

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-39340

Agora, Inc.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

**Floor 8, Building 12, Phase III of ChuangZhiTianDi, 333 Songhu Road
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Yangpu District, Shanghai, 200433
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
American depository shares (each American depository shares representing four Class A ordinary share, par value US\$0.0001 each)	API	The Nasdaq Global Select Market
Class A ordinary shares, with a par value of US\$0.0001 each*		The Nasdaq Global Select Market

* Not for trading, but only in connection with the listing on the Nasdaq Global Select Market of American depository shares

Securities registered or to be registered pursuant to Section 12(g) of the Act:

[None]

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

[None]

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

<u>Title of Each Class</u>	<u>Number of Shares Outstanding</u>
Class A ordinary shares, par value US\$0.0001 each	273,084,833 were outstanding as of December 31, 2025
Class B ordinary shares, par value US\$0.0001 each	76,179,938 were outstanding as of December 31, 2025

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

- U.S. GAAP
 International Financial Reporting Standards as issued by the International Accounting Standards Board
 Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

[APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS]

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

TABLE OF CONTENTS

Introduction	1
Forward-Looking Statements	2
Part I	3
Item 1. Identity of Directors, Senior Management and Advisors	3
Item 2. Offer Statistics and Expected Timetable	3
Item 3. Key Information	3
Item 4. Information on the Company	36
Item 4A. Unresolved Staff Comments	61
Item 5. Operating and Financial Review and Prospects	61
Item 6. Directors, Senior Management and Employees	72
Item 7. Major Shareholders and Related Party Transactions	85
Item 8. Financial Information	86
Item 9. The Offer and Listing	87
Item 10. Additional Information	88
Item 11. Quantitative and Qualitative Disclosures about Market Risk	93
Item 12. Description of Securities Other Than Equity Securities	94
Part II	96
Item 13. Defaults, Dividend Arrearages and Delinquencies	96
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	96
Item 15. Controls and Procedures	96
Item 16. [Reserved]	97
Item 16A. Audit Committee Financial Expert	97
Item 16B. Code of Ethics	97
Item 16C. Principal Accountant Fees and Services	97
Item 16D. Exemptions from the Listing Standards for Audit Committees	97
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers	97
Item 16F. Change in Registrant's Certifying Accountant	98
Item 16G. Corporate Governance	98
Item 16H. Mine Safety Disclosure	98
Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections	98
Item 16J. Insider Trading Policies	98
Item 16K. Cybersecurity	98
Part III	100
Item 17. Financial Statements	100
Item 18. Financial Statements	100
Item 19. Exhibits	100

INTRODUCTION

Except where the context otherwise requires and for purposes of this annual report on Form 20-F only:

- “ADSs” refer to American depositary shares, each of which represents four of our Class A ordinary shares;
- “ADRs” refer to the American depositary receipts that evidence our ADSs;
- “China” or “PRC” refer to the People’s Republic of China, only in the context of describing PRC laws, regulations and other legal or tax matters in this annual report, excludes Taiwan, Hong Kong and Macau;
- “Class A ordinary shares” refer to our Class A ordinary shares, par value US\$0.0001 per share;
- “Class B ordinary shares” refer to our Class B ordinary shares, par value US\$0.0001 per share;
- “U.S.” or the “United States” refer to the United States of America.
- “US\$,” “U.S. dollars,” or “dollars” refer to the legal currency of the United States; and
- “We,” “us,” “our company,” and “our” refer to Agora, Inc., a Cayman Islands exempted company, and its subsidiaries. When describing our historical operations and consolidated financial information, these terms also included any former variable interest entity, or Former VIE, and its subsidiaries in China, in which we did not hold equity interests but whose financial results were consolidated solely based on contractual arrangements in accordance with U.S. GAAP. In this annual report:
 - o “Former VIE” refers to Shanghai Zhaoyan Network Technology Co., Ltd., or Zhaoyan, our sole Former VIE in 2024. We terminated our former contractual arrangements with Zhaoyan in January 2025. As of the date of this annual report, we no longer maintain any VIE structure; and
 - o “Former VIEs,” where referring to certain historical financial data, includes Beijing Zhonghuan Chuanyin Technology Co., Ltd., which was one of our Former VIEs before its sale in February 2023.

The functional currency of our subsidiaries in China is the Renminbi (“RMB”), and the functional currency of our other subsidiaries is the U.S. dollar. This annual report contains translations between RMB and U.S. dollars solely for the convenience of the reader. The translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this annual report were made at a rate of RMB6.9931 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2025. We make no representation that the Renminbi or U.S. dollar amounts referred to in this annual report could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements, including our future operating results and conditions, our prospects and our future financial performance and condition. These forward-looking statements are made under the “safe harbor” provision under Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All statements other than statements of historical fact in this annual report constitute forward-looking statements. We have used words or phrases such as “may,” “would,” “will,” “expect,” “anticipate,” “intend,” “seek,” “estimate,” “plan,” “believe,” “is/are likely to” or other similar expressions in this annual report to identify some of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, product development, revenues, profits, costs, capital expenditures, cash flows and working capital, are necessarily estimates reflecting the best judgment of directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report.

These statements involve risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this annual report, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. Forward-looking statements in this annual report include, but are not limited to, statements about:

- our ability to effectively manage our growth and expand our operations;
- our ability to attract new developers to our platform and convert them into customers;
- our ability to retain existing customers and expand their usage of our platform and products;
- our ability to drive popularity and usage of existing use cases and enable new ones, particularly centered on real-time video engagement;
- our ability to continue to introduce new products, features and functionalities;
- our ability to continue to enhance the quality of the end-user experience and drive demand for RTE through our research and development efforts;
- our ability to maintain and enhance our brand;
- the growth of the RTE-PaaS market;
- the effect of broader technological and market trends on our business and prospects;
- our ability to hire and retain experienced and talented employees as we grow our business;
- our ability to remain competitive as we continue to scale our business; and
- general economic conditions and changing regulations and their impact on customer and end-user demand, as well as PRC governmental policies relating to media, the internet, internet content providers and cybersecurity, and the implementation of a corporate structure involving variable interest entities in China.

You should read this annual report, including the risk factors disclosed in “Item 3. Key Information—D. Risk Factors” and the documents that we refer to in this annual report thoroughly and with the understanding that our actual future results may be materially different from and worse than what we expect. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

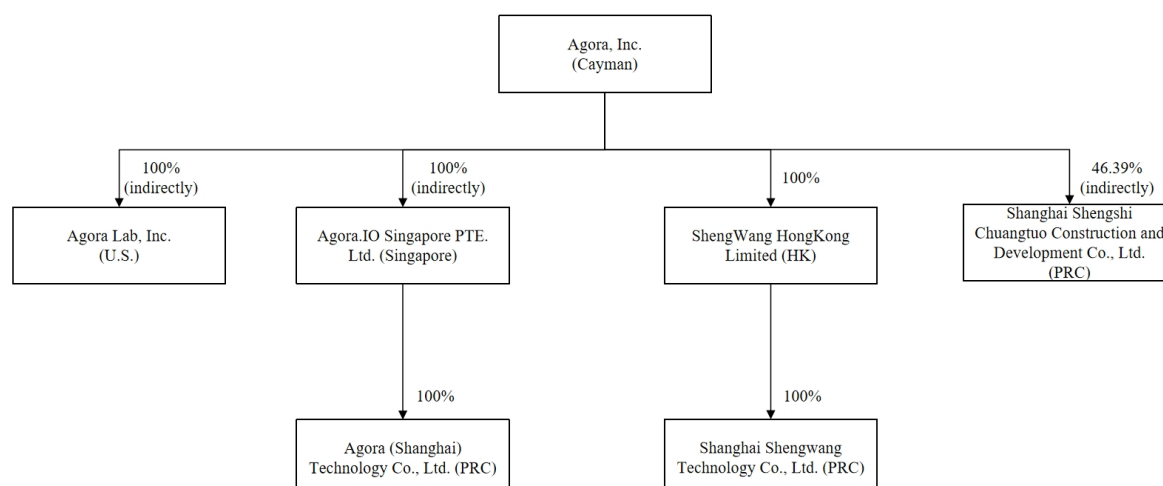
Not applicable.

ITEM 3. KEY INFORMATION

Our Holding Company Structure and Historical VIE Structure

Agora, Inc. is the Cayman Islands holding company of two independent divisions operating under the Agora and Shengwang brands. Headquartered in Santa Clara, California, Agora is a pioneer and global leader in Real-Time Engagement Platform-as-a-Service (PaaS) that operates in the United States, as well as other international markets outside the United States and China. Headquartered in Shanghai, China, Shengwang is a pioneer and leading Real-Time Engagement PaaS provider in the China market. Agora, Inc. does not conduct operations by itself.

We conduct our operations primarily (i) through our subsidiaries in the United States, Singapore and other jurisdictions for our global business; and (ii) for our business in China, through our PRC subsidiaries. Therefore, investors are purchasing equity securities of a Cayman Islands holding company rather than equity securities issued by Agora, Inc.'s subsidiaries. The following diagram illustrates our corporate structure as of the date of this annual report, including our significant subsidiaries:



Before its termination in January 2025, the Former VIE structure was used to provide foreign investors with economic exposure to China-based businesses in sectors where direct foreign investment was restricted under PRC law. In January 2025, we terminated the foregoing contractual arrangements with the Former VIE and began to conduct our business in China through our PRC subsidiaries, such as Shanghai Shengwang which holds all the permits, licenses and assets necessary to provide our services, and contracts mainly with our customers, vendors and partners. We believe the termination of the Former VIE structure did not have any material impact on our China operations. See “Item 4 Information on The Company—A. History and Development of the Company” for further details of our historical VIE structure and the description of the relevant contractual agreements.

Material Licenses and Permits

The following table sets out the licenses and permits used in our operations in China as of the date of this annual report.

License/Permit	Holder	Expiration Date
Value-added Telecommunication Business Operation License (B2-20240355)	Shanghai Shengwang	August 8, 2029

As advised by our PRC legal counsel, as of the date of this annual report, our subsidiaries in China have obtained all material

licenses, permissions and approvals necessary for our current main business operation in China and no such licenses, permissions or approvals had been denied.

As of the date of this annual report, other than the licenses, permissions and approvals we had obtained, we were not required to obtain other permissions or approvals from the China Securities Regulatory Commission (the “CSRC”), the Cyberspace Administration of China (the “CAC”) or any other authorities to operate our business in China. We have been closely monitoring regulatory development in China regarding any necessary permissions or approvals from the CSRC, the CAC or other authorities to operate our business in China. However, there are uncertainties as to the related interpretation and implementation of regulatory requirements. It is possible that we may be required by the regulators to update our existing licenses or to obtain additional licenses, permissions or approvals under the current or future laws, rules and regulations applicable to our business as promulgated and amended from time to time. Any failure by us and our subsidiaries in China, even inadvertently, to maintain compliance with applicable PRC laws and regulations, or obtain and maintain required licenses and permissions, in a timely manner or at all, may result in the suspension or termination of our business activities in China, and even subject us, or our subsidiaries to administrative penalties. See “—D. Risk Factors—Risks Related to Our Business and Industry—Our business is subject to a variety of laws and regulations in the jurisdictions where we operate, including those regarding privacy, cybersecurity and data protection, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure of our platform to comply with or enable our customers to comply with applicable laws and regulations could harm our business, operating results and financial condition,” “—D. Risk Factors—Risks Related to Our Corporate Structure—Our former contractual arrangements in relation to the Former VIE may be subject to scrutiny by the PRC tax authorities, and they may determine that we or the Former VIE owe additional taxes, which could negatively affect our financial condition and the value of your investment” and “—D. Risk Factors—Risks Related to Doing Business in China—We may be required to obtain and maintain permits and licenses to operate our business in China.”

Apart from above, as of the date of this annual report, we were not required to obtain other permissions or approvals from the CSRC, the CAC or any other PRC authorities to offer the securities being registered to foreign investors. However, there are uncertainties as to the related interpretation and implementation of current regulatory requirements and such regulations are subject to change. If the current or future laws, rules and regulations as promulgated and amended from time to time mandate specific actions to be completed by China-based companies listed on a foreign stock exchange like us, we face uncertainties as to whether such actions can be timely completed, or at all. Complying with these laws and requirements could cause us to incur substantial expenses. Additionally, to the extent we are found to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend our operations or offerings, or other regulatory and disciplinary sanctions, which could materially and adversely affect our business, financial condition and results of operations. See “—D. Risk Factors—Risks Related to Our Business and Industry—Our business is subject to a variety of laws and regulations in the jurisdictions where we operate, including those regarding privacy, cybersecurity and data protection, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure of our platform to comply with or enable our customers to comply with applicable laws and regulations could harm our business, operating results and financial condition” for more details.

We will continuously assess the need to obtain and renew permits and licenses to operate our business, closely consult the supervisory authority having jurisdiction over us, and follow their guidance in a timely manner to ensure we run our business legally. However, we may fail, on acceptable terms and in a timely manner, or at all, to obtain, maintain or update the permits and licenses we may need to operate and expand our business from time to time and as required by the supervisory authorities. If we do not receive or maintain the approvals, or we inadvertently conclude that such approvals are not required, or applicable laws, regulations, or interpretations change such that we are required to obtain approval in the future, we may be subject to administrative penalties by relevant PRC regulators with measures including fines, and in very extreme cases, confiscation of the gains derived from the operations, being required to discontinue or restrict our operation and being placed in the credit blacklist made by the PRC regulator, and our business, operating results and financial condition could be materially adversely affected.

Restrictions on Foreign Exchange and the Ability to Transfer Cash between Entities, Across Borders and to U.S. Investors

In the future, Agora, Inc.’s ability to pay dividends, if any, to its shareholders and ADS holders and to service any debt it may incur will depend upon dividends paid by our PRC subsidiaries. Under PRC laws and regulations, our PRC subsidiaries are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets offshore to Agora, Inc. In particular, under the current effective PRC laws and regulations, dividends may be paid only out of distributable profits. Distributable profits are the net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves required to be made. Each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. As a result, our PRC subsidiaries may not have sufficient distributable profits to pay dividends to us in the near future.

Furthermore, if certain procedural requirements are satisfied, the payment of current account items, including profit distributions and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from State Administration of Foreign Exchange, or the SAFE, or its local branches. However, where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies, approval from or registration with competent government authorities or its authorized banks is required. The PRC government may

take measures at its discretion from time to time to restrict access to foreign currencies for current account or capital account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our offshore intermediary holding companies or ultimate parent company, and therefore, our shareholders or investors in our ADSs. Further, we cannot assure you that new regulations or policies will not be promulgated in the future, which may further restrict the remittance of RMB into or out of the PRC. We cannot assure you, in light of the restrictions in place, or any amendment to be made from time to time, that our current or future PRC subsidiaries will be able to satisfy their respective payment obligations that are denominated in foreign currencies, including the remittance of dividends outside of the PRC. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to Agora, Inc. In addition, our PRC subsidiaries are required to make appropriations to certain statutory reserve funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies.

For PRC and United States federal income tax consideration of an investment in the ADSs, see “Item 10. Additional Information—E. Taxation.”

Implication of the Holding Foreign Companies Accountable Act

According to the Holding Foreign Companies Accountable Act, or the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for two consecutive years, the SEC shall prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued the HFCAA Determination Report, according to which our auditors are subject to the determinations (the “2021 Determinations”). Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. On December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations completely of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong in 2022. The PCAOB vacated its previous 2021 Determinations accordingly.

However, whether the PCAOB will continue to conduct inspections and investigations completely to its satisfaction of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor’s, control, including positions taken by authorities of the PRC. If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in mainland China and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a “Commission-Identified Issuer” under the HFCAA following the filing of the annual report for the relevant fiscal year, and if we were so identified for two consecutive years, trading in our securities in the U.S. on a national securities exchange or in the over-the-counter market would be prohibited.

For details, see “—D. Risk Factors—Risks Relating to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections” and “—D. Risk Factors—Risks Relating to Doing Business in China—Our ADSs will be prohibited from trading in the United States under the HFCAA if the PCAOB is unable to inspect or fully investigate auditors located in China for two consecutive years.”

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

We face various legal and operational risks and uncertainties as a company operating in various jurisdictions. We are subject to various risks both in our home markets, the United States and China, and in international markets outside our home markets. See “—Risks Related to Our Business and Industry—We are subject to a variety of uncertainties, costs and risks associated with our business operation in global markets outside the United States and China” and “—Risks Related to Our Business and Industry—Our business is subject to a variety of laws and regulations in the jurisdictions where we operate, including those regarding privacy, cybersecurity and data protection, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure of our platform to comply with or enable our customers to comply with applicable laws and regulations could harm our business, operating results and financial condition” as well as the risks included elsewhere in this annual

report.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

Risks Related to Our Business and Industry

- We operate in a rapidly evolving market. If we cannot adapt and respond effectively to the evolving demands of this market, our revenues may decline, or fail to grow, and we may incur operating losses. For details, please see page 10.
- Our operating results and growth prospects depend on acquiring and retaining customers and increasing usage of our products. For details, please see page 10 and 11.
- The market in which we participate is competitive, and if we do not compete effectively, our business, operating results and financial condition could be harmed. For details, please see page 11.
- If our products do not achieve sufficient market acceptance, our financial results and competitive position will suffer. For details, please see pages 11.
- We may not successfully achieve expected growth. For details, please see page 11 and 12.
- Our limited operating history and our history of operating and net losses make it difficult to evaluate our current business and prospects and may increase the risks associated with your investment. For details, please see page 12.
- Our operating results may fluctuate from time to time. For details, please see page 12.
- We receive a portion of our revenues from a limited number of customers, and the loss of, or a significant reduction in usage by, one or more of our major customers would result in lower revenues and could harm our business. For details, please see pages 12.
- We may have insufficient transmission bandwidth and co-location space, which could result in disruptions to our product and loss of revenues. For details, please see pages 12 and 13.
- We are subject to a variety of uncertainties, costs and risks associated with our business operation in global markets outside the United States and China. For details, please see pages 13 and 14.
- If we are unable to maintain and enhance our brand and increase market awareness of our company and products, our business, operating results and financial condition may be adversely affected. For details, please see pages 14.

Risks Related to Our Corporate Structure

- Our former contractual arrangements in relation to the Former VIE may be subject to scrutiny by the PRC tax authorities, and they may determine that we or the Former VIE owe additional taxes, which could negatively affect our financial condition and the value of your investment. For details, please see page 25.

Risks Related to Doing Business in China

- Changes in the political and economic policies of the PRC government could adversely affect our business, results of operations and financial condition. The laws and regulations in China may be revised or updated from time to time, which could result in a material adverse change in our operations and the value of our ADSs. For details, please see page 26.
- Changes to laws and regulations in the PRC could adversely affect our business, results of operations and financial condition and our investors could be affected as a result. For details, please see page 26.
- We may be adversely affected by the complexity, uncertainties and changes in PRC laws, rules and regulations, particularly of internet businesses. For details, please see page 26.
- We may be required to obtain and maintain permits and licenses to operate our business in China. For details, please see page 26 and 27.

- The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections. For details, please see page 27.
- Our ADSs will be prohibited from trading in the United States under the HFCAA if the PCAOB is unable to inspect or fully investigate auditors located in China for two consecutive years. For details, please see page 27 and 28.
- PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners, our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries or limit our PRC subsidiaries' ability to increase their registered capital or distribute profits. For details, please see page 28.

Risks Related to the ADSs

- The trading price of our ADSs has been and is likely continue to be volatile, which could result in substantial losses to investors holders of our ADSs. For details, please see page 31 and 32.
- Techniques employed by short sellers may drive down the market price of our ADSs. For details, please see page 32.
- Our dual-class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial. For details, please see page 32 and 33.
- We are a “controlled company” as defined under the Nasdaq Stock Market corporate governance rules. As a result, we are qualified for, and rely on, exemptions from certain corporate governance requirements that would otherwise provide protection to shareholders of other companies. For details, please see page 33.
- We may fail to meet our publicly announced guidance or other expectations about our business, which could cause our stock price to decline. For details, please see page 33.
- If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline. For details, please see page 33.
- Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs. For details, please see page 34.

Risks Related to Our Business and Industry

We operate in a rapidly evolving market. If we cannot adapt and respond effectively to the evolving demands of this market, our revenues may decline, or fail to grow, and we may incur operating losses.

The RTE-PaaS market in which we operate is rapidly evolving, particularly with the emergence of conversational AI. This market for RTE-PaaS is subject to rapid technological changes, evolving industry standards, regulations and customer needs, requirements and preferences. For example, the rapid evolution of conversational AI could significantly impact the RTE-PaaS market. Although the proliferation of conversational AI use cases, such as AI companions and tutors, expands the demand for real-time engagement, it also creates new challenges in latency and interruption handling that could render our existing technologies obsolete if we fail to adapt. The success of our business will depend, in part, on our ability to adapt and respond to these changes on an effective and timely basis. If we fail to develop new products that satisfy customers and end users and provide enhancements and new features for existing products that keep pace with rapid technological and industry change, our business, results of operations and financial condition could be adversely affected. In addition, if new technologies emerge that are able to deliver competitive products and services at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely impact our ability to compete effectively.

Our products need to be compatible with a variety of network, hardware, mobile and software platforms and technologies, and thus we need to continuously modify and enhance our products to adapt to changes and innovation in these technologies. If customers or their end users adopt new software platforms or infrastructure, we may be required to develop new versions of our products to work with those new platforms or infrastructure. This development effort may require significant resources, which would adversely affect our business, operating results and financial condition. Any failure to operate effectively with evolving or new platforms and technologies could reduce the demand for our other products. If we are unable to respond to these changes in a cost-effective manner, our products may become less marketable and less competitive or obsolete, and our business, operation results and financial condition could be adversely affected.

Prospective customers may be reluctant or unwilling to use our products for a number of reasons, including concerns about costs,

uncertainty regarding the reliability and security of cloud-based offerings, lack of awareness of the benefits of our products, or that they have invested substantial personnel and financial resources in developing internal solutions. Our ability to expand sales depends on several factors that are out of our control, including but not limited to market awareness and acceptance, competition, end-user demand for applications with RTE features launched by our customers, technological challenges and developments. If the RTE-PaaS market or demand for our products does not grow or even decreases, our business, results of operations and financial condition would be adversely affected.

Our operating results and growth prospects depend on acquiring and retaining customers and increasing usage of our products.

To successfully grow our business, we must continue to attract new customers in a cost-effective manner. We use a variety of marketing channels to promote our products, such as developer conferences and events. In 2023, 2024 and 2025, our sales and marketing expenses were US\$34.0 million, US\$27.2 million and US\$26.4 million, respectively. If the costs of the marketing channels we use increase dramatically, we may choose to use alternative and less expensive channels, which may not be as effective as current ones. Alternatively, we may adopt or expand usage of more expensive channels, which could adversely affect our margins, profitability and financial condition. We invest in marketing before being able to assess whether they improve brand awareness, customer acquisition or increase revenues in a cost-effective manner or at all. If our marketing programs are ineffective or inefficient, our business, operating results and growth prospects would be adversely affected.

Our success also depends on retaining customers and increasing their usage of our products over time. We generate revenues from customers' usage of our products integrated into their applications. Increasing usage of our products over time will require customers to develop new use cases and those use cases to mature. The majority of our customers do not have long-term contractual commitments to us and may reduce or terminate their use of our products at any time without penalty or termination charges. End users' demand for our customers' applications that integrate our products are driven by many factors out of our or our customers' control, making customers' usage of our products difficult to predict. Furthermore, if a significant number of customers reduce or cease their usage of our products, we may incur greater sales and marketing expenses than expected to maintain or increase revenues from other customers, which may impact our profitability. If usage levels fail to meet our expectations, our business, operating results and growth prospects would be adversely affected.

The market in which we participate is competitive, and if we do not compete effectively, our business, operating results and financial condition could be harmed.

The global market for RTE-PaaS is rapidly evolving. Currently, our competitors mainly include (i) pure-play RTE- PaaS providers, (ii) cloud communication platforms, and (iii) public cloud providers. While pure-play providers, such as us, focus on technical optimization and flexibility, cloud communications platforms and public cloud providers may leverage their broader product offerings, established customer bases and infrastructure capabilities to expand their presence in the RTE-PaaS market. In particular, there is a trend for certain cloud communications platforms and public cloud service providers to integrate RTE-PaaS functionalities into their broader service offerings. These providers may bundle RTE-PaaS services with other cloud or communication products, offer more competitive pricing or provide integrated solutions across multiple services, which may make their offerings more attractive to customers. As a result, they may be able to capture additional market share and increase competitive pressure on pure-play RTE-PaaS providers. We also compete with in-house solutions developed by our customers or third parties. To succeed, we must continue to demonstrate the performance, reliability and cost-effectiveness of our products.

In addition, certain of our competitors have greater financial resources, brand recognition and customer reach than we do, and may be able to respond more effectively to changes in technology and customer demand. If we are unable to compete effectively against such competitors, or if we fail to differentiate our products and services, our market share, pricing and profitability may be adversely affected.

If our products do not achieve sufficient market acceptance, our financial results and competitive position will suffer.

To meet our customers' rapidly evolving demands, we invest substantial resources in research and development to incorporate additional functionalities, improve our technology capabilities and expand the use cases that our products empower. In 2023, 2024 and 2025, our research and development expenses were US\$77.7 million, US\$80.3 million and US\$55.5 million, respectively. If we are unable to develop products internally due to inadequate research and development resources, we may not be able to address our customers' needs in a timely manner, or at all. In addition, if we seek to enhance our research and development capabilities or the breadth of our products through acquisitions, such acquisitions could be expensive and we may not successfully integrate acquired technologies or businesses into our business. When we develop or acquire new or enhanced products, we typically incur expenses and expend resources upfront to develop, market, promote and sell the new offerings. Therefore, new or enhanced products we develop, acquire or introduce need to achieve high market acceptance to justify the upfront investment.

Our new products or enhancements and changes to our existing products could fail to attain sufficient market acceptance for many reasons, including:

- failure to accurately predict and meet market demand by launching products or functionalities desired by customers;

- defects, errors, or failures in our products and solutions;
- negative publicity about our platform’s performance or effectiveness;
- developments in the legal or regulatory landscape that could adversely affect our products, such as increased legal or regulatory scrutiny;
- emergence of competitors whose products and technologies achieve earlier or wider market acceptance than us;
- delays in releasing enhancements to our platform to the market, or failure to achieve adequate market acceptance for our products and its enhancements; and
- introduction or anticipated introduction of competing products by our competitors.

It is important that we maintain and increase the acceptance of our products among developers. We rely on developers to choose our products over other options they may have, and to continue to use and promote our products as they move between companies. These developers often make design decisions and influence the product and vendor processes within our customers. If we fail to gain or maintain their acceptance of our products, our business would be harmed.

We may not successfully achieve expected growth.

Our future success largely depends on our ability to develop and expand our RTE-PaaS business. In 2023, 2024 and 2025, we recorded total revenues of US\$141.5 million, US\$133.3 million and US\$141.1 million, respectively. Despite we have recorded revenues growth in recent periods, we cannot assure you that we will achieve similar growth rates for our RTE-PaaS business in the future. Our ability to forecast our future operating results is limited and subject to a number of uncertainties. In particular, we cannot accurately predict customers’ usage of our products given the diversity of our customer base and the end users across industries, geographies, use cases and other factors. In the future, our profitability may be lower than it would be if our strategy were to maximize short-term profitability and we may operate at a loss. We intend to continue to invest significantly in sales and marketing efforts and in growing our products and expanding our research and development and portfolio of products, which may not ultimately grow our business or cause long-term profitability.

Our limited operating history and our history of operating and net losses make it difficult to evaluate our current business and prospects and may increase the risks associated with your investment.

We were founded in 2013 and our limited operating history makes it difficult to evaluate our current business and our future prospects. We have encountered and will continue to encounter risks and difficulties as a rapidly growing company in a constantly evolving industry. If we do not address these risks successfully, our business may be harmed.

We recorded net losses from 2019 to 2023, and our revenue increased continuously from 2018 to 2021, followed by an overall decreasing trend from 2021 to 2023, primarily attributable to (i) the COVID-19 pandemic, which drove increased demand for real-time engagement use cases such as remote work, online education and virtual social interactions, followed by a decline in certain use cases after the easing of the pandemic, and (ii) regulatory measures introduced by the PRC government in 2021 to reduce the academic burden on students in K-12 education, which led to a decrease in demand from the K-12 online education sector. In 2023, 2024 and 2025, we recorded loss from operations of US\$87.3 million, US\$53.3 million and US\$9.4 million, respectively, and net loss of US\$87.2 million and US\$42.7 million in 2023 and 2024, respectively. We will need to generate and sustain increased revenue levels and manage costs in future periods in order to remain profitable. We intend to continue to expend significant funds to support further growth and further develop our products, including expanding research and development workforce to develop our conversational AI products and solutions and enhance the quality of experience of our core video and audio engagement products, growing our developer community and enhancing our developer experience and increasing our marketing activities, and growing our global operations. We will also face increased compliance costs associated with growth, expansion of our customer base and being a public company. Our efforts to grow our business may cost more than we expect, and we may not be able to increase our revenues to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this annual report, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, our business may be harmed.

Our operating results may fluctuate from time to time.

Our operating results have fluctuated and will continue to vary in the future as a result of a variety of factors, many of which are out of our control. For example, our revenue model is based in large part on end user adoption and usage of our customers’ applications, which can constrain our ability to forecast revenues. In addition, our financial performance is affected by changes in product mix and business decisions. Variations in the contribution of different products, use cases and customer segments may affect our revenue growth and margins. For example, our revenue decline in 2024 was primarily attributable to our decision to cease the sale

of a low-margin product. Our operating results are also impacted by our cost structure and continued investments in research and development and business expansion. A significant portion of our costs is relatively fixed in the short term, and we may not be able to adjust our cost base in a timely manner in response to revenue fluctuations. Our performance may also be affected by macroeconomic, regulatory and industry developments. Historically, factors such as changes in demand following the COVID-19 pandemic and regulatory measures affecting the K-12 education sector in China have impacted our results.

The occurrence of one or more of the foregoing factors may cause our operating results to vary significantly. For example, a significant percentage of our operating expenses is fixed in nature and is based on forecasted revenue trends. Accordingly, in the event of a revenue shortfall, we may not be able to mitigate the negative impact on profitability in the short term.

We receive a portion of our revenues from a limited number of customers, and the loss of, or a significant reduction in usage by, one or more of our major customers would result in lower revenues and could harm our business.

Our future success is dependent on establishing and maintaining successful relationships with a diverse set of customers. We currently receive a substantial portion of our revenues from a limited number of customers. In 2023, 2024 and 2025, our top ten customers (after aggregating customers with multiple accounts) accounted for approximately 24.1%, 23.1% and 23.7% of our revenues, respectively. Going forward, it is likely that we will continue to be dependent upon a limited number of customers for a portion of our revenues for the foreseeable future and, in some cases, the portion of our revenues attributable to individual customers may increase. The loss of one or more key customers or a reduction in usage by any major customers would reduce our revenues. If we fail to maintain existing customers or develop relationships with new customers, our business would be harmed.

We may have insufficient transmission bandwidth and co-location space, which could result in disruptions to our product and loss of revenues.

Our operations are dependent in part upon transmission bandwidth provided by third-party network or cloud providers and leasing co- location facilities for our servers and equipment. Among them, our major suppliers are primarily providers of bandwidth and co-location services.

The bandwidth we have contracted to purchase may become unavailable for a variety of reasons, including service outages, payment disputes, suspension or termination of the network providers' business, natural disasters, pandemics, networks imposing traffic limits, or governments adopting regulations that impact network operations. We also may be unable to move quickly enough to augment capacity to reflect growing traffic or security demands. Failure to put in place the capacity we require could result in a reduction in, or disruption of, services to our customers, or require us to issue credits and ultimately a loss of those customers. Such a failure could result in our inability to acquire new customers demanding capacity not available on our platform. If we are unable to provide sufficient bandwidth, we may also become contractually obligated to provide affected customers with service credits under service level commitments in our customer agreements.

We are subject to a variety of uncertainties, costs and risks associated with our business operation in global markets outside the United States and China.

In addition to our home markets, the United States and China, we also have operations and employees located in other global markets such as Southeast Asia, India, Japan and Europe. We are continuing to adapt to and develop strategies to address the global markets but there is no guarantee that such efforts will have the desired effect.

Going forward, we expect that our global activities will continue to grow over the foreseeable future, as we continue to pursue opportunities in existing and new markets, which will require significant management attention and financial resources worldwide. In connection with such expansion, we may face difficulties including costs associated with varying seasonality patterns, potential adverse movement of currency exchange rates, longer payment cycle, difficulties in collecting accounts receivable in some countries, tariffs and trade barriers, a variety of regulatory or contractual limitations on our ability to operate, adverse tax events, reduced protection of intellectual property rights in some countries, political risks and a geographically and culturally diverse workforce and customer base. Failure to overcome any of these difficulties could harm our business.

In addition, we will face risks in doing business globally that could adversely affect our business, including:

- the difficulty of managing and staffing global operations and the increased operations, travel, infrastructure and legal compliance costs associated with numerous global locations;
- challenges to our corporate culture resulting from a dispersed workforce;
- our ability to effectively price our products in competitive international markets;
- new and different sources of competition;

- our ability to comply with the applicable laws and regulations in different jurisdictions;
- the need to adapt and localize our products for specific countries;
- the need to offer customer support in various languages;
- difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions;
- difficulties with differing technical and environmental standards, privacy, cybersecurity, data protection and telecommunications regulations and certification requirements outside our home markets, the United States and China, which could prevent customers from deploying our products or limit their usage;
- compliance with various export controls, economic sanctions and various anti-bribery and anti-corruption laws in other jurisdictions;
- tariffs and other non-tariff trade barriers, such as quotas and local content rules;
- more limited protection for intellectual property rights in some countries;
- adverse tax consequences;
- fluctuations in currency exchange rates, which could increase the price of our products in certain markets, increase the expenses of our global operations and expose us to foreign currency exchange rate risk or the cost and risk of hedging transaction if we choose to enter into such transactions in the future;
- currency control regulations or restrictions on the transfer of funds;
- deterioration of relations among China, the United States and other countries;
- exposure to uncertain political and economic environment that causes instability for businesses and volatility in global financial markets; and
- political or social unrest or economic instability in a specific country or region in which we operate, which could have an adverse impact on our operations in that location.

We may face an adverse impact on our global operations and further harm our business, operating results and financial condition if our efforts to manage any of these risks are not successful. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another. As our global operations continue to evolve, we cannot assure you that we are able to fully comply with the legal requirements of each foreign jurisdiction and successfully adapt our business models to local market conditions. Due to the complexity involved in our international business expansion, we cannot assure you that we are or will be in compliance with all local laws.

If we are unable to maintain and enhance our brand and increase market awareness of our company and products, our business, operating results and financial condition may be adversely affected.

We must maintain and enhance the “Agora” and “Shengwang” brand identity and increase market awareness of RTE-PaaS solutions generally and our products particularly to be successful. Our efforts to achieve widespread acceptance of our products, attract and retain customers and increase usage of our products depend on our marketing efforts, RTE-PaaS market thought leadership and ability to successfully differentiate our products from alternatives. These efforts require substantial expenditures, and we anticipate that they will increase as our market becomes more competitive and as we expand into new markets. These investments in brand promotion and thought leadership may not yield increased revenues. To the extent they do, the resulting revenues still may not be enough to offset the increased expenses we incur.

Failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products.

Historically, we relied on the adoption of our products by developers through our self-service model as well as more targeted sales efforts. Our ability to further increase our customer base and achieve broader market acceptance of our products will significantly depend on our ability to expand our sales and marketing operations. We plan to continue expanding our sales force and network. We also plan to dedicate significant resources to sales and marketing programs. All of these efforts will require us to invest significant financial and other resources, and our business may be harmed if they fail to attract additional customers.

As we increase our target sales efforts to larger organizations, we expect to incur higher costs and longer sales cycles. The

decision to adopt our products by such customers may require the approval of multiple technical and business decision makers, including security, compliance, procurement, operations and IT. In addition, while certain customers may quickly deploy our products on a limited basis before they commit to deploying our products at scale, they often require extensive education and customer support, engage in protracted pricing negotiations and seek dedicated product development resources. In addition, sales cycles for efforts targeted at larger organizations are inherently more complex and less predictable than the sales through our self-service model, and some customers may not use our products enough to generate revenues that offset the cost of customer acquisition. In addition, complex and resource-intensive sales efforts could place additional strain on our product and engineering resources.

We believe that there is significant competition for sales personnel, including sales representatives, sales managers, and sales engineers, with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and may take significant time before they achieve full productivity. Our new hires may not become productive as quickly as we expect, if at all, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, particularly if we continue to grow rapidly, new members of our sales force will have relatively little experience working with us, our products, and our business model. If we are unable to hire and train sufficient numbers of effective sales personnel, our sales personnel do not reach significant levels of productivity in a timely manner, or our sales personnel are not successful in acquiring new customers or expanding usage by existing customers, our business will be harmed.

We provide service or experience level commitments under our customer agreements. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, or face contract termination with refunds of prepaid amounts, which could harm our business.

Most of our customer agreements contain service level commitments. In 2020, we launched our first ever experience level agreement to selected customers, which contains our guarantees on certain performance metrics, such as successful log-on rate, jitter rate and latency. If we are unable to meet the stated service level commitments, including failure to meet the uptime and other requirements under our customer agreements, we may be contractually obligated to provide the affected customers with service credits which could significantly affect revenues in the periods in which the uptime or delivery failure occurs and the credits are applied. We could also face customer terminations, which could significantly affect both our current and future revenues. Any service or experience level failures could harm our business.

We have incurred and may continue to incur substantial share-based compensation expenses.

To attract and retain personnel, provide additional incentives to employees and Directors, and promote the success of our business, our board of directors approved and adopted the 2014 Plan, the Global Plan and ESPP on August 8, 2014, June 15, 2020 and June 15, 2020, respectively. For details of the principal terms of and the outstanding options under the Share Incentive Plans, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Equity Incentive Plans.” In 2023, 2024 and 2025, our share-based compensation expenses amounted to US\$24.6 million, US\$22.7 million and US\$5.6 million, respectively. In the future, if additional share incentives are granted to our employees, directors or consultants, we will incur additional share-based compensation expenses and our results of operations will be further adversely affected.

Any failure to offer high-quality customer support may adversely affect our relationships with our customers and prospective customers, and adversely affect our business, operating results and financial condition.

Our sales are highly dependent on our business reputation and on positive recommendations from developers. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could adversely affect our reputation, business, operating results and financial condition.

Many of our large customers depend on our customer support team to assist them in deploying our products effectively by helping them resolve post-deployment issues quickly and providing ongoing support. If we do not invest sufficient resources or are otherwise unsuccessful in assisting our customers effectively, it could adversely affect our ability to retain existing customers and could prevent prospective customers from adopting our products. We may be unable to respond quickly enough to accommodate short-term increases in demand for customer support. We also may be unable to modify the nature, scope and delivery of our customer support to compete with changes in the support services provided by our competitors. Increased demand for customer support without corresponding revenues could increase costs and adversely affect our business, operating results and financial condition.

We may be subject to credit risks on our accounts receivable.

Our accounts receivable primarily derive from our sales to customers. As of December 31, 2023, 2024 and 2025, we recorded accounts receivable, net of allowance for current expected credit loss, of US\$34.7 million, US\$31.0 million and US\$24.9 million, respectively. We may not be able to collect all such accounts receivable due to a variety of factors that are beyond our control. For example, if any of our customers experiences financial difficulties in settling the accounts receivable, our corresponding trade receivables recoverability might be adversely affected. We may be subject to credit risks on our accounts and other receivables if the

actual recoverability of trade and other receivables is lower than the expected level, which could adversely affect our cash flow and ability to meet our working capital requirements, thereby adversely affecting our business, results of operations and financial condition.

We could incur substantial costs in protecting or defending our intellectual property rights, and we may in the future become involved in disputes relating to alleged infringement of others' intellectual property rights. Any failure to protect our intellectual property rights, or alleged infringement of third-party intellectual property rights, could adversely affect our business, operating results and financial condition.

Our success depends, in part, on our ability to protect our brand, trade secrets, trademarks, patents, domain names, copyrights and proprietary methods and technologies, whether registered or not, that we develop under patent and other intellectual property laws of China, the United States and other jurisdictions, so that we can prevent others from using our inventions and proprietary information. We currently rely on patents, trademarks, copyrights and trade secret law to protect our intellectual property rights. However, we cannot assure you that any of our intellectual property rights will not be challenged, invalidated or circumvented, or that our intellectual property will be sufficient to provide us with competitive advantages. Because of the rapid pace of technological change, we cannot assure you that all of our proprietary technologies and similar intellectual property rights can be patented in a timely or cost-effective manner, or at all.

In addition, we may be subject to allegation of infringement of other parties' intellectual proprietary rights, which, whether successful or not, could harm our brand, business, operating results and financial condition. There is considerable patent and other intellectual property development in our industry, and we may be unaware of the intellectual property rights of others that may cover some or all of our technology. Our competitors or other third parties may in the future claim that our products or platform and underlying technology infringe their intellectual property rights, and we may be found to be infringing such rights. Any claims or litigation, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, indemnify our customers or business partners, obtain licenses or modify our products or platform, prevent us from offering our products, develop alternative non-infringing technology or comply with other unfavorable terms, any of which could significantly increase our operating expenses. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business.

We also rely, in part, on confidentiality agreements with our business partners, employees, consultants, advisors, customers and others in our efforts to protect our proprietary technology, processes and methods. These agreements may not effectively prevent disclosure of our confidential information, and it is possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without our having an adequate remedy for unauthorized use or disclosure of our confidential information.

In addition, the intensity of legal protection for intellectual property and other proprietary rights varies from country to country. The intellectual property system in China operates under its specific legal framework and practical requirements for registration, maintenance, and enforcement. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently.

Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in the jurisdictions where our business operates. To the extent we expand our international activities outside of the United States and China, our exposure to unauthorized copying, transfer and use of our proprietary technology or information may increase.

Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. Litigation may be necessary in the future to enforce our intellectual property rights, determine the validity and scope of our proprietary rights or those of others, or defend against claims of infringement or invalidity. Such litigation could be costly, time-consuming and distracting to management, result in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property and have an adverse effect on our business, operating results and financial condition. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringe the counterclaimant's own intellectual property. Any of our patents, trade secrets, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. There can be no assurance that we will prevail in such litigation. In addition, our proprietary methods and technologies that are regarded as trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors and in these cases we would not be able to assert any trade secret rights against those parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions.

There can be no assurance that our particular ways and means of protecting our intellectual property and proprietary rights, including business decisions about when to file patent applications and trademark applications, will be adequate to protect our

business or that our competitors will not independently develop similar technology. We could be required to spend significant resources to monitor and protect our intellectual property rights. If we fail to protect and enforce our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and our business, operating results and financial condition could be adversely affected.

We depend largely on the continued services of our senior management, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and contributions of our senior management to execute on our business plan, develop our products and platform, deliver our products to customers, attract and retain customers and identify and pursue business opportunities. The loss of services of senior management could significantly delay or prevent the achievement of our development and strategic objectives. In particular, we depend to a considerable degree on the vision, skills, experience and effort of our founder and chief executive officer, Mr. Zhao. The replacement of any of our senior management personnel would likely involve significant time and costs, and such loss could significantly delay or prevent the achievement of our business objectives. The loss of the services of any of our senior management for any reason could adversely affect our business, operating results and financial condition.

If we are unable to hire, retain and motivate qualified personnel, our business will suffer.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. We believe that there is, and will continue to be, intense competition for highly skilled management, technical, sales and other personnel with experience in our industry in the cities where our headquarters are located. We must provide competitive compensation packages and a high-quality work environment to hire, retain and motivate employees. If we are unable to retain and motivate our existing employees and attract qualified personnel to fill important positions, we may be unable to manage our business effectively, including the development, marketing and sale of our products, which could adversely affect our business, operating results and financial condition. Our research and development team includes outsourced personnel from third-party human resources companies. If any of the outsourced personnel fails to follow the instructions, policies and business guidelines formulated by the human resources companies in accordance with our requirements, our research and development efforts might be adversely affected. To the extent we hire personnel from competitors, we also may be subject to allegations that they have been improperly solicited or divulged proprietary or other confidential information.

We may pursue acquisitions or investments, which involve valuation risks, integration risks and the risk that we may not realize the anticipated benefits, synergies, cost savings or efficiencies, and such transactions may adversely affect our business, operating results and financial condition.

We may in the future evaluate and consider strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products and other assets. Such transactions involve inherent uncertainties and may result in unforeseen operating difficulties, expenditures and risks. In particular, we may face challenges in integrating the acquired businesses, technologies, products, personnel, operations and brands with our existing business. We may also encounter difficulties in retaining key employees, integrating different product offerings and business models, maintaining customer relationships, and aligning the acquired business with our strategic priorities.

In addition, acquisitions and investments involve valuation risks. The valuations of acquired businesses are typically based on assumptions relating to future revenue growth, profitability, customer retention, market conditions and expected synergies, cost savings or operational efficiencies. These assumptions may prove to be inaccurate, particularly if the acquired business operates in a different segment, serves a different customer base or has more limited synergies with our existing business than initially expected. If the acquired business does not perform as expected, or if market conditions or our business strategy change, we may not be able to realize the anticipated benefits, synergies, cost savings or efficiencies from such acquisition or investment. For example, we acquired Easemob in 2021 to complement our core real-time engagement offerings. While its instant messaging business aligned with our PaaS model, its customer engagement cloud business, had limited synergies with our existing portfolio. We subsequently disposed of such business in early 2023 and recognized a full impairment of goodwill of US\$31.9 million in 2023. We may not be able to realize the anticipated benefits, synergies or efficiencies from our acquisitions, and that changes in market conditions, business strategy or integration outcomes may result in impairment losses.

Acquisitions and investments may also divert management attention, disrupt our existing operations, require significant resources and expose us to unknown liabilities. They may result in the use of substantial cash, the incurrence of debt, potentially dilutive issuances of equity securities, goodwill impairment charges or amortization expenses for other intangible assets. Any of the foregoing could adversely affect our business, results of operations and financial condition.

Seasonality may cause fluctuations in our sales and operating results.

We have seen moderate seasonality in some use cases such as social, entertainment and education. We have experienced lower revenues in the first quarter as end users reduce online activities due to the Chinese Spring Festival and have experienced higher revenues in the fourth quarter as it is the peak season for delivery of real-time engagement on-premise solutions. The growth in our business has offset this seasonal trend to some extent, but its impact on revenues may be more pronounced in future periods.

Defects or errors in our products could diminish demand for our products, harm our business and operating results and subject us to liability.

Our customers use our products for important aspects of their businesses, and any errors, defects or disruptions to our products and any other performance problems with our products could damage our customers' businesses and, in turn, hurt our brand and reputation. We provide regular updates to our products, which have in the past contained, and may in the future contain, undetected errors, failures, vulnerabilities and bugs when first introduced or released. Real or perceived errors, failures or bugs in our products could result in negative publicity, loss of or delay in market acceptance of our platform, loss of competitive position, lower customer retention or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to help correct the problem. In addition, we have very limited insurance coverage for our operations in the PRC, the United States and other jurisdictions to compensate us for any losses that may result from claims arising from defects or disruptions in our products. As a result, our reputation and our brand could be harmed, and our business, operating results and financial condition may be adversely affected.

Breaches of networks or systems of our suppliers, could degrade our ability to conduct our business, compromise the integrity of our products, platform and data, result in significant data losses and leakage and the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data.

We depend on our IT systems to conduct virtually all of our business operations, ranging from our internal operations and research and development activities to our marketing and sales efforts and communications with our customers, service providers and business partners. Any data security incidents of our suppliers, including virus or similar breach or disruption of our service providers could result in loss of confidential information, damage to our reputation, loss of customers, litigation, regulatory investigations, fines, penalties and other liabilities. Accordingly, if cybersecurity measures of our service providers fail to protect against unauthorized access, attacks (which may include sophisticated cyberattacks), compromise or the mishandling of data by service providers and business partners, our reputation, business, operating results and financial condition could be adversely affected.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with customers and other third parties typically include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons or other liabilities relating to or arising from our products or platform or other acts or omissions. The term of these contractual provisions often survives termination or expiration of the applicable agreement. Large indemnity payments or damage claims from contractual breach could harm our business, operating results and financial condition. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers, thus demand for our products, and adversely affect our business, operating results and financial condition.

Our use of open-source software could negatively affect our ability to sell our products and subject us to possible litigation.

Our products incorporate open-source software, and we expect to continue to incorporate open-source software in our products in the future. Few of the licenses applicable to open-source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we cannot be certain that we have not incorporated open-source software in our products in a manner that is inconsistent with such policies. When we utilize open source software in our products in certain ways, the applicable open source licenses may subject us and our customers to certain requirements, including requirements that we and our customers offer the products that incorporate the open source software for no cost, make available source code for modifications or derivative works that are based on, incorporate or use the open source software, and license such modifications or derivative works under the terms of applicable open source licenses.

In some cases, open-source software is also offered under commercial terms which do not include such requirements and obligations, in exchange for the payment of fees to be negotiated with the author or licensors. If it were determined that we had not complied with the conditions of one or more of these open source licenses, or if we are unable to successfully negotiate an acceptable commercial license, we and our customers could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined or otherwise prohibited from distributing our products that contained the open-source software, and be required to comply with onerous conditions or restrictions on these products. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our respective products, and to re-engineer our products or platforms or discontinue offering our products in the event re-engineering cannot be accomplished in a timely manner. Any of the foregoing could require us and our customers to devote additional research and development resources to re-engineer our products or platforms, harm our reputation, or result in customer dissatisfaction, and may adversely affect our business, operating results and financial condition.

Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our products, and could adversely affect our business, operating results and financial condition.

The future success of our business depends on the continued use of the internet as a primary medium for commerce, communications and business applications, as well as continued growth in online real-time engagement. The U.S. federal and various state governments, the PRC government as well as foreign governments have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium.

Almost all access to the internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the MIIT. In addition, the national networks in China are connected to the internet through state-owned international gateways, which are the only channels through which a domestic user can connect to the internet outside of China. We may face similar or other limitations in other countries in which we operate. We may not have access to alternative networks in the event of disruptions, failures or other problems with the internet infrastructure in China or elsewhere. In addition, the internet infrastructure in the countries in which we operate may not support the demands associated with continued growth in internet usage.

The regulatory and market environment related to the industries in which our customers operate may have an adverse effect on our customers and therefore negatively impact our business.

Our business may be negatively impacted by adverse regulatory or market changes in our customers' industries. For example, in 2021, the Chinese government enhanced regulatory oversight over after-school tutoring services which negatively affected certain of our customers and investment in the education sector. This regulatory development had a relatively adverse impact on our business, operating results and financial condition, as we used to provide video, voice and streaming services to support interactive online classes.

Changes in these laws or regulations could require us to modify our platform and products in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or result in reductions in the demand for internet-based products and services such as our products and platform. In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool has been adversely affected by "viruses," "worms," and similar malicious programs. If the use of the internet is reduced as a result of these or other issues, then demand for our products could decline, which could adversely affect our business, operating results and financial condition.

We face certain risks relating to the real properties that we lease.

As of the date of this annual report, we lease certain of our office spaces from third parties for our operations in the United States and China. Any limitations on the leased properties, or lessors' title to such properties, may impact our use of the offices, or in extreme cases, result in relocation, which may in turn adversely affect our business operations.

As of the date of this annual report, we are not aware of any actions or claims raised by any third parties challenging our use of these properties we currently lease. Despite that, if any third parties who purport to be property owners or mortgagees challenge our right to use the leased properties, it could result in a diversion of management attention and cause us to incur costs associated with defending such actions or claims.

Our business is subject to a variety of laws and regulations in the jurisdictions where we operate, including those regarding privacy, cybersecurity and data protection, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure of our platform to comply with or enable our customers to comply with applicable laws and regulations could harm our business, operating results and financial condition.

