



Investor Presentation

Second Quarter 2021



August 18, 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 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**

Expanding Customers and Product Lines

Selected IoT PaaS and SaaS Customers

Logos of selected IoT PaaS and SaaS customers including Goodyear, thewarehouse, tommee tippee, MINI SOU, a blue house icon, JHC 日本城, SMART CONTROL TECHNOLOGY, L.gem 绿景 构筑喜悦, 全房通, and 瑞安房地產 SHUI ON LAND.

~2,600 IoT PaaS customers in Q2'21
(including 700+ new customers)

Selected Product Line Updates

Smart Furniture Smart height-adjustable tables and chairs	Smart Professional Storage Smart wine Cold storage
Smart Appliance Smart soap dispenser	Smart Pet Smart pet leashes

Over 410,000 SKUs as of the end of Q2'21

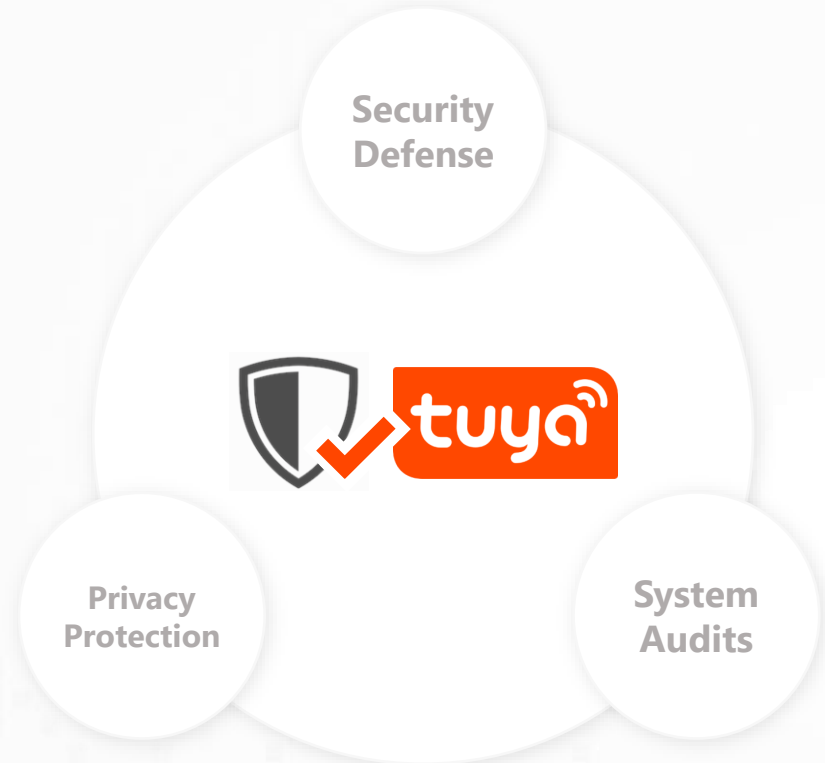
Expanding Developer Ecosystem



384,000
Developers

+20% Quarter over Quarter | +90% Year over Year

Continue to Invest Heavily in Data Security and Privacy Protection



— Tuya practice —

The data trinity for establishing a comprehensive, guaranteed system to ensure **the highest security standard**



