



Presentation

First Quarter 2023



June 2023



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In evaluating the business, the Company considers and uses non-GAAP measures, such as non-GAAP operating expenses, non-GAAP loss from operations (including non-GAAP operating margin), non-GAAP net loss (including non-GAAP net margin), and non-GAAP basic and diluted net loss per ADS, as a supplemental measure to review and assess its operating performance. The presentation of the non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The Company defines non-GAAP measures by measures excluding the impact of share-based compensation expenses. The Company presents the non-GAAP financial measures because they are used by the management to evaluate the operating performance and formulate business plans. The Company also believes that the use of the non-GAAP measures facilitates investors' assessment of its operating performance.

Non-GAAP measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using aforementioned non-GAAP measures is that it does not reflect all items of expenses that affect the Company's operations. Share-based compensation expenses have been and may continue to be incurred in the business and are not reflected in the presentation of non-GAAP measures. Further, the non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited. The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measures, all of which should be considered when evaluating the Company's performance. The Company encourages you to review its financial information in its entirety and not rely on a single financial measure.

Reconciliations of Tuya's non-GAAP financial measures to the most comparable U.S. GAAP measures are included at the end of this Presentation.

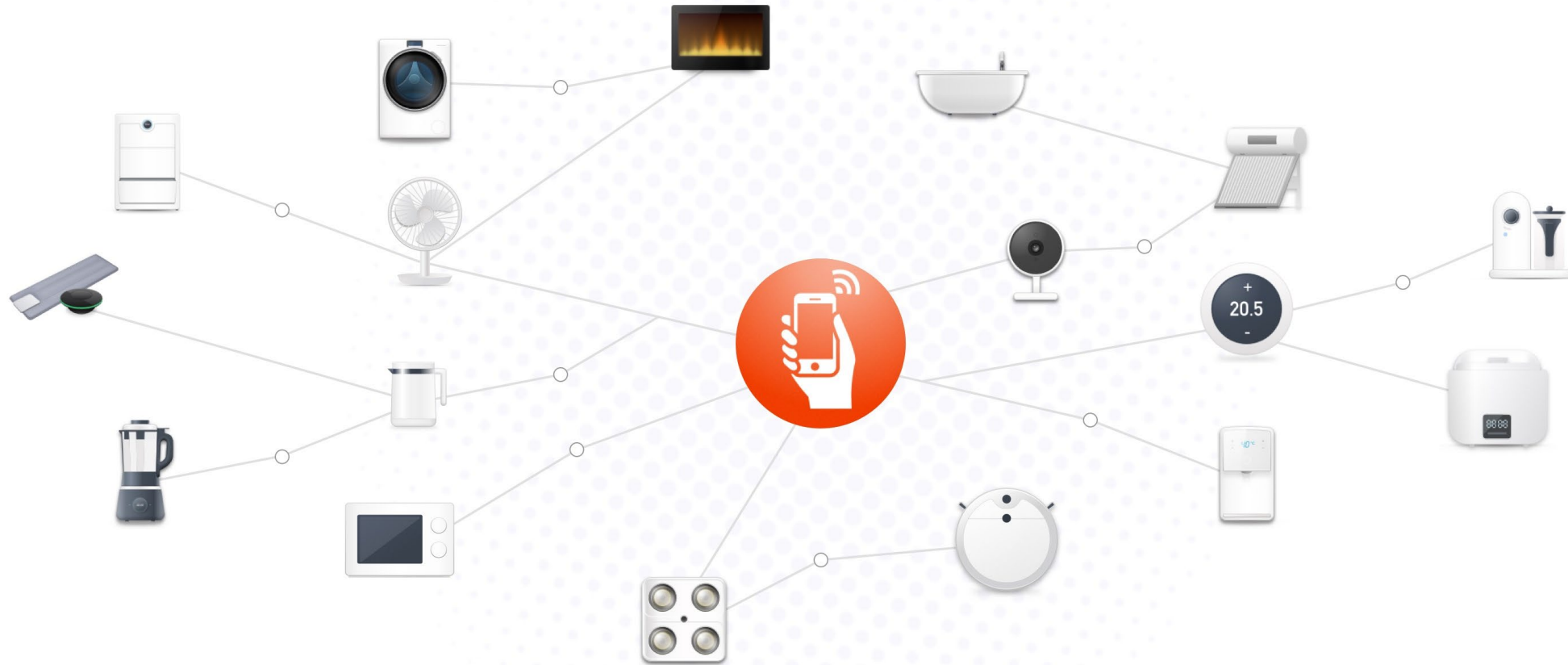
Unless otherwise indicated, all references in this Presentation to "Tuya", "we", "our", "us", or similar terms refer to Tuya Inc. and its subsidiaries and, in the context of describing its operations and consolidated financial information, also include our variable interest entity in the PRC.

- 1 Company Introduction**
- 2 Downstream Inventory Suggested Some Relief Amid Lingering Pressure**
- 3 Breakeven Is Our Top Priority**

