



Investor Presentation

First Quarter 2021



May 13, 2021

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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 measure 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 measure because it is 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 is not presented in accordance with U.S. GAAP. This non-GAAP financial measure has 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 measure 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.

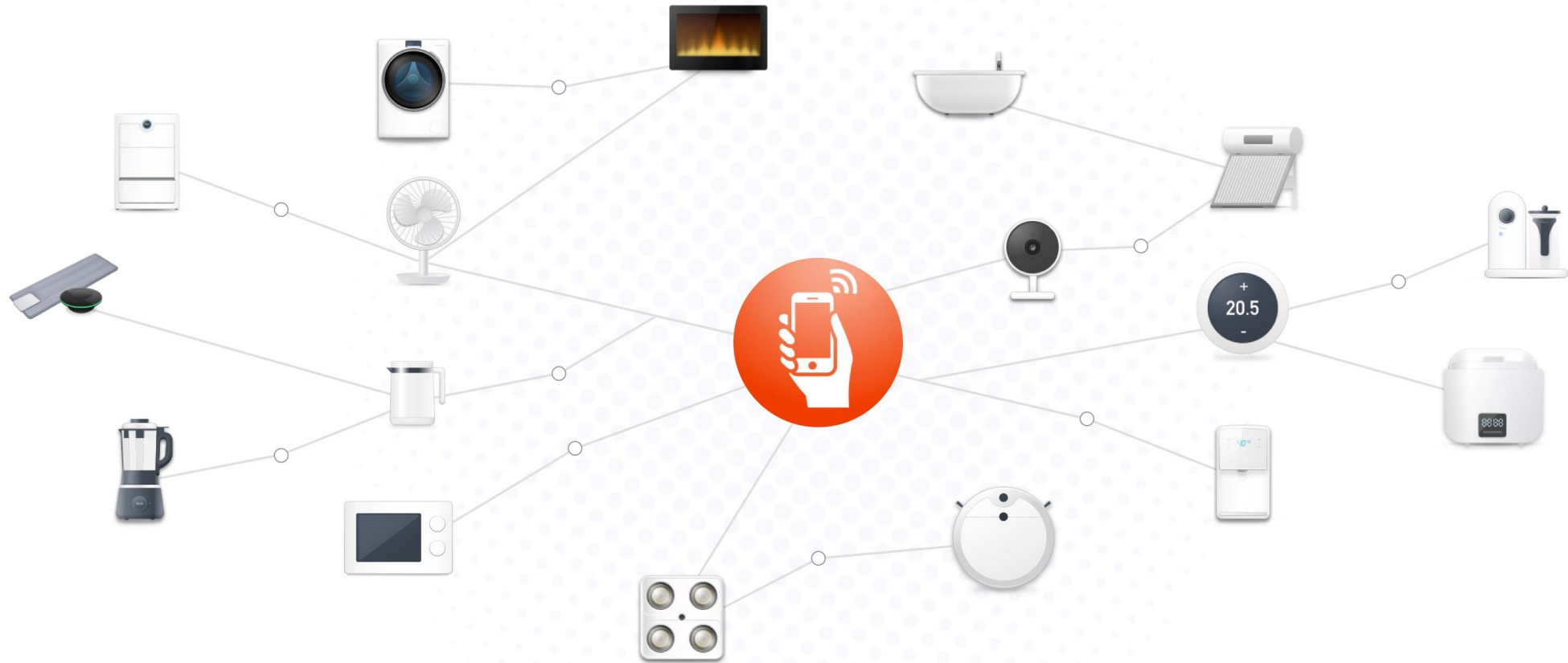
Reconciliations of Tuya's non-GAAP financial measures to the most comparable U.S. GAAP measures are included at the end of this Presentation.

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.