— New certificate —

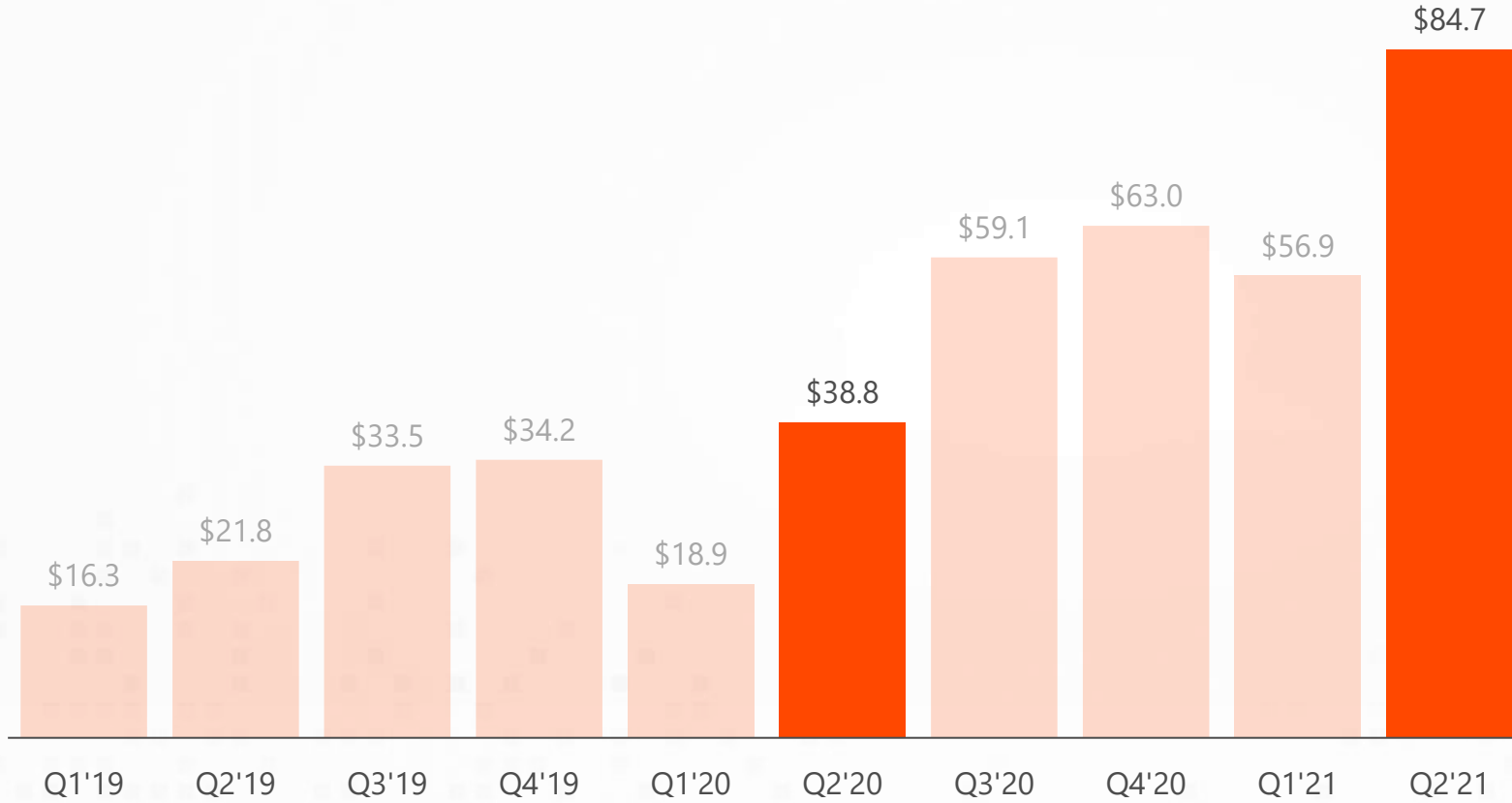
Passed the assessment for IoT security certification from the ioXt Alliance and was **initiated as a member**

Note: The IoXT Alliance is composed of over 200 industry-leading operators, service providers, standard groups, compliance labs, etc., that are committed to promoting the best security practices. Its board includes leading companies like Amazon, Google, and Honeywell, etc.

Strong Revenue Growth



Total revenue
(USD'M)