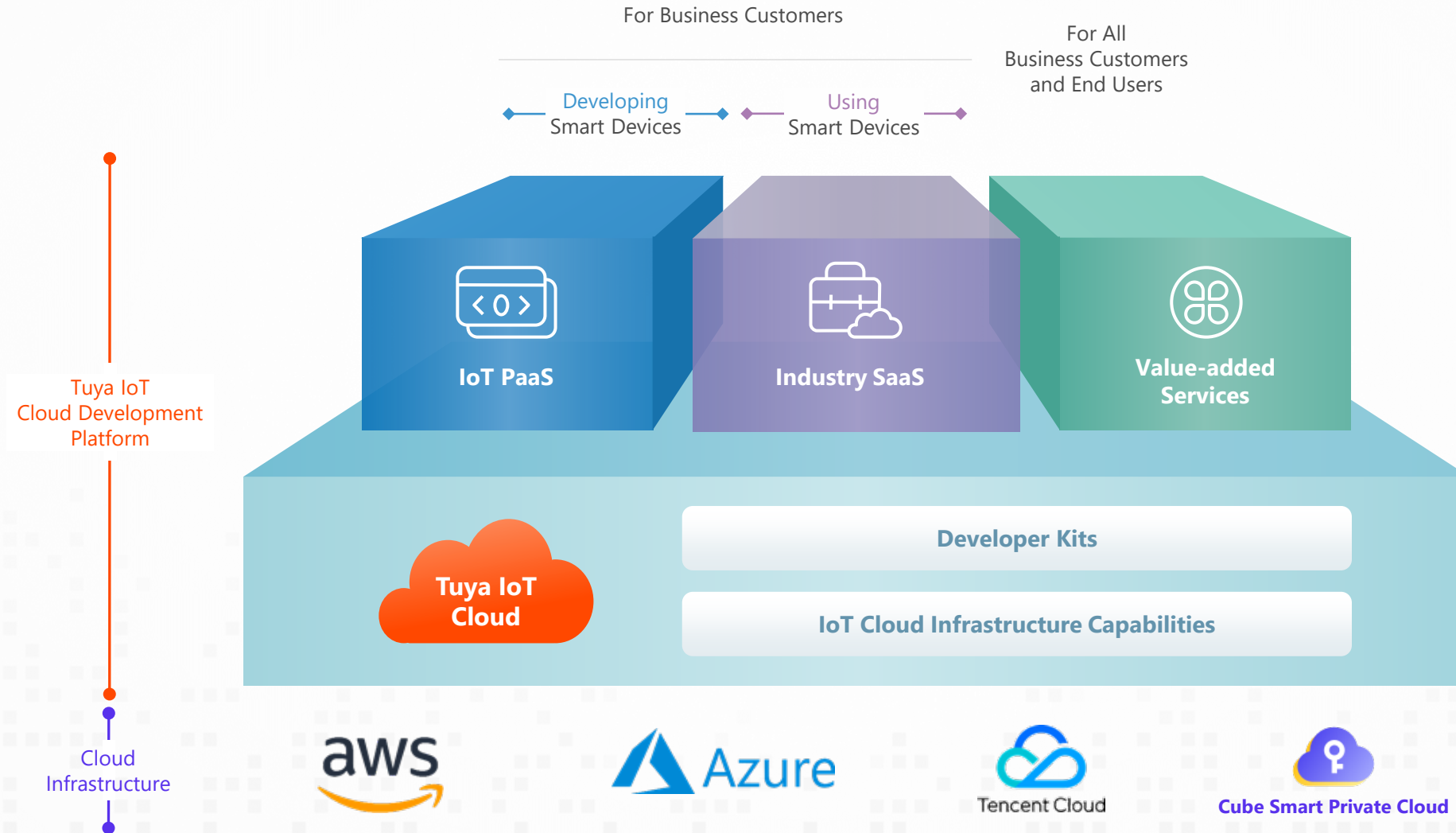


**Build an IoT Developer Ecosystem
Enable Everything to Be Smart**

We Deliver a Cloud-Native Software-Enabled Experience to End Users For Everything



Developer-First, Cloud-Agnostic IoT Cloud Platform



Our Unique Products

IoT PaaS

- Cloud-Based Connectivity and Basic IoT Services
- IoT Edge Capabilities
- App Development
- Device Optimization Solutions

