

Presentation

Fourth Quarter and Full Year 2022



March 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.

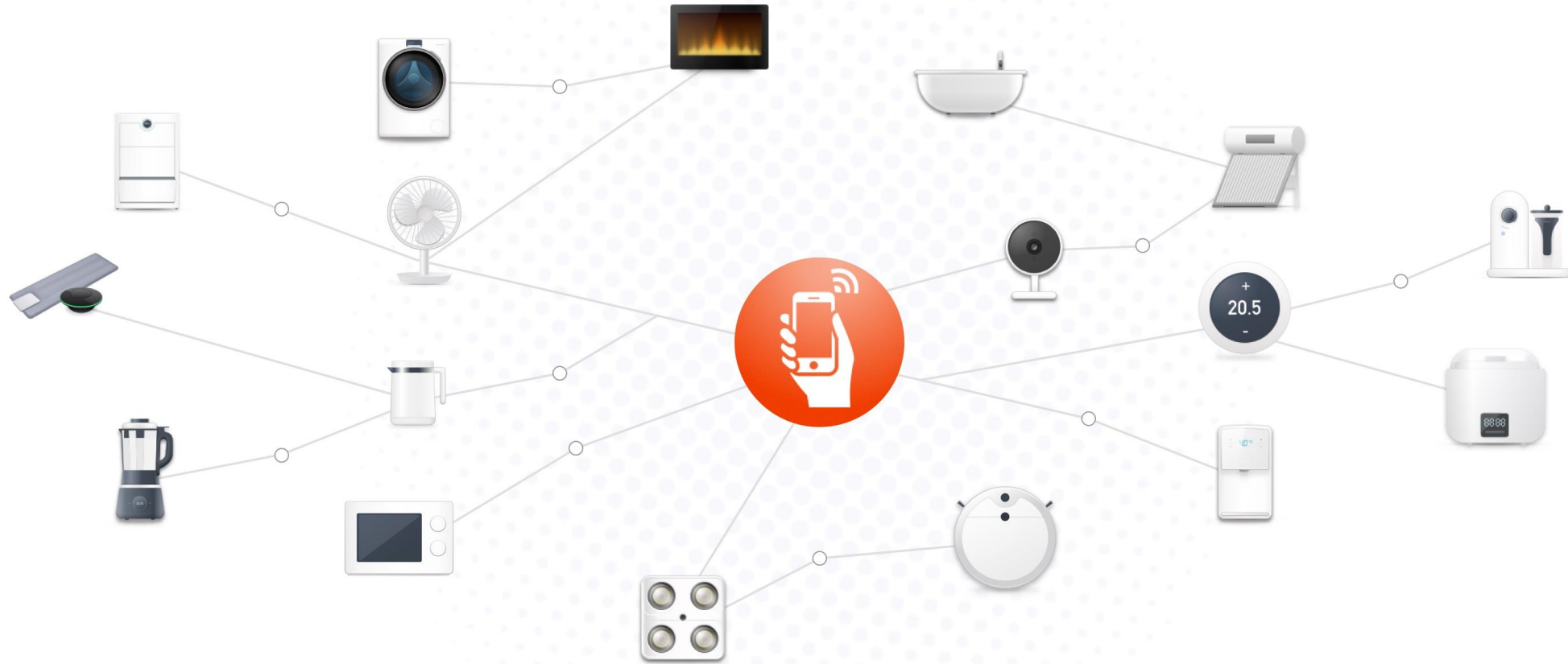
Reconciliations of Tuya's non-GAAP financial measures to the most comparable U.S. GAAP measures are included at the end of this Presentation.

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.

