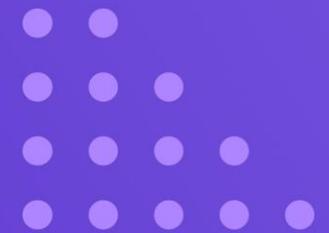




# Presentation

## Second Quarter 2022



August 2022



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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.

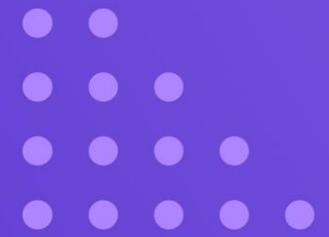
Reconciliations of Tuya's non-GAAP financial measures to the most comparable U.S. GAAP measures are included at the end of this Presentation.

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.



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

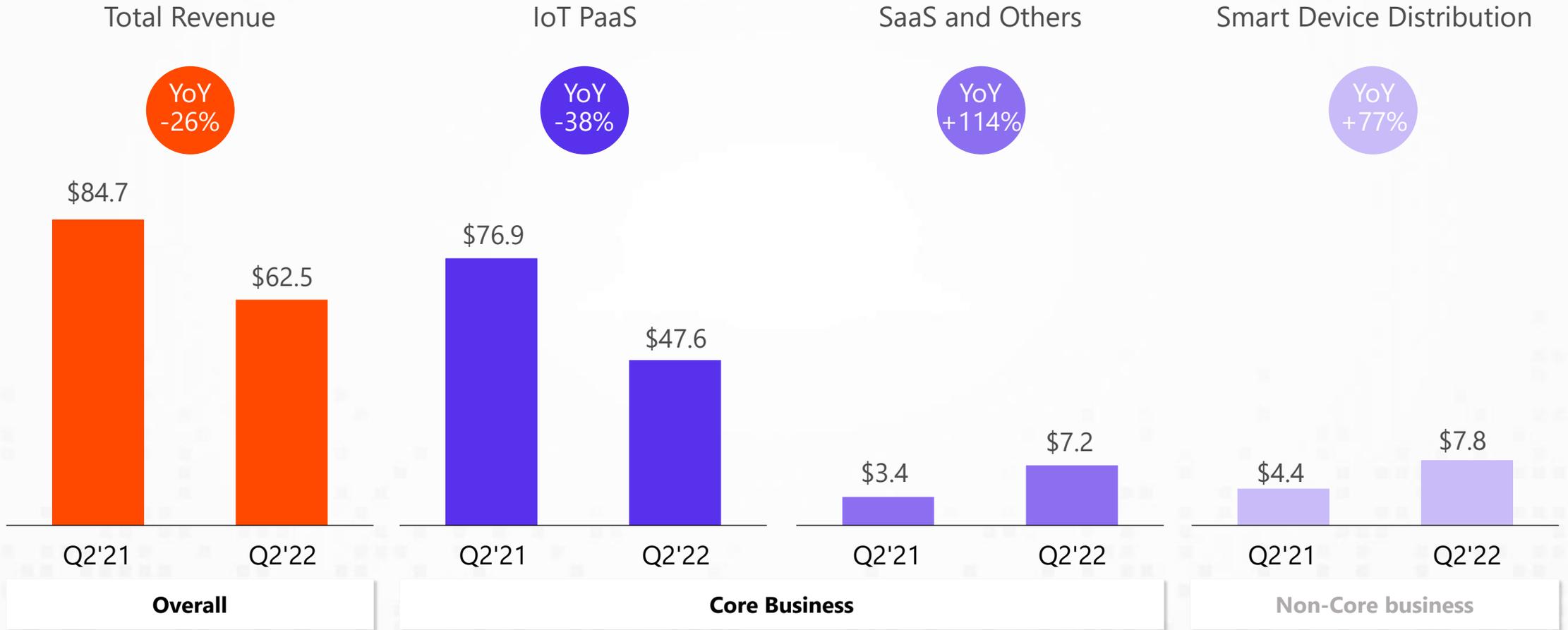
Q2'22 Updates



# Revenue Updates by Segment

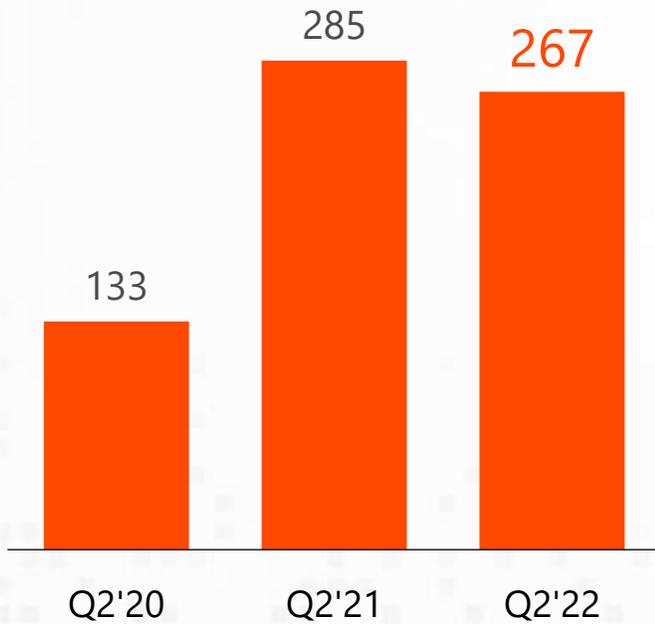


## Revenue breakdown for the quarter (USD'M)



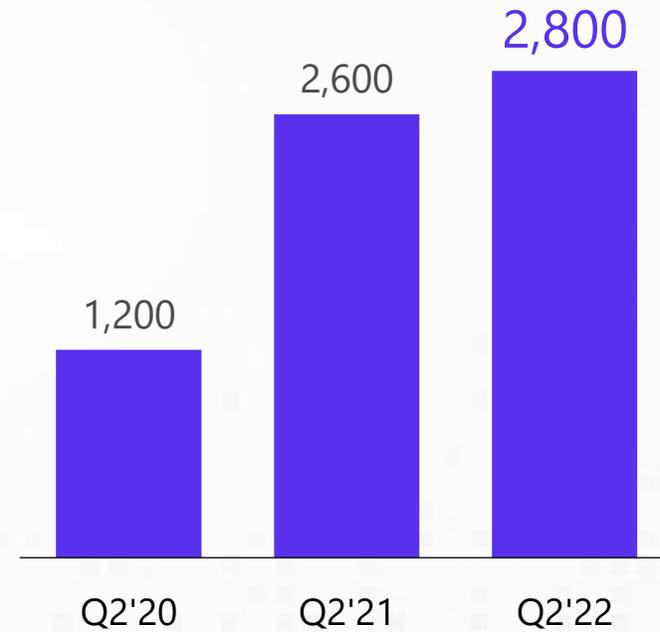
## Premium IoT PaaS customers<sup>1</sup>

