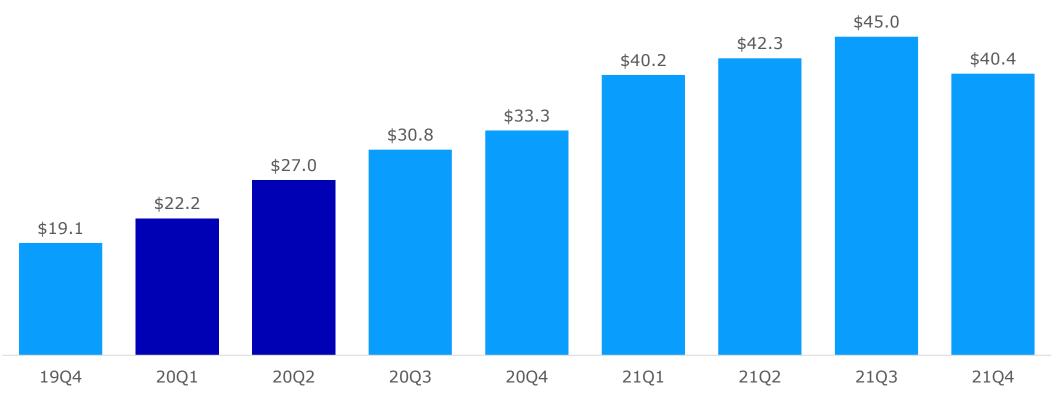
Strong Revenue Growth

TOTAL REVENUES in US\$M



Removal of COVID-19 Impact in China

ADJUSTED TOTAL REVENUES (1) in US\$M



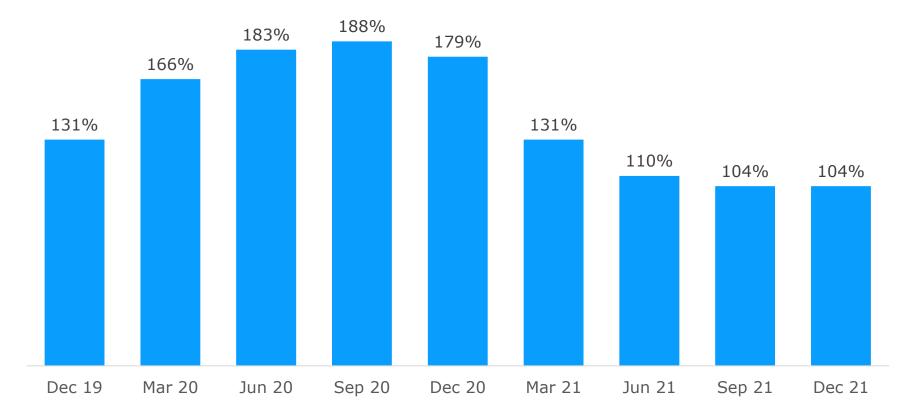
Notes:

agora

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 (1)(2)



Notes:

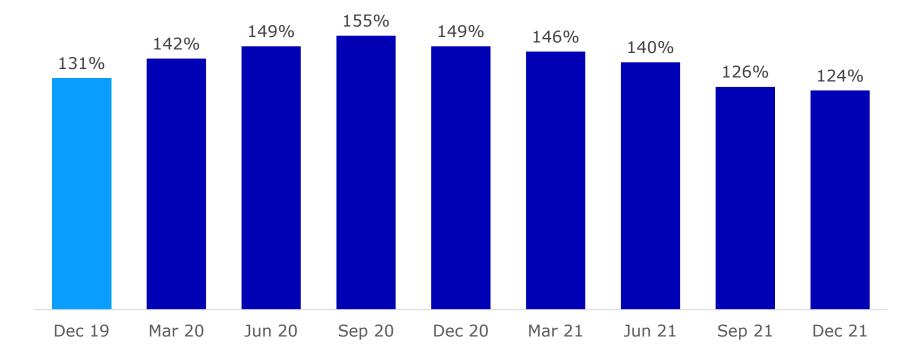
 Agora calculates Dollar-Based Net Expansion Rate for a trailing 12-month period by first identifying all customers in the prior 12-month period, and then calculating the quotient from dividing the revenue generated from such customers in the trailing 12-month period by the revenue generated from the 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, June 30, 2021, September 30, 2021 and December 31, 2021 excluded Easemob.