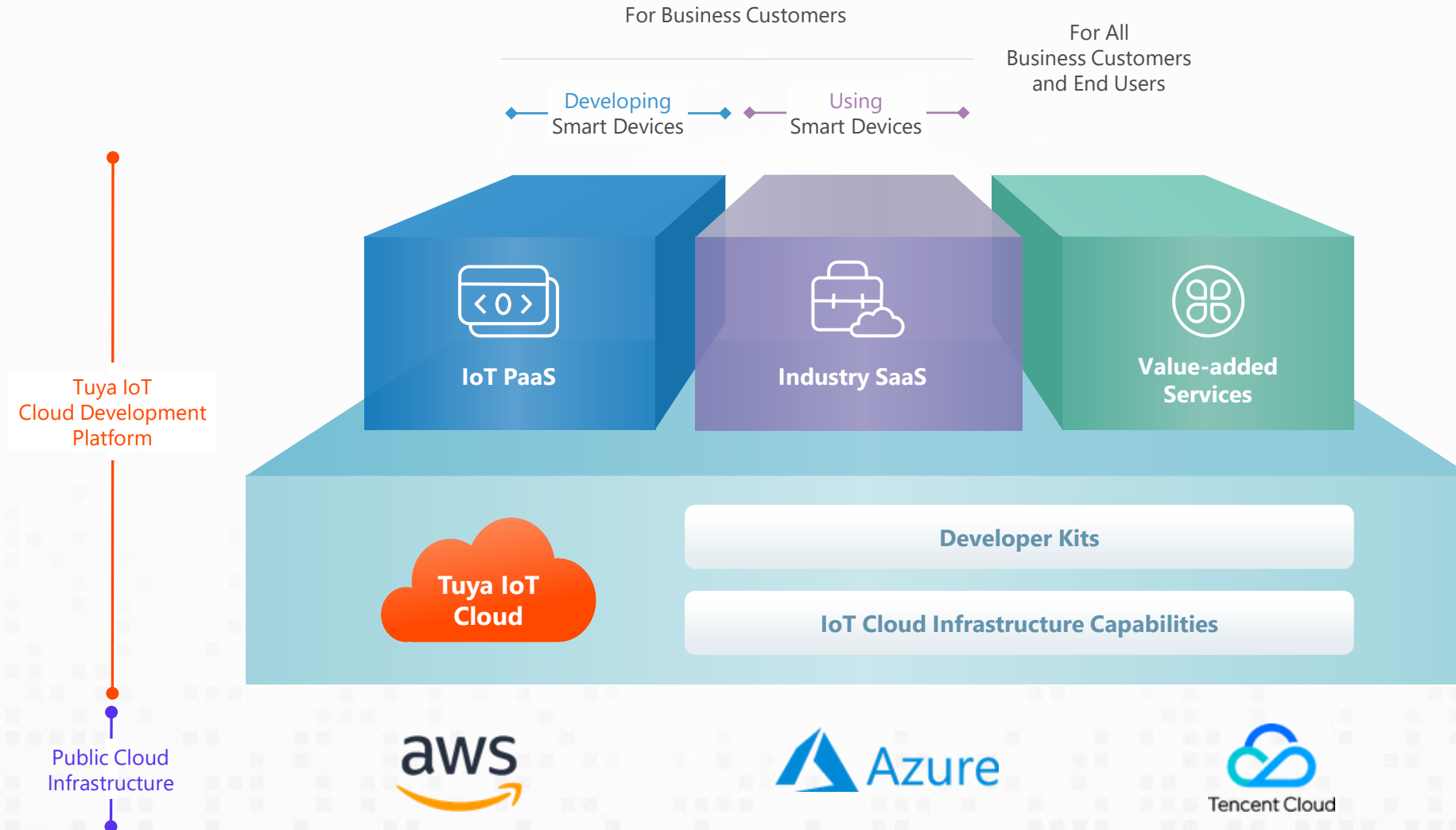


Build an IoT Developer Ecosystem
Enable Everything to Be Smart

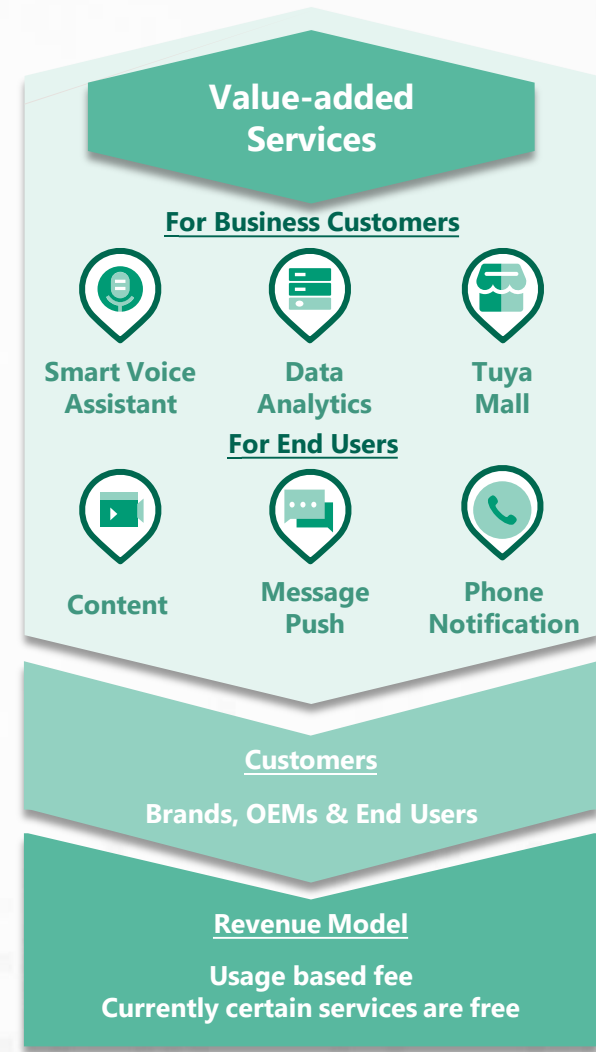
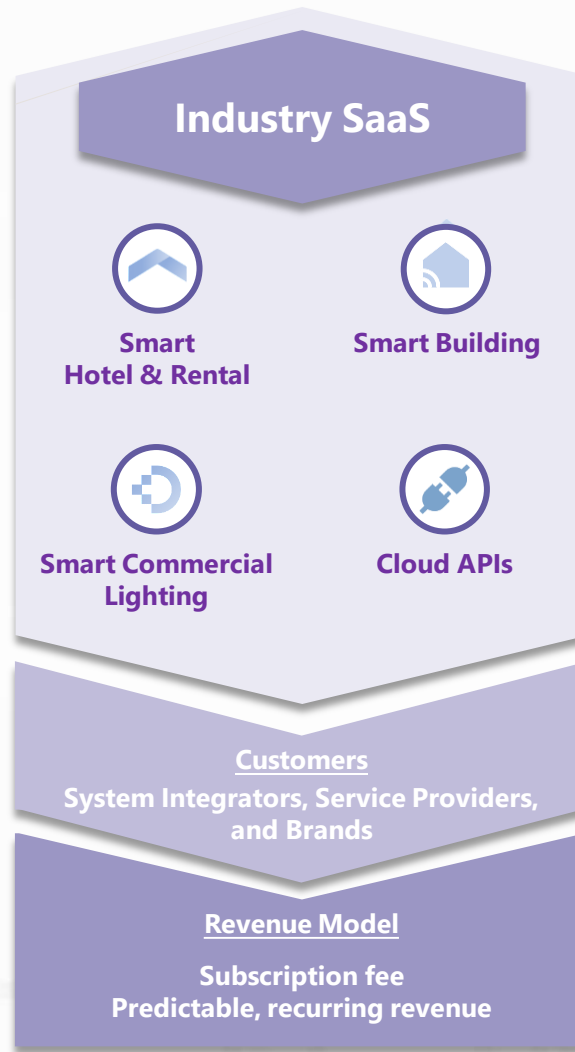
We Deliver a Cloud-Native Software-Enabled Experience to End Users For Everything