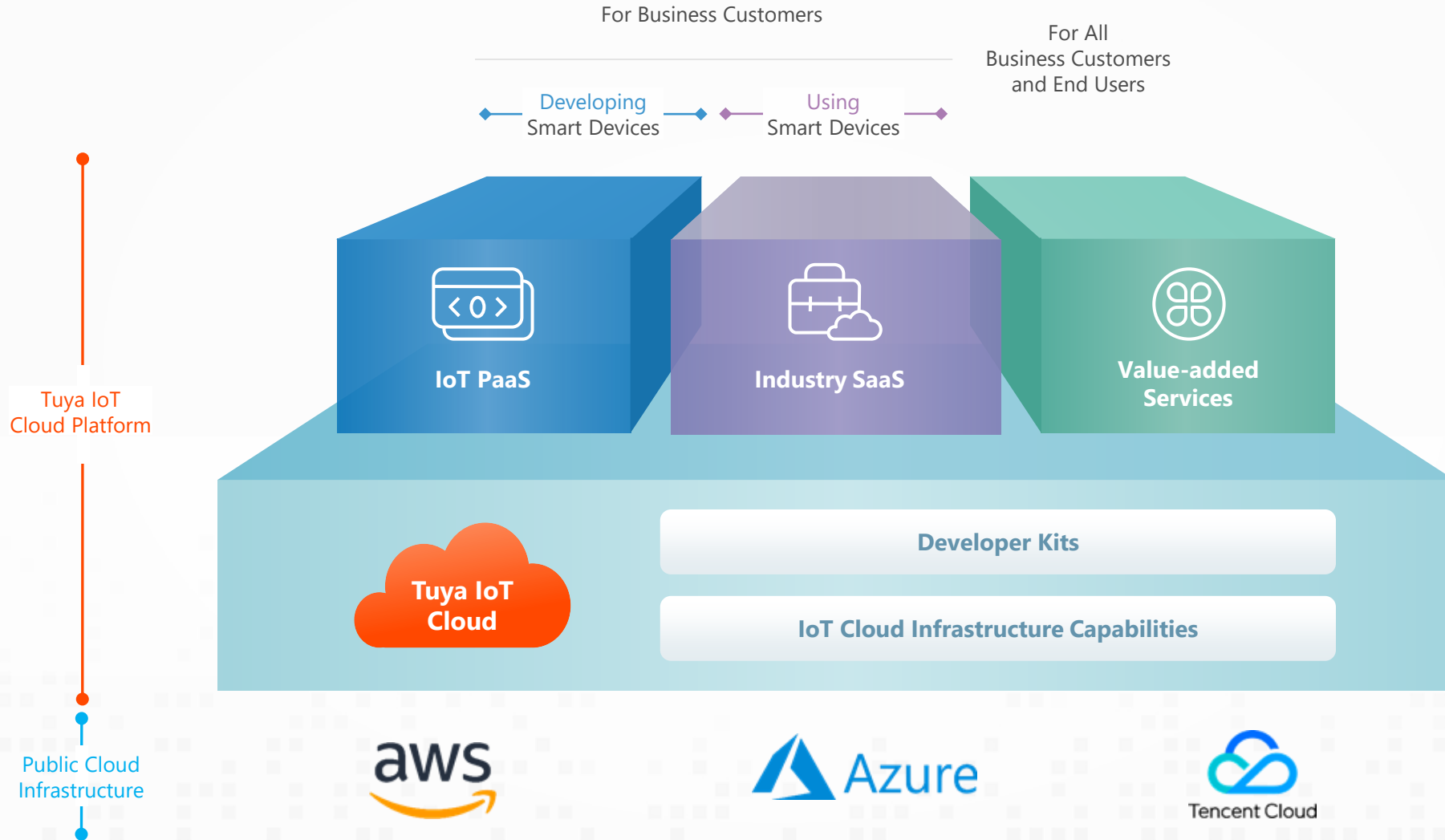


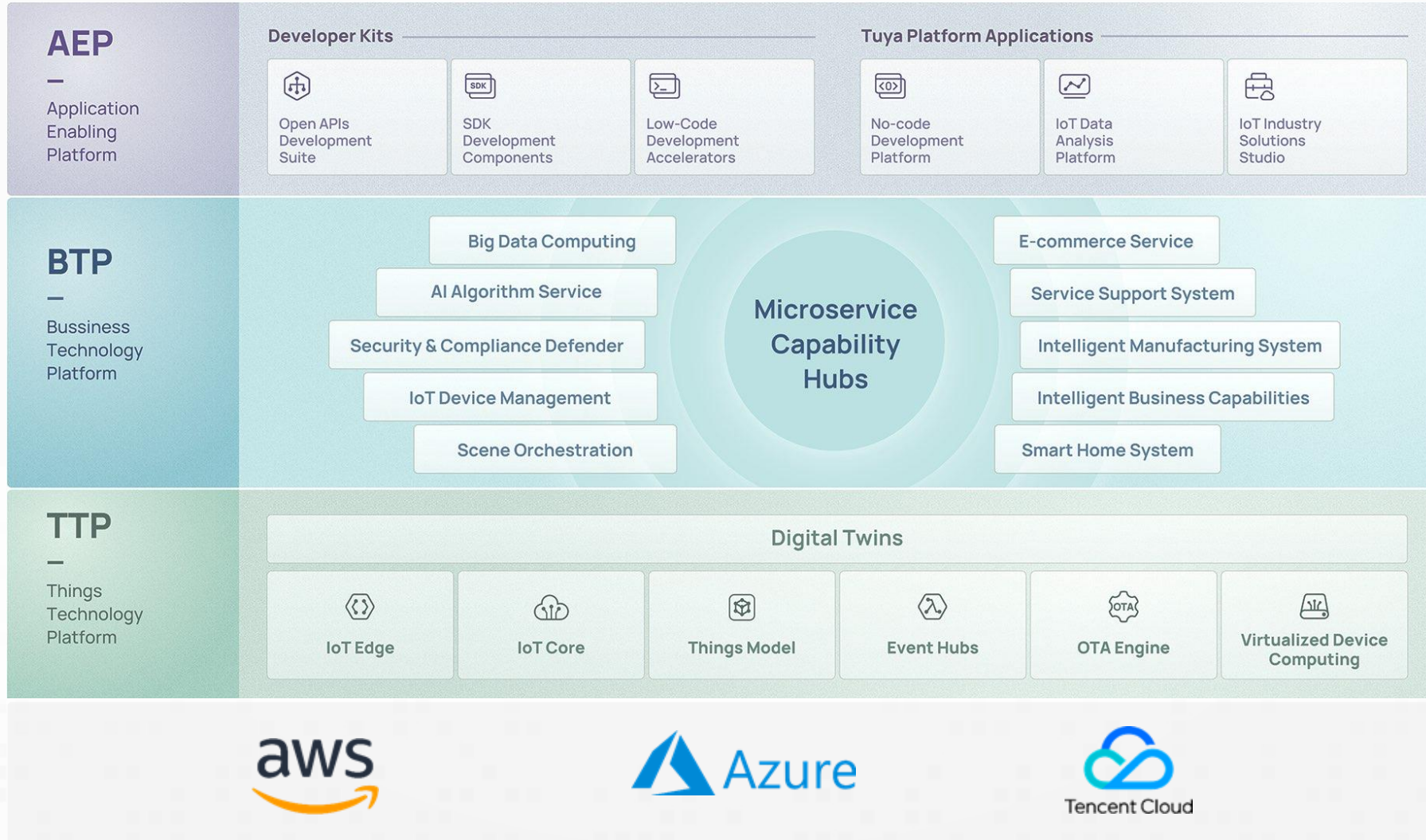
**Build an IoT Developer Ecosystem
Enable Everything to Be Smart**

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 & Apartment
- Smart Real Estate & Community
- Smart Consumer Security
- 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