Customers
Brands & OEMs

Revenue Model
Fee per deployment
No minimum quantity requirement

Industry SaaS

- Smart Hotel & Rental
- Smart Building
- Smart Commercial Lighting
- Cloud APIs

Customers
System Integrators, Service Providers, and Brands

Revenue Model
Subscription fee
Predictable, recurring revenue

Value-added Services

For Business Customers

- Smart Voice Assistant
- Data Analytics
- Tuya Mall

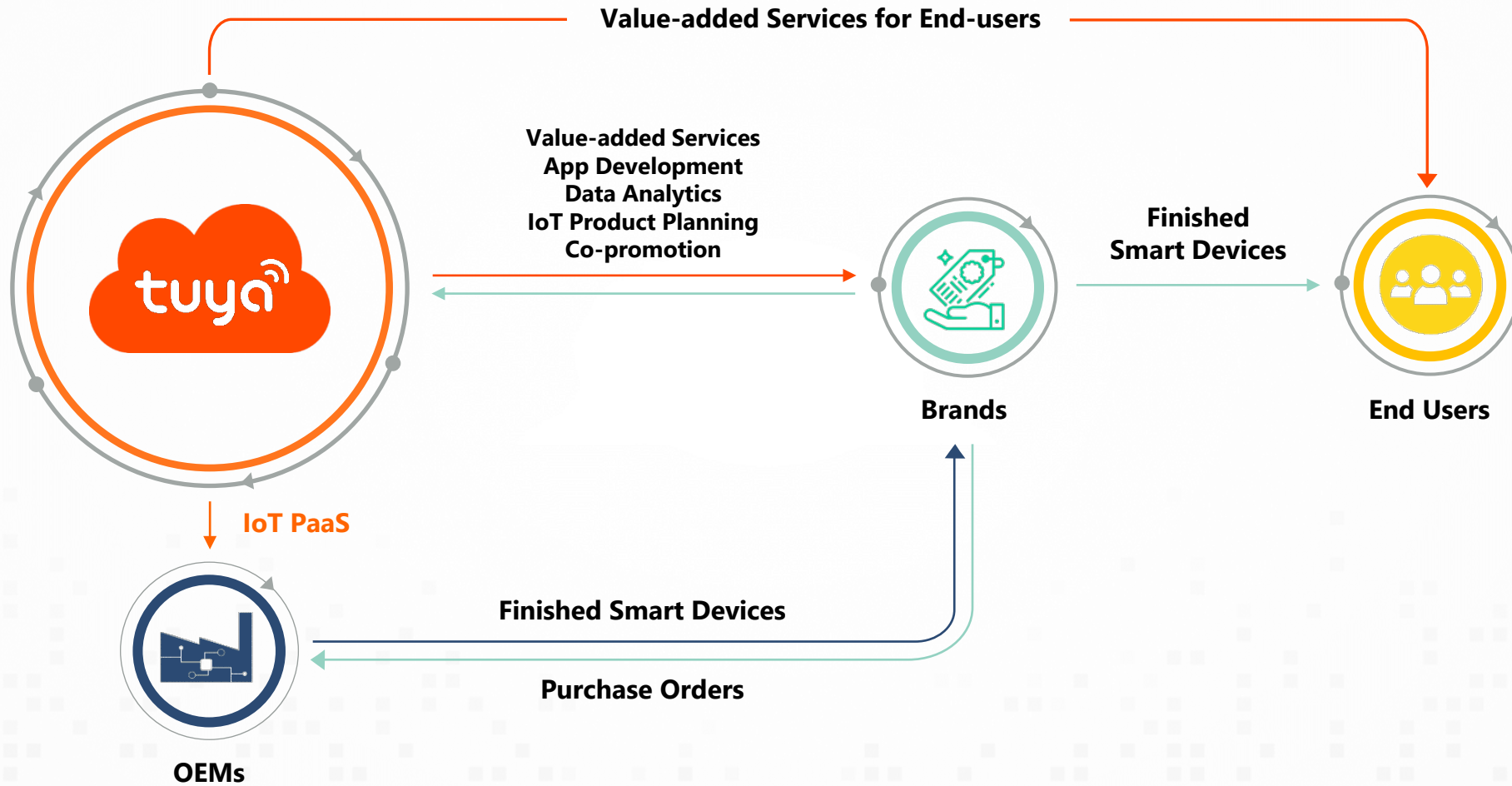
For End Users

- Content
- Message Push
- Phone Notification

Customers
Brands, OEMs & End Users

Revenue Model
Usage based fee
Currently certain services are free

Our Ecosystem Participants



Pioneer and Global Leader of IoT Cloud — Customers and Brands Are Rapidly Adopting

75

Net Promoter Score¹



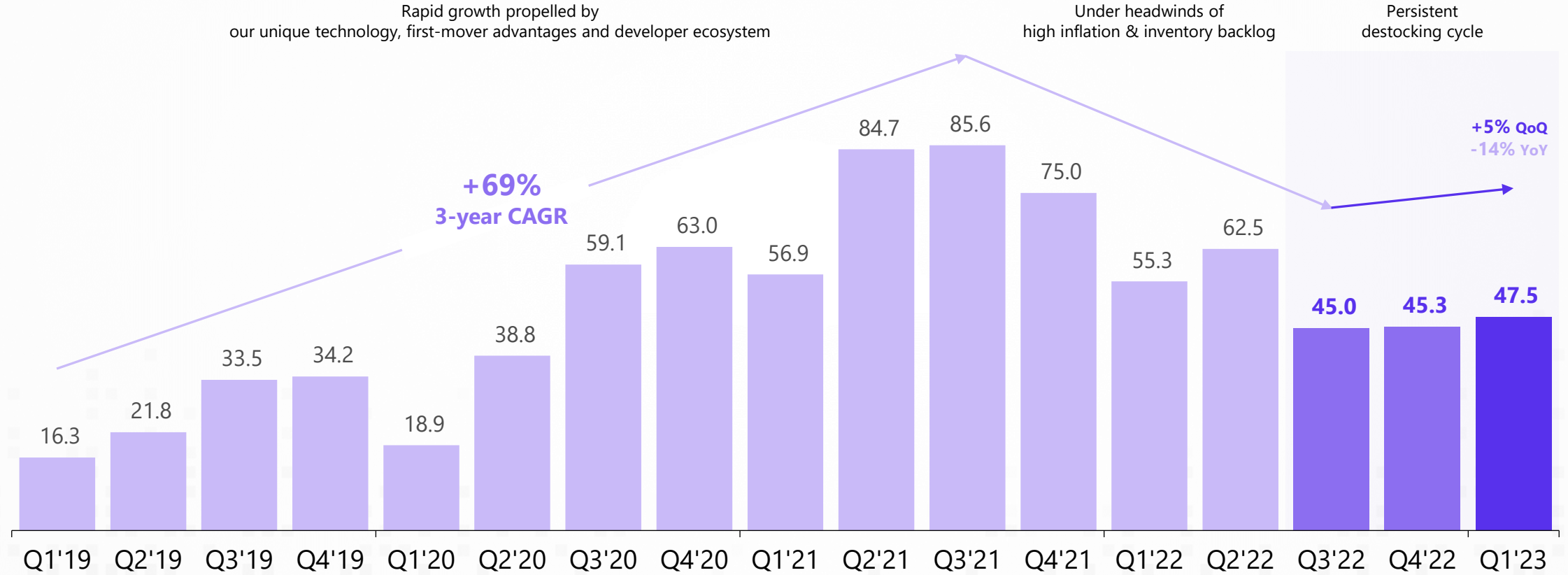
1. Based on a survey conducted by Skopos Group in January 2021.