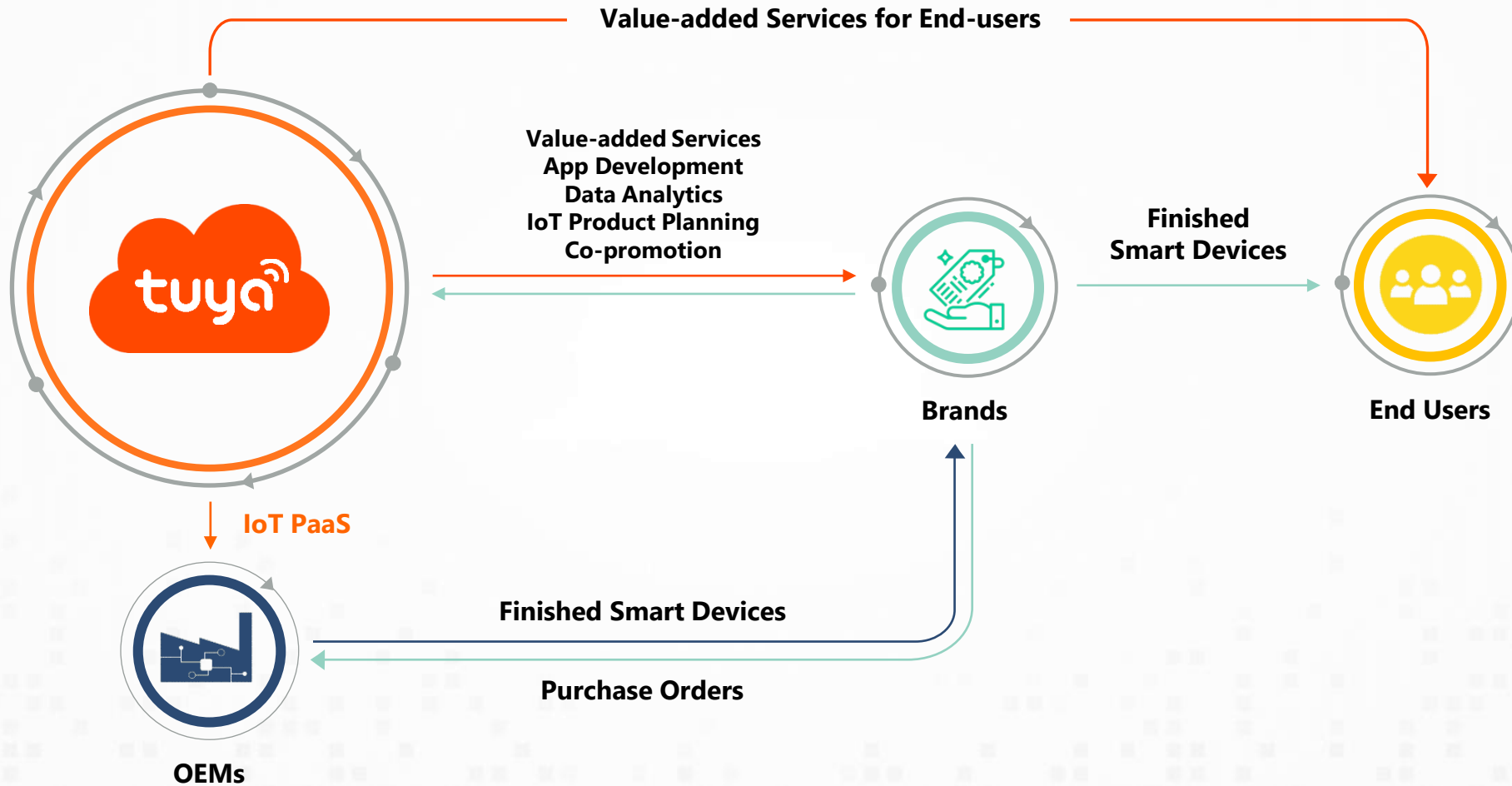
Developer-First, Cloud-Agnostic IoT Cloud Platform



Our Unique Products



Our Ecosystem Participants



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

75

Net Promoter Score¹

PHILIPS

Schneider
Electric

SIEMENS

SoftBank C&S

Lenovo



Whirlpool
CORPORATION

orange™

Panasonic

Westinghouse

AC Smith.
Innovation has a name.

CALEX
HOLLAND



SFR

Danfoss

SODIMAC

DOREL JUVENILE
Care for Precious Life



GREE 格力

Flipkart



MONSTER



首旅如家



万科



中海地产



遠洋集團
SINO-OCEAN GROUP

Midea

Haier

simon

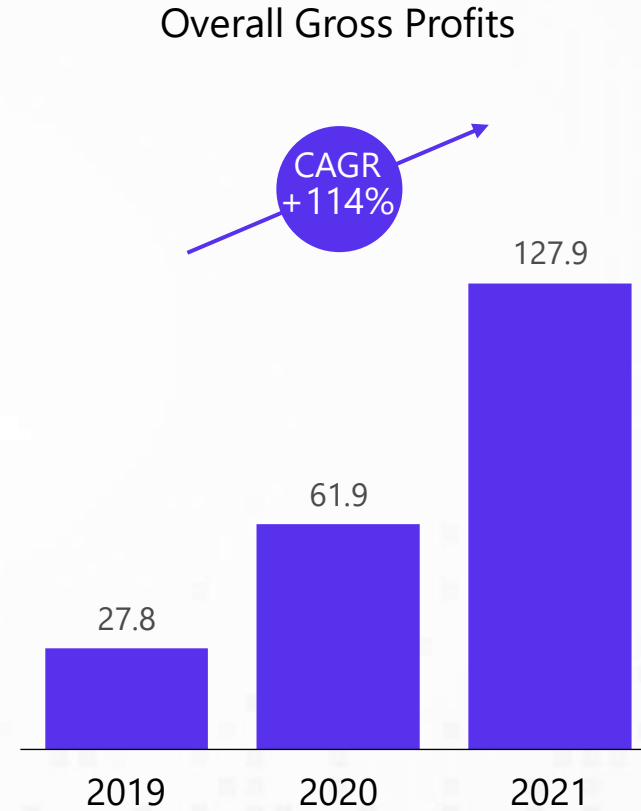
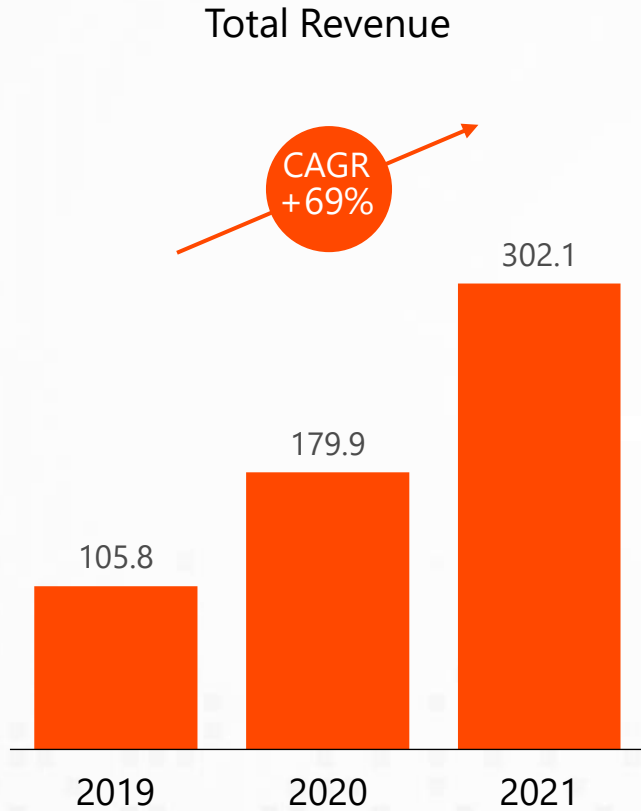
1. Based on a survey conducted by Skopos Group in January 2021.