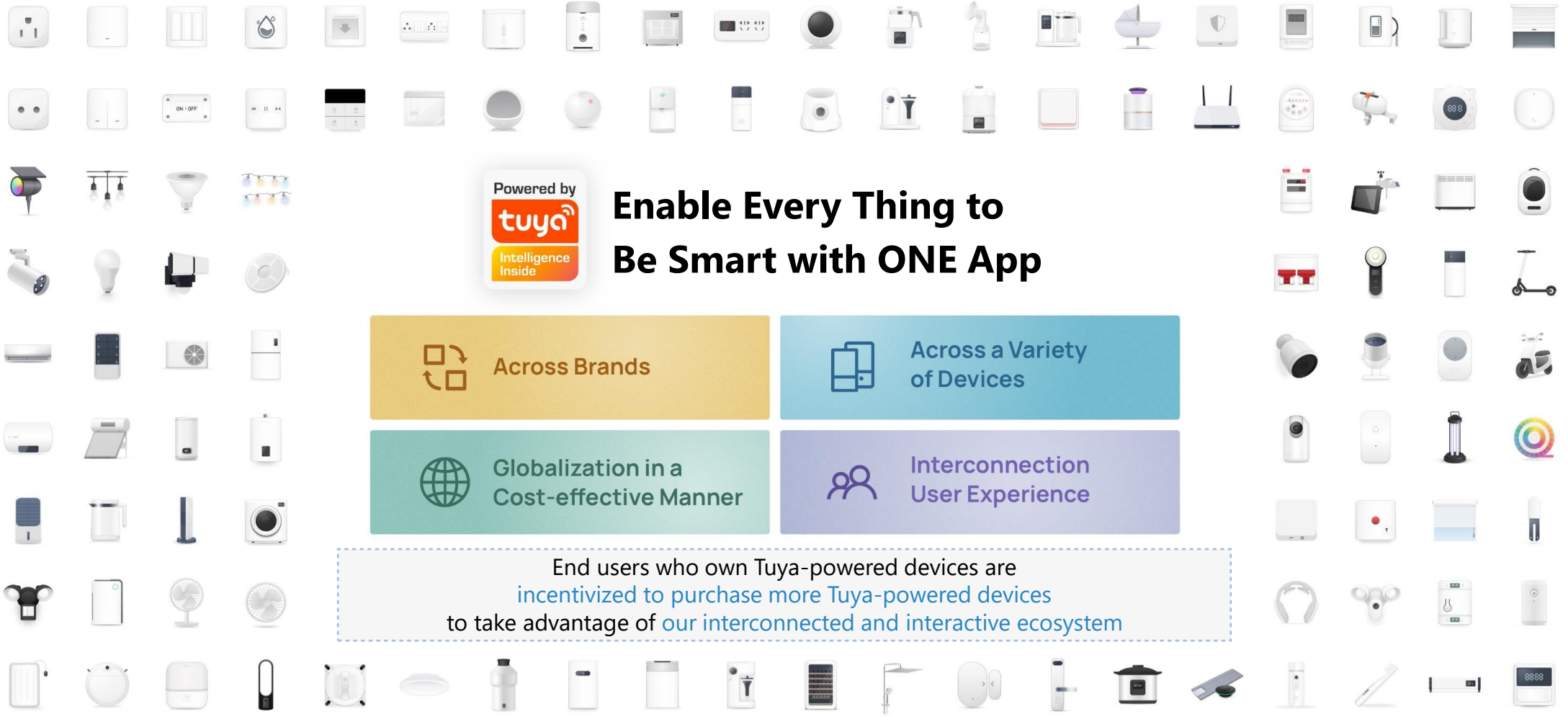
- Smart Voice Assistant
- Data Analytics
- And More...

For End Users

- Content
- Message Push
- Data Storage


Customers
Brands, OEMs & End Users

Revenue Model
Usage based fee
Currently certain services are free



Enable Every Thing to Be Smart with ONE App

 **Across Brands**

 **Across a Variety of Devices**

 **Globalization in a Cost-effective Manner**

 **Interconnection User Experience**

End users who own Tuya-powered devices are incentivized to purchase more Tuya-powered devices to take advantage of our interconnected and interactive ecosystem

Thriving Ecosystem with Powerful Network Effects



More Brands on
the Platform

Better End User
Experience



Higher Awareness
of Tuya Brand

More Users

1Q'21 Business and Financial Results



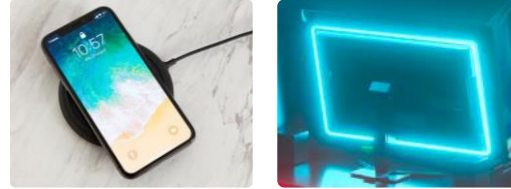
New Product Lines Empowered by Our IoT PaaS

Transportation



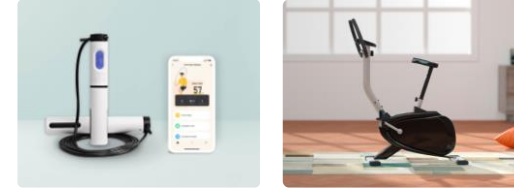
— Market size —
Tens of million annual shipments

Digital Appliances



— Market size —
Hundreds of million annual shipments

Sports and Wellness



— Market size —
Tens of million annual shipments

Smart Wearables



— Market size —
Billion annual shipments

Industrial Edge Gateway



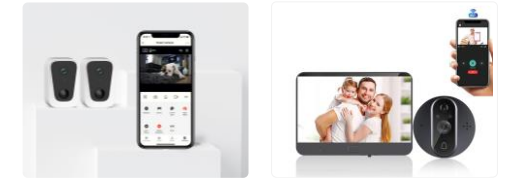
— Market size —
Tens of million annual shipments

Industrial Lighting



— Market size —
Hundreds of million annual shipments

Lower-Power Series



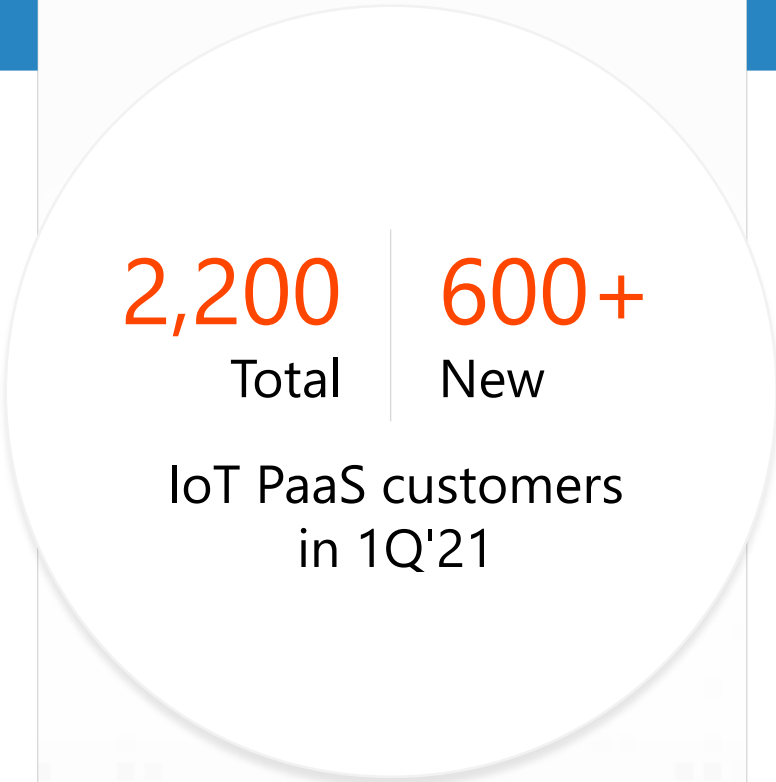
— Market size —
Tens of million annual shipments

