



# Investor Presentation

Third Quarter 2021



November 2021

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

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

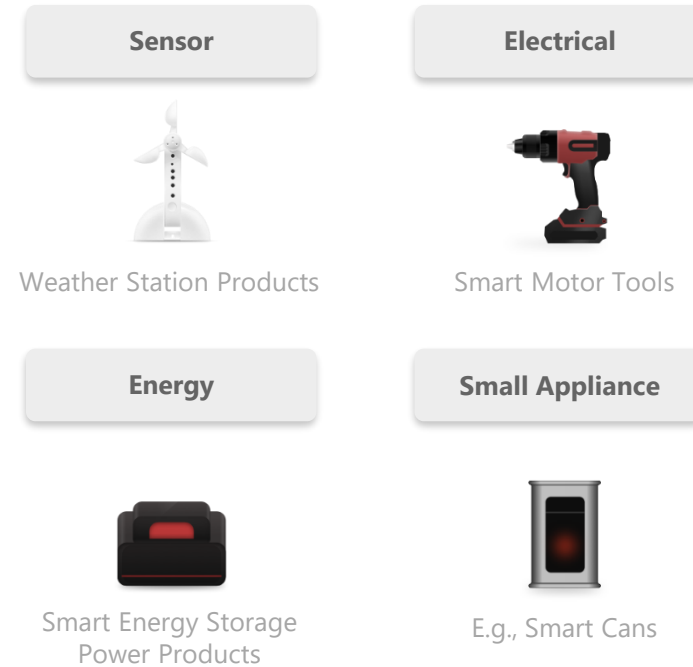
# Expanding Customers and Product Lines

## Selected IoT PaaS and SaaS Customers

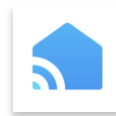
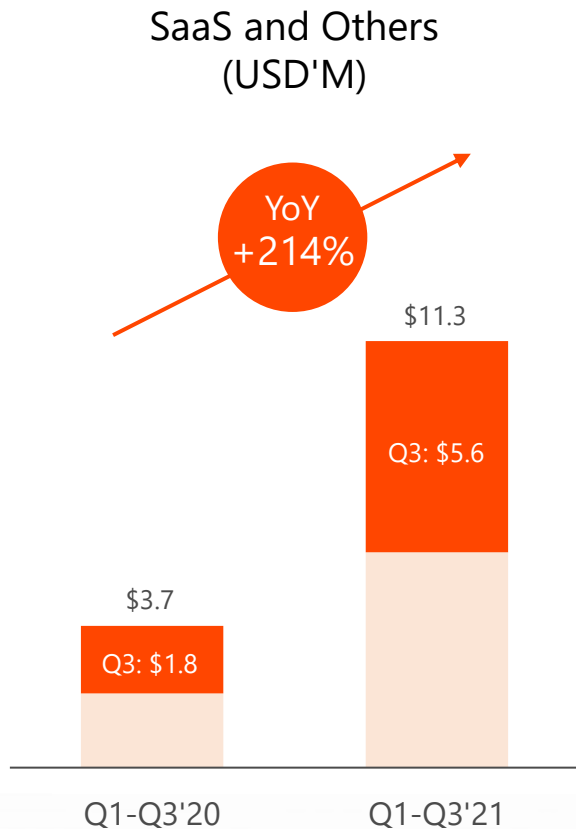


~3,000 IoT PaaS customers in Q3'21  
(including 1,000+ new customers)

## Selected Product Line Updates



Product lines have been expanding steadily in Q3'21



## Real Estate/Community

- New big name key accounts, e.g., New Hope Service Group, Excellence Group...
- Existing customers further applied Tuya SaaS to more communities and real estate
- Non-residential parks version is under development



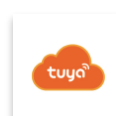
## Commercial Lighting SaaS

- Significant energy saved for enterprises; Students' eyesight protected in over 1,000 classrooms
- Well expanded in global market, e.g., one of the largest NL sports clubs implemented<sup>1</sup>
- Extending into building SaaS to empower HVAC<sup>2</sup> via software capabilities from Tuya IoT Cloud



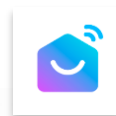
## Hotel/Apartment SaaS

- Over 40,000 rooms covered
- Approximately 500,000 consumer electronic smart devices connected and daily used
- Foresee a considerable room for growth in Europe and America



## Developer Products

- Offer pedestal products such as IoT Core, on which ISV<sup>3</sup> will develop upper applications layer software themselves
- Over 150+ smart shared office areas developed and implemented by Mydream+, etc.



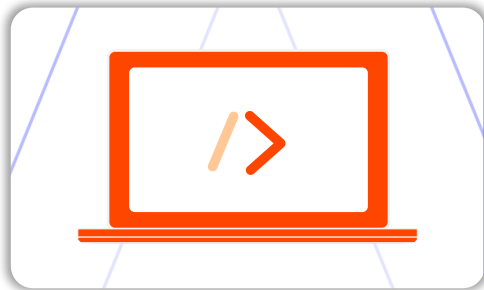
## Value-added Services

- Over 60 VAS offered, including Tuya Mall, a product to build e-commerce systems with all basic essential functions in an App

1. One of the largest sports clubs in the Netherlands with 120-year history has deployed Tuya Commercial Lighting SaaS and equipped with over 100 sets of Tuya-standard floodlights.  
2. "HVAC" refers to Heating, Ventilation and Air Conditioning System.  
3. "ISV" refers to Independent Software Vendor.