Removal of COVID-19 Impact in China

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



Notes:

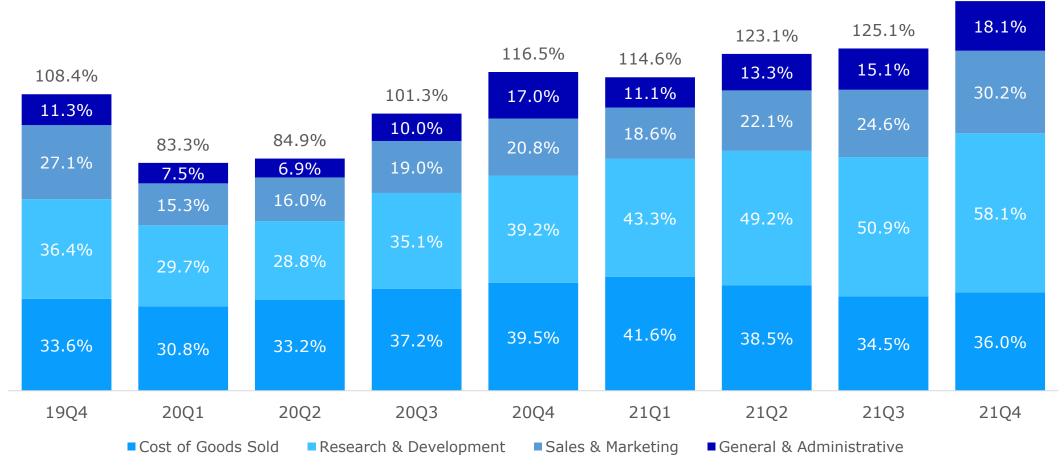
1. Adjusted Constant Currency Dollar-Based Net Expansion Rate is calculated the same way as Constant Currency Dollar-Based Net Expansion Rate but using Adjusted Total Revenues.

