



# 2021 Q1 Earnings

May 24, 2021

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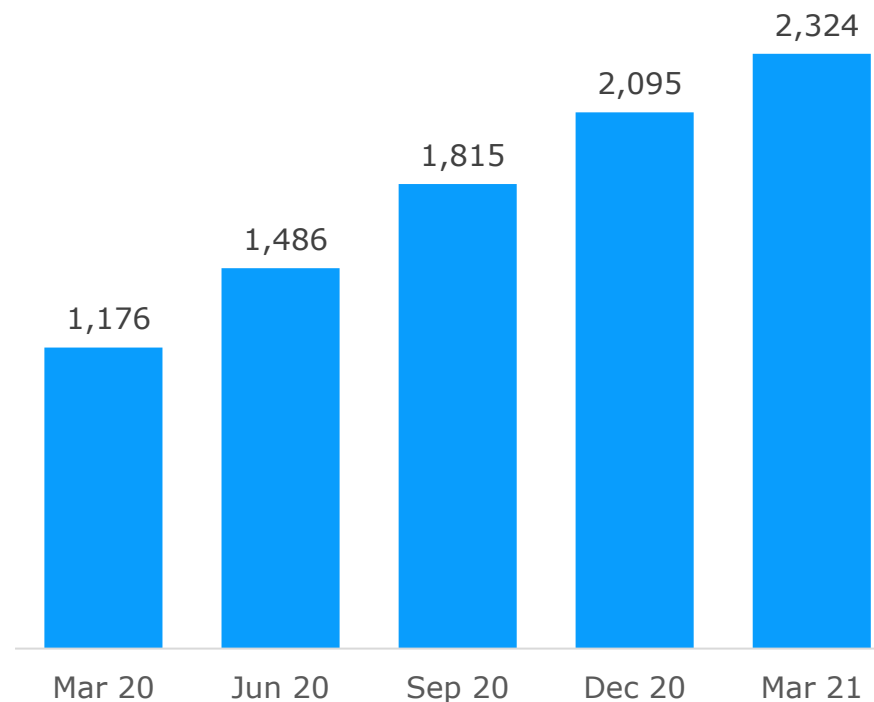
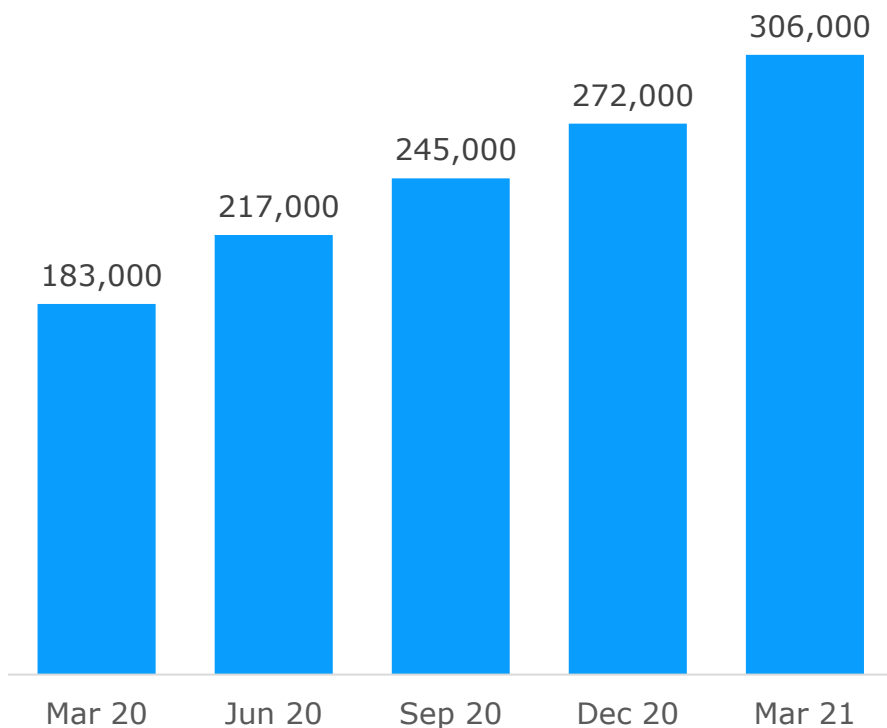
Unless otherwise indicated, all references in this Presentation to "Agora," "we," "our," "us" or similar terms refer to Agora, Inc. and its subsidiaries and, in the context of describing our operations and consolidated financial information, also include our variable interest entity in the PRC.

# 2021 Q1 Business Highlights

# Steady Growth in Developers and Customers

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

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



**Notes:**

(1) Refer to number of registered application accounts on our platform. Rounded down to the nearest thousand.

