NYSE: TUYA / HKEX: 2391.HK

Presentation

Third Quarter Fiscal 2023

November 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)/profit (including non-GAAP net margin), and non-GAAP basic and diluted net (loss)/profit 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.

Key Financial Highlights in Q3'23

+36% Y/Y
Total Revenue
($61.1 million)

Revenue demonstrated the strong recovery from downcycle

$10.1 Million
Non-GAAP[1] Net Profits
(+567% Q/Q)

Achieved continuing quarterly profitability on a non-GAAP basis

$16.1 Million
Operating Cash Generated
(+114% Q/Q)

Strong cash position and balance sheet assures long-term steady operation

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.

Content

Company Introduction

Build an IoT Developer Ecosystem
Enable Everything to Be Smart

#1

The Largest Internet-of-Things (IoT) Cloud Development Platform Provider

7,600+

Global Customers Served in 2022

898,000

Smart Device SKUs as of September 30, 2023

909,000+

IoT Developers across 200+ Countries and Regions as of September 30, 2023

1,600+

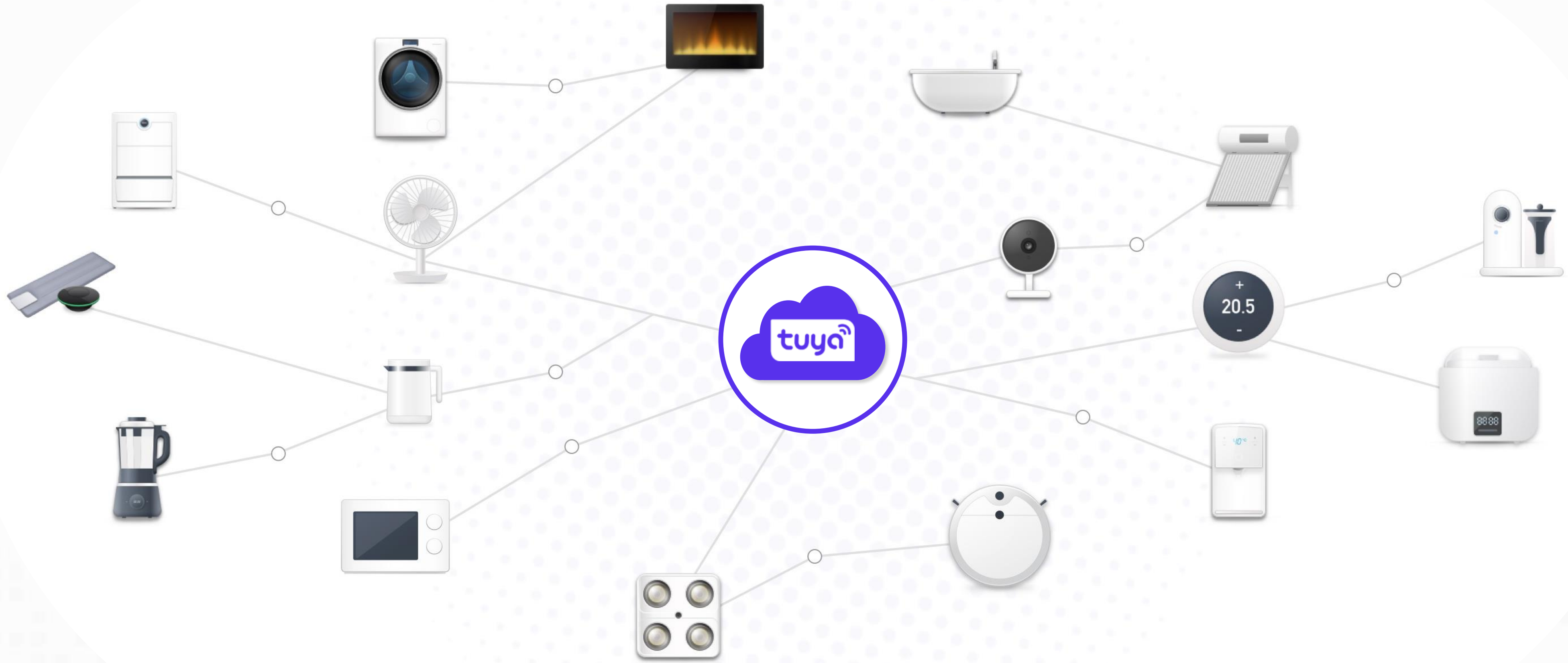
Intellectual Properties including Patents & Copyrights