Keeping Expanding IoT PaaS Customers



World's leading brands powered by tuya

Danfoss
wipro
LOCK&LOCK
WONLY 王力集团
SUPREME IMPORTS
HYPNOTEK
cyanergy
realme
Möhlenhoff
CLOUD by UIH



World's leading channels Private label brand powered by tuya

Telkom Indonesia
PEARL
POWER
erajaya
mediaexpert
HAVELLS
TESTRITE
Kjell & Company

 Real Estate & Community SaaS <i>V1.0 upgraded</i>	 Commercial Lighting SaaS <i>V1.0 released</i>	 Consumer Security SaaS <i>V2.0 released</i>	 Hotel & Apartment SaaS <i>Pro. Released</i>
<div data-bbox="173 539 657 588">   </div> <div data-bbox="188 686 647 746">   </div> <div data-bbox="188 833 637 911">   </div> <div data-bbox="270 992 552 1063">  </div>	<div data-bbox="901 522 1065 605">  </div> <div data-bbox="845 689 1116 736">  </div> <div data-bbox="805 843 1151 891">  </div> <div data-bbox="840 992 1116 1043">  </div>	<div data-bbox="1472 572 1625 711">  </div> <div data-bbox="1370 886 1737 972">  </div>	<div data-bbox="2028 496 2226 568">  </div> <div data-bbox="2028 605 2226 672">  </div> <div data-bbox="1946 733 2313 782">  </div> <div data-bbox="2068 843 2181 953">  </div> <div data-bbox="1870 996 2387 1115"> <p> 25,000+ Rooms Powered by Tuya ~90% Logo Repurchase Rate </p> </div>

Continued Upgrades & Further Improvements on Tuya IoT Cloud



Energy-saving cloud capabilities

Energy usage management | Alarm, analysis and forecast | Efficiency improvement | Visualization ...

Health cloud capabilities

Body monitoring | Health and Fitness planning | Reports | Entertainment ranking ...

The world's first IoT cloud to obtain **4 Certifications** issued by BSI¹
SOC2 TYPE II² certified by Ernst & Young

Continuously invest heavily in Cloud Security, Data Privacy and Compliance

R&D staff headcount increased to about **2,080**, comprising over **70%** of total staff

1. Certifications refer to CSA STAR Certification, ISO IEC 27001, 27017, 27701. BSI refers to British Standards Institution, an organization instrumental to the formation of the ISO and IEC.