**446,000 Developers<sup>1</sup>**

+16% Quarter over Quarter / +103% Year over Year



**Product Development**

**E.g., Industry Edge Gateway**



**App Development**

**E.g., IoT Wechat Mini-program**



**Cloud Development**

**E.g., IoT Core**

1. "Developer" refer to registered developer, as of September 30, 2021.



## Tuya Private Cloud

- Adopt the same standards as Public Cloud
- Similar to ERP system implementation
- Deploy on customer's own IaaS
- Interconnecting with all Tuya-standard device and scenes



## IoT Advanced Functions

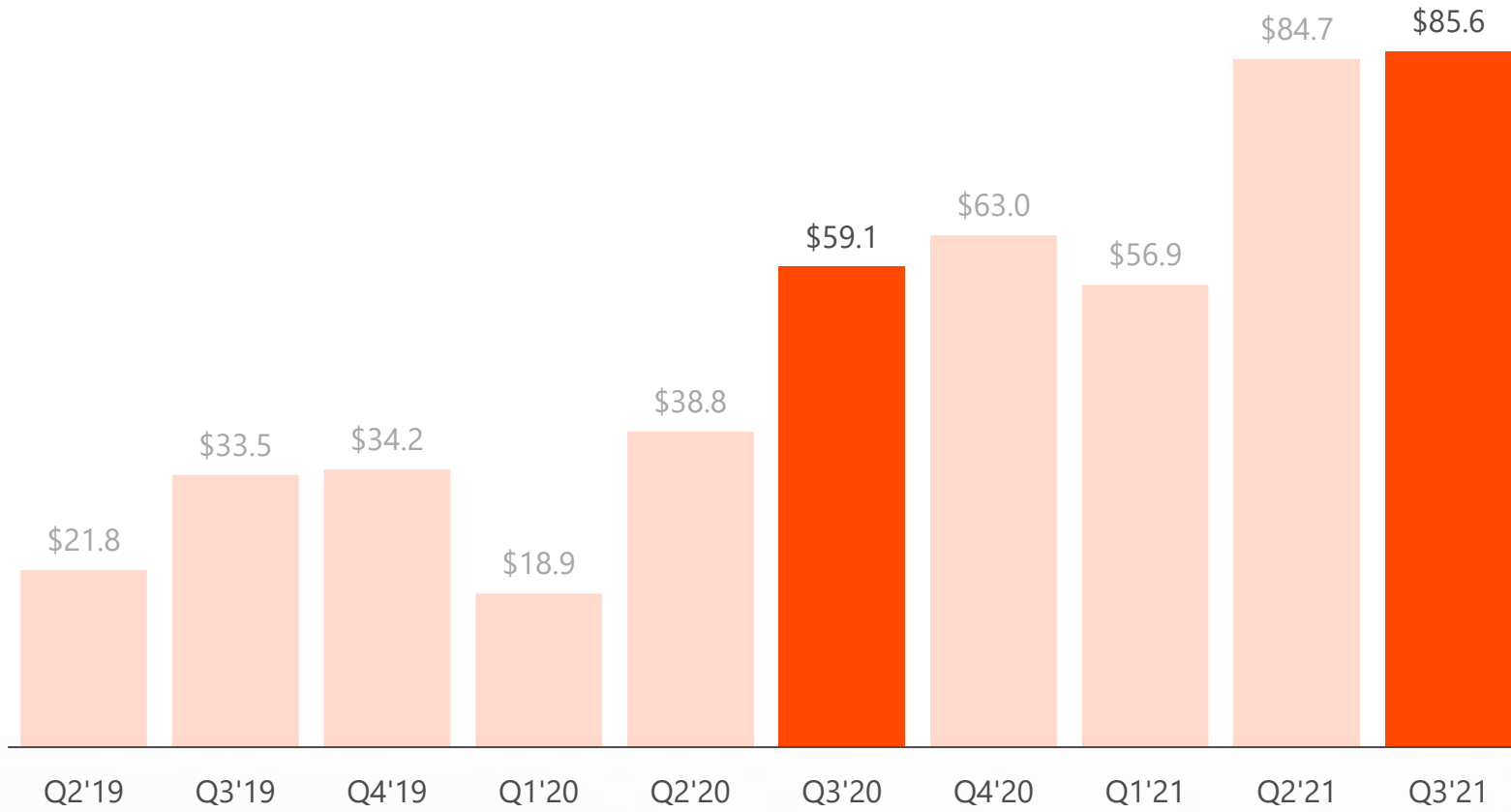
- 100+ IoT Advanced Functions enriching IoT PaaS value
- Select on demand when developing smart devices
- Enhance customers' product differentiated competitiveness
- E.g., irrigation, mapping capabilities, human-centric lighting, BMS charging and discharging management, cloud recipe, etc.