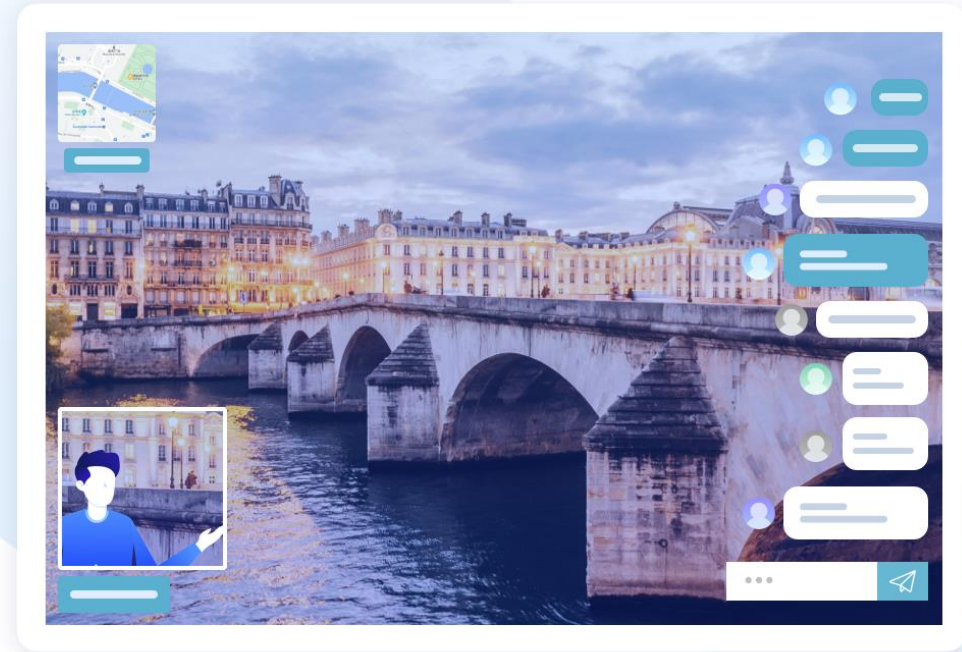
(2) An active customer at the end of the period is an organization or individual developer from which we generated more than US\$100 of revenue during the preceding 12 months, based on unique customer account identifiers.

(3) The numbers as of March 31, 2021 excluded Easemob.

# Emerging Use Cases

## Virtual Tours

Tourists can join a [live-streamed tour](#) directly from their living room, where local guides introduce the destination and share their sights and culture according to tourists' interests with [real-time interactions](#).



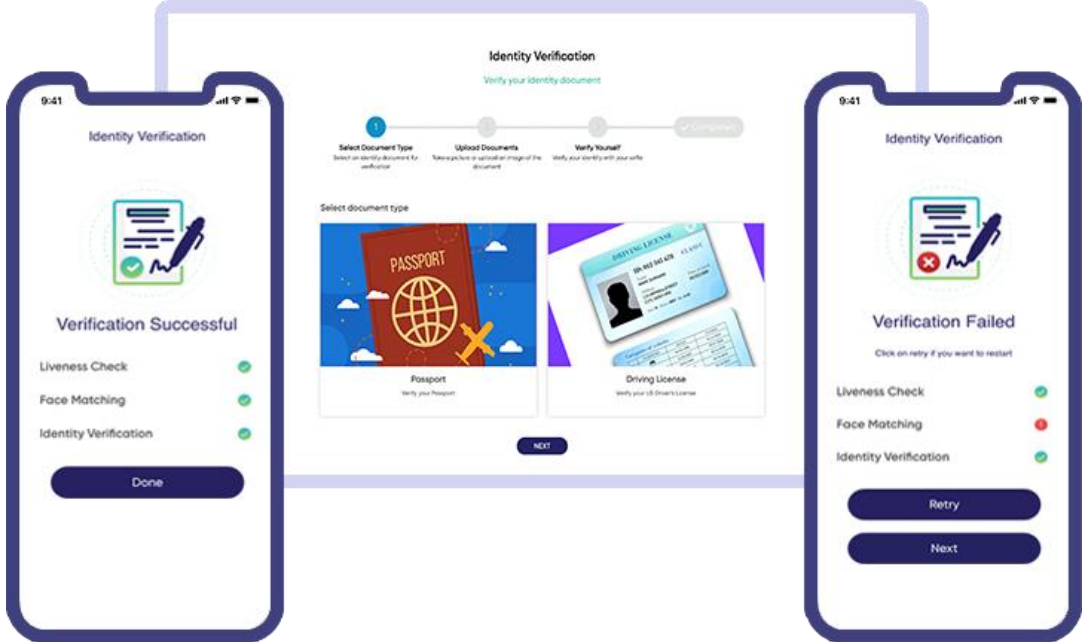
# Emerging Use Cases

## Remote Trust Solutions

House closings and notarization

Enable online mandatory in-person meetings

Provide verification and enablement services to legal and financial providers



# Partnership with Wipro

Combine AR and real-time video

Enable remote expert consultation for wide range of enterprise customers

Increase productivity and customer and employee engagement



(1) AR: Augmented Reality

# Partnership with HTC

## Bring Real-Time Engagement to XR and VR

Enable XR live streaming on any device to share immersive experience

Making VR experience more accessible, productive, and enjoyable

XR with RTE will drive the next generation of workplace collaboration and entertainment



- (1) XR: Extended Reality
- (2) VR: Virtual Reality



# Product Update

## Agora SDK Version 3.4

Achieves sub-second latency while maintaining the same playback fluency as traditional CDN



## Chat and Whiteboard APIs

Completed acquisitions of *Easemob and Netless* and business integration for the China market

Integration for *US and other markets* is well under way

# Agora Startup Program

*Helping developers all over the world to build more immersive real-time engagement use cases*

