

Agora, Inc.

2024 Q1 Earnings

May 22, 2024

Disclaimer

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

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP net income (loss), adjusted EBITDA and free cash flow. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures used by Agora, Inc. may differ from the non-GAAP financial measures used by other companies. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP financial measures and should be read only in conjunction with Agora, Inc.’s consolidated financial statements prepared in accordance with U.S. GAAP. Please see the appendices attached to this presentation for an explanation of management’s use of these measures and a reconciliation of the most directly comparable U.S. GAAP financial measures.

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

Business Highlights

Business Update - Agora

Adaptive Video Optimization™ Technology

- Leverages various machine learning algorithms to dynamically adjust parameters and optimizes performance at every step of the video processing pipeline, ensuring:
 - Optimized image quality
 - Unmatched video fluency
 - Ultra-low latency



Business Update - Agora

RTE's Future with End-to-End Multimodal AI Models

- OpenAI recently launched **GPT-4o** that can **reason across audio, vision, and text in real time**
- The importance of **low-latency** and **highly reliable** transmission between human users and AI models will become higher than ever, putting us in a unique position as the **critical infrastructure**



Business Update - Shengwang

Solution for Sport Event Broadcasting

- A **powerful, flexible** and **cost-effective** alternative to traditional satellite and studio-based broadcasting solution
- Multiple hosts and commentators can cover the same game in different channels to provide end users more options
- Partnered with leading platforms for upcoming **UEFA European Championship** and **Paris Olympic Games**



Business Update - Shengwang

2024 ChaoYinSu Program

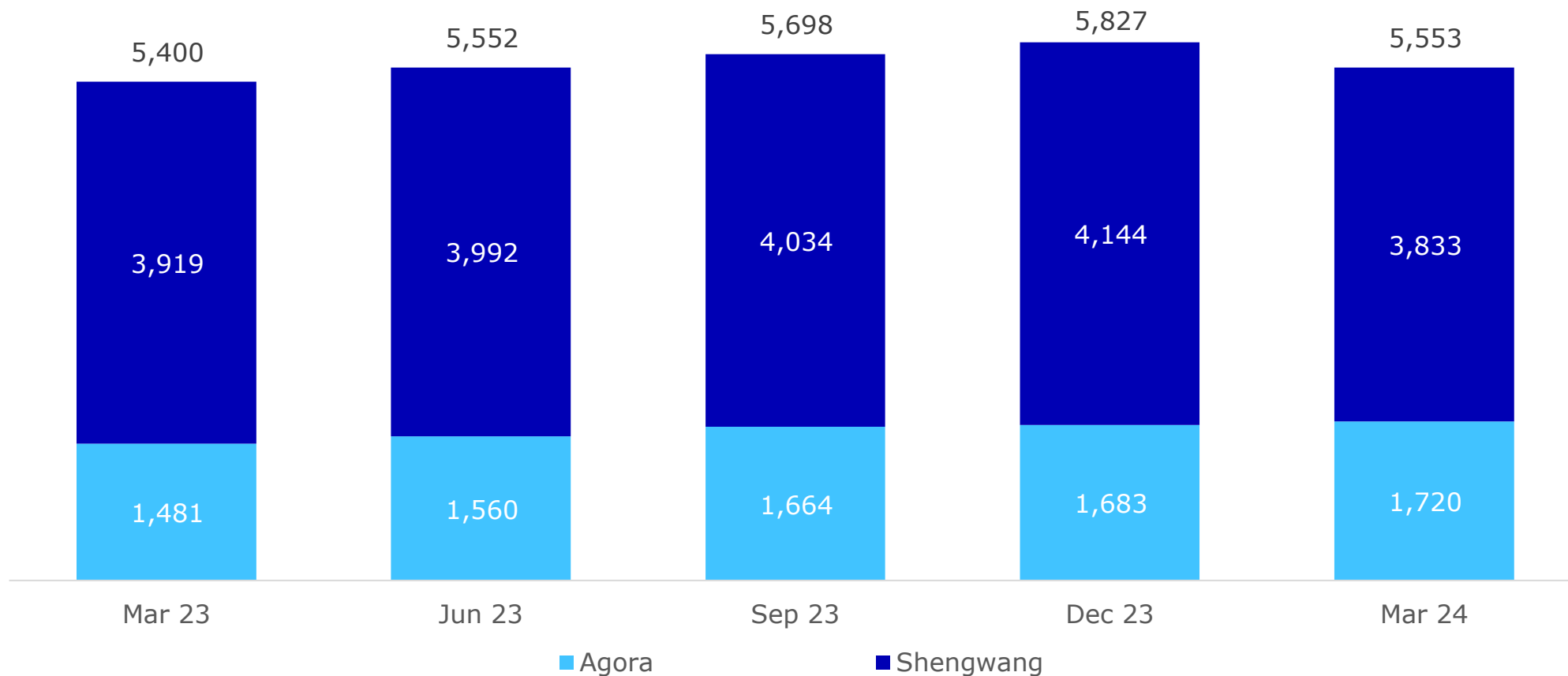
- In 2024 ChaoYinSu (meaning Supersonic) Program, we partner with **Moonshot AI**, a prominent player in foundational generative AI models, to facilitate start-ups to explore and develop **applications that harness the power of RTE and generative AI**
- Winners will be presented and awarded in our RTE conference in October



2024 Q1 Financial Update

Customer Base

ACTIVE CUSTOMERS ⁽¹⁾⁽²⁾



Notes:

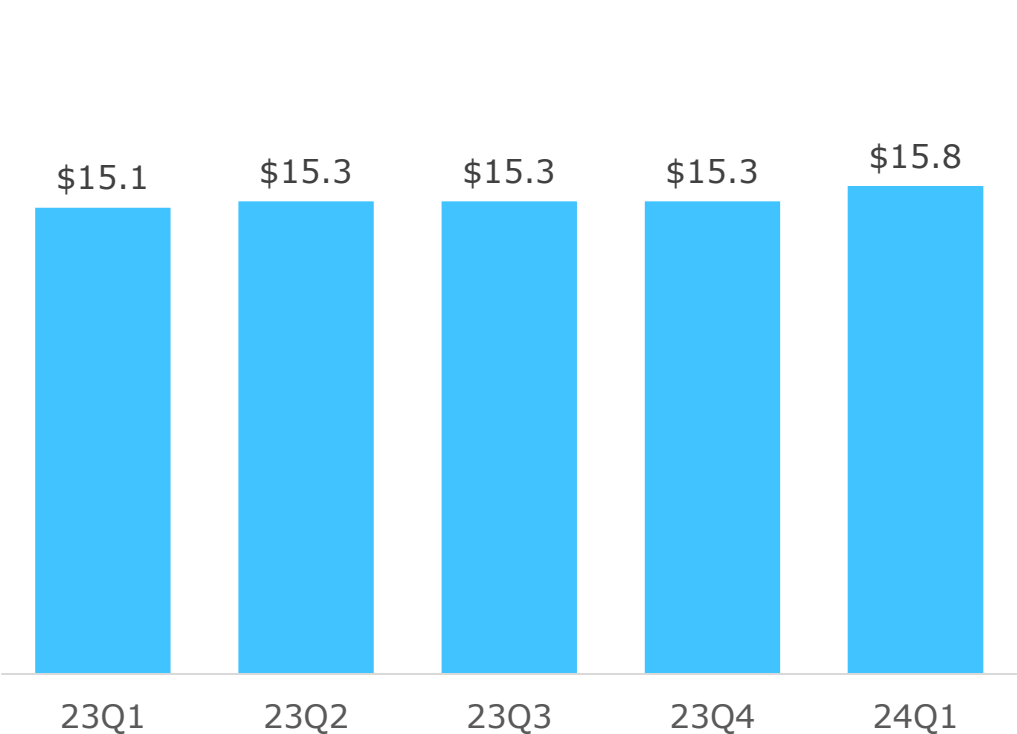
(1) An active customer at the end of the period is an organization or individual developer from which we generated more than US\$100 of revenue during the preceding 12 months, based on unique customer account identifiers.

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

Revenues by Division

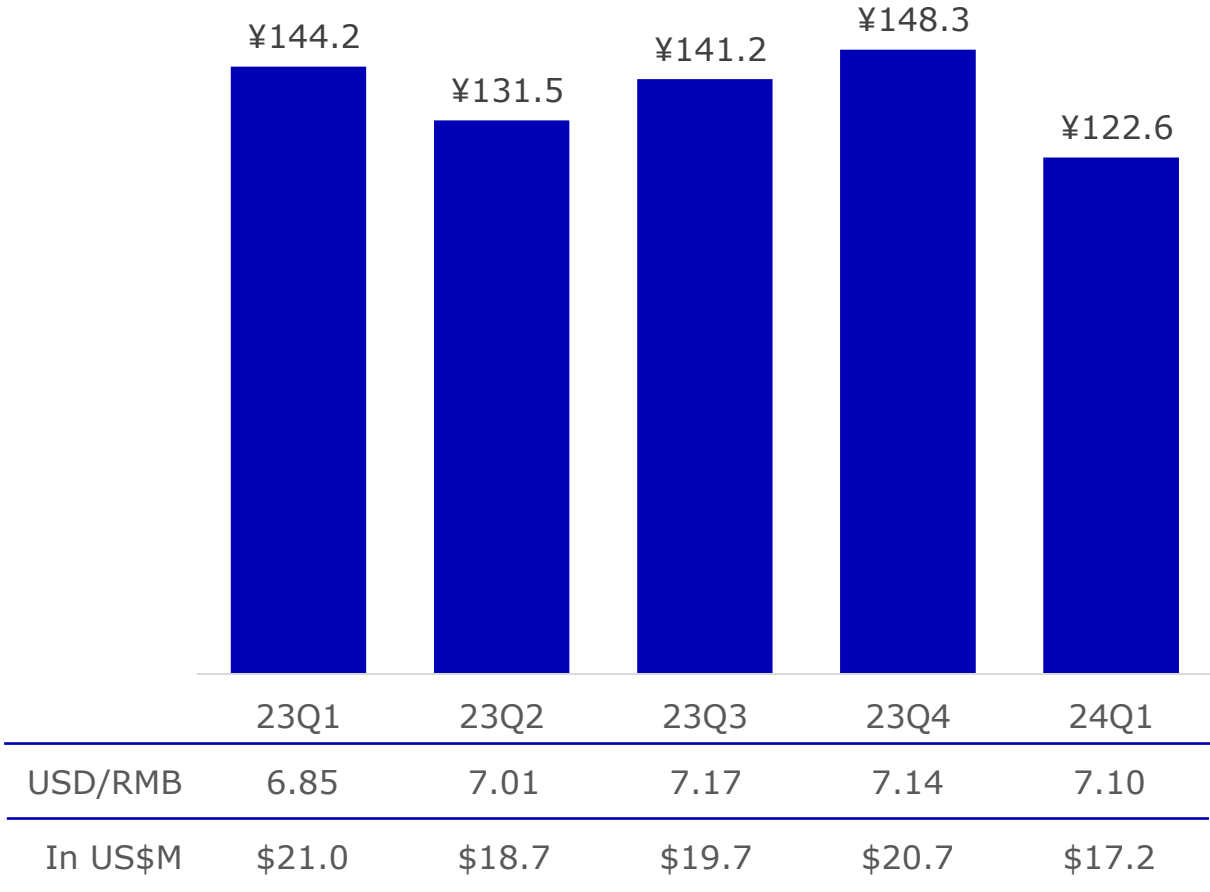
AGORA REVENUES

in US\$M



SHENGWANG REVENUES ⁽¹⁾

in RMB Millions



Notes:

Agora, Inc. 1. Shengwang revenues excluded contribution from the divested Easemob customer engagement cloud business