Contributed ~82%  
of IoT PaaS revenue in Q2'22



## Total IoT PaaS customers we served in Q2'22

Number of customers



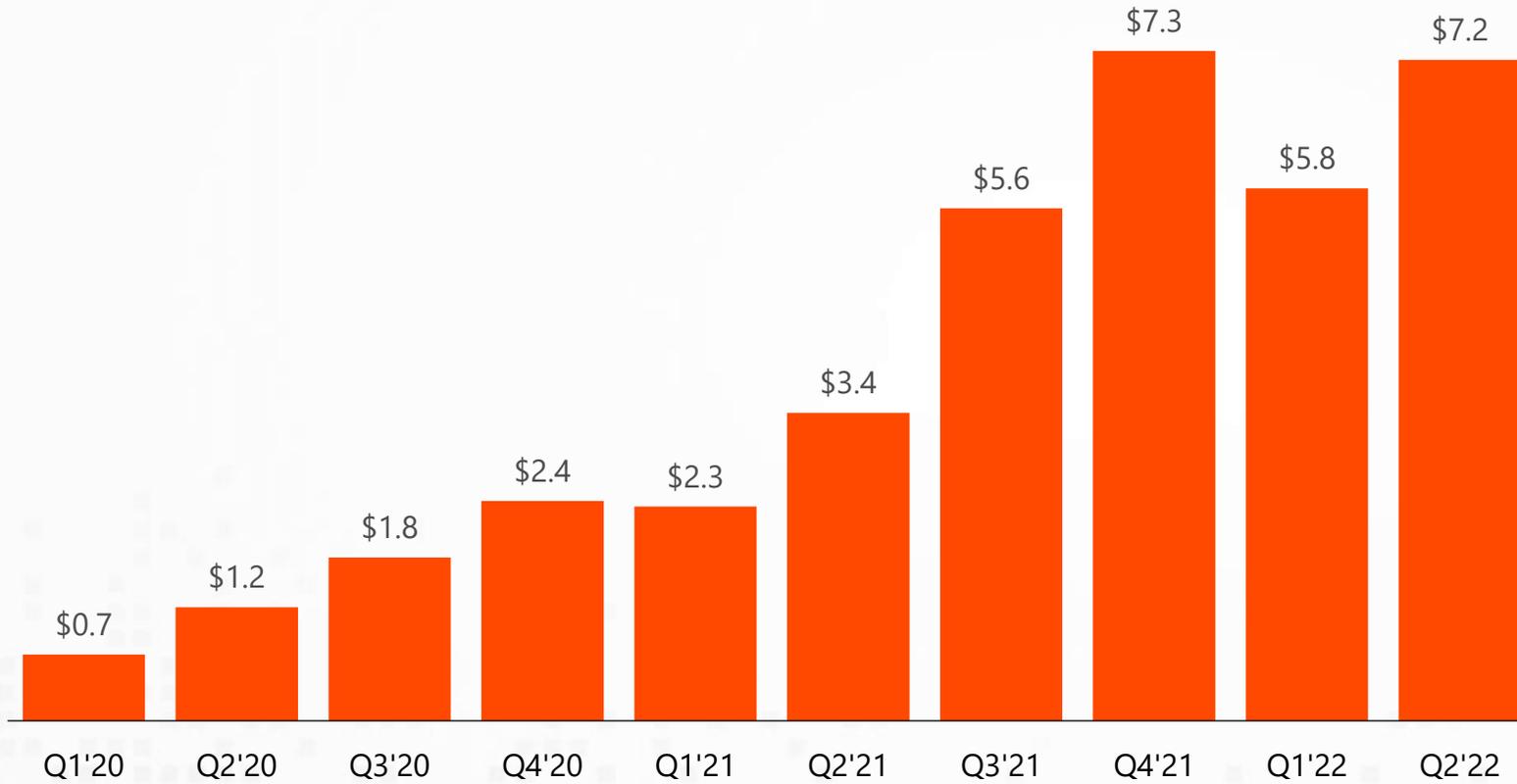
*\*Decrease in PCs represents that some customers fell below the PC revenue contribution threshold (i.e., USD100K per 12-month), which does not indicate the loss of customers.*

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.

# Strong Revenue Growth in SaaS and Others



SaaS and Others revenue  
(USD'M)



+ 114%

Q2 SaaS and Others  
Revenue Y/Y Growth



## Commercial Lighting/Building SaaS

### Progress



# of Newly obtained brands



# of Newly obtained projects



# of Newly accessed devices



### Case Study

• **APTIV** •

A Global Leading Mobile Electronics and Automotive Systems Supplier.