## Agora Startup program

Come and get your

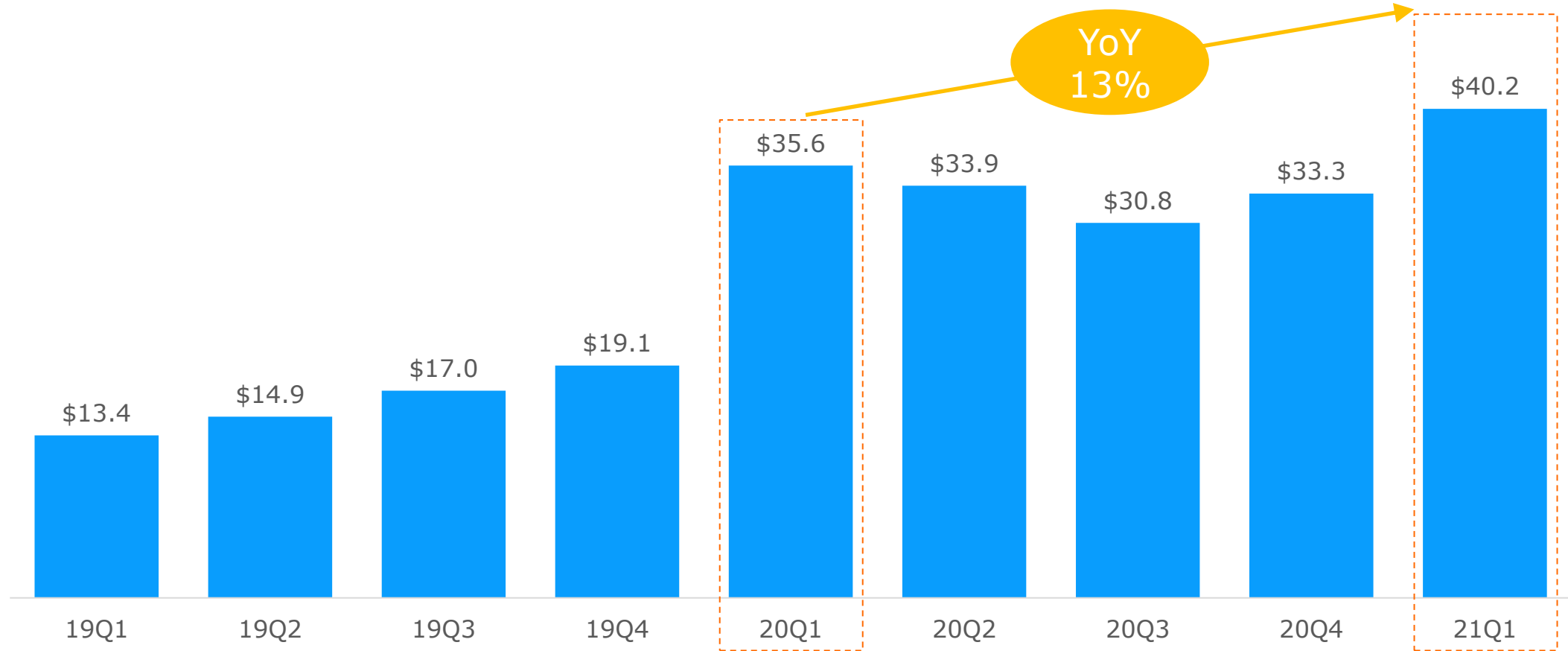
**1,000,000,000** free minutes



# 2021 Q1 Financial Update

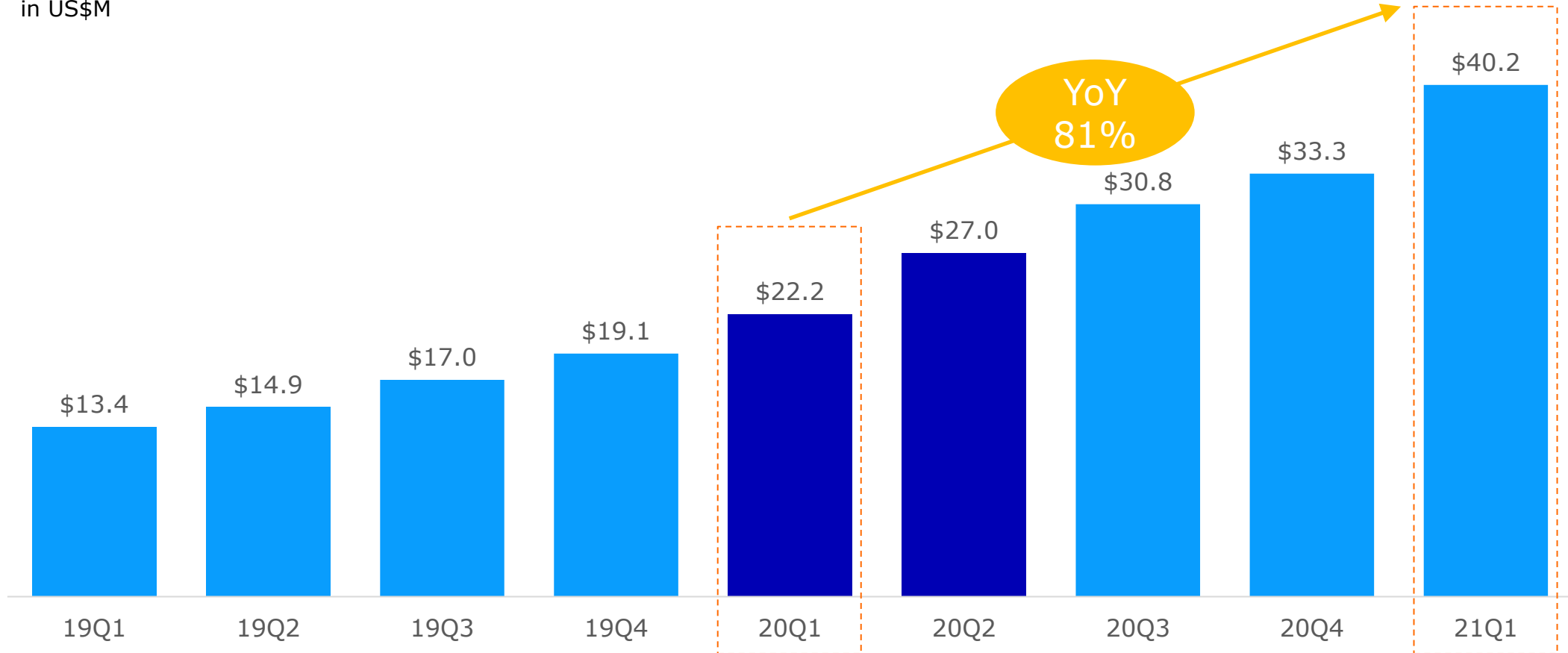
# Strong Revenue Growth

**TOTAL REVENUES**  
in US\$M



# Removal of COVID-19 Impact in China

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

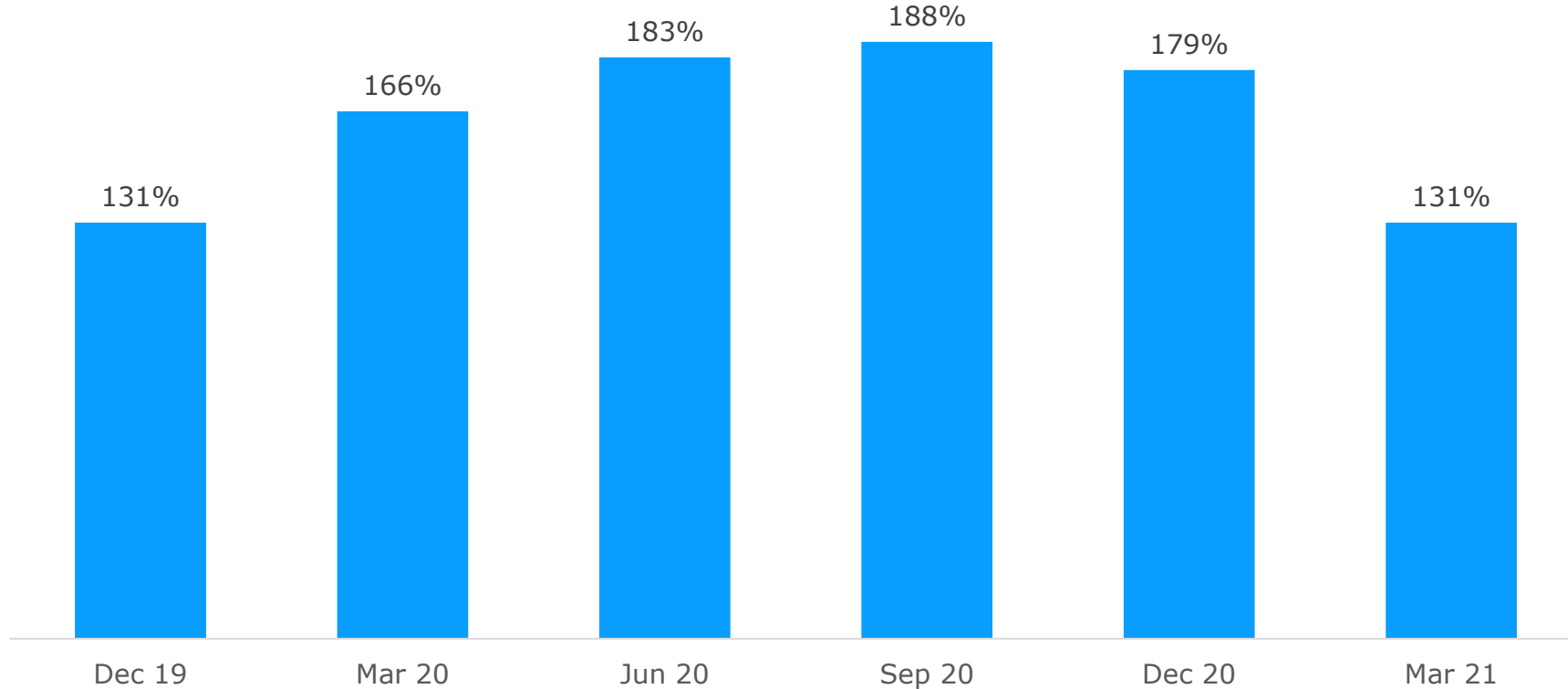


**Notes:**

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