Net Retention Rate

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

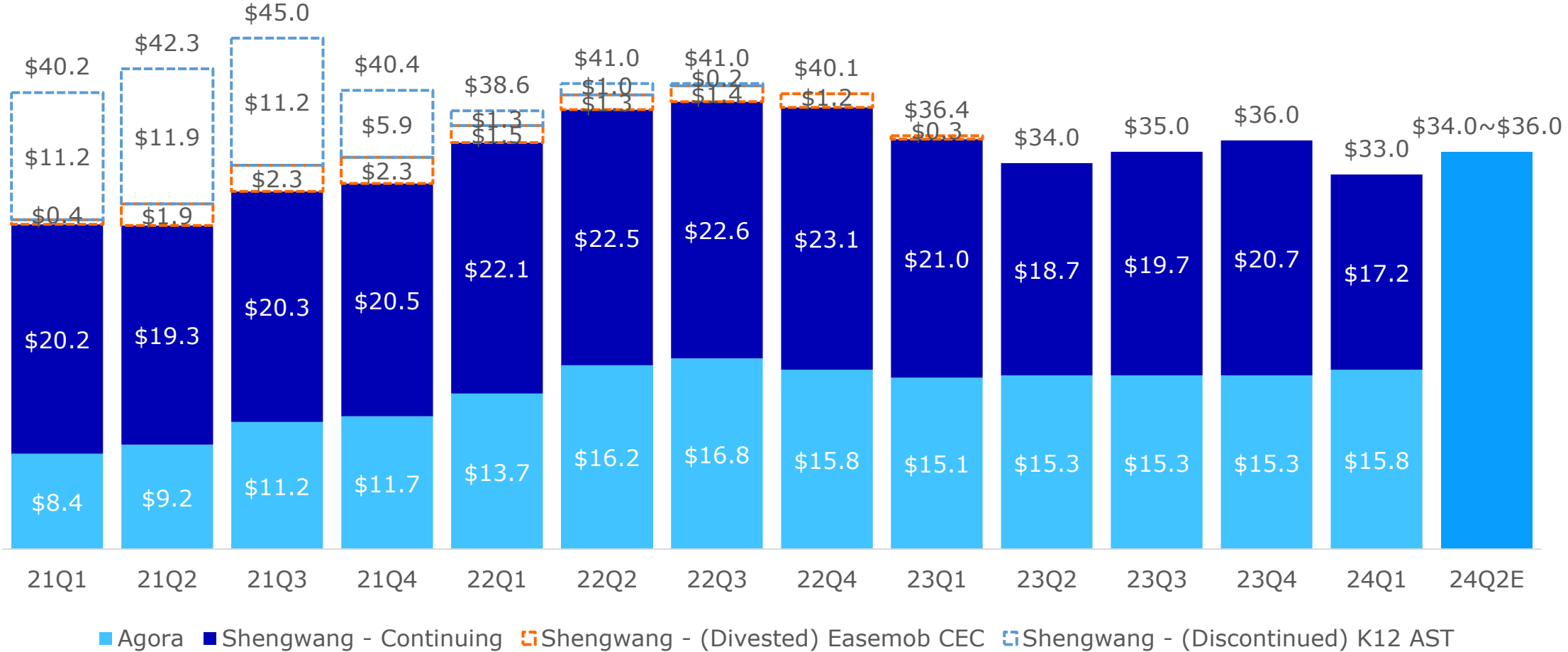
	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23	Mar 24
Agora	>130%	130%	108%	98%	93%	92%
Shengwang	96%	92%	91%	89%	82%	78%

Notes:

1. We calculate Dollar-Based Net Retention Rate for a trailing 12-month period by first identifying all customers in the prior 12-month period, and then calculating the quotient from dividing the revenue generated from such customers in the trailing 12-month period by the revenue generated from the same group of customers in the prior 12-month period.