2. Refers to Service Organization Control 2 Type II certification.

324,000 Developers

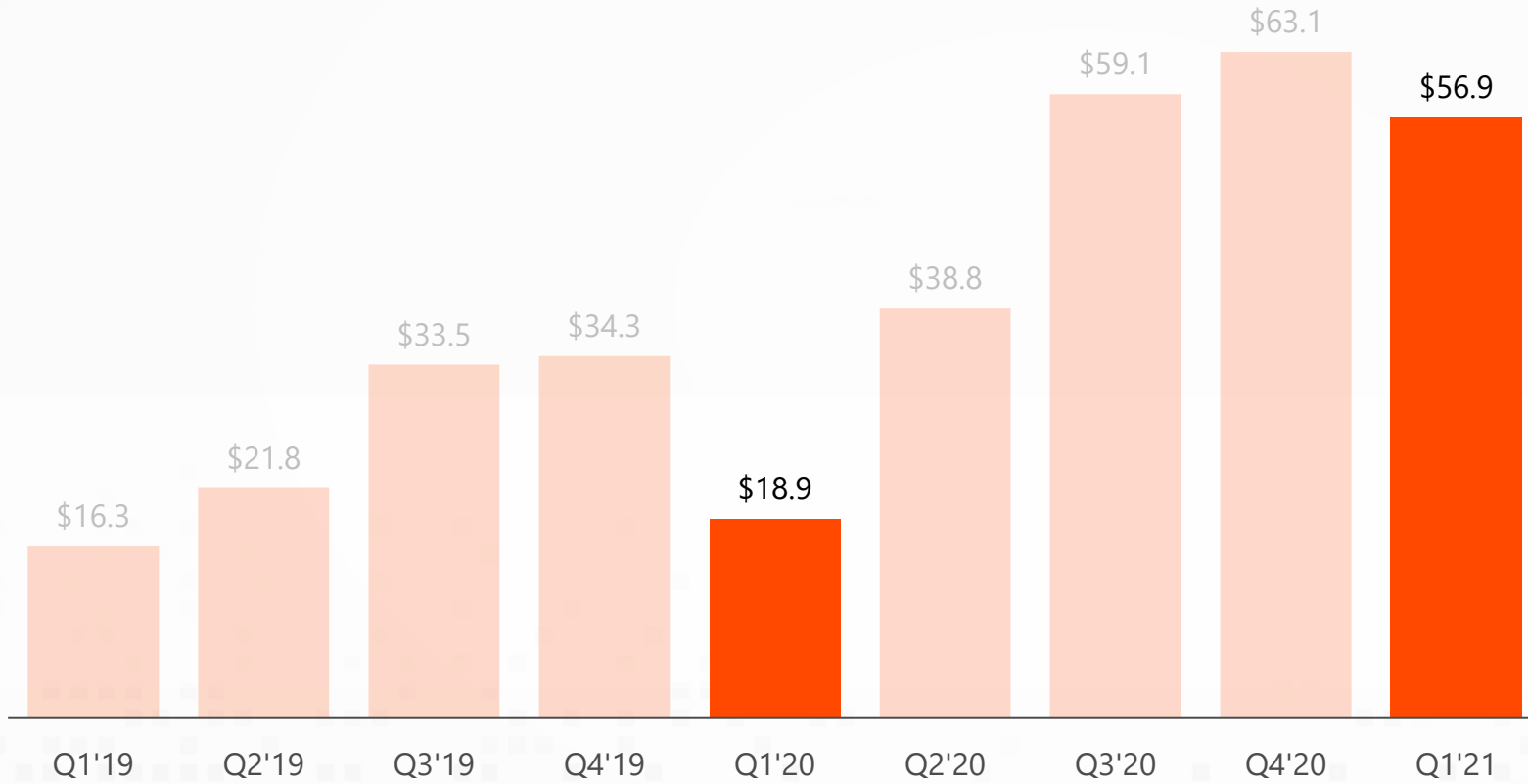
+24% Quarter-over-Quarter



Strong Revenue Growth



Total revenue
(USD'M)