agora

Costs, Expenses and Margins

NON-GAAP COST OF GOODS SOLD AND OPERATING EXPENSES

as % of Total Revenues



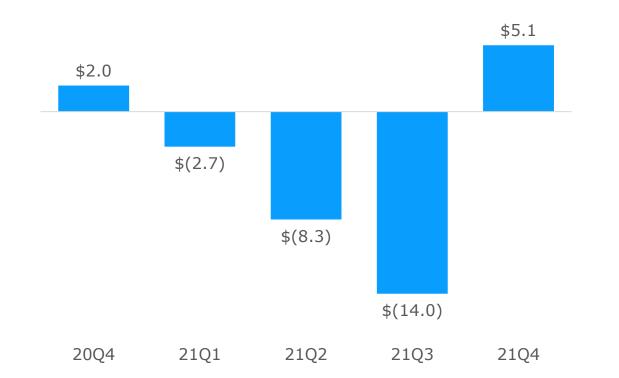
agora

142.4%

Cash Flow

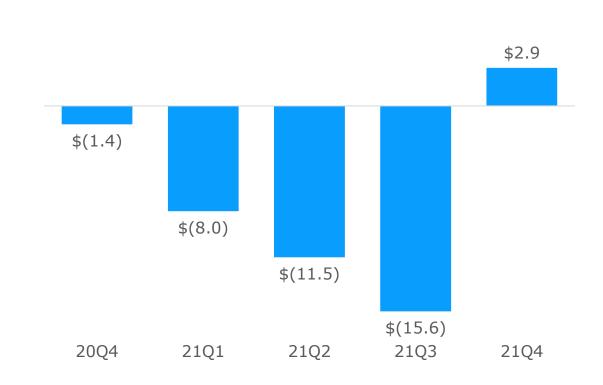
OPERATING CASH FLOW

in US\$M

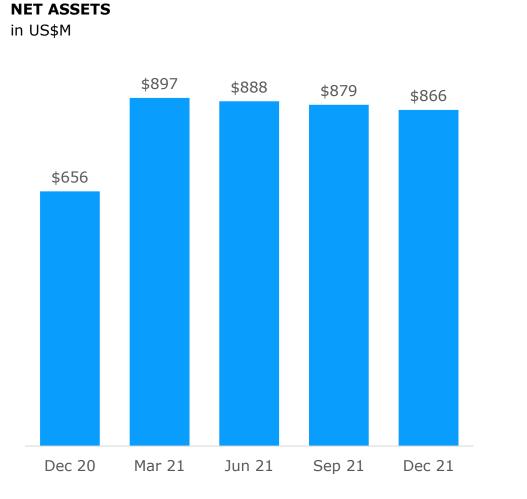


FREE CASH FLOW

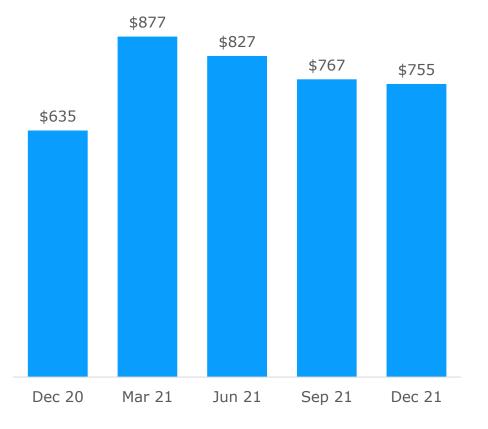
in US\$M



Robust Liquidity Position



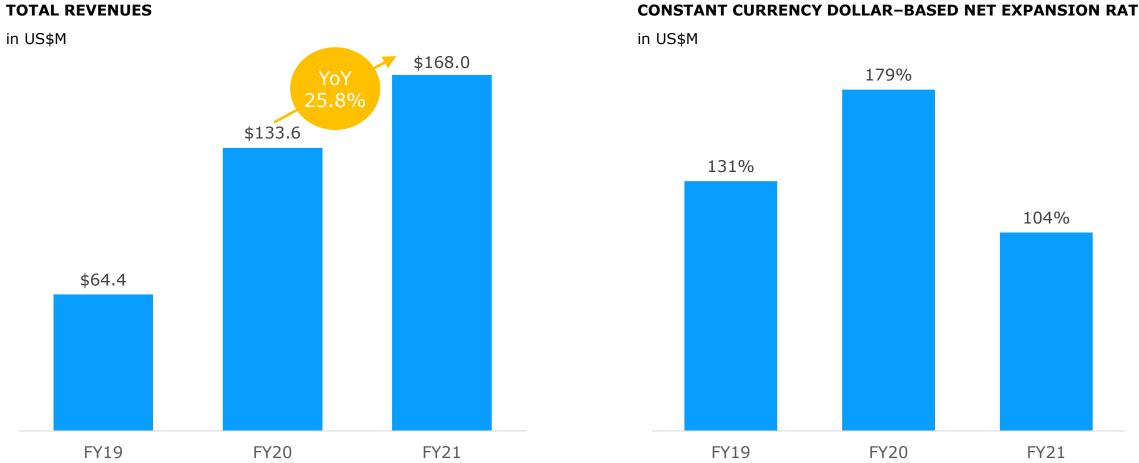
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS in US\$M