*Connecting and controlling devices through an app or third-party voice and audio devices is just the basic IoT function.*

# Strong Revenue Growth



**Total revenue**  
(USD'M)



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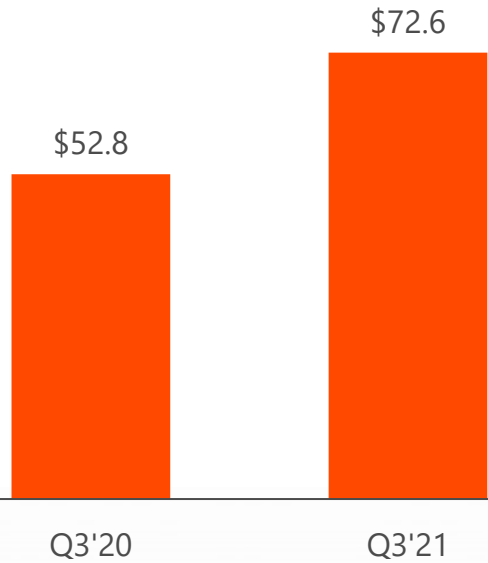
**+45%**  
Q3 Total Revenue  
Y/Y Growth

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## Revenue breakdown for Q3'21

IoT PaaS  
(USD'M)

YoY  
+37%



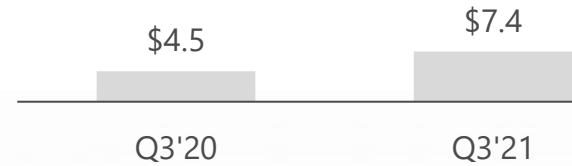
SaaS and Others  
(USD'M)

YoY  
+214%

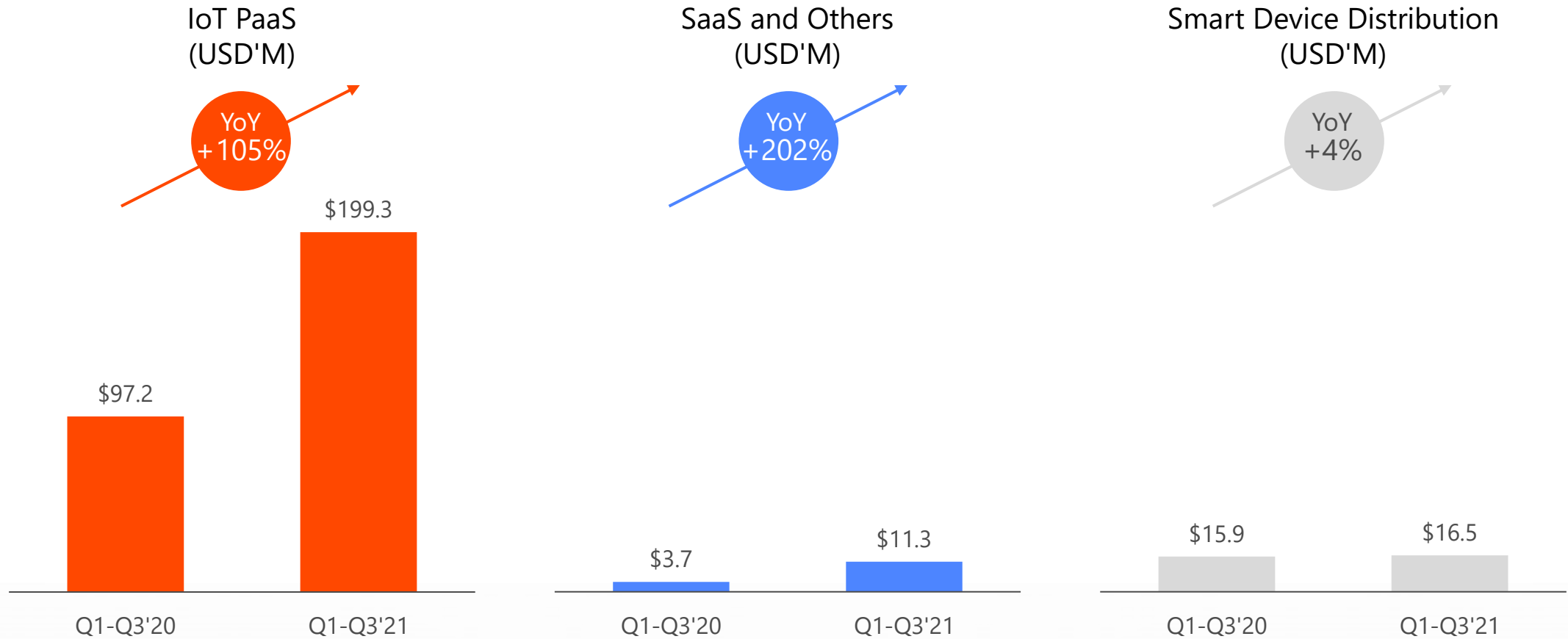


Smart Device Distribution  
(USD'M)