Group Revenues

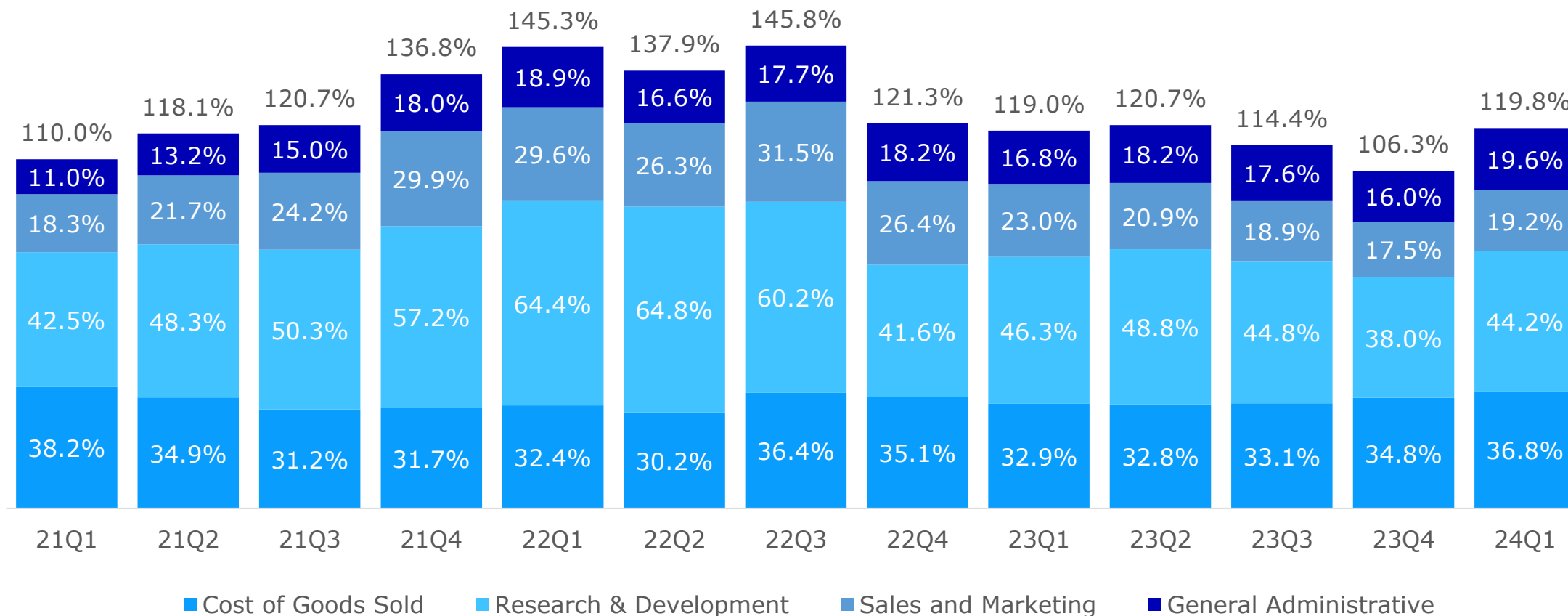
TOTAL REVENUES
in US\$M



Costs, Expenses and Margins

ADJUSTED COST OF GOODS SOLD AND OPERATING EXPENSES⁽¹⁾

as % of Total Revenues

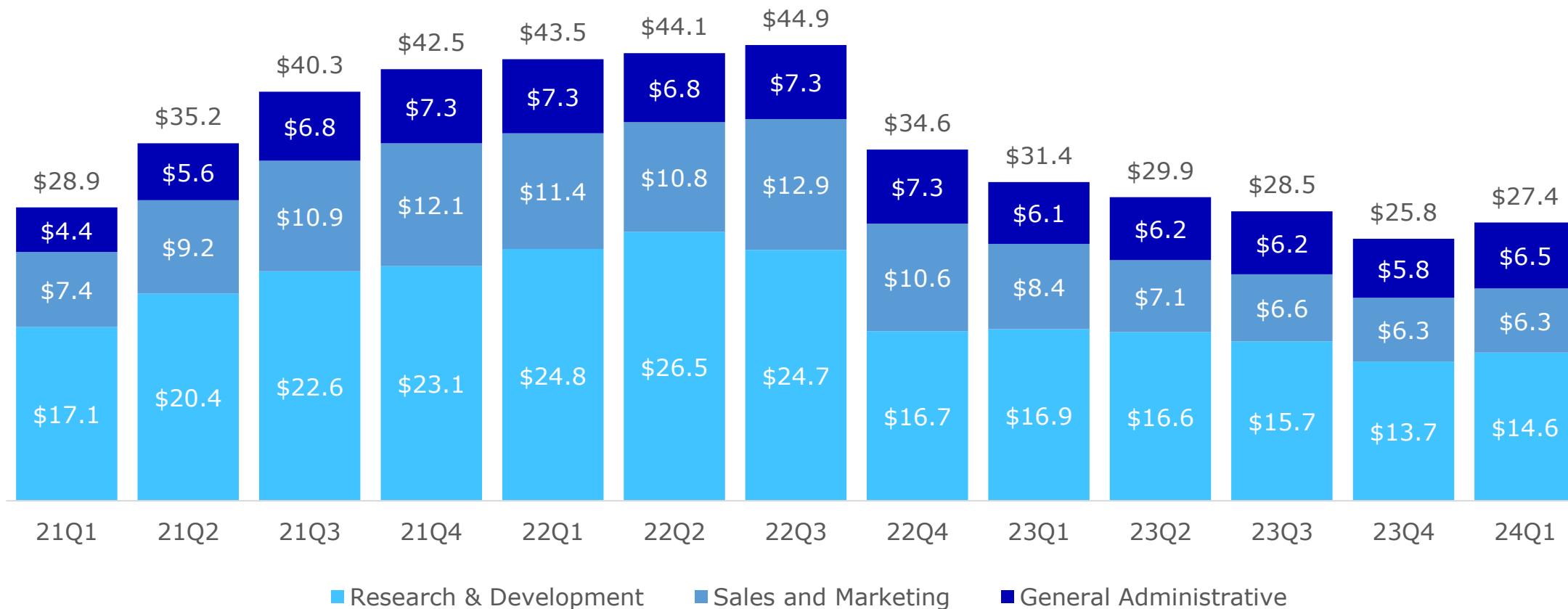


Notes:

1. We define Adjusted Cost of Goods Sold and Operating Expenses to exclude share-based compensation expenses, acquisition related expenses, financing related expenses, amortization expenses of acquired intangible assets, income tax related to acquired intangible assets, impairment of goodwill, depreciation of property and equipment and amortization of land use right.

Operating Expenses

ADJUSTED OPERATING EXPENSES⁽¹⁾ in US\$M

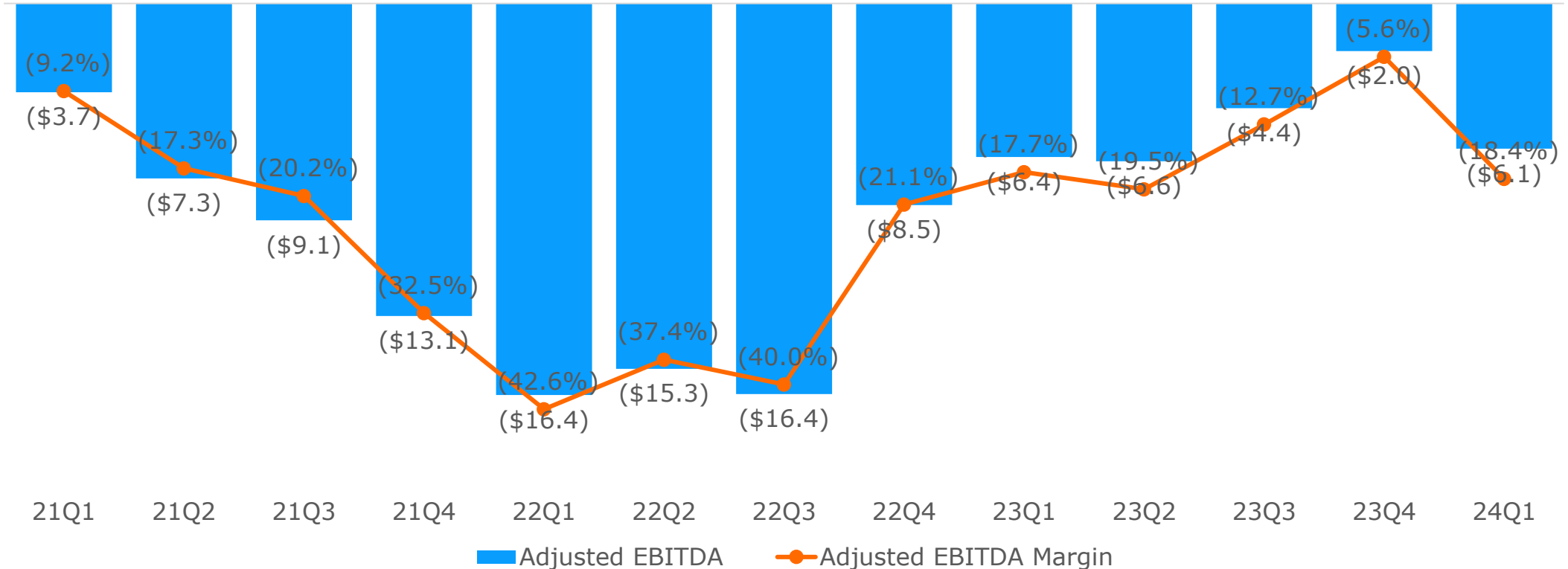


Notes:

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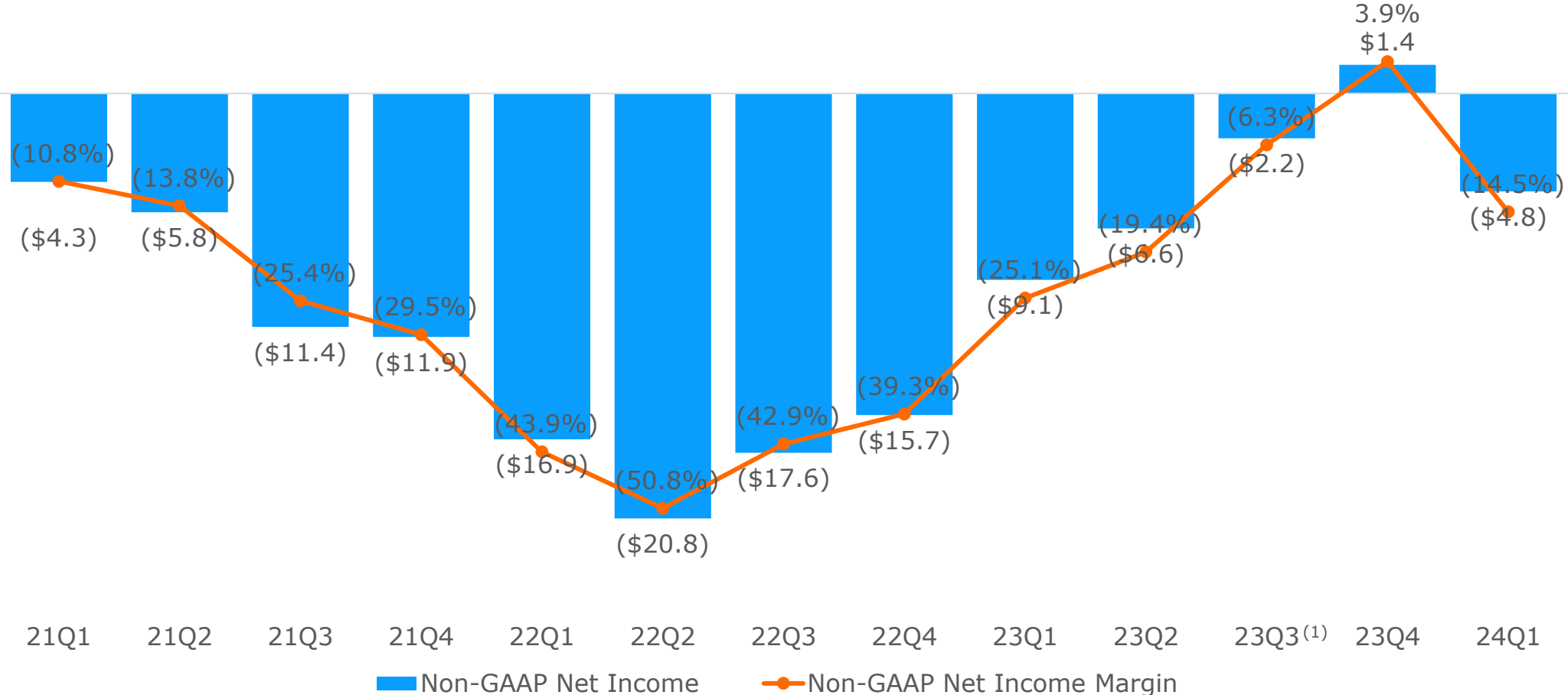
Adjusted EBITDA and Margin

ADJUSTED EBITDA
in US\$M



Non-GAAP Net Income and Margin

Non-GAAP Net Income
in US\$M



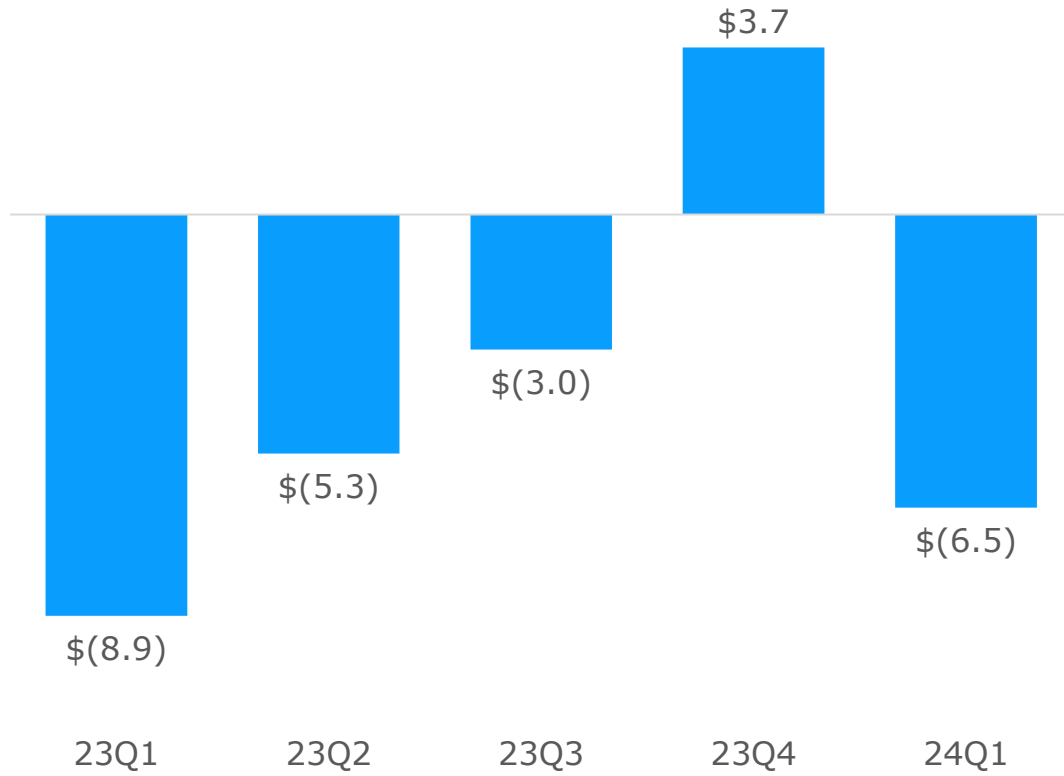
Notes:

1. Excluded Investment Loss of \$13.4M in Q3 2023

Cash Flow

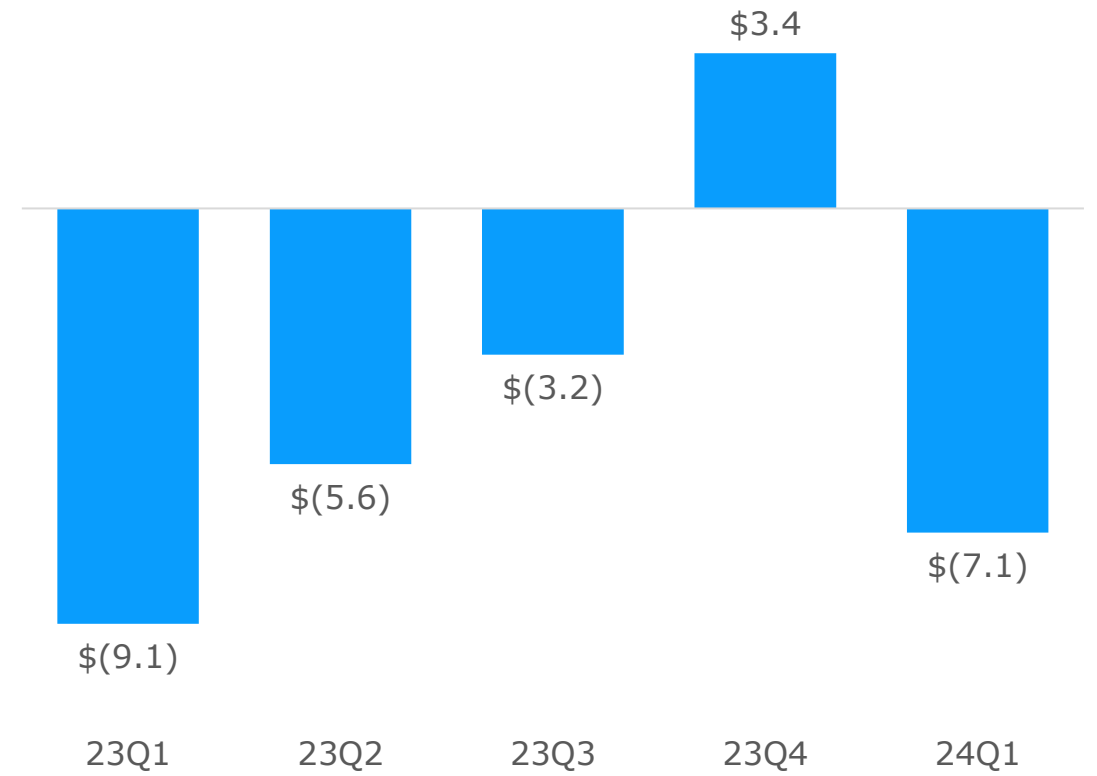
OPERATING CASH FLOW

in US\$M



FREE CASH FLOW

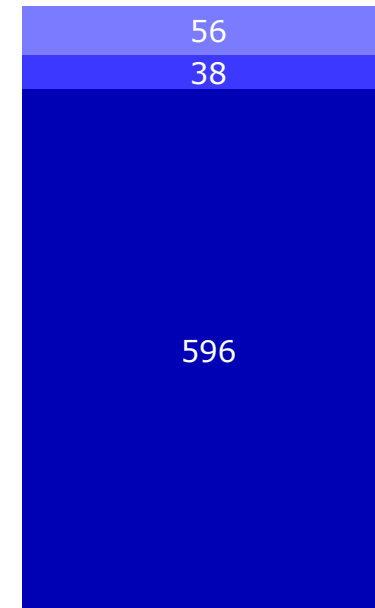
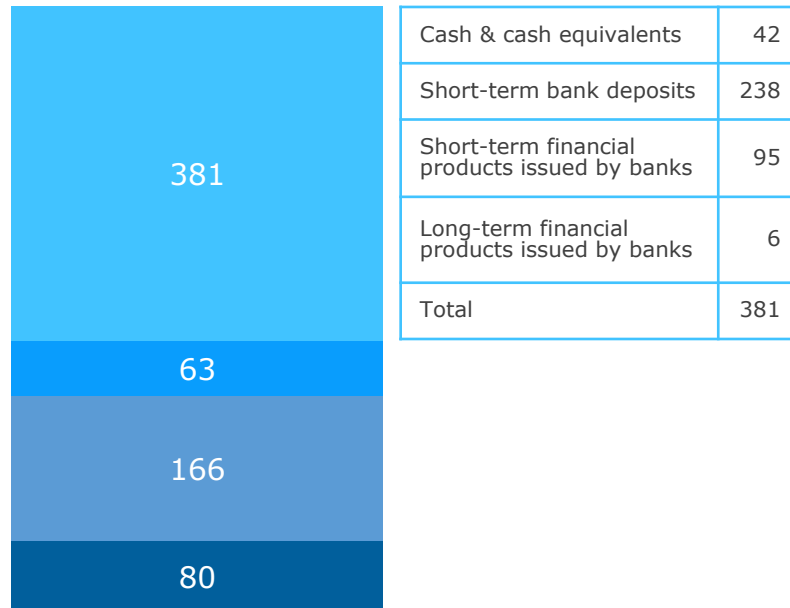
in US\$M