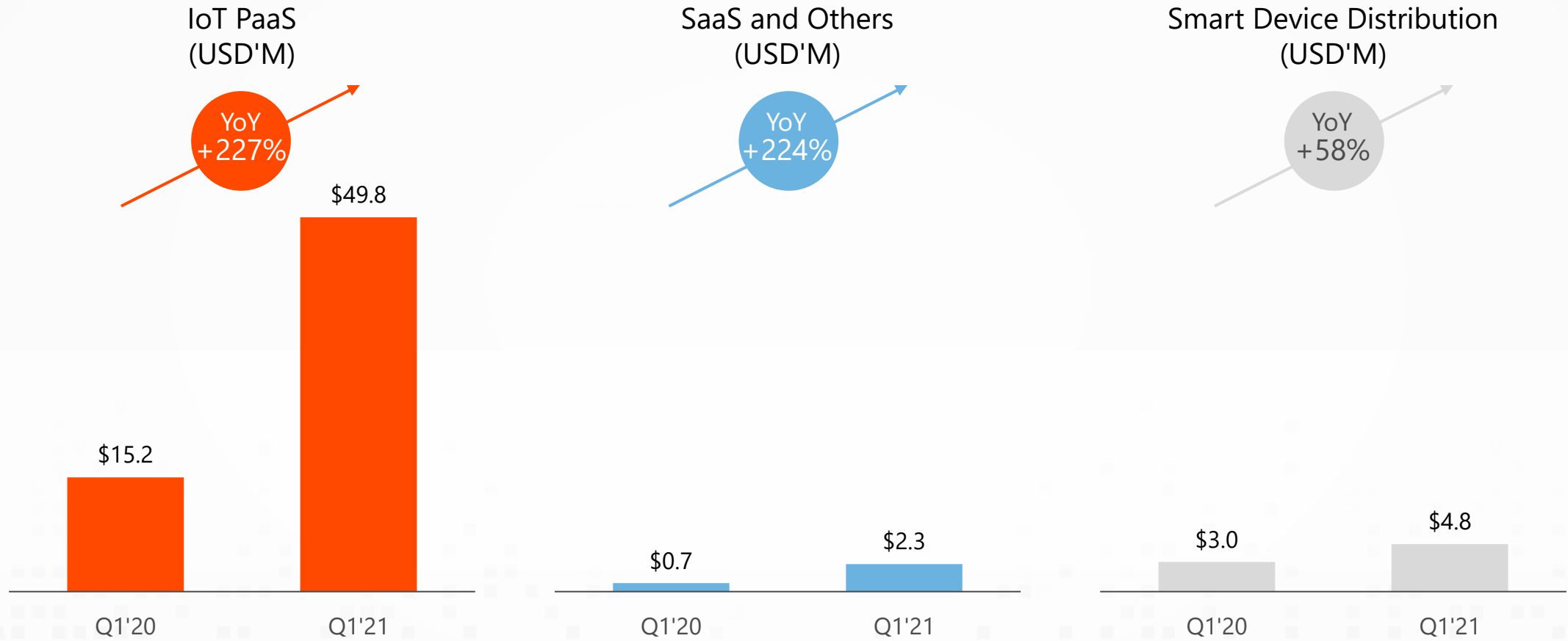
+200%

Q1 Total Revenue
Y/Y Growth

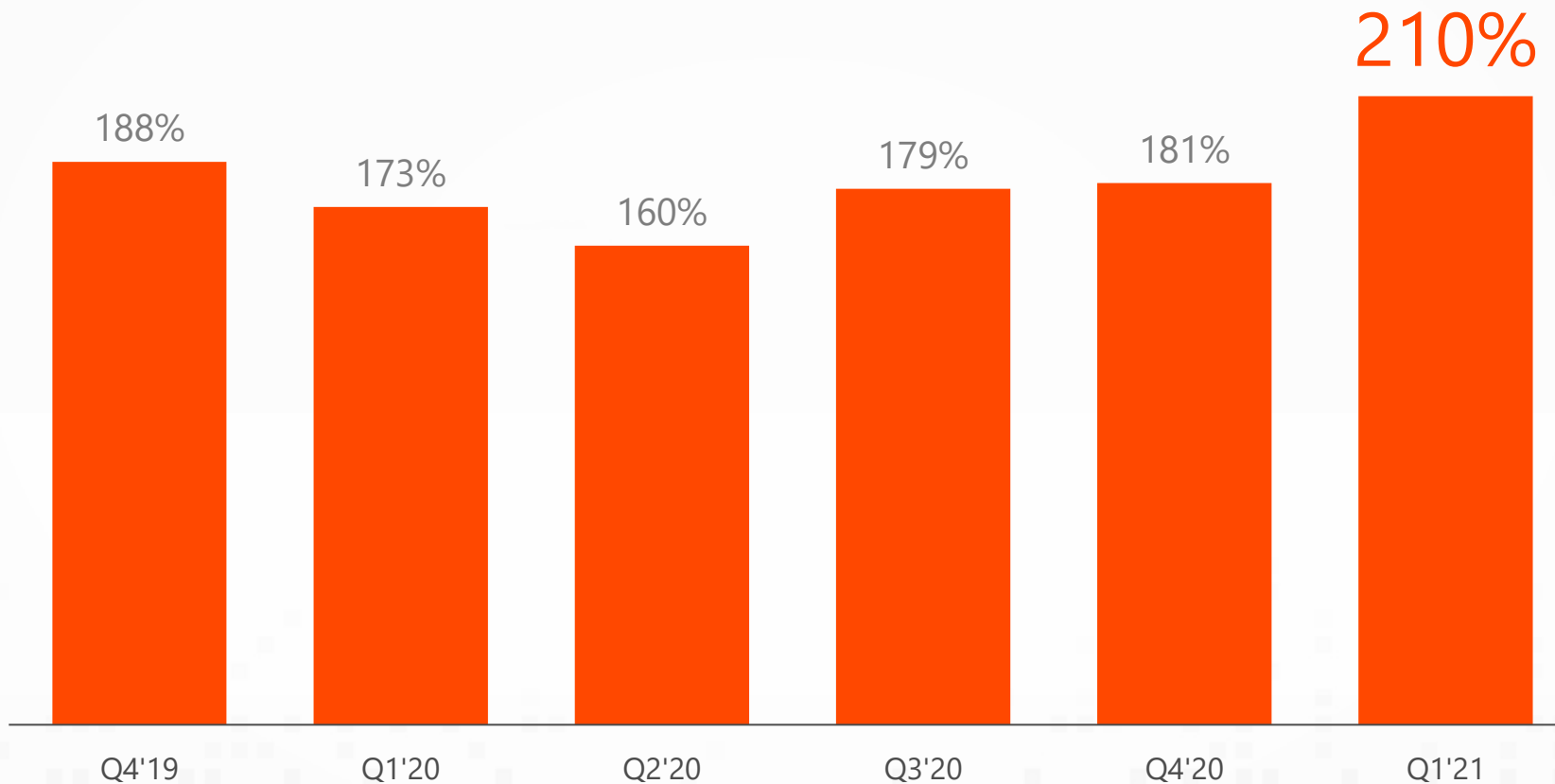
Strong Revenue Growth



Revenue breakdown



World-class Dollar-based Net Expansion Rate

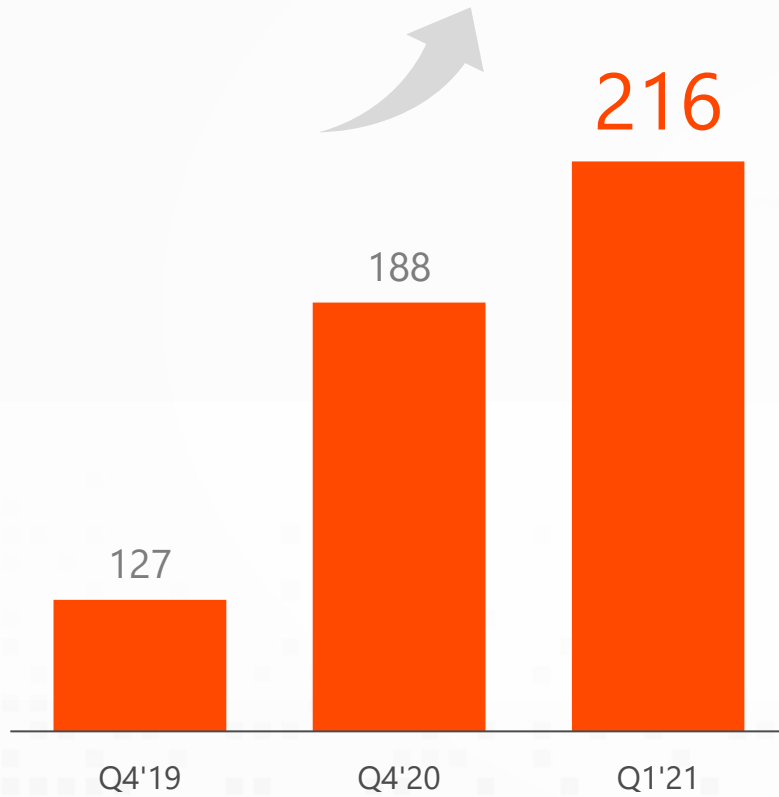


Note: Tuya calculates dollar-based net expansion rate of IoT PaaS for a trailing 12-month period by first identifying all customers in the prior 12-month period (i.e., those have placed at least one order for IoT PaaS during that period), and then calculating the quotient from dividing the IoT PaaS revenue generated from such customers in the trailing 12-month period by the IoT PaaS revenue generated from the same group of customers in the prior 12-month period.

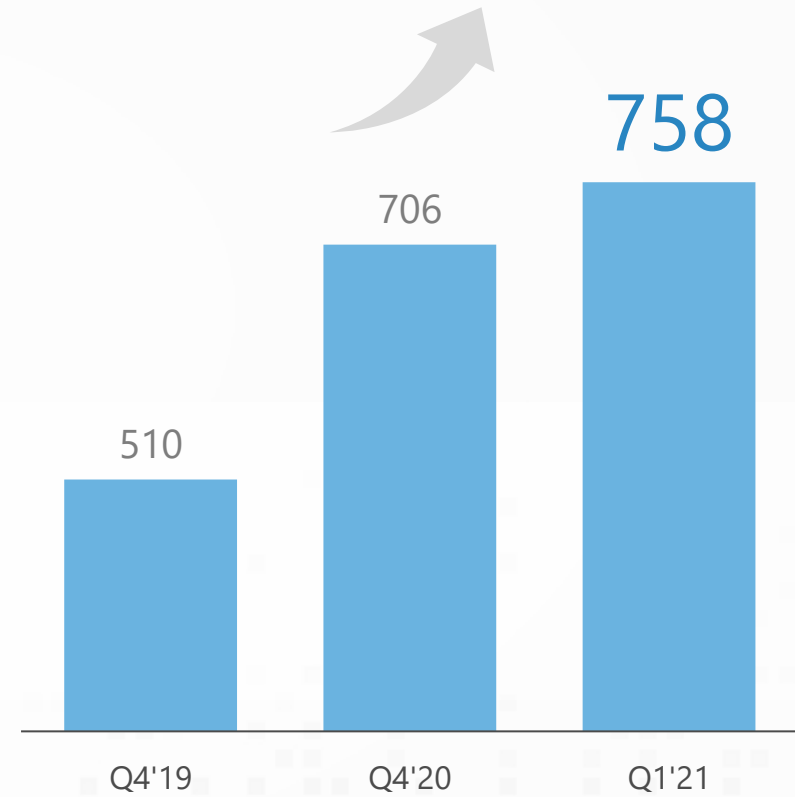
Strong Momentum in Large Customer Growth