YoY  
+66%

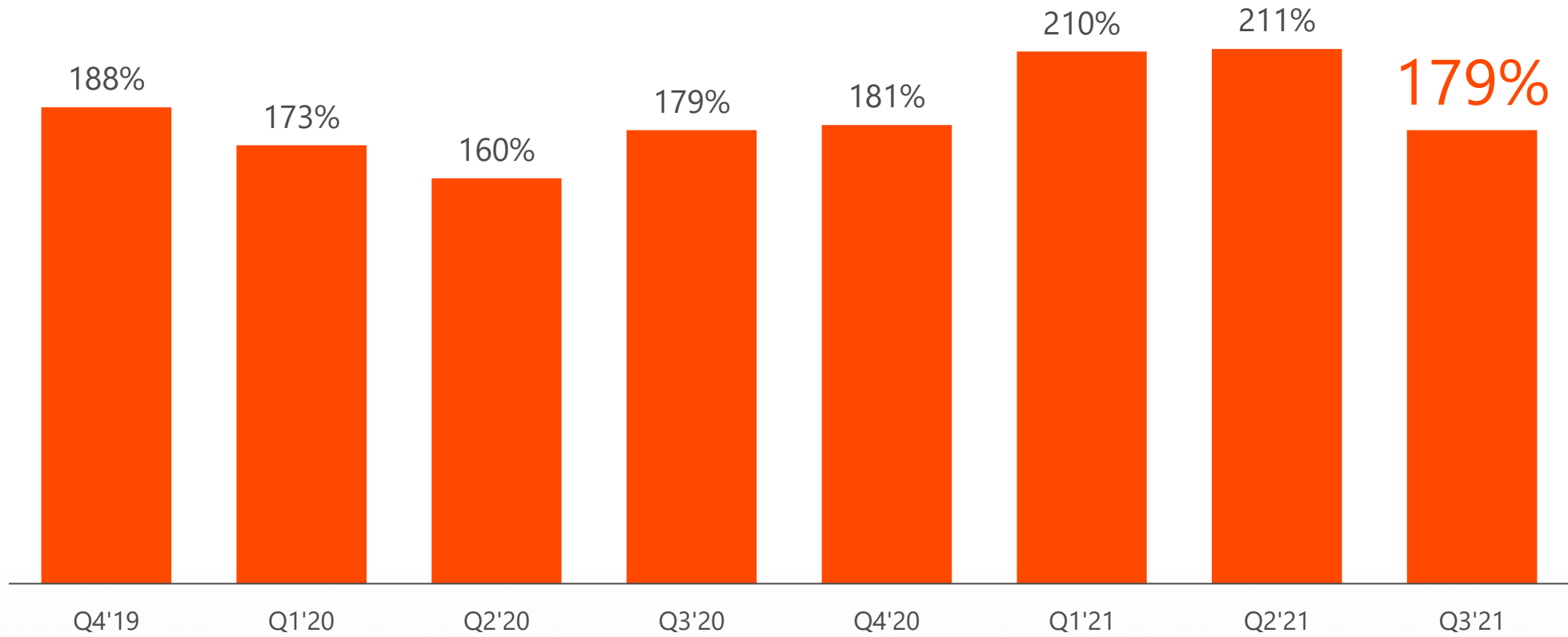


## Revenue breakdown for YTD'21



We believe that looking at our performance for a longer period of time, such as the sum of the first three quarters of 2021, will provide a better picture of our actual condition and long-term growth.