We and our customers that use our products may be subject to privacy, cybersecurity and data protection-related laws and regulations that impose obligations in connection with the collection, processing and use of personal data, financial data, health or other similar data and general cybersecurity. The U.S. federal and various state governments as well as the PRC government and governments in other countries have adopted or proposed limitations on, or requirements regarding, the collection, distribution, use, security and storage of information, including personally identifiable information of individuals. In the United States, the U.S. Federal Trade Commission and numerous state attorneys general are applying federal and state consumer protection laws to impose standards on the online collection, use and dissemination of data, and to the security measures applied to such data. Also, the U.S. Congress enacted the Export Controls Act of 2018, or ECA, with the principal purpose to enhance protection of U.S. technology resources by imposing greater restrictions on the transfer to non-U.S. individuals and companies, particularly through exports to China, of certain key foundational and emerging technologies and cybersecurity considered critical to U.S. national security. The ECA has broadened the scope of U.S. export controls policy to protect a wider range of national security interests, including telecommunications technology, against perceived challenges presented by the PRC. The U.S. government may require us to assist in its investigations

related to U.S. national security by providing requested information. In the PRC, there are certain laws and regulations specifically regulating the collection, use, sharing, transferring abroad and storage of personal data and other types of data, which are applicable to both us and our customers. These laws and regulations also require network operators, which may include us, to ensure the security and stability of the services provided via network as well as the security of the data processed by us, and to provide assistance and support in accordance with the law for public security and national security authorities to protect national security or assist with criminal investigations.

In addition, many other countries and governmental bodies, including the EU member states, have laws and regulations concerning the collection and use of personal data obtained from individuals located in the EU or by businesses operating within their jurisdiction, which are often more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of personal data that identifies or may be used to identify an individual, such as names, telephone numbers, email addresses and, in certain circumstances, IP addresses and other online identifiers.

For example, the EU adopted the General Data Protection Regulation, or the GDPR, which took full effect on May 25, 2018. The GDPR enhances data protection obligations for businesses and requires service providers (data processors) processing personal data on behalf of customers to cooperate with European data protection authorities, implement security measures and keep records of personal data processing activities. The UK has adopted legislation substantially implementing the GDPR, the UK General Data Protection Regulation and the UK Data Protection Act 2018, which we collectively refer to as the UK GDPR. Noncompliance with the GDPR can trigger fines equal to or greater of €20 million or 4% of global annual revenues, and the UK GDPR provides for fines for noncompliance of up to the greater of £17.5 million and 4% of total annual revenues. Given the breadth and depth of its obligations, working to meet the requirements of the GDPR has required significant time and resources, including a review of our technology and systems currently in use against the requirements of the GDPR, and similar expenditures of time and resources are required in the case of the UK GDPR. There are also additional EU laws and regulations (and member states implementations thereof), and laws and regulations in the UK, which govern the protection of consumers and of electronic communications. We have taken measures to address certain obligations under the GDPR and UK GDPR and to make us compliant with those regimes, but we may be required to take additional steps in order to comply with them. If our efforts to comply with GDPR, the UK GDPR, or other applicable EU or UK laws and regulations are not successful, we may be subject to penalties and fines that would adversely impact our business and operating results, and our ability to conduct business in the EU and UK could be significantly impaired.

Outside of the EU, we continue to see increased regulation of privacy cybersecurity and data protection, including the adoption of more strict laws with more stringent subject matter specific state laws in the United States and with a broader scope in the PRC. For example, in 2018, California enacted the California Consumer Privacy Act, or the CCPA, which took effect on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Additionally, a new privacy law, the California Privacy Rights Act, or CPRA, was approved by California voters in the November 3, 2020 election. The CPRA took effect on January 1, 2023 and significantly modify the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Aspects of the CCPA, the CPRA, and their interpretation remain uncertain. The CCPA, CPRA, and similar laws may increase our compliance costs and potential liability, and we may be required to modify our practices and take additional steps in an effort to comply with them. Some observers have noted that the CCPA and CPRA could mark the beginning of a trend toward more stringent state privacy legislation in the United States, which could increase our potential liability and adversely affect our business. For example, on March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act, or CDPA, a comprehensive privacy statute that shares similarities with the CCPA, CPRA and legislation proposed in other states. The CDPA became effective on January 1, 2023 and requires us to incur additional costs and expenses in an effort to comply with it. Broad federal privacy legislation also has been proposed in the United States. Recent and new state and federal legislation relating to privacy may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment in resources to compliance programs, could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

On January 2, 2013, the Personal Data Protection Act 2012, or the PDPA, was adopted (as amended from time to time) in Singapore to govern the collection, use and disclosure of personal data. The PDPA requires an organization to honor certain data rights of an individual in Singapore regarding personal data in the possession or under the control of the organization, and imposes additional privacy and security obligations on such organization when collecting, using, or disclosing personal data.

In recent years, the PRC government has increasingly tightened the regulation of privacy, cybersecurity and data protection. The laws, regulations and governmental policies in the PRC for privacy, cybersecurity and data protection are constantly evolving. For example, the Standing Committee of the National People's Congress, or the SCNPC, promulgated the PRC Cybersecurity Law in 2016, which took effect in 2017, and had been further amended in 2025. The PRC Cybersecurity Law requires network operators, which may include us, to perform certain obligations related to cybersecurity and personal information protection. On June 10, 2021, the SCNPC promulgated the PRC Data Security Law, which took effect in September 2021. The PRC Data Security Law, among other things, introduces a data classification and hierarchical protection system and provides for a security review procedure for the data activities that may affect national security. On August 20, 2021, the SCNPC adopted the PRC Personal Information Protection

Law, which became effective on November 1, 2021. The PRC Personal Information Protection Law provides the legal conditions that a personal information handler shall meet when processing personal information and the requirements on transparency, data minimization, and security protection. The PRC Personal Information Protection Law also grants a series of rights on personal information protection to individuals and requires personal information handlers to take measures to respond to individuals' requests for exercising these rights. On September 24, 2024, the State Council of the PRC promulgated the Regulation on Network Data Security Management, which took effect on January 1, 2025. The regulation specifies several key obligations, under the PRC Cybersecurity Law, the PRC Data Security Law, and the PRC Personal Information Protection Law, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. In addition, these laws and regulations require, among others, that where a data handler intends to transfer the personal information or important data outside of the PRC, certain specified criteria shall be satisfied, such as a completed official security assessment carried out by the PRC government authorities. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Cybersecurity and Data Security." If we are not able to comply with the privacy, cybersecurity and data protection requirements under these PRC laws and regulations in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, among other sanctions, which could materially and adversely affect our business and results of operations.

Furthermore, on December 28, 2021, the CAC, together with 12 other government authorities, jointly issued the revised Measures for Cybersecurity Review, or the Revised Review Measures, which became effective on February 15, 2022. Pursuant to the Revised Review Measures, if a "network platform operator" holding personal information of more than one million users intends to list abroad, it must apply for a cybersecurity review. In addition, relevant PRC regulatory authorities are authorized to initiate cybersecurity review if they determine certain network products, services or data processing activities affect or may affect national security. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulation on Cybersecurity and Data Security." As of the date of this annual report, we have not received any notice from the CAC of any anticipating formal investigations on cybersecurity review on such basis. If we were subject to a cybersecurity review, we may incur significant costs and face challenges, both in the review process and in making enhancements to our cybersecurity measures that may be required.

We also continue to see jurisdictions imposing data localization laws, which require personal information, or certain subcategories of personal information to be stored in the jurisdiction of origin. These regulations may inhibit our ability to expand into those markets or prohibit us from continuing to offer services in those markets without significant additional costs.

The uncertainty and changes in the requirements of multiple jurisdictions may increase the cost of compliance, delay or reduce demand for our services, restrict our ability to offer services in certain locations, impact our customers' ability to deploy our solutions in certain jurisdictions, or subject us to claims and litigation from private actors and investigations, proceedings, and sanctions by data protection regulators, all of which could harm our business, financial condition and operating results. Additionally, although we endeavor to have our products comply with applicable laws and regulations, these and other obligations may be modified, they may be interpreted and applied in an inconsistent manner from one jurisdiction to another, and they may conflict with one another, other regulatory requirements, contractual commitments or our practices. We also may be bound by contractual obligations relating to our collection, use and disclosure of personal, financial and other data or may find it necessary or desirable to join industry or other self-regulatory bodies or other privacy, cybersecurity or data protection-related organizations that require compliance with their rules pertaining to privacy and data protection.

We expect that there will continue to be new proposed laws, rules of self-regulatory bodies, regulations and industry standards concerning privacy, data protection and information security in the United States, the PRC, the EU and other jurisdictions, and we cannot yet determine the impact such future laws, rules, regulations and standards may have on our business. Moreover, existing PRC, U.S. federal and various state and foreign privacy, cybersecurity and data protection-related laws and regulations are evolving and subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current or enact new laws and regulations regarding privacy, cybersecurity and data protection-related matters. Because global laws, regulations and industry standards concerning privacy, cybersecurity and data protection have continued to develop and evolve rapidly, it is possible that we or our products may not be, or may not have been, compliant with each such applicable law, regulation and industry standard and compliance with such new laws or to changes to existing laws may impact our business and practices, require us to expend significant resources to adapt to these changes, or to stop offering our products in certain countries. These developments could adversely affect our business, operating results and financial condition.

Further, in many cases we rely on the data processing, privacy, data protection and cybersecurity practices of our suppliers and contractors, including with regard to maintaining the confidentiality, security and integrity of data. If we fail to manage our suppliers or contractors or their relevant practices, or if our suppliers or contractors fail to meet any requirements with regard to data processing, privacy, data protection or cybersecurity required by applicable legal or contractual obligations that we face (including any applicable requirements of our clients), we may be liable in certain cases. Legal obligations such as the GDPR, CCPA, CPRA, CDPA, the Health Insurance Portability and Accountability Act, or HIPAA, and other laws and regulations relating to privacy, cybersecurity and data protection may require us to manage our suppliers and their practices and to enter into agreements with them in certain cases. We may face difficulties in binding our suppliers and contractors to these agreements and otherwise managing their relevant practices, which may subject us to claims, proceedings and liabilities.

Any failure or perceived failure by us to comply with new or existing U.S., PRC, Singapore, EU, UK, or other foreign privacy, cybersecurity or data protection laws, regulations, policies, industry standards or legal obligations, any failure to bind our suppliers

and contractors to appropriate agreements or to manage their practices or any systems failure or security incident that results in the unauthorized access to, or acquisition, release or transfer of, personally identifiable information or other data relating to customers or individuals may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, fines and penalties, adverse publicity or potential loss of business.

Certain of our products are subject to telecommunications-related regulations, and future legislative or regulatory actions could adversely affect our business, operating results and financial condition.

As a provider of products used in communications applications, we may be indirectly or directly subject to existing or potential Federal Communications Commission, or FCC, regulations relating to the Twenty-First Century Communications and Video Accessibility Act, Telecommunications Relay Service fund contributions and other requirements. These laws require providers of certain advanced communications services to make those services accessible to parties with disabilities, including the hardware or software applications they provide, and to keep records of their compliance obligations. These laws may also require service providers to pay certain fees to support FCC accessibility initiatives. If requirements under these laws were imposed on us indirectly by our customers or directly upon us by the FCC, we would be subject to certain product design, record keeping or fee contribution obligations. FCC classification of our internet voice communications products as telecommunications services could result in additional federal and state regulatory obligations. If we do not comply with FCC rules and regulations, we could be subject to FCC enforcement actions, fines, and possibly restrictions on our ability to operate or offer certain of our products. Any enforcement action by the FCC, which may be a public process, could hurt our reputation in the industry, possibly impair our ability to sell our products to customers and could adversely affect our business, operating results and financial condition.

We may also be subject to a number of rules and regulations in China that apply to internet businesses. See “—Risks Related to Doing Business in China—We may be adversely affected by the complexity, uncertainties and changes in PRC laws, rules and regulations, particularly of internet businesses.” As we continue to expand internationally, we may become subject to telecommunications laws and regulations in the foreign countries where we offer our products. Internationally, we currently offer our products in more than 150 countries and regions.

Our global operations are subject to country-specific governmental regulations and related actions that may continue to increase our costs or impact our products or prevent us from offering or providing our products in certain countries. Certain of our products may be used by customers located in countries where voice and other forms of IP communications may be illegal or require special licensing or in countries on a U.S. embargo list. Even where our products are reportedly illegal or become illegal or where users are located in an embargoed country, users in those countries may be able to continue to use our products in those countries notwithstanding the illegality or embargo. We may be subject to penalties or governmental action if end users continue to use our customers’ products in countries where it is illegal to do so, and any such penalties or governmental action may be costly and may harm our business and damage our brand and reputation. We may be required to incur additional expenses to meet applicable international regulatory requirements or be required to discontinue those services if required by law or if we cannot or will not meet those requirements.

We may be subject to governmental export controls and economic sanctions regulations that could impair our ability to compete in the international market due to licensing requirements and could subject us to liability if we are not in compliance with applicable laws.

Certain of our products and services may be subject to export control and economic sanctions regulations, including but not limited to the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Controls. In addition, we might become the target of new sanction programs, export or import controls, or other international trade controls in the future due to the rapid development and frequent expansion of such sanctions programs and export or import controls. Exports of our products and the provision of our services must be made in compliance with these laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export privileges, fines which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, for a particular deployment may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. In addition, changes in our products or services, or changes in applicable export or economic sanctions regulations may create delays in the introduction and deployment of our products and services in international markets, or, in some cases, prevent the export of our products or provision of our services to certain countries or customers. Any change in export or economic sanctions regulations, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could also result in decreased use of our products and services, or in our decreased ability to export our products or provide our services to existing or prospective customers with global operations. Any decreased use of our products and services or limitation on our ability to export our products and provide our services could adversely affect our business, operating results and financial condition.

Further, we incorporate encryption technology into certain of our products. Various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our customers’ ability to import our products into those countries. Encryption products and the underlying technology may also be

subject to export control restrictions. Governmental regulation of encryption technology and regulation of exports of encryption products, or our failure to obtain required approval for our products, when applicable, could harm our international sales and adversely affect our revenues. Compliance with applicable regulatory requirements regarding the export of our products and provision of our services, including with respect to new releases of our products and services, may create delays in the introduction of our products and services in international markets, prevent our customers with international operations from deploying our products and using our services throughout their globally-distributed systems or, in some cases, prevent the export of our products or provision of our services to some countries altogether.

Our business activities are subject to the FCPA and similar anti-bribery and anti-corruption laws, and any allegation or determination that we have violated these laws could have a material adverse effect on our business or our reputation.

Our business activities are subject to the Foreign Corrupt Practices Act of 1977, or the FCPA and similar anti-bribery or anti-corruption laws, regulations or rules of the countries in which we operate. These laws generally prohibit companies and their employees and third party business partners, representatives and agents from engaging in corruption and bribery, including offering, promising, giving, or authorizing the provision of anything of value, either directly or indirectly, to a government official or commercial party in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. We are also subject to the Chinese anti-corruption and anti-unfair competition laws, which strictly prohibits commercial bribery and bribes to government officials. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

Our operations are dependent in part upon transmission bandwidth provided by third-party network providers and access to co-location facilities to house our servers, which in some countries may be state-owned, and some of our customers may also be state-owned, in each case exposing us to potential risks. As we continue our international expansion, we may face further challenges related to compliance with global anti-corruption laws. In addition to our own employees, we use third parties to assist us in the process of obtaining government licenses and approvals, including patent and trademark rights. We and our third-party business partners, representatives and agents may have direct or indirect interactions with officials and employees of government agencies, or state-owned or affiliated entities, and we may be held liable for inaccurate or incomplete accounting records, internal accounting controls deemed inadequate by applicable regulatory authorities and corrupt or other illegal activities of our employees, affiliates, third-party business partners, representatives and agents, even if we do not explicitly authorize such activities.

There can be no assurance that our employees or the employees of our third-party business partners, representatives and agents will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, debarment from U.S. government contracts, substantial diversion of management's attention, significant legal fees and fines, severe criminal or civil sanctions against us, our officers, or our employees, disgorgement, and other sanctions and remedial measures, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, financial condition.

The current tensions in international trade and rising political tensions may adversely impact our business, financial condition, and results of operations.

As a company primarily operating in both China and the United States and seeking to expand globally, we may be exposed to risks arising from geopolitical tensions and international trade disputes. These tensions may lead to financial market volatility, currency fluctuations, disruptions in cross-border trade, and increased procurement costs. In extreme cases, such conflicts could result in economic downturns that materially and adversely impact our operations. If any new legislation and/or regulations are implemented, or existing trade agreements are renegotiated, such changes could have an adverse effect on the business, financial condition and results of operations of us, our customers and our business partners.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment (“Outbound Investment Rule”), effective on January 2, 2025, which imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as “Covered Foreign Persons,” that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as “covered transactions.” If we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital and our stock price may be negatively affected.

We may have additional tax liabilities, which could harm our business, operating results and financial condition.

We are subject to income taxes and other taxes in the United States, the PRC and other foreign jurisdictions. Significant judgments and estimates are required in determining our provision for income taxes and other tax liabilities. Our tax expense may be impacted, for example, if tax laws change or are clarified or if tax authorities successfully challenge the tax positions that we take,

such as, for example, positions relating to the arm's-length pricing standards for our intercompany transactions and our state sales and use tax positions. In determining the adequacy of income taxes, we assess the likelihood of adverse outcomes if our tax positions were challenged by the Internal Revenue Service, or IRS, the State Taxation Administration, or STA, and other tax authorities. Should the IRS, the STA or other tax authorities assess additional taxes as a result of audits or examinations, we may be required to record charges to operations that could adversely affect our business, operating results and financial condition.

Our global operations and structure subject us to potentially adverse tax consequences.

We generally conduct our global operations through subsidiaries and report our taxable income in various jurisdictions worldwide based on our business operations in those jurisdictions. In particular, our intercompany relationships are subject to complex transfer pricing regulations administered by tax authorities in various jurisdictions. Also, our tax expense depends on the applicability of withholding and other taxes, including withholding and indirect taxes on software licenses and related intercompany transactions, under the tax laws of certain jurisdictions in which we have business operations. The relevant revenue and tax authorities may disagree with positions we have taken generally, or our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties, which could result in additional tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. The tax laws of certain countries in which we do business could also change on a prospective or retroactive basis, and any such changes could increase our liabilities for taxes, interest and penalties, and therefore could harm our business, cash flows, operating results and financial position.

We have limited insurance to cover potential losses and claims arising from certain events.

We maintain standard insurance for our employees, including pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, medical insurance and housing funds as required by the laws and regulations of China and mandatory insurances as required by other jurisdictions in which we operate. We also purchase other supplemental commercial medical insurance and accident insurance for our employees. Our insurance coverage is provided by reputable companies in accordance with commercially reasonable standards. We have limited business interruption insurance, key-person insurance or insurance covering potential liabilities. We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by the laws and regulations of all jurisdictions in which we operate business, and we also are in accordance with the commercial practices in our industry. However, our insurance policies are subject to standard deductibles, exclusions and limitations. There is no assurance that the insurance policies we maintain are sufficient to prevent us from incurring any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies or the compensated amount is significantly less than our actual loss, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Negative publicity about us, our services, operations and our management may adversely affect our reputation and business.

We may, from time to time, receive negative publicity, including negative internet and blog postings about our company, our business, our management or our services. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. We may even be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to defend ourselves against such third-party conduct, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Our brand and reputation may be materially and adversely affected as a result of any negative publicity, which in turn may cause us to lose market share, customers and other third parties with which we conduct business.

We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business and may require additional funds. In particular, we may seek additional funds to develop new products and enhance our platform and existing products, expand our operations, including our sales and marketing organizations and our presence outside of our home markets, improve our infrastructure or acquire complementary businesses, technologies, services, products and other assets. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to holders of our Class A and Class B Ordinary Shares. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop product enhancements and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

We face exposure to foreign currency exchange rate fluctuations, and such fluctuations could adversely affect our business, operating results and financial condition.

We have operations primarily in the United States and China but sell to customers worldwide. As we continue to expand our

international operations, we will become increasingly exposed to the effects of fluctuations in currency exchange rates. Although the majority of our cash generated from revenues is denominated in U.S. dollars and Renminbi, a small amount is denominated in other currencies, and our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations. Because we conduct business in currencies other than U.S. dollars but report our operating results in U.S. dollars, we also face translation exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could materially impact our operating results. We do not currently maintain a program to hedge exposures to foreign currencies.

The value of the Renminbi against the U.S. dollar and other currencies has in the past fluctuated significantly, and may in the future continue to do so, affected by, among other things, changes in political and economic conditions and the foreign exchange policies adopted by applicable authorities. With the development of the foreign exchange market and progress towards Renminbi internationalization, we cannot assure you that the exchange rate between the Renminbi and the U.S. dollar will not fluctuate significantly in the future.

We may rely on dividends paid by our PRC subsidiaries. Any significant fluctuation of Renminbi against the U.S. dollar could adversely affect our business, operating results and financial condition, and the value of any dividends payable in U.S. dollars. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

Under current U.S. federal income tax law, U.S. federal net operating loss carryforwards (“NOLs”) that our U.S. subsidiaries generated in tax years through December 31, 2017, may be carried forward for 20 years and may fully offset taxable income in the year utilized, while U.S. federal NOLs generated in tax years after December 31, 2017, may be carried forward indefinitely but may only be used to offset 80% of taxable income annually. Furthermore, our U.S. subsidiaries’ ability to use their federal NOLs is conditioned on their maintaining profitability in the future and generating U.S. federal taxable income. Since we do not know whether or when our U.S. subsidiaries will generate the U.S. federal taxable income necessary to use the remaining NOLs, the NOLs generated prior to December 31, 2017 could expire unused. Other limitations may apply to state NOLs under state law, including California.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change federal NOLs and other tax attributes (such as tax credits) to offset its post-change taxable income and taxes may be limited. In general, an “ownership change” occurs if there is a greater than 50 percentage point change (by value) in a corporation’s equity ownership by certain stockholders over a rolling three-year period. If any of our U.S. subsidiaries was to experience ownership changes in the future, such U.S. subsidiary’s ability to use pre-change federal NOLs and other tax attributes to offset future taxable income and taxes could be subject to limitations. Similar provisions of state tax law may also apply. For these reasons, even if our U.S. subsidiaries achieve profitability, they may be unable to use a material portion of their NOLs and other tax attributes, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

If we do not appropriately maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, we may be unable to accurately report our financial results and the market price of our ADSs may be adversely affected.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing and corporate governance standards of the Nasdaq. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. Commencing with our fiscal year ended December 31, 2021, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Form 20-F filing, as required by Section 404 of the Sarbanes-Oxley Act. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of the company’s internal control over financial reporting.

Our management and independent registered public accounting firm have concluded that our internal control over financial reporting as of December 31, 2025 was effective.

In the future, our management may conclude that our internal control over financial reporting is not effective. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will be required to include in our periodic reports that will be filed with the SEC. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered

public accounting firm, after conducting its own independent testing, may issue a report with adverse opinion if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or tested, or if it interprets the relevant requirements differently from us. Our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

If we fail to implement and maintain an effective internal control environment, we could suffer material misstatements in our consolidated financial statements and fail to meet our reporting obligations, and investors will likely lose confidence in the accuracy and completeness of our financial reports, the market price of the ADSs could decline, and we could be subject to sanctions or investigations by the Nasdaq, the SEC or other regulatory authorities. Failure to maintain an effective control systems required of public companies could also restrict our future access to the capital markets. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions.

Our business is subject to the risks of earthquakes, fire, floods, pandemics and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, computer viruses, data security breaches or terrorism.

A significant natural disaster, such as an earthquake, fire, flood or pandemic, occurring at one of our headquarters, at one of our other facilities or where a business partner is located could adversely affect our business, operating results and financial condition. Further, if a natural disaster or man-made problem were to affect our service providers, this could adversely affect the ability of our customers to use our products. In addition, natural disasters and acts of terrorism could cause disruptions in our or our customers' businesses, national economies or the world economy as a whole. We also rely on our network and third-party infrastructure and enterprise applications and internal technology systems for our engineering, sales and marketing, and operating activities. We may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, operating results and financial condition.

In addition, computer malware, viruses and computer hacking, fraudulent use attempts and phishing attacks have become more prevalent in our industry, have occurred on our platform and have impacted some of our services providers in the past and may occur on our platform in the future. Any failure to maintain performance, reliability, security, integrity and availability of our products and technical infrastructure, including third-party infrastructure and services upon which we rely, may give rise to litigation, consumer protection actions, or harm to our reputation, and as a result, may hinder our ability to retain existing customers and attract new customers.

Legal or administrative proceedings or allegations of impropriety against us or our management could have a material adverse impact on our business, operating results and financial condition.

We and members of our management may be subject to allegations, lawsuits or legal or administrative proceedings brought by our competitors, individuals, government and regulatory authorities or other persons in the future. Our management may hold positions or directorships in other companies, which may expose them to potential litigation risks. Any such lawsuit, allegation or proceeding, with or without merit, or any perceived unfair, unethical, fraudulent or inappropriate business practice by us or perceived wrong-doing by any key member of our management team could harm our reputation and cause our user base to decline and distract our management from day-to-day operations of our company. We cannot assure you that we or key members of our management team will not be subject to lawsuits, allegations or proceedings of a similar nature in the future. There can be no assurance that our employment practices will at all times be in full compliance, which may subject us to labor disputes or other legal or administrative proceedings.

Where we can make a reasonable estimate of the liability relating to pending litigation and determine that an adverse liability resulting from such litigation is probable, we will record a related contingent liability. In 2023, 2024 and 2025, we did not record any contingent liabilities relating to pending litigation. However, when we record or revise our estimates of contingent liabilities in the future, the amount of our estimates may be inaccurate due to the inherent uncertainties relating to litigation. In addition, the outcomes of actions we institute against third parties may not be successful or favorable to us. Litigation and allegations against us or any of our management members, irrespective of their veracity, may also generate negative publicity that significantly harms our reputation, which may materially and adversely affect our user base and our ability to attract content providers and advertising customers. In addition to the related cost, managing and defending litigation and related indemnity obligations can significantly divert our management's and the board of directors' attention from operating our business. We may also need to pay additional compensation or damages, or settle the litigation with a substantial amount of cash. All of these could have a material adverse impact on our business, operating results and financial condition.

The estimates of market opportunity, forecasts of market growth included in this annual report may prove to be inaccurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

Market opportunity estimates and growth forecasts included in this annual report are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable

companies or end users covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenues for us. Even if the market in which we compete meets the size estimates and growth forecasted in this annual report, our business could fail to grow for a variety of reasons, including reasons out of our control, such as competition in our industry.

Risks Related to Our Corporate Structure

Our former contractual arrangements in relation to the Former VIE may be subject to scrutiny by the PRC tax authorities, and they may determine that we or the Former VIE owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Historically, we entered into a series of contractual arrangements with the Former VIE and its shareholders that gave us the ability to direct the Former VIE's key activities, receive substantially all of its economic benefits, and (when and to the extent permitted by PRC laws) purchase all or part of its equity interests. Under this structure, the Former VIE held our key operating licenses, provided services to our customers, and entered into contracts with our suppliers in China. To reduce structural complexity and regulatory uncertainty, in January 2025, we terminated these contractual arrangements with the Former VIE and began conducting our business in China through our PRC subsidiaries.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year in which the transactions occurred. We could face material adverse tax consequences if the PRC tax authorities determine that the historical Former VIE contractual arrangements were not entered into on an arm's-length basis, resulting in an impermissible reduction in taxes under applicable PRC laws, rules, and regulations, and adjust the income of the Former VIE, if any, through a transfer pricing adjustment. Such an adjustment could, among other things, reduce the Former VIE's expense deductions for PRC tax purposes—thereby increasing its tax liabilities—without reducing our PRC subsidiaries' tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on the Former VIE for the adjusted but unpaid taxes under applicable regulations. Our financial position could be adversely affected if the Former VIE's tax liabilities increase or if it is required to pay late payment fees and other penalties.

Risks Related to Doing Business in China

Changes in the political and economic policies of the PRC government could adversely affect our business, results of operations and financial condition. The laws and regulations in China may be revised or updated from time to time, which could result in a material adverse change in our operations and the value of our ADSs.

A substantial part of our operations is conducted in the PRC and a significant portion of our revenues is sourced from the PRC. Accordingly, our business, results of operations and financial condition are affected to a significant extent by economic, political and legal developments in the PRC.

The PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises macroeconomic control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past four decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our business, operating results and financial condition could be materially and adversely affected by government regulation over capital investments or changes in tax regulations that are applicable to us. In addition, the PRC government has implemented certain measures to control the pace of economic growth. These measures may be conducive to China's overall economy, but they could have an adverse impact on the industry in which we operate and our subsequent business activities, and cause the value of our securities to significantly decline or become worthless.

Changes to laws and regulations in the PRC could adversely affect our business, results of operations and financial condition and our investors could be affected as a result.

The Chinese government stringently regulates the internet sector, imposing access, investment restrictions, and licensing requirements. Our industry is subject to ongoing regulatory development and supervision under laws and regulations. We must comply with all applicable laws and regulations, including the recently amended Law on Preservation of State Secrets, and meet the compliance requirements set by relevant authorities concerning content management. Regarding the application and interpretation of laws, we must continually monitor regulatory developments and judicial practices, and assess their potential impact on our business accordingly. This makes it challenging to predict how actions or omissions could lead to liabilities within the heavily regulated Chinese internet industry.

The rise in internet and online service usage may lead to new laws covering areas like privacy, cybersecurity, and product quality. Compliance with these regulations could affect demand and operating costs. Uncertainties stemming from existing laws,

government positions, and potential new regulations pose challenges for foreign investments and internet businesses in China, impacting our operations.

We may be adversely affected by the complexity and changes in PRC laws and regulations, particularly of internet businesses.

The PRC government has significant oversight and discretion over the conduct of our business in China and may intervene with or influence our operations in China as the government deems appropriate to further regulatory, political and societal goals. We cannot rule out the possibility that it will in the future further release regulations or policies regarding the internet industry that could further adversely affect our business in China, financial condition and results of operations.

Furthermore, the PRC government has also indicated an intent to implement more regulation over securities offerings and other capital markets activities that are conducted overseas and foreign investment in China-based companies. PRC regulatory authorities published regulations and guidance, such as the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines published by the CSRC on February 17, 2023 and the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises released by the PRC regulatory authorities, to implement more regulation over securities offerings and other capital markets activities that are conducted overseas and foreign investment in China-based companies. We cannot assure you that we will be able to comply with these laws and regulations in all respects, and we may be ordered to rectify, suspend or terminate any actions or services that are deemed illegal by the regulatory authorities and become subject to material penalties, which may materially harm our business, financial condition, results of operations and prospects, as well as the value of our Shares.

We may be required to obtain and maintain permits and licenses to operate our business in China.

Our business activities mainly include offering real-time engagement products that enable interactions through audio, video or message within mobile applications, which may be regarded as value-added telecommunications services under the Catalog of Telecommunications Business, or the Catalog. Considering the products we offer and the way our services are provided to our customers, we were of the view that our business activities did not clearly fit into any current category under the Catalog, and there was no specific license that was expressly and completely applicable to our business under the Catalog. However, the RTE-PaaS industry is still at a nascent stage of development and the laws and regulations regarding licenses for value-added telecommunication services in the PRC are continuously evolving.

According to our verbal consultations with MIIT conducted on January 19, 2022 through official consultation channel, our business activities of provision of real-time engagement platforms may be regarded as domestic multiparty communication services, a kind of value added telecommunications services and thus, we may be required to obtain the a value-added telecommunication business operation license with service scope for provision of domestic multi-party communication services, or the DMPC license. Though Shanghai Shengwang has already obtained the DMPC license with national coverage on August 8, 2024 to minimize the risk arising from the PRC regulator's different interpretation and enforcement on relevant laws, rules and regulations, it is possible that the businesses described in the Catalog, along with other relevant rules and regulatory requirements for the licenses, may further be interpreted and applied in a manner that is inconsistent with our understanding above, which means that we may be required by the PRC regulators to update our existing licenses or to obtain additional licenses under the current Catalog, or under future laws, rules and regulations applicable to our business as promulgated and amended from time to time.

We will continuously assess the need to obtain and renew permits and licenses to operate our business, closely consult the supervisory authority having jurisdiction over us, and follow their guidance in a timely manner to ensure we run our business legally. However, we may fail, on acceptable terms and in a timely manner, or at all, to obtain, maintain or update the permits and licenses we may need to operate and expand our business from time to time and as required by the supervisory authorities. Business operations without proper permits and licenses may subject us to administrative penalties by relevant PRC regulators with measures including fines, and in very extreme cases, confiscation of the gains derived from the operations, being required to discontinue or restrict our operation and being placed in the credit blacklist made by the PRC regulator, and our business, operating results and financial condition could be materially adversely affected.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in mainland China and Hong Kong in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside

of mainland China and Hong Kong that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms headquartered in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, we and investors in our ADSs would again be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements. Additionally, the delisting of the ADSs, or the threat of their being delisted, may nevertheless materially and adversely affect the value of your investment. If this happens there is no certainty that we will be able to list our ordinary shares on a non-U.S. exchange or that a market for our ordinary shares will develop outside of the United States.

Our ADSs will be prohibited from trading in the United States under the HFCAA if the PCAOB is unable to inspect or fully investigate auditors located in China for two consecutive years.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we do not believe we are at risk of having our securities subject to a trading prohibition under the HFCAA unless a new determination is made by the PCAOB.

However, the PCAOB will determine annually whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. Such a delisting would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners, or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries or limit our PRC subsidiaries' ability to increase their registered capital or distribute profits.

Pursuant to Circular of the SAFE on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, PRC residents are required to register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." Pursuant to SAFE Circular 37, "control" refers to the act through which a PRC resident obtains the right to carry out business operation of, to gain proceeds from or to make decisions on a special purpose vehicle by means of, among others, shareholding entrustment arrangement. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as change of shareholders of the special purpose vehicle, increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment released on February 13, 2015 by the SAFE and amended on December 30, 2019, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015. See also "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Overseas Listing."

Mr. Zhao completed the initial SAFE registration pursuant to SAFE Circular 37 in 2014. We have notified substantial beneficial owners of ordinary shares who we know are PRC residents of their filing obligation, including the obligation to complete the SAFE

registration and to make updates under SAFE Circular 37. Nevertheless, we may not be continuously aware of the identities of all of our beneficial owners who are PRC residents. We do not have control over our beneficial owners and there can be no assurance that all of our PRC-resident beneficial owners will comply with SAFE Circular 37 and subsequent implementation rules, and there is no assurance that the registration under SAFE Circular 37 and any amendment will be completed in a timely manner, or will be completed at all. The failure of our beneficial owners who are PRC residents to register or amend their foreign exchange registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners, our PRC subsidiaries to fines and legal sanctions. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to our company. These risks could adversely affect our business, operating results and financial condition.

There may exist uncertainties with respect to effecting service of legal process, enforcing foreign judgments or bringing actions in the PRC against us or our management based on foreign laws.

We are an exempted company with limited liability incorporated under the laws of the Cayman Islands, we conduct a majority of our operations in China, and we have significant assets located in the PRC. In addition, most of our senior executive officers reside within the PRC for a significant portion of the time and the majority of them are PRC nationals. In addition, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Even if you are successful in bringing an action of this kind, you may face uncertainties with respect to the enforcement of judgments rendered under the laws of the Cayman Islands and the PRC against our assets or the assets of our Directors and officers.

We may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements. Any limitation on the ability of our PRC operating subsidiaries to make payments to us could adversely affect our ability to conduct our business.

We are a holding company and may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries and on remittances from our PRC subsidiaries for our offshore cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, fund inter-company loans, service any debt we may incur outside of China and pay our expenses. When our PRC subsidiaries incur additional debt, the instruments governing the debt may restrict their ability to pay dividends, make loans or make other distributions or remittances to us. Furthermore, the laws, rules and regulations applicable to our PRC subsidiaries permit payments of dividends only out of its retained earnings, if any, determined in accordance with applicable accounting standards and regulations.

Under PRC laws, rules and regulations, our PRC subsidiaries are required to set aside at least 10% of their net income each year to fund certain statutory reserves until the cumulative amount of such reserves reaches 50% of their registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. As a result of these laws, rules and regulations, our PRC subsidiaries are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends, loans or advances. In addition, registered share capital and capital reserve accounts are also restricted from withdrawal in the PRC, up to the amount of net assets held in each operating subsidiary.

Limitations on the ability of our PRC subsidiaries to pay dividends to us could limit our ability to access cash generated by the operations of those entities, including making investments or acquisitions that could be beneficial to our businesses, paying dividends to our shareholders or otherwise funding and conducting our business.

The discontinuation of the preferential tax treatment available to us in China could adversely affect our business, operating results and financial condition.

Under PRC tax laws and regulations, some of our PRC subsidiaries currently benefit from a number of preferential tax treatments. For example, Shanghai Shengwang enjoy a reduced enterprise tax rate of 15%, because they are qualified as the "high and new technology enterprises strongly supported by the state," or HNTEs, under the modified Enterprise Income Tax Law of the PRC, or the EIT Law. Continued qualification as a HNTE is subject to a three-year review by the relevant government authorities in China, and in practice certain local tax authorities also require annual evaluation of the qualification. In addition to the foregoing tax benefit, some of our PRC subsidiaries obtained the certificate of Qualified Software Enterprise and some of our products have obtained software product registration certificates, based on which the relevant PRC subsidiaries enjoy certain preferential enterprise income tax and value-added tax benefits, according to a number of applicable rules in China. In the event the preferential tax treatment for our PRC subsidiaries is discontinued or is not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments, it will become subject to the standard tax rates and policies, including the PRC enterprise income tax rate of 25%. We cannot assure you that the tax authorities will not, in the future, discontinue our preferential tax treatment, potentially with retroactive effect in accordance with the laws and regulations.

We and our non-PRC subsidiaries may be treated as resident enterprises for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income.

Under the modified Enterprise Income Tax Law of the PRC and its implementing rules, enterprises established under the laws of jurisdictions outside of China with “de facto management bodies” located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. Pursuant to the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, there are certain specific criteria for determining whether the “de facto management body” of a Chinese-controlled offshore-incorporated enterprise is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreign enterprises or individuals, the determining criteria set forth in Circular 82 may reflect the STA’s general position on how the “de facto management body” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises or PRC enterprise groups. If we or any of our non-PRC subsidiaries were to be considered a PRC resident enterprise, we or the subsidiary would be subject to PRC enterprise income tax at the rate of 25% on our or the subsidiary’s global income. In such case, our profitability and cash flow may be materially reduced as a result of our global income being taxed under the Enterprise Income Tax Law of the PRC. We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.”

It may be difficult for regulators of other jurisdictions to conduct investigations or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no foreign securities regulator is allowed to directly conduct investigations or evidence collection activities within the PRC territory. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for a foreign securities regulator to directly conduct investigations or evidence collection activities within China may further increase the difficulties you face in protecting your interests. See also “—Risks Related to the ADSs—You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands Act and conduct a significant portion of our business operations in emerging markets.”

Dividends paid to our non-PRC investors and gains on the sale of our ADSs by our non-PRC investors may be subject to PRC tax.

Under the modified Enterprise Income Tax Law of the PRC and its implementation regulations issued by the State Council, a 10% PRC withholding tax is applicable to dividends paid to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. In addition, any gain realized on the transfer of ADSs by such investors is subject to PRC tax at a current rate of 10% if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our ordinary shares, and any gain realized from the transfer of our ADSs, may be treated as income derived from sources within the PRC and as a result may be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to individual investors who are non-PRC residents and any gain realized on the transfer of ADSs by such investors may be subject to PRC tax at a current rate of 20% (which in the case of dividends may be withheld at source). If we are considered a PRC resident enterprise, any PRC tax described above may be reduced under applicable tax treaties or arrangements between jurisdictions. However, it is unclear whether holders of our ADSs would be able to obtain the benefit of income tax treaties or agreements entered into between China and their home jurisdictions. If dividends paid to our non-PRC investors, or gains from the transfer of our ADSs by such investors, are deemed as income derived from sources within the PRC and thus are subject to PRC tax, the value of your investment in our ADSs may decline significantly.

We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a Chinese establishment of a non-PRC company, or immovable properties located in China owned by non-PRC companies.

Pursuant to the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or Bulletin 7, an “indirect transfer” of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to Bulletin 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a “reasonable commercial purpose” of the transaction arrangement, features to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC

taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties located in China or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. Bulletin 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange. On October 17, 2017, the STA promulgated the Announcement on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or STA Circular 37, which amends certain provisions in Bulletin 7.

Due to the uncertainty of the application of Bulletin 7 and STA Circular 37, we face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries or investments. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and may be subject to withholding obligations if our company is transferee in such transactions under Bulletin 7. For transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under Bulletin 7. As a result, we may be required to expend valuable resources to comply with Bulletin 7 and STA Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with Bulletin 7 and STA Circular 37, or to establish that our company should not be taxed under Bulletin 7 and STA Circular 37, which could adversely affect our business, operating results and financial condition.

We are subject to restrictions on currency exchange.

A substantial portion of our revenues are denominated in Renminbi. The Renminbi is currently convertible under the “current account,” which includes dividends, trade and service-related foreign exchange transactions, but not under the “capital account,” which includes foreign direct investment and loans, including loans we may secure from our PRC subsidiaries. Currently, our PRC subsidiaries may purchase foreign currency for settlement of “current account transactions,” including payment of dividends to us, without the approval of the SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, the SAFE and other relevant PRC governmental authorities. Since a significant amount of our future revenues and cash flow will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilize cash generated in Renminbi to fund our business activities outside of the PRC or pay dividends in foreign currencies to our shareholders, and may limit our ability to obtain foreign currency through debt or equity financing for our PRC subsidiaries.

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may affect us in making loans to our PRC subsidiaries, or to make additional capital contributions to our PRC subsidiaries.

We, as an offshore holding company, are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries, which is treated as a foreign-invested enterprise under PRC laws, through loans or capital contributions. However, loans by us to these PRC subsidiaries to finance its activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE and capital contributions to them is subject to the requirement of making necessary filings or registrations through enterprise registration system with relevant governmental authorities in China.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or Circular 19, effective on June 1, 2015 and was amended on December 30, 2019 and on March 23, 2023, in replacement of the Circular of the General Affairs Department of the State Administration of Foreign Exchange on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142, the Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises, or SAFE Circular 88, and the Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Pilot Reform in Some Regions on Administrative Approaches to Settlement of Foreign Exchange Capital of Foreign-invested Enterprise, or Circular 36. According to Circular 19, the flow and use of the Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for the issuance of Renminbi entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although Circular 19 allows Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that Renminbi converted from the foreign currency- denominated capital of a foreign-invested company may not be directly or indirectly used for

purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in the PRC in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or Circular 16, effective on June 9, 2016 and amended on December 4, 2023, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue Renminbi entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and Circular 16 could result in administrative penalties. Circular 19 and Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from the offering, to our PRC subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in the PRC.

In light of the various requirements imposed by PRC regulations on loans to, and direct investment in, PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals in a timely manner, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to use foreign currency, including the proceeds we received from the offering, and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Risks Related to the ADSs

The trading price of our ADSs has been and is likely continue to be volatile, which could result in substantial losses to investors holders of our ADSs.

The trading price of our ADSs has been, and is likely to continue to be, volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our own operations, including but not limited to, the following:

- variations in our revenue, earnings and cash flows;
- regulatory developments affecting us, our customers, or our industry;
- announcements of new products or service offerings and expansions by us or our competitors;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- changes in financial estimates by securities analysts;
- changes in end-user and customer demand as end-users increase and decrease their time online or changes in end-user or customer demand for our products;
- detrimental adverse publicity about us, our products or services or our industry;
- additions or departures of key personnel;
- detrimental negative publicity about us, our management or our industry;
- fluctuations of exchange rates between RMB and U.S. dollar;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- sales of additional ADSs in the public markets or the perception that such sales may occur; and
- actual or potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the trading volume and market price of the ADSs.

The stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of other Chinese companies' securities, including technology companies, may affect the attitudes of investors toward Chinese companies listed in the United States, which

consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. In particular, the global financial crisis, the ensuing economic recessions and deterioration in the credit market in many countries, and the geopolitical tension between the U.S. and China have contributed and may continue to contribute to extreme volatility in the global stock markets. These broad market, industry and geopolitical fluctuations may adversely affect the market price of our ADSs. In addition, a portion of our ADSs may be traded by short sellers, which may further increase the volatility of the trading price of our ADSs. All these fluctuations and incidents may have a material and adverse effect on the trading price of our ADSs. Volatility or a lack of positive performance in our ADS price may also adversely affect our ability to retain key employees, most of whom have been granted options or other equity incentives.

Techniques employed by short sellers may drive down the market price of our ADSs.

Public companies that have significant operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to Shareholder lawsuits and/or enforcement actions by the SEC or other U.S. authorities.

If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. We may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in our ADSs could be greatly reduced or even rendered worthless.

Our dual-class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares (with a third class of undesignated shares). Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to 20 votes per share on all matters subject to vote at our general meetings. Each Class B ordinary share is convertible into one Class A ordinary share at any time by its holder, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. As of March 31, 2026, our chief executive officer beneficially owned all of our issued Class B ordinary shares. These Class B ordinary shares constitute approximately 27.0% of our total outstanding share capital and 86.2% of the aggregate voting power of our total outstanding share capital, due to the disparate voting powers associated with our dual-class share structure. See “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

Upon any sale, transfer, assignment or disposition of any Class B ordinary shares by their holder or a change of ultimate beneficial ownership of any Class B ordinary shares will generally result in the automatic and immediate conversion of such Class B ordinary shares into Class A ordinary shares, except for transfers to certain permitted transferees, which include Agora Partners L.P., an exempted limited partnership to be established in the Cayman Islands (the limited partners of which shall consist primarily of members of management of our company and its affiliates, and which we refer to as the Management Partnership), and affiliates controlled by our chief executive officer, Mr. Zhao. Because of the 20-to-1 voting ratio between our Class B ordinary shares and Class A ordinary shares, Mr. Zhao and any permitted transferees holding Class B ordinary shares, including potentially the Management Partnership, will continue to control a majority of the combined voting power of our ordinary shares and therefore be able to control all matters submitted to our shareholders for approval.

Our board of directors will have the authority without further action by our shareholders to issue additional Class B ordinary shares, which will further dilute the voting power of our Class A ordinary shareholders. As a result of the dual-class share structure and the concentration of ownership, our chief executive officer and any future holder of Class B ordinary shares, including potentially the Management Partnership, will have considerable influence over matters such as mergers, consolidations and the sale of all or substantially all of our assets, election of directors, amendments to organizational documents and other significant corporate actions.

Our chief executive officer and any future holder of Class B ordinary shares, including potentially the Management Partnership, may take actions that are not in the best interest of our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

The voting rights of our chief executive officer and, if Class B ordinary shares are transferred to it, the Management Partnership, will limit your ability to influence corporate matters, including any matters to be determined by our board of directors. The interests

of our chief executive officer and, if Class B ordinary shares are transferred to it, the Management Partnership, may not coincide with your interests, and the Management Partnership may make decisions with which you disagree, including decisions on important topics such as compensation, management succession, acquisition strategy and our business and financial strategy. As of the date of this annual report, the partners of the Management Partnership have not been determined, and in the future the partners may change from time to time. Because the Management Partnership will primarily consist of members of our management team, our chief executive officer, the Management Partnership and any directors the election of which he, or it, controls, may focus on the long-term interests of our customers at the expense of our short-term financial results, which may differ from the expectations and desires of shareholders unaffiliated with our chief executive officer, or if Class B ordinary shares are transferred to it, the Management Partnership. To the extent that these interests differ from your interests, you may be disadvantaged by any action that our chief executive officer or the Management Partnership may seek to pursue.

In addition, our chief executive officer and any future holder of Class B ordinary shares, including potentially the Management Partnership, will continue to be able to control all matters submitted to our shareholders for approval even if their shareholdings represent substantially less than a majority of our issued and outstanding ordinary shares. This concentrated control will limit your ability to influence corporate matters for the foreseeable future, and, as a result, the trading price of our ADSs could be adversely affected.

We are a “controlled company” as defined under the Nasdaq Stock Market corporate governance rules. As a result, we are qualified for, and rely on, exemptions from certain corporate governance requirements that would otherwise provide protection to shareholders of other companies.

We are a “controlled company” as defined under the Nasdaq Stock Market corporate governance rules because Mr. Zhao, our chief executive officer and chairman, owns more than 50% of the aggregate voting power of our issued and outstanding share capital. If Mr. Zhao transfers shares to the Management Partnership, we may remain a controlled company even if Mr. Zhao ceases to be our employee, director or shareholder. For so long as we remain a controlled company, we may rely on certain exemptions from the corporate governance rules, including the rule that we have to establish a nominating and corporate governance committee composed entirely of independent directors. As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. Even if we cease to be a controlled company, we may still rely on exemptions available to foreign private issuers, including being able to adopt home country practices in relation to corporate governance matters. See the sections of this annual report captioned “— We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies” and “—As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance standards; these practices may afford less protection to shareholders than they would enjoy if we comply fully with the Nasdaq Stock Market corporate governance standards.”

We may fail to meet our publicly announced guidance or other expectations about our business, which could cause our stock price to decline.

We may from time to time provide guidance regarding our expected financial and business performance. Correctly identifying key factors affecting business conditions and predicting future events is inherently an uncertain process, and our guidance may not ultimately be accurate in all respects. Our guidance is based on certain assumptions, such as those relating to anticipated usage, price and bandwidth cost. If our guidance varies from actual results, the market value of our ADSs could decline significantly.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline.

The trading market for the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade the ADSs, the market price for the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume of the ADSs to decline.

Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.

Our memorandum and articles of association contains provisions which could limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders and ADS holders of an opportunity to sell their shares or ADSs at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions. Our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the ADSs may fall and the voting and other rights of

the holders of our ordinary shares and ADSs may be materially and adversely affected.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands Act and conduct a significant portion of our business operations in emerging markets.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by, among other things, our memorandum and articles of association, the Companies Act of the Cayman Islands (as Revised), and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands laws are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands laws are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands laws to inspect corporate records (other than the memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders) or obtain copies of the list of shareholders of these companies. Under Cayman Islands laws, the names of our current directors can be obtained from a search conducted at the Registrar of Companies in the Cayman Islands. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. If we choose to follow home country practice, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

In addition, we conduct a significant portion of our business operations in emerging markets, including China. The SEC, U.S. Department of Justice, or the DOJ, and other authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain emerging markets. Additionally, our public shareholders may have limited rights and few practical remedies in emerging markets where we operate, as shareholder claims that are common in the United States, including class action based on securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many emerging markets.

As a result of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors or our controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands exempted company and the majority of our assets are located outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals outside of United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, there are significant legal and other obstacles to obtaining information needed for such actions. See “—Risks Related to Doing Business in China—It may be difficult for regulators of other jurisdictions to conduct investigations or collect evidence within China,” and “—You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands Act and conduct a significant portion of our business operations in emerging markets” for risks associated with investing in us as a Cayman Islands company. Furthermore, the laws of the Cayman Islands and of jurisdictions outside of United States may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct how the Class A ordinary shares which are represented by your ADSs are voted.

Holders of ADSs do not have the same rights as our shareholders. As a holder of the ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings.

You will only be able to exercise the voting rights which are carried by the underlying Class A ordinary shares represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement.

Under the deposit agreement, you may vote only by giving voting instructions to the depository. If we instruct the depository to ask for your instructions, then upon receipt of your voting instructions, the depository will try, as far as is practicable, to vote the underlying Class A ordinary shares which are represented by your ADSs in accordance with your instructions. If we do not instruct the depository to ask for your instructions, the depository may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares represented by your ADSs unless you cancel and withdraw such Class A ordinary shares and become the registered holder of such Class A ordinary shares prior to the record date for the general meeting.

Under our memorandum and articles of association, the minimum notice period required to be given by our company to our shareholders to convene a general meeting is ten calendar days. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the underlying Class A ordinary shares represented by your ADSs and become the registered holder of such Class A ordinary shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying Class A ordinary shares represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depository will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We have agreed to give the depository at least 45 days' prior notice of shareholder meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depository to vote the underlying Class A ordinary shares represented by your ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the underlying Class A ordinary shares represented by your ADSs are voted and you may have no legal remedy if the underlying Class A ordinary shares represented by your ADSs are not voted as you requested.

The depository for the ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not vote, the depository may give us a discretionary proxy to vote the Class A ordinary shares underlying your ADSs at shareholders' meetings if:

- we have timely provided the depository with notice of meeting and related voting materials;
- we have instructed the depository that we wish a discretionary proxy to be given;
- we have informed the depository that there is no substantial opposition as to a matter to be voted on at the meeting; and
- a matter to be voted on at the meeting would not have a material adverse impact on shareholders.

The effect of this discretionary proxy is that if you do not vote at shareholders' meetings, you cannot prevent the Class A ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

You may not receive dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depository of the ADSs has agreed to distribute, subject to the terms of the deposit agreement, the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities underlying the ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent.

However, the depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depository may also determine that it is not feasible to distribute certain property. Additionally, the value of certain distributions may be less than the cost of distribution. In these cases, the depository may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of the ADSs.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

You may be subject to limitations on the transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events, such as a rights offering, or “for record date or processing purposes” in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of the ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiffs in any such action.