Downstream Inventory Suggested Some Relief
Amid Lingering Pressure



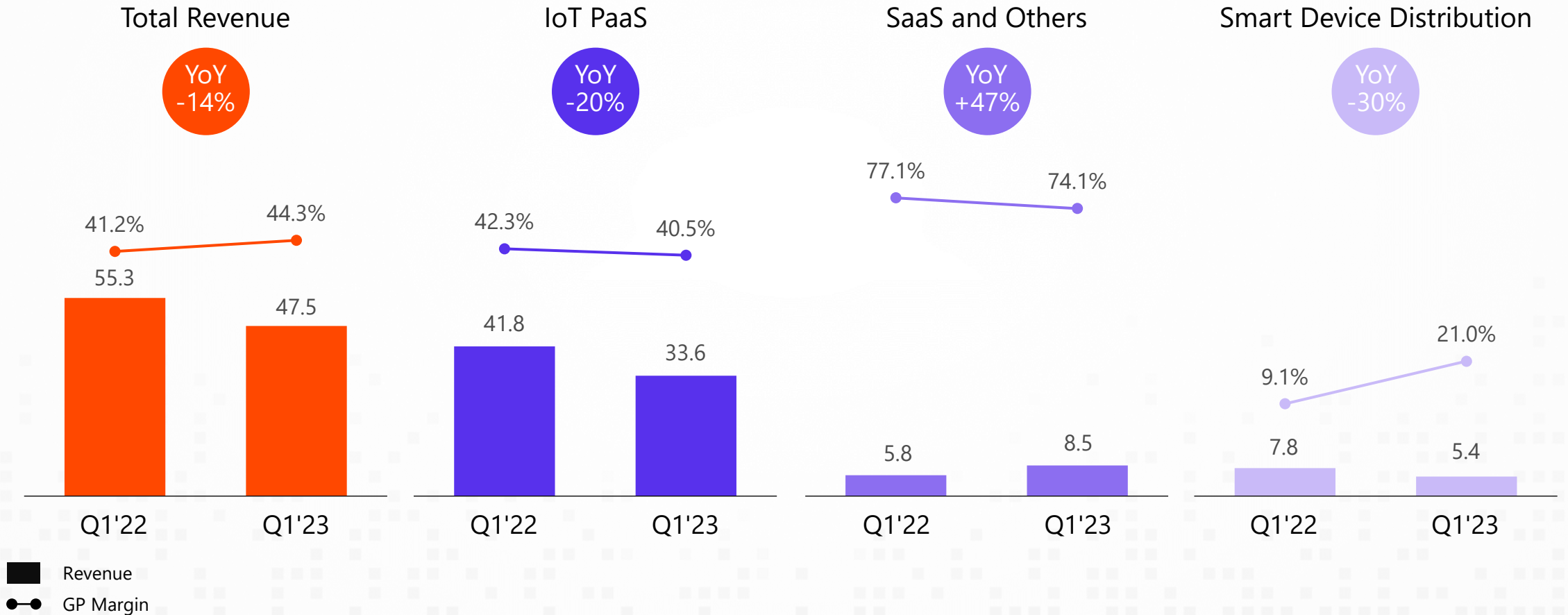
Total Revenue Slightly Increased Sequentially

Total revenue by quarter (USD'M)



Revenue Updates by Segment

Revenue breakdown for the first quarter
(USD'M)



Business Updates — Focusing on Innovative Products



Smart Air Tag Solution



33%+
Gross Margin*



An International Active
Quality Brand Based in Europe
Exemplary Customer

Product Strategies

- Innovative capabilities with **high value proposition**
- Emerging potential markets with **strong demands**
- Strategic corporation with **selected, capable** brands
- Focusing efforts for **impactful scale-up**



Smart Watch/Band Solution






25~33%
Gross Margin*



A Top Japanese Brand of CE
& Digital Novelty Products
Exemplary Customer

Cube+SaaS, Continuously Attracting Top Global Customers

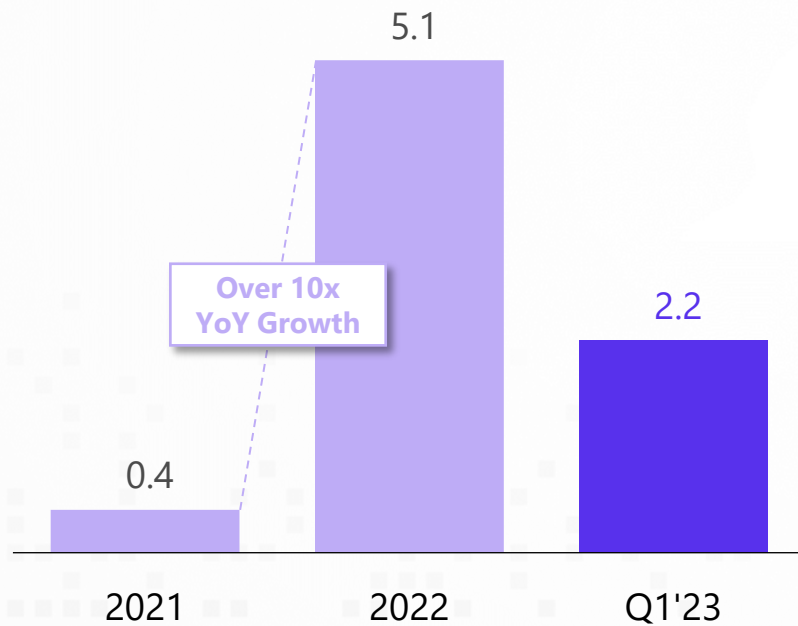
 One of the largest real estate developer group in Thailand

US\$ Million level Software revenue	Smart device and VAS revenue opportunities
 <p data-bbox="598 813 930 878">Smart Community SaaS deployed through</p>  <p data-bbox="573 1106 955 1142">Cube Private Cloud Solution</p>	 <p data-bbox="1337 1092 1923 1156">Engaging 10+ categories of smart devices in community & households</p>

Meaningful Software Revenue from High-Value VAS and Cube Solution

Cloud storage VAS revenue for the quarter/year (USD'M)

*Robust growth driven by a **steady increase in** the number of activated cloud storage **device base**.