# World-Class Dollar-Based Net Expansion Rate

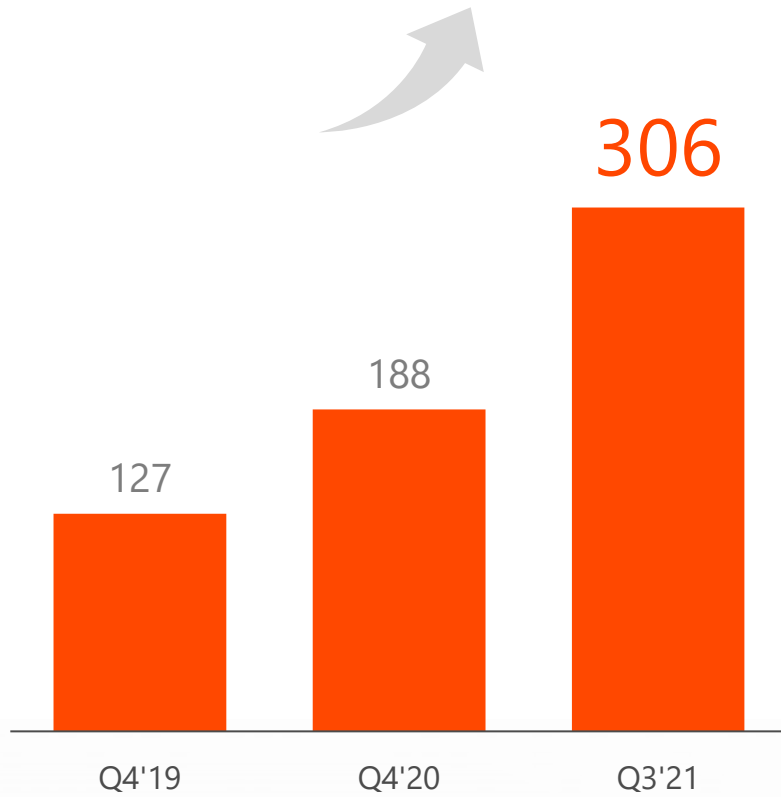


Note: Tuya calculates dollar-based net expansion rate of IoT PaaS for a trailing 12-month period by first identifying all customers in the prior 12-month period (i.e., those who have placed at least one order for IoT PaaS during that period), and then calculating the quotient by dividing the IoT PaaS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

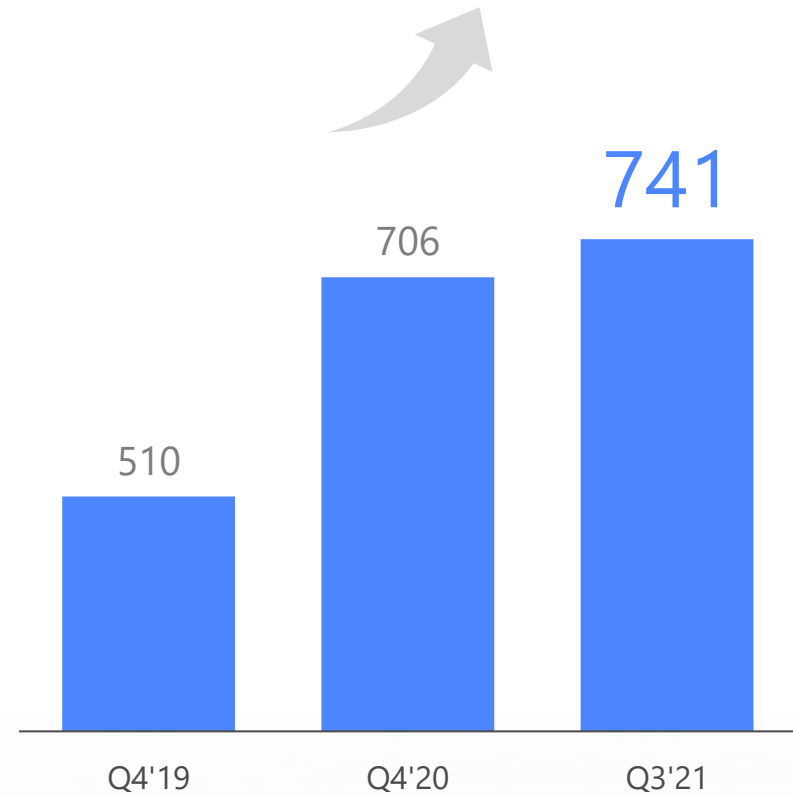
# Large Customer Growth



**Premium IoT PaaS customers<sup>1</sup>**  
Contributed ~89% of Q3'21 IoT PaaS revenue



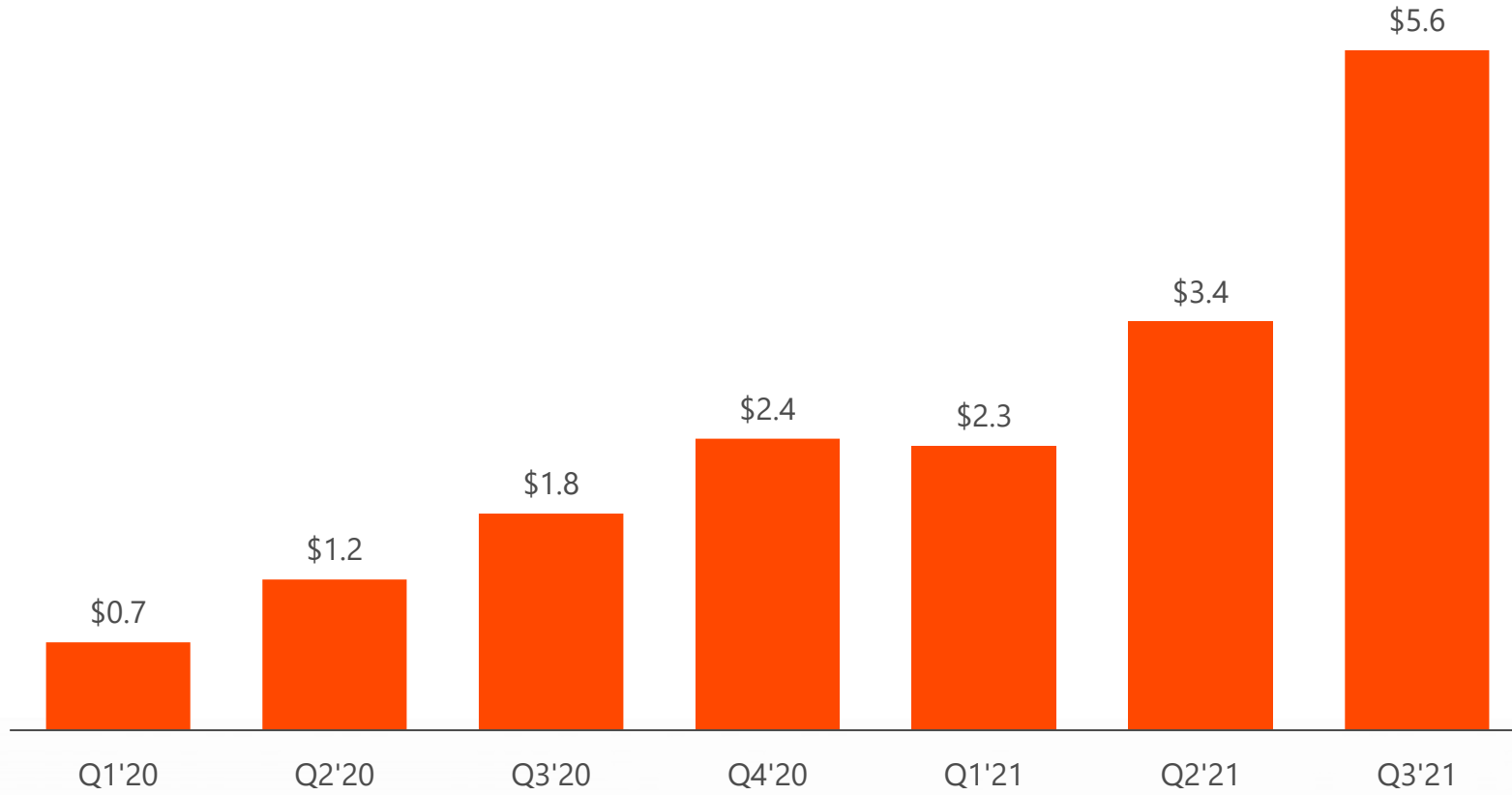
**Average LTM IoT PaaS revenue<sup>2</sup>**  
Per premium IoT PaaS customer (USD'K)