Smart · Innovative · Tech-Driven · Ecological
In IoT Field Worldwide

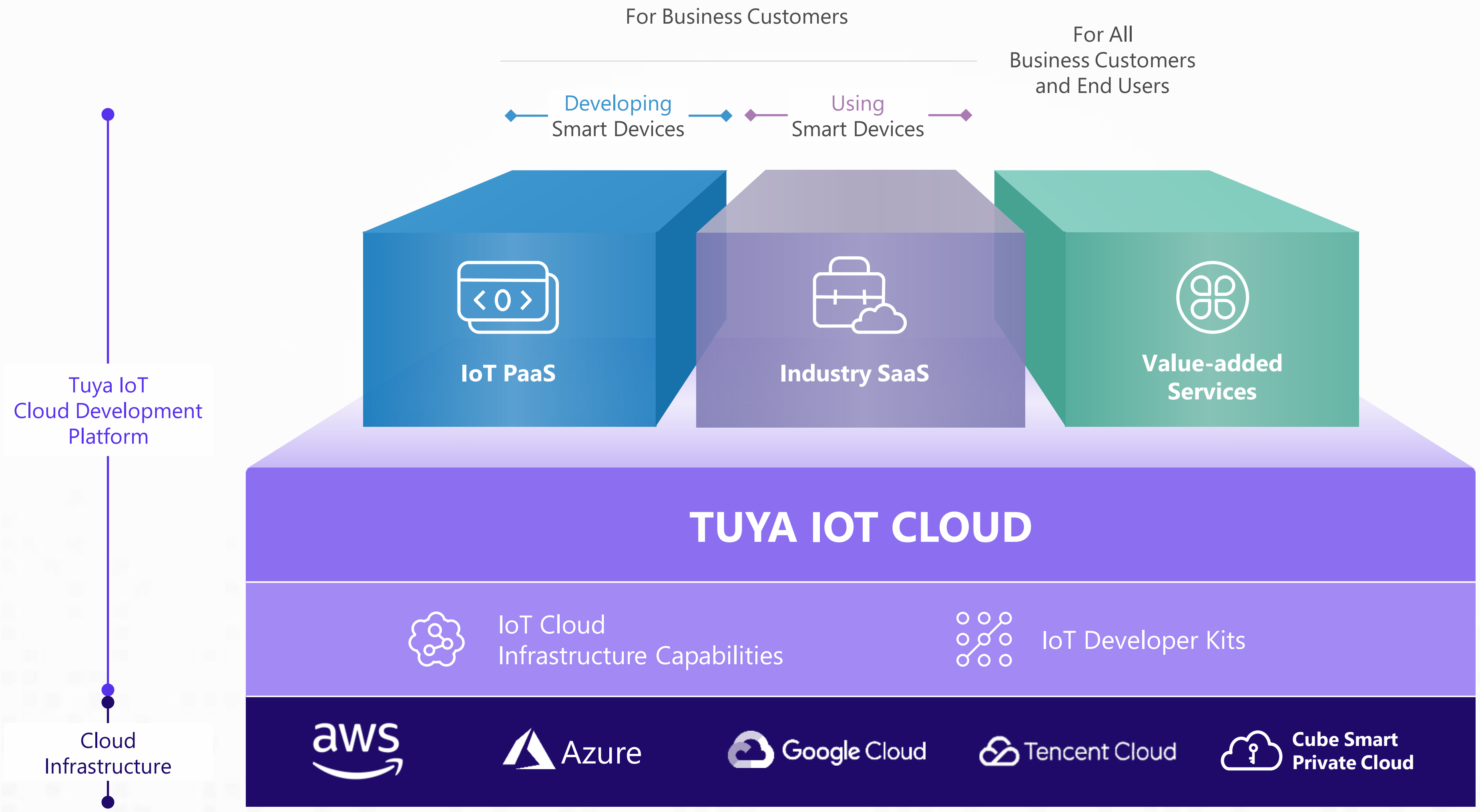
Global Business
Localized Operations

Source: According to CIC. See more details in the Company's Hongkong Prospectus, Form F-3 and From 20-F in 2022.
Note: Numbers are rounded for presentation purposes.

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 & Rental
- NetZero Park Solution
- 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
- Tuya Mall