# Consistent and Expanding Usage

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

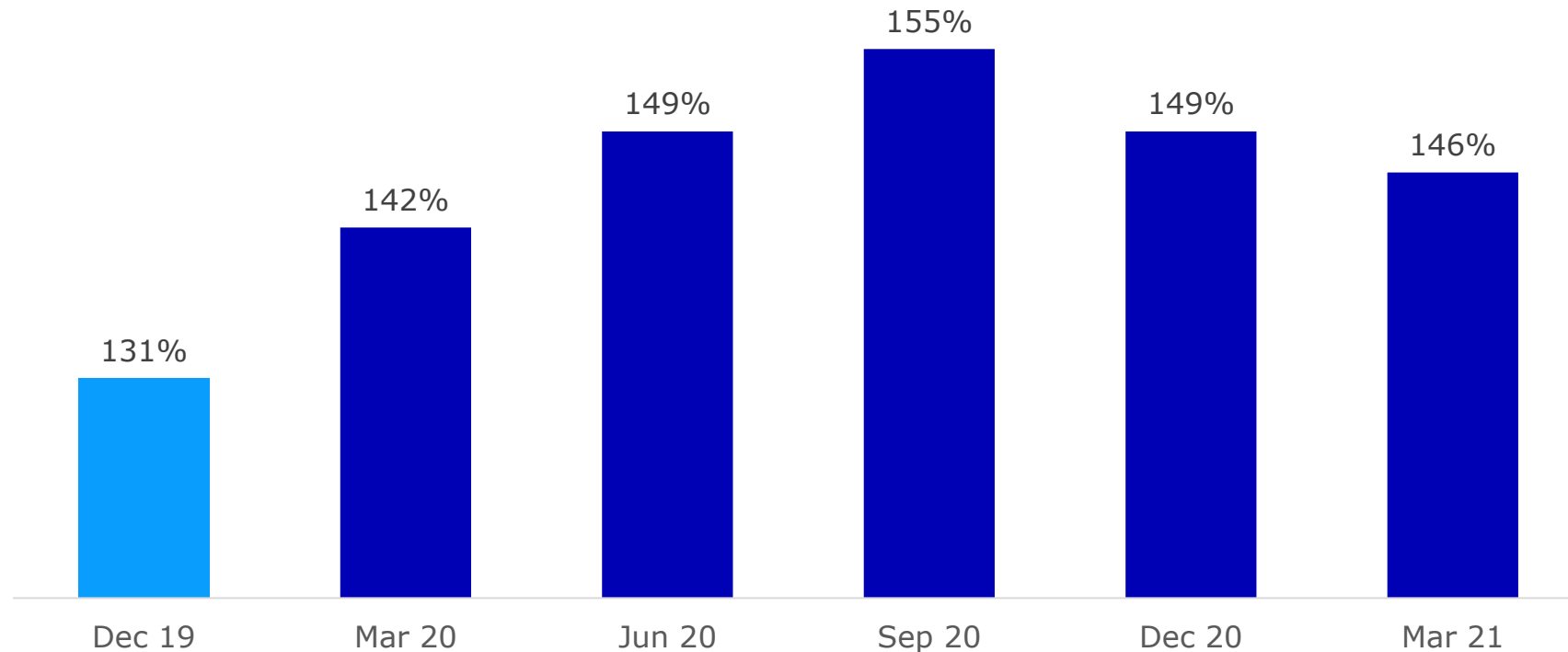


### Notes:

1. Agora calculates Dollar-Based Net Expansion Rate for a trailing 12-month period by first identifying all customers in the prior 12-month period, and then calculating the quotient from dividing the revenue generated from such customers in the trailing 12-month period by the revenue generated from the same group of customers in the prior 12-month period. Constant