The Performance Is Under Pressure
Due to The Prolonged Inventory Cycle



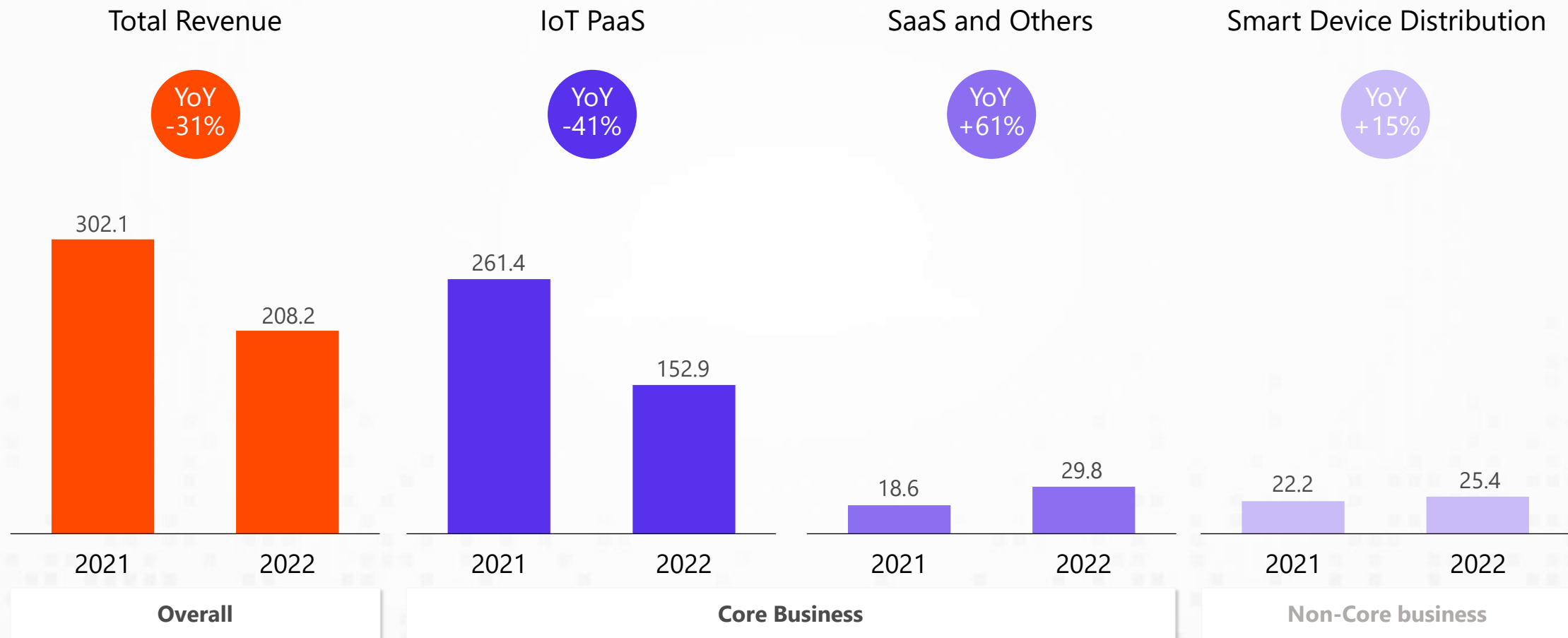
We Experienced Fast Growth During 2019 to 2021

Revenue & Overall gross profits, 2019 to 2021 (USD'M)



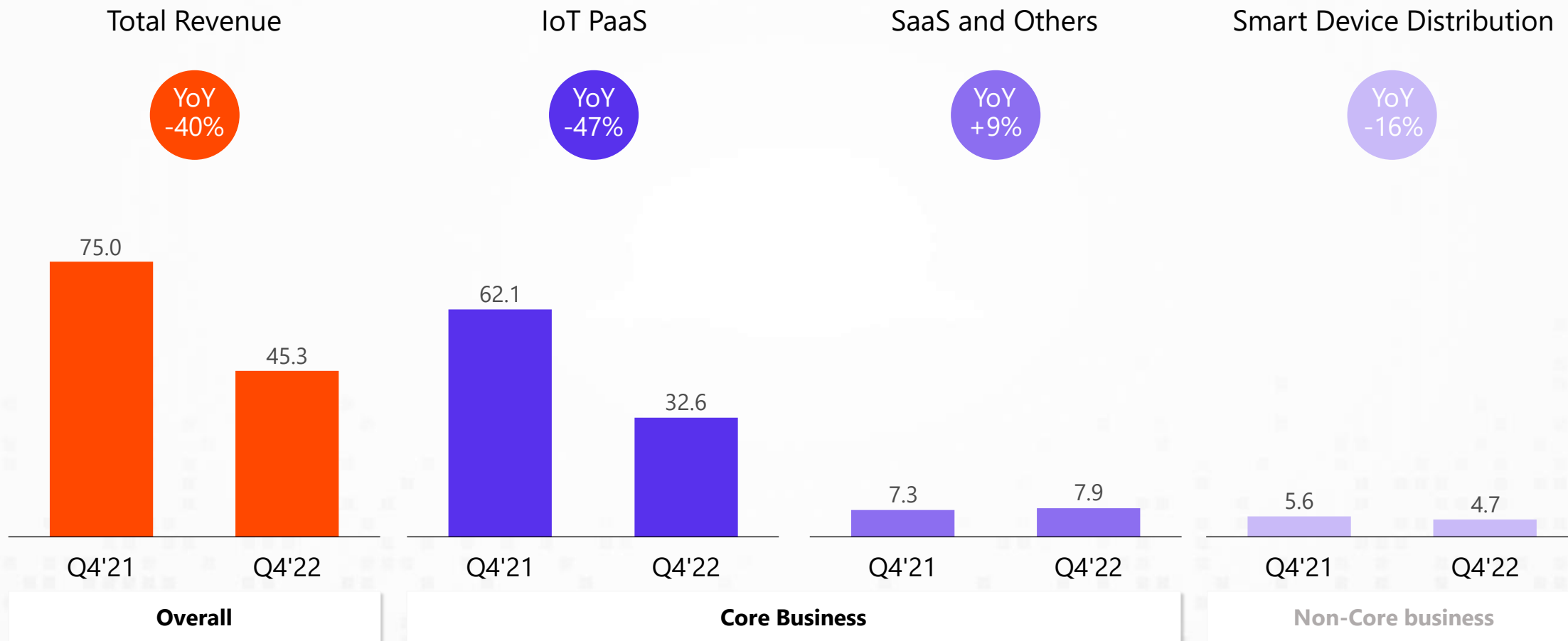
But in 2022 We Experienced Significant Drop in IoT PaaS Segment