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the U.S. Supreme Court. However, we believe that a pre-dispute contractual waiver of jury trial is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a pre-dispute contractual waiver of jury trial, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and the depositary. If a lawsuit is brought against either or both of us and the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including results that could be less favorable to the plaintiffs in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and

- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are, however, required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to continue to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the Nasdaq Stock Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information which would be made available to you were you investing in a U.S. domestic issuer.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance standards; these practices may afford less protection to shareholders than they would enjoy if we comply fully with the Nasdaq Stock Market corporate governance standards.

As a Cayman Islands exempted company that is listed on the Nasdaq Global Select Market, we are subject to the Nasdaq Stock Market corporate governance rules. However, Nasdaq Stock Market rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Stock Market corporate governance standards. If we choose to follow home country practice in the future, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq Stock Market corporate governance standards applicable to U.S. domestic issuers.

We believe we likely were a passive foreign investment company, or PFIC, for 2025, and there is a significant risk that we will be a PFIC for the current taxable year, and possibly future taxable years, in which case U.S. investors owning the ADSs or Class A ordinary shares will generally be subject to adverse U.S. federal income tax consequences.

A non-U.S. corporation, such as our company, will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is generally a passive asset for these purposes. Goodwill is characterized as a non-passive or passive asset based on the nature of the income produced in the activity to which the goodwill is attributable. A separate determination must be made after the close of each taxable year as to whether a non-U.S. corporation was a PFIC for that year. Although the law in this regard is not entirely clear, we treat the Former VIE as being owned by us for U.S. federal income tax purposes because we control its management decisions and are entitled to substantially all of the economic benefits associated with it. In January 2025, we terminated all contractual arrangements with our Former VIE.

Based on the composition of our income and assets and the estimated value of our assets, we believe that we likely were a PFIC for our 2025 taxable year. The assets shown on our balance sheet consist primarily of cash, cash equivalents and short-term and long-term investments, and while this continues to be the case our PFIC status for any taxable year will depend largely on the value of our goodwill. The value of our goodwill may be determined, in large part, by reference to our average market capitalization for that year. Our market capitalization has been volatile and has declined significantly since our initial public offering. As a result of this decline and the amount of passive assets held by us throughout our 2025 taxable year, we believe we likely were a PFIC for our 2025 taxable year, and there is a significant risk that we will be a PFIC for the current and possibly future taxable years if the market price of the ADSs does not increase.

If we are or were a PFIC for any taxable year during which a U.S. investor holds or held an ADS or an ordinary share, and unless the U.S. Holder makes or has made a mark-to-market election (as described below in the section of this annual report captioned “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules”), certain adverse U.S. federal income tax consequences will generally apply to the U.S. investor, including increased tax liability on disposition gains and “excess distributions,” as well as additional reporting requirements. This will continue to be the case even if we cease to be a PFIC in a later taxable year, unless one of certain elections is made. See the section of this annual report captioned “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Agora, Inc. was incorporated in November 2013 as an exempted company with limited liability in the Cayman Islands and has been listed on the Nasdaq Global Select Market under the symbol “API” since June 2020.

Agora, Inc. is the holding company of two independent divisions operating under the Agora and Shengwang brands. Headquartered in Santa Clara, California, Agora is a pioneer and global leader in Real-Time Engagement PaaS, providing developers with simple, flexible, and powerful application programming interfaces, or APIs, to embed real-time conversational AI, video, voice, chat and interactive streaming into their applications. Headquartered in Shanghai, China, Shengwang is a pioneer and leading

Real-Time Engagement PaaS provider in the China market.

As of the date of this annual report, our principal subsidiaries include the following entities:

- Agora Lab, Inc., or Agora Lab, a California corporation and our wholly-owned subsidiary, which provides services under our Agora business.
- Agora.IO Singapore PTE. Ltd., or Agora Singapore, a private company limited by shares incorporated in Singapore and our wholly-owned subsidiary, which provides services under our Agora business.
- Agora (Shanghai) Technology Co., Ltd., or Agora Shanghai, a PRC limited liability company and a wholly-owned subsidiary of Agora Singapore, which provides research and development under our Agora business.
- ShengWang HongKong Limited, or ShengWang HK (previously known as Agora IO Hongkong Limited), a private company limited by shares incorporated in Hong Kong and our wholly-owned subsidiary, which provides services under our Shengwang business.
- Shanghai Shengwang Technology Co., Ltd., or Shanghai Shengwang (previously known as Shanghai JiYin Network Technology Co., Ltd.), a PRC limited liability company and a wholly-owned subsidiary of ShengWang HK, which provides services under our Shengwang business.
- Shanghai Shengshi Chuangtuo Construction and Development Co., Ltd., a PRC limited liability company in which we indirectly holds 46.39% equity ownership and 100% economic interest. This entity is established to manage the construction project of our company's headquarter in Shanghai on the premises whose land use rights was acquired in June 2022.

Historically, we, through Shanghai Dayin Network Technology Co., Ltd., or Shanghai Dayin, had entered into certain contractual arrangements with Zhaoyan and Zhaoyan's shareholders. As a result of our contractual arrangements with Zhaoyan and Zhaoyan's shareholders, we were the primary beneficiary of Zhaoyan, and, therefore, had consolidated the financial results of Zhaoyan in our consolidated financial statements in accordance with U.S. GAAP. Zhaoyan provided services under our Shengwang business. See the section of this annual report captioned "—C. Organizational Structure."

Following the termination of the Former VIE structure in January 2025, these contractual arrangements are no longer in place.

Share Repurchase

In February 2022, our board of directors authorized a share repurchase program for an amount of up to US\$200 million over a period of 12 months. In each of February 2023, 2024, 2025 and 2026, our board of directors authorized the extension of the foregoing share repurchase program for another 12 months, respectively, with all other terms remaining unchanged. See "Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers" for more details.

Corporate Information

The headquarters of our Agora business are located at 2804 Mission College Blvd, Santa Clara, California 95054, United States. Our telephone number at this address is +1-408-879-5885. Our principal executive offices and the headquarters of our Shengwang business are located at Floor 8, Building 12, Phase III of ChuangZhiTianDi, 333 Songhu Road, Yangpu District, Shanghai, People's Republic of China. Our telephone number at this address is +86-400-632-6626.

Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Our main website is www.agora.io for our Agora business and is www.shengwang.cn for our Shengwang business. The information contained on, or that can be accessed through, our main websites are not a part of, and are not incorporated by reference into, this annual report.

Recent Regulatory Development on Cybersecurity

In December 2021, the CAC and several other administrations jointly promulgated the revised Measures for Cybersecurity Review (the "Revised Review Measures"), which became effective on February 15, 2022, superseding and replacing the cybersecurity review measures that had been in effect since June 2020. According to the Revised Review Measures, to the extent the purchase of network products and services by a CIIO or the data processing activities conducted by a "network platform operator" affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Revised Review Measures. The Revised Review Measures also expand the cybersecurity review to "internet platform operators" in possession of personal information of over one million users if such operators intend to list their securities "in a foreign country." Furthermore, relevant governmental authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities "affect or may affect national security." Since the Revised Review Measures are relatively new, significant uncertainties exist in

relation to their interpretation and implementation. Additionally, the Revised Review Measures do not provide the exact scope of “network platform operator” or the circumstances that would “affect or may affect national security.” As a result, there can be no assurance that we will not be required to apply for a cybersecurity review for our purchase of network products and services to the extent we will be deemed an CIIIO, or that we will not be required to apply for a cybersecurity review for maintaining our listing status and our future securities offerings overseas. To the extent any cybersecurity review is required, we cannot assure you that we will be able to complete it in a timely manner, or at all. Any failure to complete the required cybersecurity review may result in administrative penalties, including fines, a shut-down of our business, revocation of requisite licenses, as well as reputational damage or legal proceedings or actions against us, which may have material adverse effects on our business, financial condition and results of operations.

In addition, on November 14, 2021, the CAC released the consultation draft of the Network Data Security Management Regulations for public comment. And on September 24, 2024, the State Council of the PRC released the Regulations on Network Data Security Management, which took effect on January 1, 2025 and apply to network data processing activities carried out within the territory of the People’s Republic of China as well as the supervision and management of their security, and which stipulates that data processors engaging in data processing activities that affect or may affect national security shall be subject to network security review in accordance with the relevant laws and regulations. We have been making constant efforts to comply with the Revised Review Measures and other data protection laws and regulations of the PRC. However, it is uncertain whether future regulatory changes would impose additional responsibilities or restrictions on companies like us. If the enacted regulations and rules mandates clearance of a cybersecurity review and other specific actions to be completed by China-based companies listed on a foreign stock exchange like us, we face uncertainties as to whether such clearance can be timely obtained, or at all.

Potential CSRC Approval Required for the Listing of our ADSs

On December 24, 2021, the CSRC published the draft Regulations of the State Council on the Administration of Overseas Issuance and Listing of Securities by Domestic Companies (Draft for Comments), or the Administrative Provisions, and the draft Measures for the Record- Filing of Overseas Issuance and Listing of Securities by Domestic Companies (Draft for Comments), or the Filing Measures, or collectively, the Draft Overseas Listing Regulations for public comments, which set out the new regulatory requirements and filing procedures for domestic companies seeking direct or indirect listing in overseas markets. On February 17, 2023, the CSRC, as approved by the State Council, released Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures and relevant guidelines, which came into effect on March 31, 2023.

The Overseas Listing Trial Measures, among others, lays out specific requirements for filing. In addition, it stipulates that domestic companies that seek to offer and list securities in overseas markets shall strictly comply with laws, regulations and relevant provisions concerning national security in spheres of foreign investment, cybersecurity and data security, and earnestly fulfill their obligations to protect national security. Domestic companies seeking to list abroad must carry out relevant security review procedures if their businesses involve such supervision. It further requires that, subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. And upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. There remain substantial uncertainties as to the interpretation, application, and enforcement of the Overseas Listing Trial Measures and how they will affect our operations and our future financing. Moreover, an overseas offering and listing is prohibited under circumstances if (i) it is prohibited by PRC laws, (ii) it may constitute a threat to or endanger national security as reviewed and determined by competent PRC authorities, (iii) in past three years, the Chinese operating entities, and their controlling shareholders or actual controllers have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy, (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof, or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

The Overseas Listing Trial Measures further stipulates that a fine between RMB1 million and RMB10 million may be imposed if an applicant fails to fulfill the filing requirements with the CSRC.

On February 17, 2023, the CSRC circulated the Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises and the relevant CSRC Answers to Reporter Questions on the official website of CSRC which, among others, state that the companies that have already been listed on overseas stock exchanges are not required to make immediate filings for its listing yet need to make filings for subsequent offerings in accordance with the Overseas Listing Trial Measures and the relevant guidelines.

On February 24, 2023, the CSRC, the MOF, National Administration of State Secrets Protection and National Archives Administration of China jointly issued the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises (“Confidentiality and Archives Provisions”), which took effect on March 31, 2023, regulating the secrets protection and archives administration behaviors relevant to the overseas listing.

According to above, we need to file required documents with the CSRC regarding our future securities offerings and may be subject to additional compliance requirements.

We are subject to a variety of laws and regulations in our home markets, the United States and China. See “B. Business Overview— Regulations.”

B. Business Overview

The use of online real-time video or voice engagement has become increasingly prevalent. Traditionally, such engagement happens as a standalone experience in dedicated video conferencing applications. Increasingly, however, users seek contextual real-time video or voice engagement embedded within the application they are already using, rather than switching to a separate application for such functionality. The potential opportunities for such contextual real-time video or voice engagement are extensive.

However, for many software developers, building real-time video and voice engagement functionalities remains complex and cost-prohibitive. Real-time video or voice engagement requires reliable multi-way transmission of large amounts of data between users at millisecond latency. The public internet, however, is an open and best-effort network with no assurance of service quality. Network conditions vary across time of day, geographies and network operators, often causing significant data packet loss and high latency. Furthermore, hardware and software proliferation and fragmentation have exacerbated the challenges developers face in providing broadly compatible solutions. Recently, the emergence of AI agents has introduced brand new challenges such as emotion detection, turn-taking, and background noise handling, which need to be addressed to build truly human-like conversational AI agents.

Our Company was founded to solve these problems. We want to empower every developer, whether working as a solo entrepreneur or as part of a larger organization, to leverage reliable, low-latency, customizable real-time engagement service to create innovative products, elevate end user experience and differentiate themselves from their competitors, without the burden of developing the technology or building the underlying infrastructure themselves.

Since the establishment of our Agora business in Santa Clara, California and our Shengwang business in Shanghai, China, both in 2014, developers around the world have used our APIs to create use cases and experiences that far exceed our imagination. We take pride in having a developer-centric business model and have cultivated a large and engaged developer community with more than one million accumulated registered applications as of December 31, 2025. These applications power more than 200 use cases in a wide range of industries, including social and entertainment, education, live shopping, IoT, enterprise collaboration, financial services and healthcare.

Advancements in large language models have expanded our addressable market. Beyond enabling real-time engagement among human users, our products enable voice-based real-time interaction between users and AI agents. In March 2025, we launched our conversational AI engine, empowering developers to build voice AI agents that converse with humans naturally. Our conversational AI engine has been adopted in various scenarios, including customer service, online learning and tutoring, and smart devices such as companionship toys. With the performance of large language models and our conversational AI capabilities continuing to improve, we expect their adoption across use cases to ramp up. We believe we are well-positioned to capture the enormous market opportunities from conversational AI with our advanced audio and video processing technology, global real-time network infrastructure, strong brand names among developers, and dedication to innovation.

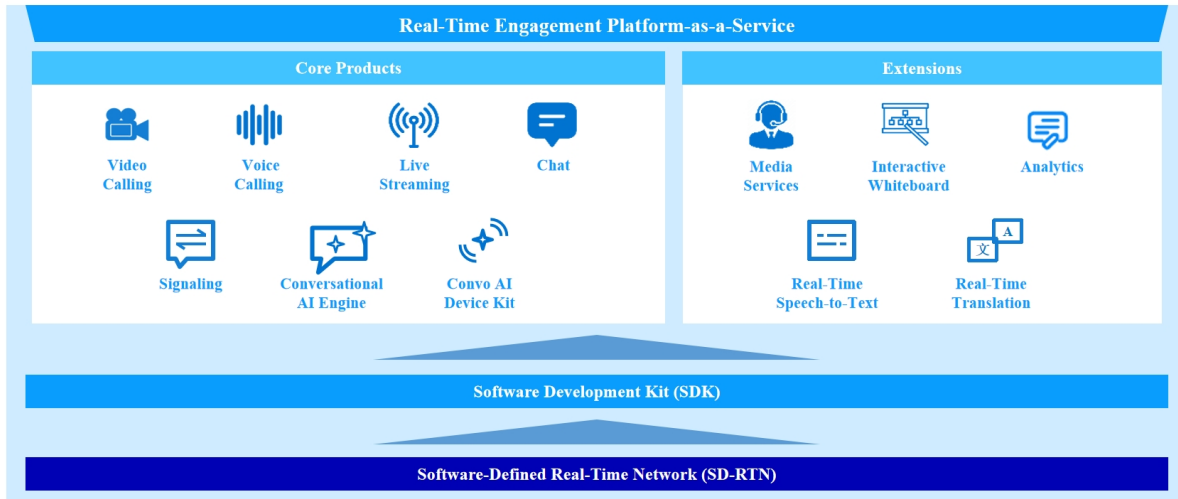
Our business employs a freemium model, offering 10,000 free minutes of real-time engagement per month per account, to encourage adoption and innovation by developers and proliferation of real-time engagement use cases. As usage exceeds the allotted free minutes, we charge developers based on usage and they become our customers. We define active customers as customers from whom we generate more than US\$100 of revenue during the preceding 12 months. The active customers of Agora were 1,683, 1,723 and 2,085 as of December 31, 2023, 2024 and 2025, respectively. The active customers of Shengwang were 1,835, 1,979 and 1,876 as of December 31, 2023, 2024 and 2025, respectively, excluding customers of Easemob business. As our customers succeed, we share in their success through our usage-based revenue model. We believe a useful indicator of the increased activity from our customers is our Dollar-Based Net Retention Rate. The Dollar-Based Net Retention Rate of Agora was 93%, 95% and 109% for 2023, 2024 and 2025, respectively. The Dollar-Based Net Retention Rate of Shengwang was 82%, 79% and 89% for 2023, 2024 and 2025, respectively, excluding the revenues from certain end-of-sale products and Easemob’s CEC business.

Our total revenues decreased by 5.9% from US\$141.5 million in 2023 to US\$133.3 million in 2024, and grew by 5.9% to US\$141.1 million in 2025. We recorded net loss of US\$87.2 million and US\$42.7 million in 2023 and 2024, respectively, and net income of US\$9.5 million in 2025.

Our RTE-PaaS Platform

Our RTE-PaaS platform enables real-time engagement for millions of concurrent end users worldwide. The key components of our platform are our SDK and SD-RTN, which together form the technological foundation of our real-time engagement offerings, such as video calling, voice calling, live streaming, chat, signaling, conversational AI engine, and convo AI device kit. Developers can assess these products through simple and highly programmable APIs.

The following diagram is a simplified illustration of our RTE-PaaS platform.



Our SDK contains all the software modules required for developers to embed real-time engagement capabilities—such as video and audio capturing, rendering, pre- and postprocessing, encoding and decoding, packet loss compensation, as well as first- and last-mile transmission—into their applications. Built on an open and modular architecture, our SDK decomposes the entire media processing pipeline into dozens of loosely coupled components with standardized interfaces for each module. This design enables developers to exercise granular control over the media pipeline to create the optimal experiences for their specific use case. Our SDK has comprehensive features and is easy to integrate into applications across development frameworks. Our SDK is customizable based on the functionality needs of developers and runs on end users’ devices as part of the developer’s application. We utilize adaptive AI in various modules of our SDK to deliver an optimized end user experience while maintaining balanced power consumption for device processing.

The SD-RTN is our proprietary virtual network overlay on top of the public internet that handles real-time data transmission between end-user devices when using our SDK. The SD-RTN continually measures the transmission performance between each data center. By operating and controlling every data center within the SD-RTN, we are able to apply sophisticated algorithms to plan traffic and dynamically optimize routing paths based on local transmission conditions. Such holistic routing optimization is not directly available on the public internet, as it is decentralized and managed by disparate network operators. As a result, the SD-RTN achieves superior performance compared to the public internet in terms of latency and packet loss, enhancing end user experience.

Our Products

For both real-time engagement services and real-time engagement on-premise solutions, we provide products including primarily (i) core products, which provide foundational capabilities such as video calling and conversational AI, and (ii) extensions, which complement core products to enable developers to launch specific use cases with enhanced end user experiences.

Core Products

- *Video calling.* Our video calling product enables real-time video interactions at up to 4K resolution among multiple end users. Our video calling product offers features such as adaptive compression according to network conditions, perceptual video coding and resolution enhancement.
- *Voice calling.* Our voice calling product enables real-time voice interactions among multiple end users. Our voice calling product offers features such as active speaker detection, audio mixing, noise suppression, acoustic echo cancellation, gain control and special effects.
- *Live streaming.* Our interactive live streaming product enables video and voice interactions that are synchronously streamed to up to millions of end users. Its ultra-low latency makes it particularly suitable for audience-host interactions. Our broadcast streaming product is a lower cost and higher latency alternative to our interactive live streaming product and is suitable for use cases where latency requirement is less stringent.
- *Chat.* Our chat product enables real-time instant messaging, both as a stand-alone instant messaging service and as an add-on functionality of other real-time engagement sessions, such as live streaming where end users could send comments on screen. Our chat product provides comprehensive features such as rich-media messages, message translation, user presence and typing indicator, chat history export, and much more.

- *Signaling.* Our signaling product provides a highly reliable and low latency service capable of delivering signals and commands to up to millions of concurrent recipients. For example, our signaling product enables call invitations, bi-directional monitoring and messaging control between apps and devices such as smart watches, home security cameras and other IoT devices.
- *Conversational AI engine.* Our conversational AI engine product empowers developers to create interactive voice experiences with the flexibility to use any large language model (“LLM”), whether custom-built or from leading LLM providers, and any speech-to-text (“STT”) component or text-to-speech (“TTS”) voice solution for their AI applications. The engine is designed to optimize real-time conversation flow and enable faster, low-latency responses and can intelligently pause for interruptions in real-time in order to create more natural, responsive, and reliable voice AI agents.
- *Conversational AI device kit.* Our convo AI device kit is a hardware solution designed to empower developers and manufacturers to build conversational AI into smart devices, such as educational devices, smart home devices and AI-powered wearables. The kit includes CPU, storage module, and 4G or WiFi connectivity and allows customers to easily define and store settings to tailor the device to their specific use cases.

Extensions

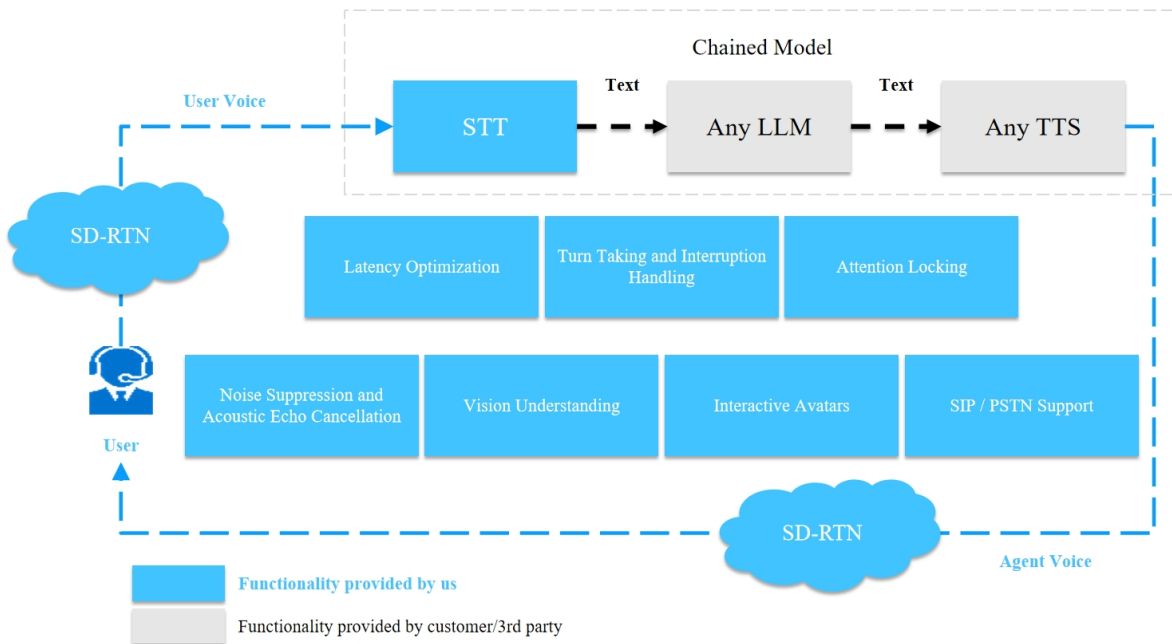
- *Media services.* Our media services product provides customers with the tools to import and export media content directly into and from their live channels. For example, the recording function enables customers to save video and voice interactions, either on our cloud infrastructure or on servers designated by them, primarily for regulatory compliance, record keeping and customer service quality evaluation purposes.
- *Interactive whiteboard.* Our interactive whiteboard product enables developers to build online whiteboard where end users can present ideas, share multi-media content and collaborate on projects from multiple devices simultaneously. Our interactive whiteboard product provides an abundance of features, such as multi-window, file conversion and screenshots.
- *Analytics.* Our analytics product provides customers with tools to track video and voice quality, performance and usage. It provides full-cycle monitoring dashboard to developers so that they can quickly see trends, monitor potential issues and solve problems accordingly in real-time, thereby providing operational transparency and efficiency and enhancing end user experience.
- *Real-time speech-to-text.* Our real-time speech-to-text product provides cloud-based transcription that converts audio to text for active or selected hosts in real-time, supporting accurate separate transcription even with up to three simultaneous speakers. Text can then be distributed as live captions to all participants in the channel. It supports all major languages and dialects, and each channel can support transcription for up to two languages simultaneously.
- *Real-time translation.* Our real-time translation product provides cloud-based translation solutions that break down language barriers among participants of a real-time engagement session. It provides speech translation of up to four source languages into 10 target languages with support for more than 30 languages.

Conversational AI

Conversational AI Engine

Advancements in large language models have expanded our addressable market. Beyond enabling real-time engagement between human users, our products enable voice-based real-time engagement between users and AI agents. In March 2025, we launched our conversational AI engine, empowering developers to build voice AI agents that converse with humans naturally. Our conversational AI engine has powered applications in various use cases, including primarily customer service, online learning and tutoring, and smart devices.

The following diagram illustrates a simplified structure and key functionalities of our conversational AI engine.



At the center of the solution is a chained model including three key modules, namely STT, LLM and TTS. Customers can choose our proprietary STT, which is optimized for latency and accuracy in real-time understanding and transcription in Chinese and English, or one of the third-party STT modules that we support, which might be more suitable for their specific use cases or languages. We do not provide proprietary LLM or TTS modules and give customers flexibility to use any LLM or TTS, whether self-built, open-source or from third-party providers.

The chained model alone does not guarantee a natural, smooth and human-like conversational experience with AI. To tackle this challenge and enhance the overall performance, our conversational AI engine product provides critical capabilities such as latency optimization, turn taking and interruption handling, attention locking, noise suppression and acoustic echo cancellation, vision understanding, interactive avatars and SIP/PSTN support.

Conversational AI Evaluation & Orchestration Tool

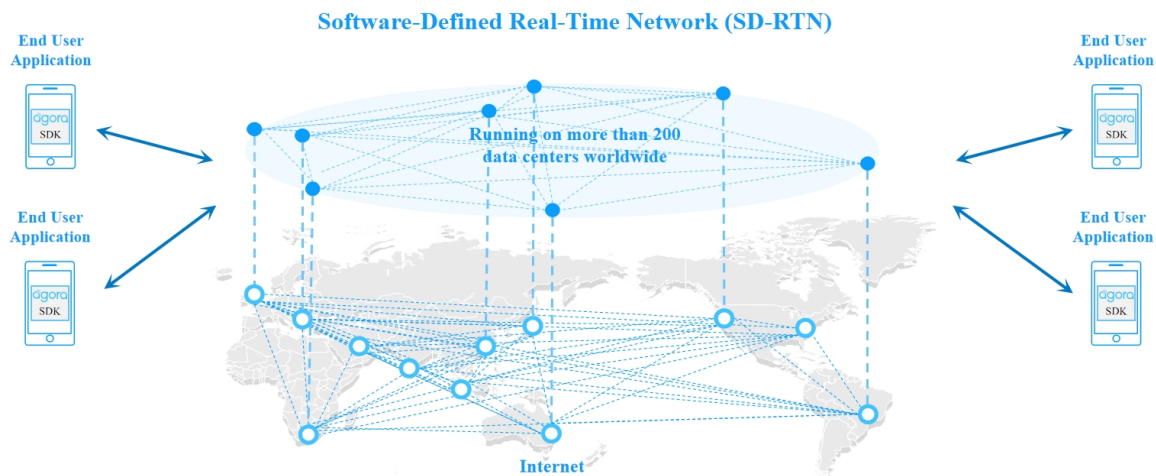
With a fast-growing number of available STT, LLM and TTS modules to choose from, it has become more time-consuming and onerous for developers to find a satisfying combination through trial-and-error. To empower developers with data-driven insights for optimal model selection, we launched our conversational AI evaluation & orchestration tools that allows developers to evaluate, mix and match, and optimize both our proprietary and third-party modules. We do not charge our customers for using such tool.

Our conversational AI evaluation & orchestration tools primarily feature a dashboard and an arena. The dashboard provides hourly-updated performance leaderboards based on actual performance measured at various locations covering 10 countries in six continents. It highlights recommended model combinations for overall performance, latency or cost, and ranks the top 10 model combinations by total latency. Top-performing modules on an individual basis are also shown in the dashboard. The arena acts as a testing battlefield where developers can choose modules from various vendors to compare their actual performance during previous seven or 30 days, such as at latency, costs, and word error rates. Particularly for TTS modules, developers can listen and compare the audio output from different vendors based on any customary text, providing a more contextual comparison for their specific use case.

Our conversational AI evaluation & orchestration tools enable developers to transform module selection from guesswork into a precise, data-driven decision-making process. By offering transparent, comparable performance data, especially on critical latency metrics that directly impact conversational fluency, it saves developers immense time and effort in integration and testing. Its broad geographical coverage also makes it possible for developers to choose the best combination based on location of each end user to ensure consistent performance across the globe.

Technology and Infrastructure

We built our cloud-native platform to enable worldwide, real-time video and voice engagement and messaging for up to millions of concurrent users. As illustrated by the following diagram, the key components of our platform are our SDK and the SD-RTN.



SDK

Our SDK contains all the front-end software modules a developer needs to embed real-time engagement capabilities into an application. With open and modular architecture, our SDK breaks down the entire end-to-end media processing pipeline into dozens of loosely coupled components with standardized interfaces for each module, so that developers can enjoy much more granular control over the media pipeline to create the optimal experience for their specific use case. Our SDK has comprehensive features and is easy to be integrated into applications across development frameworks with good documentation and simple codes. Our SDK is customizable based on the functionalities needed by the developer and runs on end users' devices as part of the developer's application. Specifically, the key functions of these main modules include:

- *Capturing modules and rendering modules.* Capturing modules capture audio and video streams and rendering modules combine and synchronize multiple videos or audio streams.
- *Pre-processing and post-processing modules.* Pre-processing modules clean up the raw audio and video streams. They reduce background noise, cancel echo, and allow for real-time video enhancement and special effects. Meanwhile, post-processing modules enhance the received streams. They improve resolution, reduce noise, sharpen images, and fix defects like audio jitter or visual artifacts such as color blocks. Video frame interpolation is also performed to smooth the playback.
- *Encoding and decoding modules.* Encoding and decoding modules compress and decompress the streams before and after transmission. Our video and audio codes dynamically adapt the size of video and audio streams based on network transmission environment and end user device capabilities. Our proprietary AV1 video codec represents industry-leading compression technology that delivers superior video quality while maintaining low CPU utilization, providing better performance compared to open-source AV1 codec. Our proprietary audio codecs Agora SOLO™ and Agora Silver™ leverage AI to deliver superior voice quality at extremely low bitrates.
- *First-mile and last-mile transmission.* First-mile and last-mile transmission modules transmit data between end user devices and an edge node of the SD-RTN. Our transmission modules dynamically select the optimal edge nodes based on changes in the network environment, for example, when the end user device switches from a WiFi to a cellular network connection. Our transmission modules also use adaptive channel coding based on predicted packet-loss rate, as well as other strategies, to compensate for packet loss.
- *Audio and video playback.* Playback of audio and video signals refers to the process of outputting the received signals to local devices, such as earpieces or external speakers, according to end users' specific scenarios. This process ensures smooth playback and allows users to adjust the volume by setting the signal level.
- *3A algorithms.* 3A algorithms stand for adaptive noise suppression, acoustic echo cancellation and automatic gain control, three critical algorithms in voice signal processing. For example, our AI-powered noise suppression algorithm can deal with over 100 types of background noises, such as keyboard clicks, fans, construction sounds, traffic noise, birds, vacuums and crying babies, which gives developers the flexibility to deliver the best noise suppression performance for their specific use cases.

We have developed our SDK to be as compact as possible once embedded within an application, to ensure compatibility with major operating systems, development frameworks and programming languages, and a wide variety of phones, PCs and other

connected devices, including relatively older and less sophisticated models.

We also utilize adaptive artificial intelligence, or adaptive AI, in various modules of our SDK, such as encoding, transmission, processing and rendering, to deliver an optimized end user experience while maintaining balanced power consumption for device processing. For example, our AI algorithms predict focal points in a video, such as a person speaking compared to a background detail, to encode and render the video using more or less data and predict packet loss rate to dynamically compensate for packet loss.

SD-RTN

SD-RTN is our back-end infrastructure, a virtual network overlay on top of the public internet based on proprietary algorithm that runs on more than 200 data centers worldwide.

The public internet is an open and best effort network with no assurance of service quality. As data is transmitted, data packets pass through various segments managed by disparate network operators with their own routing protocols that do not always take into account the conditions of the other segments. The SD-RTN compensates for this absence of centralization with its virtual, software overlay. Because we have total control over every data center within our SD-RTN, we are able to optimize routing and plan traffic holistically.

Our proprietary SD-RTN enables us to deliver content with ultra-low latency and minimized packet loss, which is a key factor in delivering the real-time engagement.

- *Global coverage.* Our servers deployed through more than 200 data centers act as access points to our SD-RTN. Each end user of our customers' applications is allocated a nearby access point for fast access to our network. Each data center also serves as a node that manages the overall traffic flow. The locations of the data centers are chosen to maximize our ability to improve and control routing across the public internet.
- *Superior design and architecture.* Our SD-RTN uses full-mesh architecture, which means all nodes are connected with one another for maximum routing options and are each continuously measuring the performance of every possible path through the network in terms of latency, bandwidth and packet loss.
- *Real-time routing optimization.* Our SD-RTN maintains a real-time routing map to data transmission, taking into consideration transmission needs from up to several million concurrent end users, as well as available bandwidth at each data center and other potential constraints such as network operator and infrastructure provider restrictions on data flow.
- *Redundant data sending.* Beyond smart routing, to reduce data packet loss, our SD-RTN also sends redundant data packets through multiple optimized paths. The data packet that arrives to the destination first is used, while any lost or late data packets are ignored. Partially delivered data packets transmitted through different paths are automatically combined upon arrival.
- *UDP-based.* Our SD-RTN is based on the user datagram protocol (UDP) for sending data packets, rather than the transmission control protocol (TCP), because UDP prioritizes lower latency and is more suitable for real-time engagement.

We own and operate a substantial majority of our servers and network equipment that we host at the data centers on which the SD-RTN runs. While we procure and operate our equipment, the premises are maintained by third parties. At each data center in the SD-RTN, the routing and other functions such as recording and data analytics are performed by commodity servers. Because each node and server are independent, self-sufficient and not reliant on other nodes or servers to function, we can quickly expand the SD-RTN's capacity by adding servers at a local data center, connecting more data centers at the continent level or purchase additional bandwidth to manage customer growth across geographies. If one server goes down, the SD-RTN is able to automatically reroute and re-establish all users in an active session to a different server with little perceptible interruption. In addition, we continuously monitor our systems for any signs of problems, and we strive to take preemptive action when necessary. We have not encountered significant service interruptions since our inception. We maintain a formal and comprehensive security program designed to protect against security threats and data breaches.

Sales and Marketing

As of December 31, 2025, our Agora business had 30 employees in its sales and marketing team and our Shengwang business had 82 employees in its sales and marketing team. When a use case becomes sufficiently well-established, such as our video calling product in the social vertical, we deploy our respective sales teams to identify and actively approach similarly situated companies that could benefit from our products. For promising new use cases, we work with our customers and deploy our own engineers to assist with the integration of our products into their applications. This is a key element of our strategy to enable new use cases and accelerate usage of our platform and we do not usually charge customers for such services. Relying on their deep understanding of our products and solutions, our customers as well as the specific use cases, Agora's and Shengwang's sales teams not only respond to customer demand efficiently, but also help us define and build optimized offerings for the market.

Developer Community

We are focused on building developer community and enthusiasm for our products. We empower developers with real-time engagement capabilities to create innovative products, elevate end user experience and differentiate themselves from their competition. The developers range from solo entrepreneur to groups within a large organization and come from a wide spectrum of verticals, including social and entertainment, education, live shopping, IoT, enterprise collaboration, financial services, and healthcare. These developers span across more than 150 countries and regions and have built more than 200 use cases incorporating our real-time engagement technologies.

We reach developers through brand marketing, developer portals such as GitHub and developer conferences and events including our own RTC conference in China, one of the largest conferences in the world for real-time engagement technology, and the All-Things-RTC conference in the United States. Once developers engage with our offerings, we provide them with a low-friction trial experience consisting of 10,000 free minutes per month per account. Developers whose needs grow beyond the free minutes pay based on usage. Our team works directly with developers to help generate ideas and share best practices to ultimately promote new use cases for our technology. As developers innovate with our products and share their experiences with peers, awareness of our products spreads in the developer community by word of mouth and attracts additional developers, creating a positive flywheel effect. We have built a large and engaged developer community with more than one million accumulated registered applications as of December 31, 2025.

Our products are designed to allow developers to self-serve and they typically require minimal customer support from us. We provide helper libraries, comprehensive user guides and a wide range of code samples and demos. To supplement our extensive self-help resources, we also engage directly with our developer community in online forums such as Stack Overflow and provide customer support by e-mail and phone. We provide developers with a suite of analytics tools that help them independently monitor and diagnose quality concerns, identify root causes and address issues related to our products to improve end user experience. As individual customers grow their relationship with us, we assign them to a dedicated service team to ensure their continued satisfaction, and for our largest customers, we provide ongoing support from our own engineers.

Our open-source initiatives further reinforce our developer ecosystem. Our TEN Framework is an open-source project enabling developers to build highly responsive, full-duplex voice-based AI agents with natural and interruptible conversations. Its open nature and robust capabilities have made it a catalyst for partnerships, attracting collaborators who extend its use cases and integrate it into diverse ecosystems. This growing network of partners, in turn, actively contributes to and expands our core developer community. The TEN Framework has gained significant traction within the developer community, with more than 9,400 GitHub stars as of December 31, 2025, making it one of the fastest-growing open-source projects in its category. We believe that this open-source ecosystem contributes to sustained developer engagement, accelerates use case adoption and strengthens long-term loyalty.

Competition

The global market for RTE-PaaS is relatively rapidly evolving. RTE-PaaS providers primarily include pure-play RTE-PaaS providers, such as us, public cloud service providers that offer RTE-PaaS services as a small subset among a wide range of products, as well as communications platforms who focus on phone call and short message service APIs through traditional telecommunication network and provide RTE-PaaS through the internet as auxiliary services.

Currently, our competitors mainly include:

- Pure-play RTE-PaaS providers;
- Cloud communication platforms that offer RTE capabilities along with other communication service solutions in their broader product portfolio; and
- Public cloud providers that offer RTE-PaaS services.

In many cases, we also encounter either custom software developed in-house or by consultants, or legacy solutions repurposed by in-house developers of our potential customers to meet specific use cases. We believe that the principal competitive factors in our market are:

- quality of data transmission and end user experience;
- credibility with developers;
- global reach;
- ease of integration and programmability;
- product features;

- platform scalability, reliability, compatibility, security and performance;
- pure-play and independence;
- brand awareness and reputation;
- the strength of sales and marketing efforts;
- customer support; and
- the cost of deploying and using our products.

We believe that we compete effectively on each of the factors listed above; however, we expect competition to intensify in the future. It is possible that the large software vendors or cloud providers who currently do not have an offering in the RTE-PaaS category, some of which operate in adjacent product categories today, may in the future bring such a solution to market through product development, acquisitions or other means. In addition, several of our competitors have greater name recognition, longer operating histories, more and better-established customer relationships, larger sales forces, larger marketing and software development budgets and significantly greater resources than we do. As a result, certain of our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. In addition, some competitors may offer products or services that address one or a limited number of functions at lower prices or with greater depth than our products.

Research and Development

Innovation is the heart of everything we do and we intend to continue to invest significant resources in our research and development capabilities. Our ability to deliver leading products depends on our rapid development of new technologies, features and functionality, and ensuring that our platform continues to deliver a high quality of service at all times. As of December 31, 2025, we had 350 employees in our global research and development team with extensive knowledge and experience in RTE technologies, representing 64.5% of our total employees. In 2023, 2024 and 2025, research and development expenses represented 53.0%, 57.3% and 53.1% of our operating expenses, respectively. During the same periods, research and development expenses represented 54.9%, 60.3% and 39.3% of our total revenues, respectively.

We actively respond to developers' needs to drive positive end user experiences and our engineers aim to stay on the cutting edge of real-time engagement technologies. Our value proposition lies in helping developers bring innovative use cases to reality using our products because we ultimately share in their success.

Intellectual Property

Intellectual property is an important aspect of our business and we seek protection for our intellectual property as appropriate. To establish and protect our proprietary rights and our brand, we rely on a combination of patent, copyright, trade secret and trademark laws as well as contractual restrictions such as confidentiality agreements, licenses and intellectual property assignment agreements. We also maintain a policy requiring our employees, contractors, consultants and other third parties to enter into confidentiality and proprietary rights agreements to control access to our proprietary information. As of March 31, 2026, we had 83 issued patents and 24 pending patent applications in the United States, 37 issued patents and 27 pending patent applications in China, seven issued patents and four pending patent applications in Europe and India. We own two trademarks in the United States, 86 trademarks in China, one trademark in Hong Kong, and one trademark in Japan.

Intellectual property laws, procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. Moreover, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States and we may therefore be unable to protect our proprietary technology in certain jurisdictions. In addition, our products incorporate software components licensed to the general public under open source software licenses, which grant recipients broad permissions to use, copy, modify and redistribute the licensed software components, but which generally do not offer warranties, support, or other similar protections often provided with commercial software. Some open source software licenses include requirements that, under certain circumstances, require the distribution of software based on or derived from the open source software to be made available in source code form under the terms of an open source software license. As a result, inclusion of open source software in our products could limit the value of our intellectual property assets, or expose us to liability. See "Item 3. Key Information—D. Risk Factors — Risks Related to Our Business and Industry—Our use of open-source software could negatively affect our ability to sell our products and subject us to possible litigation."

Regulations

This section sets forth a summary of the principal PRC and U.S. laws and regulations relevant to our business and operations in the PRC and the United States, respectively.

PRC Regulation

We are subject to a number of PRC laws, regulations and rules, which involve foreign investment, telecommunication, cybersecurity and data protection, intellectual property, foreign exchange, taxation, or other subjects. Many of the laws and regulations we are subject to are still evolving, and their interpretation and enforcement pose continuous compliance challenges for our operations.

Foreign Investment Law

On March 15, 2019, the National People's Congress reviewed the submitted draft and approved the Foreign Investment Law of the PRC, which came into effect on January 1, 2020. Pursuant to the Foreign Investment Law, "foreign investment" refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or otherwise organizations of a foreign country within China, or foreign investors, and the investment activities include the following situations: (i) a foreign investor, individually or collectively with other investors, establishes an FIE in China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or collectively with other investors, invests in a new project in China; and (iv) investments in other means as provided by laws, administrative regulations, or the State Council.

Pursuant to the Foreign Investment Law, the State Council will publish or approve to publish a catalog for special administrative measures, or a "negative list". The Foreign Investment Law grants national treatment to FIEs, except for those FIEs that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list." The Foreign Investment Law provides that FIEs operating in foreign restricted industries shall meet the investment conditions set out in the "negative list".

On December 26, 2019, the State Council issued the Implementation Rules of the Foreign Investment Law of the PRC, which came into effect on January 1, 2020, to clarify and elaborate relevant provisions of the Foreign Investment Law.

While silent on specific issues including the discussion on the contractual arrangement with variable interest entities, the Foreign Investment Law and its implementation regulations emphasize the principle of applying "national treatment" to foreign investors.

In accordance with the Measures for the Reporting of Foreign Investment Information, which was promulgated by the Ministry of Commerce and State Administration for Market Regulation on December 30, 2019 and came into effect on January 1, 2020, foreign investors or foreign investment enterprises shall submit investment information to the commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System.

On December 19, 2020, the NDRC and MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment, effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. The Office of the Working Mechanism of the Security Review of Foreign Investment, or the "Office of the Working Mechanism", will be established under NDRC, who will lead the task together with MOFCOM. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to the investments in, among other industries, important cultural products and services, important information technology and internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain actual control in the target enterprise.

Regulations on Foreign Investment Restrictions

Investment activities in China by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Foreign Investment Access, or the Negative List and the Industry Guidelines on Encouraged Foreign Investment, or the Encouraging Catalog, which were promulgated and were amended from time to time by the MOFCOM and the NDRC. The Negative List and Encouraging Catalog classify the industries into three categories with regard to foreign investment: (i) "encouraged", (ii) "restricted" and (iii) "prohibited".

The current effective negative list is the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version), or the 2024 Negative List, which became effective on November 1, 2024. Industries that are not listed in the 2024 Negative List are permitted areas for foreign investments and are generally open to foreign investment unless specifically restricted by other PRC regulations. Some restricted industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold majority interests in such joint ventures. In addition, projects in the restricted category may be subject to higher-level government approval requirements. Foreign investors are not allowed to invest in industries in the prohibited category. The provision of value-added telecommunications services falls in the restricted category under the 2024 Negative List and the percentage of foreign ownership cannot exceed 50%, except for e-commerce, domestic multi-party communications, store-and-forward and call centers.

In addition, foreign direct investment in telecommunications companies in China is governed by the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises, or the FITE Regulations, which were issued by the State Council on December 11, 2001, became effective on January 1, 2002 and amended and issued on September 10, 2008 and on

February 6, 2016. Pursuant to the FITE Regulations and the 2024 Negative List, subject to undertakings for opening telecommunication industries made by China for joining World Trade Organization, the ultimate foreign equity ownership in a value-added telecommunications services provider cannot exceed 50%, except for e-commerce, domestic multiparty communications, store-and-forward and call centers. Furthermore, for a foreign investor to own any equity interest in a value-added telecommunication business in China, it must satisfy a number of stringent performance and operational experience requirements, including demonstrating a good track record and experience in operating a value-added telecommunications business, and obtain approvals from the MIIT and the MOFCOM or their authorized local counterparts, which retain considerable discretion in granting approvals. The FITE Regulations was amended on March 29, 2022 and became effective on May 1, 2022, among which, the previous requirement on experience and good track record has been cancelled. However, this modification is relatively new, uncertainties still exist in relation to its interpretation and implementation.

On July 13, 2006, the MIIT issued the Notice of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services, or the MIIT Notice, which reiterate the regulations on foreign investment in telecommunications businesses and require foreign investors to set up foreign investment enterprises, or FIEs and obtain telecommunications business operating licenses to conduct any value-added telecommunications business in China.

Regulations on Value-added Telecommunications Services

The Telecommunications Regulations of the PRC, or the Telecom Regulations, implemented on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, are the primary PRC law governing telecommunication services and set out the general framework for the provision of both “basic telecommunication services” and “value-added telecommunication services” by domestic PRC companies. “Value-added telecommunication services” is defined as telecommunications and information services provided through public networks, and, according to the Telecom Regulations, operators of value-added telecommunications services shall obtain operating licenses prior to commencing operations from the MIIT or its provincial level counterparts.

The Catalogue, which was issued as an attachment to the Telecom Regulations and revised and promulgated on June 6, 2019, further categorizes telecommunications services as “basic” or “value-added.”

On March 1, 2009, the MIIT issued the Measures on the Administration of Telecommunications Business Operating Permits, or the Telecom License Measures, which initially became effective on April 10, 2009 and was amended on July 3, 2017, effective on September 1, 2017, to supplement the Telecom Regulations. The Telecom License Measures provide that there are two types of telecommunications operating licenses in China, one for basic telecommunications services and one for value-added telecommunications services. A distinction is also made to licenses for value-added telecommunications services, or the VAT Licenses as to whether a license is granted for “intra- provincial” or “trans-regional” (inter-provincial) activities. The license will detail the permitted activities of the enterprise to which it was granted. An approved telecommunication services operator must conduct its business (whether basic or value-added) in accordance with the specifications recorded in its telecommunication license.

Regulation on Internet Information Services

The Administrative Measures on Internet Information Services, last amended in December 2024, classify internet information services into commercial and non-commercial categories. Providers of commercial services, which charge users for content or services, must obtain an ICP License from the MIIT or its local branches, and additional approvals may be required for content related to news, publishing, or education. Chinese regulators, including the MIIT and the CAC, prohibit the dissemination of content that violates laws, infringes rights, or threatens public order or national security. Internet service providers are required to monitor their platforms, remove prohibited content promptly, keep relevant records, and report to authorities. These obligations are reinforced by the Provisions on Ecological Governance of Network Information Content, effective since March 2020.

Regulation on Cybersecurity and Data Security

On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity Law, which took effect on June 1, 2017, and further amended this Law in 2025. The PRC Cybersecurity Law applies to the construction, operation, maintenance, and use of networks as well as the supervision and administration of internet security in the PRC. The PRC Cybersecurity Law defines “networks” as systems that are composed of computers or other information terminals and relevant facilities used for the purpose of collecting, storing, transmitting, exchanging, and processing information in accordance with certain rules and procedures. Network operators are required to take technical measures and other necessary measures to protect the safety and stability of their networks, respond to network security incidents effectively prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The PRC Cybersecurity Law requires operators of critical information infrastructure, or CIIOs, to store within the territory of the PRC all personal information and important data collected and generated within the territory of the PRC. According to the PRC Cybersecurity Law, any entity or individual that violates the law may be subject to penalties including warnings, fines, orders to suspend relevant business activities, suspension of business for rectification, closure of websites or applications, revocation of permits or business licenses, and/or even criminal liabilities. Among others, the maximum monetary fine imposed on the breaching party is RMB10.0 million.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law, which took effective on September 1, 2021, imposes data security and privacy protection obligations on entities and individuals carrying out data activities, including but not limited to the

collection, storage, use, processing, transmission, provision, and public disclosure of data. The PRC Data Security Law introduces a data classification and graded protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a handler of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. Violation of Data Security Law may subject the relevant entities or individuals to warning, fines, suspension of business for rectification, revocation of permits or business licenses, and/or even criminal liabilities. According to the Data Security Law, the maximum monetary fine imposed on the breaching party is RMB 10 million. Since the Data Security Law is relatively new, uncertainties still exist in relation to its interpretation and implementation. The PRC Data Security Law, among other things, provides for a security review procedure for the data activities that may affect national security and imposes export restrictions on certain data and information.

On July 30, 2021, the State Council of the PRC promulgated the Provisions on Protection of the Security of Critical Information Infrastructure, which took effect on September 1, 2021. The regulations supplement and specify the provisions on the security of critical information infrastructure, or CII, as stated in the PRC Cybersecurity Law. Pursuant to the regulations, CII shall mean any important network facilities or information systems of the important industry or field such as public communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. The relevant administration departments of each critical industry and sector, shall be responsible for formulating eligibility criteria and identifying CIIOs, in the respective industry or sector, and notify CIIOs and MPS of the identification result promptly. If the purchase of network products and services may affect national security, CIIOs shall pass the cybersecurity review accordingly.

On December 28, 2021, the CAC, together with 12 other government authorities, jointly issued the revised Measures for Cybersecurity Review, or the Revised Review Measures, which has become effective on February 15, 2022 and replaced the Cybersecurity Review Measures jointly published by the CAC and 11 other government authorities on April 13, 2020, further expand the applicability of the cybersecurity review requirement. Pursuant to the Revised Review Measures, in addition to "critical information infrastructure operators" who procure internet products and services that affect or may affect national security shall be subject to a cybersecurity review, any "network platform operators" carrying out data processing activities that affect or may affect national security should also be subject to the cybersecurity review requirements. The Revised Review Measures also provide that if a "network platform operator" holding personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review. In addition, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-Border Data Transfer, which took effect on September 1, 2022 and requires the data processor providing data overseas and falling under any of the following circumstances apply for the security assessment of cross-border data transfer by the national cybersecurity authority through its local counterpart: (1) where the data processor intends to provide important data overseas; (2) where any data processor who has provided personal information or sensitive personal information.

On December 8, 2022, the MIIT promulgated the Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation) ("Administrative Measures"), which became effective on January 1, 2023. The data handlers in the field of industry and information technology shall file their catalogues of important data and core data with the local industrial regulatory authorities and implement a classified protection regime for data of different levels. The Administrative Measures further set out specific security requirements for the entire lifecycle of data activities, including collection, storage, use, transmission, provision, disclosure, destruction and cross-border transfer, and requirements on data security monitoring and incident response that data handlers in the industry and information technology sector shall take.

On September 24, 2024, the State Council of the PRC promulgated the Regulation on Network Data Security Management, which took effect on January 1, 2025 and apply to network data processing activities carried out within the territory of the People's Republic of China as well as the supervision and management of their security, data handlers shall identify and report important data according to relevant rules, and handlers of important data shall adopt specific measures to secure important data, such as designing the personnel and management institution responsible for the network data security, conducting risk assessment under prescribed circumstances as well as submitting annual risk assessment reports to competent authorities. Failure to protect important data, including failure to identify and report important data, can lead to administrative penalties, including fines, suspension of business operations, and revocation of business license.

Regulation on Privacy Protection

On May 28, 2020, the NPC adopted the Civil Code of the PRC ("Civil Code"), which came into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others when necessary and shall ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally buy or sell, provide or make public personal information of others.