Cube smart private cloud revenue for the quarter



~\$1.6 Million

Revenue recognized in Q1'23

Several benchmark Cube projects had passed final customer acceptance during the quarter, enabling them to embark on the next phase of their own, independent IoT platform business.

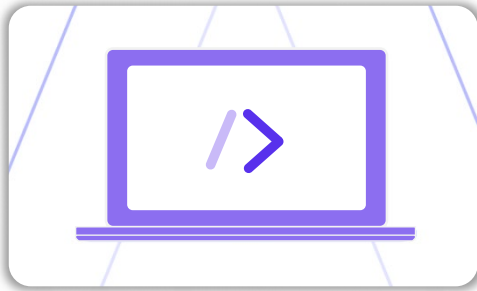
Selected benchmark projects —



IoT Development Platform to Tackle IoT Fragmentation and Low Penetration Rate

782,000 Developers¹

+34% Year over Year



Product Development



App Development



Cloud Development

1. "Developer" refers to the registered developer, as of March 31, 2023. Numbers are rounded for presentation purposes.

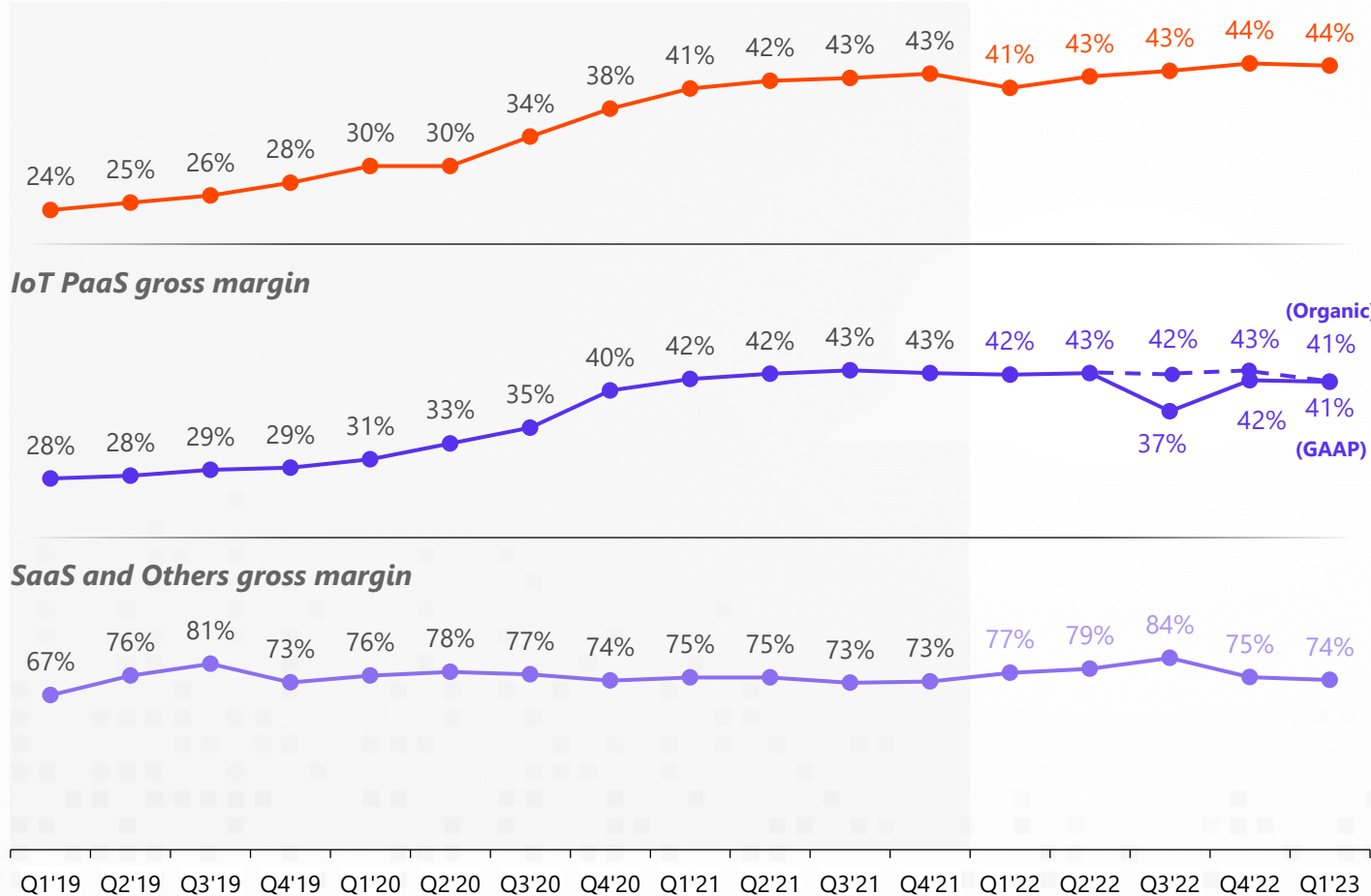