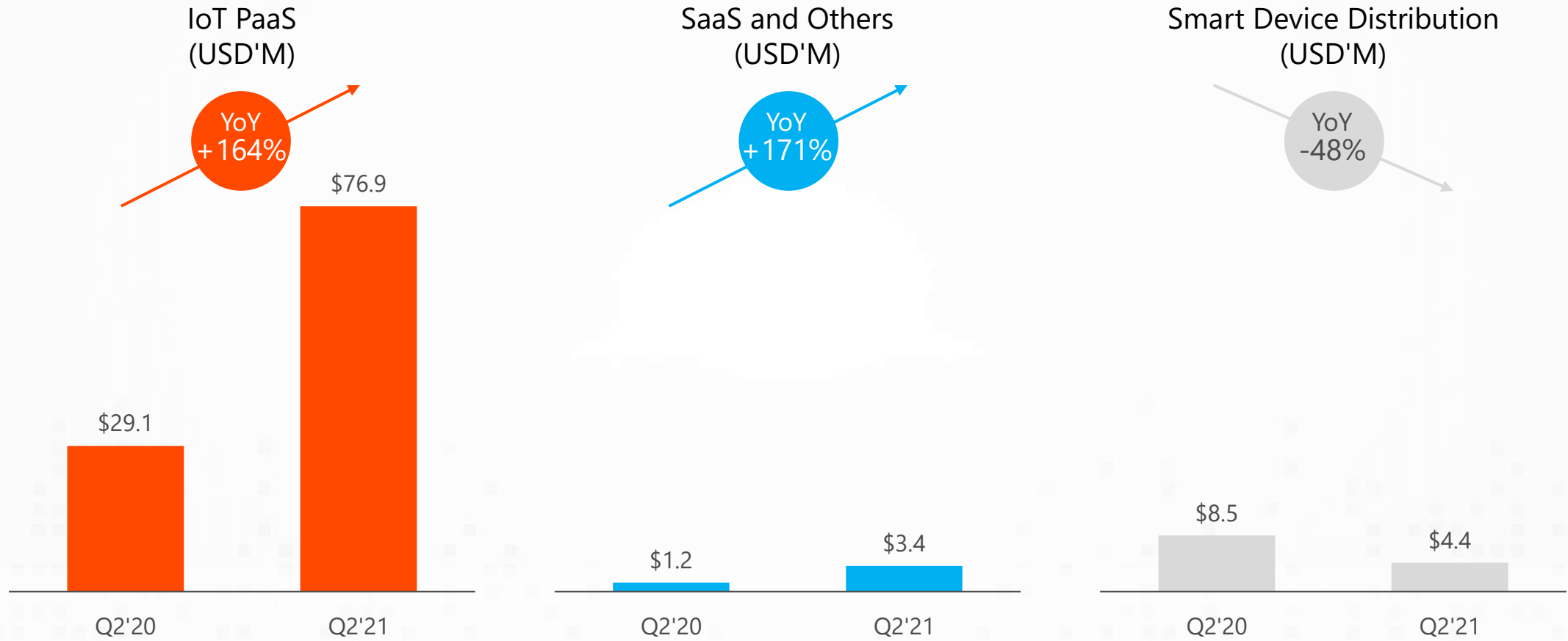
+ 118%

Q2 Total Revenue
Y/Y Growth

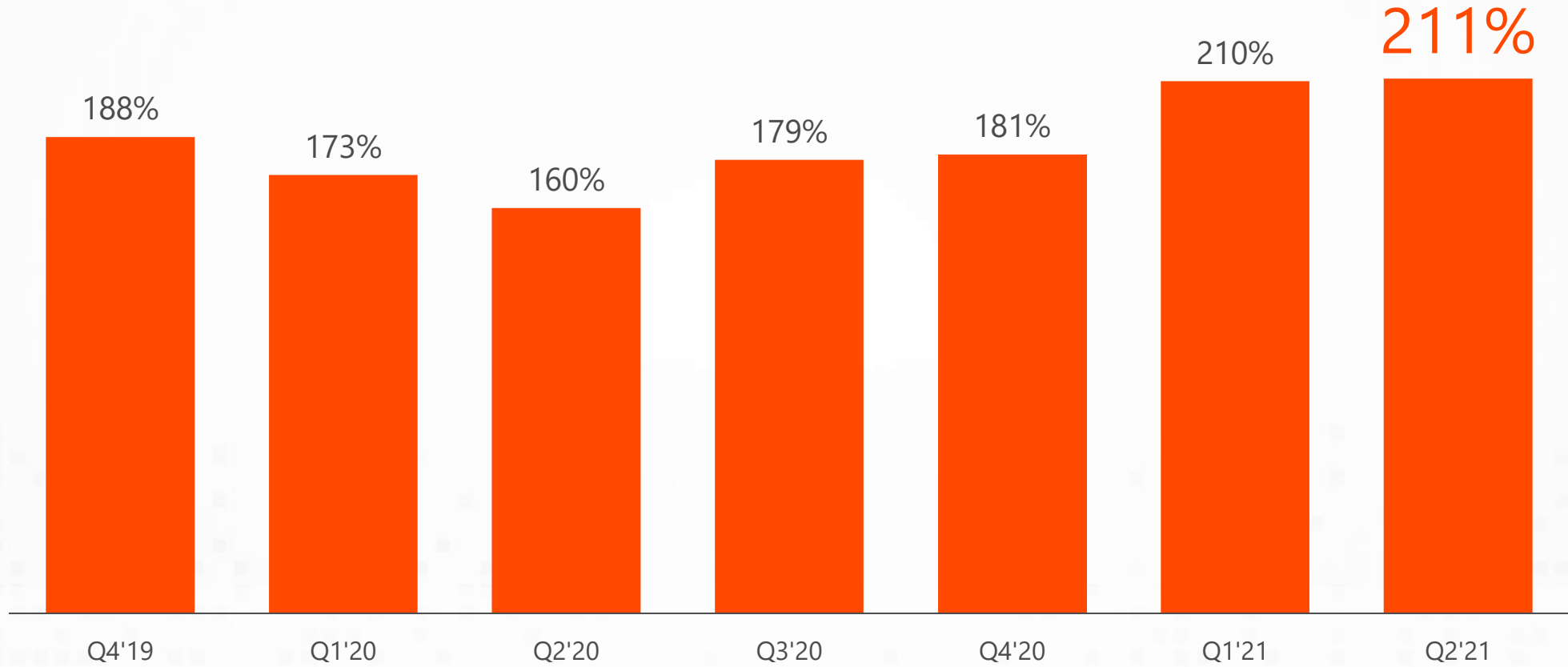
Strong Revenue Growth



Revenue breakdown



World-Class Dollar-Based Net Expansion Rate

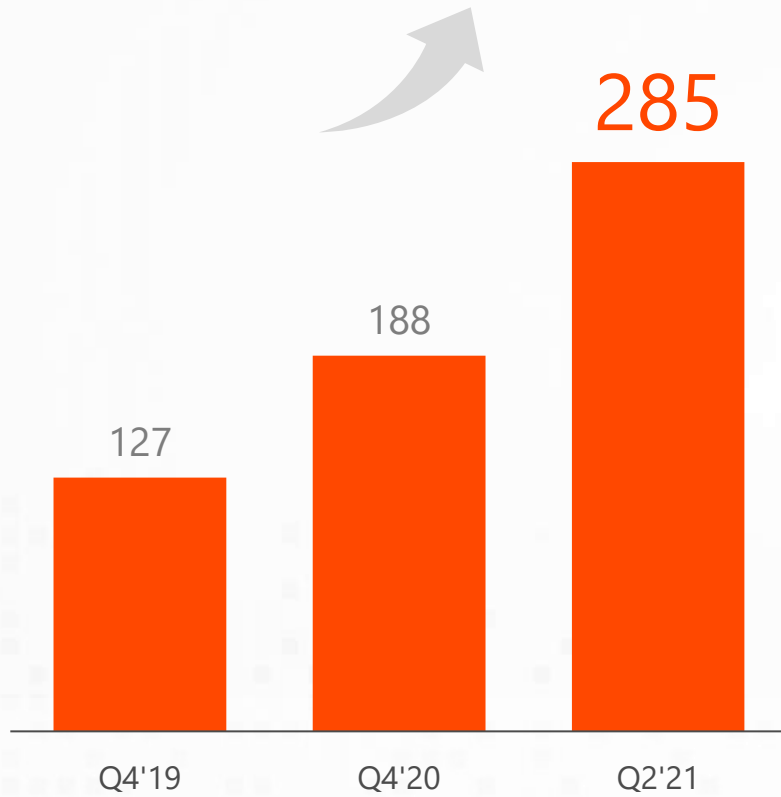


Note: Tuya calculates dollar-based net expansion rate of IoT PaaS for a trailing 12-month period by first identifying all customers in the prior 12-month period (i.e., those who have placed at least one order for IoT PaaS during that period), and then calculating the quotient by dividing the IoT PaaS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