Balance Sheet

BALANCE SHEETS SNAPSHOT AS OF MARCH 31, 2024

in US\$M



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

- Current liabilities
- Non-current liabilities
- Total equity

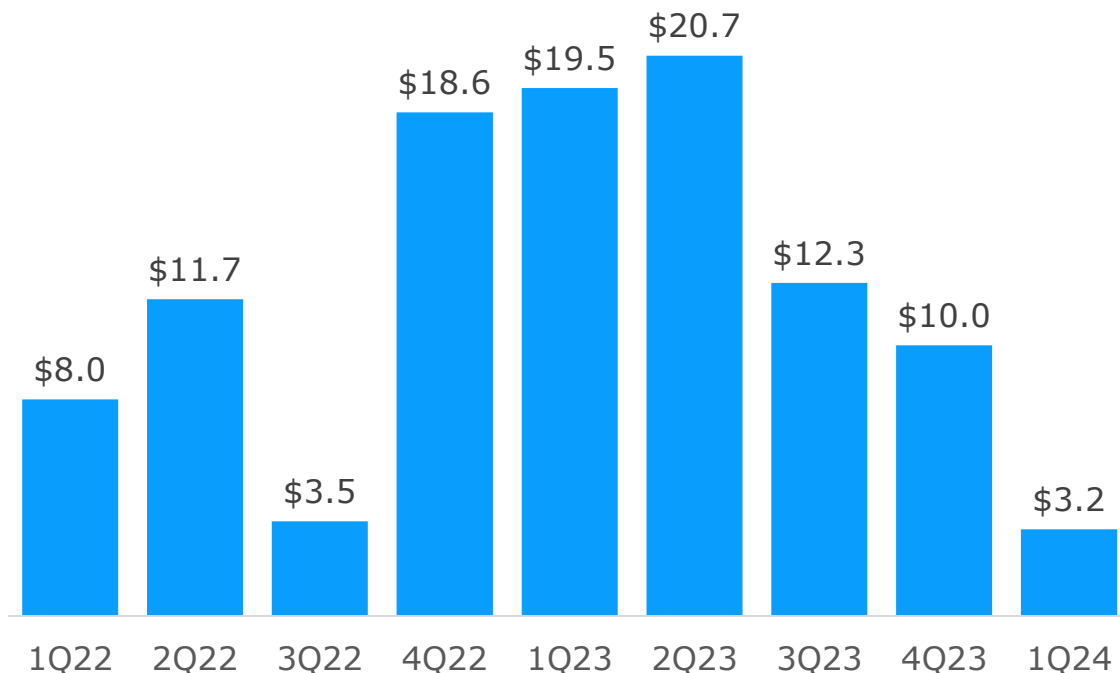
Share Repurchase Program

As of March 31, 2024, we repurchased 29.7 million ADSs⁽¹⁾ for approximately US\$107.5 million, representing 54% of the US\$200 million share repurchase program.

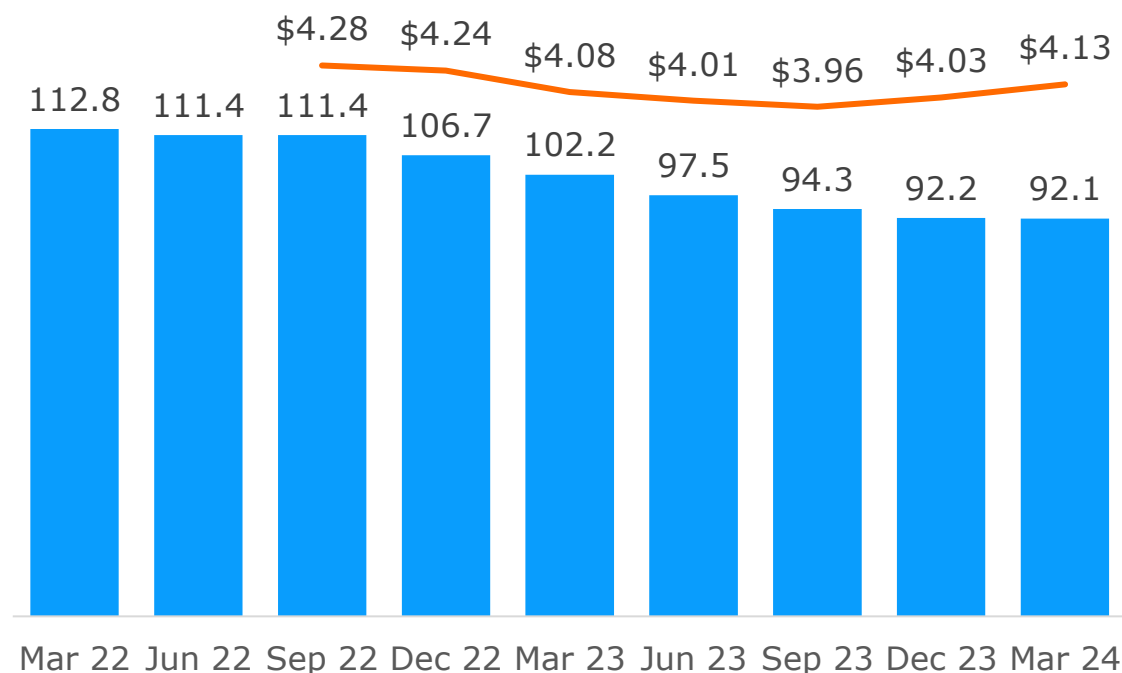
Our current \$200 million share repurchase program will expire at the end of February 2025.

VALUE OF SHARES REPURCHASED

in US\$M



TOTAL ADSs OUTSTANDING ⁽²⁾ AND CASH ⁽³⁾ PER ADS



■ Total ADSs outstanding — Cash per ADS

Notes:

1. Number in American Depositary Shares (ADSs). One ADS represents four Class A ordinary shares.
2. Total ADSs outstanding at period end in million
3. Including cash, cash equivalents, bank deposits and financial products issued by banks

Appendix

GAAP to Adjusted Financial Measures Reconciliation

Gross Margin (US\$000's)	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1
Total Revenues	38,585	40,979	40,988	40,118	36,443	34,038	35,016	36,041	33,021
GAAP Gross Profit	24,074	26,609	24,349	24,391	22,846	21,536	22,422	22,671	20,224
(+) Share-based Compensation	246	349	165	146	217	230	129	46	101
Non-GAAP Gross Profit	24,320	26,958	24,514	24,537	23,063	21,766	22,551	22,717	20,323
(+) Depreciation of Property and Equipment	1,756	1,657	1,564	1,512	1,377	1,118	886	784	561
Adjusted Gross Profit	26,076	28,615	26,078	26,049	24,440	22,884	23,437	23,501	20,884
Adjusted Gross Margin	67.6%	69.8%	63.6%	64.9%	67.1%	67.2%	66.9%	65.2%	63.2%
Research & Development Expenses (US\$000's)									
GAAP Research & Development	31,034	32,442	29,771	21,255	21,031	20,286	20,040	16,310	18,139
(-) Share-based Compensation	(5,353)	(4,839)	(4,150)	(3,713)	(3,543)	(3,356)	(3,769)	(2,027)	(3,045)
(-) Acquisition Related Expenses	(156)	(357)	(236)	(179)	44	368	(13)	(8)	-
(-) Amortization Expense of Acquired Intangible Assets	(198)	(198)	(198)	(198)	(118)	(118)	(118)	(118)	(118)
Non-GAAP Research & Development	25,327	27,048	25,187	17,165	17,414	17,180	16,140	14,157	14,976
(-) Depreciation of Property and Equipment	(489)	(503)	(494)	(462)	(526)	(560)	(439)	(463)	(365)
Adjusted Research & Development	24,838	26,545	24,693	16,703	16,888	16,620	15,701	13,694	14,611
As % of Total Revenues	64.4%	64.8%	60.2%	41.6%	46.3%	48.8%	44.8%	38.0%	44.2%