Breakeven Is Our Top Priority



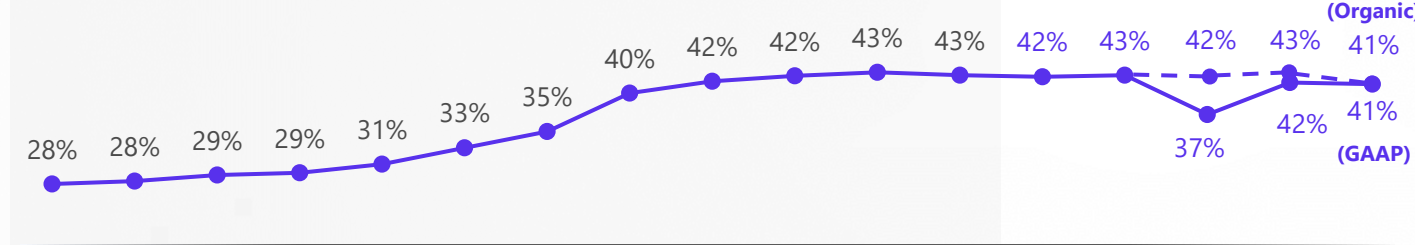
Gross Margin Updates

Gross Margin

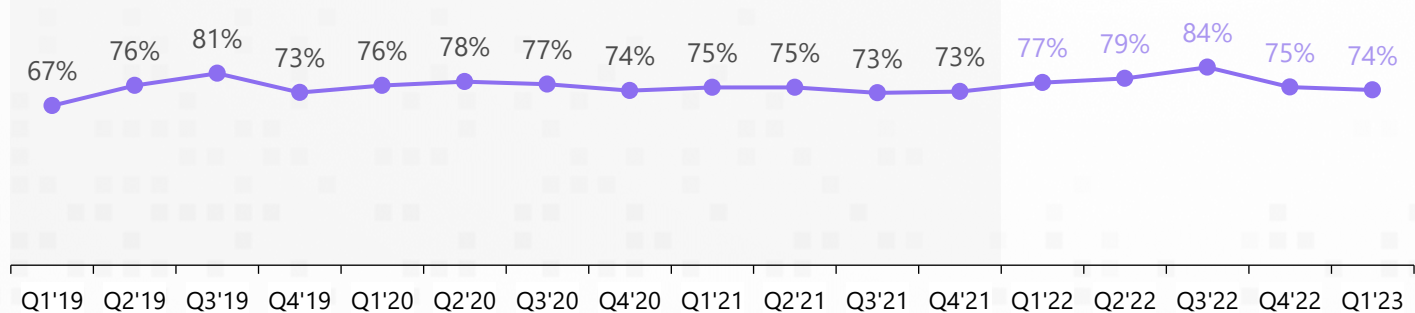
Overall gross margin



IoT PaaS gross margin



SaaS and Others gross margin



Note: Numbers are rounded for presentation purposes.

Overall blended GPM

- Recognized customer valuation proposition despite headwinds, fluctuated due to product mix

IoT PaaS

- Slightly fluctuated due to price adjustment and accrued inventory allowance

SaaS and Others

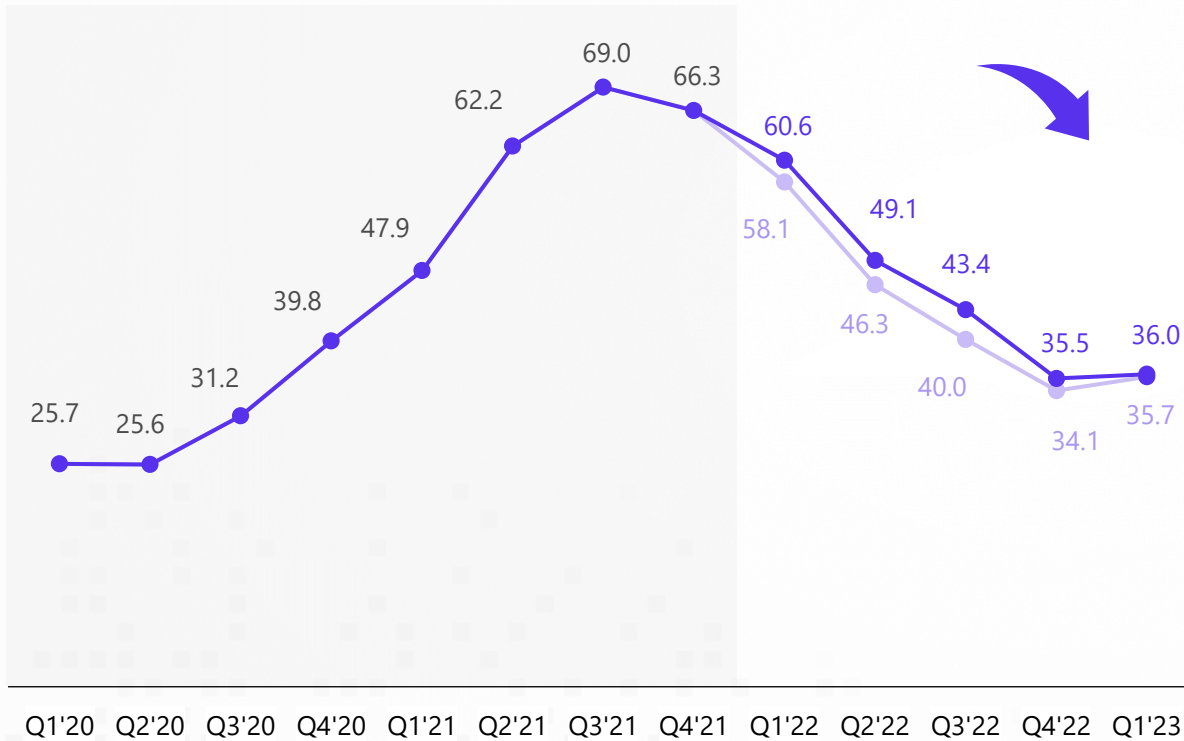
- Fluctuated mainly due to changes in the mix of services, including industry SaaS, 2B/2C VAS, customization project, Cube private cloud solution