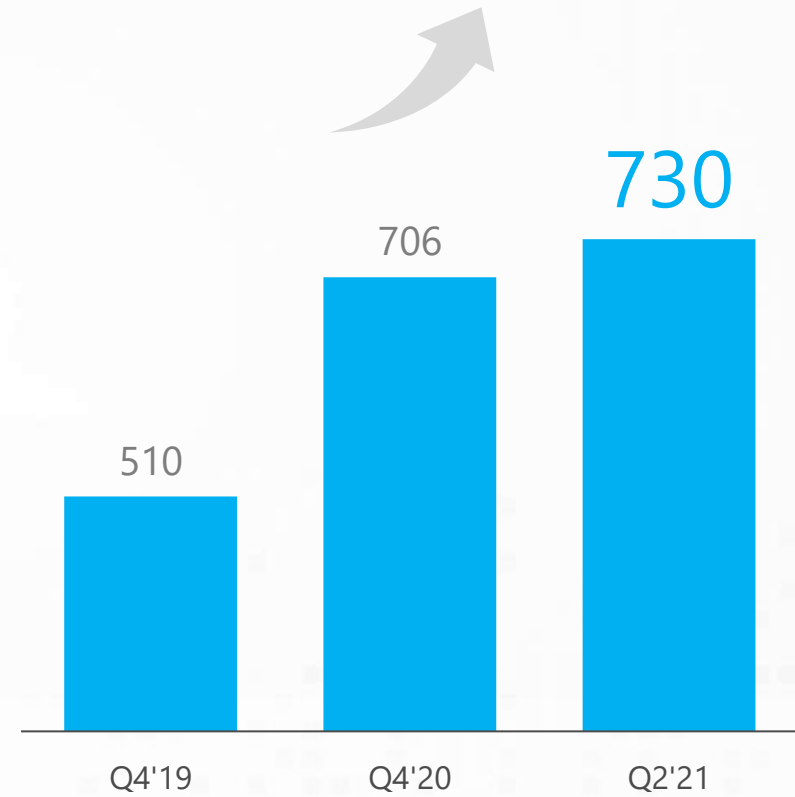
Strong Momentum in Large Customer Growth



Premium IoT PaaS customers¹
Contributed ~87% of Q2'21 IoT PaaS revenue



Average LTM IoT PaaS revenue²
Per premium IoT PaaS customer (USD'K)