Revenue breakdown, 2022 (USD'M)



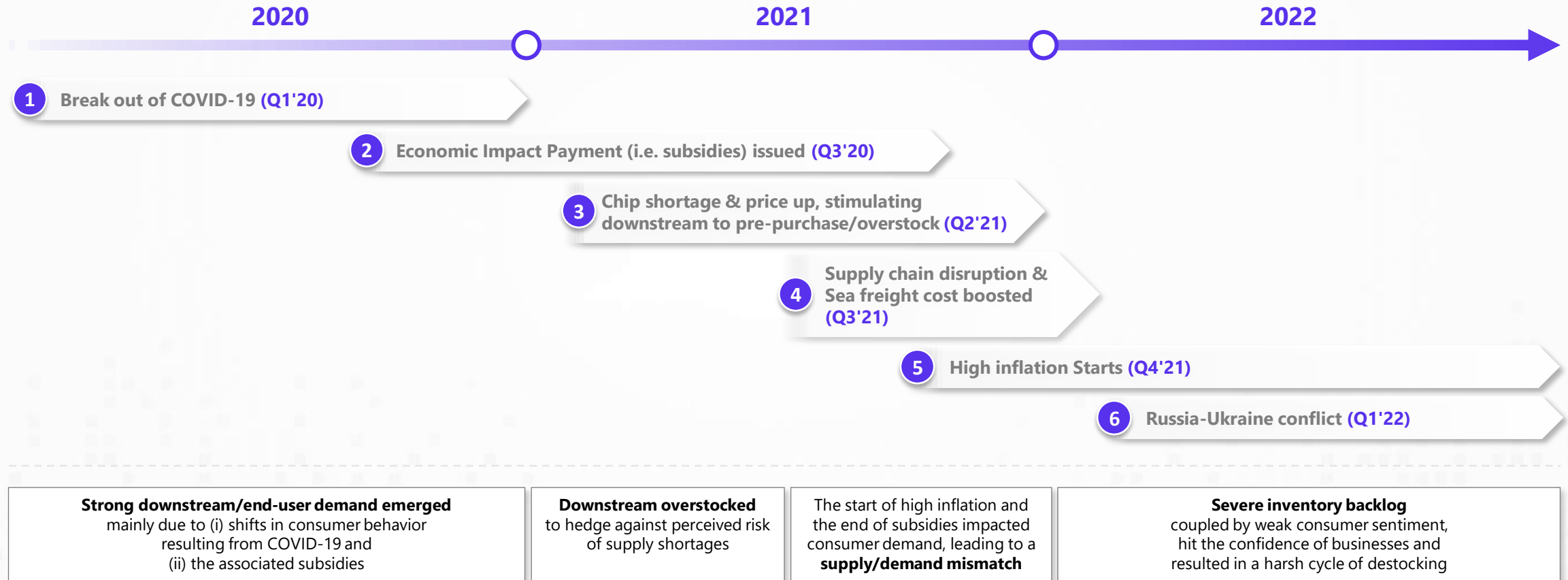
But in 2022 We Experienced Significant Drop in IoT PaaS Segment

Revenue breakdown, Q4'22
(USD'M)



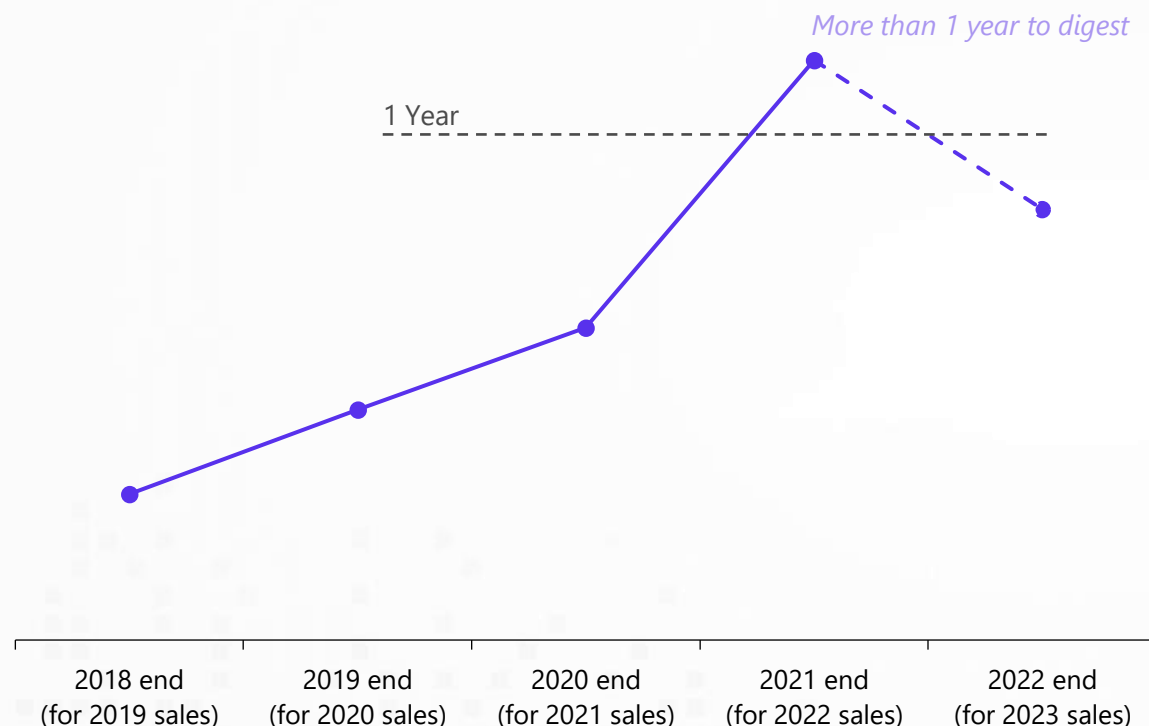
A Review of The Three-year Challenging Macro Environment

Unusual events since the start of 2020



Downstream Inventory Backlog Estimation

Year-end Tuya's Downstream¹ Inventory turnover days² (Estimate) (Day)



...We don't think inventories get cleaned up until Jan/Feb of next year and wholesalers won't have inventory cleaned up until May. Wholesalers didn't start seeing order cancellations from retailers until the summer...