**Saving 900** kwh electricity daily



**70%+** energy saving efficiency

### Upcoming

#### More functions:

- Carbon Calculation
- Theoretical Energy Consumption Analysis
- Event Central Hub



## Hotel/Apartment

### China



Optimize with more cost-effective functions

### International



Scale our coverage with 1,000+ new rooms

### Customers



Focusing on **industry-leading** service providers and hotel groups, improve our product offerings.



## Industrial



A Large High-voltage Electrical Control Equipment Supplier in China



**Safety** remote device monitoring



**~10%** effective power saving



Industry Expert of Two-wheel Electric Bicycle Drive System in China



**-50%** after-sales service costs



**-30%** customer support time

# Value-added Service Demonstrates Obvious Growth Potential

## *Selected Value-added Services*

## *YoY Growth*

	<i>IPC Cloud Storage &amp; Video Streaming</i>	
	<i>OEM APP</i>	
	<i>Voice Skills</i>	
	<i>IoT Certification</i>	
	<i>Cloud Development Framework</i>	
	<i>APP Advanced Functions</i>	

# Cube Solution are Making Steady Progress



## **New** Exemplary customers acquired



### **South East Asia**

One of the largest multinational electrical, electronics, automobiles and other appliances brand

### **PRC Mainland**

A PRC large comprehensive Industry Investment Group

## **Tens** Top enterprises leads



Energy



Campus



Vehicle Management



City & Traffic



Outdoor



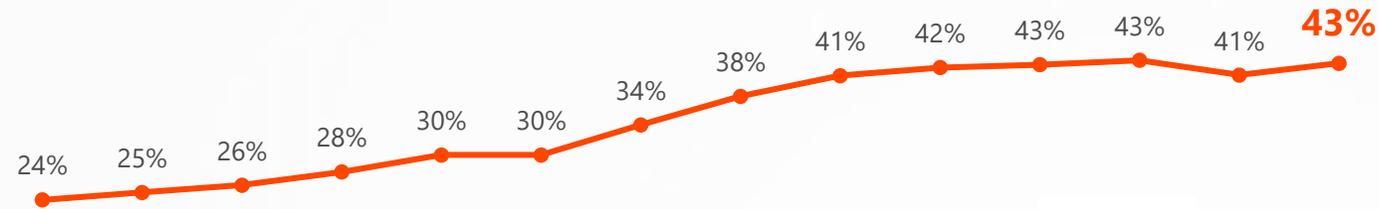
Utilities

# Stable Gross Margin under Headwinds

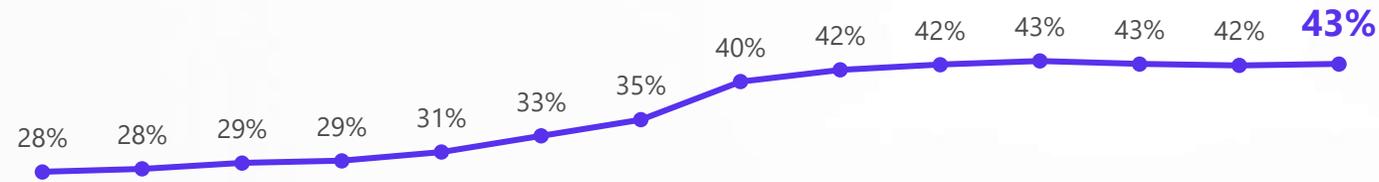


## Gross Margin

Overall gross margin



IoT PaaS gross margin



SaaS and Others gross margin

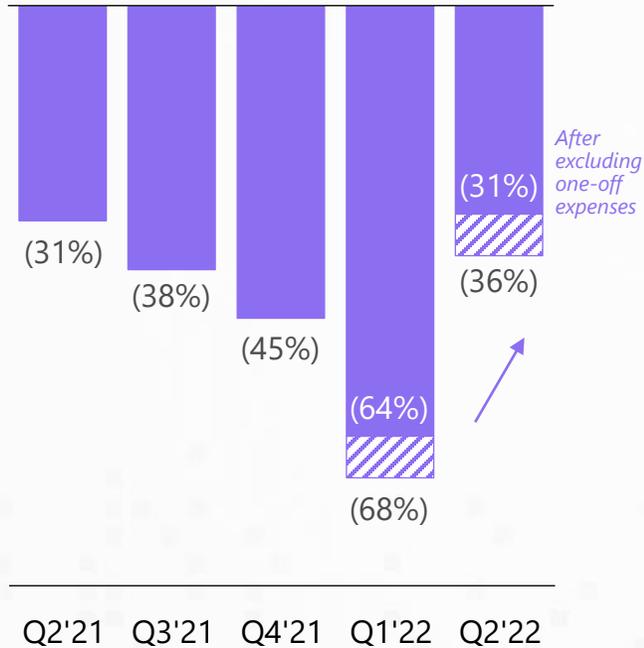


## Key points:

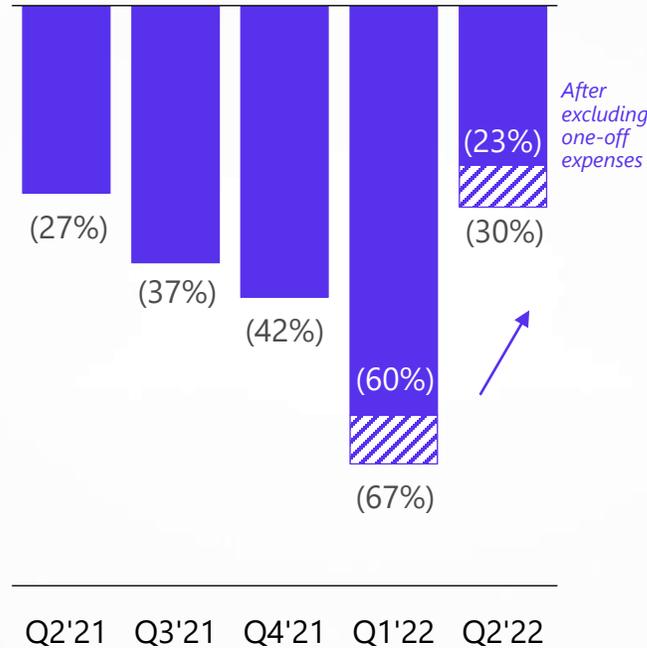
- Showing our value proposition all the time, including under headwinds
- Remained relatively stable for several quarters
- Due to effective implementation of business management and efficiency improvement initiatives
- Overall GPM fluctuated due to product mix

# Operating Margin and Net Margin

**Non-GAAP operating margin<sup>1</sup>  
since Q2'21 to Q2'22**



**Non-GAAP net margin<sup>1</sup>  
since Q2'21 to Q2'22**



**Main drivers:**

- Significantly decreased basic payroll and benefits due to headcounts down in Q2
- One-off headcount optimization costs
- One-off commercial penalties and restoration fees due to rental termination, etc.

One-off expenses, including headcount optimization costs, etc.

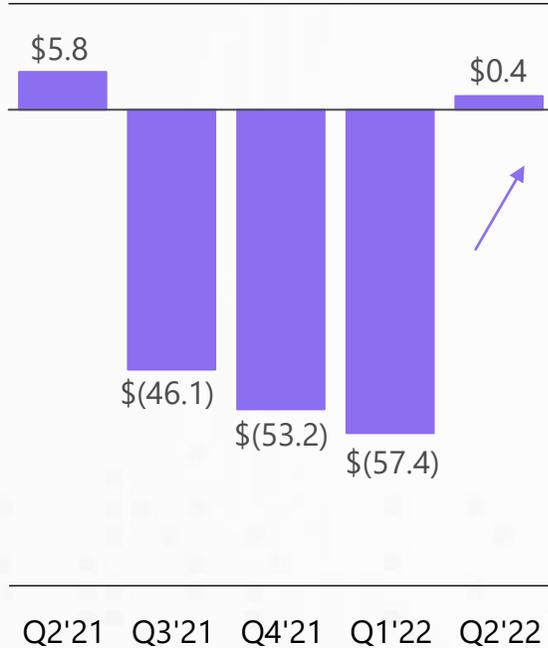
1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.