GAAP to Adjusted Financial Measures Reconciliation

Sales & Marketing Expenses (US\$000's)	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1
GAAP Sales & Marketing	13,856	13,117	14,607	12,189	10,476	8,638	7,789	7,055	6,814
(-) Share-based Compensation	(1,947)	(1,859)	(1,244)	(1,090)	(1,733)	(1,172)	(800)	(440)	(303)
(-) Amortization Expense of Acquired Intangible Assets	(348)	(348)	(348)	(348)	(217)	(217)	(217)	(217)	(145)
Non-GAAP Sales and Marketing	11,561	10,910	13,015	10,751	8,526	7,249	6,772	6,398	6,366
(-) Depreciation of Property and Equipment	(135)	(127)	(124)	(141)	(150)	(134)	(142)	(105)	(30)
Adjusted Sales and Marketing	11,426	10,783	12,891	10,610	8,376	7,115	6,630	6,293	6,336
As % of Total Revenues	29.6%	26.3%	31.5%	26.4%	23.0%	20.9%	18.9%	17.5%	19.2%
General & Administrative Expenses (US\$000's)									
GAAP General & Administrative	9,230	8,952	11,257	9,232	8,809	9,221	9,070	7,876	8,380
(-) Share-based Compensation	(1,835)	(1,986)	(1,671)	(1,770)	(1,931)	(2,077)	(1,945)	(1,197)	(986)
(-) Amortization Expense of Acquired Intangible Assets	(11)	(11)	(11)	(11)	(10)	(11)	(11)	(10)	(10)
(-) Financing Related Expenses	-	-	(2,166)	-	-	-	-	-	-
Non-GAAP General & Administrative	7,384	6,955	7,409	7,451	6,868	7,133	7,114	6,669	7,384
(-) Depreciation of Property and Equipment	(93)	(137)	(152)	(151)	(161)	(96)	(90)	(64)	(53)
(-) Amortization of Land Use Right	-	-	-	-	(593)	(869)	(850)	(853)	(858)
Adjusted General & Administrative	7,291	6,818	7,257	7,300	6,114	6,168	6,174	5,752	6,473
As % of Total Revenues	18.9%	16.6%	17.7%	18.2%	16.8%	18.1%	17.6%	16.0%	19.6%

Adjusted EBITDA Reconciliation

Adjusted EBITDA (US\$000's)	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1
Total Revenues	38,585	40,979	40,988	40,118	36,443	34,038	35,016	36,041	33,021
Adjusted Gross Profit	26,076	28,615	26,078	26,049	24,440	22,884	23,437	23,501	20,884
Adjusted Research & Development	(24,838)	(26,545)	(24,693)	(16,703)	(16,888)	(16,620)	(15,701)	(13,694)	(14,611)
Adjusted Sales and Marketing	(11,426)	(10,783)	(12,891)	(10,610)	(8,376)	(7,115)	(6,630)	(6,293)	(6,336)
Adjusted General & Administrative	(7,291)	(6,818)	(7,257)	(7,300)	(6,114)	(6,168)	(6,174)	(5,752)	(6,473)
Other Operating Income	1,037	189	2,364	103	496	398	620	214	476
Adjusted EBITDA	(16,442)	(15,342)	(16,399)	(8,461)	(6,442)	(6,621)	(4,448)	(2,024)	(6,060)
Adjusted EBITDA Margin	(42.6%)	(37.4%)	(40.0%)	(21.1%)	(17.7%)	(19.5%)	(12.7%)	(5.6%)	(18.4%)
Free Cash Flow (US\$000's)									
Cash Flow from Operations	(15,861)	(23,797)	(8,833)	(4,640)	(8,928)	(5,330)	(3,033)	3,680	(6,487)
(-) Purchases of PPE	(1,172)	(450)	(1,085)	(1,416)	(185)	(265)	(206)	(268)	(587)
Free Cash Flow	(17,033)	(24,247)	(9,918)	(6,056)	(9,113)	(5,595)	(3,239)	3,412	(7,074)

GAAP to Non-GAAP Reconciliation

Net Income(Loss) Margin (US\$000's)	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1
Total Revenues	38,585	40,979	40,988	40,118	36,443	34,038	35,016	36,041	33,021
GAAP Net Loss	(26,944)	(30,678)	(27,699)	(35,059)	(16,802)	(45,293)	(22,513)	(2,611)	(9,463)
(+) Share-based Compensation	9,381	9,033	7,230	6,719	7,424	6,835	6,643	3,710	4,434
(+) Acquisition Related Expenses	156	357	236	179	(44)	(369)	13	8	-
(+) Amortization Expense of Acquired Intangible Assets	556	556	556	556	345	345	345	345	273
(-) Income Tax Related to Acquired Intangible Assets	(84)	(84)	(84)	(84)	(53)	(53)	(53)	(53)	(42)
(+) Financing Related Expenses	-	-	2,166	-	-	-	-	-	-
(+) Impairment of Goodwill	-	-	-	11,941	-	31,928	-	-	-
Non-GAAP Net Income(Loss)	(16,935)	(20,816)	(17,595)	(15,748)	(9,130)	(6,607)	(15,565)	1,399	(4,798)
Non-GAAP Net Income(Loss) Margin	(43.9%)	(50.8%)	(42.9%)	(39.3%)	(25.1%)	(19.4%)	(44.5%)	3.9%	(14.5%)

Thank you