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 number of premium IoT PaaS customers during that period.

# Strong Revenue Growth in SaaS and Others

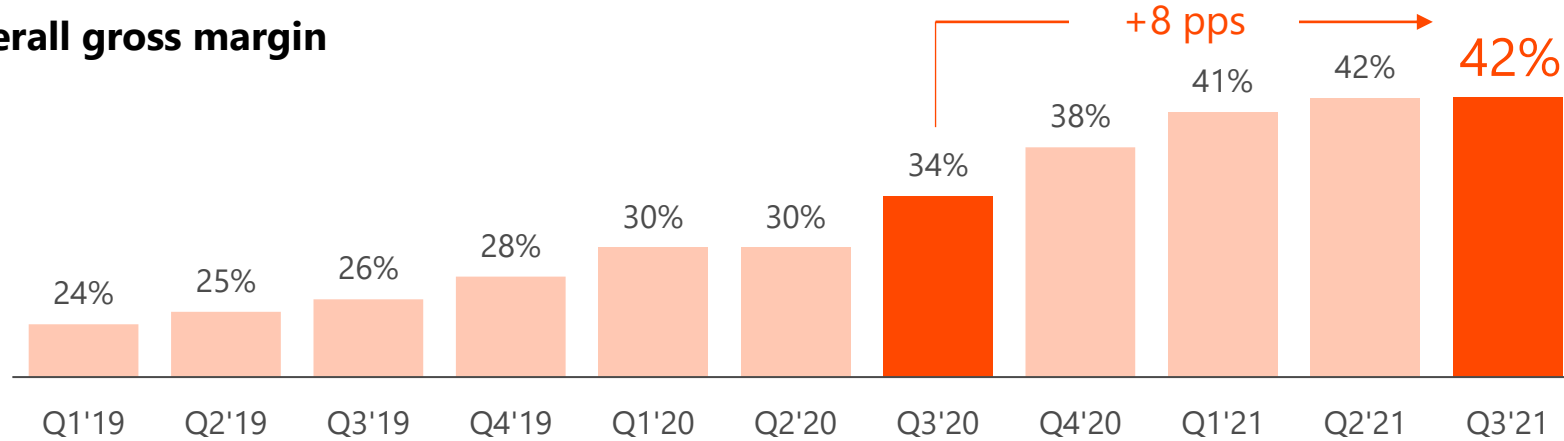
SaaS and Others revenue  
(USD'M)