Michael J. Wilson
Chief Investment Officer & Chief US Equity Strategist
@Morgan Stanley

November 7, 2022

1. "Tuya's Downstream" represents the intermediate participants between the Company's IoT PaaS deployment and the end user's purchase, including OEMs, brands, retail channels and stores, etc.
2. The "Downstream Inventory turnover days" for a certain year-end is calculated by dividing the estimated downstream inventory at the end of that year by the estimated volume of sell-out sales to end users by downstream participants of the following year, because the inventory stocking at the year-end is primarily for sales in the following year. This metric is an estimate derived based on applicable downstream and consumer discretionary industry sources, as well as analysis made based on assumptions. The Company is unable to know the accurate downstream inventory situation and its turnover days. Thus, this slide is only intended for qualitative illustration of the backlog level of downstream inventory.

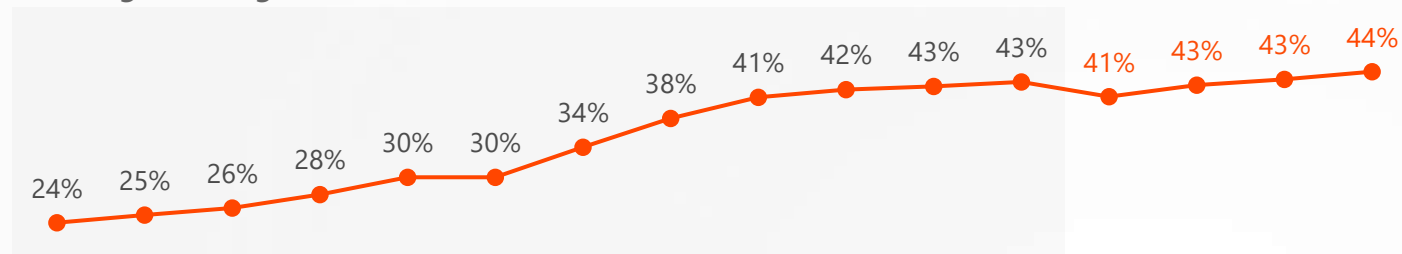
Break-even Is Our Top Priority