On August 20, 2021, the SCPNC adopted the Personal Information Protection Law, or the Personal Information Protection Law, which became effective on November 1, 2021. The law aims at protecting the personal information rights and interests, regulating the processing of personal information, and promoting the reasonable use of personal information. This law applies to the processing of personal information of natural persons within the territory of the PRC, as well as personal information processing activities outside the territory of PRC, for the purpose of providing products or services to natural persons located within the PRC, for analysing or evaluating the behaviours of natural persons located within the PRC, or for other circumstances as prescribed by laws and administrative regulation" after "personal information. The law requires, among others, that the processing of personal information should have a clear and reasonable purpose and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and personal information that is not related to the processing purpose shall not be processed. A personal information handler may process the personal information of an individual only under the following circumstances: (i) where consent is obtained from the individual, (ii) where it is necessary for the execution or performance of a contract to which the individual is a party, or where it is necessary for carrying out human resource management pursuant to employment rules legally adopted or a collective contract legally concluded, (iii) where it is necessary for performing a statutory responsibility or statutory obligation, (iv) where it is necessary in response to a public health emergency, or for protecting the life, health or property safety of a natural person in the case of an emergency, (v) where the personal information is processed within a reasonable scope to carry out any news reporting, supervision by public opinions or any other activity for public interest purposes, (vi) where the personal information, which has already been disclosed by an individual or otherwise legally disclosed, is processed within a reasonable scope, or (vii) any other circumstance as provided by laws or administrative regulations. According to the law, individuals enjoy the rights to be informed, to decide, to access and copy, to rectify and supplement, and to delete their personal information, to restrict or refuse others from processing their personal information, and to require the personal information handler to transfer their personal information to a third party designated by them, except where otherwise provided by laws or administrative regulations. In addition, where a personal information handler provides personal information outside of China, it shall apply for security assessment, pass the personal information protection certification, enter into a contract with the overseas recipient using the standard contract published by the CAC, or meet the other conditions provided by the laws or administrative regulations.

As mentioned above, the Security Assessment Measures provide that, among others, data handlers shall apply for the security assessment for transferring personal information outside of China when certain conditions are met. On February 22, 2023, the CAC issued the Measures for the Standard Contract for Outbound Transfer of Personal Information ("Standard Contract Measures"), which took effect on June 1, 2023.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating the Cross-border Flow of Data ("Cross-border Flow of Data Provisions"), which took effect on the same day. The Cross-border Flow of Data Provisions amended the threshold on applying for the security assessment and entering into standard contract as prescribed by the Security Assessment Measures and Standard Contract Measures. According to the Cross-border Flow of Data Provisions, data handlers shall apply for a security assessment if any of the following conditions is met (1) a CIO transfers personal information or important data abroad, (2) a data handler other than a CIO transfers important data abroad, or (3) a data handler other than a CIO has, since January 1 of the current year, transferred the personal information of more than 1 million individuals (excluding sensitive personal information) or the sensitive personal information of more than 10,000 individuals abroad cumulatively, unless otherwise provided. And a data handler other than a CIO shall enter into a standard contract or pass the personal information protection certification if it has, since January 1 of the current year, transferred the personal information of more than 100,000 but less than 1 million individuals (excluding sensitive personal information) or the sensitive personal information of less than 10,000 individuals abroad cumulatively, unless otherwise provided.

Regulations Related to Intellectual Property Rights

Trademarks

On August 23, 1982, the SCNPC promulgated the Trademark Law of the PRC, or the Trademark Law, which was amended in 1993, 2001, 2013 and 2019. The Implementation Regulation for the Trademark Law promulgated by the State Council came into effect on September 15, 2002 and was further amended on April 29, 2014.

Registered trademarks are valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within 12 months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered. Renewed registrations are valid for ten years.

Patents

The National People's Congress adopted the Patent Law of the People's Republic of China in 1984 and amended it in 1992, 2000, 2008 and 2020, respectively. Under the newly issued version of the Patent Law, which became effective on June 1, 2021, a patentable invention or utility model must meet three conditions: novelty, inventiveness and practical applicability. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model and a fifteen-year term for a design, starting from the application date. Except under certain specific circumstances provided by law, any third party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder.

Copyrights

On September 7, 1990, the SCNPC promulgated the Copyright Law, which took effect on June 1, 1991 and was amended in 2001, in 2010, and in 2020 (the 2020 amendment became effective on June 1, 2021). The Copyright Law extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center.

The Computer Software Protection Regulations, promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, provides a software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council.

Domain Names

The MIIT promulgated the Measures on Administration of Internet Domain Names, or the Domain Name Measures, on August 24, 2017, which took effect on November 1, 2017 and replaced the Administrative Measures on China Internet Domain Name promulgated by MIIT on November 5, 2004. According to the Domain Name Measures, the MIIT is in charge of the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names shall provide the true, accurate and complete information of their identifications to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

Regulations on Foreign Exchange

Under the Foreign Currency Administration Rules of the PRC promulgated by the State Council on January 29, 1996 and amended on August 5, 2008 and various regulations issued by the State Administration of Foreign Exchange, or the SAFE, and other relevant PRC government authorities, Renminbi is convertible into other currencies for current account items, such as trade-related receipts and payments and payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local office.

Pursuant to the Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment, or the SAFE Circular 59 promulgated by SAFE on November 19, 2012, which became effective on December 17, 2012 and was further amended on May 4, 2015, October 10, 2018 and December 30, 2019, approval is not required for opening a foreign exchange account and depositing foreign exchange into the accounts relating to the direct investments. SAFE Circular 59 also simplified foreign exchange-related registration required for the foreign investors to acquire the equity interests of PRC companies and further improve the administration on foreign exchange settlement for FIEs.

Regulations on Dividend Distribution

The principal laws and regulations regulating the dividend distribution of dividends by FIEs in the PRC include the Company Law of the PRC, as amended in 2018 and further amended on December 29, 2023 which became effective on July 1, 2024 and Foreign Investment Law promulgated by SCNPC on March 15, 2019 and came into effect on January 1, 2020 and its implementation regulations that took effect the same day.

Under the current regulatory regime in the PRC, FIEs in the PRC may pay dividends only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside as statutory reserve funds at least 10% of its after-tax profit, until the cumulative amount of such reserve funds reaches 50% of its registered capital unless laws regarding foreign investment provide otherwise. A PRC company shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year. In addition, failure to comply with the registration procedures set forth in the SAFE Circular 37 may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates. See the section of this annual report captioned “—B. Business Overview—Regulations—PRC Regulations—Regulations Related to Mergers and Acquisitions and Overseas Listings” of this annual report for details.

Regulations on Taxation

Enterprise Income Tax

On March 16, 2007, the SCNPC promulgated the Law of the PRC on Enterprise Income Tax, which was amended on December 29, 2018 and on December 6, 2007, the State Council enacted the Regulations for the Implementation of the Law on Enterprise Income Tax, collectively, the EIT Law, which was amended on April 23, 2019. Under the EIT Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from and inside the PRC. Under the EIT Law and

relevant implementing regulations, a uniform corporate income tax rate of 25% is applied.

However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from inside the PRC.

Withholding Tax

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to an Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, or the Double Tax Avoidance Arrangement, promulgated by the STA on August 21, 2006, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, or the STA Circular 81, issued on February 20, 2009 by the STA, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment.

Value-added Tax

On December 25, 2024, the SCNPC issued the Value-added Tax Law of the PRC (“VAT Law”), which becomes effective on January 1, 2026. According to the VAT Law, any entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. Except for taxpayers’ export of goods, the sale of services or intangible assets by domestic entities and individuals across national borders within the scope as prescribed by the State Council and other circumstances specified for by the State Council, the rate of VAT for sale of goods, labor services of processing, repair or replacement, or tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation, postal, basic telecommunications, construction, or immovable leasing services, sale of immovables, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

Regulations on Employment

Labor Law and Labor Contract Law

The Labor Law, which was promulgated on July 5, 1994 and amended on December 29, 2018 and the Labor Contract Law of the PRC, or the Labor Contract Law, which took effect on January 1, 2008 and was amended on December 28, 2012, are primarily regulating rights and obligations of employer and employee relationships, including the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between employers and the employees. Employers are prohibited from forcing employees to work above certain time limit and employers shall pay employees for overtime work in accordance to national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and shall be paid to employees timely. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

Regulations on Social Insurance and Housing Fund

Under the Social Insurance Law of the PRC that was promulgated by the SCNPC on October 28, 2010, came into force as of July 1, 2011 and was amended on December 29, 2018 and the Interim Regulations on the Collection and Payment of Social Insurance Premiums that was promulgated by the State Council on January 22, 1999 and was amended on March 24, 2019, employers are required to pay basic endowment insurance, unemployment insurance, basic medical insurance, employment injury insurance, maternity insurance and other social insurance for its employees at specified percentages of the salaries of the employees, up to a maximum amount specified by the local government regulations from time to time. Where an employer fails to fully pay social insurance premiums, relevant social insurance collection agency shall order it to make up for any shortfall within a prescribed time limit, and may impose a late payment fee at the rate of 0.05% per day of the outstanding amount from the due date. If such employer still fails to make up for the shortfalls within the prescribed time limit, the relevant administrative authorities shall impose a fine of one to three times the outstanding amount upon such employer.

In accordance with the Regulations on the Management of Housing Fund which was promulgated by the State Council in 1999

and amended in 2002 and 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employer and employee are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time.

Regulations on Employee Share Incentive Plans

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In addition, pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company, or SAFE Circular 7, which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency as regulated in SAFE Circular 7.

In addition, the STA has issued certain circulars concerning employee stock options and restricted shares, including the Circular on Issues Concerning the Individual Income Tax on Share-option Incentives, or the Circular 461, which was promulgated and took effective on August 24, 2009 and was amended on April 18, 2011. Under Circular 461 and other relevant laws and regulations, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock option or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiary may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Regulations Related to Mergers and Acquisitions and Overseas Listings

SAFE Circular 37

Under the Circular of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles, or the SAFE Circular 37, issued by the SAFE and effective on July 4, 2014, PRC residents are required to register with the local SAFE branch prior to the establishment or control of an offshore special purpose vehicle, or the SPV, which is defined as offshore enterprises directly established or indirectly controlled by PRC residents for offshore equity financing with the enterprise assets or interests they hold in China. An amendment to registration or subsequent filing with the local SAFE branch by such PRC resident is also required if there is any change in basic information of the offshore company or any material change with respect to the capital of the offshore company. At the same time, the SAFE has issued the Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment regarding the procedures for SAFE registration under the SAFE Circular 37, which became effective on July 4, 2014 as an attachment of Circular 37.

Under the relevant rules, failure to comply with the registration procedures set forth in the SAFE Circular 37 may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations.

Regulations on Overseas Listing

On July 6, 2021, Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law was jointly issued by the General Office of the Communist Party of China Central Committee and the General Office of the State Council, which steps-up scrutiny of overseas listings by companies and calls for strengthening cooperation in cross-border regulation, improving relevant laws and regulations on cyber security, cross-border data transmission and confidential information management, including the confidentiality requirement and file management related to the issuance and listing of securities overseas, enforcing the primary responsibility of the enterprises for information security of China-based overseas listed companies and promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. As the official guidance and related implementation rules of these opinions have not been issued yet and the interpretation of these opinions remains unclear at this stage. We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us.

On February 17, 2023, the CSRC, as approved by the State Council, released Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures and relevant guidelines, which came into effect on March 31, 2023.

The Overseas Listing Trial Measures, among others, lays out specific requirements for filing. In addition, it stipulates that domestic companies that seek to offer and list securities in overseas markets shall strictly comply with laws, regulations and relevant provisions concerning national security in spheres of foreign investment, cybersecurity, and data security, and earnestly fulfill their obligations to protect national security and lays out the prohibited circumstances for overseas offering and listing. Domestic

companies seeking to list abroad must carry out relevant security review procedures if their businesses involve such supervision. It further requires that, subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. And upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. There remain substantial uncertainties as to the interpretation, application and enforcement of the Overseas Listing Trial Measures and how they will affect our operations and our future financing.

The Overseas Listing Trial Measures further stipulates that a fine between RMB 1 million and RMB 10 million may be imposed if an applicant fails to fulfill the filing requirements with the CSRC.

On February 17, 2023, the CSRC circulated the Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises and the relevant CSRC Answers to Reporter Questions on the official website of CSRC which, among others, state that the companies that have already been listed on overseas stock exchanges are not required to make immediate filings for its listing yet need to make filings for subsequent offerings in accordance with the Overseas Listing Trial Measures and the relevant guidelines.

On February 24, 2023, the CSRC, the MOF, National Administration of State Secrets Protection and National Archives Administration of China jointly issued the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises, or the Confidentiality and Archives Provisions, which took effect on March 31, 2023, regulating the secrets protection and archives administration behaviors relevant to the overseas listing.

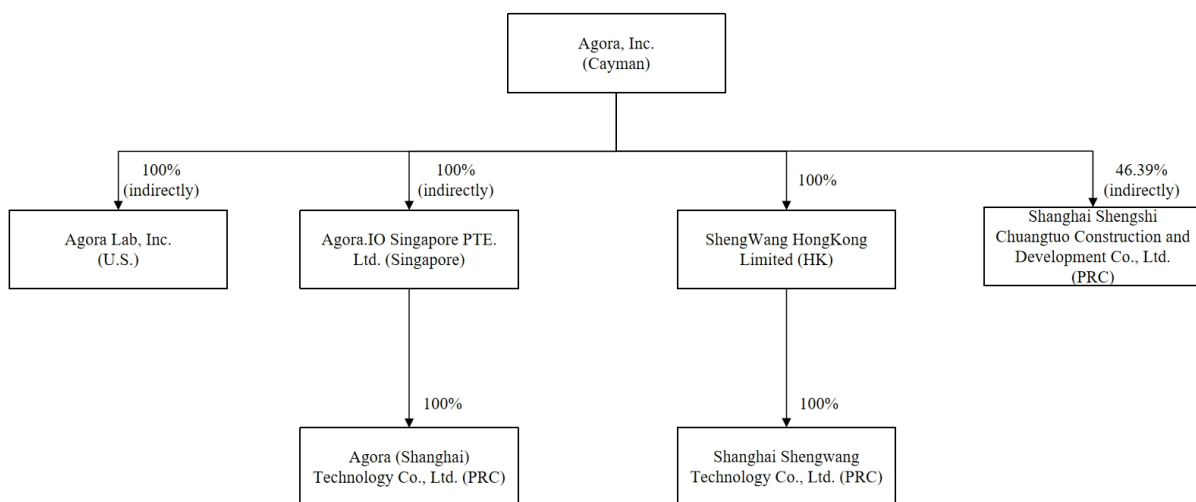
U.S. Regulation

We are subject to a number of U.S. federal and state laws and regulations that involve matters central to our business. These laws and regulations may involve privacy, cybersecurity, data protection, intellectual property, competition, consumer protection, export taxation, telecommunications or other subjects. For example, as a provider of products used in communications applications, we may be indirectly or directly subject to existing or potential Federal Communications Commission, or FCC, regulations relating to the Twenty-First Century Communications and Video Accessibility Act, Telecommunications Relay Service fund contributions and other requirements. These laws require providers of certain advanced communications services to make those services accessible to parties with disabilities, including the hardware or software applications they provide, and to keep records of their compliance obligations. These laws may also require service providers to pay certain fees to support FCC accessibility initiatives. If requirements under these laws were imposed on us indirectly by our customers or directly upon us by the FCC, we would be subject to certain product design, recordkeeping or fee contribution obligations. FCC classification of our internet voice communications products as telecommunications services could result in additional federal and state regulatory obligations. If we do not comply with FCC rules and regulations, we could be subject to FCC enforcement actions, fines, and possibly restrictions on our ability to operate or offer certain of our products. Any enforcement action by the FCC, which may be a public process, could hurt our reputation in the industry, possibly impair our ability to sell our products to customers and could adversely affect our business, operating results and financial condition.

Many of the laws and regulations to which we are subject are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry in which we operate. Because these laws and regulations have continued to develop and evolve rapidly, it is possible that we may not be, or may not have been, compliant with each such applicable law or regulation.

C. Organizational Structure

We conduct our business through a number of operating entities in the U.S., China and other countries and regions as we continue to expand our global presence. The following diagram illustrates our corporate structure as of the date of this annual report, including primarily our significant subsidiaries:



We conduct our Agora business mainly through our subsidiaries in the U.S. and Singapore, and our Shengwang business mainly through our subsidiaries in China.

Historically, we had controlling financial interest over Zhaoyan through a series of contractual arrangements by and among Shanghai Dayin, Zhaoyan and Zhaoyan's shareholders. These contractual arrangements, as described in more detail below, collectively allowed us to exercise controlling financial interest over Zhaoyan, (2) receive substantially all of the economic benefits of Zhaoyan and (3) purchase all or part of the equity interests in Zhaoyan pursuant to exclusive call option exercisable when so permitted under PRC laws. Since January 2025, we terminated the contractual arrangement with Zhaoyan. Going forward, our business will be conducted primarily through our PRC subsidiaries, such as Shanghai Shengwang.

Historical Contractual Arrangements among Shanghai Dayin, Zhaoyan and Zhaoyan's Shareholders

Below is a summary of the historical contractual arrangements by and among Shanghai Dayin, Zhaoyan and Zhaoyan's shareholders, all of which were terminated in January 2025.

Agreements that Provided us with Controlling Financial Interest over Zhaoyan

Share Pledge Agreement. Pursuant to the Share Pledge Agreement, dated June 18, 2015, by and among Shanghai Dayin, Zhaoyan and Zhaoyan's then shareholders, and a joinder agreement entered into by and among Ms. Yan Chen, Shanghai Dayin and Zhaoyan on January 19, 2021, each of Zhaoyan's shareholders pledged and the joinder shareholder agrees to pledge all of their equity interests in Zhaoyan to Shanghai Dayin to guarantee their and Zhaoyan's performance of their obligations under the contractual arrangements. Following the terms of the Share Pledge Agreement, the shareholders of Zhaoyan, except for the joinder shareholder, have registered the pledge partially at the State Administration for Market Regulation on July 29, 2015.

Voting Rights Proxy Agreement and Irrevocable Powers of Attorney. Under the Voting Rights Proxy Agreement, dated as of June 18, 2015, by and among Shanghai Dayin, Zhaoyan and Zhaoyan's then shareholders, the related irrevocable powers of attorney executed by Zhaoyan's then shareholders on the same date pursuant to the Voting Rights Proxy Agreement, and a joinder agreement entered into by and among Ms. Yan Chen, Shanghai Dayin and Zhaoyan on January 19, 2021, each of Zhaoyan's shareholders irrevocably granted Shanghai Dayin's designated representative full power of attorney to exercise his or her rights as a shareholder of Zhaoyan, including rights to convene and attend shareholders' meetings, nominate and elect directors, and appoint and dismiss the senior management of Zhaoyan.

Agreement that Allowed us to Receive Economic Benefits from Zhaoyan

Exclusive Technology Consulting and Services Agreement. Under the Exclusive Technology Consulting and Services Agreement, dated as of June 18, 2015, by and between Shanghai Dayin and Zhaoyan, and a joinder agreement entered into by and among Ms. Yan Chen, Shanghai Dayin and Zhaoyan on January 19, 2021, Shanghai Dayin has the exclusive right to provide to Zhaoyan consulting and services related to, among other things, information consulting, assisting in information collection and market research, and providing training to personnel. Shanghai Dayin has the exclusive ownership of intellectual property rights created as a result of the performance of this agreement. Zhaoyan shall pay Shanghai Dayin an annual service fee, which may only be adjusted with the approval of Shanghai Dayin and ShengWang HK.

Agreement that Provided us with the Option to Purchase the Equity Interest in Zhaoyan

Exclusive Option Agreement. Pursuant to the Exclusive Option Agreement, dated as of June 18, 2015, by and among Shanghai Dayin, Zhaoyan and Zhaoyan's then shareholders, and a joinder agreement entered into by and among Ms. Yan Chen, Shanghai Dayin and Zhaoyan on January 19, 2021, each of Zhaoyan's shareholders irrevocably granted Shanghai Dayin an exclusive option to purchase, or have its designated person to purchase, at its discretion, to the extent permitted under PRC law, all or part of their equity interests in Zhaoyan, and the purchase price shall be the registered capital of Zhaoyan pro rata to Zhaoyan's shareholders' shareholdings or the lowest price permitted by applicable PRC law, as applicable. The shareholders of Zhaoyan undertake that, without the prior written consent of Shanghai Dayin or us, they shall not, among other things, increase or decrease the registered capital of Zhaoyan, dispose of its assets, incur any debts or guarantee any liabilities, terminate any material agreements or enter into any agreements that are in conflict with any of the existing material agreements, distribute or vote to distribute any profits, interests or dividends, amend its articles of association or provide any loans to third parties.

In the opinion of Fangda Partners, our PRC legal counsel, dated as of April 15, 2026:

- the ownership structures of Shanghai Dayin and Zhaoyan in China had not violated any applicable PRC law, regulation or rule then in effect before the termination of the Former VIE structure; and
- the contractual arrangements among Shanghai Dayin, Zhaoyan and Zhaoyan's shareholders governed by PRC laws had been valid, binding and enforceable in accordance with their terms and applicable PRC laws, rules and regulations then in effect, and had not violated any applicable PRC law, regulation or rule then in effect before the termination of the Former VIE structure.

Historical Financial Information Related to the Former VIEs

In 2023 and 2024, the amount of revenues generated by the VIEs accounted for 56.7% and 44.7%, respectively, of our total revenues. As of December 31, 2024, total assets of the Former VIEs, excluding amounts due from other companies in the Group, equaled to 4.4% of our consolidated total assets as of the same date.

The following tables present the summary financial information for the Former VIEs and their subsidiaries, our wholly foreign-owned subsidiaries in China that are the primary beneficiary of the Former VIEs, and other entities within the Group for the periods presented.

Selected Condensed Consolidating Statements of Comprehensive Loss Data

	For the year ended December 31, 2024					
	Agora, Inc.	Other Subsidiaries	Primary	Former VIEs	Elimination Adjustments	Consolidated Total
			Beneficiary of the Former VIEs	and the Former VIEs' Subsidiaries		
	(in US\$ thousands)					
Third-party revenues	—	73,752	—	59,504	—	133,256
Inter-company revenues ⁽¹⁾	—	29,133	3,033	—	(32,166)	—
Research and development (Interco) ⁽¹⁾	—	—	—	(32,166)	32,166	—
Other costs and expenses	(901)	(150,891)	(8,348)	(28,005)	—	(188,145)
Other operating income	—	—	53	1,525	—	1,578
(Loss) income from subsidiaries and the Former VIE	(46,558)	(4,235)	1,019	—	49,774	—
Income from non-operations	4,732	5,941	8	161	—	10,842
(Loss) income before income tax expenses	(42,727)	(46,300)	(4,235)	1,019	49,774	(42,469)
Less: income tax expenses	—	(258)	—	—	—	(258)
Net (loss) income	(42,727)	(46,558)	(4,235)	1,019	49,774	(42,727)
Net (loss) income attributable to ordinary shareholders	(42,727)	(46,558)	(4,235)	1,019	49,774	(42,727)

	For the year ended December 31, 2023					
	Agora, Inc.	Other Subsidiaries	Primary	Former VIEs	Elimination Adjustments	Consolidated Total
			Beneficiary of the Former VIEs	and the Former VIEs' Subsidiaries		
	(in US\$ thousands)					
Third-party revenues	—	60,997	274	80,267	—	141,538
Inter-company revenues ⁽¹⁾	—	30,715	2,206	—	(32,921)	—
Research and development (Interco) ⁽¹⁾	—	—	—	(32,921)	32,921	—
Other costs and expenses	(655)	(137,718)	(10,930)	(49,360)	—	(198,663)
Other operating income	—	(31,596)	1,632	(235)	—	(30,199)
Loss from subsidiaries and the Former VIE	(88,197)	(8,963)	(2,184)	—	99,344	—
Income (loss) from non-operations	1,640	(1,241)	39	89	—	527
Loss before income tax expenses	(87,212)	(87,806)	(8,963)	(2,160)	99,344	(86,797)
Less: income tax expenses	(7)	(391)	—	(24)	—	(422)
Net loss	(87,219)	(88,197)	(8,963)	(2,184)	99,344	(87,219)
Net loss attributable to ordinary shareholders	(87,219)	(88,197)	(8,963)	(2,184)	99,344	(87,219)

(1) It represents the elimination of the intercompany service charges at the consolidation level for research and development services with primary beneficiary of the Former VIEs and technical consulting services with other subsidiaries.

Selected Condensed Consolidating Balance Sheet Data

The following tables present the summary balance sheet data for the Former VIE and other entities as of the dates presented.

	For the year ended December 31, 2024					Consolidated Total
	Agora, Inc.	Other Subsidiaries	Primary	Former VIEs	Elimination Adjustments	
			Beneficiary of the Former VIEs	and the Former VIEs' Subsidiaries		
			(in US\$ thousands)			
Assets						
Current assets:						
Cash and cash equivalents	7,075	15,754	448	3,806	—	27,083
Short-term deposits	20,000	148,327	—	—	—	168,327
Short-term financial products issued by banks	50,679	20,785	—	—	—	71,464
Short-term investments	2,787	—	—	—	—	2,787
Accounts receivable, net	—	14,877	—	16,075	—	30,952
Prepayments and other current assets	2,737	17,762	426	1,668	—	22,593
Restricted cash	—	3,708	—	37	—	3,745
Contract asset	—	1,033	—	66	—	1,099
Amounts due from intercompany ⁽³⁾	627,228	156,221	16,051	5,533	(805,033)	—
Total current assets	710,506	378,467	16,925	27,185	(805,033)	328,050
Property and equipment, net	—	4,315	139	226	—	4,680
Construction in progress for the headquarters project	—	44,486	—	—	—	44,486
Operating lease right-of-use assets	—	3,681	185	—	—	3,866
Intangible assets	—	611	—	—	—	611
Long-term deposits	15,000	20,500	—	—	—	35,500
Long-term financial products issued by banks	61,400	—	—	—	—	61,400
Long-term investments	—	33,754	—	6,956	—	40,710
Other non-current assets	1,233	15,475	454	1,794	—	18,956
Land use right, net	—	161,395	—	—	—	161,395
Investments in subsidiaries ⁽²⁾	(106,005)	(7,592)	—	—	113,597	—
Investments in the Former VIE ⁽²⁾	—	—	—	—	—	—
Total non-current assets	(28,372)	276,625	778	8,976	113,597	371,604
Total assets	682,134	655,092	17,703	36,161	(691,436)	699,654
Liabilities and shareholders' equity (deficit)						
Current liabilities:						
Accounts payable	—	6,563	—	6,402	—	12,965
Advances from customers	—	3,044	—	5,694	—	8,738
Taxes payable	—	2,058	84	68	—	2,210
Current operating lease liabilities	—	1,718	31	—	—	1,749
Payables for construction cost	—	12,834	—	—	—	12,834
Accrued expenses and other current liabilities	557	15,506	1,689	2,087	—	19,839
Amounts due to intercompany ⁽³⁾	108,916	650,871	23,337	21,909	(805,033)	—
Total current liabilities	109,473	692,594	25,141	36,160	(805,033)	58,335
Long term borrowings for the headquarters project	—	46,469	—	—	—	46,469
Long term payables	—	—	—	1	—	1

For the year ended December 31, 2024						
Agora, Inc.	Other Subsidiaries	Primary Beneficiary of the Former VIEs	Former VIEs and the Former VIEs' Subsidiaries	Elimination Adjustments	Consolidated Total	
(in US\$ thousands)						
Long-term operating lease liabilities	—	1,768	154	—	—	1,922
Deferred tax liabilities	—	92	—	—	—	92
Advance in relation to the headquarters project	—	20,174	—	—	—	20,174
Total non-current liabilities	—	68,503	154	1	—	68,658
Total liabilities	109,473	761,097	25,295	36,161	(805,033)	126,993
Total shareholders' equity (deficit)	572,661	(106,005)	(7,592)	—	113,597	572,661
Total liabilities, mezzanine equity and shareholders' equity (deficit)	682,134	655,092	17,703	36,161	(691,436)	699,654

(2) It represents the elimination of the investment among Agora, Inc., other subsidiaries, primary beneficiary of the Former VIE, and the Former VIE and the Former VIE's subsidiary.

(3) It represents the elimination of intercompany balances among Agora, Inc., other subsidiaries, primary beneficiary of the Former VIE, and the Former VIE and the Former VIE's subsidiaries.

The following table represents the roll-forward of the amount due to intercompany for the former VIE as of December 31, 2024:

		For the Year Ended December 31, 2024
		(in US\$ thousands)
Amount due to intercompany		
Balance as of December 31, 2023		(64,683)
Service fees accrued in fiscal year 2024		(32,166)
Value added taxes		(1,930)
Payment of service fees in fiscal year 2024		45,273
Other accrued		14,258
Waiver of intercompany payables		17,797
Foreign currency translation		(458)
Balance as of December 31, 2024		(21,909)

Selected Condensed Consolidating Statements of Cash Flow Data

The following tables present the summary cash flow data for the Former VIE and other entities for the periods presented.

For the year ended December 31, 2024						
Agora, Inc.	Other Subsidiaries	Primary Beneficiary of the Former VIEs	Former VIEs and the Former VIEs' Subsidiaries	Elimination Adjustments	Consolidated Total	
(in US\$ thousands)						
Purchase of service from Group companies ⁽⁴⁾	—	—	(45,273)	45,273	—	—
Sales of service from Group Companies ⁽⁴⁾	—	22,054	23,219	(45,473)	—	—
Operating activities with external parties	8,312	(32,193)	(31,182)	40,934	—	(14,129)
Net cash provided by (used in) operating activities	8,312	(10,139)	(7,963)	(4,339)	—	(14,129)
Investment in inter-company-others ⁽⁵⁾	(6,829)	26,878	30,277	(50,326)	—	—
Other investing activities	10,405	(48,196)	(81)	(177)	—	(38,049)
Net cash provided by (used in) investing activities	3,576	(21,318)	30,196	(177)	(50,326)	(38,049)
Proceeds used in inter-financing-others ⁽⁵⁾	—	(23,448)	(26,878)	50,326	—	—
Other financing activities	(10,204)	56,198	—	—	—	45,994
Net cash (used in) provided by financing activities	(10,204)	32,750	(26,878)	50,326	—	45,994

For the year ended December 31, 2023

	Agora, Inc.	Other Subsidiaries	Primary Beneficiary of the Former VIEs	Former VIEs and the Former VIEs' Subsidiaries	Elimination Adjustments	Consolidated Total
	(in US\$ thousands)					
Purchase of service from Group companies ⁽⁴⁾	—	—	(17,327)	(48,587)	65,914	—
Sales of service from Group Companies ⁽⁴⁾	—	23,951	24,636	17,327	(65,914)	—
Operating activities with external parties	4,874	(38,117)	(7,763)	27,395	—	(13,611)
Net cash provided by (used in) operating activities	4,874	(14,166)	(454)	(3,865)	—	(13,611)
Investment in inter-company-others ⁽⁵⁾	50,692	19,016	23,103	—	(92,811)	—
Other investing activities	(14,675)	61,312	(83)	10,089	—	56,643
Net cash provided by (used in) investing activities	36,017	80,328	23,020	10,089	(92,811)	56,643
Proceeds used in inter-financing-others ⁽⁵⁾	—	(73,795)	(19,016)	—	92,811	—
Other financing activities	(63,277)	10,909	—	—	—	(52,368)
Net cash (used in) provided by financing activities	(63,277)	(62,886)	(19,016)	—	92,811	(52,368)

- (4) The cash flows which have occurred between our subsidiaries and the Former VIEs included the following:
- cash paid by the Former VIEs to our wholly foreign-owned subsidiaries in China for technical service fees;
 - cash paid by our wholly foreign-owned subsidiaries in China to the Former VIEs for research and development consulting fees.

- (5) The cash flow represents capital injections from ShengWang HongKong Limited to other subsidiaries, as well as cash transfers between Agora, Inc. and its equity owned subsidiaries.

The following table represents the roll-forward of Agora, Inc.'s investments in subsidiaries and investments in the Former VIEs and the Former VIEs' subsidiaries, including share of loss from the Former VIEs and the Former VIEs' subsidiaries:

Investments in subsidiaries and VIEs	Investments in subsidiaries	Investments in the Former VIEs and the Former VIEs' subsidiaries
	(in US\$ thousands)	
January 1, 2023	(28,264)	(24,558)
Share of loss from subsidiaries and the Former VIEs and the Former VIEs' subsidiaries	(88,197)	(2,184)
Share of other change in the capital account of subsidiaries and the Former VIEs and the Former VIEs' subsidiaries	2,472	3,299
Foreign currency translation	20,886	513
December 31, 2023	(93,103)	(22,930)
Share of (loss) income from subsidiaries and the Former VIEs and the Former VIEs' subsidiaries	(46,558)	1,019
Share of other change in the capital account of subsidiaries and the Former VIEs and the Former VIEs' subsidiaries	37,410	21,479
Foreign currency translation	(3,754)	432
December 31, 2024	(106,005)	—

D. Property, Plants and Equipment

We owned one property under construction, which is an office building primarily intended for our future headquarters in China. In June 2022, we entered into an agreement with the local government to acquire the land use rights for approximately 42,000 square meters of land in the riverside area of Yangpu District, Shanghai, China through an entity (the "Joint Venture") established by us and two independent third parties. We hold a 46.39% equity interest in the Joint Venture. The aggregate consideration for acquiring the land use rights is approximately RMB2.5 billion. The land use rights for the foregoing parcel were officially obtained in February 2023, and the building construction on such parcel was commenced in the same year. Following the estimated completion of building construction in 2026, we may use part of the building as our office space.

The headquarters of our Shengwang business are in Shanghai, where we lease office space with an area of approximately 9,215 square meters. The headquarters of our Agora business are in Santa Clara, where we lease office space with an area of approximately 525 square meters.

We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and related notes included elsewhere in this annual report. This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the section of this annual report captioned “Item 3. Key Information—D. Risk Factors” and in other parts of this annual report. Our fiscal year ends on December 31.

A. Operating Results

Overview

Agora, Inc. is the holding company of two independent divisions operating under the Agora and Shengwang brands. Agora is a pioneer and global leader in Real-Time Engagement PaaS that operates in the United States, as well as other international markets outside the United States and China. Shengwang is a pioneer and leading Real-Time Engagement PaaS provider in the China market.

We provide developers simple-to-use, highly customizable and widely compatible application programming interfaces, or APIs, to embed real-time engagement functionalities—such as video, voice, chat, live streaming and conversational AI—into their applications without the need to develop the technology or build the underlying infrastructure themselves. The real-time data transmission is handled by our Software-Defined Real-Time Network, or SD-RTN, which is a virtual network overlay on top of the public internet. Using our proprietary algorithms, the SD-RTN continuously monitors and optimizes data transmission paths through the network to minimize latency and packet loss, enabling high-quality real-time engagement across millions of concurrent end users.

Since the establishment of our Agora business headquartered in Santa Clara, California and our Shengwang business headquartered in Shanghai, China, both in 2014, developers around the world have used our APIs to create use cases and experiences that far exceed our imagination. We take pride in having a developer-centric business model and have cultivated a large and engaged developer community with more than one million accumulated registered applications as of December 31, 2025. These applications power more than 200 use cases in a wide range of industries, including social and entertainment, education, live shopping, IoT, enterprise collaboration, financial services and healthcare.

Advancements in large language models have expanded our addressable market. Beyond enabling real-time engagement among human users, our products enable voice-based real-time interaction between users and AI agents. In March 2025, we launched our conversational AI engine, empowering developers to build voice AI agents that converse with humans naturally. Our conversational AI engine has been adopted in various scenarios, including customer service, online learning and tutoring, and smart devices such as companionship toys. With the performance of large language models and our conversational AI capabilities continuing to improve, we expect their adoption across use cases to ramp up. We believe we are well-positioned to capture the enormous market opportunities from conversational AI with our advanced audio and video processing technology, global real-time network infrastructure, strong brand names among developers, and dedication to innovation.

Our business employs a freemium model, offering 10,000 free minutes of real-time engagement per month per account, to encourage adoption and innovation by developers and proliferation of real-time engagement use cases. As usage exceeds the allotted free minutes, we charge developers based on usage and they become our customers. Our active customers, defined as customers from whom we generate more than US\$100 of revenue during the preceding 12 months, excluding customers of Easemob business, reached 2,085 and 1,876 for Agora and Shengwang, respectively, as of December 31, 2025.

As our customers succeed, we share in their success through our usage-based revenue model. We believe a useful indicator of the increased activity from our customers is our Dollar-Based Net Retention Rate. The Dollar-Based Net Retention Rate of Agora was 93%, 95%, and 109% for 2023, 2024 and 2025, respectively. The Dollar-Based Net Retention Rate of Shengwang was 82%, 79%, and 89% for 2023, 2024 and 2025, respectively, excluding the revenues from certain end-of-sale products and Easemob’s CEC business.

Our total revenues decreased by 5.9% from US\$141.5 million in 2023 to US\$133.3 million in 2024, and grew by 5.9% to US\$141.1 million in 2025. We recorded net loss of US\$87.2 million and US\$42.7 million in 2023 and 2024, respectively, and net income of US\$9.5 million in 2025.

Factors Affecting Our Performance

Product and Market Leadership

We are committed to delivering market-leading products to continue to build and maintain credibility with the global developer community. We believe we must maintain our technology, product and market leadership position and the strength of our brand to drive further revenue growth. We intend to continue to invest in our engineering capabilities and marketing activities to maintain our strong competitive position and brand perception among the developer community when it comes to real-time-engagement technology providers. As a result, our results of operations may reflect high levels of sustained investments to drive increased developer adoption and usage.

Acquiring New Customers

We are focused on growing the number of developers that use our platform. Our operating results and growth prospects will depend in part on our ability to attract new developers and convert them into paying customers as well as active customers.

Our self-service model allows us to more efficiently leverage our investments in sales and marketing activities. In order to maintain the efficiency of our customer acquisition, we must maintain and expand our grassroots developer outreach and targeted sales efforts to larger organizations that could benefit from our products, in the form of conference and events and other sales and marketing initiatives, which will all require significant investments before realizing revenue growth resulting from such investments. We believe that by investing in our brand and developer relationships, we can continuously drive awareness and attract more customers to our platform.

Expanding Usage of Existing Customers

We believe that there are significant opportunities for growth with many of our existing customers. Many customers adopt our products through self-managed deployments and often significantly expand their usage over time. In order for us to continue to expand usage within our existing customer base, we will need to maintain engineering-level customer support and continue to introduce new products and features as well as innovative new use cases that are tailored to our customers' needs. Given our usage-based revenue model, we depend on the success of our customers and their applications.

We quantify our expansion across existing customers through our Dollar-Based Net Retention Rate. Our Dollar-Based Net Retention Rate reflects adoption and usage within our customers, as our revenue is primarily driven by the customers' usage of our video and voice products, while removing the impact of currency translations which we do not believe reflect our core operating performance. Dollar-Based Net Retention Rate may fluctuate as a result of several factors, including the level of penetration within our customer base, expansion of products and features, the mix of use cases and products adopted by our customers, fluctuations in the usage of our customers' applications by their end users and our ability to retain our customers.

Innovation and Enhancement of Our Platform

We are dedicated to empowering our customers through technology. We believe that our market leadership relies on our research and development and technological capabilities and our ability to recruit the best talents in this area. We continue to invest resources to enhance the capabilities of our platform and release product updates in order to meet our customers' evolving demands. We believe that the more developers and other third parties use our platform and integrate it with third-party applications, the more we become the ubiquitous platform for real-time engagement. We will need to expend additional resources to continue to introduce new products, features and functionality, new use cases and adjacent functions to existing use cases, and to continue to support the integration efforts of third parties that enhance the value of our platform.

At the same time, we will further expand our research and development capabilities by investing in our research and development team, recruiting and retaining industry leading developers. Our results of operation may be affected by the level of investment we make to further grow our research and development capabilities.

International Growth

A component of our growth strategy involves the further expansion of our operations and customer base worldwide. The majority of our revenue in 2023, 2024 and 2025 was generated from customers operating primarily in the PRC and United States. We expect to continue to expand our international go-to-market and collaboration efforts with ecosystem partners in other global markets in the future. Although the expansion of the reach of our platform and our global sales efforts will add increased complexity and costs to our business, we can create use case revenue synergies where we can leverage the experience we learned while developing certain use cases in a region to accelerate adoption in another region. Additionally, we can create use case cost synergies where we no longer need to re-invest into developing a use case in a region if there is already an existing use case that we have previously developed in another region.

Effect of Currency Translations

As a result of our international operations, we are exposed to the impacts of currency translation. Our reporting and functional currency is the U.S. dollar. The functional currency of our subsidiaries and the Former VIE in the PRC, which generate the majority

of our revenue, is the Renminbi. The financial statements of our entities using functional currencies other than the U.S. dollar are translated to the U.S. dollar. Revenue and expense items are translated at average exchange rates prevailing during the fiscal year. As a result, as the Renminbi depreciates or appreciates against the U.S. dollar, our revenue presented in U.S. dollars will be negatively or positively affected.

Key Operating and Financial Metrics

The following table sets forth the key financial and operating metrics we use for the years indicated.

	Year Ended December 31,		
	2023	2024	2025
Dollar-Based Net Retention Rate:			
Agora	93%	95%	109%
Shengwang ⁽¹⁾	82%	79%	89%
Active customers:			
Agora	1,683	1,723	2,085
Shengwang ⁽²⁾	1,835	1,979	1,876

(1) excluding the revenues from certain end-of-sale products and Easemob's CEC business

(2) excluding customers of Easemob business

Dollar-Based Net Retention Rate

Our ability to drive growth and generate incremental revenue depends, in part, on our ability to maintain and grow our relationships with existing customers and to increase their usage of our platform. An important way in which we track our performance in this area is by measuring the Dollar-Based Net Retention Rate for our existing customers. Our Dollar-Based Net Retention Rate increases when our customers increase usage of a product, extend usage of a product to new applications or adopt a new product. Our Dollar-Based Net Retention Rate decreases when our customers cease or reduce usage of a product or when we lower prices.

Our Dollar-Based Net Retention Rate measures our ability to increase revenue generated from our existing customer base. To calculate Dollar-Based Net Retention Rate for a given 12 month period, we first identify all customers in the prior 12 month period, then calculate the quotient from dividing the revenue generated from such customers in the given 12 month period by the revenue generated from the same group of customers in the prior 12 month period. We calculate our Dollar-Based Net Retention Rate on a 12 month-over-12 month basis because our revenue is subject to fluctuations from quarter to quarter.

Active Customers

We believe that our ability to expand our customer base is an important indicator of market acceptance of our platform, the growth of our business and future business opportunities. We define an active customer at the end of any particular period as an organization or individual developer from which we generated more than US\$100 of revenue during the preceding 12 months. We count customers based on unique customer account identifiers. Generally, one software application uses the same customer account identifier throughout its life cycle while one account may be used for multiple applications. In each of the periods presented, revenue from active customers represented substantially all of our revenue.

Components of Our Results of Operations

Revenue

We derive substantially all of our revenue from usage-based fees earned from customers using video, voice, and other products. A majority of the minutes used by our customers are for voice products, but we generate a majority of our revenue from usage of video products, which we sell for a higher price given the higher bandwidth cost and technical sophistication required. Our product mix is impacted by the relative contribution of various use cases. We expect that product and use case mix and their impact on revenue will vary from period to period.

Generally, customers enter into 12-month contracts and are invoiced monthly in arrears based on usage. We offer tiered, volume-based discounts to our largest customers, in some cases in return for some level of minimum revenue commitment.

Cost of Revenue and Gross Margin

Our cost of revenue consists primarily of the costs of bandwidth purchased from network operators and cloud providers, data center co-location costs, depreciation of servers and network equipment, sales and other taxes and personnel costs for customer solutions and services employees.

Our gross profit is equal to our total revenues less cost of revenues. Our gross profit as a percentage of our total revenues is referred to as gross margin. Our gross margin has been and will continue to be affected by a number of factors, including the timing and extent of our investments in our operations, our ability to manage our bandwidth, co-location and server costs and the extent to which we periodically choose to pass on the cost savings from lower pricing and higher utilization to our customers in the form of lower prices as well as our efforts to drive greater usage of our products through attractive pricing.

Operating Expenses

The most significant components of our operating expenses are personnel costs, which consist of salaries, benefits, bonuses, and share-based compensation. We also incur other non-personnel costs related to our general overhead expenses.

- *Research and Development.* Our research and development expenses consist primarily of personnel costs for research and development personnel, third-party software testing services and an allocation of general overhead expenses. Except for immaterial capitalized internal-use software development costs in 2023, 2024 and 2025, all development costs have been expensed as incurred.

We believe that continued investment in our products is important for our future growth, and we expect to continue to focus our research and development efforts on improving the quality of the end-user experience, adding new features and functionalities to our products and introducing new products. We expect our research and development expenses to continue to increase in absolute dollars for the foreseeable future. Although these expenses may fluctuate as a percentage of total revenues from period to period, over the longer term, we expect research and development expenses to decline as a percentage of revenue as we scale our business.

- *Sales and Marketing.* Our sales and marketing expenses consist primarily of advertising-related expenditures, marketing costs related to our developer conferences and event, personnel costs of our sales and marketing team and an allocation of our general overhead expenses.

Our go-to market strategy is focused on building developer community and enthusiasm for our products. We also employ more targeted sales efforts focused on large potential customers with proven use cases that could benefit from our products. We plan to continue investing in sales and marketing by increasing our sales and marketing headcount, expanding our sales channels, building our brand awareness and sponsoring additional marketing events. We expect our sales and marketing expenses to continue to increase in absolute dollars for the foreseeable future as we expand our sales and marketing efforts and continue to build our brand, although these expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of these expenses and, over the longer term, we expect them to decline as a percentage of revenue as we scale our business.

- *General and Administrative.* Our general and administrative expenses consist primarily of personnel costs for our accounting, finance, legal, human resources and administrative support personnel and executives. General and administrative expenses also include costs related to current expected credit loss, legal and other professional services fees and an allocation of our general overhead expenses.

We expect to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC and increased expenses for insurance, investor relations and professional services. We expect our general and administrative expenses to continue to increase in absolute dollars for the foreseeable future. Although these expenses may fluctuate as a percentage of our total revenues from period to period, over the long term, we expect general and administrative expense to gradually decline as a percentage of revenue as we scale our business.

Taxation

Cayman Islands

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

Hong Kong

Our subsidiary, ShengWang HongKong Limited (previously known as Agora IO Hongkong Limited), is incorporated in Hong Kong and is subject to Hong Kong profit tax at the rate of 8.25% for profit of up to HK\$2.0 million and 16.5% for the remainder of taxable income. Hong Kong does not impose a withholding tax on dividends.

PRC

Our subsidiaries and the Former VIE in the PRC are companies incorporated under PRC law and, as such, are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Under the EIT Law, the standard enterprise income tax rate is 25%. Entities qualifying as High and New Tech Enterprises enjoy a preferential tax rate of 15%. Enterprises recognized as Software Enterprises enjoy a tax holiday consisting of a two-year exemption commencing from their first profitable calendar year and a 50% reduction in ordinary tax rate for the following three calendar years. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

Shanghai Dayin, Zhaoyan and Shanghai Shengwang has been accredited as a software enterprise company. It qualifies for the tax holiday during which they are entitled to an exemption from EIT for two years commencing from their first profit-making year of operation and the 50% reduction of EIT for the following three years. The software enterprise qualification is subject to an annual assessment. Shanghai Dayin obtained its High and New Tech Enterprise certificate in 2025 and is entitled to preferential EIT rate of 15% for the years of 2025, 2026 and 2027. Zhaoyan renewed its High and New Tech Enterprise certificate in 2024 and is entitled to preferential EIT rate of 15% for the year of 2024. Shanghai Shengwang obtained its High and New Tech Enterprise certificate in 2023 and is entitled to preferential EIT rate of 15% for the years of 2023, 2024 and 2025. Beijing Shengwang Technology Co., Ltd. ("Beijing Shengwang") obtained its high-tech enterprise certificate in 2024 and is entitled to preferential tax rate of 15% for the years of 2024, 2025 and 2026.

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiaries. Pursuant to the EIT Law, a 10% withholding tax is generally levied on dividends declared by companies in China to their non-resident enterprise investors. A lower withholding tax rate of 5% is applicable for direct foreign investors incorporated in Hong Kong with at least 25% equity interest in the PRC company and meeting the relevant conditions or requirements pursuant to the tax arrangement between mainland China and Hong Kong S.A.R. The equity holders of our PRC operating subsidiaries who are incorporated in Hong Kong may be able to benefit from the 5% withholding tax rate for the dividends received from PRC subsidiaries, if they satisfy the conditions prescribed under STA Circular 81 and other relevant tax rules and regulations. However, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future, require us to provide relevant materials and to cooperate with the investigations, and we may be required to recover taxes and to assume the liabilities for deferred tax payment.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%.

United States

Our subsidiary in California, United States is subject to U.S. federal corporate tax and California corporate franchise tax on its taxable income as reported in its statutory financial statements and adjusted in accordance with relevant U.S. tax laws. The applicable U.S. federal corporate tax rate is 21%, the California corporate franchise tax rate is 8.84% in 2023, 2024 and 2025.

United Kingdom

Our subsidiary in the United Kingdom is subject to the UK corporate income tax rate of 25%.

Singapore

Our subsidiary in Singapore is subject to the corporate income tax rate of 17% for the years ended December 31, 2023, 2024 and 2025.

India

Our subsidiary in India is subject to the India corporate income tax rate of 25.17%.

Results of Operations

The following tables set forth our results of operations in 2023, 2024 and 2025 and express the relationship of certain line items as a percentage of total revenues for those periods.

The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year ended December 31,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	(in US\$ thousands, except for percentages)					
Real-time engagement service revenues	133,098	94.0	127,624	95.8	137,971	97.8
Real-time engagement on-premise solution and other revenues	8,440	6.0	5,632	4.2	3,086	2.2
Total revenues	141,538	100.0	133,256	100.0	141,057	100.0
Cost of revenues	(52,063)	(36.8)	(47,809)	(35.9)	(47,393)	(33.6)
Gross profit	89,475	63.2	85,447	64.1	93,664	66.4
Operating expenses:						
Research and development expenses	(77,666)	(54.9)	(80,344)	(60.3)	(55,459)	(39.3)
Sales and marketing expenses	(33,958)	(24.0)	(27,220)	(20.4)	(26,352)	(18.7)
General and administrative expenses	(34,976)	(24.7)	(32,772)	(24.6)	(22,670)	(16.1)
Total operating expenses	(146,600)	(103.6)	(140,336)	(105.3)	(104,481)	(74.1)
Other operating income	1,729	1.2	1,578	1.2	1,407	1.0
Impairment of goodwill	(31,928)	(22.6)	—	—	—	—
Loss from operations	(87,324)	(61.7)	(53,311)	(40.0)	(9,410)	(6.7)
Exchange (loss) gain	(151)	(0.1)	168	0.1	1,623	1.2
Interest expense	(20)	—	(253)	(0.2)	(36)	—
Losses from extinguishment of convertible note	(1,230)	(0.9)	—	—	—	—
Interest income	18,836	13.3	16,941	12.7	15,051	10.7
Investment (loss) income	(18,526)	(13.1)	(3,328)	(2.5)	1,457	1.0
Other income	1,649	1.2	793	0.6	1,198	0.8
(Loss) income before income taxes	(86,766)	(61.3)	(38,990)	(29.3)	9,883	7.0
Income taxes	(422)	(0.3)	(258)	(0.2)	(323)	(0.2)
Losses from equity in affiliates	(31)	—	(3,479)	(2.6)	(32)	—
Net (loss) income	(87,219)	(61.6)	(42,727)	(32.1)	9,528	6.8

Comparison of Years Ended December 31, 2024 and 2025

Revenue

	Year ended December 31,		Change	
	2024	2025	US\$	%
	(in US\$ thousands, except for percentages)			
Revenues of Agora	64,503	74,866	10,363	16.1
Revenues of Shengwang	68,753	66,191	(2,562)	(3.7)
Total revenues	133,256	141,057	7,801	5.9

The increase in total revenues in 2025 was attributable to the increase in revenues of Agora in 2025, primarily due to our business expansion and usage growth in sectors such as live shopping. The decrease in the revenues of Shengwang in 2025 primarily due to a decrease in revenues of RMB 47.4 million (\$6.6 million) due to the end-of-sale of certain products, which was offset partially by the increase in revenues from certain sectors such as social and entertainment and Internet of Things.