Currency Dollar-Based Net Expansion Rate is calculated the same way as Dollar-Based Net Expansion Rate but using fixed exchange rates based on the daily average exchange rates prevailing during the prior 12-month period to remove the impact of foreign currency translations.
2. The number as of March 31, 2021 excluded Easemob.

# Removal of COVID-19 Impact in China

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



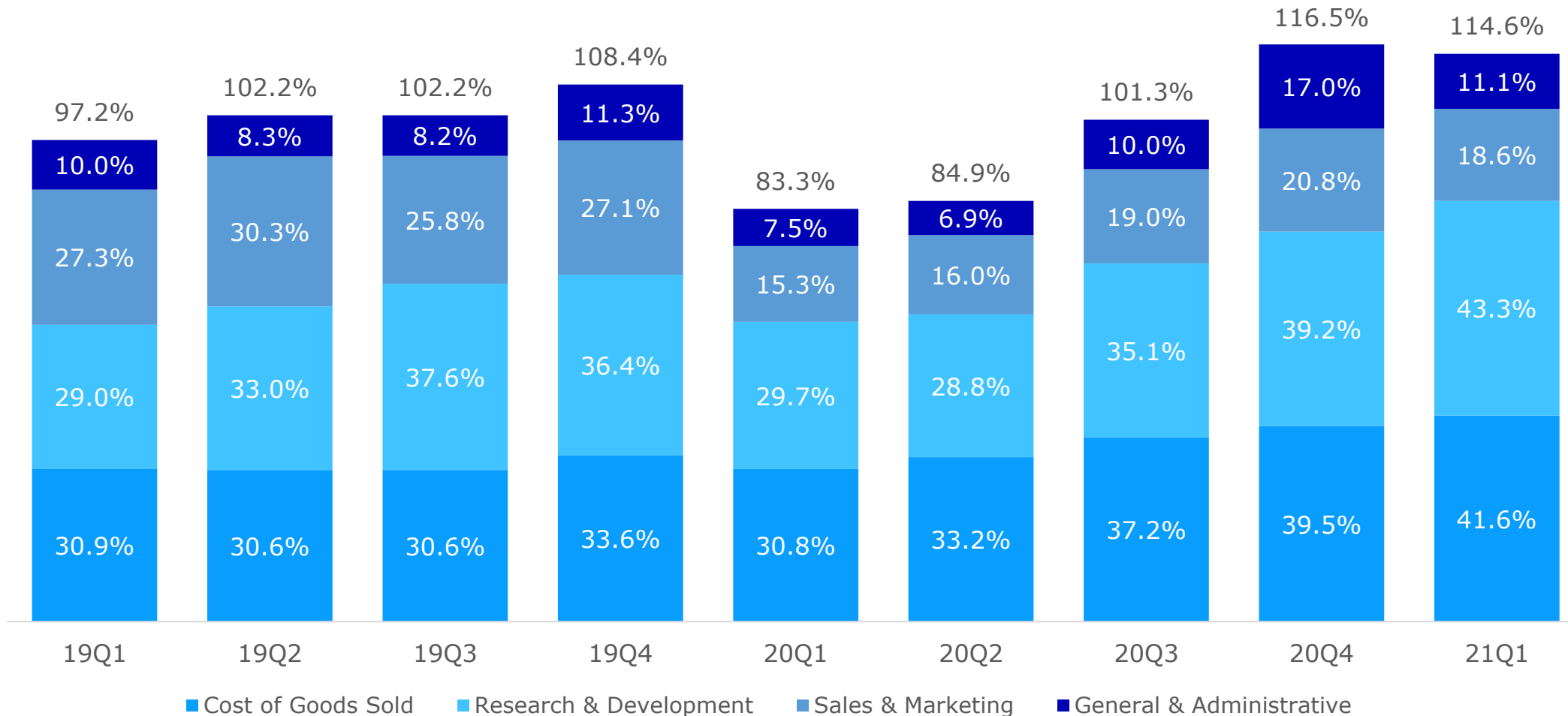
### Notes:

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

# Costs, Expenses and Margins

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

as % of Total Revenues

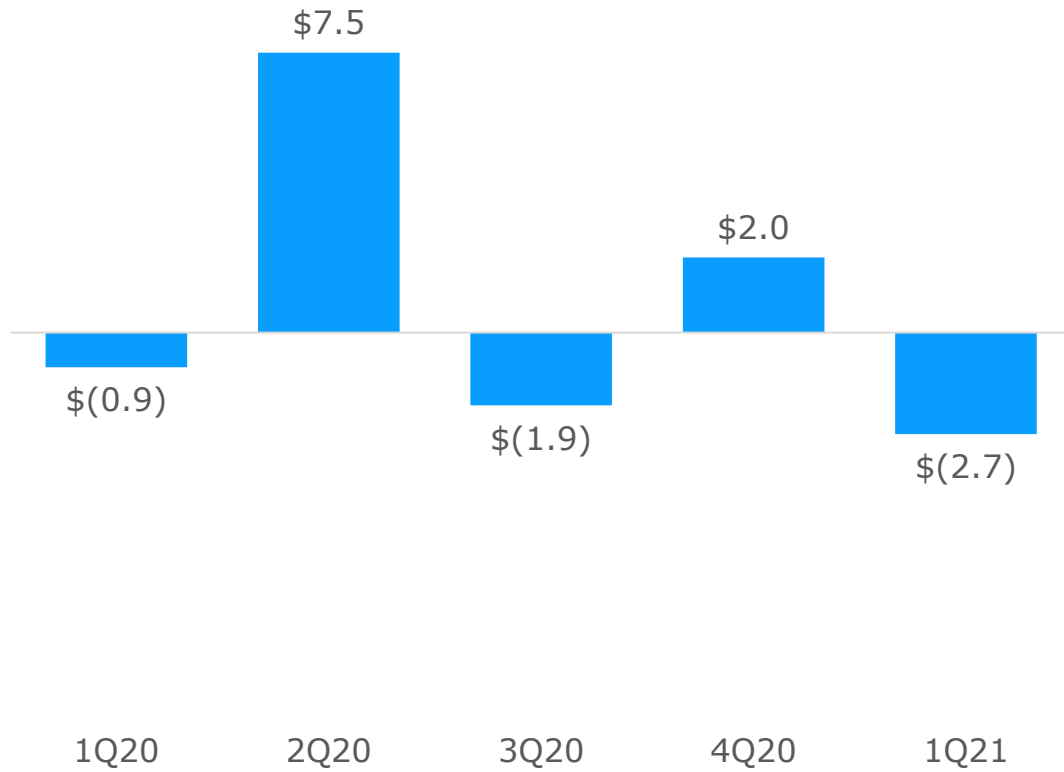




# Healthy Cash Flow

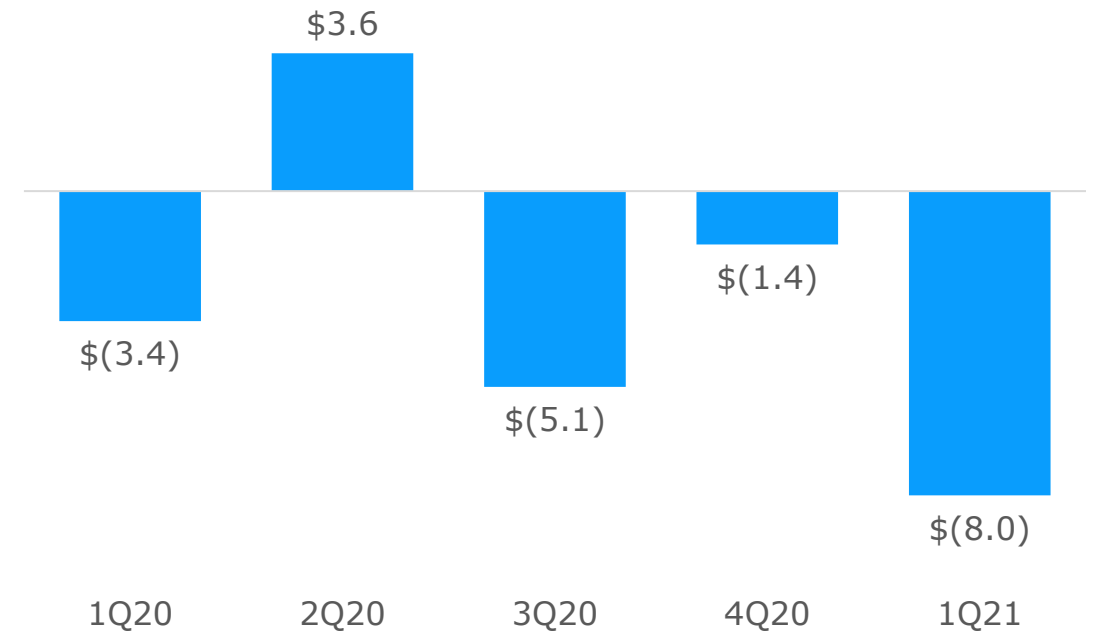
## OPERATING CASH FLOW

in US\$M



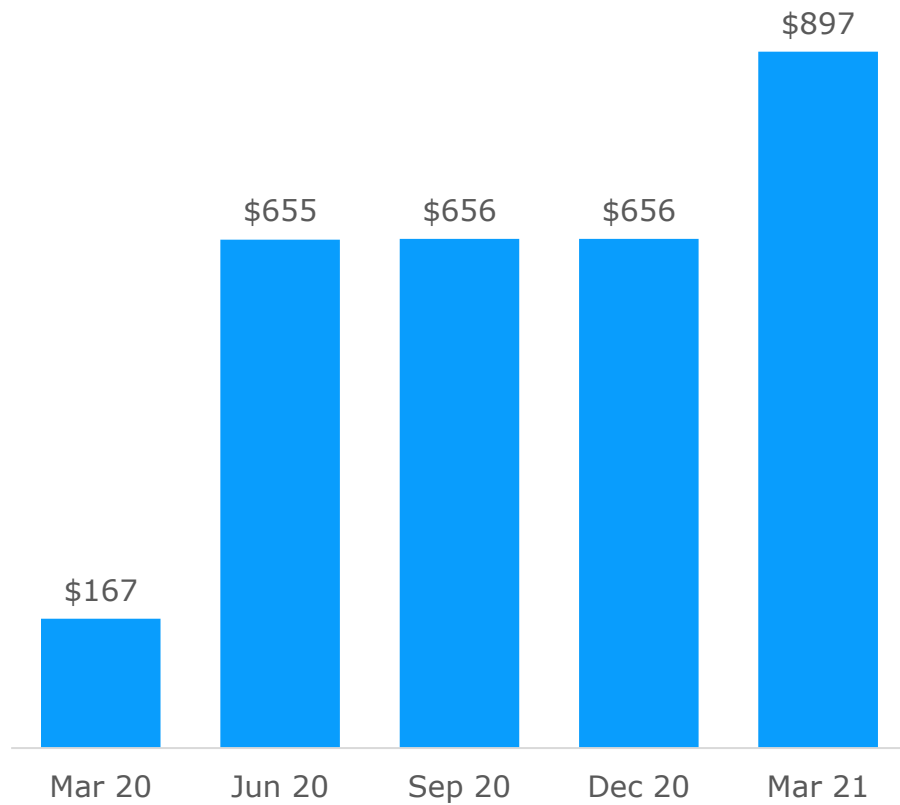
## FREE CASH FLOW

in US\$M

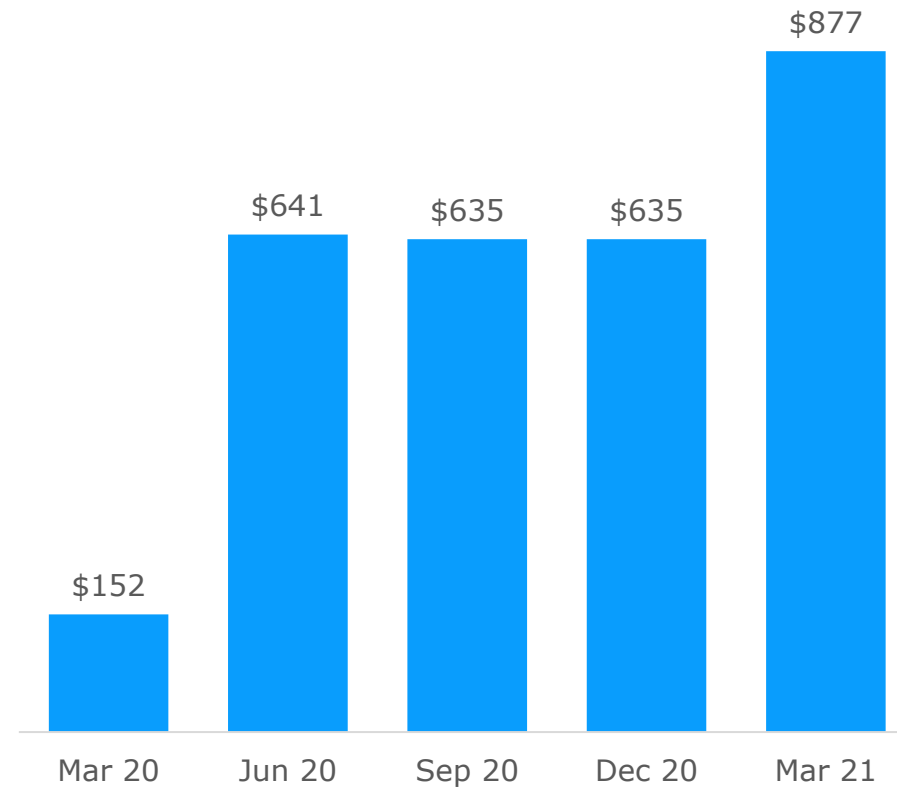


# Robust Liquidity Position

**NET ASSETS**  
in US\$M



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



# Appendix

# GAAP to Non-GAAP Reconciliation

<b>Gross Margin (US\$000's)</b>	<b>19Q1</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>
Total Revenues	13,362	14,901	17,061	19,105	35,560	33,904	30,847	33,253	40,225
GAAP Gross Profit	9,211	10,317	11,813	12,671	24,478	22,527	19,264	20,096	23,372
(+) Share-based Compensation	19	19	21	20	116	118	105	18	133
Non-GAAP Gross Profit	9,230	10,336	11,834	12,691	24,594	22,645	19,369	20,114	23,505
Non-GAAP Gross Margin	69.1%	69.4%	69.3%	66.4%	69.1%	66.8%	62.8%	60.5%	58.4%
<b>Cost of Goods Sold (US\$000's)</b>									
GAAP Cost of Goods Sold	4,151	4,584	5,248	6,434	11,082	11,377	11,583	13,157	16,853
(-) Share-based Compensation	(19)	(19)	(21)	(20)	(116)	(118)	(105)	(18)	(133)
Non-GAAP Cost of Goods Sold	4,132	4,565	5,227	6,414	10,966	11,259	11,478	13,139	16,720
As % of Total Revenues	30.9%	30.6%	30.6%	33.6%	30.8%	33.2%	37.2%	39.5%	41.6%

# GAAP to Non-GAAP Reconciliation

<b>Research &amp; Development Expenses (US\$000's)</b>	<b>19Q1</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>