FY2021 Financial Highlights



Strong Revenue and Usage Growth



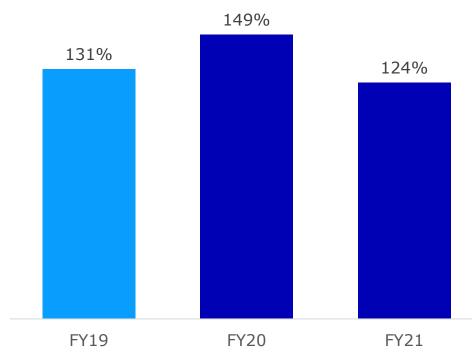
CONSTANT CURRENCY DOLLAR-BASED NET EXPANSION RATE

agora

Removal of COVID-19 Impact in China

ADJUSTED TOTAL REVENUES in US\$M in US\$M \$168.0 YoY 131% \$113.3 \$64.4 FY19 FY20 FY21 FY19

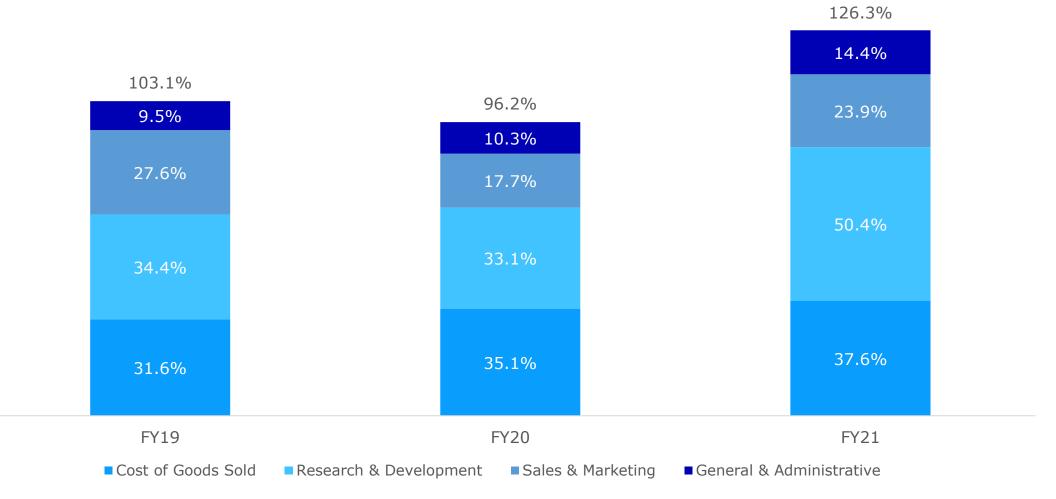
ADJUSTED CONSTANT CURRENCY DOLLAR-BASED NET EXPANSION RATE



Costs, Expenses and Margins

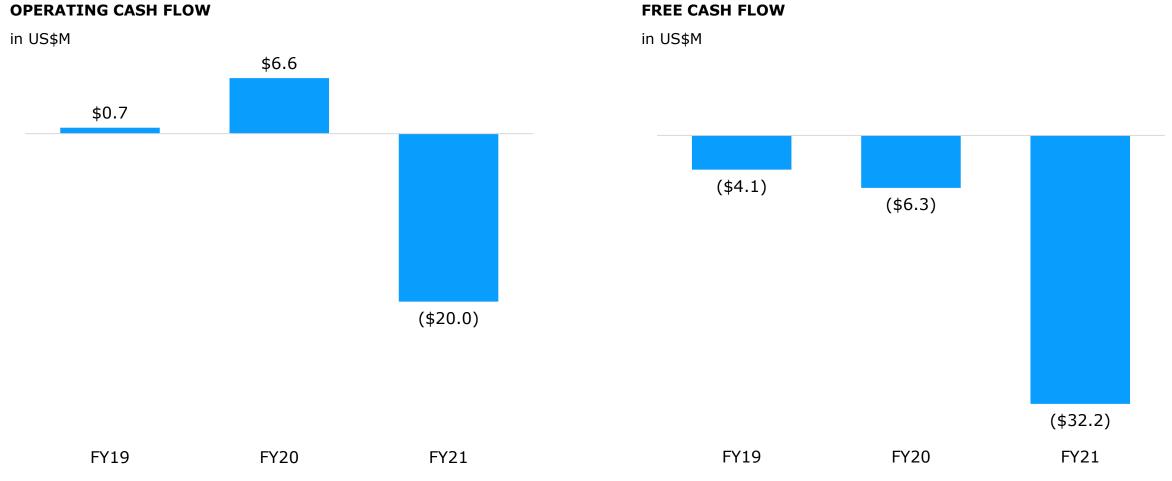
NON-GAAP COST OF GOODS SOLD AND OPERATING EXPENSES