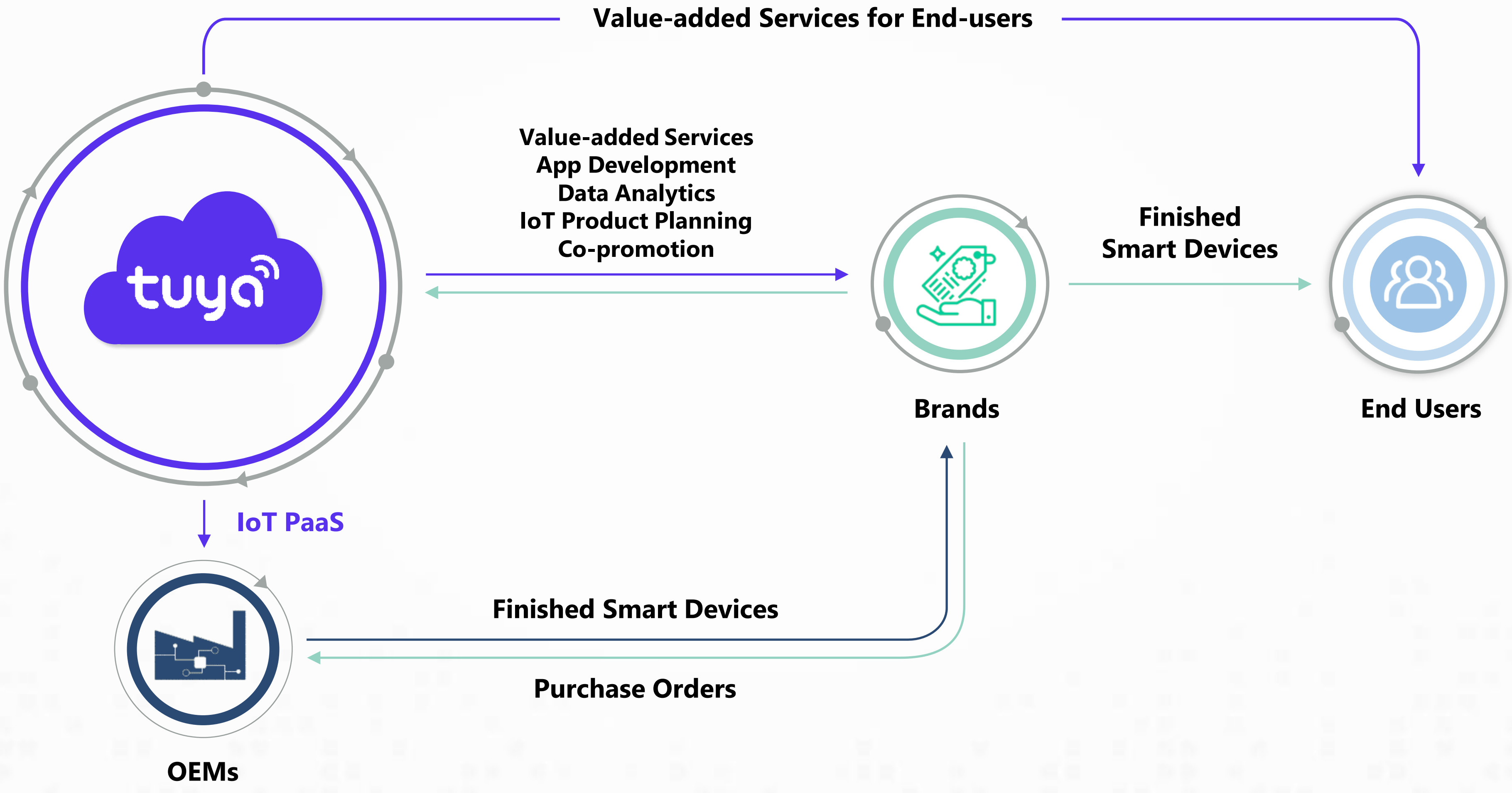
For End Users

- Cloud Storage
- Message Push
- Phone Notification

Customers
Brands, OEMs & End Users

Revenue Model
Usage based fee
Currently certain services are free

Our Ecosystem Participants



Endorsed by Global Leading Customers

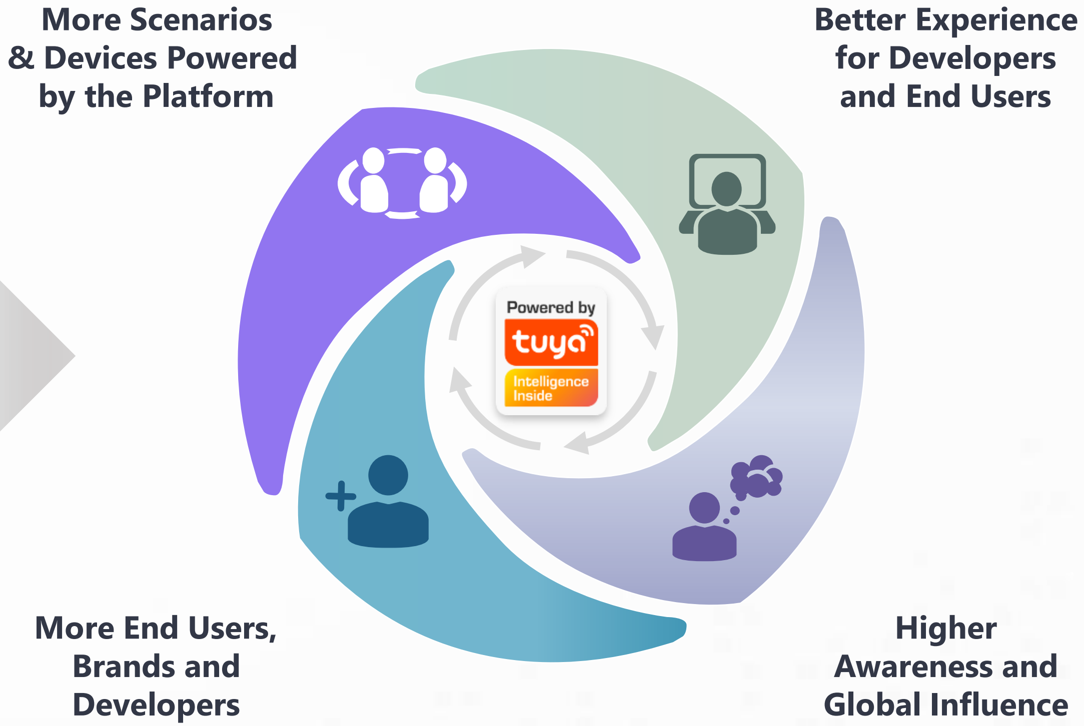
PHILIPS	Schneider Electric	ABB	Honeywell	Möhlenhoff	SHARP Be Original.
SoftBank	SIEMENS	Panasonic	SCG	AO Smith	Whirlpool CORPORATION
SFR	Telkom Indonesia the world in your hand	orange	ALDI	SODIMAC	LIDL
Danfoss	GOODYEAR	CHINAGAS 中國燃氣	Westinghouse	Henkel	CALEX HOLLAND
Haier	Midea	simon	GREE 格力	CANDY	MONSTER
LEROY MERLIN	中海地产 始创于1979·共创美好生活	NEW HOPE 新希望服务 SERVICE	vanke	Auchan	Flipkart

One Platform, All Smart

Enable Every Thing to Be Smart with ONE connected cloud & App

Across Brands Globally	Across a Variety of Devices
Globalization in a Cost-effective Manner	Interconnected and Unified User Experiences