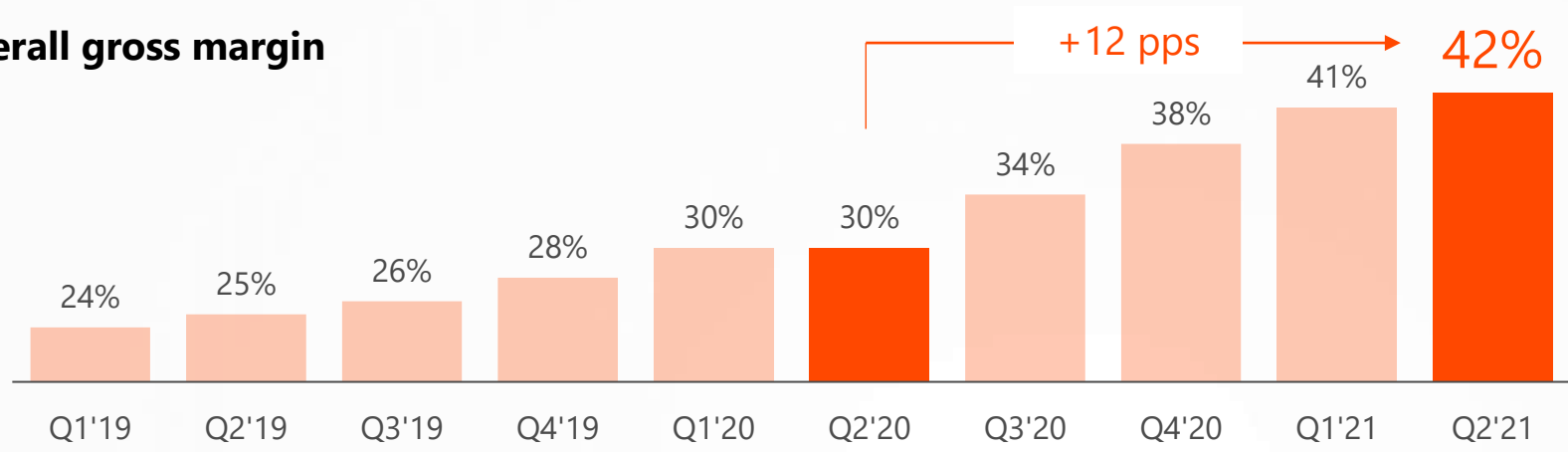


1. Tuya defines a premium IoT PaaS customer as a customer as of a given date that contributed more than US\$100,000 of IoT PaaS revenue during the immediately preceding 12-month period.
2. Calculated by dividing total IoT PaaS revenue contributed by premium IoT PaaS customers for last twelve-month period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