Cost of Revenues and Gross Margin

	Year ended December 31,		Change	
	2024	2025	US\$	%
	(in US\$ thousands, except for percentages)			
Cost of revenues	47,809	47,393	(416)	(0.9)
Percentage of total revenues	35.9%	33.6%	—	—

The decrease in cost of revenues in 2025 was attributable to the end-of-sale of certain products, which was offset partially by the increase in bandwidth usage and server costs.

Gross margin in 2025 was 66.4%, an increase of 2.3% from 64.1% in 2024 mainly due to the end-of-sale of certain low-margin product.

Research and Development Expenses

	Year ended December 31,		Change	
	2024	2025	US\$	%
	(in US\$ thousands, except for percentages)			
Research and development expenses	80,344	55,459	(24,885)	(31.0)
Percentage of total revenues	60.3%	39.3%	—	—

Of the decrease in research and development expenses, as the Company optimized its global workforce, US\$13.8 million was due to share-based compensation, and US\$11.2 million was due to a decrease in personnel costs.

Sales and Marketing Expenses

	Year ended December 31,		Change	
	2024	2025	US\$	%
	(in US\$ thousands, except for percentages)			
Sales and marketing expenses	27,220	26,352	(868)	(3.2)
Percentage of total revenues	20.4%	18.7%	—	—

The decrease in sales and marketing expenses was primarily due to a decrease in personnel costs as the Company optimized its global workforce.

General and Administrative Expenses

	Year ended December 31,		Change	
	2024	2025	US\$	%
	(in US\$ thousands, except for percentages)			
General and administrative expenses	32,772	22,670	(10,102)	(30.8)
Percentage of total revenues	24.6%	16.1%	—	—

Of the decrease in general and administrative expenses, as the Company optimized its global workforce, US\$4.7 million was due to the decrease in allowance for current expected credit loss, mainly as a result of improved customer credit conditions and collection outcomes, and US\$3.2 million was due to the decrease in share-based compensation.

Interest Income

The US\$1.9 million decrease in interest income was primarily due to the decrease in average interest rate.

Investment Loss (Income)

Investment income in 2025 was \$1.5 million, compared to investment loss of \$3.3 million in 2024, US\$7.3 million was primarily due to the fair value increase in an equity investment, which was partially offset by the decrease in the impairment losses of US\$2.5 million on investments in certain private companies.

Other Income

The US\$0.4 million increase in other income was primarily due to the increase of income of incentive payments from a depository bank.

Losses from Equity in Affiliates

The US\$3.4 million increase in losses from equity in affiliates was primarily due to an impairment loss on an investment in certain private company of US\$4.1 million in 2024, which was nil in 2025.

Comparison of Years Ended December 31, 2023 and 2024

See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Comparison of Years Ended December 31, 2023 and 2024” beginning on page 86 of our Form 20-F for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission on April 15, 2025 (Securities Act File No. 001-39340) incorporated by reference into this annual report.

Recent Accounting Policies

See Note 2 to the audited consolidated financial statements included elsewhere in this annual report for additional information regarding recent accounting pronouncements.

B. Liquidity and Capital Resources

The following table shows our cash, short-term bank deposits, short-term financial products issued by banks, short-term investments, accounts receivable and working capital as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Cash and cash equivalents	36,894	27,083	75,446
Short-term bank deposits	86,924	168,327	84,460
Short-term financial products issued by banks	84,853	71,464	55,000
Short-term investments	7,983	2,787	4,583
Accounts receivable, net	34,668	30,952	24,867
Working capital ⁽¹⁾	204,535	269,715	203,315

(1) Working capital is defined as current assets less current liabilities.

As of December 31, 2025, our cash and cash equivalents include cash in bank, money market funds and time deposits placed with banks which have original maturities of three months or less at the time of purchase and are readily convertible to known amounts of cash. We intend to increase our capital expenditures to support the growth in our business and operations. We believe that our existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next 12 months. In February 2022, our Board has authorized a share repurchase program under which we may repurchase up to US\$200 million of the Class A ordinary shares in the form of American depositary shares over the next 12 months, subject to relevant rules under the Securities Exchange Act of 1934, as amended, and our insider trading policy. In each of February 2023, 2024, 2025 and 2026, our board of directors authorized the extension of the foregoing share repurchase program for another 12 months, respectively, with all other terms remaining unchanged. As of December 31, 2025 and March 31, 2026, we had repurchased US\$143.1 million of ADSs and US\$156.2 million of ADSs, respectively, under the share repurchase program.

However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect. We may seek to raise additional funds at any time through equity, equity-linked or debt financing arrangements. Our future capital requirements and the adequacy of available funds will depend on many factors, including those described in “Item 3. Key Information—D. Risk Factors.” We may not be able to secure additional financing to meet our operating requirements on acceptable terms, or at all.

Source of Liquidity

Since our inception, we have financed our operations and capital expenditures primarily through cash flows generated by operations and private sales of equity securities. From our inception in 2013 through December 31, 2025, we have raised US\$590.8 million of equity capital, net of share and option repurchases, in connection with such financings.

Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Net cash (used in) provided by operating activities	(13,611)	(14,129)	27,233
Net cash provided by (used in) investing activities	56,643	(38,049)	13,314
Net cash (used in) provided by financing activities	(52,368)	45,994	4,992
Net (decrease) increase in cash, cash equivalents and restricted cash	(10,140)	(6,346)	44,818

Net Cash (Used in) Provided by Operating Activities

Net cash provided by operating activities was US\$27.2 million in 2025, as a result of net income of US\$9.5 million, a US\$7.6 million decrease in prepayments and other current assets, which primarily due to the decrease of interests receivable, a US\$5.6 million increase in share-based compensation expenses, US\$4.0 million in allowance for current expected credit losses, US\$3.4 million in amortization of land use right, a US\$2.4 million decrease in accounts receivable, US\$2.1 million in amortization of right-of-use asset and interest on lease liabilities and US\$2.0 million in depreciation. This was partially offset by a US\$3.1 million decrease in accounts payable, a US\$2.7 million increase in other non-current assets and a US\$2.2 million decrease in operating lease liabilities.

Net cash used in operating activities was US\$14.1 million in 2024, as a result of net loss of US\$42.7 million, a US\$13.9 million increase in prepayments and other current assets, which primarily due to the increase of interests receivable, a US\$5.9 million

decrease in accrued expenses and other liabilities and a US\$5.0 million increase in accounts receivable. This was partially offset by a US\$22.7 million increase in share-based compensation expenses, US\$8.7 million in allowance for current expected credit losses, US\$5.9 million decrease in other non-current assets, US\$3.5 million in losses from equity in affiliates, US\$3.5 million in depreciation and amortization, US\$3.4 million in amortization of land use right, US\$3.3 million in investment loss and US\$2.6 million in amortization of right-of-use asset and interest on lease liabilities.

Net cash used in operating activities was US\$13.6 million in 2023, as a result of net loss of US\$87.2 million, a US\$9.1 million increase in accounts receivable, which primarily resulted from the growth of our business and the timing of cash receipts from customers, a US\$7.3 million decrease in other non-current assets, a US\$4.2 million decrease in accrued expenses and other liabilities, and a US\$2.6 million decrease in operating lease liabilities. This was partially offset by a US\$31.9 million increase in impairment of goodwill, US\$24.6 million increase in share-based compensation expenses, US\$19.8 million increase in impairment of long-term investments, US\$7.1 million in depreciation and amortization, US\$7.0 million in allowance for current expected credit losses, US\$3.2 million in amortization of land use right, US\$3.2 million increase in accounts payable, US\$2.9 million in amortization of right-of-use asset and interest on lease liabilities and US\$1.4 million in amortization of intangible assets.

Net Cash (Used in) Provided by Investing Activities

Our primary investing activities have consisted of purchases of property and equipment, construction in progress in relation to the headquarters project, short-term investments and long-term investments to support our overall business growth. Purchases of servers, network equipment and other hardware may vary from period-to-period due to timing of our expansion of our operations.

Net cash provided by investing activities was US\$13.3 million in 2025. This was attributable to US\$204.3 million in proceeds from maturity of short-term bank deposits, and US\$144.9 million in proceeds from maturity of short-term financial products issued by banks, offset in part by US\$184.0 million in purchase of long-term bank deposits, US\$65.3 million in purchase of short-term financial products issued by banks, US\$61.0 million in purchase of short-term bank deposits and US\$31.9 million in purchase of construction in progress for the headquarters project.

Net cash used in investing activities was US\$38.0 million in 2024. This was attributable to US\$70.4 million in purchase of short-term financial products issued by banks, US\$68.3 million in purchase of short-term bank deposits, US\$61.4 million in purchase of long-term financial products issued by banks, US\$35.5 million in purchase of long-term bank deposits and US\$35.2 million in purchase of construction in progress for the headquarters project, offset in part by, US\$130.0 million in proceeds from maturity of short-term bank deposits and US\$105.4 million in proceeds from maturity of short-term financial products issued by banks.

Net cash provided by investing activities was US\$56.6 million in 2023. This was attributable to US\$467.1 million in proceeds from maturity of short-term bank deposits, and US\$17.5 million in proceeds from maturity of short-term financial products issued by banks, offset in part by US\$219.4 million in purchase of short-term bank deposits, US\$29.9 million in purchase of short-term financial products issued by banks, US\$143.1 million in purchase of long-term bank deposits, US\$20.0 million in purchase of long-term financial products issued by banks and US\$10.8 million in purchase of construction in progress for the headquarters project.

Net Cash (Used in) Provided by Financing Activities

Net cash provided by financing activities was US\$5.0 million in 2025, primarily due to US\$32.4 million in proceeds from long-term borrowings for headquarters project, offset in part by US\$27.7 million in repurchase of Class A ordinary shares.

Net cash provided by financing activities was US\$46.0 million in 2024, primarily due to US\$35.8 million in proceeds from long-term borrowings for headquarters project and US\$20.4 million in deposit received in relation to headquarters project, offset in part by US\$11.1 million in repurchase of Class A ordinary shares.

Net cash used in financing activities was US\$52.4 million in 2023, primarily due to US\$62.9 million in repurchase of Class A ordinary shares, offset in part by US\$10.9 million in proceeds from long-term borrowings.

Material Cash Requirements

Our material cash requirements as of December 31, 2025 and any subsequent interim period primarily include working capital needs, capital expenditures, operating lease obligations, purchase commitments and capital commitments.

Our capital expenditures were US\$11.7 million, US\$37.8 million and US\$33.6 million in 2023, 2024 and 2025, respectively. Our capital expenditures were mainly used for purchases of construction in progress for the headquarters project, servers, network equipment and other hardware. We will continue to make capital expenditures to meet the expected growth of our business.

The following table sets forth the details of our material cash requirements (other than capital expenditure) as of December 31, 2025.

	Total	Payment Due by	
		Less than one year	One to three years
		(in US\$ thousands)	
Operating lease commitments	2,391	1,991	400
Contractual purchase obligations	44,596	44,596	—
Total	46,987	46,587	400

We intend to fund our existing and future material cash requirements with our existing cash balance, bank borrowings and other financing alternatives. We will continue to make cash commitments, including capital expenditures to support the short-term and/or long-term growth of our business.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We do not have retained or contingent interests in assets transferred. We have not entered into contractual arrangements that support the credit, liquidity or market risk for transferred assets. We do not have obligations that arise or could arise from variable interests held in an unconsolidated entity, or obligations related to derivative instruments that are both indexed to and classified in our own equity, or not reflected in the statement of financial position.

Other than as discussed above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2025.

Inflation

To date, inflation in China and other regions in which we operate has not materially impacted our results of operations. Although we have not been materially affected by inflation in the past, we can provide no assurance that we will not be affected in the future by higher rates of inflation. To the extent that we operate in a more diverse range of countries and regions, the risk of inflation on our operations is minimized. If inflation were a significant factor in our financial performance, certain operating costs and expenses may increase.

Holding Company Structure

Agora, Inc. is a holding company with no material operations of its own. We conduct our operations through our subsidiary in the United States, and our subsidiaries and the Former VIE before the termination of the Former VIE structure in the PRC and our other international subsidiaries. As a result, our ability to pay dividends depends on dividends paid by Agora Lab, Shanghai Dayin and our international subsidiaries. If Agora Lab, Shanghai Dayin or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our subsidiaries in the PRC are permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, the Former VIE and our subsidiaries in the PRC are required to set aside at least 10% of their respective after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of their respective registered capital. In addition, each of our subsidiaries in the PRC and the Former VIE may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our subsidiaries in the PRC have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

Off-balance Sheet Arrangement

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Transfer of Funds and Other Assets

Under relevant PRC laws and regulations at the time, we did not hold any ownership interest in the Former VIE. Consequently, we were permitted to remit funds to the Former VIE only through loans rather than capital contributions, and to receive funds from the Former VIE in the form of service fees rather than dividends. In 2023 and 2024, we did not make any loans to the Former VIEs. The Former VIEs fund their operations primarily using cash provided by operating and financing activities.

As of December 31, 2025, Agora, Inc. had made cumulative capital contributions of US\$325.2 million to our PRC subsidiary through intermediate holding companies, and were accounted as long-term investments of Agora, Inc. These funds have been used by our PRC subsidiaries for their operations. In 2023 and 2024, the former VIEs transferred US\$48.6 million and US\$45.3 million, respectively, to our PRC subsidiaries as payment of service fees.

As of December 31, 2024, the aggregated payment of service fees from the former VIEs to our PRC subsidiaries amounted to US\$263.2 million. As of December 31, 2024, the outstanding balance of service fees owed by the former VIEs to our PRC subsidiaries amounted to US\$13.0 million. The fees pertain to the research and development services between the former VIEs and our wholly foreign-owned subsidiaries in China under the VIE agreements, as well as technical consulting services between the former VIEs and our other PRC subsidiaries.

Cash flow between Agora, Inc., its subsidiaries, and the consolidated Former VIEs in 2023 and 2024 is summarized as follows. There were no other assets transferred between Agora, Inc., its subsidiaries, and the consolidated Former VIEs in 2023, 2024 and 2025 except as disclosed below.

	For the year Ended December 31,	
	2023	2024
	(in US\$ thousands)	
Payment of service fees from the Former VIEs to our PRC subsidiaries	48,587	45,273
Payment of research and development consulting fees from Primary Beneficiary of the Former VIEs to the Former VIEs	17,327	—
Cash transferred from Agora, Inc. to Other Subsidiaries	—	6,829
Cash transferred from Other Subsidiaries to Primary Beneficiary of the Former VIEs	23,103	30,277
Cash transferred from Other Subsidiaries to Agora, Inc.	50,692	—
Cash transferred from Primary Beneficiary of the Former VIEs to Other Subsidiaries	19,016	26,878

Investors in our securities should note that to the extent cash in the business is in the PRC or a PRC entity, the funds may not be available to fund operations or for other use outside of the PRC due to interventions in or the imposition of restrictions and limitations on the ability of Agora, Inc., or its subsidiaries by the PRC government to transfer cash. Our PRC subsidiaries are permitted to pay dividends to their shareholders, and eventually to Agora, Inc., only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Such payment of dividends by entities registered in China is subject to limitations, which could result in limitations on the availability of cash to fund dividends or make distributions to holders of our securities. For example, our PRC subsidiaries are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies. For details about the applicable PRC regulations and rules relating to such cash transfers through our Group and the associated risks, see “—D. Risk Factors—Risks Related to Doing Business in China—We may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements. Any limitation on the ability of our PRC operating subsidiaries to make payments to us could adversely affect our ability to conduct our business” and “—D. Risk Factors—Risks Related to Doing Business in China—We are subject to restrictions on currency exchange.”

For the purpose of illustration, the below table reflects the hypothetical taxes that might be required to be paid within China, assuming that (i) we have taxable earnings, and (ii) we determine to pay a dividend in the future.

	Taxation Scenario⁽¹⁾	
	Preferential Tax and Treaty Rates (Scenario A)	Statutory Tax and Treaty Rates (Scenario B)
Hypothetical pre-tax earnings	100%	100%
Tax on earnings at preferential rate (Scenario A, 15%) or statutory rate (Scenario B, 25%) ⁽²⁾	(15)%	(25)%
Net earnings available for distribution	85%	75%
Amounts to be distributed as dividend from Shanghai Dayin, the WFOE	85%	75%
Withholding tax at standard rate of 10% ⁽³⁾	(8.5)%	(7.5)%
Net distribution to Parent/Shareholders	76.5%	67.5%

- (1) For purposes of this example, the tax calculation has been simplified. The hypothetical book pre-tax earnings amount, not considering timing differences, is assumed to equal taxable income in China.
- (2) Certain of our subsidiaries qualify for a 15% preferential income tax rate in China. However, such rate is subject to qualification, is temporary in nature, and may not be available in a future period when distributions are paid. For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.
- (3) The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise, or FIE, to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if the FIE's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

C. Research and Development, Patents and Licenses, etc.

See “Item 4. Information on the Company—B. Business Overview—Research and Development” and “Item 4. Information on the Company—B. Business Overview—Intellectual Property.”

D. Trend Information

Other than as disclosed in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year of 2025 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. Critical Accounting Estimates

Our management’s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our judgments and estimates on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. For a detailed discussion of our significant accounting policies and related judgments, see “Notes to Consolidated Financial Statements—Note 2 Principal Accounting Policies”.

Current Expected Credit Loss

Prior to January 1, 2021, for accounts receivable we recorded allowance for specifically identified non-recoverable receivable amounts. Starting from January 1, 2021, we make estimates of expected credit and collectability trends for the allowance for credit losses based upon assessment of various factors, including historical collection trends, the age of the accounts receivable balances, the customer’s risk characteristics, current economic conditions, and other factors that may affect its ability to collect from the customers. We also provide specific provisions for allowance when facts and circumstances indicate that the receivable is unlikely to be collected.

Determining appropriate allowance for accounts receivable is an inherently uncertain process and ultimate losses may vary from the current estimates. We regularly update the allowance estimates as new facts become known and events occur that may impact the settlement or recovery of losses. The allowances are maintained at a level we deem appropriate to adequately provide for current expected credit losses at the balance sheet date after incorporating the impact of externally sourced macroeconomic forecasts. However, changes in these estimates and assumptions could materially affect the accounts receivable provision.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers as of the date of this annual report.

Name	Age	Position
Executive Officers		
Bin (Tony) Zhao	55	Director, Chief Executive Officer and Chairman
Hua (Tony) Wang	49	Director, Chief Revenue Officer of Agora Division
Jingbo Wang	44	Director, Chief Financial Officer
Bin (Robbin) Liu	50	Vice President and Chief Operating Officer of Shengwang Division
Non-Employee Directors		
Qin Liu	53	Director
Eric He	66	Director
Steve Zhang	62	Director

Executive Officers

Mr. Bin (Tony) Zhao founded our Company in November 2013 and has been serving as our executive Director, Chairman of the

Board and chief executive officer since then. Mr. Zhao concurrently holds directorships in certain of our other Group members, including Agora Lab. Mr. Zhao is primarily responsible for the overall strategy, business development, operations and management of the Company. Mr. Zhao has a deep expertise in technology with over 30 years of experience in software and cloud service industry. Prior to founding our Company, Mr. Zhao served as a senior engineer at WebEx Communications Inc., a company primarily engaged in developing video conferencing, online meetings, screen share and webinars applications, where Mr. Zhao was responsible for developing audio and video calling functions and designing backend architecture, from 1997 to 2004. In 2004, Mr. Zhao founded NeoTasks, LLC, a company primarily engaged in providing peer-to-peer streaming video solutions where Mr. Zhao has served as its chairman and chief technology officer until 2008. Mr. Zhao also worked in JOYY Inc. (formerly known as YY Inc.), a video-based social network (NASDAQ: JOYY), as the chief technology officer from October 2008 to December 2013 and as a director from December 2009 to March 2015. Mr. Zhao received a bachelor's degree in radio and electronics from Peking University in the PRC in July 1992.

Mr. Hua (Tony) Wang was appointed as our executive Director in August 2025 and has served as our Chief Revenue Officer of Agora Division since May 2022. Mr. Wang is primarily responsible for go-to-market strategy, business development, operations and management of Agora division. Prior to joining the Company, Mr. Wang served as the chief technology officer of Blueglass Inc., a company developing marketing SaaS, from 2009 to 2012. Prior to that, Mr. Wang served as the chief technology officer of InfiniteNine, a technical consulting company, from 2005 to 2009. Mr. Wang also worked at InfoSearch Media, a search engine marketing company, as a senior application development engineer from 2003 to 2005. Mr. Wang graduated from Purdue University in the United States with a bachelor's degree in science in August 2001. Mr. Wang graduated from the University of Southern California in the United States with a master's degree in computer science in December 2002.

Mr. Jingbo Wang was appointed as our executive Director in August 2025 and has served as our Chief Financial Officer since January 2020. Mr. Wang is primarily responsible for financial management, investment, financing, investor relations, legal affairs and compliance. Prior to joining the Company, Mr. Wang served as a director and the chief financial officer of Qutoutiao Inc., an operator of mobile content platform previously listed on the Nasdaq Stock Market, from February 2018 to January 2020, and as the chief financial officer of Yintech Investment Holdings Limited, a provider of investment and trading services previously listed on the Nasdaq Stock Market, from October 2014 to February 2018. Prior to that, Mr. Wang worked at Deutsche Bank from July 2009 to September 2014, with his last position being vice president in the corporate finance division. Mr. Wang has served as an independent director of ATRenew Inc., a company listed on the New York Stock Exchange (NYSE:RERE), since June 2021. Mr. Wang has served as an independent non-executive director of Edianyun Limited, a company listed on the Stock Exchange (HK:2416), since May 2023, and an independent non-executive director of TUHU Car, Inc. (HK:9690) since September 2023. Mr. Wang graduated from Tsinghua University in the PRC with a bachelor's degree in engineering in 2003. Mr. Wang graduated from the University of Hong Kong in Hong Kong with a master's degree in computer science in 2005 and was awarded a PhD degree in management studies from the Saïd Business School, University of Oxford, in the United Kingdom in 2010.

Mr. Bin (Robbin) Liu has joined us in June 2020 and served as our Vice President and Chief Operating Officer of Shengwang Division since May 2023. Previously, Mr. Liu held several senior positions in ChinaCache from 2012 to 2019, including Vice President, New Products Development and acting Chief Executive Officer. Prior to that, Mr. Liu worked for Ericsson China as a Senior Solution Manager from 2006 to 2012. Mr. Liu received a master's degree from Beijing University of Posts and Telecommunications.

Non-Employee Directors

Mr. Qin Liu was appointed as our Director in December 2014. Mr. Liu is primarily responsible for providing professional advice, opinion and guidance to the Board. Prior to joining our Company, Mr. Liu co-founded 5Y Capital (formerly known as Morningside Venture Capital) in June 2007. Before co-founding 5Y Capital, Mr. Liu served various roles, including a business development director for investment at Morningside IT Management Services (Shanghai) Co. Ltd. from July 2000 to November 2008. From September 2005 to April 2020, Mr. Liu served as a director of Xunlei Limited, a leading innovator in shared cloud computing and blockchain technology (NASDAQ: XNET). Since June 2008, Mr. Liu has been a director of JOYY Inc., a leading global video-based social media platform (NASDAQ: JOYY). Mr. Liu then became a director of Xiaomi Corporation, a technology company (HKEX: 1810) in May 2010, and Mr. Liu currently serves as a non-executive director and a member of the audit committee of Xiaomi Corporation. Since September 12, 2019, Mr. Liu Qin has also served as a non-executive director of XPeng Inc., a leading China-based smart electric vehicle manufacturer (NYSE: XPEV; HKEX: 9868). Mr. Liu received his bachelor's degree in industrial electrical automation from University of Science and Technology Beijing in the PRC in July 1993, and his master's degree in business administration from China Europe International Business School in the PRC in April 2000.

Mr. Eric He was appointed as our independent Director in June 2020. Mr. He is primarily responsible for supervising and providing independent advice, opinion and guidance to the Board. Prior to joining our Company, Mr. He served as a private equity investment director of AIG Global Investment Corporation (Asia) Ltd., a private equity fund, from 2002 to 2004. From 2004 to 2007, Mr. He served as chief strategy officer of Ninetowns Internet Technology Group, an online games company. From March 2007 to August 2011, Mr. He served as chief financial officer of Giant Interactive Group Inc., an online games company. From August 2011 to May 2017, Mr. He served as chief financial officer of JOYY Inc. He has been serving as an independent director in 51job, Inc., a leading provider of integrated human resource services in China (NASDAQ: JOBS) since July 2014, and in Bilibili Inc., a leading online entertainment platform in China (NASDAQ: BILI; HKEX: 9626) since March 2018. Mr. He received a bachelor's degree in

accounting from National Taipei University in Taiwan in June 1983 and an MBA degree from the Wharton School of Business at the University of Pennsylvania in the United States in May 1986. Mr. He was accredited as a Chartered Financial Analyst in the United States and a member of American Institute of Certified Public Accountants in 1991.

Mr. Steve Zhang was appointed as our independent Director on December 2022. Mr. Zhang is primarily responsible for supervising and providing independent advice, opinion and guidance to the Board. Prior to joining our Group, Mr. Zhang has worked in AsiaInfo Technologies Limited, a China-based IT solutions and services provider in the telecommunications industry (HKEX: 1675) and held various senior level positions, including the general manager of software division, the chief technology officer, the general manager of customer business department in China Mobile Communications Corporation, before becoming its president and chief executive officer from December 1999 to June 2014. Mr. Zhang has served as the chief executive officer of Vianet Group, Inc., a leading carrier-neutral Internet data center services provider in China (NASDAQ: VNET) from October 2015 to June 2018. Mr. Zhang received a bachelor's degree in science from Tsinghua University in the PRC in June 1984, a master's degree in computer science from Rice University in the United States and a doctorate degree in information science from the University of Pisa in Italy.

B. Compensation

Compensation of Directors and Executive Officers

In 2025, the aggregate cash compensation to our directors and executive officers was approximately US\$1.8 million. Other than the statutory benefits that we are required by the PRC law to contribute for each employee, including pension insurance, we have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers.

Equity Incentive Plans

Global Equity Incentive Plan

In June 2020, our board of directors adopted and our shareholders approved our Global Equity Incentive Plan, or the Global Plan. The Global Plan became effective on June 24, 2020 and no awards under the Global Plan were granted prior to such date. The Global Plan provides for the grant of incentive share options, within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended, or the Code, to our employees and any of our parent and subsidiary corporations' employees, and for the grant of non-statutory share options, share appreciation rights, restricted shares, restricted share units, and performance awards to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants.

Authorized Shares

The number of our ordinary shares reserved for issuance pursuant to the Global Plan is equal to (1) 16,000,000 ordinary shares plus (2) a number of ordinary shares equal to (a) the number of shares that were not granted under awards under our 2014 Plan as of the date the Global Plan became effective, (b) the number of shares subject to awards granted under the 2014 Plan that after the date the Global Plan became effective are canceled, expire or otherwise terminate without having been exercised in full or would have otherwise become available again for grant under the 2014 Plan, and (c) the number of shares that, after the date the Global Plan became effective, are forfeited to us, tendered to or withheld by us for payment of an exercise price or for tax withholding, or repurchased by us due to failure to vest (provided that the maximum number of shares that may be added to the Global Plan pursuant to clause (2) is 400,000,000 shares) plus (3) any ordinary shares added to the Global Plan through the automatic annual increases described below. The shares may be authorized but unissued ordinary shares or ordinary shares issued and then reacquired by us. The maximum number of shares that may be issued upon the exercise of incentive share options will equal 200% of the aggregate share number described in this paragraph plus any shares that become available for issuance under the Global Plan as described below.

The number of ordinary shares available for issuance under the Global Plan will also include an automatic annual increase on the first day of each fiscal year beginning in 2022, equal to the least of:

- 30,000,000 shares;
- 3.5% of the total number of shares of all classes of our ordinary shares outstanding on the last day of our immediately preceding fiscal year; and
- such other amount as the administrator of the Global Plan may determine.

If an option or share appreciation right expires or becomes unexercisable without having been exercised in full or is surrendered under an exchange program, the unissued shares subject to the option or share appreciation right will become available for future issuance under the Global Plan. Only shares actually issued pursuant to a share appreciation right (that is, the net shares issued) will cease to be available under the Global Plan; all remaining shares originally subject to the share appreciation right will remain available for future issuance under the Global Plan. Shares issued pursuant to awards of restricted shares, restricted share units, or share-settled performance awards that are reacquired by us due to failure to vest or are forfeited to us will become available for future issuance under the Global Plan. Shares used to pay the exercise price of an award or to satisfy tax withholdings related to an award will become available for future issuance under the Global Plan. If any portion of an award under the Global Plan is paid to a

participant in cash rather than ordinary shares, that cash payment will not reduce the number of shares available for issuance under the Global Plan.

In the discretion of the Global Plan's administrator, ADSs in an amount equal to the number of shares which otherwise would be distributed pursuant to an award may be distributed in lieu of ordinary shares in settlement of any award. If the number of ordinary shares represented by an ADS is other than on a one-to-one basis, the limitations described above will be adjusted to reflect the distribution of ADSs in lieu of ordinary shares.

Plan Administration

Our board of directors or one or more committees appointed by our board of directors may administer the Global Plan. Our board of directors has delegated authority to administer the Global Plan to our compensation committee, which has full but non-exclusive authority to administer and interpret the terms of the Global Plan. To the extent permitted by applicable laws, the administrator may delegate to one or more officers the authority to grant awards to our employees or employees of any of our subsidiary companies who are not officers.

Subject to the provisions of the Global Plan, the administrator has the power to make any determinations and perform any actions deemed necessary or advisable to administer the plan, including but not limited to, the power to interpret the terms of the Global Plan and make any decisions necessary to administer the Global Plan; to determine the fair market value of our ordinary shares; to approve forms of award agreement for use under the Global Plan; to select the service providers to whom awards are granted; to interpret, modify or amend each award granted under the Global Plan; to create, amend and revoke rules relating to the Global Plan, including rules relating to sub-plans; and to determine the terms and conditions of each award, including the exercise price, the number of shares subject to such award, when such award will vest and/or be exercisable, and the form of consideration, if any, payable upon exercise. The administrator also has the authority to institute and determine the terms and conditions of an exchange program by which (1) outstanding awards may be surrendered or canceled in exchange for awards of the same type (which may have a higher or lower exercise price or different terms), awards of a different type and/or cash; (2) participants have the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator; and/or (3) the exercise price of an outstanding award is increased or reduced.

Share Options

Share options may be granted under the Global Plan. The per share exercise price of options granted under the Global Plan must at least be equal to the fair market value of an ordinary share on the date of grant. The term of an incentive share option may not exceed 10 years.

However, with respect to an incentive share option granted to any participant who owns more than 10% of the voting power of all classes of our outstanding shares, the term must not exceed five years and the per share exercise price must equal at least 110% of the fair market value of an ordinary share on the grant date. The administrator determines the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law.

After the termination of service of a participant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In addition, if exercising an option before its expiration is not permitted because of applicable laws, other than the rules of any stock exchange or quotation system on which our ordinary shares are listed or quoted, the option will remain exercisable until 30 days after the first date on which exercise no longer would be prevented by such provisions (or such longer period in accordance with applicable laws). However, in no event may an option be exercised after the expiration of its term. Subject to the provisions of the Global Plan, the administrator determines the other terms of options.

Share Appreciation Rights

Share appreciation rights may be granted under the Global Plan. Share appreciation rights allow the recipient to receive the appreciation in the fair market value of the underlying ordinary shares between the exercise date and the date of grant. Subject to the provisions of the Global Plan, the administrator determines the other terms of share appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with our ordinary shares, or a combination thereof, except that the per share exercise price of a share appreciation right granted to a U.S. taxpayer will be no less than 100% of the fair market value per share on the date of grant. After the termination of service of a participant, he or she may exercise his or her share appreciation right for the period of time stated in his or her share appreciation right agreement. In addition, if exercising a share appreciation right before its expiration is not permitted because of applicable laws, other than the rules of any stock exchange or quotation system on which the ordinary shares are listed or quoted, the share appreciation right will remain exercisable until 30 days after the first date on which exercise no longer would be prevented by such provisions (or such longer period in accordance with applicable law). However, in no event may a share appreciation right be exercised after the expiration of its term.

Restricted Shares

Restricted shares may be granted under the Global Plan. Restricted shares are ordinary shares that vest in accordance with terms

and conditions established by the administrator. The administrator determines the number of restricted shares granted to any eligible employee, director or consultant and, subject to the provisions of the Global Plan, determines the terms and conditions of such awards. The administrator may impose whatever conditions to vesting it determines to be appropriate. For example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us, provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted share awards generally will not have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Restricted shares that do not vest are subject to our right of repurchase or forfeiture.

Restricted Share Units

Restricted share units may be granted under the Global Plan. Restricted share units are bookkeeping entries that each represent an amount equal to the fair market value of an ordinary share. Subject to the provisions of the Global Plan, the administrator determines the terms and conditions of restricted share units, including the vesting criteria, which may include accomplishing specified performance criteria or continued service to us, and the form and timing of payment. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Performance Awards

Performance awards may be granted under the Global Plan. Performance awards are awards of options, share appreciation rights, restricted shares or restricted share units that will result in a payment to a participant only if the performance goals or other vesting criteria established by the administrator are achieved or the awards otherwise vest. After the grant of a performance award, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such options, share appreciation rights, restricted shares or restricted share units. The administrator, in its sole discretion, may pay earned performance awards in the form of cash, in shares or in some combination thereof.

Outside Directors

The Global Plan provides that all non-employee directors are eligible to receive all types of awards, except for incentive share options, under the Global Plan.

Non-Transferability

Unless the administrator provides otherwise, the Global Plan generally does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

Certain Adjustments

In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the Global Plan, the administrator will adjust the number and class of shares that may be delivered under the Global Plan and the number, class, and price of shares covered by each outstanding award, and the numerical share limits in the Global Plan.

Dissolution or Liquidation

In the event of our proposed liquidation or dissolution, the administrator will notify participants at such time before the effective date of such proposed transaction as the administrator determines, and all awards will terminate immediately before the consummation of such proposed transaction.

Merger or Change in Control

The Global Plan provides that, in the event of a “change in control” (as defined in the Global Plan) or a merger, each outstanding award will be treated as the administrator determines. The administrator need not take the same action or actions with respect to all awards or portions thereof or with respect to all participants. The administrator may take different actions with respect to the vested and unvested portions of an award. The administrator will not be required to treat all awards similarly in the change in control or merger.

If a successor corporation does not continue an award (or some portion of such award), then the participant will vest in (and have the right to exercise) shares subject to the award that would have vested by its terms through the date 12 months following the change in control or merger. Any other awards not vested under the previous sentence will terminate upon the change in control or merger if not continued by the successor corporation. If options or share appreciation rights are not continued when a change in control or a merger occurs, the administrator will notify the participant in writing or electronically that the participant’s vested options or share appreciation rights will be exercisable for a period of time determined by the administrator in its sole discretion and all of the participant’s options or share appreciation rights will terminate upon the expiration of such period (whether vested or unvested).

With respect to awards granted to an outside director, in the event of a change in control, such outside director’s options and share appreciation rights, if any, will fully vest and become exercisable, all restrictions on his or her other outstanding awards will lapse, and for his or her awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at

100% of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable award agreement or other written agreement between us and such outside director that specifically references this default treatment under the Global Plan.

Clawback

All awards granted under the Global Plan will be subject to recoupment under any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the applicable laws. In addition, the administrator may impose such other clawback, recovery or recoupment provisions in an award agreement as the administrator determines necessary or appropriate. The administrator may specify in an award agreement that the participant's rights, payments, and benefits with respect to an award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting, performance conditions or market conditions of an award. If we are required to prepare an accounting restatement due to our material noncompliance, as a result of misconduct, with any financial reporting requirement under securities laws, any participant who (1) knowingly or through gross negligence engaged in the misconduct or who knowingly or through gross negligence failed to prevent the misconduct or (2) is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, must reimburse us the amount of any payment in settlement of an award earned or accrued during the 12- month period following the first public issuance or filing with the SEC (whichever first occurred) of the financial document embodying such financial reporting requirement.

Amendment; Termination

The board or compensation committee of the board has the authority to amend, suspend or terminate the Global Plan, except that such action may not materially impair the existing rights of any participant with a signed, written agreement between the participant and us, subject to certain exceptions in the Global Plan. The Global Plan will automatically terminate in 2030, unless we terminate it sooner.

Employee Stock Purchase Plan

In June 2020, our board of directors adopted and our shareholders approved our Employee Stock Purchase Plan, or the ESPP. We believe that allowing our employees to participate in the ESPP will provide them with a further incentive towards promoting our success and accomplishing our corporate goals. As of December 31, 2025, we had not granted any awards under the ESPP.

Authorized Shares

A total of 3,000,000 of our ordinary shares are available for sale under the ESPP. The number of our ordinary shares that will be available for sale under the ESPP also includes an annual increase on the first day of each fiscal year beginning with our 2022 fiscal year, equal to the least of:

- 6,000,000 shares;
- 0.5% of our outstanding ordinary shares as of the last day of the immediately preceding fiscal year; and
- such other amount as the administrator may determine.

In the discretion of the administrator, ADSs in an amount equal to the number of ordinary shares which otherwise would be distributed pursuant to the ESPP may be distributed in lieu of ordinary shares in settlement of any exercise of an option under the ESPP. If the number of ordinary shares represented by an ADS is other than on a one-to-one basis, the limitations described above will be adjusted to reflect the distribution of ADSs in lieu of ordinary shares. If ADSs are distributed in lieu of ordinary shares, all references to ordinary shares under the ESPP will also apply to ADSs.

Administration

Our board of directors or one or more committees appointed by our board of directors may administer the ESPP. Our board of directors has delegated authority to administer the ESPP to our compensation committee, which has full but non-exclusive authority to administer and interpret the terms of the ESPP. The administrator has full and exclusive discretionary authority to construe, interpret and apply the terms of the ESPP, designate separate offerings under the ESPP, designate our subsidiaries and affiliates as participating in the ESPP, determine eligibility, adjudicate all disputed claims filed under the ESPP and establish procedures that it deems necessary for the administration of the ESPP, including, but not limited to, adopting such procedures and sub-plans as are necessary or appropriate to permit participation in the ESPP by employees who are foreign nationals or employed outside the United States. The administrator's findings, decisions and determinations are final and binding on all participants to the full extent permitted by law.

Eligibility

Generally, all of our employees are eligible to participate if they are customarily employed by us, or any participating subsidiary

or affiliate, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date, for all options to be granted on such enrollment date in an offering, determine that an employee who (1) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date, (2) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (3) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (4) is a highly compensated employee within the meaning of Section 414(q) of the Code or (5) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in such offering period.

However, an employee may not be granted rights to purchase ordinary shares under the ESPP if such employee:

- immediately after the grant would own capital shares and/or hold outstanding options to purchase such shares possessing 5% or more of the total combined voting power or value of all classes of capital shares of ours or of any parent or subsidiary of ours; or holds rights to purchase ordinary shares under all employee share purchase plans of ours or any parent or subsidiary of ours that accrue at a rate that exceeds US\$25,000 worth of ordinary shares for each calendar year in which such rights are outstanding at any time.

Offering Periods

The ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Code to designated companies, as described in the ESPP. The ESPP provides for consecutive 6-month offering periods that will be determined by the administrator on a uniform and nondiscriminatory basis before the first day of an offering period for all options to be granted in such offering period.

Contributions

The ESPP permits participants to purchase our ordinary shares through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) of up to 15% (or such other limit established by the administrator on a uniform and nondiscretionary basis for all options to be granted in an offering period) of their eligible compensation, which means a participant's base straight time gross earnings but exclusive of payments for incentive compensation, bonuses, commissions, payments for overtime and shift premium, equity compensation income and other similar compensation. Unless otherwise determined by the administrator, a participant may not change the rate of his or her contributions during an offering period.

Exercise of Purchase Right

Amounts contributed and accumulated by the participant will be used to purchase ordinary shares at the end of each offering period. Unless otherwise determined by the administrator, a participant may purchase a maximum of 10,000 ordinary shares during an offering period. The purchase price of the shares will be determined by the administrator on a uniform and nondiscriminatory basis for all options to be granted in an offering period and will not be less than 85% of the lower of the fair market value of an ordinary share on the first trading day of the offering period or the fair market value of an ordinary share on the exercise date. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase ordinary shares. Participation ends automatically upon termination of employment with us.

Non-Transferability

A participant may not transfer contributions credited to his or her account nor any rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

Certain Adjustments

In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the ESPP, the administrator will adjust the number and class of shares that may be delivered under the ESPP and the number and price of shares covered by each outstanding option under the ESPP, and the numerical share limits in the ESPP.

Dissolution or Liquidation

In the event of our proposed liquidation or dissolution, any offering period then in progress will be shortened by setting a new exercise date and will terminate immediately before the consummation of such proposed dissolution or liquidation, unless provided otherwise by the administrator. The administrator will notify each participant in writing or electronically, before the new exercise date, that the exercise date for the participant's option has been changed to the new exercise date and that the participant's option will be exercised automatically on the new exercise date, unless before such date the participant has withdrawn from the offering period.

Merger or Change in Control

The ESPP provides that, in the event of a "change in control" (as defined in the ESPP) or a merger, a successor corporation (or a parent or subsidiary of the successor corporation) will assume or substitute each outstanding purchase right. If the successor

corporation refuses to assume or substitute for the outstanding purchase right, the offering period with respect to which the purchase right relates will be shortened, and a new exercise date will be set that will be before the date of the proposed merger or change in control. The administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period.

Amendment; Termination

The administrator has the authority to amend, suspend or terminate the ESPP. The ESPP will automatically terminate in 2040, unless we terminate it sooner.

2014 Equity Incentive Plan

The 2014 Plan was originally adopted in August 2014 to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business. The 2014 Plan was amended in February 2020. The maximum aggregate number of our ordinary shares reserved for issuance pursuant to the 2014 Plan is equal to 41,541,963, subject to certain adjustments as provided for in the 2014 Plan.

The following paragraphs describe the principal terms of the 2014 Plan.

Types of Awards

The 2014 Plan allows us to grant incentive share options, nonstatutory share options, share appreciation rights, restricted share awards and restricted share units.

Administration

The 2014 Plan is administered by a committee of our board of directors. Different committees may administer the 2014 Plan with respect to different service providers. The administrator has all authority and discretion necessary or appropriate to administer the 2014 Plan and to control its operation, including the authority to construe and interpret the terms of the 2014 Plan and the awards granted under the 2014 Plan.

Eligibility

We may grant awards to employees, consultants and directors of ours and any parent or subsidiary of ours.

Vesting Schedule

Subject to modification by the plan administrator, an option granted under the 2014 Plan has a contractual term of ten years from the grant date, and will vest over a period of four years of continuous service, 25% of which vest upon the first anniversary of the stated vesting commencement date and the remaining vest ratably over the following 36 months determines the vesting schedule, which is specified in the relevant award agreement.

Transfer Restrictions

Unless determined otherwise by the administrator, awards may not be sold, pledged, assigned, hypothecated or otherwise transferred in any manner other than by will or by the laws of descent and distribution. In addition, during an applicable participant's lifetime, only that participant may exercise their award. If the administrator makes an award transferable, such award may only be transferred (1) by will, (2) by the laws of descent and distribution, (3) to an entity or individual acceptable to the administrator of the 2014 Plan and such transfer will not have adverse accounting consequences, or (4) as permitted by Rule 701 of the Securities Act.

Amendment; Termination

Our board of directors may, at any time, terminate or amend the 2014 Plan in any respect, including, without limitation, amendment of any form of award agreement or instrument to be executed pursuant to the 2014 Plan. To the extent necessary and desirable to comply with applicable laws, we will obtain shareholder approval of any amendment to the 2014 Plan. No amendment or alteration of the 2014 Plan may impair the rights of a participant, unless mutually agreed otherwise between the participant and the administrator in writing.

As of December 31, 2025, awards to purchase 62,320,158 Class A ordinary shares under our equity incentive plans had been granted and outstanding.

The following table summarizes, as of December 31, 2025, the outstanding awards granted under our share incentive plans to our directors and executive officers, excluding awards that were exercised, forfeited or canceled after the relevant grant dates.

Name	Number of Ordinary Shares Underlying Awards	Exercise Price (US\$/Share)	Date of Grant	Date of Expiration
Bin (Tony) Zhao	9,000,000	US\$0.00	September 4, 2025	September 3, 2035
	9,000,000	US\$1.125	September 4, 2025	September 3, 2035
Jingbo Wang	2,057,000	US\$0.10	January 19, 2020	January 18, 2030
	1,800,000	US\$0.00	September 4, 2025	September 3, 2035
Hua (Tony) Wang	1,800,000	US\$1.125	September 4, 2025	September 3, 2035
	4,800,000	US\$1.00	September 4, 2024	September 3, 2034
Eric He	120,000	US\$0.10	June 17, 2020	June 16, 2032
	171,860	US\$0.00	November 17, 2025	November 16, 2035
Bin (Robbin) Liu	22,536	US\$0.10	June 17, 2020	June 16, 2020
	536,760	US\$0.00	August 19, 2022	August 18, 2032
	217,464	US\$0.00	August 25, 2023	August 24, 2033
	147,068	US\$0.00	August 23, 2024	August 22, 2034
	1,800,000	US\$1.00	September 4, 2024	September 3, 2034

In November 2020, our management adopted and our board of directors approved the VPP Program to supplement our equity incentive plans. The VPP program allows us to grant VPPs to participants in the VPP Program, which entitle them to participate in our annual adjusted profit sharing and retained profit sharing. The term of each VPP will be stated in the award agreement; provided, however, that the VPPs will be entitled to no more than four years of our annual adjusted profit sharing and retained profit sharing from the effective date thereof. Unless determined otherwise by the administrator, VPPs may not be sold, pledged, assigned, hypothecated or otherwise transferred in any manner. As of December 31, 2025, we had granted a certain number of VPPs, which may be settled by cash or shares. See Note 17 to our audited consolidated financial statements included elsewhere in this annual report.

C. Board Practices

Board of Directors

Our board of directors consists of five directors. A director is not required to hold any shares in our company by way of qualification. Subject to Nasdaq rules and disqualification by the chairman of the relevant board meeting, a director may vote with respect to any contract or transaction, or proposed contract or transaction in which he or she is, whether directly or indirectly, interested provided (1) such director has declared the nature of his or her interest at the earliest meeting of the board at which it is practicable for him or her to do so, either specifically or by way of a general notice, and (2) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. Our directors may exercise all the powers of the company to borrow money, mortgage or charge its undertaking, property and assets (present or future) and uncalled capital or any part thereof, and issue debentures, debenture stock, bonds or other securities whether outright or as collateral security for any obligation of the company or of any third party. None of our non-employee directors has a service contract with us that provides for benefits upon termination of service.

Director Independence

Our board of directors has undertaken a review of the independence of the directors and considered whether any director has a relationship with us that could interfere with such director's ability to exercise independent judgment in carrying out the responsibilities of a director. As a result of this review, our board of directors determined that Qin Liu, Eric He and Steve Zhang, representing three of our five directors, are "independent directors" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and corporate governance rules of the Nasdaq Stock Market. In making such determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director's independence, including the number of ordinary shares beneficially owned by the director.

Controlled Company Exemption

Our chief executive officer controls a majority of the voting power represented by our ordinary shares. As a result, we are a "controlled company" within the meaning of the corporate governance rules of the Nasdaq Stock Market. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements. Any sale, transfer, assignment or disposition of any Class B ordinary shares by their holder or a change of ultimate beneficial ownership of any Class B ordinary shares will generally result in the conversion of such Class B ordinary shares into Class A ordinary shares, except for transfers to certain permitted transferees, which include Agora Partners L.P., an exempted limited partnership to be established in the Cayman Islands (the limited partners of which shall consist primarily of members of management of our company and its affiliates, and which we refer to as the Management Partnership). If Mr. Zhao transfers Class B ordinary shares to the Management Partnership, we may remain a controlled company even if Mr. Zhao ceases to be our employee, director or shareholder.

We rely on certain of the exemptions provided to controlled companies under the corporate governance rules of the Nasdaq Stock Market. We do not have an entirely independent nominating and corporate governance committee and may not perform annual performance evaluations of the nominating and corporate governance committee until such time as we are required to do so. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of these corporate governance requirements. See “Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—We are a ‘controlled company’ as defined under the Nasdaq Stock Market corporate governance rules. As a result, we are qualified for, and rely on, exemptions from certain corporate governance requirements that would otherwise provide protection to shareholders of other companies.” Even if we cease to be a controlled company, we may still rely on exemptions available to foreign private issuers, including being able to adopt home country practices in relation to corporate governance matters. See “Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies” and “Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance standards; these practices may afford less protection to shareholders than they would enjoy if we comply fully with the Nasdaq Stock Market corporate governance standards.”

Board Committees

We have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee’s members and functions are described below.

Audit Committee

Our audit committee consists of Eric He, Qin Liu and Steve Zhang. Mr. He is the chairperson of our audit committee. Our board of directors has determined that each of Eric He, Qin Liu and Steve Zhang satisfies the “independence” requirements of the corporate governance rules of the Nasdaq Stock Market and Rule 10A-3 under the Exchange Act, as amended. Our board of directors has also determined that Mr. He qualifies as an “audit committee financial expert.” The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- approving the hiring, discharging and compensation of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm;
- approving engagements of our independent registered public accounting firm to render any audit or permissible non-audit services;
- reviewing the qualifications, independence and performance of our independent registered public accounting firm;
- reviewing our consolidated financial statements and reviewing our critical accounting policies and estimates;
- developing procedures for employees to anonymously submit concerns about questionable accounting or audit matters;
- reviewing the adequacy and effectiveness of our internal controls; and
- reviewing and discussing the scope and results of the audit with our independent registered public accounting firm and reviewing, with management and the independent accountants, our interim and annual operating results.

Compensation Committee

Our compensation committee consists of Steve Zhang, Qin Liu and Eric He. Mr. Zhang is the chairperson of our compensation committee. Our board of directors has determined that each of Steve Zhang, Qin Liu and Eric He satisfies the “independence” requirements of the corporate governance rules of the Nasdaq Stock Market. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and recommending policies relating to compensation and benefits of our officers and employees;
- reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer and other senior officers;

- evaluating the performance of our officers in light of established goals and objectives;
- recommending compensation of our officers based on its evaluations; and
- administering the issuance of equity awards and other awards under our equity incentive plans.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Qin Liu, Eric He and Steve Zhang. Mr. Liu is the chairperson of our nominating and corporate governance committee. Our board of directors has determined that each of Qin Liu, Eric He and Steve Zhang satisfies the “independence” requirements of the corporate governance rules of the Nasdaq Stock Market. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- evaluating and making recommendations regarding the organization and governance of the board of directors and its committees;
- assessing the performance of members of the board of directors and making recommendations regarding committee and chair assignments;
- recommending desired qualifications for board of directors membership and conducting searches for potential members of the board of directors; and
- reviewing and making recommendations with regard to our corporate governance guidelines. Our board of directors may from time to time establish other committees.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to our company to exercise skills they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth Courts have moved toward an objective standard with regards to the registered skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders’ annual and extraordinary general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

For as long as Soundscape Limited and its affiliates (including Much ado Limited, a subsidiary of Soundscape Limited) collectively hold such number of Class B ordinary shares that constitute not less than 5% of our issued and outstanding shares, our chief executive officer shall be entitled, through Soundscape Limited and its affiliates, to appoint a majority of our directors and to remove or replace any such directors. Subject to the foregoing, our directors may be appointed by a resolution of our board of directors to fill a casual vacancy on the board of directors or as an addition to the board of directors or by an ordinary resolution of our shareholders.

Unless otherwise determined by our company in general meeting, our company shall have at least five directors and the exact

number will be fixed from time to time by resolution of our board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director's office will be vacated if the director (1) becomes bankrupt or makes any arrangement or composition with his or her creditors, (2) dies or is found by our company to be or becomes of unsound mind, (3) resigned his or her office by notice in writing to the company, or (4) is removed from office pursuant to any other provisions of the company's memorandum and articles of association.

The chairman of our board of directors shall be our chief executive officer, for as long as he remains a director of our company. If our chief executive officer ceases to be a director of our company, the board of directors shall elect and appoint a chairman of the board by a majority vote of the directors then in office. Subject to the foregoing, our officers are appointed by and serve at the discretion of the board of directors.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. We may terminate their employment for cause, including for certain acts such as conviction of or guilty plea to a felony or the continuous failure to perform the executive officer's duties. If we were to terminate an executive officer, we would provide severance payments as required under applicable law or pursuant to such executive officer's employment agreement.