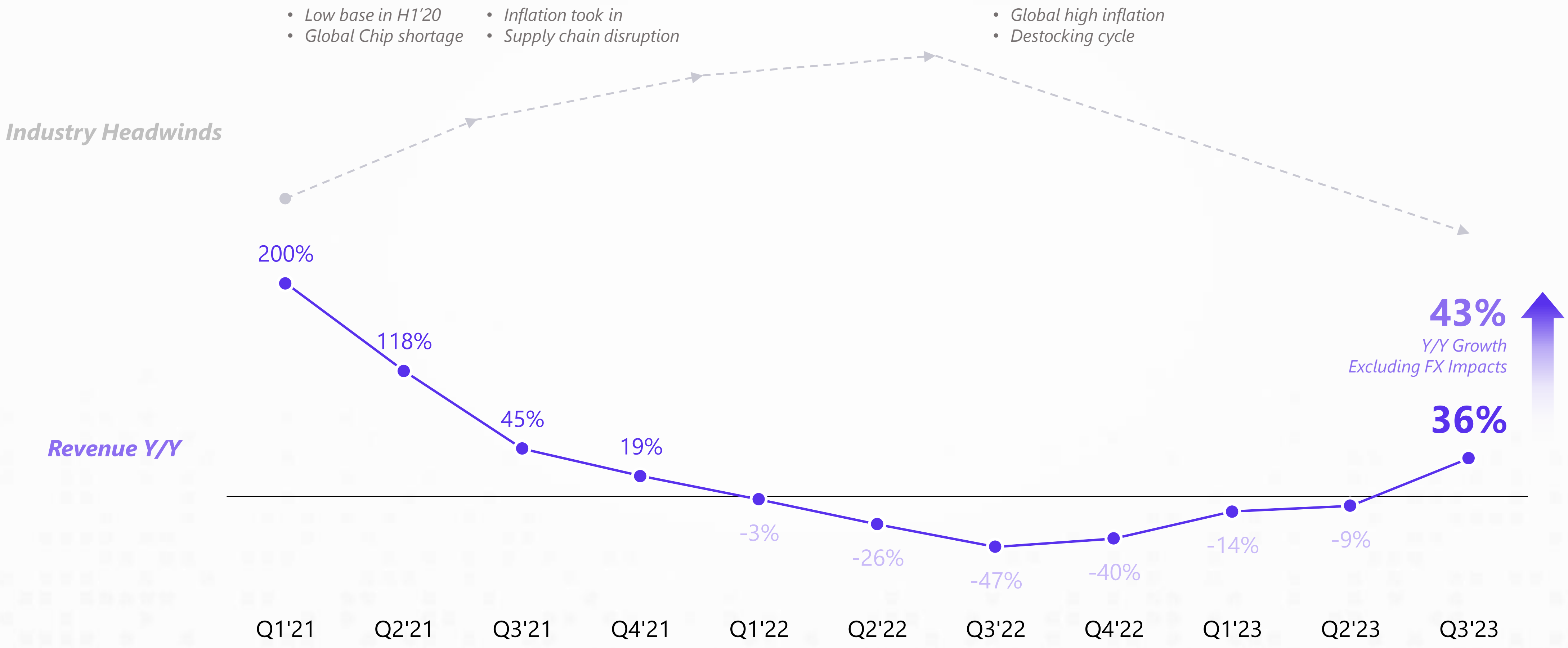
End users who own Tuya-powered devices are incentivized to purchase more Tuya-powered devices to take advantage of our interconnected and interactive ecosystem



Key Topline and Financial Updates

Strong YoY Uplift in Total Revenue

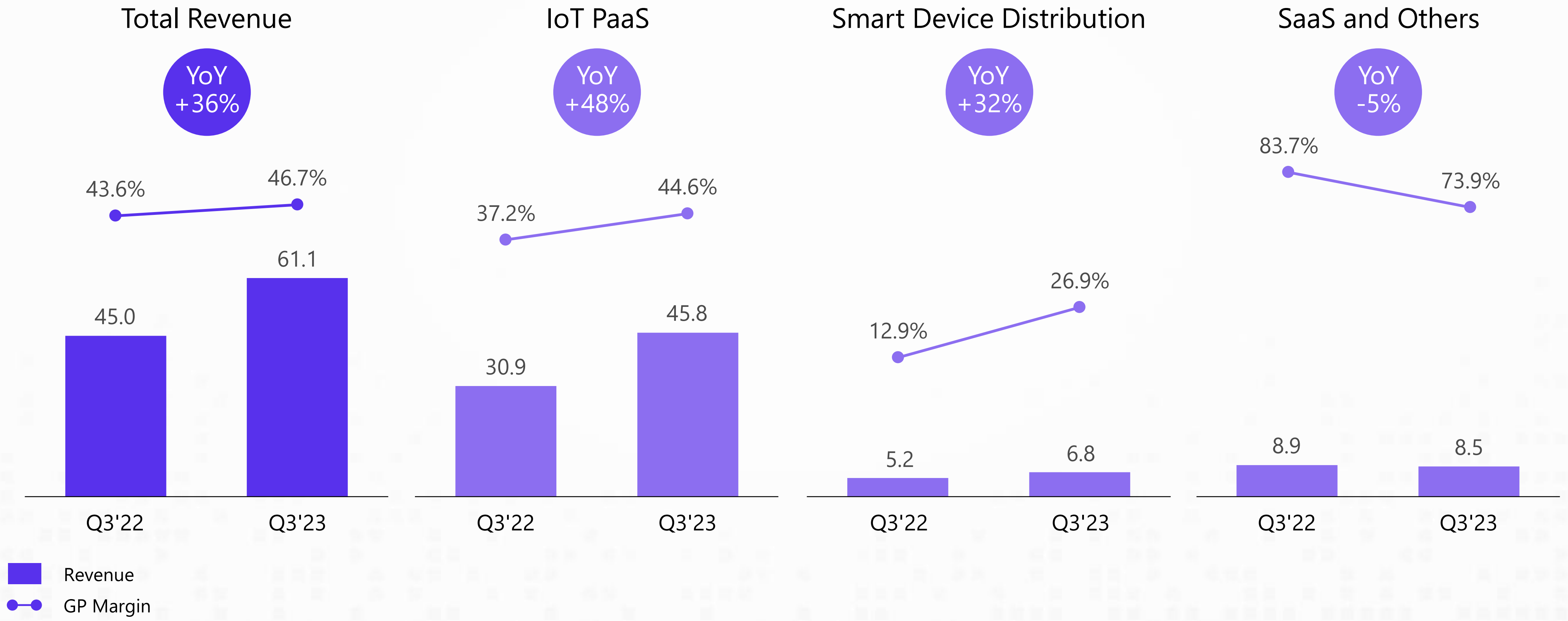
Total Revenue Y/Y Growth by Quarter
(%)



Note: Numbers are rounded for presentation purposes.