as % of Total Revenues



agora





FREE CASH FLOW

agora

Appendix



GAAP to Non-GAAP Reconciliation

| Gross Margin (US\$000's) | 19Q4 | 20Q1 ⁽¹⁾ | 20Q2 ⁽¹⁾ | 20Q3 ⁽¹⁾ | 20Q4 | 21Q1 | 21Q2 | 21Q3 | 21Q4 |
|--|--------|----------------------------|---------------------|---------------------|---------|---------|---------|---------|---------|
| Total Revenues | 19,105 | 35,560 | 33,904 | 30,847 | 33,253 | 40,225 | 42,333 | 45,038 | 40,386 |
| GAAP Gross Profit | 12,671 | 24,478 | 22,527 | 19,264 | 20,096 | 23,372 | 25,859 | 29,349 | 25,427 |
| (+) Share-based Compensation | 20 | 116 | 118 | 105 | 18 | 133 | 171 | 152 | 423 |
| Non-GAAP Gross Profit | 12,691 | 24,594 | 22,645 | 19,369 | 20,114 | 23,505 | 26,030 | 29,501 | 25,850 |
| Non-GAAP Gross Margin | 66.4% | 69.1% | 66.8% | 62.8% | 60.5% | 58.4% | 61.5% | 65.5% | 64.0% |
| Research & Development Expenses (US\$000's) | | | | | | | | | |
| GAAP Research & Development | 7,128 | 11,688 | 10,919 | 12,449 | 14,438 | 25,216 | 27,003 | 29,668 | 28,779 |
| (-) Share-based Compensation | (183) | (1,121) | (1,169) | (1,612) | (1,411) | (3,760) | (5,420) | (5,873) | (4,684) |
| (-) Acquisition Related Expenses | - | - | - | - | - | (3,955) | (577) | (656) | (425) |
| (-) Amortization Expense of Acquired Intangible Assets | - | - | - | - | - | (66) | (198) | (198) | (198) |
| Non-GAAP Research & Development | 6,945 | 10,567 | 9,750 | 10,837 | 13,027 | 17,435 | 20,808 | 22,941 | 23,472 |
| As % of Total Revenues | 36.4% | 29.7% | 28.8% | 35.1% | 39.2% | 43.3% | 49.2% | 50.9% | 58.1% |
| Sales & Marketing Expenses (US\$000's) | | | | | | | | | |
| GAAP Sales & Marketing | 5,557 | 6,002 | 5,913 | 6,372 | 7,437 | 8,735 | 11,009 | 12,734 | 13,798 |
| (-) Share-based compensation | (373) | (564) | (492) | (502) | (504) | (956) | (1,321) | (1,326) | (1,240) |
| (-) Acquisition related expenses | - | - | - | - | - | (167) | - | - | - |
| (-) Amortization Expense of Acquired Intangible Assets | - | - | - | - | - | (116) | (348) | (348) | (348) |
| Non-GAAP Sales and Marketing | 5,184 | 5,438 | 5,421 | 5,870 | 6,933 | 7,496 | 9,340 | 11,060 | 12,210 |
| As % of Total Revenues | 27.1% | 15.3% | 16.0% | 19.0% | 20.8% | 18.6% | 22.1% | 24.6% | 30.2% |