Premium IoT PaaS customers¹
Contributing 86% of 1Q'21 IoT PaaS revenue



Average LTM IoT PaaS revenue²
Per premium IoT PaaS customers (US\$'K)

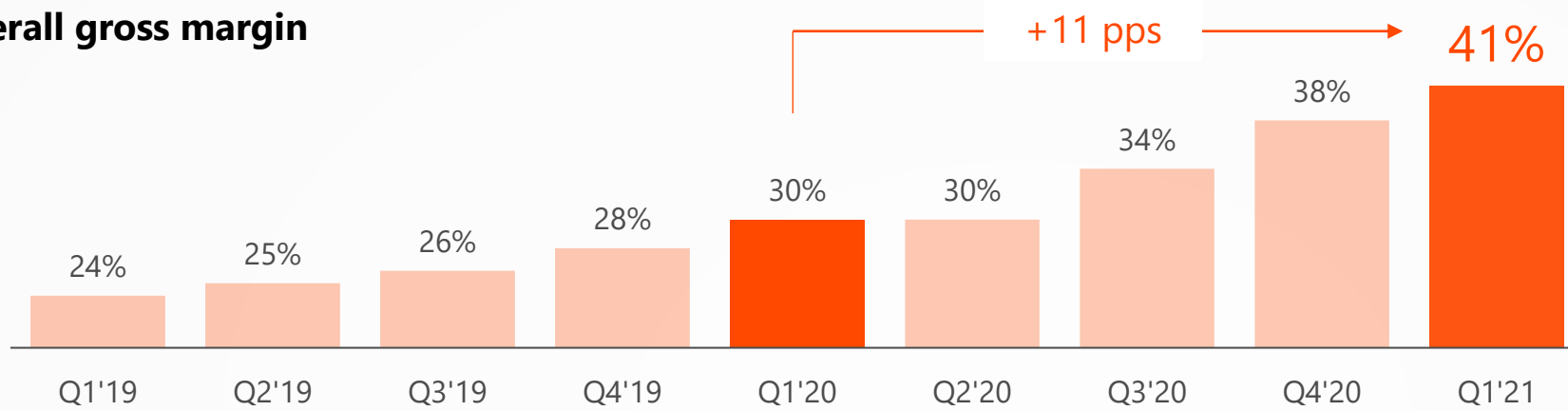


1. Tuya defines a premium IoT PaaS customer as a customer as of a given date that contributed more than US\$100,000 of IoT PaaS revenue during the immediately preceding 12-month period.
2. Calculated by dividing total IoT PaaS revenue contributed by premium IoT PaaS customers for last twelve-month period by total numbers of premium IoT PaaS customers during that period.

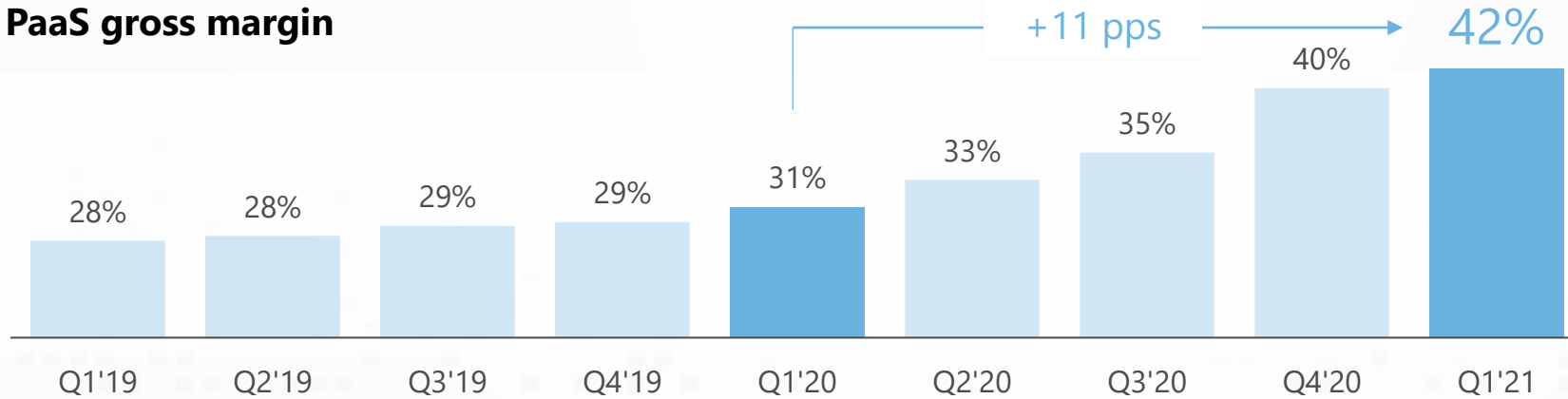
Improving Gross Margin



Overall gross margin



IoT PaaS gross margin



Improvement drivers

- Increased economies of scale and cost savings
- Improved efficiency achieved through effective R&D
- Expansion into higher-margin IoT PaaS product lines