Quarterly Revenue Update

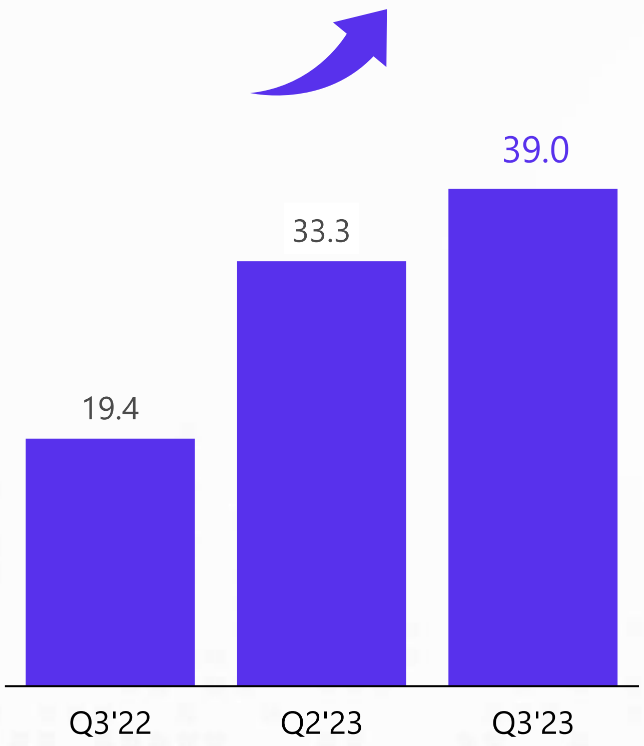
Revenue Breakdown for The Third Quarter
(USD'M)



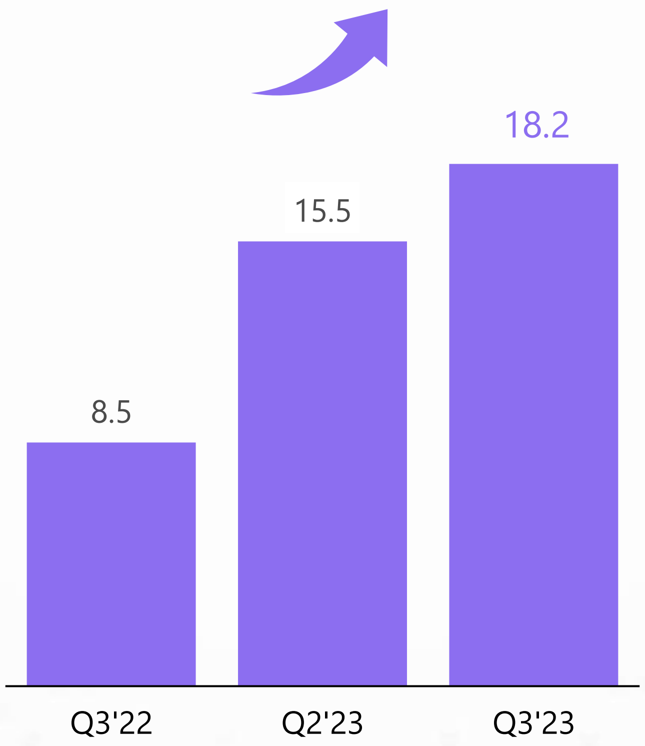
Note: Numbers are rounded for presentation purposes.

Revenue Efficiency Improved to A Historical High Level in Q3

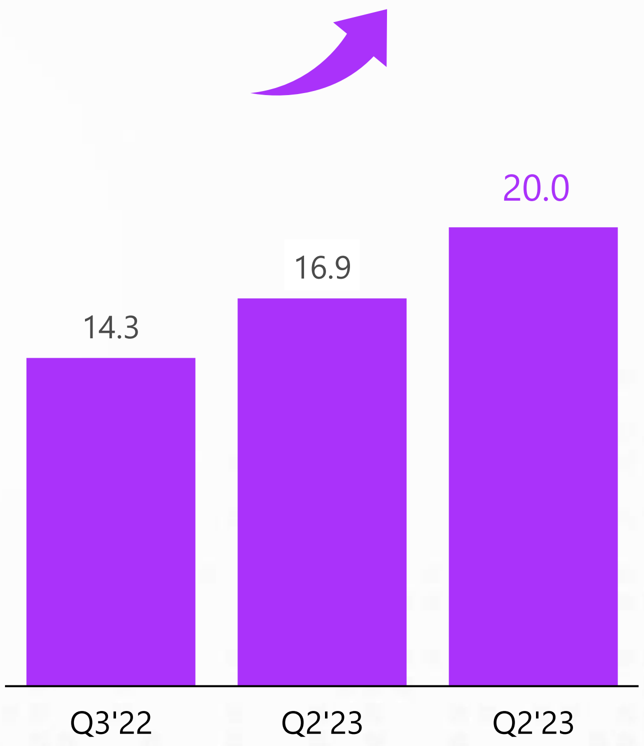
Average Revenue Supported Per Headcount
(USD'K)



Average Gross Profit Supported Per Headcount
(USD'K)