Smart Device Distribution

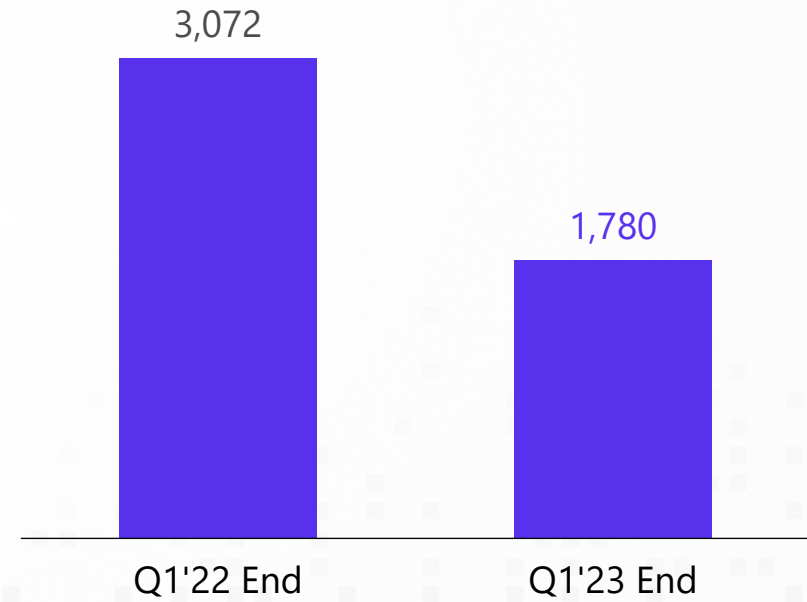
- Increased **11.9** pps YoY to **21.0%** in Q1'23, primarily due to higher-value products solution provided to customers, such as smart air tag, smart watch, and etc.

Non-GAAP Operating Expenses by Quarters

Non-GAAP¹ operating expenses
(USD'M)



Team size, Mar-2022/Mar-2023
(Salaried headcounts)

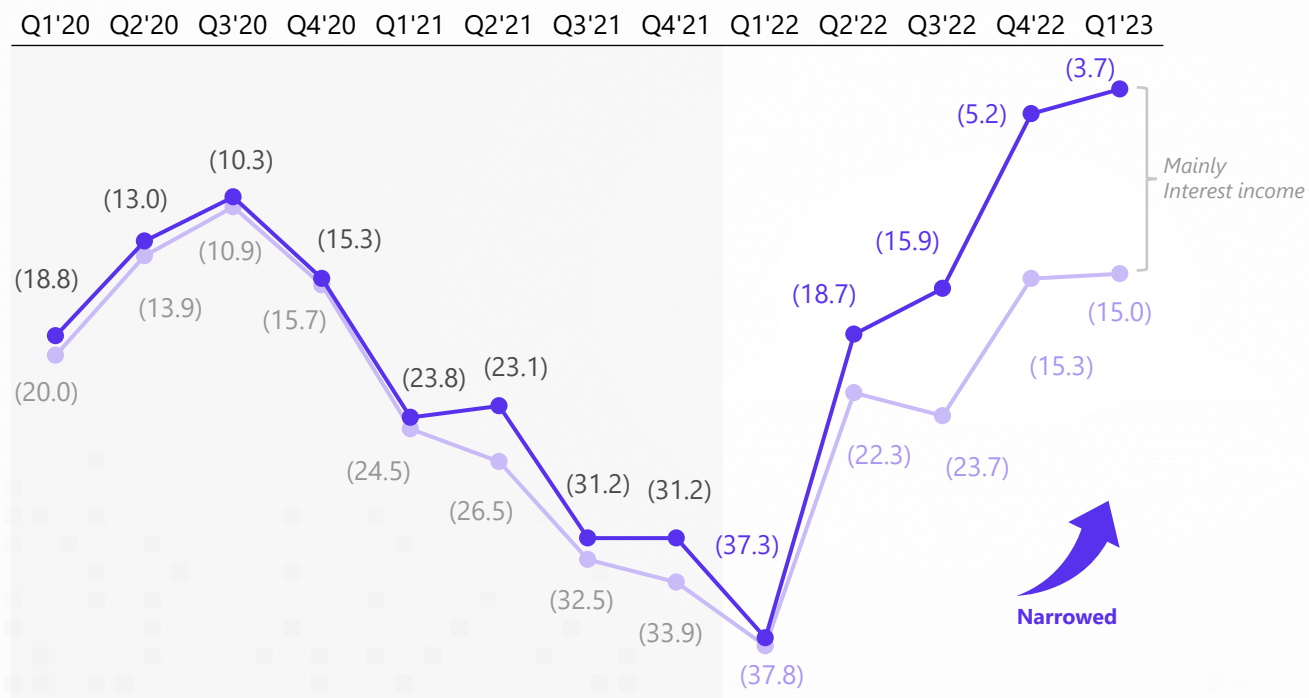


- Non-GAAP Operating expenses
- Non-GAAP Operating expenses further excluding one-off costs due to team streamlining

1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.
Note: Numbers are rounded for presentation purposes.