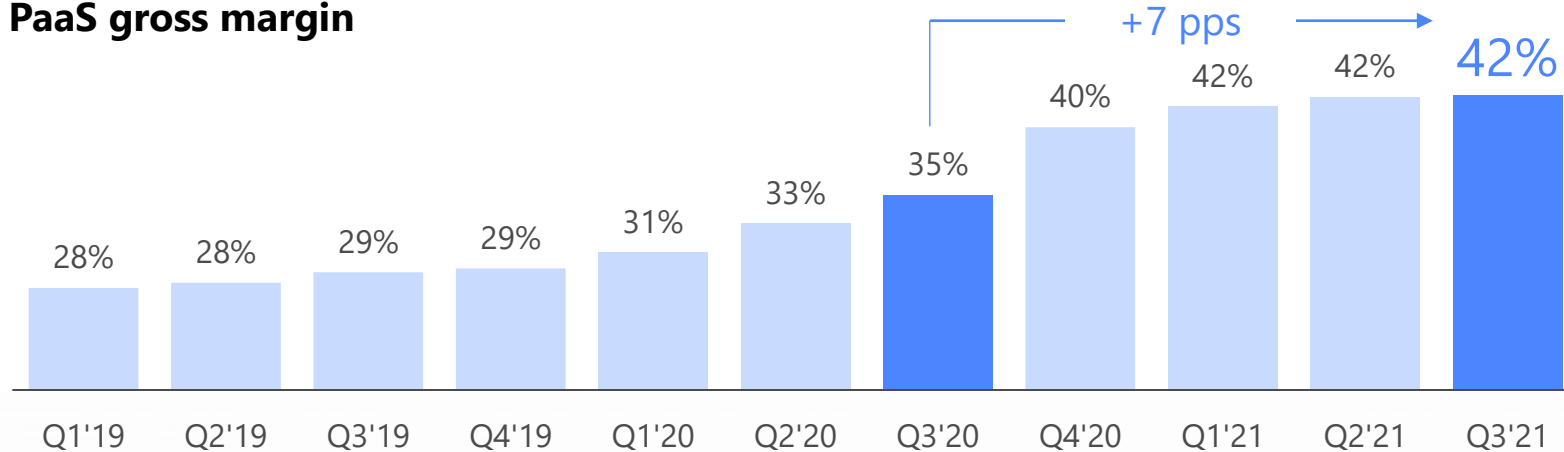
+214%

Q3 SaaS and Others  
Revenue Y/Y Growth

## Overall gross margin



## IoT PaaS gross margin



### Improvement drivers:

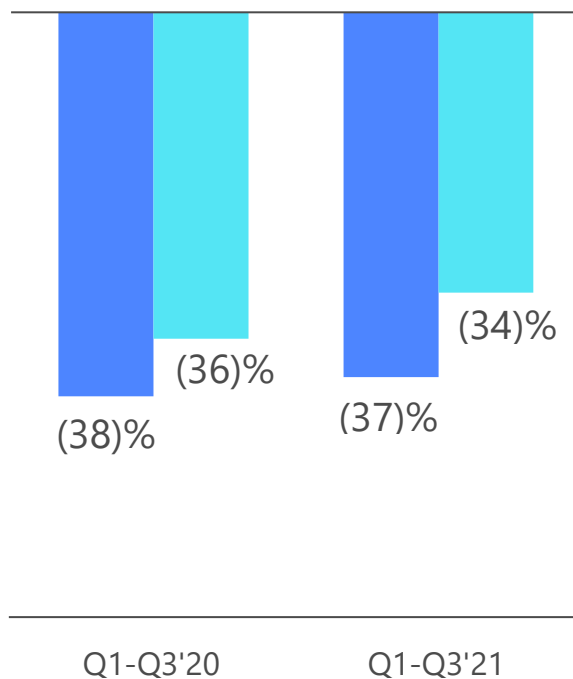
- Increased economies of scale and cost savings
- Improved efficiency achieved through effective R&D
- Expansion into higher-margin IoT PaaS product lines

**SaaS and Others gross margin** remained stable at 73%  
**Smart Device Distribution gross margin** was 17%

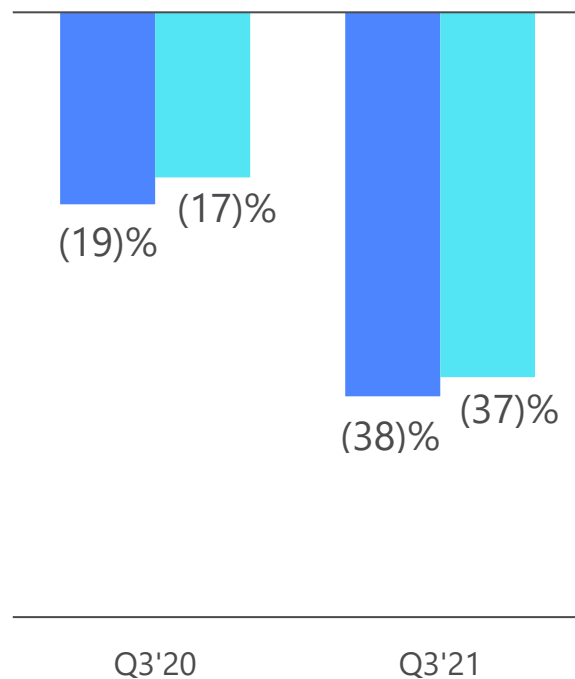
Note: Numbers are rounded for presentation purposes.