Note: Numbers are rounded for presentation purposes.

# Strong Cash Position — One of The Largest Advantages & Protection



**Operating cash flow since Q2'21 to Q2'22**  
(USD'M)



**Organic operating cash flow since Q2'21 to Q2'22**  
(USD'M)



**Main drivers:**

- Operating cashflow improved significantly quarter over quarter, reversing the trend of sequential decreases since the third quarter of 2021
- Due to the decrease in operating expense, particularly employee-related costs, and improvement in working capitals

**Strong cash position:**

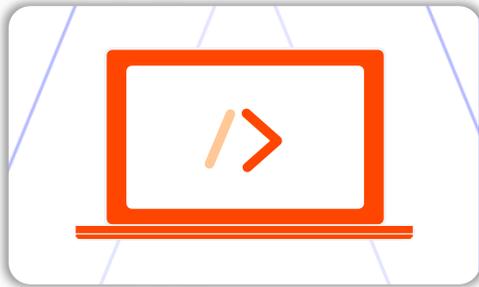
- **USD 952M cash on hand**
- No debt, no capital commitments

1. Organic operating cash flow is calculated by excluding the cash received from Depository Sharing Program from Operating cash flow.

Note: Numbers are rounded for presentation purposes.

**629,000 Developers<sup>1</sup>**

+8% Quarter over Quarter / +64% Year over Year



**Product Development**

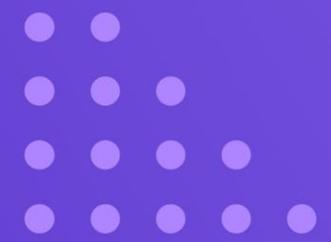


**App Development**



**Cloud Development**

1. "Developer" refers to the registered developer, as of June 30, 2022.



Building an IoT Developer Ecosystem  
Enabling Everything to Be Smart

# Appendix: Reconciliation of Non-GAAP to GAAP



	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2022
	USD'000	USD'000
<b>Reconciliation of operating expenses to non-GAAP operating expenses</b>		
Research and development expenses	(42,657)	(37,221)
Add: Share-based compensation	2,956	3,452
Adjusted Research and development expenses	(39,701)	(33,769)
Sales and marketing expenses	(19,388)	(15,061)
Add: Share-based compensation	1,482	1,847
Adjusted Sales and marketing expenses	(17,906)	(13,214)
General and administrative expenses	(16,292)	(17,130)
Add: Share-based compensation	10,573	11,871
Adjusted General and administrative expenses	(5,719)	(5,259)
<b>Reconciliation of loss from operations to non-GAAP loss from operations</b>		
Loss from operations	(41,518)	(39,460)
Add: Share-based compensation expenses	15,011	17,170
Non-GAAP Loss from operations	(26,507)	(22,290)
Non-GAAP operating margin	(31.3%)	(35.6%)
<b>Reconciliation of net loss to non-GAAP net loss</b>		
Net loss	(38,130)	(35,869)
Add: Share-based compensation expenses	15,011	17,170
Non-GAAP net loss	(23,119)	(18,699)
Non-GAAP net margin	(27.3%)	(29.9%)
Weighted average number of ordinary shares used in computing non-GAAP net loss per share, basic and diluted	560,936,196	550,172,103
Non-GAAP net loss per share attributable to ordinary shareholders - basic and diluted	(0.04)	(0.03)