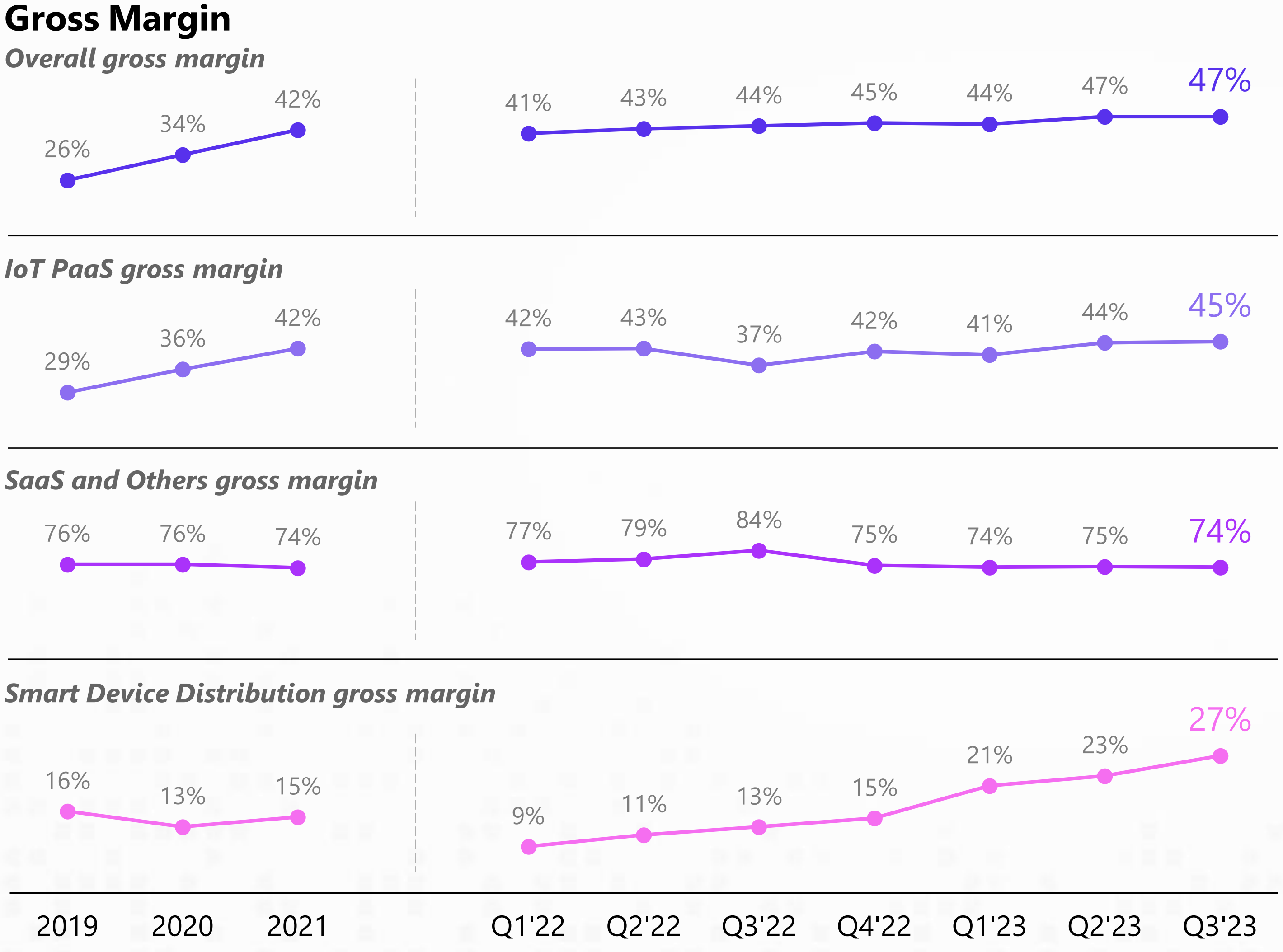


Average Revenue Per Customer
(USD'K)



1. "ARPC" refers to average revenue per customer.

Stably Increased Gross Margin Secures Long-term Profitability



Note: Numbers are rounded for presentation purposes.

Stably Increased Overall blended GPM

- Showcasing our highly recognized customer valuation proposition despite macro headwinds.

IoT PaaS

- Fluctuated mainly due to changes in product mix and inventory allowance for IoT chips.