# Operating Margin and Net Margin

**Non-GAAP operating margin and net margin<sup>1</sup> (Q1-Q3)**



**Non-GAAP operating margin and net margin<sup>1</sup> (Q3)**



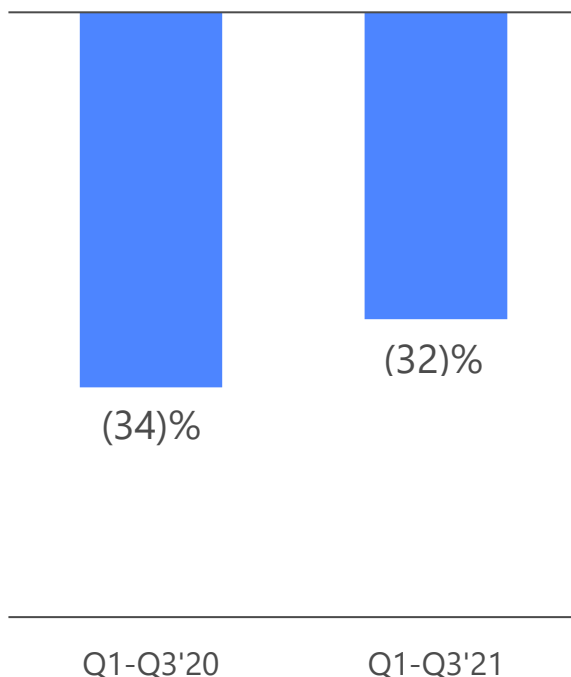
■ Non-GAAP operating margin  
■ Non-GAAP net margin

**Main factors:**

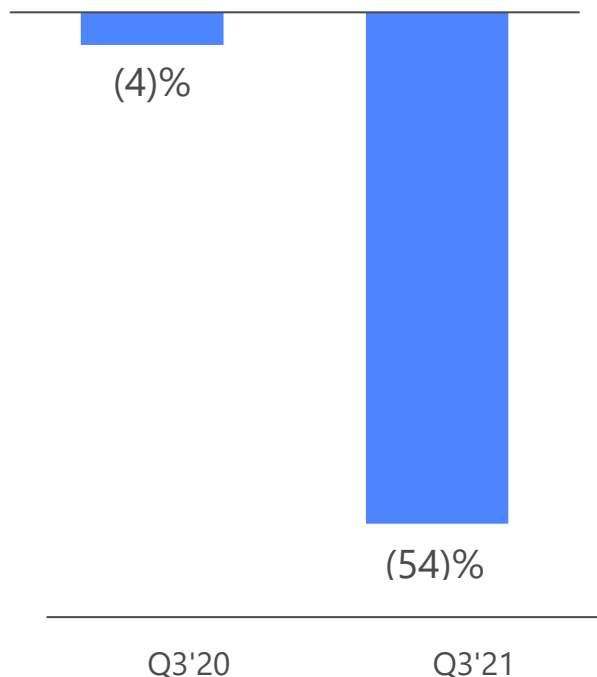
- Stable growth of gross margin
- ...offset by...*
- Increased R&D personnel to keep sufficient reserve of talents
- Increased marketing efforts
- Increased professional service fees incurred by being a public company

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

**Net cash used in operating activities<sup>1</sup>  
as % of revenue (Q1-Q3)**



**Net cash used in operating activities<sup>1</sup>  
as % of revenue (Q3)**



**Main factors:**

- Increasing gross profits

*...offset by...*

- Increased payment for employee-related expenses
- Quarterly working capital changes (primarily AR and AP) due to the ordinary course of business

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

Note: Numbers are rounded for presentation purposes.



# Building an IoT Developer Ecosystem

## Enabling Everything to Be Smart

# Appendix: Reconciliation of Non-GAAP to GAAP



	For the Three Months Ended Sept 30, 2020	For the Three Months Ended Sept 30, 2021
	USD'000	USD'000
<b>Reconciliation of operating expenses to non-GAAP operating expenses</b>		
Research and development expenses	(20,052)	(50,736)
Add: Share-based compensation	817	3,648
Adjusted Research and development expenses	(19,235)	(47,088)
Sales and marketing expenses	(9,802)	(21,151)
Add: Share-based compensation	619	1,447
Adjusted Sales and marketing expenses	(9,183)	(19,704)
General and administrative expenses	(4,393)	(18,224)
Add: Share-based compensation	1,432	11,574
Adjusted General and administrative expenses	(2,961)	(6,650)
<b>Reconciliation of loss from operations to non-GAAP loss from operations</b>		
Loss from operations	(13,780)	(49,209)
Add: Share-based compensation expenses	2,868	16,669
Non-GAAP Loss from operations	(10,912)	(32,540)
Non-GAAP operating margin	(18.5)%	(38.0)%
<b>Reconciliation of net loss to non-GAAP net loss</b>		
Net loss	(13,150)	(47,917)
Add: Share-based compensation expenses	2,868	16,669
Non-GAAP net loss	(10,282)	(31,248)
Non-GAAP net margin	(17.4)%	(36.5)%
Weighted average number of ordinary shares used in computing non-GAAP net loss per share, basic and diluted	221,980,000	561,390,691
Non-GAAP net loss per share attributable to ordinary shareholders - basic and diluted	(0.05)	(0.06)