Each executive officer has agreed to hold in strict confidence, both during and after the termination or expiry of the employment agreement, and not to use, except as required in the performance of the executive officer's duties in or pursuant to applicable law, any of our confidential information or trade secrets, or any confidential information or proprietary information of third parties associated with us. Each executive officer has also agreed to disclose in confidence to us all inventions, designs and trade secrets which the executive officer conceives, develops or reduces to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, we have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against all liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company to the fullest extent permitted by law with certain limited exceptions.

Board Diversity

The board diversity matrix is set out below.

	As of March 31, 2025		As of March 31, 2026	
	Female	Male	Female	Male
Number of Directors				
Directors	0	6	0	6
Number of Directors who identify in Any of the Categories Below:				
Asian	0	6	0	6

D. Employees

We had 790, 608 and 543 employees as of December 31, 2023, 2024 and 2025, respectively. As of December 31, 2025, 470 of our employees were located in China, 35 were located in the United States and 38 were located in other countries. The following table sets forth the number of our employees categorized by function as of December 31, 2025:

Functions	Number of Employees
Research and development	350
Sales and marketing	112
Customer solutions and services	25
General and administrative (including executives)	56
Total	543

We believe we offer our employees competitive compensation packages and a dynamic work environment. We have generally been able to attract and retain qualified employees and maintain a stable core management team. We plan to hire additional experienced and talented employees in areas such as research and development and sales and marketing as we grow our business.

We enter into standard employment, confidentiality and non-compete agreements with our employees. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurance funds, a pension contribution plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan and a housing provident fund.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

E. Share Ownership

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 31, 2026 by:

- each of our directors and executive officers; and
- each person known to us to own beneficially 5% or more of our ordinary shares on an as-converted basis.

The calculations in the table below are based on 262,019,205 Class A ordinary shares and 76,179,938 Class B ordinary shares outstanding as of March 31, 2026.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person. Except as otherwise noted below, the address for each person or entity listed in the table is c/o Agora, Inc., 2804 Mission College Blvd, Santa Clara, California 95054, United States.

	Class A Ordinary	Class B Ordinary	Percentage of	Percentage of
	Shares	Shares	Beneficial	Aggregate Voting
	Number	Number	%	Power*
Directors and Executive Officers				
Bin (Tony) Zhao ⁽¹⁾	15,097,453	76,179,938	27.0	86.2
Hua (Tony) Wang	1,336,360	—	0.4	0.1
Bin (Robbin) Liu	1,187,044	—	0.4	0.1
Jingbo Wang	3,439,188	—	1.0	0.2
Qin Liu ⁽²⁾	32,126,930	—	9.5	1.8
Eric He	451,920	—	0.1	0.0
Steve Zhang	368,288	—	0.1	0.0
All directors and executive officers as a group	54,007,183	76,179,938	38.5	88.4
Principal Shareholders				
Entities affiliated with Bin (Tony) Zhao ⁽¹⁾	15,097,453	76,179,938	27.0	86.2
Entities affiliated with 5Y Capital ⁽³⁾	32,126,930	—	9.5	1.8
Susquehanna Securities, LLC ⁽⁴⁾	24,717,432	—	7.3	1.4

* For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our outstanding Class A ordinary shares and Class B ordinary shares as a single class. Each holder of our Class A ordinary shares is entitled to one vote per share. Each holder of Class B ordinary shares is entitled to 20 votes per share, and while on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders. Our Class B ordinary shares are convertible at any time by the holders thereof into Class A ordinary shares on a one-for-one basis.

- (1) Represents (a) 76,179,938 Class B ordinary shares beneficially owned by Much ado Limited; and (b) 7,267,029 Class A ordinary shares and 7,830,424 Class A ordinary shares (as represented by 1,957,606 ADSs) held by YY TZ Limited. Mr. Zhao is the sole director of Much ado Limited and YY TZ Limited and, as such, has discretionary authority to vote and dispose of the shares held by Much ado Limited and YY TZ Limited in our company. The registered address of Much ado Limited Trident Chambers, PO Box 146 Road Town, Tortola, British Virgin Islands, and the registered address of YY TZ Limited is Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (2) Represents (a) 745,108 Class A ordinary shares held by Morningside China TMT Fund II, L.P.; (b) 8,665,496 Class A ordinary shares held by Morningside China TMT Top Up Fund, L.P.; (c) 12,558,748 Class A ordinary shares held by Morningside China TMT Special Opportunity Fund II, L.P.; (d) 1,255,875 Class A ordinary shares held by Morningside China TMT Fund IV Co-Investment, L.P.; (e) 7,740,611 Class A ordinary shares held by Evolution Special Opportunity Fund I, L.P.; and (f) 1,161,092 Class A ordinary shares held by Evolution Fund I Co-investment, L.P., as reported in a Form 3 filed by them on March 23, 2026. The foregoing entities are collectively referred to in this annual report as the 5Y Capital entities. Morningside China TMT Fund II, L.P. and Morningside China TMT Top Up Fund, L.P. are controlled by Morningside China TMT GP II, L.P., their general partner. Mr. Qin Liu and Morningside Venture (VII) Investments Limited respectively hold and control 66.67% and 33.33% of

the voting power of all issued shares in TMT General Partner Ltd. at its general meeting. Morningside Venture (VII) Investments Limited is indirectly wholly owned by the Landmark Trust Switzerland SA as trustee of a discretionary trust established by Mdm. Tan Ching Fen Chan for the benefit of certain members of her family and other charitable objects. Each of Evolution Special Opportunity Fund I, L.P. and Evolution Fund I Co-investment, L.P. is controlled by 5Y Capital GP Limited, their general partner. Mr. Qin Liu holds and controls 100% of the voting power of all issued shares in 5Y Capital GP Limited at its general meeting. The registered address of the 5Y Capital entities is 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

- (3) Please refer to footnote 2 regarding beneficial ownership of Qin Liu.
- (4) Represents 24,717,432 Class A ordinary shares (as represented by (i) 6,179,358 ADSs and (ii) options to buy 100 ADSs) beneficially owned by Susquehanna Securities, LLC. The address of the principal business office of Susquehanna Securities, LLC is 401 E. City Avenue, Suite 220, Bala Cynwyd, PA 19004. Information is solely derived from a Schedule 13G/A filed by such person on August 14, 2025.

To the Company's knowledge, as of March 31, 2026, a total of 291,426,832 Class A ordinary shares are held by one record holder in the United States, The Bank of New York Mellon, the depository bank of our ADR program, which represents approximately 77.9% of our total outstanding shares. None of our outstanding Class B ordinary shares are held by record holders in the United States. We are not aware of any of our shareholders being affiliated with a registered broker-dealer or being in the business of underwriting securities. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

See "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions Contractual Arrangements

See "Item 4. Information on the Company—C. Organizational Structure."

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Employment Agreements and Indemnification Agreements."

Equity Incentive Plans

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Equity Incentive Plans."

Lease Agreement

We are party to a renewable lease agreement under which we rent office space from an entity that is under common control of Mr. Zhao, our chief executive officer and chairman. In 2023, 2024 and 2025, we paid rent to this entity of US\$198 thousand, US\$196 thousand and US\$181 thousand, respectively. See Note 23 to our audited consolidated financial statements included elsewhere in this annual report.

Shareholders Arrangements

We entered into certain shareholders agreement on February 12, 2020 with holders of our preferred shares and certain purchase agreements on June 18, 2020 and on February 1, 2021 with holders of certain of our ordinary shares, pursuant to which, we granted to holders of shares certain preferential rights, including, among others, director appointment rights and super voting rights of certain directors. As of the date of this annual report, the material outstanding shareholders' rights are set forth below.

Registration Rights

Set forth below is a description of the registration rights granted to certain shareholders under the shareholders agreement.

Demand Registration Rights

At any time after the earlier of (1) the fourth anniversary of October 1, 2018 or (2) the completion of our initial public offering, holders of at least 20% of the registrable securities then outstanding have the right to demand that we file a registration statement

covering all registrable securities that the holders request to be registered and included in such registration by written notice. Other than as required by the underwriters in connection with our initial public offering, at least 25% of the registrable securities requested by the holders to be included in such underwriting and registration shall be so included. We have the right to defer filing a registration statement for a period of not more than 90 days after the receipt of the request of the initiating holders if the board of directors determines in its good faith judgment that it would be materially detrimental to us and our shareholders for such registration statement to be filed at such time. We are obligated to effect no more than two demand registration, other than demand registrations to be effected pursuant to registration statements on Form F-3 or Form S-3, for which an unlimited number of demand registrations shall be permitted.

Registration on Form F-3 or Form S-3

Any holder is entitled to request us to file a registration statement on Form F-3 or Form S-3 if we qualify for registration on Form F-3 or Form S-3. The holders are entitled to an unlimited number of registrations on Form F-3 or Form S-3. We shall effect the registration of the securities on Form F-3 as soon as practicable, except in certain circumstances.

Piggyback Registration Rights

If we propose to file a registration statement for a public offering of our securities, we must offer holders of registrable securities an opportunity to include in the registration all or any part of their registrable securities. If the managing underwriters of any underwritten offering determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriters may decide to exclude shares from the registration and the underwriting and to allocate the number of securities first to us and second to each of the holders requesting the inclusion of their registrable securities on a pro rata basis based on the total number of registrable securities held by each such holder and third, to holders of other securities of our company, provided that (1) in no event may any registrable securities be excluded from such offering unless all other securities are first excluded and (2) in no event may the amount of securities of selling holders of registrable securities be reduced below 25% of the aggregate number of registrable securities requested to be included in such offering.

Expenses of Registration

We will bear all registration expenses, other than underwriting discounts and selling commissions.

Termination of Registration Rights

Our shareholders' registration rights will terminate upon the earlier of (1) the fifth anniversary of our initial public offering and (2) as to any shareholder, when the shares subject to registration rights held by such shareholder can be sold without registration in any 90-day period pursuant to Rule 144 promulgated under the Securities Act.

C. Interests of Experts and Counsels

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

From time to time, we may be subject to various claims and legal actions that arise in the ordinary course of our business.

On February 9, 2024, the trustee of the bankruptcy estate of an individual (the "Debtor") commenced an adversary proceeding against Agora Lab, Inc. in the United States Bankruptcy Court for the District of Connecticut. In the adversary proceeding, the trustee alleges that certain transfers of US\$3.6 million made by entities affiliated with the Debtor to Agora Lab, Inc. can be clawed back into the Debtor's bankruptcy estate. Agora Lab, Inc. was sent to a mediation process, along with numerous other similar situated parties who are defending similar claims brought by the trustee.

In October 2024, Agora Lab, Inc. together with other defendants filed a motion to dismiss the adversary proceeding. In March 2025, the bankruptcy court denied the joint defense group's motion to dismiss, setting the stage for the joint defense group to file an interlocutory appeal challenging the decision. The case remains in the discovery process up to the date of this annual report. Based on the information available prior to issuance of this annual report, the likelihood of an unfavorable outcome is neither probable nor remote, and we are also unable to reasonably estimate the amount or the range of any liability in the event of an unfavorable outcome.

Other than as discussed above, we are not presently a party to any litigation the outcome of which, we believe, if determined

adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition.

Dividend Policy

Since our inception, we have not declared or paid any dividends on our shares. We do not have any present plan to pay any dividends on our Class A or Class B ordinary shares or ADSs in the foreseeable future. We intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Our board of directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends on our ordinary shares, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the underlying Class A ordinary shares represented by the ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See the section of this annual report captioned “Item 12. Description of Securities Other than Equity Securities — D. American Depositary Shares.” Cash dividends on our Class A ordinary shares, if any, will be paid in U.S. dollars.

We are an exempted company incorporated in the Cayman Islands. In order for us to distribute any dividends to our shareholders and ADS holders, we may rely on dividends distributed by our subsidiaries in the PRC. Certain payments from our subsidiaries in the PRC to us may be subject to PRC withholding income tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. Our subsidiaries in the PRC are required to set aside at least 10% of their after-tax profit based on PRC accounting standards every year to a statutory common reserve fund until the aggregate amount of such reserve fund reaches 50% of the registered capital of such subsidiary. Such statutory reserves are not distributable as loans, advances or cash dividends.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs have been listed on the Nasdaq Selected Global Market under the symbol “API” since June 26, 2020. Each ADS represents four Class A ordinary shares.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed for trading on the Nasdaq Global Select Market under the symbol “API” since June 26, 2020.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We incorporate by reference into this annual report our fifth amended and restated memorandum and articles of association filed as Exhibit 3.2 to our registration statement on Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended.

C. Material Contracts

Material contracts other than in the ordinary course of business are described in “Item 4. Information on the Company” and “Item 7. Major Shareholders and Related Party Transactions” or elsewhere in this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Foreign Exchange.”

E. Taxation

The following is a general summary of certain Cayman Islands, People’s Republic of China and United States federal income tax consequences relevant to an investment in our ADSs and Class A ordinary shares. The discussion is not intended to be, nor should it be construed as, legal or tax advice to any particular prospective purchaser. The discussion is based on laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change or different interpretations, possibly with retroactive effect. The discussion does not address U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands, the People’s Republic of China and the United States. You should consult your own tax advisors with respect to the consequences of acquisition, ownership and disposition of our ADSs and Class A ordinary shares.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares or ADSs be subject to Cayman Islands income or corporation tax.

People’s Republic of China Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “*de facto* management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term “*de facto* management body” as a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise. In April 2009, the STA issued a circular, known as Circular 82, which was amended on December 29, 2017. Circular 82 provides certain specific criteria for determining whether the “*de facto* management body” of a PRC-controlled enterprise that is incorporated offshore is located in China.

Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the STA’s general position on how the “*de facto* management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “*de facto* management body” in China only if all of the following conditions are met: (1) the primary location of the day-to-day operational management is in the PRC; (2) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (3) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (4) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that Agora, Inc. is not a PRC resident enterprise for PRC tax purposes. Agora, Inc. is not controlled by a PRC

enterprise or PRC enterprise group, and we do not believe that Agora, Inc. meets all of the conditions above. For similar reasons, we believe our other entities outside of the PRC are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” There can be no assurance that the PRC government will ultimately take a view that is consistent with us.

If the PRC tax authorities determine that Agora, Inc. is a PRC resident enterprise for enterprise income tax purposes or if dividends we pay to our shareholders are otherwise treated as sourced from within the PRC, we may be required to withhold a 10% withholding tax from such dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including the ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including the ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders if we are determined to be a PRC resident enterprise or if such dividends or gains are otherwise treated as sourced from within the PRC. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% (which in the case of dividends may be withheld at source). It is possible that any PRC tax liability may be reduced under an applicable treaty, but it is unclear whether non-PRC shareholders and ADS holders of Agora, Inc. would be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC if Agora, Inc. is treated as a PRC resident enterprise.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by the U.S. Holders described below that hold the ADSs or ordinary shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations and the income tax treaty between the United States and the PRC, or the Treaty, all as of the date hereof and any of which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax considerations described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address the U.S. federal estate, gift, and any minimum tax considerations, the Medicare tax on net investment income, or any state, local and non-U.S. tax considerations relating to the ownership or disposition of the ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of tax accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- persons who hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- persons that actually or constructively own 10% or more of our stock (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes and their partners; all of whom

may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of the ADSs or ordinary shares.

General

For purposes of this discussion, a “U.S. Holder” is a person that is eligible for the benefits of the Treaty and that for U.S. federal income tax purposes is a beneficial owner of the ADSs or ordinary shares and:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of, the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

Treasury regulations that apply to taxable years beginning on or after December 28, 2021, or the Foreign Tax Credit Regulations, may in some circumstances prohibit a U.S. person from claiming a foreign tax credit with respect to certain non-U.S. taxes that are not creditable under applicable income tax treaties. Corrections with respect to the Foreign Tax Credit Regulations were published on July 27, 2022. We have not determined whether these limitations will prevent you from claiming a foreign tax credit with respect to any withholding tax imposed on dividends on ADSs or ordinary shares. Furthermore, certain notices from the IRS indicate that the Treasury and the IRS are considering proposing amendments to such regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of such regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Accordingly, U.S. investors that are not eligible for Treaty benefits should consult their tax advisors regarding the creditability or deductibility of any PRC taxes imposed on dividends on, or dispositions of, the ADSs or ordinary shares. This discussion does not apply to investors in this special situation.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding the ADSs or ordinary shares and their partners are urged to consult their tax advisors regarding an investment in the ADSs or ordinary shares.

For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of the ADSs will be treated in this manner and that deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Rules

A non-U.S. corporation, such as our company, will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is generally a passive asset for these purposes. Goodwill is characterized as a non-passive or passive asset based on the nature of the income produced in the activity to which the goodwill is attributable. A separate determination must be made after the close of each taxable year as to whether a non-U.S. corporation was a PFIC for that year. Although the law in this regard is not entirely clear, we treat the Former VIE as being owned by us for U.S. federal income tax purposes because we control its management decisions and are entitled to substantially all of the economic benefits associated with it. In January 2025, we terminated all contractual arrangements with our Former VIE.

Based on the composition of our income and assets and the estimated value of our assets, we believe that we likely were a PFIC for our 2025 taxable year. The assets shown on our balance sheet consist primarily of cash, cash equivalents and short-term and long-term investments, and while this continues to be the case our PFIC status for any taxable year will depend largely on the value of our goodwill. The value of our goodwill may be determined, in large part, by reference to our average market capitalization for that year. Our market capitalization has been volatile and has declined significantly since our initial public offering. As a result of this decline and the amount of passive assets held by us throughout our 2025 taxable year, we believe we likely were a PFIC for our 2025 taxable year, and there is a significant risk that we will be a PFIC for the current and possibly future taxable years if the market price of the ADSs does not increase.

If we are or were a PFIC for any taxable year during which a U.S. Holder holds or held the ADSs or ordinary shares, and unless

the U.S. Holder makes or has made a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (1) any excess distribution that we make to the U.S. Holder (which generally means distributions paid during a taxable year to a U.S. Holder to the extent greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or ordinary shares) and (2) any gain realized on the sale or other disposition of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are a PFIC, each a pre-PFIC year, will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year, increased by an additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

If we are a PFIC for any taxable year during which a U.S. Holder holds the ADSs or ordinary shares and any of our subsidiaries, the Former VIE or any of the subsidiaries of the Former VIE is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, the Former VIE or any of the subsidiaries of the Former VIE.

If we are a PFIC for any taxable year during which a U.S. Holder owns the ADSs or ordinary shares, the PFIC rules discussed above generally will continue to apply to the U.S. Holder even if we cease to be a PFIC for subsequent taxable years. However, if we are a PFIC for any taxable year and then cease to be a PFIC for a later taxable year, a U.S. Holder can avoid the continuing impact of the PFIC rules by making a "deemed sale" election, under which gain will be recognized as if the U.S. Holder's ADSs or ordinary shares were sold on the last day of the last taxable year during which we were a PFIC. U.S. Holders are urged to consult their tax advisors about this election if we are a PFIC for any taxable year.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a U.S. Holder makes this election with respect to the ADSs, the holder will generally (1) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (2) deduct as an ordinary loss in each such taxable year the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of the ADSs and we cease to be a PFIC, the holder will not be required to take into account the gain or loss described above during any taxable year in which we are not a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of the ADSs in a taxable year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election, with any excess treated as a capital loss. The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter, or regularly traded, on a qualified exchange or other market, as defined in applicable United States Treasury regulations. The ADSs, but not our ordinary shares, are listed on the Nasdaq Global Select Market, which is a qualified exchange for this purpose, but there can be no assurance that they will be regularly traded. Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the general PFIC rules described in the previous paragraphs with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make "qualified electing fund" elections which, if available, would result in tax treatment different from the tax treatment for PFICs described above.

If a U.S. Holder owns the ADSs or ordinary shares during any taxable year that we are a PFIC, the U.S. Holder must generally file an annual IRS Form 8621. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax considerations of owning and disposing of the ADSs or ordinary shares if we are or become a PFIC, including the availability and advisability of making the deemed sale election or the mark-to-market election described above.

Dividends

The following is subject to the discussion under "—Passive Foreign Investment Company Rules" above.

We do not intend to make distributions with respect to our ADSs or ordinary shares. Distributions paid on the ADSs or ordinary shares (including the amount of any PRC tax withheld), other than certain pro rata distributions of Class A ordinary shares, out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder in the case of

ordinary shares, or by the depository in the case of ADSs. Because we do not determine our earnings and profits on the basis of U.S. federal income tax principles, we expect that any distribution we pay generally will be reported to U.S. Holders as dividends. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at a preferential rate if certain conditions are met (including a minimum holding period and other requirements). However, this preferential rate for “qualified dividend income” will not apply if we are a PFIC or (as discussed above) are treated as a PFIC with respect to a U.S. Holder for the taxable year in which the dividend is paid or the preceding taxable year. U.S. Holders are urged to consult their tax advisors regarding the availability of this preferential rate in general and in their particular circumstances.

For U.S. foreign tax credit purposes, dividends paid on the ADSs or ordinary shares generally will be treated as income from foreign sources and generally will constitute passive category income. As described in “—People’s Republic of China Taxation,” dividends paid by us may be subject to PRC withholding taxes. The U.S. Holder may be able to obtain a reduced rate of PRC withholding taxes under the Treaty if certain requirements are met. In addition, subject to certain conditions and limitations, PRC taxes withheld from dividends (at a rate not in excess of the applicable Treaty rate) may be eligible for credit against a U.S. Holder’s U.S. federal income tax liability. The rules governing the foreign tax credit are complex. For example, the Foreign Tax Credit Regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for foreign income taxes to be creditable the relevant foreign income tax rules must be consistent with certain U.S. federal income tax principles. We have not determined whether the PRC income tax system meets these requirements. However, certain IRS notices indicate that the Treasury and the IRS are considering amendments to these Treasury regulations and provide relief from certain of their provisions for taxable years ending before the date that a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction in respect of such withholding, but only for a year in which the U.S. Holder elects to do so for all creditable foreign income taxes.

Sale or Other Disposition

The following is subject to the discussion under “—Passive Foreign Investment Company Rules” above.

A U.S. Holder will generally recognize gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. Holder’s adjusted tax basis in such ADSs or ordinary shares, each determined in U.S. dollars. The gain or loss will generally be capital gain or loss. Individuals and other non-corporate U.S. Holders who have held the ADSs or ordinary shares for more than one year will generally be eligible for preferential tax rates. The deductibility of capital losses is subject to limitations.

As described in “—People’s Republic of China Taxation,” gains on the sale of ADSs or ordinary shares may be subject to PRC taxes. Capital gains of U.S. persons are generally treated as U.S.-source income under the Code. However, a U.S. Holder may be able to elect to treat the gain as foreign-source income under the Treaty. The Foreign Tax Credit Regulations generally preclude a U.S. Holder from claiming a foreign tax credit with respect to PRC income taxes on gains from dispositions of ADSs or ordinary shares if the U.S. Holder does not elect to apply the benefits of the Treaty. However, as discussed above, certain IRS notices indicate that the Treasury and the IRS are considering amendments to these Treasury regulations and provide relief from certain of their provisions for taxable years ending before the date that a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Even if these Treasury regulations do not prohibit a U.S. Holder from claiming a foreign tax credit with respect to any PRC income tax on disposition gains, other limitations under the foreign tax credit rules may preclude a U.S. Holder from claiming a foreign tax credit, in whole or in part, with respect to such taxes. If a U.S. Holder is precluded from claiming a foreign tax credit with respect to any PRC income taxes on disposition gains, it is possible that such PRC taxes on disposition gains may either be deductible or reduce the amount realized on the disposition. The rules governing foreign tax credits and the deductibility of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the consequences of the imposition of any PRC tax on disposition gains, including the Treaty’s resourcing rule, any reporting requirements with respect to a Treaty-based return position, the Foreign Tax Credit Regulations and the creditability or deductibility of the PRC tax (or the ability to deduct this tax from the amount realized on a disposition of ADSs or ordinary shares) in their particular circumstances (including any applicable limitations).

Information Reporting and Backup Withholding

U.S. Holders may be subject to information reporting to the IRS and U.S. backup withholding with respect to dividends on and proceeds from the sale or other disposition of the ADSs or ordinary shares. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification, or who is otherwise exempt from backup withholding.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder’s U.S. federal income tax liability, and a U.S. Holder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders may be required to report information relating to the ordinary shares or ADSs, subject to certain exceptions (including an exception for ordinary shares or ADSs held in accounts maintained by certain U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of the ordinary shares or ADSs.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We have previously filed with the SEC our registration statement on Form F-1 (File No. 333-238960), as amended, and a prospectus under the Securities Act with respect to our Class A ordinary shares represented by our ADSs.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year. Copies of reports and other information, when so filed, may be inspected without charge and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We will furnish The Bank of New York Mellon, the depositary, with our annual reports, which include a review of operations and annual audited and consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meeting and other reports and communications that are made generally available to our shareholders. The depositary makes such notices, reports and communications available to holders of ADSs and, upon our request, mails to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Exchange Risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities. A substantial majority of our revenue-generating transactions and expense-related transactions are denominated in Renminbi, which is the functional currency of our subsidiaries in the PRC. Our commercial transactions outside the PRC are primarily denominated in U.S. dollars. We do not hedge against currency risk.

The value of Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Following the removal of the U.S. dollar peg, the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. On August 11, 2015, the People's Bank of China, or the PBOC, announced plans to improve the central

parity rate of the RMB against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. Effective from October 1, 2016, the International Monetary Fund added Renminbi to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. Accordingly, it is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of Renminbi against the U.S. dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, servicing our outstanding debts, or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amounts available to us.

As of December 31, 2025, we had Renminbi-denominated cash and cash equivalents of RMB74.4 million. We estimate that a 10% depreciation of Renminbi against the U.S. dollar based on the foreign exchange rate on December 31, 2025 would result in a change of our holding U.S. dollar equivalents of US\$1.0 million for cash and cash equivalents.

Interest Rate Risk

Cash and short-term investments were held primarily in bank and time deposits. The fair value of our cash and short-term investments would not be significantly affected by either an increase or decrease in interest rates due mainly to the short-term nature of these instruments.

Inflation

See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Inflation.”

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Expenses Our ADS Holders May Have to Pay

The Bank of New York Mellon, as depositary, will register and deliver ADSs. Each ADS represents four Class A ordinary shares (or a right to receive four Class A ordinary shares) deposited with The Hong Kong and Shanghai Banking Corporation Limited, as custodian for the depositary in Hong Kong. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary’s office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

Persons Depositing or Withdrawing Shares or ADS Holders

Must Pay:

- US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
- US\$0.05 (or less) per ADS
- A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs
- US\$0.05 (or less) per ADS per calendar year

For:

- Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution to ADS holders
- Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
- Depositary services

- Registration or transfer fees
- Expenses of the depositary
- Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes
- Any charges incurred by the depositary or its agents for servicing the deposited securities
- Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
- Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement)
- Converting foreign currency to U.S. dollars
- As necessary
- As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates, or the custodian or we may convert currency and pay U.S. dollars to the depositary. Where the depositary converts currency itself or through any of its affiliates, the depositary acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained by it or its affiliate in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligation to act without negligence or bad faith. The methodology used to determine exchange rates used in currency conversions made by the depositary is available upon request. Where the custodian converts currency, the custodian has no obligation to obtain the most favorable rate that could be obtained at the time or to ensure that the method by which that rate will be determined will be the most favorable to ADS holders, and the depositary makes no representation that the rate is the most favorable rate and will not be liable for any direct or indirect losses associated with the rate. In certain instances, the depositary may receive dividends or other distributions from the us in U.S. dollars that represent the proceeds of a conversion of foreign currency or translation from foreign currency at a rate that was obtained or determined by us and, in such cases, the depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor we make any representation that the rate obtained or determined by us is the most favorable rate and neither it nor we will be liable for any direct or indirect losses associated with the rate.

Fees and Other Payments Made by the Depositary to Us

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. For the year ended December 31, 2025, we received reimbursement in the amount of US\$1.2 million from the depositary.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

See “Item 10. Additional Information” for a description of the rights of shareholders, which remain unchanged.

Use of Proceeds

The following “Use of Proceeds” information relates to the registration statement on Form F-1, as amended (File No. 333-238960) (the “F-1 Registration Statement”) in relation to our initial public offering of 20,125,000 ADSs (reflecting the exercise of the over-allotment option by the underwriters to purchase an additional 2,625,000 ADSs) representing 80,500,000 Class A ordinary shares, at an initial offering price of US\$20.00 per ADS. The registration statement was declared effective by the SEC on June 25, 2020. Our initial public offering closed in June 2020. Morgan Stanley & Co. LLC and BofA Securities, Inc. were the representatives of the underwriters for our initial public offering.

We received net proceeds of approximately US\$483.6 million from our initial public offering, the exercise of over-allotment option and the concurrent private placement. Our expenses incurred and paid to others in connection with the issuance and distribution of the ADSs in our offering totaled US\$28.9 million, which included US\$26.2 million for underwriting discounts and commissions and US\$2.7 million for other expenses. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds we received from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from June 25, 2020, the date that the registration statement on Form F-1 was declared effective by the SEC, to December 31, 2025, we used approximately 42% of the net proceeds received from our initial public offering and the concurrent private placement for research and development, marketing and branding, investment in technology infrastructure as well as for working capital and other general corporate purposes.

We still intend to use the remainder of the net proceeds from our initial public offering as disclosed in our registration statements on Form F-1.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the supervision and participation of our chief executive officer and our chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act, as of December 31, 2025. Based upon that evaluation, our management has concluded that, as of December 31, 2025, our disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15 (f) under the Securities Exchange Act of 1934, as amended. Our management, with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2025.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, has audited the effectiveness of our company’s internal control over financial reporting as of December 31, 2025, as stated in its report, which appears on page F-2 of

this annual report on Form 20-F.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has also determined that Mr. He qualifies as an “audit committee financial expert” as defined by SEC rules, and that he satisfies the independence requirements of Rule 5605 of the Nasdaq Stock Market Rules and Rule 10A-3 promulgated under the Exchange Act.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted our code of ethics, a code that applies to members of the board of directors including its chairman and other senior officers, including the chief executive officer and financial controller. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (File No. 333-238960), as amended, initially filed with the SEC on June 5, 2020, which was incorporated by reference thereto in this annual report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our independent registered public accounting firms, PricewaterhouseCoopers Zhong Tian LLP and its affiliates, for the years ended December 31, 2024 and 2025, respectively. Save as disclosed below, we did not pay any other fees to PricewaterhouseCoopers Zhong Tian LLP during the periods indicated below.

	For the year ended December 31,			
	2024		2025	
	US\$	RMB	US\$	RMB
		(in thousands)		
Audit fees ⁽¹⁾	1,015	7,235	1,075	7,635
Other fees ⁽²⁾	—	—	46	325

- (1) Audit fees represent the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal accountant for the audit of our annual consolidated financial statements, limited procedures on quarterly financial information. Audit services that are normally provided by the principal accountant in connection with regulatory filings or engagements for those fiscal years and fees for audit services rendered in connection with our financing activities.
- (2) Other fees represent the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal accountant other than services reported under “Audit fees,” which mainly include due diligence service and other advisory services.

Our audit committee is responsible for pre-approving all audit and non-audit services provided by our independent registered public accounting firm.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In February 2022, our board of directors has authorized a share repurchase program for an amount of up to US\$200 million over a period of 12 months. In each of February 2023, 2024, 2025 and 2026, our board of directors authorized the extension of the foregoing share repurchase program for another 12 months, respectively, with all other terms remaining unchanged. As of December 31, 2025 and March 31, 2026, we had repurchased US\$143.1 million of ADSs and US\$156.2 million of ADSs, respectively, under the share repurchase program and is still authorized to use the remaining quota for repurchases within the term of the plan. The table below is a summary of the ADSs repurchased by us during the 2025 fiscal year and up to March 31, 2026.

	Total Number of ADSs Purchased	Average Price Paid per ADSs (US\$)	Total Number of ADSs Purchased as Part of Publicly Announced Program	Approximately Dollar Value of ADSs that May Yet Be Purchased Under the Program (US\$)
January 2025	287,466	4.03	287,466	83,657,282
March 2025	11,809	4.01	11,809	83,609,907
April 2025	1,711,259	3.08	1,711,259	78,332,590
May 2025	1,263,168	3.53	1,263,168	73,870,198
June 2025	297,350	3.74	297,350	72,758,212
July 2025	203,282	3.84	203,282	71,976,866
August 2025	484,242	3.65	484,242	70,210,401
September 2025	618,177	3.68	618,177	67,933,641
October 2025	952,122	3.66	952,122	64,446,286
November 2025	1,036,074	3.51	1,036,074	60,813,907
December 2025	1,019,875	3.88	1,019,875	56,852,957
January 2026	1,106,583	4.34	1,106,583	52,046,223
February 2026	851,148	4.36	851,148	48,338,149
March 2026	1,172,545	3.89	1,172,545	43,773,234

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions of the securities rules and regulations that are applicable to U.S. domestic issuers. Moreover, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. In addition, as a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance standards. While we voluntarily follow most Nasdaq corporate governance standards, we do not intend to follow the Nasdaq rule below:

- Rule 5620(a) requires an annual meeting of shareholders to be held no later than one year after the end of the fiscal year. In this regard, we have elected to adopt the practices of our home country, the Cayman Islands, which practices do not require an annual meeting of shareholders to be held annually. Accordingly, we did not hold an annual meeting of shareholders in 2025. We may, however, hold annual meetings of shareholders in the future if there are significant issues that require shareholders' approvals.

See "Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies" and "Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance standards; these practices may afford less protection to shareholders than they would enjoy if we comply fully with the Nasdaq Stock Market corporate governance standards."

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies governing the purchase, sale, and other disposition of our securities by directors, senior management, and employees. A copy of our insider trading policy was previously filed as Exhibit 11.2 to our 2024 annual report and remains in effect.

ITEM 16K. CYBERSECURITY

Cybersecurity risk management is a foundational aspect of our comprehensive risk management program. Our cybersecurity risk management initiative aligns with various industry and regulatory frameworks, and we hold multiple certifications and attestations,

including ISO 27001/2, ISO27017, ISO27018, Sarbanes-Oxley, AICPA SOC 2 Type 2, HIPAA, and GDPR, as well as various regional compliance frameworks. We have implemented security controls compliant with these frameworks to effectively address potential material cybersecurity incidents. Additionally, we have established internal processes such as vulnerability management, third-party penetration testing, third-party audits, continuous monitoring, and ongoing compliance assessments.

We continuously monitor and review threats and cybersecurity incidents associated with the use of services and security tools by third-party service providers. We operate an Incident Response Program (“IRP”) to ensure coordinated responses across company departments to manage potential material cybersecurity incidents effectively. This program entails assessing threat severity, identifying threat sources (especially related to third-party services), implementing countermeasures and mitigation strategies, and promptly informing management and the board of directors of material cybersecurity threats and incidents. Regular assessments by our cybersecurity team help evaluate and enhance our cybersecurity risk management program, with specific focus areas assessed by third-party experts in critical risk domains. In addition, our cybersecurity team facilitates compliance and cybersecurity training to all employees. Our executive officers are regularly updated on the status of the cybersecurity and risk management program by the Head of Information Security for Agora and the Head of Information Security for Shengwang. Together, they have the overall oversight responsibility for our risk management and are charged with oversight of our cybersecurity risk management program / delegates cybersecurity risk management oversight to the cybersecurity team.

Our executive officers are responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which the company is exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. Our executive officers shall report any material cybersecurity risks to our Board. Our senior management team is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our CEO and chairman of the board, who receives reports from our Heads of Information Security and cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our Heads of Information Security and dedicated personnel are experienced information systems security professionals and information security managers with years of experience. Management, including the Heads of Information Security and our cybersecurity team, regularly update the Chief Executive Officer on the company’s cybersecurity and risk programs, material cybersecurity risks and mitigation strategies and provide regular cybersecurity reports that cover, among other topics, third-party assessments of the company’s cybersecurity programs such as AICPA SOC2 Type 2 developments in cybersecurity and updates to the company’s cybersecurity programs and mitigation strategies.

In 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see “Item 3. Key Information—D. Risk Factors—Risk Related to Our Business and Industry— Breaches of networks or systems of our suppliers, could degrade our ability to conduct our business, compromise the integrity of our products, platform and data, result in significant data losses and leakage and the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data” on page 17 of this annual report.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

Consolidated financial statements of Agora, Inc. are included at the end of this annual report.

ITEM 19. EXHIBITS

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
1.1	<u>Fifth amended and restated memorandum and articles of association of the registrant, previously filed on Form 20-F, dated March 26, 2021 and incorporated herein by reference</u>
2.1	<u>Registrant's specimen American depositary receipt, previously filed on Form 20-F, dated March 26, 2021 and incorporated herein by reference</u>
2.2	<u>Registrant's specimen certificate for Class A ordinary shares (incorporated by reference to Exhibit 4.2 of our registration statement on the Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended)</u>
2.3	<u>Deposit agreement, dated June 25, 2020, by and among the registrant, the depository and the owners and holders of American Depositary Shares issued thereunder, previously filed on Form 20-F, dated March 26, 2021 and incorporated herein by reference</u>
2.4	<u>Amended and Restated Shareholders Agreement by and among the registrant and the other parties named therein, dated as of February 12, 2020 (incorporated by reference to Exhibit 4.4 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
2.5	<u>Amendment to Amended and Restated Shareholders Agreement by and among the registrant and the other parties named therein, dated as of June 30, 2020, previously filed on Form 20-F, dated March 26, 2021 and incorporated herein by reference</u>
2.6	<u>Description of securities, previously filed on Form 20-F, dated March 26, 2021 and incorporated herein by reference</u>
4.1	<u>English translation of the share pledge agreement, dated as of June 18, 2015, by and among Shanghai Dayin Network Technology Co., Ltd., Shanghai Zhaoyan Network Technology Co., Ltd. and each then shareholder of Shanghai Zhaoyan Network Technology Co., Ltd. (incorporated by reference to Exhibit 10.1 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
4.2	<u>English translation of the voting rights proxy agreement, dated as of June 18, 2015, by and among Shanghai Dayin Network Technology Co., Ltd., Shanghai Zhaoyan Network Technology Co., Ltd. and each then shareholder of Shanghai Zhaoyan Network Technology Co., Ltd. (incorporated by reference to Exhibit 10.2 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
4.3	<u>English translation of the power of attorney of Bin (Tony) Zhao pursuant to the voting rights proxy agreement, dated as of June 18, 2015 (incorporated by reference to Exhibit 10.3 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
4.4	<u>English translation of the power of attorney of Wenjing Ma pursuant to the voting rights proxy agreement, dated as of June 18, 2015 (incorporated by reference to Exhibit 10.4 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
4.5	<u>English translation of the exclusive technology consulting and services agreement, dated as of June 18, 2015, by and between Shanghai Dayin Network Technology Co., Ltd. and Shanghai Zhaoyan Network Technology Co., Ltd. (incorporated by reference to Exhibit 10.5 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
4.6	<u>English translation of the exclusive option agreement, dated as of June 18, 2015, by and among Shanghai Dayin Network Technology Co., Ltd., Shanghai Zhaoyan Network Technology Co., Ltd. and each then shareholder of Shanghai Zhaoyan Network Technology Co., Ltd. (incorporated by reference to Exhibit 10.6 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>
4.7	<u>2014 equity incentive plan (incorporated by reference to Exhibit 10.7 of our registration statement on Form F-1 (File No. 333-238960) filed with the SEC on June 5, 2020, as amended)</u>

Exhibit No.	Description of Exhibit
4.8	2018 equity incentive plan (incorporated by reference to Exhibit 10.8 of our registration statement on Form F-1 (File No. 333-238960), filed with the SEC on June 5, 2020, as amended)
4.9	Global equity incentive plan (incorporated by reference to Exhibit 10.9 of our registration statement on the Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended)
4.10	Employee stock purchase plan (incorporated by reference to Exhibit 10.10 of our registration statement on the Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended)
4.11	Form of employment agreement between the registrant and its executive officers (incorporated by reference to Exhibit 10.11 of our registration statement on the Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended)
4.12	Form of indemnification agreement between the registrant and its directors and executive officers (incorporated by reference to Exhibit 10.12 of our registration statement on the Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended)
4.13	English translation of the joinder agreement to the contractual arrangements, dated as of January 19, 2021, by and among Shanghai Dayin Network Technology Co., Ltd., Shanghai Zhaoyan Network Technology Co., Ltd. and Ms. Yan Chen, previously filed on Form 20-F, dated March 26, 2021 and incorporated herein by reference
4.14	Class A Ordinary Shares Purchase Agreement, dated as of June 18, 2020, by and between the registrant and Coatue CPP 10 LLC (incorporated by reference to Exhibit 10.13 of our registration statement on the Amendment No. 2 to Form F-1 (File No. 333-238960) filed with the SEC on June 19, 2020, as amended)
4.15	Class A Ordinary Shares Purchase Agreement, dated as of June 17, 2020, by and between the registrant and Neumann Capital (incorporated by reference to Exhibit 10.14 of our registration statement on the Amendment No. 2 to Form F-1 (File No. 333-238960) filed with the SEC on June 19, 2020, as amended)
4.16	Class A Ordinary Shares Purchase Agreement, dated as of June 19, 2020, by and between the registrant and VIP III Nominees Limited (incorporated by reference to Exhibit 10.15 of our registration statement on the Amendment No. 2 to Form F-1 (File No. 333-238960) filed with the SEC on June 19, 2020, as amended)
8.1*	List of principal subsidiaries of the registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 99.1 of our registration statement on the Amendment No. 1 to Form F-1 (File No. 333-238960) filed with the SEC on June 15, 2020, as amended)
11.2	Agora, Inc. Insider Trading Policy (incorporated by reference to Exhibit 11.2 of our annual report on Form 20-F (File No. 001-39340) filed with the SEC on April 15, 2025)
12.1*	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Fangda Partners
15.2*	Consent of PricewaterhouseCoopers Zhong Tian LLP
97.1	Agora, Inc. Compensation Recoupment Policy (incorporated by reference to Exhibit 97.1 of our annual report on Form 20-F (File No. 001-39340) filed with the SEC on April 24, 2024)
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Scheme With Embedded Linkbase Documents
104	Cover page formatted as Inline XBRL and contained in Exhibit 101

* Filed with this annual report on Form 20-F

** Furnished with this annual report on Form 20-F

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AGORA, INC.

By: /s/ Bin (Tony) Zhao
Name: Bin (Tony) Zhao
Title: Chief Executive Officer and Chairman

Date: April 15, 2026

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID: 1424)</u>	F-2
<u>Consolidated Balance Sheets</u>	F-4
<u>Consolidated Statements of Comprehensive (Loss) Income</u>	F-5
<u>Consolidated Statements of Changes in Shareholders' Equity</u>	F-6
<u>Consolidated Statements of Cash Flows</u>	F-7
<u>Notes to the Consolidated Financial Statements</u>	F-9

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Agora, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Agora, Inc. and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive (loss) income, of changes in shareholders’ equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of allowance for current expected credit losses – accounts receivable, net

As described in Notes 2(j) and 4 to the consolidated financial statements, the Company's balance of accounts receivable, net of allowance for current expected credit losses of \$13.8 million was \$24.9 million as of December 31, 2025. Receivables with similar risk characteristics have been grouped into pools. For each pool, management considers past customer collection history, future forecasts and macroeconomic factors based on relevant risk characteristics which include but are not limited to geographic region and industry. Management also includes industry-specific factors and certain qualitative adjustments as part of the current expected credit loss analysis assessed at each period.

The principal considerations for our determination that performing procedures relating to the valuation of allowance for current expected credit losses is a critical audit matter are (i) the significant judgment and estimation by management in determining the allowance for current expected credit losses to adjust accounts receivable to the amount that will be collected. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating the audit evidence related to management's application of current and future macroeconomic factors and certain qualitative adjustments to the allowance for current expected credit losses; and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's determination of the allowance for current expected credit losses estimation process. These procedures also included, among others (i) evaluating the appropriateness of the valuation methodology and models used in management's current expected credit loss estimates; (ii) testing the completeness and accuracy of the underlying data used in the models, including historical performance data and future forecasts used by management; (iii) evaluating management's process for segmenting the customer pools; and (iv) evaluating the reasonableness of significant judgments made by management such as the impact on the allowance of future forecasts and macroeconomic factors, industry specific factors and qualitative adjustments. Professionals with specialized skill and knowledge were also used to assist in evaluating the appropriateness of the valuation methodology and models, and the impact of future forecasts and macroeconomic factors.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
April 15, 2026

We have served as the Company's auditor since 2017.

AGORA, INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2025
(All amounts in US\$ thousands except share data, unless otherwise stated)

	As of December 31,	
	2024	2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 27,083	\$ 75,446
Short-term bank deposits	168,327	84,460
Short-term financial products issued by banks	71,464	55,000
Short-term investments	2,787	4,583
Accounts receivable, net	30,952	24,867
Prepayments and other current assets	22,593	14,590
Contract assets	1,099	123
Restricted cash	3,745	200
Held-for-sale assets	—	831
Total current assets	328,050	260,100
Non-current assets:		
Property and equipment, net	4,680	3,947
Construction in progress in relation to the headquarters project	44,486	84,239
Operating lease right-of-use assets	3,866	2,145
Intangible assets	611	96
Long-term bank deposits	35,500	160,001
Long-term financial products issued by banks	61,400	—
Long-term investments	40,710	29,182
Land use right, net	161,395	161,591
Other non-current assets	18,956	19,798
Total non-current assets	371,604	460,999
Total assets	\$ 699,654	\$ 721,099
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	12,965	9,638
Advances from customers	8,738	7,906
Taxes payable	2,210	696
Current operating lease liabilities	1,749	1,521
Payables for construction cost	12,834	16,607
Accrued expenses and other current liabilities	19,839	20,417
Total current liabilities	58,335	56,785
Non-current liabilities:		
Long-term payable	1	3
Long-term operating lease liabilities	1,922	399
Deferred tax liabilities	92	12
Long-term borrowings in relation to the headquarters project	46,469	80,420
Advance in relation to the headquarters project	20,174	20,632
Total non-current liabilities	68,658	101,466
Total liabilities	\$ 126,993	\$ 158,251
Commitments and contingencies (Note 22)		
Shareholders' equity		
Class A ordinary shares (\$0.0001 par value; 820,000,000 shares authorized, 392,376,217 shares issued and 297,156,593 shares outstanding as of December 31, 2024; 820,000,000 shares authorized, 394,439,081 shares issued and 273,084,833 shares outstanding as of December 31, 2025)	39	39
Class B ordinary shares (\$0.0001 par value; 76,179,938 shares authorized, issued and outstanding as of December 31, 2024 and 2025)	8	8
Additional paid-in-capital	1,144,238	1,145,126
Treasury shares at cost	(72,739)	(95,238)
Accumulated other comprehensive loss	(12,257)	(9,987)
Accumulated deficit	(486,628)	(477,100)
Total shareholders' equity	\$ 572,661	\$ 562,848
Total liabilities and shareholders' equity	\$ 699,654	\$ 721,099

AGORA, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in US\$ thousands except share and per share data, unless otherwise stated)

	Year Ended December 31,		
	2023	2024	2025
Real-time engagement service revenues	\$ 133,098	\$ 127,624	\$ 137,971
Real-time engagement on-premise solution and other revenues	8,440	5,632	3,086
Total revenues	141,538	133,256	141,057
Cost of revenues	(52,063)	(47,809)	(47,393)
Gross profit	89,475	85,447	93,664
Operating expenses:			
Research and development expenses	(77,666)	(80,344)	(55,459)
Sales and marketing expenses	(33,958)	(27,220)	(26,352)
General and administrative expenses	(34,976)	(32,772)	(22,670)
Total operating expenses	(146,600)	(140,336)	(104,481)
Other operating income	1,729	1,578	1,407
Impairment of goodwill	(31,928)	—	—
Loss from operations	(87,324)	(53,311)	(9,410)
Exchange (loss) gain	(151)	168	1,623
Interest income	18,836	16,941	15,051
Interest expense	(20)	(253)	(36)
Losses from extinguishment of convertible note	(1,230)	—	—
Investment (loss) income	(18,526)	(3,328)	1,457
Other income	1,649	793	1,198
(Loss) income before income taxes	(86,766)	(38,990)	9,883
Income taxes	(422)	(258)	(323)
Equity in loss of affiliates	(31)	(3,479)	(32)
Net (loss) income attributable to Agora, Inc.'s ordinary shareholders	\$ (87,219)	\$ (42,727)	\$ 9,528
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(3,418)	(2,230)	2,270
Unrealized gain on debt securities	1,385	—	—
Total comprehensive (loss) income attributable to Agora, Inc.'s ordinary shareholders	\$ (89,252)	\$ (44,957)	\$ 11,798
Net (loss) income per share attributable to Agora, Inc.'s ordinary shareholders—basic	(0.22)	(0.11)	0.03
Net (loss) income per share attributable to Agora, Inc.'s ordinary shareholders—diluted	(0.22)	(0.11)	0.02
Weighted average number of ordinary shares—basic	398,384,385	373,122,317	367,898,081
Weighted average number of ordinary shares—diluted	398,384,385	373,122,317	395,420,348
Share-based compensation expenses included in:			
Cost of revenues	621	212	82
Research and development expenses	12,696	17,062	3,274
Sales and marketing expenses	4,145	778	694
General and administrative expenses	7,150	4,685	1,514

AGORA, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in US\$ thousands except share data, unless otherwise stated)

	Class A Ordinary shares		Class B Ordinary shares		Treasury shares at cost		Additional paid-in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total shareholders' equity
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount				
Balance as of December 31, 2022	386,297,589	\$ 39	76,179,938	\$ 8	(35,839,004)	\$ (41,815)	1,134,704	\$ (7,994)	\$ (356,682)	\$ 728,260
Share-based compensation expense (Note 17)	—	—	—	—	—	—	21,901	—	—	21,901
Net loss	—	—	—	—	—	—	—	—	(87,219)	(87,219)
Foreign currency translation adjustments	—	—	—	—	—	—	—	(3,418)	—	(3,418)
Settlement of VPP	—	—	—	—	—	—	3,791	—	—	3,791
Share repurchase (Note 16)	—	—	—	—	(77,984,836)	(62,441)	—	—	—	(62,441)
Unrealized gain on debt securities	—	—	—	—	—	—	—	1,385	—	1,385
Exercise of options	1,978,416	—	—	—	9,658,772	15,125	(12,787)	—	—	2,338
Vesting of restricted shares and RSUs	3,048,212	—	—	—	5,469,616	9,415	(9,263)	—	—	152
Balance as of December 31, 2023	391,324,217	\$ 39	76,179,938	\$ 8	(98,695,452)	\$ (79,716)	1,138,346	\$ (10,027)	\$ (443,901)	\$ 604,749
Share-based compensation expense (Note 17)	—	—	—	—	—	—	22,397	—	—	22,397
Net loss	—	—	—	—	—	—	—	—	(42,727)	(42,727)
Foreign currency translation adjustments	—	—	—	—	—	—	—	(2,230)	—	(2,230)
Settlement of VPP	—	—	—	—	—	—	248	—	—	248
Share repurchase (Note 16)	—	—	—	—	(16,805,024)	(10,929)	—	—	—	(10,929)
Exercise of options	1,052,000	—	—	—	15,207,180	13,505	(12,352)	—	—	1,153
Vesting of RSUs	—	—	—	—	5,073,672	4,401	(4,401)	—	—	—
Balance as of December 31, 2024	392,376,217	\$ 39	76,179,938	\$ 8	(95,219,624)	\$ (72,739)	1,144,238	\$ (12,257)	\$ (486,628)	\$ 572,661
Share-based compensation expense (Note 17)	—	—	—	—	—	—	5,936	—	—	5,936
Net income	—	—	—	—	—	—	—	—	9,528	9,528
Foreign currency translation adjustments	—	—	—	—	—	—	—	2,270	—	2,270
Settlement of VPP	—	—	—	—	—	—	210	—	—	210
Share repurchase (Note 16)	—	—	—	—	(31,539,296)	(27,962)	—	—	—	(27,962)
Exercise of options	287,096	—	—	—	3,981,344	4,027	(3,822)	—	—	205
Vesting of RSUs	1,775,768	—	—	—	1,423,328	1,436	(1,436)	—	—	—
Balance as of December 31, 2025	394,439,081	\$ 39	76,179,938	\$ 8	(121,354,248)	\$ (95,238)	1,145,126	\$ (9,987)	\$ (477,100)	\$ 562,848

AGORA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in US\$ thousands, unless otherwise stated)

	Year Ended December 31,		
	2023	2024	2025
Cash flows from operating activities:			
Net (loss) income	\$ (87,219)	\$ (42,727)	\$ 9,528
Share-based compensation expense	24,612	22,737	5,564
Allowance for current expected credit losses	7,046	8,728	4,031
Depreciation of property and equipment	7,096	3,459	2,008
Amortization of intangible assets	1,384	663	515
Amortization of land use right	3,165	3,423	3,413
Deferred tax benefit	(212)	(102)	(81)
Amortization of right-of-use asset	2,935	2,576	2,060
Interest income on debt securities	(105)	—	—
Loss from equity in affiliates	31	3,479	32
Losses from extinguishment of convertible note	1,230	—	—
Investment loss (income)	18,526	3,328	(1,457)
Impairment of goodwill	31,928	—	—
Return on investment from equity affiliates	21	—	—
(Gain) loss on disposal of property and equipment	(11)	(9)	8
Changes in assets and liabilities:			
Accounts receivable	(9,100)	(5,047)	2,406
Contract assets	(522)	(67)	978
Prepayments and other current assets	(1,801)	(13,893)	7,623
Other non-current assets	(7,278)	5,855	(2,723)
Accounts payable	3,246	(248)	(3,117)
Advances from customers	(483)	1,071	(970)
Taxes payable	(1,157)	1,326	(1,532)
Operating lease liabilities	(2,649)	(2,878)	(2,163)
Deferred income	(160)	62	252
Accrued expenses and other liabilities	(4,134)	(5,865)	858
Net cash (used in) provided by operating activities	<u>(13,611)</u>	<u>(14,129)</u>	<u>27,233</u>
Cash flows from investing activities:			
Purchase of short-term bank deposits	(219,445)	(68,300)	(60,963)
Purchase of short-term financial products issued by banks	(29,899)	(70,391)	(65,348)
Purchase of short-term investments	(791)	—	—
Proceeds from maturity of short-term bank deposits	467,058	130,020	204,334
Proceeds from maturity of short-term financial products issued by banks	17,522	105,395	144,923
Proceeds from sale of short-term investments	—	235	514
Proceeds from dividends of short-term investments	—	—	110
Purchase of long-term bank deposits	(143,127)	(35,500)	(184,001)
Purchase of long-term financial products issued by banks	(20,000)	(61,400)	—
Purchase of long-term investments	(15)	(562)	—
Purchase of property and equipment	(924)	(2,546)	(1,701)
Purchase of land use right	(5,133)	—	—
Purchase of construction in progress for the headquarters project	(10,792)	(35,248)	(31,914)
Cash paid for an acquisition	(3,680)	—	—
Disposal of property and equipment	92	93	41
Cash received from business disposal	5,769	—	7,319
Cash received from disposal of long-term investments	—	155	—
Return of investment from equity affiliates	8	—	—
Net cash provided by (used in) investing activities	<u>56,643</u>	<u>(38,049)</u>	<u>13,314</u>

AGORA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in US\$ thousands, unless otherwise stated)

	Year Ended December 31,		
	2023	2024	2025
Cash flows from financing activities:			
Proceeds from long-term borrowings for the headquarters project	10,909	35,790	32,375
Repurchase of Class A ordinary shares	(62,911)	(11,057)	(27,719)
Proceeds from exercise of employees' share options	634	853	609
Payment of financing cost	—	—	(273)
Deposit received in relation to the headquarters project	—	20,408	—
Deposits returned for business disposal	(1,000)	—	—
Net cash (used in) provided by financing activities	(52,368)	45,994	4,992
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(804)	(162)	(721)
Net (decrease) increase in cash, cash equivalents and restricted cash	(10,140)	(6,346)	44,818
Cash, cash equivalents and restricted cash at beginning of year	47,314	37,174	30,828
Cash, cash equivalents and restricted cash at end of year	\$ 37,174	\$ 30,828	\$ 75,646
Supplemental disclosure of cash flow information:			
Income taxes paid	152	185	233
Cash paid for fixed operating lease costs included in the measurement of lease obligations in operating activities	2,649	2,878	2,163
Right-of-use assets obtained in exchange for operating lease obligations	4,588	2,325	90
Non-cash financing and investing activities:			
Payables for property and equipment	12	398	31
Payables for financing cost	—	—	1,762
Proceeds receivable from exercise of employees' share options	116	417	35
Payables for treasury shares, at cost	210	83	326
Payables for construction in progress for the headquarters project	7,098	12,834	16,607
Settlement of compensation costs in relation to an acquisition with shares	1,830	—	—

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Nature of Operations

(a) Principal Activities

Agora, Inc. (the “Company”), an exempted company with limited liability, was incorporated in Cayman Islands on November 28, 2013. The Company, through its consolidated subsidiaries (and through certain former variable interest entities (“VIE”) prior to the termination of the contractual arrangements) (collectively referred to as the “Group”) engages primarily in providing Real-Time Engagement Platform-as-a-Service (“RTE-PaaS”), which offers developers software tools to embed real-time engagement functionalities — such as video, voice, chat, live streaming and conversational AI — into their applications without the need to create and maintain the underlying infrastructure themselves. The Group’s real-time engagement products are delivered through its Software-Defined Real-Time Network (“SD-RTN”), which is a virtual network overlay on top of the public internet. The Group’s principal operation and geographic market is in the People’s Republic of China (“PRC”) and the United States.