GAAP to Non-GAAP Reconciliation

| General & Administrative (US\$000's) | 19Q4 | 20Q1 ⁽¹⁾ | 20Q2 ⁽¹⁾ | 20Q3 ⁽¹⁾ | 20Q4 | 21Q1 | 21Q2 | 21Q3 | 21Q4 |
|--|---------|---------------------|---------------------|---------------------|---------|----------|----------|----------|----------|
| GAAP General & Administrative | 2,421 | 3,545 | 3,396 | 4,401 | 6,668 | 5,721 | 7,271 | 7,996 | 9,338 |
| (-) Share-based Compensation | (271) | (871) | (1,040) | (1,318) | (1,015) | (1,226) | (1,612) | (1,179) | (2,005) |
| (-) Amortization Expense of Acquired Intangible Assets | - | - | - | - | - | (10) | (11) | (11) | (11) |
| Non-GAAP General Administrative | 2,150 | 2,674 | 2,356 | 3,083 | 5,653 | 4,485 | 5,648 | 6,806 | 7,322 |
| As % of Total Revenues | 11.3% | 7.5% | 6.9% | 10.0% | 17.0% | 11.1% | 13.3% | 15.1% | 18.1% |
| Operating Margin (US\$000's) | | | | | | | | | |
| Total Revenues | 19,105 | 35,560 | 33,904 | 30,847 | 33,253 | 40,225 | 42,333 | 45,038 | 40,386 |
| GAAP Operating Income/(Loss) | (2,404) | 3,266 | 3,069 | (3,777) | (7,749) | (16,012) | (19,082) | (20,839) | (24,760) |
| (+) Share-based Compensation | 847 | 2,672 | 2,819 | 3,537 | 2,948 | 6,075 | 8,524 | 8,530 | 8,352 |
| (+) Acquisition Related Expenses | - | - | - | - | - | 4,122 | 577 | 656 | 425 |
| (+) Amortization Expense of Acquired Intangible Assets | - | - | - | - | - | 192 | 556 | 556 | 556 |
| Non-GAAP Operating Income/(Loss) | (1,557) | 5,938 | 5,888 | (240) | (4,801) | (5,623) | (9,425) | (11,097) | (15,427) |
| Non-GAAP Operating Margin | (8.1%) | 16.6% | 17.4% | (0.8%) | (14.4%) | (13.9%) | (22.3%) | (24.6%) | (38.2%) |

GAAP to Adjusted EBITDA Reconciliation

| Adjusted EBITDA (US\$000's) | 19Q4 | 20Q1 ⁽¹⁾ | 20Q2 ⁽¹⁾ | 20Q3 ⁽¹⁾ | 20Q4 | 21Q1 | 21Q2 | 21Q3 | 21Q4 |
|--|---------|---------------------|---------------------|---------------------|---------|----------|----------|----------|----------|
| Total Revenues | 19,105 | 35,560 | 33,904 | 30,847 | 33,253 | 40,225 | 42,333 | 45,038 | 40,386 |
| GAAP Operating Income/(Loss) | (2,404) | 3,266 | 3,069 | (3,777) | (7,749) | (16,012) | (19,082) | (20,839) | (24,760) |
| (+) Share-based Compensation | 847 | 2,672 | 2,819 | 3,537 | 2,948 | 6,075 | 8,524 | 8,530 | 8,352 |
| (+) Acquisition Related Expenses | - | - | - | - | - | 4,122 | 577 | 656 | 425 |
| (+) Amortization Expense of Acquired Intangible Assets | - | - | - | - | - | 192 | 556 | 556 | 556 |
| (+) Depreciation of Property and Equipment | 577 | 745 | 1,005 | 1,196 | 1,514 | 1,899 | 2,084 | 1,994 | 2,303 |
| Adjusted EBITDA | (980) | 6,683 | 6,893 | 956 | (3,287) | (3,724) | (7,341) | (9,103) | (13,124) |
| Adjusted EBITDA Margin | (5.1%) | 18.7% | 20.3% | 3.1% | (9.9%) | (9.2%) | (17.3%) | (20.2%) | (32.5%) |
| Free Cash Flow (US\$000's) | | | | | | | | | |
| Cash Flow from Operations | 2,077 | (920) | 7,451 | (1,934) | 1,967 | (2,742) | (8,326) | (13,982) | 5,050 |
| (-) Purchases of PPE | (1,180) | (2,496) | (3,825) | (3,210) | (3,347) | (5,233) | (3,209) | (1,638) | (2,131) |
| Free Cash Flow | 897 | (3,416) | 3,626 | (5,144) | (1,380) | (7,975) | (11,535) | (15,620) | 2,919 |