SaaS and Others gross margin remained stable at 75%

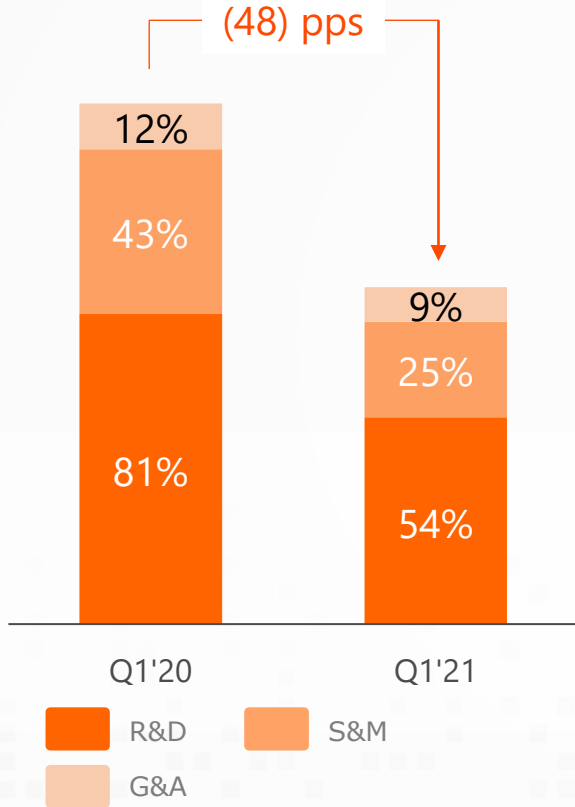
Smart Device Distribution gross margin was well-controlled at 19%

Note: Numbers are rounded for presentation purpose.

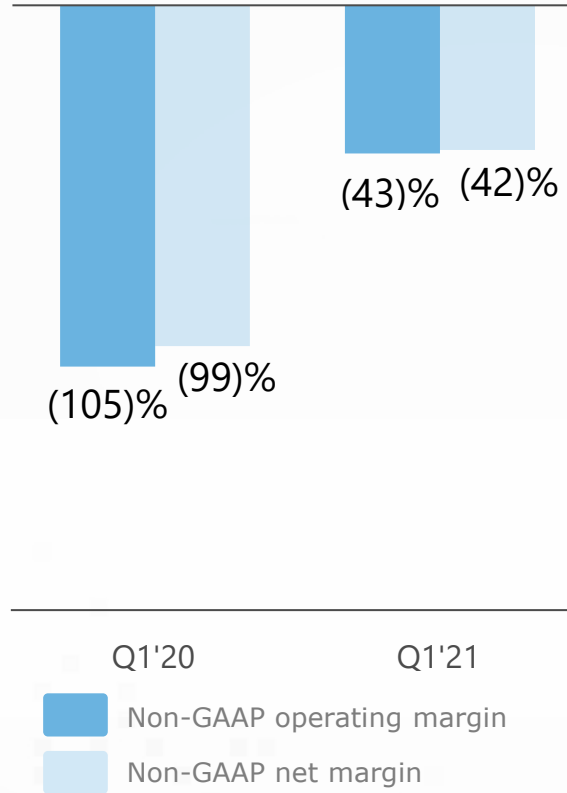
Significantly Increasing Operating Leverage



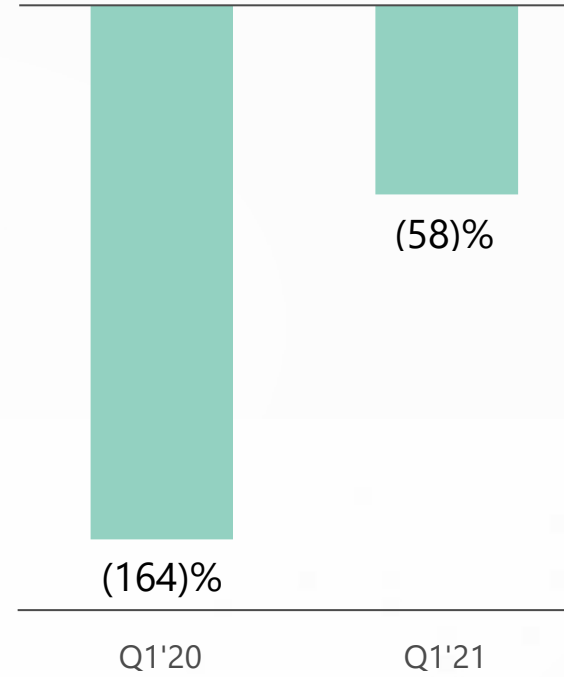
Non-GAAP operating expenses as % of revenue¹



Non-GAAP operating margin and net margin¹



Net cash used in operating activities as % of revenue



Leverage drivers

- Strong growth with healthy margin
- Highly efficient S&M
- Systematic and targeted R&D
- Disciplined internal management

Note: Numbers are rounded for presentation purpose.

1. Non-GAAP measures. Please refer to the appendix for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.



Building an IoT Developer Ecosystem

Enabling Everything to Be Smart

Appendix: Reconciliation of Non-GAAP to GAAP



	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2021
	USD'000	USD'000
Reconciliation of operating expenses to non-GAAP operating expenses		
Research and development expenses	(15,825)	(34,709)
Add: Share-based compensation	412	3,845
Adjusted Research and development expenses	(15,413)	(30,864)
Sales and marketing expenses	(8,519)	(16,412)
Add: Share-based compensation	323	2,139
Adjusted Sales and marketing expenses	(8,196)	(14,273)
General and administrative expenses	(3,430)	(16,062)
Add: Share-based compensation	1,079	10,798
Adjusted General and administrative expenses	(2,351)	(5,264)
Reconciliation of loss from operations to non-GAAP loss from operations		
Loss from operations	(21,783)	(41,277)
Add: Share-based compensation expenses	1,814	16,782
Non-GAAP Loss from operations	(19,969)	(24,495)
Non-GAAP operating margin	(105.4%)	(43.1%)
Reconciliation of net loss to non-GAAP net loss		
Net loss	(20,639)	(40,533)
Add: Share-based compensation expenses	1,814	16,782
Non-GAAP net loss	(18,825)	(23,751)
Non-GAAP net margin	(99.4%)	(41.8%)
Weighted average number of ordinary shares used in computing non-GAAP net loss per share, basic and diluted	221,980,000	268,165,312
Non-GAAP net loss per share attributable to ordinary shareholders - basic and diluted	(0.08)	(0.09)