(b) Reorganization and acquisitions

The Group commenced its operations in 2014 through Agora Lab, Inc. and Shanghai Zhaoyan Network Technology Co., Ltd. (“Shanghai Zhaoyan” or the “Former VIE”), both of which were established and controlled by Bin (Tony) Zhao (the “Founder”). In December 2014, API Investment Limited (formerly known as Agora IO, Inc) was formed as part of a reorganization through which the Company, API Investment Limited and their respective shareholders entered into a share swap arrangement resulting in the Company along with its subsidiary, Agora Lab, Inc., becoming API Investment Limited’s subsidiaries. Further, ShengWang HongKong Limited (Formerly known as Agora IO Hongkong Limited) and Shanghai Dayin Network Technology Co., Ltd. (“Dayin”) were established. The Group then entered into a series of contractual arrangements among Dayin, Shanghai Zhaoyan and Shanghai Zhaoyan’s shareholders in June 2015, and thereafter Shanghai Zhaoyan became the variable interest entity of the Group (collectively referred to as the “Historical Reorganization”).

In January 2020, the Group underwent another reorganization (the “Corporate Reorganization”) which ultimately resulted in Agora, Inc. becoming the parent company of the Group and the issuer in connection with its planned initial public offering in the United States in the following steps:

First, API Investment Limited contributed 100% of the shares of ShengWang HongKong Limited into Agora, Inc., after which Agora, Inc. held 100% of the equity securities of ShengWang HongKong Limited. Second, the Company obtained shares of API Investment Limited by having the shareholders swap their current API Investment Limited shares for the same number of shares in Agora, Inc., which mirrored the restrictions, rights, preferences and privileges as stipulated in the current shareholder agreements governing API Investment Limited. API Investment Limited became a wholly owned subsidiary of Agora, Inc., and in return, the shareholders of API Investment Limited became shareholders of Agora, Inc. As a result of the Corporate Reorganization, Agora, Inc. became wholly owned by the former shareholders of API Investment Limited while API Investment Limited became wholly owned by Agora, Inc.

The Corporate Reorganization was completed on January 19, 2020. Through the Historical Reorganization and the Corporate Reorganization, the Group’s business continued to be carried out by Agora Lab, Inc. and Shanghai Zhaoyan without a change in control. The Historical Reorganization and the Corporate Reorganization were accounted for as transactions under common control and therefore, the carryover basis was used to record assets and liabilities of Agora Lab, Inc. and Shanghai Zhaoyan using historical costs for all periods presented as if the current corporate structure after the Corporate Reorganization had existed as of the beginning of the earliest period presented in the consolidated financial statements to reflect the final shares issued in the Corporate Reorganization. After the completion of the Corporate Reorganization, the Group’s consolidated financial statements include the financial statements of the Company, its subsidiaries and the consolidated Former VIE (Shanghai Zhaoyan).

During 2020, the Company established Shanghai Shengwang Technology Co., Ltd. (formerly known as Shanghai Jiyin Network Technology Co., Ltd.) to further develop their business in the PRC.

On November 27, 2020, the Company acquired 100% equity interests of Netless, a real-time interactive whiteboard solution provider, from its shareholders for a cash and share consideration totaling to \$4 million (Note 3).

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On February 28, 2021, the Company acquired 100% equity interests of Easemob, providing instant messaging APIs and customer engagement cloud services in China, from its shareholders for a cash consideration totaling to \$53.4 million (Note 3). On December 14, 2022, the Group entered into a definitive agreement to sell the customer engagement cloud business of Easemob to a third party, which was subsequently completed on February 1, 2023. There was a consolidated variable interest entity (the “Zhonghuan Chuanyin”) within the Easemob group structure that was acquired as part of the transaction, which was disposed along with the selling of customer engagement cloud business of Easemob. The related financial statement balances and business volume of this variable interest entity was not material.

During 2023, the Company established AGORA.IO INC. and Agora (Shanghai) Technology Co., Ltd. to further support their business in the United States and other international markets.

The Company’s principal subsidiaries as of December 31, 2025 are as follows:

Principal Subsidiaries:	Date of Incorporation	Place of Incorporation	Percentage of Direct/Indirect Economic Interest	Principal Activities
Agora Lab, Inc.	January 13, 2014	California, United States	100%	Provision of RTE-PaaS services
ShengWang HongKong Limited (formerly known as Agora IO Hongkong Limited)	December 12, 2014	Hong Kong	100%	Provision of RTE-PaaS services
Shanghai Shengwang Technology Co., Ltd. (“Shanghai Shengwang”, formerly known as Shanghai Jiying Network Technology Co., Ltd.)	May 26, 2020	PRC	100%	Provision of RTE-PaaS services
Agora IO Singapore PTE. Ltd.	November 4, 2020	Singapore	100%	Provision of RTE-PaaS services
Shanghai Shengshi Chuangtuo Construction and Development Co., Ltd. (“Shengshi”) ⁽ⁱ⁾	July 29, 2022	PRC	100%	Construction of headquarters project
Agora (Shanghai) Technology Co., Ltd.	February 6, 2023	RPC	100%	Research and development

(i) Shanghai Shengshi Chuangtuo Construction and Development Co., Ltd. is a structured entity consolidated by the Group, being set up in 2022 for construction of the Group’s headquarter project. As of December 31, 2025, Shengshi had total outstanding balances of the long-term borrowings amounted to US\$80.4 million (Note 15), construction in progress amounted to US\$84.2 million (Note 7) and the land use right amounted to US\$161.6 million (Note 11).

(c) Consolidated Variable Interest Entity

The VIE structure was used to provide foreign investors with economic exposure to China-based businesses in sectors where direct foreign investment was restricted under PRC law. Under this structure, Shanghai Zhaoyan held the Company’s key operating licenses, provided services to customers, and entered into contracts with suppliers in China.

Over the years, the legal and regulatory framework for the RTE-PaaS industry in China has continued to evolve, providing clearer guidance for value-added telecommunication services. The Company’s business activities in China are not currently classified as restricted or prohibited for foreign investment, and a VIE structure is not necessary for its current business activities in China. Shanghai Shengwang already obtained the necessary permits and licenses to operate the business in China. To reduce structure complexity and regulatory uncertainty, the Company terminated the contractual arrangements among Shanghai Zhaoyan, Daying and the nominee shareholders of Shanghai Zhaoyan, following the Company’s board resolution on January 3, 2025. All the assets and liabilities of Shanghai Zhaoyan were transferred to Shanghai Shengwang prior to the termination of the contractual arrangements based on the net carrying amount which was close to zero. The Company’s PRC business is conducted through PRC subsidiaries.

Before the termination of the contractual arrangements, the Company obtained a controlling financial interest in Shanghai Zhaoyan by entering into a series of contractual arrangements with Shanghai Zhaoyan and the legal shareholders who were also referred to as nominee shareholders. These nominee shareholders were the legal owners of Shanghai Zhaoyan. However, the rights of those nominee shareholders were transferred to the Company through a series of contractual arrangements.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The principal terms of the contractual arrangements entered into by and among the Group's wholly foreign-owned enterprises, Dayin, known as "the WFOE", Shanghai Zhaoyan and the nominee shareholders of Shanghai Zhaoyan are described below:

Exclusive Technology Consulting and Services Agreement

Under the Exclusive Technology Consulting and Services Agreement between the WFOE and Shanghai Zhaoyan, the WFOE had the exclusive right to provide Shanghai Zhaoyan consulting services related to, among other things, information consulting, assisting in information collection and market research, and providing training to personnel. The WFOE had the exclusive ownership of intellectual property rights created as a result of the performance of this agreement. Shanghai Zhaoyan paid to Dayin an annual service fee, which might only be adjusted with the approval of Dayin and ShengWang Hongkong Limited.

For the years ended December 31, 2023 and 2024, the service fees charged by the WFOE to Shanghai Zhaoyan pursuant to the above agreements were US\$2.2 million and US\$3.0 million, respectively.

Voting Rights Proxy Agreement and Irrevocable Powers of Attorney

Under the Voting Rights Proxy Agreement, by and among the WFOE, Shanghai Zhaoyan and each of the shareholders of Shanghai Zhaoyan, and the related irrevocable powers of attorney executed by Shanghai Zhaoyan's shareholders pursuant to the Voting Rights Proxy Agreement, each of the shareholders of Shanghai Zhaoyan irrevocably granted the WFOE's designated representative full power of attorney to exercise his or her rights as a shareholder of Shanghai Zhaoyan including rights to convene and attend shareholders' meeting, nominate and elect directors, and appoint and dismiss the senior management of Shanghai Zhaoyan.

Share Pledge Agreement

Pursuant to the Share Pledge Agreement, among the WFOE, Shanghai Zhaoyan and Shanghai Zhaoyan's shareholders, the shareholders of Shanghai Zhaoyan pledged all of their equity interests in Shanghai Zhaoyan to the WFOE to guarantee their and Shanghai Zhaoyan's performance of their obligations under the contractual arrangements. Following the terms of the Share Pledge Agreement, the shareholders of Shanghai Zhaoyan registered the pledge at the competent authority on July 29, 2015 and was terminated in January 2025.

Exclusive Option Agreement

Pursuant to the Exclusive Option Agreement, among the WFOE, Shanghai Zhaoyan and Shanghai Zhaoyan's shareholders, each of the shareholders of Shanghai Zhaoyan irrevocably granted the WFOE an exclusive option to purchase, or had its designated person to purchase, at its discretion, to the extent permitted under PRC law, all or part of their equity interests in Shanghai Zhaoyan, and the purchase price shall be the registered capital of Shanghai Zhaoyan pro rata to Shanghai Zhaoyan's shareholders' shareholdings or the lowest price permitted by applicable PRC law in respect of the Exclusive Option Agreement entered into by, among others, Shanghai Zhaoyan and Dayin. The shareholders of Shanghai Zhaoyan undertake that, without the prior written consent of the WFOE, they shall not, among other things, increase or decrease the registered capital of Shanghai Zhaoyan, dispose of its assets, incur any debts or guarantee liabilities, terminate any material agreements or enter into any agreements that are in conflict with any of the existing material agreements, distribute or vote to distribute any profits, interests or dividends, amend its articles of association or provide any loans to third parties.

The contractual arrangements above could not be unilaterally terminated. Management concluded that the Company, through the WFOE and the contractual arrangements, had the power and control to direct the activities that most significantly impact Shanghai Zhaoyan's economic performance, bore the risks and enjoyed the rewards normally associated with ownership of Shanghai Zhaoyan, received substantially all of the economic benefits and residual returns, and absorbed substantially all the risks and expected losses from Shanghai Zhaoyan as if it was their sole shareholder and therefore the Company was the ultimate primary beneficiary of Shanghai Zhaoyan. As such, the Group consolidated the financial results of Shanghai Zhaoyan which were prepared in accordance with the basis of presentation as stated in Note 2 below.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following financial information set forth the assets, liabilities, results of operations and changes in cash and cash equivalents of the consolidated Shanghai Zhaoyan and Shanghai Zhaoyan's subsidiaries taken as a whole of the Group as of December 31, 2024 and for the years ended December 31, 2023 and 2024 which was included in the accompanying consolidated financial statements of the Group with intercompany transactions eliminated as follows:

	As of December 31,	
	2024	
	(in US\$ thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$	3,806
Accounts receivable, net		16,075
Amounts due from related parties		5,533
Prepayments and other current assets		1,668
Restricted cash		37
Contract assets		66
Total current assets		27,185
Non-current assets:		
Property and equipment, net		226
Long-term investments		6,956
Other non-current assets		1,794
Total non-current assets		8,976
Total assets	\$	36,161
Liabilities		
Current liabilities:		
Accounts payable		6,402
Amounts due to related parties		21,909
Advances from customers		5,694
Taxes payable		68
Accrued expenses and other current liabilities		2,087
Total current liabilities		36,160
Non-current liabilities:		
Long term payable		1
Total non-current liabilities		1
Total liabilities	\$	36,161

	Year Ended December 31,	
	2023	2024
	(in US\$ thousands)	
Third-party revenues	\$ 80,267	\$ 59,504
Net (loss) income	(2,184)	1,019

	Year Ended December 31,	
	2023	2024
	(in US\$ thousands)	
Net cash and cash equivalents used in operating activities	\$ (3,865)	\$ (4,339)
Net cash and cash equivalents provided by (used in) investing activities	10,089	(177)

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Before the termination of the contractual arrangements, the Company obtained a controlling financial interest in the Former VIE by entering into the series of contractual arrangements through the WFOE. As a result of these aforementioned contractual agreements, the Company had the power to direct activities of the Former VIE that most significantly affected its economic performance and received the economic benefits from the Former VIE that could be significant to them. Accordingly, the WFOE was entitled to substantially all of the economic benefits from the Former VIE and were obligated to absorb all of the Former VIE's expected losses and therefore the Company had determined that it was the primary beneficiary of the Former VIE. As a result, the Company had consolidated the Former VIE's results of operations and assets and liabilities in the Company's consolidated financial statements in accordance with US GAAP. The Company considered that there was no asset in the Former VIE that could be used only to settle obligations of the Former VIE, except for registered capital, as of December 31, 2024. As the Former VIE were formed as a limited liability company under the PRC Company Law, the creditors did not have recourse to the general credit of the Company for all the liabilities of the Former VIE.

There was no variable interest entity where the Company had variable interest but was not the primary beneficiary.

The Chairman and CEO owned the majority of the voting shares of the Company. The Chairman and CEO, together the nominee shareholders, owned the majority of the voting shares of the Former VIE respectively. The enforceability, and therefore the benefits, of the contractual agreements between the Company and the Former VIE depended on these individuals enforcing the contracts.

The Group's operations depended on the Former VIE to honor their contractual agreements with the Group and the Company's ability to control the Former VIE also depended on the authorization by the shareholders of the Former VIE to exercise voting rights on all matters requiring shareholder approval in the Former VIE. The Company's PRC legal counsel was of the view that the contractual arrangements among the Former VIE's shareholders, the Former VIE and WFOE were valid, binding and were legally enforceable.

The Company's ability to control the Former VIE also depended on the voting rights proxy and the effect of the share pledge under the Share Pledge Agreements and the Former WFOE had to vote on all matters requiring shareholders' approval in the Former VIE. While this voting right proxy was legally enforceable in the view of the Company's PRC legal counsel, it might not be as effective as direct equity ownership.

2. Principal Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Corporate Reorganization was a recapitalization with no substantial changes in the shareholding of the Company. Accordingly, the accompanying consolidated financial statements have been prepared as if the current corporate structure had been in existence throughout the periods.

Principal accounting policies followed by the Company in the preparation of the accompanying consolidated financial statements are summarized below.

(b) Basis of Consolidation

The Group's consolidated financial statements include the financial statements of the Company, its subsidiaries and Shanghai Zhaoyan for which the Company is the primary beneficiary. All transactions and balances among the Company, its subsidiaries, and the Former VIE have been eliminated upon consolidation.

A subsidiary is an entity in which the Company, directly or indirectly: (1) controls more than one half of the voting power; (2) has the power to appoint or remove the majority of the members of the board of directors; (3) casts a majority of votes at the meeting of the board of directors; or (4) governs the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

The Company applies the guidance codified in Accounting Standard Codification ("ASC") 810, Consolidations, which contains guidance of accounting for VIE. The guidance requires certain variable interest entities to be consolidated by the primary beneficiary of the entity in which it has a controlling financial interest. A consolidated VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, bears the risks of, and enjoys the rewards normally associated with, ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets, long-lived assets and liabilities at the balance sheet dates, and the reported revenues and expenses during the reporting periods in the consolidated financial statements and accompanying notes. The Company believes that the valuation of the Company's share-based awards, probability of achievement assessed for performance conditions of share options, impairment of goodwill, impairment of long-term investments, impairment of long-lived assets and the determination of allowance for current expected credit losses reflect more significant judgments and estimates used in the preparation of its consolidated financial statements. Estimates are based on historical experiences and on various assumptions that the Company believes are reasonable under current circumstances. However, changes in circumstances, facts and experience may cause the Company to revise its estimates; therefore, actual results could differ materially from those estimates.

(d) Functional Currencies and Foreign Currency Translation

The Group uses U.S. dollars ("US\$") as its reporting currency. The functional currency of the Company and its subsidiaries incorporated outside of PRC is US\$, while the functional currency of the PRC entities in the Group is Renminbi ("RMB") as determined based on the criteria of ASC 830, Foreign Currency Matters.

Transactions denominated in other than the functional currencies are re-measured into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Financial assets and liabilities denominated in other than the functional currency are re-measured at the balance sheet date exchange rate. The resulting exchange differences are recorded in the consolidated statements of comprehensive (loss) income as foreign exchange related gain or loss.

The financial statements of the Group's entities using functional currency other than US\$ are translated from the functional currency to the reporting currency, US\$. Assets and liabilities of the Group's subsidiaries incorporated in PRC are translated into US\$ at balance sheet date exchange rates, while income and expense items are translated at average exchange rates prevailing during the fiscal year, representing the index rates stipulated by the People's Bank of China. Translation adjustments arising from these are reported as foreign currency translation adjustments and are shown as accumulated other comprehensive (loss) income on the consolidated financial statement.

(e) Concentration of Credit Risk

Financial instruments that potentially subject the Group to concentration of credit risk consist of cash and cash equivalents, short-term bank deposits, short-term financial products issued by banks, short-term investments, restricted cash, long-term bank deposits, long-term financial products issued by banks and accounts receivable.

The Group deposits its cash and cash equivalents, short-term bank deposits, short-term financial products issued by banks, short-term investments, restricted cash, long-term bank deposits and long-term financial products issued by banks in the various jurisdictions that they operate in. The deposits are with major reputable financial institutions which the Group believes that there is no significant credit risk. As of December 31, 2025, the Group had US\$379.7 million in cash and cash equivalents, short-term bank deposits, short-term financial products issued by banks, short-term investments, restricted cash and long-term bank deposits, among which 25%, 24%, 22%, 19% and 10% is held by financial institutions in United Kingdom, United States, Hong Kong, Singapore and PRC, respectively. The Group continues to monitor the financial strength of the financial institutions.

The Group has not experienced any significant recoverability issue with respect to its accounts receivable. The Group assesses the credit worthiness of each customer when providing services and may require the customers to make advance payments or a deposit before the services are rendered. The Group typically offer payment terms of 30 to 60 days to its customers, but can be longer for select qualified customers. The Group also periodically determines an allowance for credit losses based on the accounting policy indicated in Note 2(j) - Accounts Receivable.

No individual customer accounted for more than 10% of the accounts receivables as of December 31, 2024 and 2025.

No individual customer accounted for more than 10% of revenues for the years ended December 31, 2023, 2024 and 2025.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(f) Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

The established fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value include:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Observable, market-based inputs, other than quoted prices, in active markets for identical assets or liabilities.
- Level 3: Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Accounting guidance also describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Recurring Fair Value Measurements

The Company's financial instruments include cash and cash equivalents, accounts receivable, certain prepayments and other current assets, accounts payable, certain accrued expenses and other current liabilities, whose carrying amounts approximate their fair values due to the short-term maturity of these instruments. The Company measures equity method investments at fair value on a non-recurring basis only if an impairment charge were to be recognized. Equity investments accounted for using the measurement alternative are generally not categorized in the fair value hierarchy. However, if equity investments without readily determinable fair values were remeasured during the periods presented, they would be classified within Level 3 in the fair value hierarchy based on the nature of the fair value inputs.

Short-term investment in equity investment in a publicly traded security is categorized as Level 1 under the fair value hierarchy and their fair value is based on quoted stock prices in active markets.

Short-term and long-term financial products issued by banks are categorized as Level 2 under the fair value hierarchy and their fair values are based on quoted prices or other observable inputs in active markets.

The following table sets forth the Group's assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

	As of December 31, 2025			Balance at Fair value
	Level 1	Level 2 (in US\$ thousands)	Level 3	
Short-term financial products issued by banks	—	55,000	—	55,000
Short-term investments — equity investment in a publicly traded security	4,583	—	—	4,583
	As of December 31, 2024			Balance at Fair value
	Level 1	Level 2 (in US\$ thousands)	Level 3	
Short-term financial products and structured deposits issued by banks	—	71,464	—	71,464
Short-term investments — equity investment in a publicly traded security	2,787	—	—	2,787
Long-term financial products issued by banks	—	61,400	—	61,400

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Nonrecurring Fair Value Measurements

The Company's non-financial asset which is measured at fair value on a nonrecurring basis includes goodwill.

The Company's goodwill are fair valued using discounted cash flows. Goodwill impairment testing requires significant use of judgment and assumptions including the identification of reporting units, the assignment of assets and liabilities to reporting units, and the estimation of revenue growth, gross margin, operating expenses, terminal growth rate and discount rates. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy.

For the year ended December 31, 2023, goodwill of certain reporting units was recorded at fair value based upon the Company's impairment testing and full goodwill impairment was provided. The most significant unobservable inputs (Level 3) used to estimate the fair values of the Company's goodwill was discount rate of 21.0%.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash in bank, money market funds and time deposits placed with banks which have original maturities of three months or less at the time of purchase and are readily convertible to known amounts of cash. The Company's money market funds are classified as cash equivalent as it meet all of the qualifying criteria: (1) A fund's policies include a provision that requires the weighted average maturity of the fund's securities holdings not to exceed 90 days; (2) The investor has the ability to redeem the fund's shares daily in accordance with its cash management policy; (3) The fund's investment attributes are consistent with the investment attributes of an SEC-registered money market fund. As of December 31, 2024 and 2025, the amount of cash equivalents were US\$20.9 million and US\$31.7 million in the consolidated balance sheets, respectively.

(h) Restricted Cash

The Group's restricted cash mainly represents secured deposits held in designated bank accounts to secure a payment in relation to the headquarters project and issuance of a letter of credit. See Note 6—Restricted Cash.

(i) Short-term Investments

Short-term investments are comprised of (i) held-to-maturity investments such as time deposits, which have a due date that is longer than three months but within one year and is stated at amortized cost; (ii) investments in financial products issued by banks or other financial institutions, which contain a variable interest rate and with maturities between three months and one year; (iii) structured deposits issued by certain banks whose interest is indexed to the fluctuation of foreign exchange rates, with maturities between three months and one year and; (iv) equity investment in a publicly traded security. The Company measures the short-term investments in financial products and structured deposits issued by banks at fair value using the quoted subscription or redemption prices published by these banks.

These investments, except held-to-maturity investments, are stated at fair value. Changes in the fair value are reflected in the consolidated statements of comprehensive (loss) income. There was no other-than-temporary impairment of short-term investments measured at amortized cost for the years ended December 31, 2023, 2024 and 2025.

(j) Accounts Receivable, net

Accounts receivable are stated at the amount management expects to collect from customers based on their outstanding invoices in according with ASC Topic 326, Financial Instruments — Credit Losses: Measurement of Credit Losses on Financial Instruments ("ASC Topic 326"), which creates an impairment model that is based on expected losses rather than incurred losses. To estimate the allowance for current expected credit losses ("CECL"), the Company has identified the relevant risk characteristics of its customers and the related receivables and other receivables which include but are not limited to geographic region and industry. Receivables with similar risk characteristics have been grouped into pools. For each pool, the Company considers the past collection history, future forecasts and macroeconomic factors. Other key factors that influence the CECL analysis include industry-specific factors and certain qualitative adjustments that could impact the Company's receivables. This is assessed at each period end based on the Company's specific facts and circumstances. There have been no significant impact of changes in the assumptions since adoption.

(k) Property and Equipment, net

Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following estimated useful lives, taking into account any estimated residual value. Expenditures for maintenance and repairs are expensed as incurred.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The estimated useful lives of property and equipment are as follows:

	Estimated Useful Lives
Electronic equipment	3 – 5 years
Furniture, computers and office equipment	3 years
Network equipment	3 years
Leasehold improvements	Shorter of the lease term or the estimated useful life
Self-developed software	3 – 5 years

Construction in progress primarily represents the construction of headquarter building. Costs incurred in the construction are capitalized and transferred to property, plant and equipment when it is ready for intended use at which time depreciation commences.

(l) Interest Capitalization

Interest income during the years ended December 31, 2023, 2024 and 2025 were US\$18.8 million, US\$16.9 million and US\$15.1 million, net of interest expense of US\$20.1 thousand, US\$0.3 million and US\$36.4 thousand, respectively.

The interest cost associated with major development and construction projects is capitalized and included in the cost of the property, plant and equipment. Interest capitalization ceases once a project is substantially completed or no longer undergoing construction activities to prepare it for its intended use. When no debt is specifically identified as being incurred in connection with a construction project, the Company capitalizes interest on amounts expended on the project at the Company's weighted average cost of borrowings. Interest expense capitalized associated with the construction projects for the years ended December 31, 2023, 2024 and 2025 were US\$14.8 thousand, US\$0.5 million and US\$1.7 million, respectively.

(m) Long-term investments

The Company's long-term investments include held-to-maturity investments such as time deposits with due date over one year and are stated at amortized cost, financial products issued by bank over one year, equity investments accounted for using the measurement alternative and the equity method.

The Company's long-term investment in financial products issued by banks contain a minimum guaranteed interest rate and a floating but capped interest rate with maturities over one year. The Company measures the carrying amount of investments based on the principal amount plus the minimum guaranteed interest rate published by these banks.

For equity investments which the Company cannot exercise significant influence and does not have a readily determinable fair value, the Company has elected to apply the measurement alternative and recorded these investments at cost, less impairment, and plus or minus subsequent adjustments for observable price changes, in accordance with ASC topic 321 – Investments – Equity Securities ("ASC 321"). Under this measurement alternative, changes in the carrying value of the equity investments are required to be made whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer.

Investments in entities in which the Company does not control, but can exercise significant influence, are accounted for using the equity method of accounting in accordance with ASC topic 323, Investments—Equity Method and Joint Ventures ("ASC 323"). Under the equity method, the Company initially records its investments at cost. The Company subsequently adjusts the carrying amount of the investments to recognize the Company's proportionate share of each equity investee's net income or loss into earnings as well as distributions received after the date of investment.

The Company reviews its investments in equity method investees for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

(n) Business combinations

The Company allocates the purchase price of the acquisition to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition dates. The excess of the purchase price over those fair values is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of comprehensive (loss) income.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(o) Goodwill and intangible assets

Intangible assets

Intangible assets are recognized at fair value and consists of developed technology and customer relationships from acquisitions (see Note 9). Intangible assets are amortized over the period of estimated benefit using the straight-line method which are 5 or 3 years, respectively. The estimated life of intangible assets subject to amortization is reassessed if circumstances occur that indicate the life has changed. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. No impairment of intangible assets was recognized for the years ended December 31, 2023, 2024 and 2025.

Goodwill

Goodwill represents the excess of the total cost of the acquisition over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of the acquired entity as a result of the Company's business acquisitions.

Goodwill is not amortized but is tested for impairment on an annual basis, in the fourth quarter, at the reporting unit level, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The annual impairment test includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value. If as a result of the qualitative assessment, that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, the quantitative goodwill impairment test is performed to determine if the fair value of the reporting unit exceeds its carrying value. Under the qualitative assessment, the Company considers primary factors such as industry and market considerations, overall financial performance of the reporting unit and other specific information related to the operations. If the reporting unit does not pass the qualitative assessment, the Company estimates its fair value and compares the fair value with the carrying value of its reporting unit, including goodwill. If the fair value is greater than the carrying value of its reporting unit, no impairment is recorded. If the fair value is less than the carrying value, an impairment loss is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. The impairment charge would be recorded to earnings in the consolidated statements of comprehensive (loss) income. Additionally, the Company's policy is to update the fair value calculation of its reporting units and perform the quantitative goodwill impairment test on a periodic basis.

(p) Impairment of long-lived assets other than goodwill

Long-lived assets (including amortizable intangible assets) are evaluated for impairment whenever events or changes in circumstances occur that indicate that the carrying value of an asset may not be recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, an impairment loss is recognized for the excess of the carrying value of the assets over the fair value of the assets. No impairment charges were recognized for the years ended December 31, 2023, 2024 and 2025.

(q) Leases

The Company accounts for its leases in accordance with ASC Topic 842, which generally require lessees to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements.

The Company determines if an arrangement is a lease or contains a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liability, and operating lease liability, non-current in the Company's consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When determining the lease term, the Company includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option, if any. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate, which it calculates based on the credit quality of the Company and by comparing interest rates available in the market for similar borrowings, and adjusting this amount based on the impact of collateral over the term of each lease.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Company has elected to adopt the following lease policies in conjunction with the adoption of ASU 2016-02: (i) elect for each lease not to separate non-lease components from lease components and instead to account for each separate lease component and the non-lease components associated with that lease component as a single lease component; (ii) for leases that have lease terms of 12 months or less and does not include a purchase option that is reasonably certain to exercise, the Company elected not to apply ASC 842 recognition requirements; and (iii) the Company elected to apply the package of practical expedients for existing arrangements entered into prior to January 1, 2021 to not reassess (a) whether an arrangement is or contains a lease, (b) the lease classification applied to existing leases, and (c) initial direct costs.

(r) Advances from Customers

Certain customers pay in advance prior to the service usage. Payments received from customers are initially recorded as advances from customers and are recognized as revenues when revenue recognition criteria are met. See Note 2(v)—Revenue Recognition.

(s) Value Added Taxes

The Group's entities in the PRC are subject to value-added taxes ("VAT") at a rate of 6% on their services, less any deductible VAT the Group has already paid or borne. They are also subject to surcharges on VAT payments in accordance with PRC law. VAT is not included in the revenue recognized for the Group.

(t) Land use right

Land use right represent acquisition costs to purchase land use right from the PRC government, which is evidenced by property certificate. The period of the purchased land use right is 50 years. The Company classifies land use right as long-term assets on the balance sheet and cash outflows related to acquisition of land use right as investing activities.

Land use right is carried at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the straight-line method over the term specified in the land use right certificate for 50 years.

(u) Deferred financing costs

The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process equity financings as deferred financing costs until such financings are consummated. After consummation of the equity financing, these costs are recorded in shareholders' equity as a reduction of additional paid-in capital generated as a result of the offering. Should the in-process equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the consolidated statements of comprehensive (loss) income

As of December 31, 2024 and 2025, deferred offering costs of nil and US\$2.0 million were recorded in the consolidated balance sheet. See Note 12—Other Non-current Assets.

(v) Revenue Recognition

The Group accounts for its revenue contracts in accordance with ASC Topic 606, Revenue from Contracts with Customers (ASC 606). According to ASC 606, revenue is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. The Group determines revenue recognition through the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

The Group's revenue is primarily derived from real-time engagement services, which are usage-based fees earned from customers accessing the Group's enterprise cloud computing platform. The performance obligation associated with the platform access is a series of distinct services that have the same pattern of transfer, and the usage-based fees are recognized as revenue in the period in which the usage occurs.

The Group's other revenues are comprised primarily of project revenues, which are arrangements with specific customers where the Company will customize a software development kit to be integrated with the customer's system based on the customer's specific requirements. The progress of the project is defined by the readiness of the system integration as specified in the contract. To date, the Group's projects are considered a single performance obligation, as the individual components of the project are not sold on a standalone basis and does not provide benefit to the customer on its own. Revenue with substantial acceptance clauses is recognized at a point in time based on the complete satisfaction of the performance obligation.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivables represent amounts invoiced and revenue recognized prior to invoicing, when the Group has satisfied its performance obligations and has the unconditional right to payment. The Group records a contract asset when the Group has incurred costs to fulfill their obligations under a contract once it is obtained but before transferring goods or services to the customer. The contract assets are comprised primarily of direct labor costs and direct materials used in providing the promised services to a customer. As of December 31, 2024 and 2025, contract assets recorded in the Group's consolidated balance sheets were US\$1.1 million and US\$0.1 million, respectively.

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (that is, a receivable), before the Group transfers a good or service to the customer, the Group shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. As of December 31, 2024 and 2025, contract liabilities recorded as advances from customers were US\$8.7 million and US\$7.9 million, respectively, in the Group's consolidated balance sheets. Revenue recognized for the years ended December 31, 2023, 2024 and 2025 that was included in the contract liabilities balance at the beginning of the period were US\$8.4 million, US\$3.2 million and US\$3.6 million, respectively.

Practical Expedients and Exemptions

Incremental costs of obtaining a contract are expensed when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less. For all periods presented, there were no incremental contract obtaining costs that were capitalized as assets due to short term of the amortization period.

(w) Cost of Revenues

Cost of revenue consists primarily of costs of bandwidth purchased from network service providers and costs of hosting services purchased from data center operators, and personnel costs for the customer care and support services employees. These costs are charged to the consolidated statements of comprehensive (loss) income as incurred.

(x) Research and Development Expenses

Research and development expenses consist primarily of employee wages and benefits for research and development personnel, cloud infrastructure fees for staging and development, third party software testing services, and an allocation of general overhead expenses. Research and development costs are expensed as incurred in accordance with ASC 730, Research and Development.

(y) Software Development Costs

The Group accounts for costs to develop or obtain internal use software in accordance with ASC 350-40, Internal-Use Software. For internal use software, the Group expenses costs incurred for the preliminary project stage and post implementation-operation stage of development, and costs associated with repair or maintenance of the existing applications. Costs incurred in the application development stage are capitalized.

Capitalized costs of platform and other software applications are included in property and equipment, net. These costs are amortized on a straight-line basis over the estimated useful life of the software, which is evaluated for each specific project. Management evaluates the useful life of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

(z) Sales and Marketing Expenses

Sales and marketing expenses consist primarily of marketing and promotional expenses, salaries and payroll expenses to the Group's sales and marketing personnel. Advertising expenses consist primarily of costs for the promotion of corporate image and product marketing. The Group expenses all advertising costs as incurred and classifies these costs under sales and marketing. For the years ended December 31, 2023, 2024 and 2025, advertising expenses totaled US\$1.9 million, US\$1.4 million and US\$1.0 million, respectively.

(aa) General and Administrative Expenses

General and administrative expenses consist of employee wages and benefits for corporate employees, rental expenses, audit and legal fees, depreciation of property and equipment, current expected credit loss, amortization of land use right, and other corporate overhead cost.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ab) Income Tax

Current income taxes are recorded in accordance with the regulations of the relevant tax jurisdiction. The Group accounts for income taxes under the asset and liability method in accordance with ASC 740, Income Tax. Under this method, deferred tax assets and liabilities are recognized for the tax consequences attributable to differences between carrying amounts of existing assets and liabilities in the financial statements and their respective tax basis, and operating loss carry-forwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the statement of comprehensive (loss) income in the period of the enactment of the change.

The Company considers positive and negative evidence when determining whether a portion or all of its deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry-forward periods, its experience with tax attributes expiring unused, and its tax planning strategies. The ultimate realization of deferred tax assets is dependent upon its ability to generate sufficient future taxable income within the carry-forward periods provided for in the tax law and during the periods in which the temporary differences become deductible. When assessing the realization of deferred tax assets, the Company has considered possible sources of taxable income including (1) future reversals of existing taxable temporary differences, (2) future taxable income exclusive of reversing temporary differences and carry-forwards, (3) future taxable income arising from implementing tax planning strategies, and (4) specific known trend of profits expected to be reflected in the Company's operations.

The Company recognizes a tax benefit associated with an uncertain tax position when, in its judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, the Company initially and subsequently measures the tax benefit as the largest amount that the Company judges to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. The Company's liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case law developments and new or emerging legislation. Such adjustments are recognized entirely in the period in which they are identified. The Company's effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropriate by management. The Company classifies interest and penalties recognized on the liability for unrecognized tax benefits as income tax expense. For the years ended December 31, 2023, 2024 and 2025, there were no uncertain tax position liabilities or deferred tax recognized.

(ac) Share-based Compensation

All share-based awards are measured at fair value on the grant date. The share-based compensation expenses have been categorized as either cost of revenues, research and development expenses, sales and marketing expenses or general and administrative expenses, depending on the job functions of the grantees.

Share Options Granted

For the service condition only options granted to employees without a repurchase feature, the compensation expense is recognized using the straight-line method over the requisite service period. The Group early adopted Accounting Standards Update ("ASU") 2016-09, Compensation—Share-Based Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting from the earliest period presented to recognize the effect of forfeiture in compensation cost when they occur. In determining the fair value of the Company's share options, the binomial option pricing model has been applied.

For certain share options that have performance condition, the final number of share options may vest and settle depending on the employee's performance against performance metrics over predefined performance periods. Over the performance period, the number of share options that may be issued and the related share-based compensation expense that is recognized is adjusted upward or downward based upon the probability of achieving the approved performance targets against the performance metrics.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liability Classified Awards

For the Venture Partners Plan awards (See Note 17—Share-based Compensation), these awards can be settled through the issuance of shares or cash to employees at the decision of the Company and the number of shares that an employee ultimately receives is variable based on the share price at the settlement date. The Company accounts for these awards as a liability and will remeasure the liability at each reporting period until the award is settled. For the annual shared profit, compensation is recognized using the straight-line method over the performance period, using the estimated liability of the award at service inception date and begin to recognize compensation expense. For the accumulated retained profit, if any, compensation is recognized using the straight-line method over the requisite service period, using the estimated liability of the award at service inception date and begin to recognize compensation expense. The Group will true-up the compensation cost each reporting period for changes in liability prorated for the portion of the requisite service period rendered, if applicable. Once vested (that is, the performance period or the requisite-service period is complete), the Group will immediately recognize compensation cost for any changes in liability upon settlement.

Restricted Shares and Restricted Share Units (“RSUs”)

For the restricted shares and RSUs granted with service conditions, the awards are measured at fair value on the grant date. Share-based compensation expense is recognized using the straight-line method over the requisite service period. The fair value of the restricted shares granted prior to the IPO was assessed using the income approaches, with a discount for lack of marketability given that the shares underlying the awards were not publicly traded at the time of grant. This assessment required complex and subjective judgments regarding the Company’s projected financial and operating results, its unique business risks, the liquidity of its ordinary shares and its operating history and prospects at the time the grants were made. The fair value of restricted shares and RSUs granted post-IPO is determined based on the closing quoted price of the Company’s ordinary share on the date of grant.

For certain RSUs granted with both service condition and market condition, the awards are measured at fair value on the grant date by using the Monte Carlo Simulation Model with the effect market condition reflected in the fair value. Share-based compensation expense shall be recognized using the straight-line method over the requisite service period, which is the longer of a) the derived service period of the market condition which is determined based on valuation techniques, and b) any explicit service period. All compensation cost for an award that has a market condition should be recognized if the requisite service period is fulfilled, even if the market condition is never satisfied.

Similar to options above, the Group recognizes the effect of forfeitures in compensation costs when they occur. For the restricted shares that the Company is obligated to repurchase at grantee’s election, they are classified as liability awards and are applied the accounting policy of liability classified awards as mentioned above. For the restricted shares granted by the Founder to the Company’s employees, the compensation expense of these awards is pushed down to the Company and recorded by the Company based on grant-date fair value with total compensation expense recognized over the grantee’s own requisite service period. See Note 17—Share-based Compensation.

Cancellation of an award accompanied by the grant of a replacement award is accounted for as a modification of the terms of the canceled award (“modification awards”). The compensation costs associated with the modification awards are recognized if either the original vesting condition or the new vesting condition has been achieved. If the awards are expected to vest under the original vesting condition, the compensation cost would be recognized regardless of whether the employee satisfies the modified condition. Such compensation costs cannot be less than the grant-date fair value of the original award. The incremental compensation cost is measured as the excess of the fair value of the replacement award over the fair value of the canceled award at the cancellation date. Therefore, in relation to the modification awards, the Group recognizes share-based compensation over the vesting periods of the new awards, which comprises (1) the amortization of the incremental portion of share-based compensation over the remaining vesting term and (2) any unrecognized compensation cost of original award, using either the original term or the new term, whichever is higher for each reporting period.

(ad) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence, such as a family member or relative, shareholder, or a related corporation.

(ae) Dividends

Dividends are recognized when declared. No dividends were declared for the years ended December 31, 2023, 2024 and 2025, respectively. The Group does not have any present plan to pay any dividends on ordinary shares in the foreseeable future. The Group currently intends to retain the available funds and any future earnings to operate and expand its business.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(af) (Loss) Earnings Per Share

Basic (loss) earnings per share is computed by dividing net (loss) income attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year using the two class method. Ordinary shares issuable for little or no cash consideration are also included as outstanding shares once all of their conditions have been met as they are considered contingently issuable shares. The net (loss) income will be adjusted by deducting (1) dividends declared in the period on preferred shares (if any), (2) cumulative dividends on preferred shares (whether or not declared) and (3) deemed dividends as required by U.S. GAAP. Using the two-class method, net income loss is allocated between ordinary shares and other participating securities (that is, the Preferred Shares) based on their participating rights.

Diluted (loss) earnings per share is calculated by dividing net (loss) income attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalents shares outstanding during the year. Dilutive equivalent shares are excluded from the computation of diluted loss per share if their effects would be anti-dilutive. Ordinary share equivalents consist of the ordinary shares issuable in connection with the Group’s convertible redeemable preferred shares using the if-converted method, and ordinary shares issuable upon the conversion of share options, liability classified awards, restricted shares and RSUs, using the treasury stock method. Except for voting rights, the Class A and Class B ordinary shares have all the same rights and therefore the loss per share for both classes of shares are identical.

(ag) Comprehensive (Loss) Income

Comprehensive (loss) income is defined to include all changes in equity of the Group during a period arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Other comprehensive (loss) income, as presented in the consolidated balance sheets, consists of accumulated foreign currency translation adjustments as well as fair value changes of the Company’s debt security.

(ah) Segment Reporting

The Company adopted ASU No. 2023-07, “Improvements to Reportable Segment Disclosures” (“ASC Topic 280”) in fiscal year 2024, which establishes standards for companies to report in their financial statements information about operating segments, products, services, geographic areas, and major customers. Operating segments are defined as components of an enterprise engaging in businesses activities for which separate financial information is available that is regularly evaluated by the Group’s chief operating decision makers (“CODM”) in deciding how to allocate resources and assess performance. The Group’s CODM has been identified as the Chief Executive Officer, who reviews consolidated results including revenue, gross profit and operating profit at a consolidated level only. The Group does not distinguish between markets for the purpose of making decisions about resources allocation and performance assessment. Hence, the Group has only one operating segment and one reportable segment. This segment is engaged in real-time engagement business.

The primary measure of segment profitability for the Company’s operating segment is considered to be consolidated net (loss) income. Net (loss) income is used by the CODM to monitor budget versus actual results as well as comparison with the Group’s competitors, which are used in assessing performance of the segment. Significant segment expenses reviewed by the chief operating decision maker on a regular basis included within net (loss) income include cost of revenues, research and development expenses, sales and marketing expenses, general and administrative expenses which are separately presented on the Company’s consolidated statements of comprehensive (loss) income. Other segment items within net (loss) income include interest income, investment (loss) income and other income.

The following table presents the Group’s revenues disaggregated by primary geographical markets:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Primary geographical markets based on customers’ location			
PRC	\$ 79,193	\$ 68,590	\$ 66,048
United States	22,849	24,106	28,242
Others	39,496	40,560	46,767
Total revenues	\$ 141,538	\$ 133,256	\$ 141,057

The majority of the Group’s long-lived assets are located and maintained within the PRC.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ai) Recently Issued Accounting Pronouncements

New and Amended Standards Adopted by the Group

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's income tax disclosures on the effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted, and the disclosures in this standard are required to be applied on a prospective basis with the option to apply the standard retrospectively. The Company adopted this ASU on a prospective basis for the period ended December 31, 2025. Refer to Note 20, Income Taxes for the inclusion of new disclosures required.

New and Amended Standards not yet Adopted by the Group

In November 2024, the FASB issued ASU 2024-03, Income Statement (Topic 220): Reporting Comprehensive Income – Expense Disaggregation Disclosures. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. This new standard expanding disclosure requirements related to certain income statement expenses. This new standard requires more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the face of the income statement. The effective date is for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is in the process of evaluating the impact of the new guidance on its consolidated financial statement and related disclosures and this ASU will likely result in the required additional disclosures being included in the Group's consolidated financial statements, once adopted.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This standard introduces a practical expedient that companies can choose to apply when determining allowances for credit losses. Specifically, it permits companies to assume that the current conditions as of the balance sheet remain unchanged throughout the remaining life of the asset. The amendment is effective for annual reporting periods beginning after December 15, 2025, and requires prospective application. The Company is in the process of evaluating the impact of the new guidance on its consolidated financial statement and related disclosures and does not expect this ASU to have a material impact on the Group's consolidated financial statements.

In July 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40). The ASU modernizes the accounting for internal-use software to reflect current development practices, clarifies when to begin capitalizing costs, and enhances disclosure requirements. The ASU is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The amendments permit an entity to apply the new guidance using either (1) a prospective transition approach or (2) a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption or (3) a retrospective transition approach. The Company is in the process of evaluating the impact of the amendments on the Group's consolidated financial statements and does not expect this ASU to have a material impact on the Group's consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832). ASU No. 2025-10 establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. The guidance is effective for annual reporting periods beginning after December 15, 2029, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The amendments require that a business entity apply the guidance using one of the following transition approaches: (1) a modified prospective approach or (2) a modified retrospective approach or (3) a retrospective approach. The Company is in the process of evaluating the impact of the amendments on the Group's consolidated financial statements and does not expect this ASU to have a material impact on the Group's consolidated financial statements.

3. Business acquisitions

The Company accounted for its acquisition in accordance with ASC 805, "Business Combination" ("ASC 805"). The result of the acquiree's operation has been included in the consolidated financial statements since the acquisition date. The excess of the fair value of the acquired entity over the fair value of net tangible and intangible assets acquired was recorded as goodwill, which is not deductible for corporate income taxation purposes.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Acquisition of Netless

On November 27, 2020 (the “acquisition close date”), the Company acquired 100% equity interests of Netless, a real-time interactive whiteboard solution provider. After the acquisition close date, there were cash and share-based awards granted to Netless employees that joined the Company.

The acquisition was recorded as a business combination. As part of the business combination, the Company acquired developed technology at a gross amount of US\$0.2 million, with an estimated useful life of 5 years that was amortized on a straight-line basis with amortization expense of US\$42.6 thousand, US\$42.6 thousand and US\$39.0 thousand recorded in general and administrative expense for the years ended December 31, 2023, 2024 and 2025, respectively. A deferred tax liability of US\$53.2 thousand arising from the difference between the accounting basis and tax basis of the identifiable intangible asset was recognized and realized over 5 years in line with the developed technology’s amortization period. The recognition of the deferred tax liability related to the intangible asset in turn increased the book basis of the asset.

The excess of purchase price over tangible assets and identifiable intangible assets acquired and liabilities assumed was recorded as goodwill, which was amounting to US\$3.1 million. Goodwill associated with acquisition of Netless was attributed to expected synergies arising from the acquisition. The acquired goodwill is not deductible for tax purposes. As of December 31, 2022, the Company recognized a full impairment against the acquired goodwill based on the result of impairment assessment.

The Company has not presented pro forma combined results for this acquisition because the impact to the consolidated statements of operations and comprehensive (loss) income would not have been material individually or in the aggregate.

Acquisition of Easemob

On February 28, 2021 (the “acquisition close date”), the Company acquired 100% equity interests of Easemob, providing instant messaging APIs and customer engagement cloud services in China, from its shareholders for a cash consideration totaling to US\$53.4 million.

As part of the business combination, the Company acquired customer relationships at a gross amount of US\$4.2 million, with an estimated useful life of 3 years and developed technology at a gross amount of US\$4.0 million, with an estimated useful life of 5 years that will be amortized on a straight-line basis; amortization expense of US\$0.9 million, US\$0.1 million and nil recorded in sales and marketing expense and US\$0.5 million, US\$0.5 million and US\$0.5 million recorded in research and development expense for the years ended December 31, 2023, 2024 and 2025, respectively. A deferred tax liability of US\$1.2 million arising from the difference between the accounting basis and tax basis of the identifiable intangible asset is recognized and realized over the same period as the related intangible assets. The recognition of the deferred tax liability related to the intangible asset in turn increases the book basis of the asset.