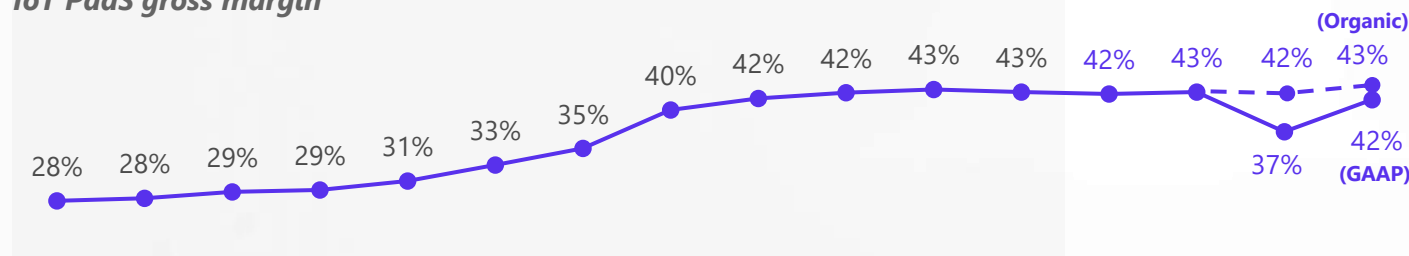
Gross Margin Updates

Gross Margin

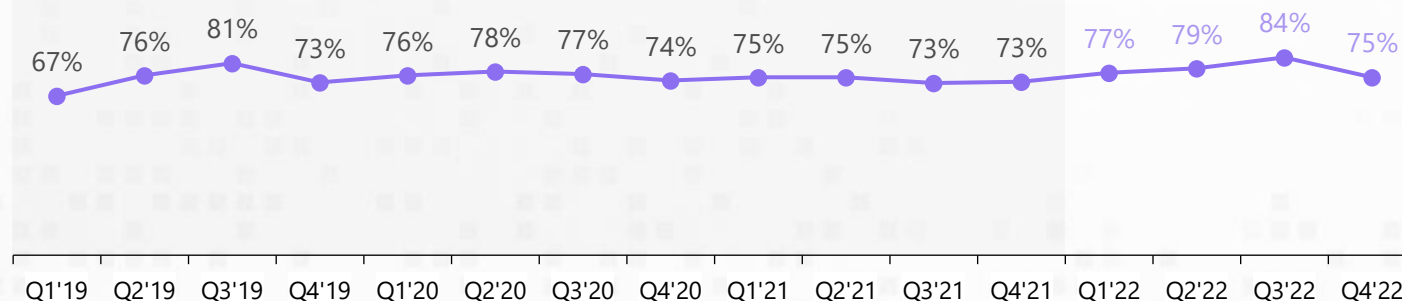
Overall gross margin



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

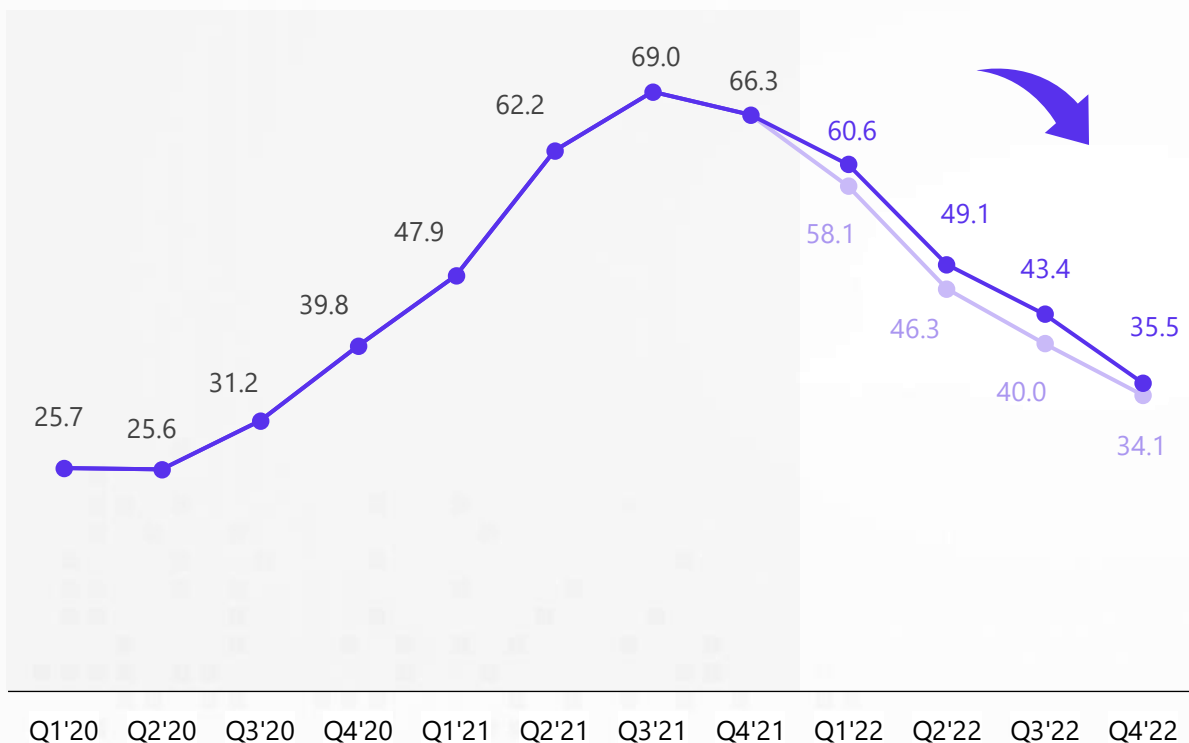
- 5 pps negative impact of accrued inventory allowance of slow-moving IoT chips on Q3'22 IoT PaaS gross margin

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

Non-GAAP Operating Expenses in Last 12 Quarters

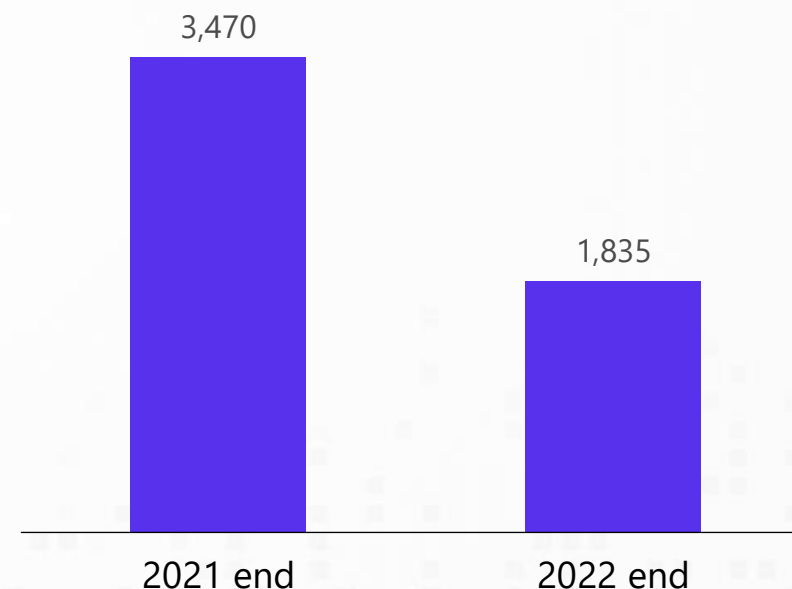
Non-GAAP¹ operating expenses
(USD'M)



— Non-GAAP Operating expenses

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

Team size, End of 2021/2022
(Salaried headcounts)



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.

Internal Efficiency Improvement Initiative Cases



Business Model Improvement

- Focus on big customers
- Focus on big orders
- Focus on products generating significant revenue



Cloud Infrastructure Cost Control

- Cloud cost remained stable, flat QoQ since Q2
- Continue to incentive R&D team for tech-iteration and architecture upgrade