SaaS and Others

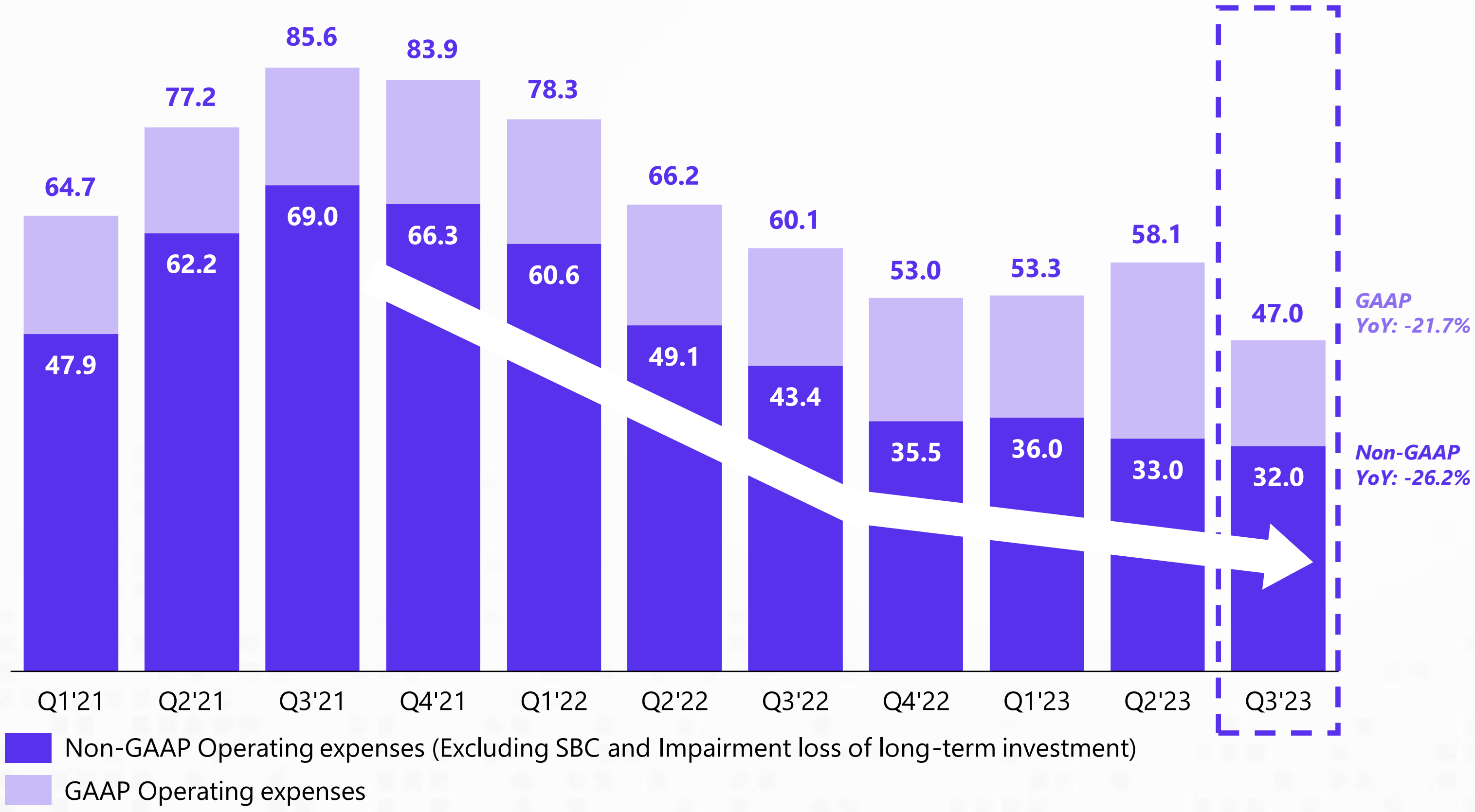
- Fluctuated mainly due to mix of services, including industry SaaS, 2B/2C VAS, customization projects, Cube smart private cloud solution.

Smart Device Distribution

- Increased **14.0** pps YoY to **26.9%** in Q3'23, primarily due to higher-value products solution provided to customers, such as smart central control, gateway etc.

Operating Expense by Quarters

Operating Expense, GAAP and Non-GAAP[1]
(USD'M)



Operating expenses ("OPEX") in Q3'23 decreased by 21.7% Y/Y mainly due to —

- **Non-GAAP OPEX** decreased by 26.2% Y/Y mainly due to the decreases in basic payroll and benefits as a result of headcounts down to ~1,520 as of September end;

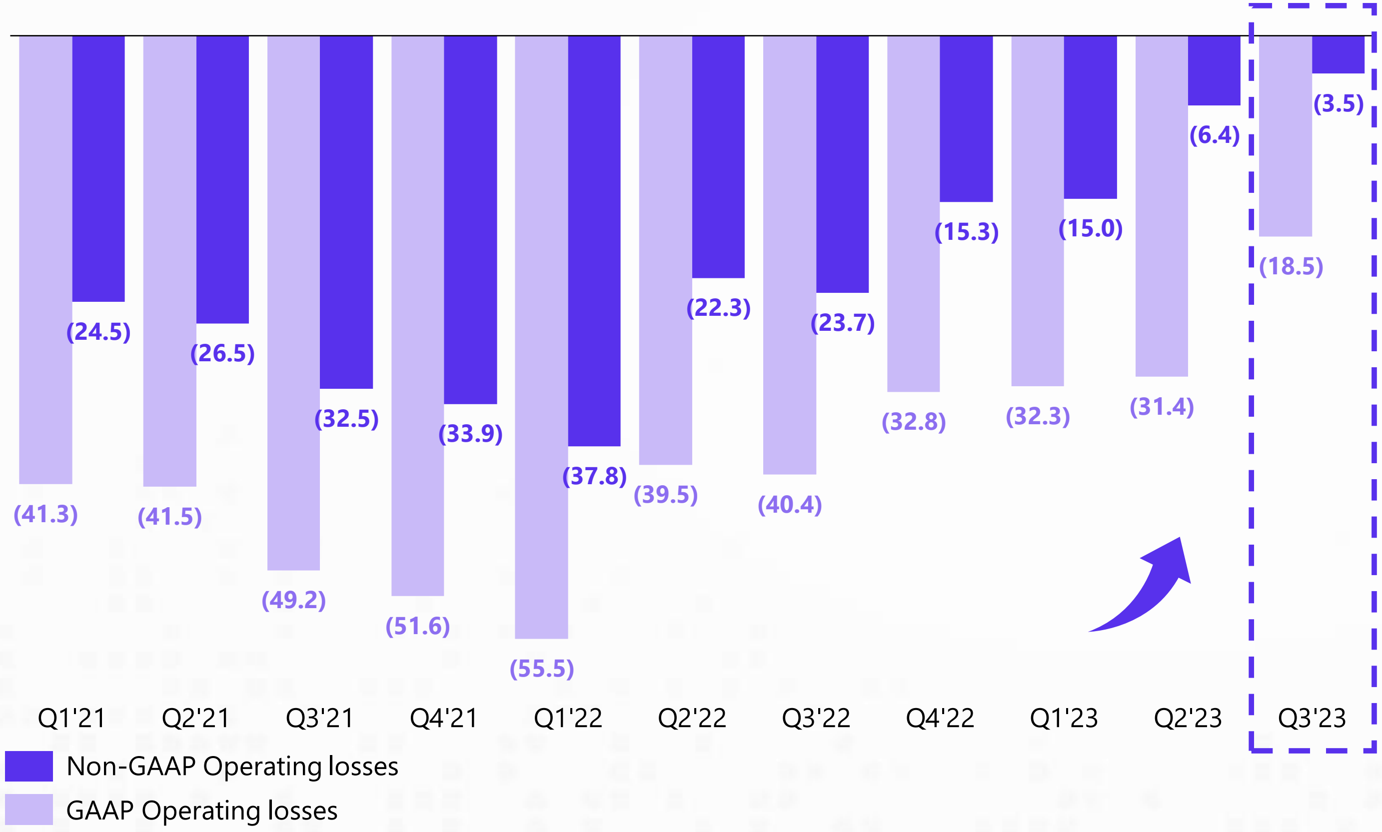
  YoY in details:
  ↓ 28.9% Payroll and benefits
  ↓ 15.6% Rental and leasing
  ↓ 27.4% Marketing and promoting