The excess of purchase price over tangible assets and identifiable intangible assets acquired and liabilities assumed was recorded as goodwill with the amount of US\$53.1 million. Goodwill associated with acquisition of Easemob was attributed to expected synergies arising from the acquisition. The acquired goodwill is not deductible for tax purposes. During the year ended December 31, 2022, the Company recognized goodwill impairment of US\$8.9 million. During the year ended December 31, 2023, the Company disposed goodwill of US\$12.3 million in connection with its disposal of customer engagement cloud business and recognized full impairment for the remaining goodwill of US\$31.9 million.

The Company has not presented pro forma combined results for this acquisition because the impact to the consolidated statements of comprehensive (loss) income would not have been material individually or in the aggregate.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Accounts Receivable, Net

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Accounts receivable	\$ 49,979	\$ 38,712
Less: allowance for current expected credit losses	(19,027)	(13,845)
Accounts receivable, net	<u>\$ 30,952</u>	<u>\$ 24,867</u>

Movement of allowance for credit losses was as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
At beginning of the period	\$ (9,869)	\$ (14,897)	\$ (19,027)
Additional provisions	(7,046)	(8,420)	(4,004)
Write-off	1,893	4,128	9,443
Foreign currency translation impact	125	162	(257)
At end of the period	<u>\$ (14,897)</u>	<u>\$ (19,027)</u>	<u>\$ (13,845)</u>

5. Prepayments and Other Current Assets

The prepayments and other current assets consisted of the following:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Interest receivables	\$ 16,162	\$ 8,189
Amount due from Shanghai Zhaoyan	—	2,472
Prepayments ⁽¹⁾	3,024	2,337
VAT recoverable ⁽²⁾	1,502	570
Employee loans and advances ⁽³⁾	231	153
Proceeds receivable for employee share option exercises	417	13
Others	1,257	856
Prepayments and other current assets	<u>\$ 22,593</u>	<u>\$ 14,590</u>

- (1) Prepayments are primarily related to prepayments for services, advertisements and other deposits.
- (2) VAT recoverable represented the balances that the Group can utilize to deduct its VAT liabilities within the next 12 months.
- (3) Employee loans and advances are primarily advances to employees that are business related, or personal loans granted to select qualified employees with interest or a guarantee. The loan balances are expected to be repaid by the employee within one year.

6. Restricted Cash

Restricted cash consisted of the following:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Secured deposits for a letter of credit	\$ 267	\$ 200
Secured deposits in relation to the headquarter project	3,478	—
Restricted cash	<u>\$ 3,745</u>	<u>\$ 200</u>

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Property and Equipment, Net and Construction in Progress in Relation to The Headquarters Project

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Cost:		
Network equipment	\$ 28,810	\$ 29,744
Leasehold improvements	4,994	5,111
Electronic equipment	2,783	2,972
Furniture, computers and office equipment	1,027	891
Self-developed software	851	870
Total cost	38,465	39,588
Less: accumulated depreciation	(33,827)	(35,641)
Capitalized internal-use software development costs	42	—
Property and Equipment, Net	4,680	3,947
Construction in progress in relation to the headquarters project	44,486	84,239
Total	\$ 49,166	\$ 88,186

Depreciation expense recognized for the years ended December 31, 2023, 2024 and 2025 were US\$7.1 million, US\$3.5 million and US\$2.0 million, respectively.

Construction in progress primarily represents the construction of headquarter building. Costs incurred in the construction are capitalized and transferred to property, plant and equipment when it is ready for intended use, at which time depreciation commences.

8. Leases

The Company leases facilities under non-cancellable operating leases, which have lease terms varying from one to five years. Total lease costs for the years ended December 31, 2023, 2024 and 2025 were US\$3.2 million, US\$2.8 million and US\$2.3 million, respectively, included in cost of revenues, research and development, sales and marketing and general and administrative expenses in the Company's consolidated statements of comprehensive (loss) income. Out of the total lease costs, there were US\$0.2 million, US\$0.2 million and US\$0.2 million of expenses for short-term leases within 12 months for the years ended December 31, 2023, 2024 and 2025, respectively.

Supplemental cash flow information related to leases were as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Cash paid for fixed operating lease costs included in the measurement of lease obligations in operating activities	2,649	2,878	2,163
Right-of-use assets obtained in exchange for operating lease obligations	4,588	2,325	90

Lease term and discount rates were as follows:

	As of December 31,	
	2024	2025
Weighted-average remaining lease term		
Operating leases	1.7 years	1.3 years
Weighted-average discount rate		
Operating leases	3.7%	3.1%

Maturities of lease liabilities were as follows:

	As of	
	December 31, 2025	
	(in US\$ thousands)	
2026	\$	1,771
2027		400
Total undiscounted lease payments		2,171
Less: imputed interest		(251)
Total present value of lease liabilities	\$	1,920

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Intangible Assets, net

Intangible asset is comprised of following:

	Weighted average amortization period (in years)	As of December 31, 2024			As of December 31, 2025		
		Cost	Accumulated Amortization (in US\$ thousands)	Net	Cost	Accumulated Amortization (in US\$ thousands)	Net
Developed technology (Note 3)	5	\$ 2,575	\$ (1,985)	\$ 590	\$ 2,575	\$ (2,496)	\$ 79
Customer relationships (Note 3)	3	2,600	(2,600)	—	2,600	(2,600)	—
Others	5	308	(287)	21	308	(291)	17
Total	4	\$ 5,483	\$ (4,872)	\$ 611	\$ 5,483	\$ (5,387)	\$ 96

Amortization expense were US\$1.4 million, US\$0.7 million and US\$0.5 million for the years ended December 31, 2023, 2024 and 2025, respectively. As of December 31, 2025, the Company will record estimated amortization expenses of US\$0.1 million for the year ending December 31, 2026.

10. Long-term investments

The following table sets forth a breakdown of the long-term investments held by the Group as of December 31, 2024 and 2025:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Long-term bank deposits	\$ 35,500	\$ 160,001
Equity investments without readily determinable fair value ⁽¹⁾	34,479	23,037
Financial products issued by banks	61,400	—
Equity method investments	6,231	6,145
Total	\$ 137,610	\$ 189,183

- (1) In June 2025, the Group disposed two wholly-owned subsidiaries holding certain equity investments and prepayment for the long-term investment to a third party with total consideration of US\$7.3 million and immaterial gain or loss.

Long-term bank deposits

As of December 31, 2025, the Group had US\$160.0 million time deposits for which the Group has the intent and ability to hold to maturity with due date over one year and were stated at amortized cost. The deposits are with major reputable financial institutions which the Group believes that there is no significant credit risk.

Equity investments without readily determinable fair value

As of December 31, 2025, the Group's equity investments without readily determinable fair value primarily consist of small, non-controlling investments in companies for which the Group has equity ownership with preferential rights but cannot exert significant influence. In accordance with ASC 321, the Group elected to use the measurement alternative to measure such investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any. For those equity investments having observable price changes in orderly transactions for the identical or similar investments of the same issuers, the Group would disclose the fair value of the alternative measure method investments. The initial cost value of equity securities without readily determinable fair values were US\$51.7 million and US\$26.0 million as of December 31, 2024 and 2025, respectively. There was no re-measurement gain or loss being recognized in connection with equity investments accounted for using the measurement alternative for the years ended December 31, 2024 and 2025. There were nil and US\$2.5 million impairment recorded on these investments for the years ended December 31, 2024 and 2025, respectively, primarily due to business deterioration of certain investees as a result of macroeconomic changes..

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial products issued by banks

As of December 31, 2024, the Company had US\$61.4 million financial products issued by banks with original maturities over one year. The weighted average maturities period was 1.7 years. The products contain a minimum guaranteed interest rate and a floating but capped interest rate with original maturities over one year. The Company measures the carrying amount of investments based on the principal amount plus the minimum guaranteed interest rate published by these banks. The Company early redeemed US\$6.4 million of the financial products during the year ended December 31, 2025 and the remaining balance of US\$55.0 million was reclassified to short-term financial products issued by banks given its maturity date is within a year as of December 31, 2025.

Equity method investments

The Group's equity method investments are in limited partnership funds as a limited partner and in investee under common control. The Group's proportionate share of equity investee's net loss for the years ended December 31, 2023, 2024 and 2025 were US\$31.6 thousand, US\$3.5 million and US\$31.7 thousand, respectively, being recorded in equity in loss of affiliates.

11. Land use right

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Land use rights	\$ 167,896	\$ 171,708
Less: accumulated amortization	(6,501)	(10,117)
Land use rights, net	<u>\$ 161,395</u>	<u>\$ 161,591</u>

The Company acquired the land use right in February 2023. Amortization expense for land use right were US\$3.4 million and US\$3.4 million for the years ended December 31, 2024 and 2025, respectively. As of December 31, 2025, land use right with net book value of US\$161.6 million were pledged as collateral for the Company's borrowings (Note 15).

12. Other Non-current Assets

Other non-current assets consisted of the following:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Prepayment in relation to the headquarters project	\$ 12,025	\$ 7,129
Long-term VAT recoverable	2,737	5,505
Long-term interest receivables	1,411	4,366
Deferred financing costs	—	2,035
Long-term deposit	693	646
Equipment in-transit	58	101
Prepayment for long-term investment	1,844	—
Others	188	16
Other non-current assets	<u>\$ 18,956</u>	<u>\$ 19,798</u>

13. Taxes Payable

Taxes payable consisted of the following:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Individual income tax withholding	\$ 1,332	\$ 612
VAT payable	742	56
Other taxes payable	78	28
Corporate income taxes payable	58	—
Taxes payable	<u>\$ 2,210</u>	<u>\$ 696</u>

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Accrued salary and social welfare costs	\$ 10,686	\$ 11,465
Liability classified awards for share-based compensation (Note 17)	2,721	2,685
Payables for deferred financing costs	—	1,762
Accrued professional service fees	886	869
Accrued advertising and marketing fees	765	672
Accrued staff reimbursements	441	500
Share option deposit held on behalf of employees	294	444
Accrued office expense	78	113
Payables for interest	40	64
Payables for acquisition	2,593	—
Others	1,335	1,843
Accrued expenses and other current liabilities	<u>\$ 19,839</u>	<u>\$ 20,417</u>

15. Long-term Borrowings in relation to the Headquarters Project

In 2023, Shengshi, a subsidiary of the Group entered into a loan agreement with Shanghai Pudong Development Bank for a maximum principal amount of RMB1.27 billion to build the Group's headquarter project, which were repayable from 2028 to 2043. The bearing interest rate of the long-term borrowings is based on loan prime rate published by the People's Bank of China minus 95 basis points. As of December 31, 2025, the total outstanding balances of the long-term borrowings amounted to US\$80.4 million, which will be due beginning from 2028. The long-term borrowings are guaranteed by another subsidiary of the Group, and secured by the land use right with carrying amount of US\$161.6 million as of December 31, 2025.

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Long-term borrowings	<u>\$ 46,469</u>	<u>\$ 80,420</u>

Future principal repayments on the long-term borrowings are as follows:

	As of	
	December 31, 2025	
	(in US\$ thousands)	
2026	\$	—
2027		—
2028		951
2029		5,070
2030		5,070
Thereafter		69,329
Total	<u>\$</u>	<u>80,420</u>

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Ordinary Shares

As of December 31, 2024 and 2025 the Company had in aggregate of 468,556,155 and 470,619,019 ordinary shares issued and 373,336,531 and 349,264,771 ordinary shares outstanding, respectively.

Initial public offering and concurrent private placement

In June 2020, the Company completed its initial public offering (“IPO”) on the Nasdaq Global Select Market of 20,125,000 American Depositary Shares (“ADS”) (including 2,625,000 ADSs sold upon the full exercise of the underwriters’ over-allotment option) (every four Class A ordinary shares represents one ADS), and completed the concurrent private placement (“CPP”) of 22,000,000 ordinary shares, for a total ordinary shares offering of 102,500,000 shares at a price of US\$20.00 per ADS. The net proceeds raised from the IPO amounted to approximately US\$483.6 million after deducting underwriting discounts and commissions and other offering expenses.

Upon the completion of the IPO and CPP, all classes of preferred shares of the Company were converted and designated as Class A ordinary shares on a one-for-one basis. 76,179,938 ordinary shares were designated as Class B ordinary share on a one-for-one basis. The remaining ordinary shares were designated as Class A ordinary shares on a one-for-one basis.

In respect of all matters subject to shareholders’ vote, each holder of Class A ordinary share is entitled to one and each holder of Class B ordinary share is entitled to twenty votes.

Private Placement

In February 2021, the Company completed an additional private placement of 20,000,000 Class A ordinary shares. The net proceeds raised from the private placement amounted to approximately US\$250.0 million after immaterial offering expenses.

Share repurchase

On February 21, 2022, the board of directors authorized a share repurchase program under which the Company may repurchase up to US\$200 million of its Class A ordinary shares in the form of American depositary shares over the next 12 months, subject to relevant rules under the Securities Exchange Act of 1934, as amended, and the Company’s insider trading policy.

In each of February 2023, 2024 and 2025, the board of directors authorized the extension of the foregoing share repurchase program for another 12 months, respectively, with all other terms remaining unchanged. For the years ended December 31, 2024 and 2025, the Company repurchased approximately 16.8 million of its class A ordinary shares (equivalent to approximately 4.2 million ADSs) for approximately US\$10.9 million and 31.5 million of its class A ordinary shares (equivalent to approximately 7.9 million ADSs) for approximately US\$28.0 million under its share repurchase program, respectively.

In February 2026, the board of directors authorized an extension of the existing share repurchase program through February 28, 2027 with all other terms remaining unchanged.

17. Share-based Compensation

Compensation expenses recognized for share-based awards of the Company were as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Cost of revenues	\$ 621	\$ 212	\$ 82
Research and development expenses	12,696	17,062	3,274
Sales and marketing expenses	4,145	778	694
General and administrative expenses	7,150	4,685	1,514
Total	\$ 24,612	\$ 22,737	\$ 5,564

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Compensation expenses recognized for different awards were summarized as below:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Equity award – share options ⁽¹⁾⁽⁴⁾	\$ 11,176	\$ 6,761	\$ 3,585
Equity award – restricted shares ⁽²⁾⁽³⁾	(730)	—	—
Equity award – restricted share units ⁽⁵⁾	11,455	15,636	2,351
Liability award – venture partners plan	2,711	340	(372)
Total	\$ 24,612	\$ 22,737	\$ 5,564

- (1) Including share options granted to employees as part of post-combination compensation of US\$0.4 million, US\$0.1 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively.
- (2) Including restricted shares granted by the Founder for equity classified award of US\$0.1 million, nil and nil for the years ended December 31, 2023, 2024 and 2025, respectively.
- (3) Including reversal of restricted shares granted to employees as part of post-combination compensation of US\$1.3 million due to certain employees' failure to meet the service condition, nil and nil for the years ended December 31, 2023, 2024 and 2025, respectively.
- (4) Including immediate recognition of remaining unrecognized compensation expenses of share options granted to certain employees as a result of the cancellation of their equity awards of nil, US\$1.9 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively.
- (5) Including immediate recognition of remaining unrecognized compensation expenses of restricted share units granted to certain employees as a result of the cancellation of their equity awards of nil, US\$9.5 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively.

The income tax benefit recognized in the consolidated statements of comprehensive (loss) income for share-based compensation expenses is immaterial and the Company did not capitalize any of the share-based compensation expenses as part of the cost of any assets for the years ended December 31, 2023, 2024 and 2025, respectively.

Equity Incentive Plans

On August 8, 2014, the board of directors of the Company adopted the Company's 2014 Equity Incentive Plan ("2014 Plan") and reserved 20,000,000 ordinary shares for issuance under share options to be granted to employees, directors and consultants of the Group in its U.S. and PRC operations.

Before the Corporate Reorganization plan was formed and implemented, the Group intended to use API Investment Limited as the issuer in connection with the Group's initial public offering. As such, in January 2019, the board of directors of API Investment Limited approved and adopted the 2018 Equity Incentive Plan ("2018 Plan") to provide incentives to employees, directors and consultants of the Group and reserved 25,740,835 ordinary shares for issuance under share options to be granted under the 2018 Plan. The terms of the 2018 Plan adopted by API Investment Limited are substantively the same as the terms of the 2014 Plan adopted by the Company and the 2014 Plan was not terminated. However, in December 2019, management decided to instead use the Company as the issuer in connection with the Group's initial public offering and in January 2020, as part of the Corporate Reorganization, the Company assumed from API Investment Limited, each option granted under the 2018 Plan. As a result, the options to purchase shares of API Investment Limited granted under the 2018 Plan became options to purchase shares of the Company, and the Company otherwise assumed the same obligations and duties in respect of such options while maintaining their respective terms and vesting schedules. This replacement of awards did not have any accounting consequence. In connection with the assumption, the 2018 Plan was terminated, and accordingly no further options will be available for issuance under the 2018 Plan. The 2018 Plan will continue to govern outstanding awards granted thereunder. The Company's board of directors also resolved to amend the 2014 Plan to provide that the maximum number of shares of the Company which may be subject to awards granted under the 2014 Plan would be 34,613,165 ordinary shares minus the aggregate of (x) any shares issued pursuant to awards granted under the 2018 Plan prior to shareholder approval of the amendment and (y) any shares subject to share options or similar awards granted under the 2018 Plan outstanding as of the date of shareholder approval of the amendment.

At the end of June 2020, the board of directors approved and the Company adopted the Global Equity Incentive Plan ("Global Plan"). The terms of the Global Plan adopted by the Company are substantively the same as the terms of the 2014 Plan, which allows for the grant of non statutory share options, share appreciation rights, restricted shares, restricted share units, and performance awards to employees, directors and consultants and parent and subsidiary corporations' employees and consultants. The 2014 Plan will continue to govern the outstanding awards thereunder, while new award grants will be subject to the terms of the Global Plan.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2025, the Company granted to its employee various share options with service conditions and performance conditions under the Global Plan. Related compensation cost is not recognized until the performance condition becomes probable. If the performance condition is determined by management as probable, related compensation expense is recognized using the straight-line method over the estimated requisite service period during which the performance condition is expected to be satisfied.

Options have a contractual term of ten years from the grant date, and will generally vest over a period of two to ten years of continuous service.

The following table summarizes activities of the Company's share options for the year ended December 31, 2025:

Equity Classified Share Options

	Number of Options	Weighted Average Exercise Price (US\$)	Weighted- average Remaining Contractual Life In years	Aggregate Intrinsic Value (US\$)	Weighted- average Grant Date Fair Value Per Share In years
Outstanding at December 31, 2024	32,667,241	0.59	8.25	15,733,975	0.75
Granted	34,993,424	1.04			0.30
Exercised	(3,602,932)	0.05		3,439,966	
Forfeited	(617,245)	0.63			
Outstanding at December 31, 2025	<u>63,440,488</u>	0.87	7.85	13,528,733	0.47
Vested and expected to vest at December 31, 2025	63,440,488	0.87	7.85	13,528,733	0.47
Exercisable at December 31, 2025	13,222,724	0.15	4.81	11,751,270	1.20

The aggregate intrinsic value is calculated as the difference between the exercise price of the options and the estimated fair value of the underlying shares of US\$18.1 million, US\$15.7 million and US\$13.5 million as of December 31, 2023, 2024 and 2025, respectively.

The total fair value of share options vested during the years ended December 31, 2023, 2024 and 2025 were US\$14.9 million, US\$9.1 million and US\$3.7 million, respectively. The share-based compensation expenses in relation to the share option recognized for the years ended December 31, 2023, 2024 and 2025 were US\$11.2 million, US\$6.8 million and US\$3.6 million, respectively.

As of December 31, 2024 and 2025, there were US\$6.4 million and US\$12.6 million of unrecognized share-based compensation expenses related to share options granted by the Company, which were expected to be recognized over a remaining weighted-average vesting period of 3.5 and 4.0 years, respectively.

The fair value of options granted under the Company's Plans for the years ended December 31, 2023, 2024 and 2025 used the binomial option pricing model, with the assumptions (or ranges thereof) in the following table:

	Year Ended December 31,		
	2023	2024	2025
Exercise price	US\$0.10	US\$0.0001- US\$2.0	US\$0.1-US\$1.5
Fair value of the ordinary shares on the date of option grant	US\$0.4950 - US\$0.6375	US\$0.4575 - US\$1.0400	US\$0.5500 - US\$0.9600
Risk-free interest rate ⁽¹⁾	3.48% - 4.80%	3.94% - 4.57%	4.14% - 4.66%
Expected term (in years)	10	10	8 - 10
Expected dividend yield ⁽²⁾	0%	0%	0%
Expected volatility ⁽³⁾	55.18% - 56.32%	43.27% - 56.21%	41.68% - 45.25%
Expected forfeiture rate (post-vesting)	3%	3%, 10%	10%

(1) The risk-free interest rate of periods within the contractual life of the share option is based on the market yield of the U.S. treasury bonds with a maturity life equal to the expected life to expiration.

(2) The Company has no history or expectation of paying dividends on its ordinary shares.

(3) Expected volatility is estimated based on the average of historical volatilities of the comparable companies in the same industry and the Company itself as at the valuation dates.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Restricted Shares

Granted by the Company

On December 16, 2013, the Company's board of directors issued 30,800,000, 15,000,000 and 77,000,000 ordinary shares subject to certain restrictions to VoiceCrew Holdings Limited, management personnel and Sounds of Nature Limited, respectively. The 15,000,000 ordinary shares were held by VoiceCrew Holdings Limited on behalf of the management personnel. VoiceCrew Holdings Limited and Sounds of Nature Limited are both entities controlled by the Founder.

The restricted shares to the Founder-controlled entities and 5,000,000 of the restricted shares to the management personnel were released in accordance with the following schedule: (1) 25% of such restricted shares to the Founder shall be released from the restriction on the first anniversary of December 16, 2013; and (2) the remaining restricted shares shall be released in 36 equal monthly installments commencing from the first anniversary of the December 16, 2013, provided that in each case that the holder remains as an employee on a continuing full time basis of any Group entity as of the date of such respective release.

10 million of the restricted shares to the management personnel shall be released in accordance with the following schedule: (1) 25% of such restricted shares shall be released from the restriction on the first anniversary from November 7, 2014; and (2) the remaining restricted shares shall be released in 36 equal monthly installments commencing on November 7, 2015, as long as each holder remained a continuing full-time employee of any Group entity as of the date of such respective release

On May 18, 2017, the Company entered into an amended restricted shares agreement with VoiceCrew Limited, Soundscape Limited and the management personnel to extend the releasing period for unvested shares to be released monthly over another three years from May 18, 2017, provided that in each case the holder remains as an employee on a continuing full time basis of any Group entity as of the date of such respective release.

In connection with the Historical Reorganization and the Corporate Reorganization, the above mentioned restricted shares were swapped to API Investment Limited in December 2014, and swapped back to the Company in January 2020. There were no changes to the terms and conditions of the restricted shares arrangement and hence there was no accounting impact.

Among all the shares granted to the management personnel, a portion of the awards totaling 500,000 shares contained repurchase obligations by the Company such that a holder could request the Company to repurchase their share options upon an unsuccessful IPO or acquisition by another company by December 31, 2018 at the fair market value on the request date. This repurchase clause was provided within the restricted shares agreement to this group of management personnel to incentivize special contributions to the business and therefore the portion of the awards subject to the repurchase obligation were liability-classified awards.

In April 2019, the Company repurchased 100,000 restricted shares subject to repurchase obligation but already vested by then from the management personnel for a total consideration of US\$0.1 million. The repurchase right was also waived and terminated by the grantee for the remaining 400,000 shares originally subject to repurchase. Accordingly, the classification of the liability-classified awards for the un-repurchased portion changed back to be equity-classified, and the share-based award liability related to unvested restricted shares were reclassified to additional paid-in capital on the modification date. There was no other accounting impact as a result of the repurchase and termination of repurchase right on remaining portion.

The share-based compensation expenses in relation to the restricted shares granted by the Company recognized for the years ended December 31, 2023, 2024 and 2025 were reversal of US\$0.8 million primarily due to certain employees' failure to meet the service condition, nil and nil, respectively.

Granted by the Founder

From the years of 2015 to 2019, the Founder further granted his restricted shares that were vested from VoiceCrew Limited to select management employees of the Group. Restricted shares agreements were signed with the management employees in consideration of their continuing employment with the Group.

The restricted shares to the management employees will be further released over a period of four years of continuous service, 25% of which vest upon the first anniversary of the stated vesting commencement date and the remaining vest ratably over the following 36 months.

The share-based compensation expenses in relation to the restricted shares granted by the Founder recognized for the years ended December 31, 2023, 2024 and 2025 were US\$0.1 million, nil and nil, respectively.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Restricted Share Units

Granted by the Company

A restricted share unit (“RSU”) generally vest over a period of two to ten years of continuous service.

During the year ended December 31, 2025, the Company granted to its employee various RSUs with service conditions and market conditions under the Global Plan.

The grant date fair value of the awards with market condition was evaluated by using the Monte Carlo Simulation Model with the likelihood of achieving the market condition reflected in the fair value. The assumptions used in the measurement of the fair value at grant date were as follows:

	Year Ended December 31, 2025
Weighted average share price	US\$0.8250
Expected volatility ⁽¹⁾	45.72%
Expected life (years)	6
Risk-free interest rate ⁽²⁾	3.91%
Expected dividend yield ⁽³⁾	0%

- (1) Expected volatility is estimated based on the average of historical volatilities of the comparable companies in the same industry and the Company itself as at the valuation dates.
- (2) The risk-free interest rate of periods within the contractual life of the RSU is based on the market yield of the U.S. treasury bonds with a maturity life equal to the expected life to expiration.
- (3) The Company has no history or expectation of paying dividends on its ordinary shares.

The following table summarizes the RSU activities:

	Numbers of Shares	Weighted-average Grant Date Fair Value Per Share (US\$)
Outstanding at December 31, 2024	21,392,760	0.60
Granted	14,917,524	0.44
Vested	(3,199,096)	0.76
Forfeited	(405,546)	0.73
Outstanding at December 31, 2025	32,705,642	0.52

The share-based compensation expenses in relation to the restricted share units granted by the Company recognized for the years ended December 31, 2023, 2024 and 2025 were US\$11.5 million, US\$15.6 million and US\$2.4 million, respectively.

As of December 31, 2023, 2024 and 2025, there were US\$25.7 million, US\$10.9 million and US\$14.8 million unrecognized share-based compensation expenses related to restricted share units, which is expected to be recognized over a weighted-average period of 6.1, 7.7 and 6.6 years.

Venture Partners Plan

In November 2020, the Company adopted and board of directors approved the Venture Partners Plan (“VPP Program”) as a complement to the current bonus and equity incentive plans.

Under the VPP Program, the Company grants VPPs to employees, consultants and directors to participate in the program; the VPPs will be converted to and paid out in cash or settled in shares at the discretion of the Company. The VPP Program is administered by the compensation committee of the board of directors or any personnel appointed by the compensation committee (“administrator”). The administrator has the authority and discretion necessary or appropriate to administer the VPP Program and to control its operation, including determining the adjusted profits for each performance year which will be allocated as the annual shared profit and the accumulated retained profit (if any), determining the method and timing of settlement. The compensation committee of the board of directors may, at any time, amend, alter, suspend or terminate the VPP Program.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The VPP Program stipulates that a participant is entitled to the annual shared profit contingent on their service through the annual performance period. While the annual shared profit is typically settled in the year following the performance year, the accumulated retained profit will be settled at a future period that is determined by the administrator.

As of December 31, 2024, US\$0.2 million out of the liability awards for the 2023 performance year have been settled in the form of share options with a zero-dollar exercise price that vested immediately upon the settlement date, and US\$ 2.7 million out of the liability awards for the 2023 performance year have been settled in the form of cash, with the US\$0.3 million reversed in relation to liability awards to be settled in the form of share options due to the overall performance of the Company. For the year ended December 31, 2024, US\$2.0 million and US\$0.6 million were recorded in relation to the program for the 2024 performance year for liability awards to be settled in the form of cash and share options, respectively, and there is nil estimated unrecognized share-based compensation expenses related to the 2024 program for liability awards to be settled in the form of share options.

As of December 31, 2025, US\$0.2 million out of the liability awards for the 2024 performance year have been settled in the form of share options with a zero-dollar exercise price that vested immediately upon the settlement date, and US\$2.1 million out of the liability awards for the 2024 performance year have been settled in the form of cash, with the US\$0.4 million reversed in relation to liability awards to be settled in the form of share options due to the overall performance of the Company. For the year ended December 31, 2025, US\$2.7 million and nil were recorded in relation to the program for the 2025 performance year, and there is nil estimated unrecognized share-based compensation expenses related to the 2025 program for liability awards to be settled in the form of share options.

18. Employee Benefits

The full-time employees of the Company's subsidiaries and the VIEs that are incorporated in the PRC are entitled to staff welfare benefits including medical insurance, basic pensions, unemployment insurance, work injury insurance, maternity insurance and housing funds. These companies are required to contribute to these benefits based on certain percentages of the employees' salaries in accordance with the relevant regulations and charge the amount contributed to these benefits to the consolidated statements of comprehensive (loss) income. The total amounts charged to the consolidated statements of comprehensive (loss) income for such employee benefits amounted to US\$11.4 million, US\$10.3 million and US\$8.3 million for the years ended December 31, 2023, 2024 and 2025, respectively. The PRC government is responsible for the welfare and medical benefits and ultimate pension liability to these employees.

19. Interest Expenses

Interest expenses consisted of the following.

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Interest expense	\$ 35	\$ 780	\$ 1,700
Less: Interest capitalization	(15)	(527)	(1,664)
Total	\$ 20	\$ 253	\$ 36

20. Income Taxes

Cayman Islands

Agora, Inc. and certain of its subsidiaries are incorporated in the Cayman Islands and conduct its business mainly through its PRC subsidiaries. Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the first HK\$2 million of assessable profits for the entity that elected the two-tiered profits tax rates at 8.25% with the remaining taxable income at the standard tax rate of 16.5%. A group of "connected entities" can only nominate one entity within the group to enjoy the two-tiered rates for a given year of assessment. Additionally, distributions made by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRC

On March 16, 2007, the National People's Congress of PRC enacted the Enterprise Income Tax Law (the "EIT Law"), under which foreign invested enterprises ("FIEs") and domestic companies would be subject to enterprise income tax ("EIT") at a uniform rate of 25%.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The implementing rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located."

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by a FIE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company is incorporated, does not have such a tax treaty with China. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, which was promulgated in August 2006, dividends paid by a FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% if the immediate holding company in Hong Kong owns directly at least 25% of the shares of the FIE and could be recognized as a beneficial owner of the dividend from a PRC tax perspective.

Dayin obtained a software company certificate in 2018 and was renewed in 2024. Pursuant to such certificate, Dayin qualifies for a tax holiday during which it is entitled to an exemption from EIT for two years commencing from its first profit-making year of operation and a 50% reduction of EIT for the following three years. Dayin qualified for a 50% EIT reduction in 2020 and 2021, and was entitled to preferential tax rate of 12.5% for the year of 2020 and 2021. Dayin also obtained its high-tech enterprise certificate in 2019 and was renewed to be entitled to preferential tax rate of 15% for the year of 2025, 2026 and 2027. Shanghai Zhaoyan obtained its high-tech enterprise certificate in 2021 and was renewed to be entitled to preferential tax rate of 15% for the years of 2023 and 2024. Shanghai Shengwang obtained its high-tech enterprise certificate in 2023 and is entitled to preferential tax rate of 15% for the years of 2023, 2024 and 2025. Beijing Shengwang Technology Co., Ltd. ("Beijing Shengwang") obtained its high-tech enterprise certificate in 2024 and is entitled to preferential tax rate of 15% for the years of 2024, 2025 and 2026.

Deferred income taxes are not provided on undistributed earnings of the Company's PRC subsidiaries that are intended to be permanently reinvested in China. The Company expects to indefinitely reinvest undistributed earnings generated in the onshore PRC entities.

United States

The Company's subsidiary in California, United States is subject to U.S. federal corporate tax and California corporate franchise tax on its taxable income as reported in its statutory financial statements adjusted in accordance with relevant U.S. tax laws. The applicable U.S. federal corporate tax rate is 21% and the California corporate franchise tax rate is 8.84% in 2023, 2024 and 2025. The subsidiary's income derived from India is subject to a 10% withholding tax in India, and such withholding tax may be treated as foreign taxes eligible for credit against the U.S. federal income tax liability.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code including, but not limited to: (1) reducing the U.S. federal corporate tax rate from 35% to 21%; (2) requiring companies to pay a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries; (3) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries; (4) requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations; (5) eliminating the corporate alternative minimum tax ("AMT") and changing how existing AMT credits can be realized; (6) creating the base erosion anti-abuse tax ("BEAT"), a new minimum tax; (7) creating a new limitation on deductible interest expense; and (8) changing rules related to uses and limitations of net operating loss carry-forwards created in tax years beginning after December 31, 2017. See the tax loss carry-forwards disclosure below for the impact of the Tax Act on the Group. In addition, the California corporate franchise tax remained the same after the enactment of the Tax Act.

On July 4, 2025, the One Big Beautiful Bill (OBBB) Act, which includes a broad range of tax reform provisions, was signed into law in the United States. The OBBB Act did not have a material impact on our annual effective tax rate in 2025.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

United Kingdom

The Company's subsidiary in the United Kingdom is subject to the UK corporate income tax rate of 25%.

Singapore

The Company's subsidiary in Singapore is subject to the corporate income tax rate of 17%.

India

The Company's subsidiary in the India is subject to the India corporate income tax rate of 25.17%.

As the Group's business are conducted mainly through the subsidiaries operating in the PRC, the following information is based mainly on PRC statutory income tax rate.

Pre-tax (Loss) Income

The following table presents the composition of pre-tax (loss) income for the years ended December 31, 2023, 2024 and 2025:

	Year Ended December 31,		
	2023	2024	2025
		(in US\$ thousands)	
Pre-tax loss from PRC entities	\$ (49,309)	\$ (33,931)	\$ (15,077)
Pre-tax (loss) income from non-PRC entities	(37,457)	(5,059)	24,960
Total pre-tax (loss) income	<u>\$ (86,766)</u>	<u>\$ (38,990)</u>	<u>\$ 9,883</u>

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the differences between Statutory Tax Rate and the Effective Tax Rate (“EIT” rate)

As described in Note 2(ai), in the current period, the Company adopted ASU 2023-09 on a prospective basis. A reconciliation of the PRC statutory income tax rate to the Company’s effective tax rate for the year ended December 31, 2025, pursuant to the disclosure requirements of ASU 2023-09, is as follows:

	Year Ended December 31, 2025	
	Amount (in US\$ thousands)	Percent
PRC Statutory income tax rate	\$ 2,471	25.00%
Foreign Tax Effects:		
United States		
Statutory tax rate difference between United States and PRC	904	9.15%
Change in valuation allowance	(577)	(5.84)%
Share-based compensation awards	(138)	(1.40)%
Tax Credits	(902)	(9.13)%
Others	(45)	(0.46)%
Singapore		
Statutory tax rate difference between Singapore and PRC	(517)	(5.23)%
Change in valuation allowance	(316)	(3.20)%
Others	5	0.05%
Hong Kong		
Nontaxable Income	(1,787)	(18.08)%
Others	30	0.30%
Cayman		
Statutory tax rate difference between Cayman and PRC	(3,499)	(35.40)%
Others	2	0.02%
The British Virgin Islands (“BVI”)		
Statutory tax rate difference between BVI and PRC	707	7.15%
India		
Withholding tax	161	1.63%
Others	48	0.49%
Other foreign Jurisdictions	90	0.91%
Change in valuation allowance ⁽¹⁾	3,626	36.69%
Effect of tax holiday ⁽²⁾	1,859	18.81%
Nontaxable or Nondeductible Items:		
Share-based compensation awards	279	2.82%
Additional tax deduction for qualified research and development expenses	(1,519)	(15.37)%
Tax filling difference	(595)	(6.02)%
Other adjustments	36	0.38%
Effective tax rate	\$ 323	3.27%

(1) The change in valuation allowance is primarily attributed to fully provisioning for net operating loss carry-forwards of the Group.

(2) Effect of tax holidays is primarily attributable to the preferential tax rates of Dayin, Shanghai Shengwang and Beijing Shengwang.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The reconciliation of taxes between the statutory PRC EIT rate of 25% and the effective tax rate for the years ended December 31, 2023 and 2024 in accordance with the guidance prior to the adoption of ASU 2023-09 was as follows:

	Year Ended December 31,	
	2023	2024
Statutory income tax rate	25.00%	25.00%
Permanent differences	(3.81)%	2.08%
Tax rate difference from statutory rate in other jurisdictions ⁽¹⁾	(8.06)%	5.52%
Change in valuation allowance ⁽²⁾	7.80%	(19.65)%
Effect of tax holiday ⁽³⁾	(11.25)%	(8.80)%
Additional tax deduction for qualified research and development expenses	3.90%	5.55%
Share-based Compensation expenses	(7.73)%	(9.17)%
Tax filing differences	(5.73)%	(0.57)%
Others	(0.61)%	(0.62)%
Effective tax rate	<u>(0.49)%</u>	<u>(0.66)%</u>

- (1) The tax rate difference is attributed to varying rates in other jurisdictions where the Group is established or operates, such as the Cayman Islands, the United States or Singapore.
- (2) The change in valuation allowance is primarily attributed to fully provisioning for net operating loss carry-forwards of the Group.
- (3) Effect of tax holidays is primarily attributable to the preferential tax rates of Dayin, Shanghai Zhaoyan, Shanghai Shengwang and Beijing Shengwang.

For the years ended December 31, 2023, 2024 and 2025, substantially all the amounts of current and deferred income tax expense are attributable to the PRC, UK and US entities.

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Current income tax expense	\$ 633	\$ 361	\$ 403
Deferred income tax benefit	(211)	(103)	(80)
Income tax expense	<u>\$ 422</u>	<u>\$ 258</u>	<u>\$ 323</u>

The aggregate amount and per share effect of reduction of EIT for Shanghai Zhaoyan, Dayin, Shanghai Shengwang and Beijing Shengwang as a result of tax holidays are as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
The aggregate amount of effect	\$ (9,764)	\$ (3,431)	\$ (1,859)
Per share effect — basic	0.02	0.01	—
Per share effect — diluted ⁽¹⁾	0.02	0.01	—

- (1) Decrease in the aggregated amount of effect in 2025 was mainly attributable to a reduction in the number of subsidiaries qualifying as High-Tech Enterprises.

Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, as described in Note 2, Summary of Significant Accounting Policies, cash paid for income taxes, net of refunds, during the year ended December 31, 2025 was as follows:

	Year Ended December 31, 2025
	(in US\$ thousands)
PRC taxes	\$ —
Non-PRC taxes	
India	141
United Kingdom	91
Others	1
Total income taxes paid, net	<u>\$ 233</u>

Cash paid for income taxes, net of refunds, during the years ended December 31, 2023 and 2024 was 0.2 million and 0.2 million, respectively.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred Tax Assets and Liabilities

The principal components of the deferred tax assets were as follows:

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Deferred tax assets:		
Tax loss carry-forwards	\$ 47,507	\$ 43,408
Current expected credit losses	3,042	2,468
Capitalized research and development costs	—	1,603
U.S. tax credits	—	902
Impairment of long-term investments	2,379	—
Other deductible temporary difference	665	698
Deferred tax assets	53,593	49,079
Less valuation allowance	(53,593)	(49,079)
Deferred tax assets, net	\$ —	\$ —
Deferred tax liabilities:		
Recognition of intangible assets arising from business combination	(92)	(12)
Deferred tax liabilities, net	\$ (92)	\$ (12)

As of December 31, 2025, the Group had tax loss carryforwards of approximately US\$248.1 million, which can be carried forward to offset taxable income. As of December 31, 2025, Agora Lab, Inc., a California corporation, had U.S. federal tax loss carry-forwards of approximately US\$14.0 million, and had U.S. state tax loss carry-forwards of approximately US\$23.1 million. Under the U.S. tax law, federal tax loss carry-forwards arising in tax years beginning after December 31, 2017 can be carried forward indefinitely but the maximum deduction for any such loss carried forward to tax years beginning on or after January 1, 2021 is reduced to 80% of Agora Lab, Inc.'s taxable income, while loss carry-forwards arising in 2017 or prior years can be carried back two tax years and carried forward up to 20 years (and are not subject to the 80% limitation). California state tax loss carry-forwards may be carried forward for up to 20 years and are subject to limitation on use through the end of 2021 (during which the period of carryforward may be extended). Agora Lab, Inc.'s federal tax loss carry-forwards arisen in 2017 or prior will begin to expire in varying amounts in 2038 and the state tax loss carry-forwards will begin to expire in varying amounts between 2038 and 2043. California has suspended the use of net operating loss carryforwards for tax years 2024 through 2026. The remaining carry-forward tax losses are mainly attributed to PRC entities of the Group, which may be carried forward for up to 10 years.

Movement of Valuation Allowance

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Balance at beginning of the year	\$ (54,273)	\$ (47,507)	\$ (53,593)
Addition in current year	(9,784)	(7,626)	(4,361)
Reversal in current year	16,550	1,540	2,285
Decrease in valuation allowance related to the disposal of subsidiaries (Note 10)	—	—	6,590
Balance at the end of the year	\$ (47,507)	\$ (53,593)	\$ (49,079)

Full valuation allowance was provided to the deferred tax assets as of December 31, 2025.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Basic and Diluted Net (Loss) Income per Share

Basic and diluted net (loss) income per share have been calculated in accordance with ASC 260, Earnings Per Share. Basic net (loss) income per share is computed using the weighted average number of ordinary shares outstanding during the period. Diluted net (loss) income per share is computed using the weighted average number of ordinary shares and dilutive potential ordinary shares outstanding during the period. The computation of earnings per share for the years ended December 31, 2023, 2024 and 2025 is as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Numerator:			
Net (loss) income attributable to Agora, Inc.'s ordinary shareholders			
- basic and diluted	\$ (87,219)	\$ (42,727)	\$ 9,528
Denominator:			
Denominator for basic earnings per share			
Weighted-average ordinary shares outstanding ⁽¹⁾	398,384,385	373,122,317	367,898,081
Denominator for diluted earnings per share			
Weighted-average ordinary shares outstanding ⁽¹⁾	398,384,385	373,122,317	395,420,348
Basic (loss) income per share	\$ (0.22)	\$ (0.11)	\$ 0.03
Diluted (loss) income per share	\$ (0.22)	\$ (0.11)	\$ 0.02

(1) Options exercisable for a minimal exercise price are included in the denominator of basic earnings per share calculation once there are no further vesting conditions or contingencies associated with them, as they are considered contingently issuable shares. Accordingly, a weighted average of 4,584,794 shares, 6,209,645 shares and 5,616,539 shares related to these options, for which the exercise price is close to zero dollars per share, are included in the denominator for the computation of basic earnings per share for the years ended December 31, 2023, 2024 and 2025, respectively.

The following ordinary shares equivalent were excluded from the computation of diluted net (loss) earnings per ordinary share for the periods presented because including them would have had an anti-dilutive effect:

	Year Ended December 31,		
	2023	2024	2025
Share options - weighted average	25,288,633	12,720,197	10,018,862
Restricted share units - weighted average	1,356,455	5,317,082	12,204
VPP shares - weighted average	426,296	—	—

22. Commitments and Contingencies

(a) Contractual Purchase Commitments

The Group has entered into non-cancellable agreements related to the purchase of construction related cost from third party vendors. As of December 31, 2025, contractual purchase commitments with respect to these agreements consist of the following:

	Contractual Purchase Commitments
	(in US\$ thousands)
2025	\$ 44,596

(b) Contingencies

On February 9, 2024, the trustee of the bankruptcy estate of an individual (the "Debtor") commenced an adversary proceeding against Agora Lab, Inc. in the United States Bankruptcy Court for the District of Connecticut. In the adversary proceeding, the trustee alleges that certain transfers of US\$3.6 million, i.e. the total claim amount, made by entities affiliated with the Debtor to Agora Lab, Inc. can be clawed back into the Debtor's bankruptcy estate. Agora Lab, Inc. was sent to a mediation process, along with numerous other similar situated parties who are defending similar claims brought by the trustee.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In October 2024, Agora Lab, Inc. together with other defendants filed a motion to dismiss the adversary proceeding. In March 2025, the bankruptcy court denied the joint defense group's motion to dismiss, setting the stage for the joint defense group to file an interlocutory appeal challenging the decision. The case remains in the discovery process up to the date of issuance of the consolidated financial statements.

Based on the information available prior to issuance of the financial statements, the likelihood of an unfavorable outcome is neither probable nor remote, and the Group is also unable to reasonably estimate the amount or the range of any liability in the event of an unfavorable outcome.

23. Related Party Transactions

For the years ended December 31, 2023, 2024 and 2025, the significant related party transactions and balances were as follows:

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Rental fee charged by a related party	\$ 198	\$ 196	\$ 181

The rental fee charged by a related party represented the costs charged from a company under common control of a principal shareholder for a renewable operating lease for an office facility used by the Group. The Company has recorded nil ROU assets and lease liabilities as of December 31, 2025 associated with this lease (see Note 8 for additional information on leases).

24. Restricted Net Assets

Relevant PRC laws and regulations permit payments of dividends by the Group's subsidiaries incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. In addition, the Group's subsidiaries in the PRC are required to annually appropriate 10% of their net after-tax income to the statutory general reserve fund prior to payment of any dividends, unless such reserve funds have reached 50% of their respective registered capital. As a result of these and other restrictions under PRC laws and regulations, the Group's subsidiaries incorporated in the PRC are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances.

There are no significant differences between U.S. GAAP and PRC accounting standards in connection with the reported net assets of the legally owned subsidiaries in the PRC. Even though the Company currently does not require any such dividends, loans or advances from the PRC entities for working capital and other funding purposes, the Company may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends or distributions to our shareholders. Except for the above, there is no other restriction on use of proceeds generated by the Group's subsidiaries to satisfy any obligations of the Company.

As of December 31, 2025, the total restricted net assets of the Company's subsidiaries incorporated in the PRC and subjected to restriction amounted to US\$192.4 million.

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Additional Information - Condensed Financial Statements of The Parent Company

Rules 5-04 and 12-04 of Regulation S-X require condensed financial information as to the financial position, cash flows and results of operations of a parent company as of and for the same periods for which the audited consolidated financial statements have been presented when the restricted net assets of the consolidated and unconsolidated subsidiaries together exceed 25% of consolidated net assets as of the end of the most recently completed fiscal year.

The following condensed financial statements of the Parent Company have been prepared using the same accounting policies as set out in the Company's consolidated financial statements except that the Parent Company used the equity method to account for its investment in its subsidiaries and the VIE. Such investment is presented on the separate condensed balance sheets of the Parent Company as "Investments in subsidiaries and VIE". The Parent Company's share of income from its subsidiaries and the VIE is reported as equity in income of subsidiaries and the VIE in the condensed financial statements.

The Parent Company is a Cayman Islands company and, therefore, is not subjected to income taxes for all years presented. The footnote disclosures contain supplemental information relating to the operations of the Company and, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company.

Condensed Financial Information of the Parent Company

Condensed Balance Sheets

	As of December 31,	
	2024	2025
	(in US\$ thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,075	\$ 61,119
Short-term bank deposits	20,000	34,141
Short-term financial products issued by banks	50,679	55,000
Short-term investments	2,787	4,583
Amounts due from subsidiaries	627,228	555,986
Prepayments and other current assets	2,737	5,150
Total current assets	710,506	715,979
Non-current assets:		
Long-term bank deposits	15,000	74,000
Long-term financial products issued by banks	61,400	—
Other non-current assets	1,233	4,833
Investments in subsidiaries and VIEs	(106,005)	(110,137)
Total non-current assets	(28,372)	(31,304)
Total assets	\$ 682,134	\$ 684,675
Liabilities		
Current liabilities:		
Amounts due to subsidiaries	108,916	119,173
Accrued expenses and other current liabilities	557	2,654
Total liabilities	\$ 109,473	\$ 121,827
Shareholders' equity		
Class A ordinary shares (\$0.0001 par value; 820,000,000 shares authorized, 392,376,217 shares issued and 297,156,593 shares outstanding as of December 31, 2024; 820,000,000 shares authorized, 394,439,081 shares issued and 273,084,833 shares outstanding as of December 31, 2025)	39	39
Class B ordinary shares (\$0.0001 par value; 76,179,938 shares authorized, issued and outstanding as of December 31, 2024 and 2025)	8	8
Additional paid-in-capital	1,144,238	1,145,126
Treasury shares at cost	(72,739)	(95,238)
Accumulated other comprehensive loss	(12,257)	(9,987)
Accumulated deficit	(486,628)	(477,100)
Total shareholders' equity	\$ 572,661	\$ 562,848
Total liabilities and shareholders' equity	\$ 682,134	\$ 684,675

AGORA, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Condensed Statements of Comprehensive (Loss) Income

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Operating expenses:			
Sales and marketing expenses	\$ (178)	\$ —	\$ —
General and administrative expenses	(477)	(901)	(899)
Total operating expenses	(655)	(901)	(899)
Losses from subsidiaries and VIEs	(88,197)	(46,558)	(4,132)
Exchange (loss) gain	(1,184)	(291)	1,162
Interest income	8,125	8,366	8,849
Investment (loss) income	(6,950)	(4,136)	3,352
Other income	1,649	793	1,198
(Loss) income before income taxes	(87,212)	(42,727)	9,530
Income taxes	(7)	—	(2)
Net (loss) income attributable to Agora, Inc.'s ordinary shareholders	<u>\$ (87,219)</u>	<u>\$ (42,727)</u>	<u>\$ 9,528</u>

Condensed Statements of Cash Flows

	Year Ended December 31,		
	2023	2024	2025
	(in US\$ thousands)		
Net cash generated from operating activities	\$ 4,874	\$ 8,312	\$ 4,857
Net cash provided by investing activities	36,017	3,576	76,570
Net cash used in financing activities	(63,277)	(10,204)	(27,383)
Net (decrease) increase in cash and cash equivalents	(22,386)	1,684	54,044
Cash, cash equivalents and restricted cash, beginning of year	27,777	5,391	7,075
Cash, cash equivalents and restricted cash, end of year	<u>\$ 5,391</u>	<u>\$ 7,075</u>	<u>\$ 61,119</u>

List of Principal Subsidiaries
(as of December 31, 2025)

Principal Subsidiaries	Place of Incorporation
Agora Lab, Inc.	United States
ShengWang HongKong Limited	Hong Kong
Shanghai Shengwang Technology Co., Ltd.	PRC
Agora IO Singapore PTE. Ltd.	Singapore
Shanghai Shengshi Chuangtuo Construction and Development Co., Ltd.	PRC
Agora (Shanghai) Technology Co., Ltd.	PRC

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jingbo Wang, certify that:

1. I have reviewed this annual report on Form 20-F of Agora, Inc. (the “company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 15, 2026

By: /s/ Jingbo Wang
Name: Jingbo Wang
Title: Chief Financial Officer

Certification by the Principal Executive Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Agora, Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bin (Tony) Zhao, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2026

By: /s/ Bin (Tony) Zhao
Name: Bin (Tony) Zhao
Title: Chief Executive Officer

Certification by the Principal Financial Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Agora, Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jingbo Wang, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2026

By: /s/ Jingbo Wang

Name: Jingbo Wang

Title: Chief Financial Officer

April 15, 2026

To: AGORA, INC.

Floor 8, Building 12, Phase III of KIC (ChuangZhiTianDi)
Songhu Road 333
Yangpu District, Shanghai
People's Republic of China

Re: Annual Report on Form 20-F of AGORA, INC.

Dear Sirs:

We are qualified lawyers of the People's Republic of China (the "PRC", for purposes of this consent, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) and as such, are qualified to advise on the laws and regulations of the PRC effective as at the date hereof.

We are acting as the PRC counsel to AGORA, INC. (the "Company"), an exempted company incorporated under the laws of the Cayman Islands, in connection with the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2025 (the "2025 Annual Report").

We consent to the reference to our firm under the headings "Item 3. Key Information—Corporate Structure and Contractual Arrangements", "Item 3. Key Information—Material Licenses and Permits" and "Item 4. Information on the Company—C. Organizational Structure" in the Company's 2025 Annual Report, which will be filed with the Securities and Exchange Commission (the "SEC"). We also consent to the filing with the SEC of this consent letter as an exhibit to the 2025 Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ FANGDA PARTNERS

FANGDA PARTNERS

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-239483, No. 333-286533 and No. 333-289710) of Agora, Inc. of our report dated April 15, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, People's Republic of China
April 15, 2026