Non-GAAP Operating Loss/Net Loss by Quarters

Non-GAAP¹ operating loss/net loss (USD'M)



- Non-GAAP Net losses
- Non-GAAP Operating losses

- OPEX ↓
Basic payroll and benefits significantly decreased as a result of headcounts down in 2022, remaining stable in Q1'23

YoY in details:

- ↓ 46.2% Payroll and benefits
- ↓ 38.4% Rental and leasing
- ↓ 21.5% Marketing and promotion in S&M
- ↓ 17.7% Cloud infrastructure costs
- ↑ 40.1% Travel (extremely low base in Q1'22)
- ↑ 22.1% Professional fee (for compliance needs)

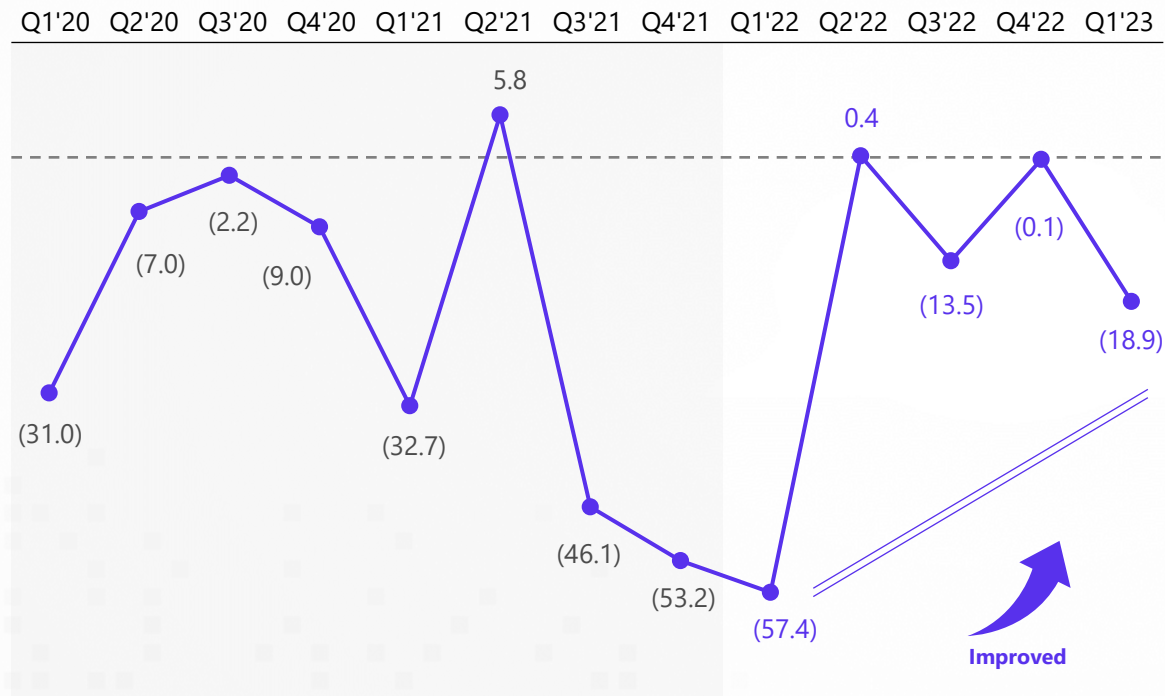
- Net income ↑
Achieved an interest income of \$11.5 million in Q1'23 due to well-implemented treasury management strategies

1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.

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Operating Cash Flow by Quarters

Net cash generated/(used) in operating activities (USD'M)



Operating cashflow in Q1'23

Improved YoY mainly due to

- Narrowed losses because of significant decreased OPEX
- Changes in working capital

Outflow expanded QoQ mainly due to

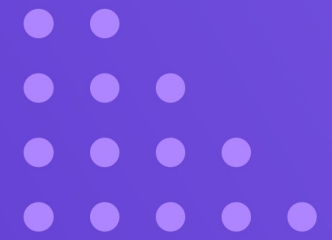
- Payment of annual bonus
- Other year-end settlement of payables

Strong cash position

- **USD 938M** net cash¹ on hand
- No debt, no capital commitments

1. "Net cash" refers to cash in banks and time deposits recorded as short-term investment in the balance sheet.
Note: Numbers are rounded for presentation purposes.

Appendix



Appendix: Q1'23 Reconciliation of Non-GAAP to GAAP

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2023
	USD'000	USD'000
Reconciliation of operating expenses to non-GAAP operating expenses		
Research and development expenses	(47,588)	(28,051)
Add: Share-based compensation	4,130	4,117
Adjusted Research and development expenses	(43,458)	(23,934)
Sales and marketing expenses	(15,278)	(10,259)
Add: Share-based compensation	1,653	1,606
Adjusted Sales and marketing expenses	(13,625)	(8,653)
General and administrative expenses	(18,030)	(16,793)
Add: Share-based compensation	11,873	11,597
Adjusted General and administrative expenses	(6,157)	(5,196)
Reconciliation of loss from operations to non-GAAP loss from operations		
Loss from operations	(55,482)	(32,295)
Add: Share-based compensation expenses	17,656	17,320
Non-GAAP Loss from operations	(37,826)	(14,975)
Non-GAAP operating margin	(68.4%)	(31.5%)
Reconciliation of net loss to non-GAAP net loss		
Net loss	(54,953)	(21,045)
Add: Share-based compensation expenses	17,656	17,320
Non-GAAP net loss	(37,297)	(3,725)
Non-GAAP net margin	(67.4%)	(7.8%)
Weighted average number of ordinary shares used in computing non-GAAP net loss per share, basic and diluted	556,808,050	553,994,418
Non-GAAP net loss per share attributable to ordinary shareholders - basic and diluted	(0.07)	(0.04)