GAAP Research & Development	4,200	5,708	6,588	7,128	11,688	10,919	12,449	14,438	25,216
(-) Share-based Compensation	(327)	(793)	(169)	(183)	(1,121)	(1,169)	(1,612)	(1,411)	(3,760)
(-) Acquisition Related Expenses	-	-	-	-	-	-	-	-	(3,955)
(-) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	-	(66)
Non-GAAP Research & Development	3,873	4,915	6,419	6,945	10,567	9,750	10,837	13,027	17,435
As % of Total Revenues	29.0%	33.0%	37.6%	36.4%	29.7%	28.8%	35.1%	39.2%	43.3%

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

GAAP Sales & Marketing	4,006	5,067	4,778	5,557	6,002	5,913	6,372	7,437	8,735
(-) Share-based compensation	(363)	(549)	(370)	(373)	(564)	(492)	(502)	(504)	(956)
(-) Acquisition related expenses	-	-	-	-	-	-	-	-	(167)
(-) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	-	(116)
Non-GAAP Sales and Marketing	3,643	4,518	4,408	5,184	5,438	5,421	5,870	6,933	7,496
As % of Total Revenues	27.3%	30.3%	25.8%	27.1%	15.3%	16.0%	19.0%	20.8%	18.6%

# GAAP to Non-GAAP Reconciliation

<b>General &amp; Administrative (US\$000's)</b>	<b>19Q1</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>
GAAP General & Administrative	1,562	1,535	1,658	2,421	3,545	3,396	4,401	6,668	5,721
(-) Share-based Compensation	(221)	(295)	(260)	(271)	(871)	(1,040)	(1,318)	(1,015)	(1,226)
(-) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	-	(10)
Non-GAAP General Administrative	1,341	1,240	1,398	2,150	2,674	2,356	3,083	5,653	4,485
As % of Total Revenues	10.0%	8.3%	8.2%	11.3%	7.5%	6.9%	10.0%	17.0%	11.1%
<b>Operating Margin (US\$000's)</b>									
Total Revenues	13,362	14,901	17,061	19,105	35,560	33,904	30,847	33,253	40,225