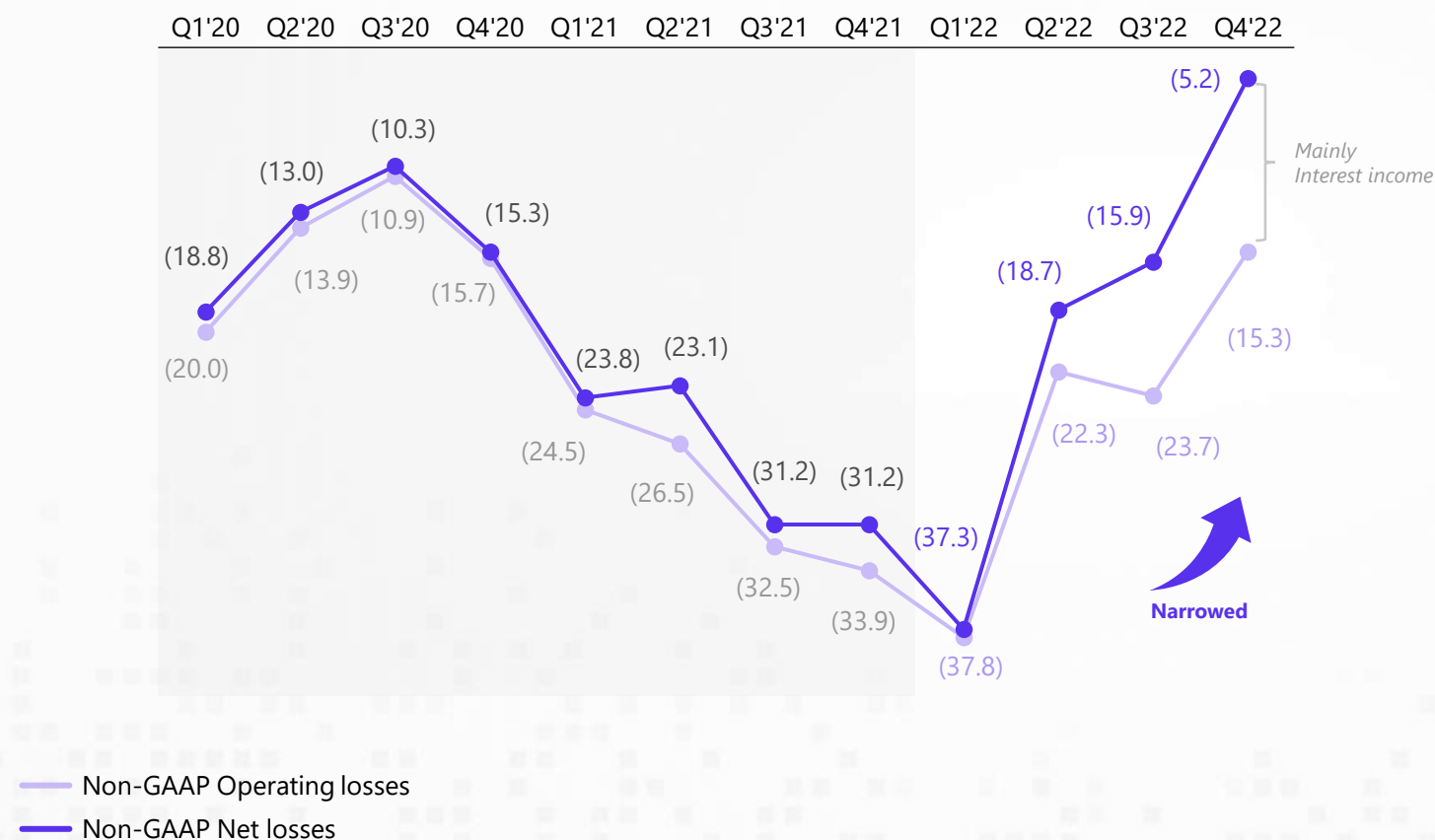


Marketing Expense Optimization

- More strict travel controls
- Substantial support to marketing events from internal UED team
- A maximum budget cost reduction of ~35% for booth construction in a single exhibition

Non-GAAP Operating Loss/Net Loss in Last 12 Quarters

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



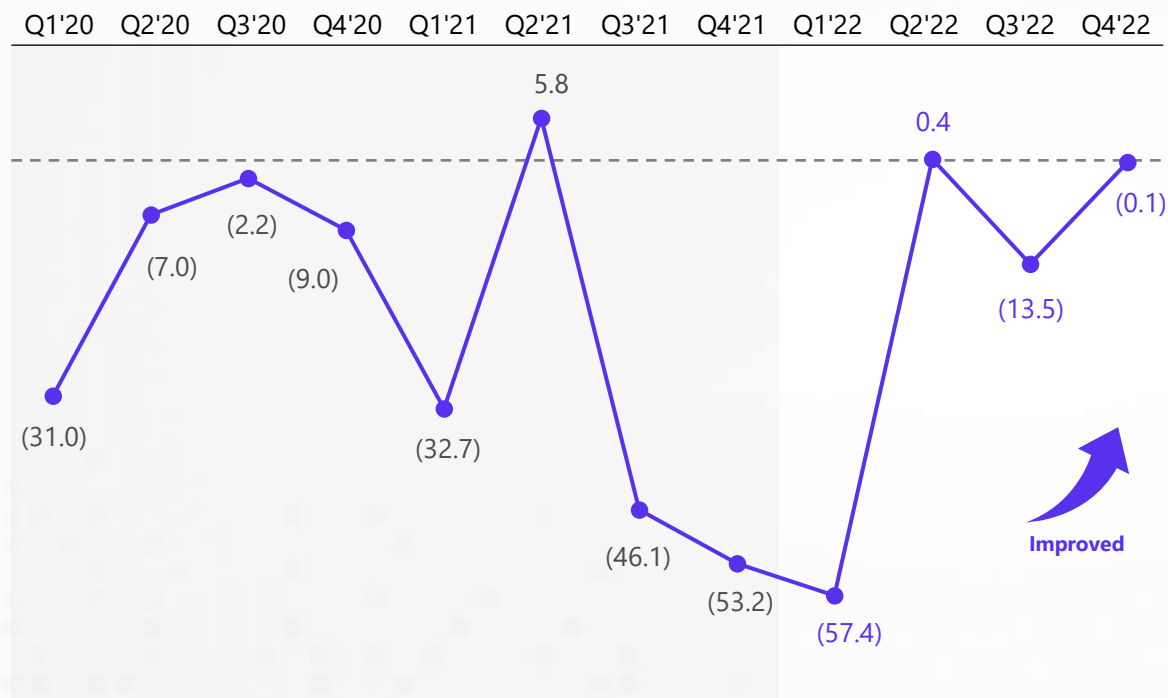
- OPEX ↓
Basic payroll and benefits significantly decreased as a result of headcounts down in Q4'22/2022
- OPEX ↑
Partially offset by a total of over \$10 million one-off additional costs relating to headcount optimization and lease surrender in 2022
- Net income ↑
Achieved an interest income of \$22.8 million/\$9.8 million in 2022/Q4'22 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.

Note: Numbers are rounded for presentation purposes.

Operating Cash Flow in Last 12 Quarters

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



Operating cashflow

Improved in 2022 due to

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

Strong cash position

- **USD 952M** 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: Q4'22 Reconciliation of Non-GAAP to GAAP

	For the Three Months Ended December 31, 2021 USD'000	For the Three Months Ended December 31, 2022 USD'000
Reconciliation of operating expenses to non-GAAP operating expenses		
Research and development expenses	(46,187)	(27,792)
Add: Share-based compensation	4,093	4,032
Adjusted Research and development expenses	(42,094)	(23,760)
Sales and marketing expenses	(18,433)	(11,203)
Add: Share-based compensation	1,634	1,611
Adjusted Sales and marketing expenses	(16,799)	(9,592)
General and administrative expenses	(21,011)	(16,181)
Add: Share-based compensation	11,900	11,867
Adjusted General and administrative expenses	(9,111)	(4,314)
Reconciliation of loss from operations to non-GAAP loss from operations		
Loss from operations	(51,556)	(32,830)
Add: Share-based compensation expenses	17,627	17,510
Non-GAAP Loss from operations	(33,929)	(15,320)
Non-GAAP operating margin	(45.3)%	(33.8)%
Reconciliation of net loss to non-GAAP net loss		
Net loss	(48,844)	(22,730)
Add: Share-based compensation expenses	17,627	17,510
Non-GAAP net loss	(31,217)	(5,220)
Non-GAAP net margin	(41.6)%	(11.5)%
Weighted average number of ordinary shares used in computing non-GAAP net loss per share, basic and diluted	562,082,216	554,121,595
Non-GAAP net loss per share attributable to ordinary shareholders - basic and diluted	(0.06)	(0.01)