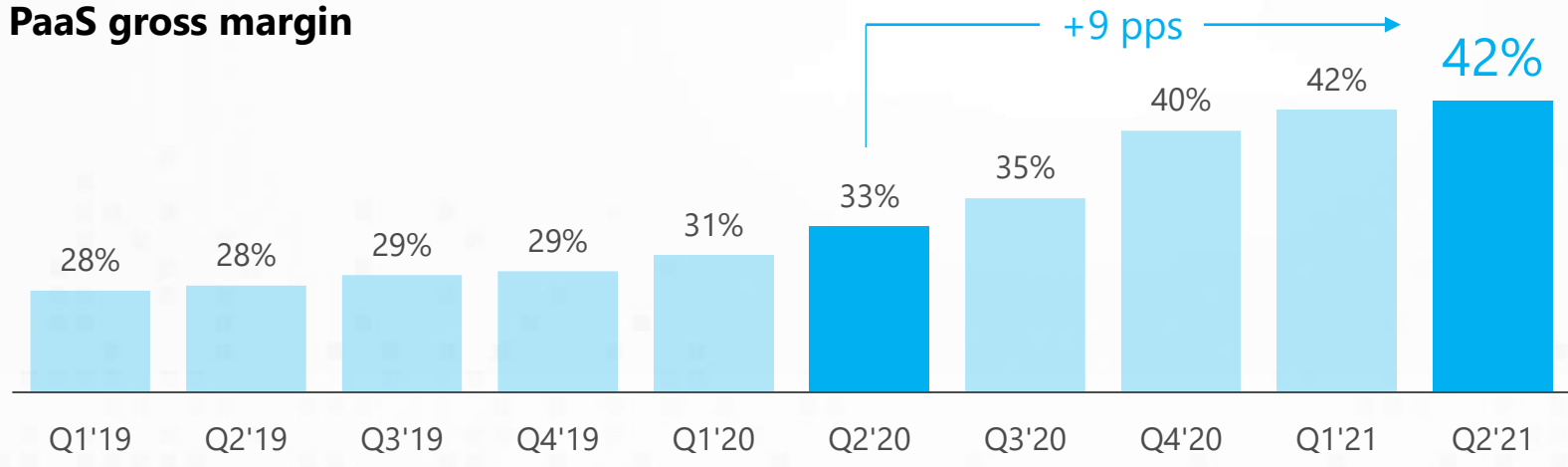
Improving Gross Margin



Overall gross margin



IoT PaaS gross margin



Improvement drivers

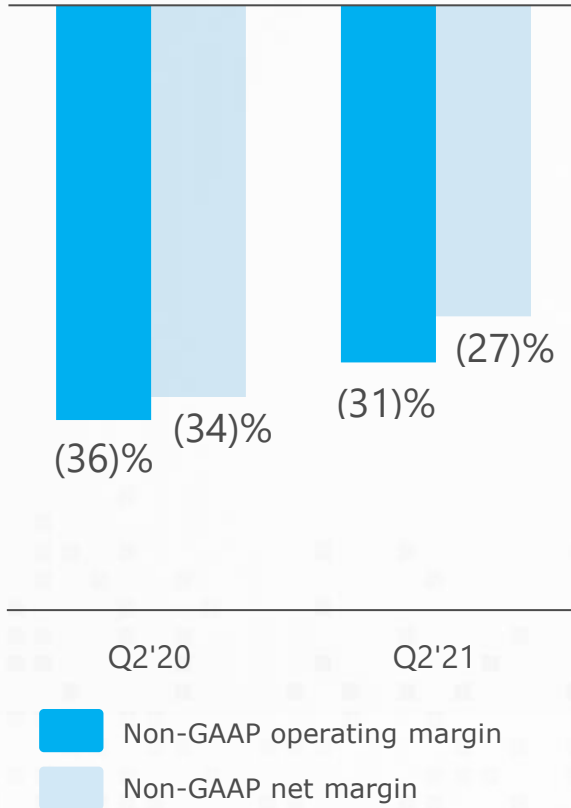
- Increased economies of scale and cost savings
- Improved efficiency achieved through effective R&D
- Expansion into higher-margin IoT PaaS product lines

SaaS and Others gross margin remained stable at 75%
Smart Device Distribution gross margin was 13%

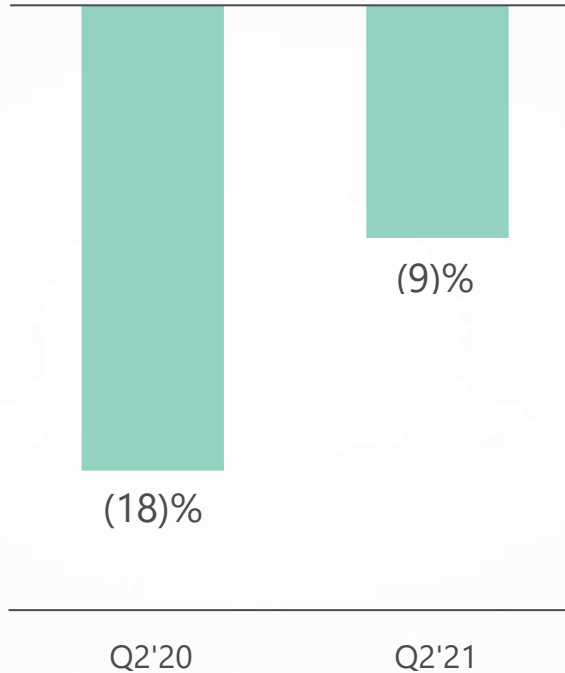
Note: Numbers are rounded for presentation purposes.

Significantly Increasing Operating Leverage

Non-GAAP operating margin and net margin¹



Net cash used in operating activities² as % of revenue



Leverage drivers

- Strong growth with healthy margins
- Well-controlled S&M
- Systematic and targeted R&D
- Disciplined internal management

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

2. Excluding a one-time cash inflow of USD13 million received from the depositary bank.

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 June 30, 2020	For the Three Months Ended June 30, 2021
	USD'000	USD'000
Reconciliation of operating expenses to non-GAAP operating expenses		
Research and development expenses	(16,086)	(42,657)
Add: Share-based compensation	406	2,956
Adjusted Research and development expenses	(15,680)	(39,701)
Sales and marketing expenses	(7,443)	(19,388)
Add: Share-based compensation	183	1,482
Adjusted Sales and marketing expenses	(7,260)	(17,906)
General and administrative expenses	(3,825)	(16,292)
Add: Share-based compensation	1,123	10,573
Adjusted General and administrative expenses	(2,702)	(5,719)
Reconciliation of loss from operations to non-GAAP loss from operations		
Loss from operations	(15,578)	(41,518)
Add: Share-based compensation expenses	1,712	15,011
Non-GAAP Loss from operations	(13,866)	(26,507)
Non-GAAP operating margin	(35.7)%	(31.3)%
Reconciliation of net loss to non-GAAP net loss		
Net loss	(14,742)	(38,130)
Add: Share-based compensation expenses	1,712	15,011
Non-GAAP net loss	(13,030)	(23,119)
Non-GAAP net margin	(33.6)%	(27.3)%
Weighted average number of ordinary shares used in computing non-GAAP net loss per share, basic and diluted	221,980,000	560,936,196
Non-GAAP net loss per share attributable to ordinary shareholders - basic and diluted	(0.06)	(0.04)