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.

GAAP to Non-GAAP Reconciliation

| Gross Margin (US\$000's) | FY19 | FY20 | FY21 |
|--|---------|---------|----------|
| Total Revenues | 64,428 | 133,564 | 167,982 |
| GAAP Gross Profit | 44,011 | 86,365 | 104,007 |
| (+) Share-based Compensation | 80 | 357 | 879 |
| Non-GAAP Gross Profit | 44,091 | 86,722 | 104,886 |
| Non-GAAP Gross Margin | 68.4% | 64.9% | 62.4% |
| Research & Development Expenses (US\$000's) | | | |
| GAAP Research & Development | 23,623 | 49,494 | 110,666 |
| (-) Share-based Compensation | (1,473) | (5,312) | (19,737) |
| (-) Acquisition Related Expenses | - | - | (5,613) |
| (-) Amortization Expense of Acquired Intangible Assets | - | - | (659) |
| Non-GAAP Research & Development | 22,150 | 44,182 | 84,657 |
| As % of Total Revenues | 34.4% | 33.1% | 50.4% |
| Sales & Marketing Expenses (US\$000's) | | | |
| GAAP Sales & Marketing | 19,408 | 25,724 | 46,276 |
| (-) Share-based compensation | (1,654) | (2,061) | (4,843) |
| (-) Acquisition related expenses | - | - | (167) |
| (-) Amortization Expense of Acquired Intangible Assets | - | - | (1,159) |
| Non-GAAP Sales and Marketing | 17,754 | 23,663 | 40,107 |
| As % of Total Revenues | 27.6% | 17.7% | 23.9% |

GAAP to Non-GAAP Reconciliation

| General & Administrative (US\$000's) | FY19 | FY20 | FY21 |
|--|---------|---------|----------|
| GAAP General & Administrative | 7,177 | 18,010 | 30,326 |
| (-) Share-based Compensation | (1,046) | (4,244) | (6,022) |
| (-) Amortization Expense of Acquired Intangible Assets | - | - | (43) |
| Non-GAAP General Administrative | 6,131 | 13,766 | 24,261 |
| As % of Total Revenues | 9.5% | 10.3% | 14.4% |
| Operating Margin (US\$000's) | | | |
| Total Revenues | 64,428 | 133,564 | 167,982 |
| GAAP Operating Income/(Loss) | (6,089) | (5,191) | (80,693) |
| (+) Share-based Compensation | 4,253 | 11,974 | 31,481 |
| (+) Acquisition Related Expenses | - | - | 5,780 |
| (+) Amortization Expense of Acquired Intangible Assets | - | - | 1,861 |
| Non-GAAP Operating Income/(Loss) | (1,836) | 6,783 | (41,571) |
| Non-GAAP Operating Margin | (2.9%) | 5.1% | (24.7%) |
| | | | |

GAAP to Adjusted EBITDA Reconciliation

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

Thank you