GAAP Operating Income/(Loss)	(552)	(1,979)	(1,153)	(2,404)	3,266	3,069	(3,777)	(7,749)	(16,012)
(+) Share-based Compensation	930	1,656	820	847	2,672	2,819	3,537	2,948	6,075
(+) Acquisition Related Expenses	-	-	-	-	-	-	-	-	4,122
(+) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	-	192
Non-GAAP Operating Income/(Loss)	378	(323)	(333)	(1,557)	5,938	5,888	(240)	(4,801)	(5,623)
Non-GAAP Operating Margin	2.8%	(2.2%)	(2.0%)	(8.1%)	16.6%	17.4%	(0.8%)	(14.4%)	(13.9%)

# GAAP to Adjusted EBITDA Reconciliation

<b>Adjusted EBITDA (US\$000's)</b>	<b>19Q1</b>	<b>19Q2</b>	<b>19Q3</b>	<b>19Q4</b>	<b>20Q1<sup>(1)</sup></b>	<b>20Q2<sup>(1)</sup></b>	<b>20Q3<sup>(1)</sup></b>	<b>20Q4</b>	<b>21Q1</b>
Total Revenues	13,362	14,901	17,061	19,105	35,560	33,904	30,847	33,253	40,225
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(+) Share-based Compensation	930	1,656	820	847	2,672	2,819	3,537	2,948	6,075
(+) Acquisition Related Expenses	-	-	-	-	-	-	-	-	4,122
(+) Amortization Expense of Acquired Intangible Assets	-	-	-	-	-	-	-	-	192
(+) Depreciation of Property and Equipment	342	429	520	577	745	1,005	1,196	1,514	1,899
Adjusted EBITDA	720	106	187	(980)	6,683	6,893	956	(3,287)	(3,724)
Adjusted EBITDA Margin	5.4%	0.7%	1.1%	(5.1%)	18.7%	20.3%	3.1%	(9.9%)	(9.2%)
<b>Free Cash Flow (US\$000's)</b>									
Cash Flow from Operations	3,619	(4,934)	(54)	2,077	(920)	7,451	(1,556)	1,967	(2,742)
(-) Purchases of PPE	(764)	(1,645)	(1,213)	(1,180)	(2,496)	(3,825)	(3,210)	(3,347)	(5,233)
Free Cash Flow	2,855	(6,579)	(1,267)	897	(3,416)	3,626	(4,766)	(1,380)	(7,975)

## Notes:

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

Thank you.