- SBC compensation decreased by 10.4% Y/Y in Q3'23.

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 Loss by Quarters

Operating Loss, GAAP and Non-GAAP[1]
(USD'M)



Operating loss in Q3'23
narrowed by 54.3% Y/Y mainly due to —

- **Gross profit** increased significantly Y/Y;
- **OPEX** decreased significantly Y/Y.

Non-GAAP operating loss in Q3'23
narrowed by 85.3% Y/Y.

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.

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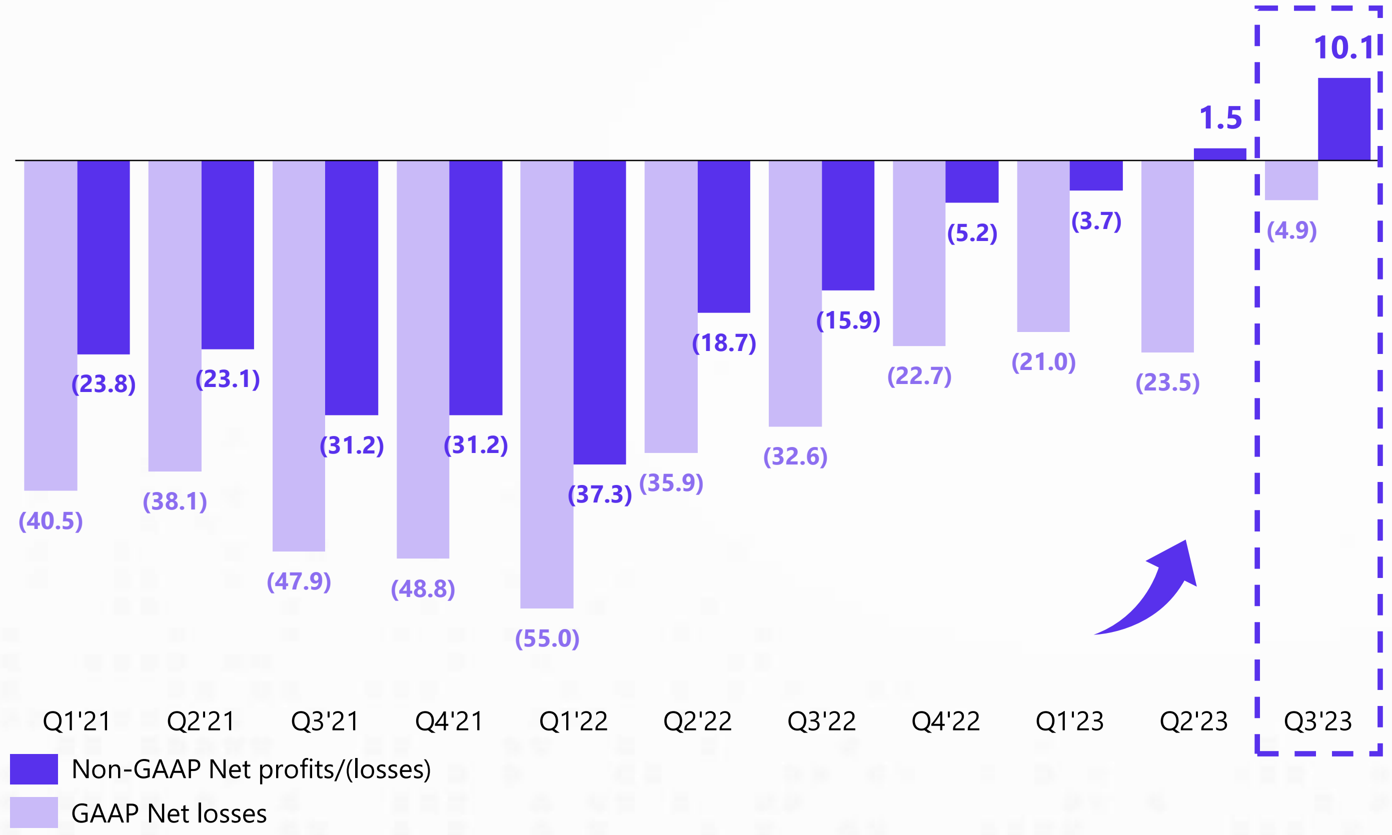
Achievement of Continuing Non-GAAP Quarterly Breakeven

Net Profit/(Loss), GAAP and Non-GAAP[1]
(USD'M)



Net loss in Q3'23
narrowed by 85.0% Y/Y mainly due to —

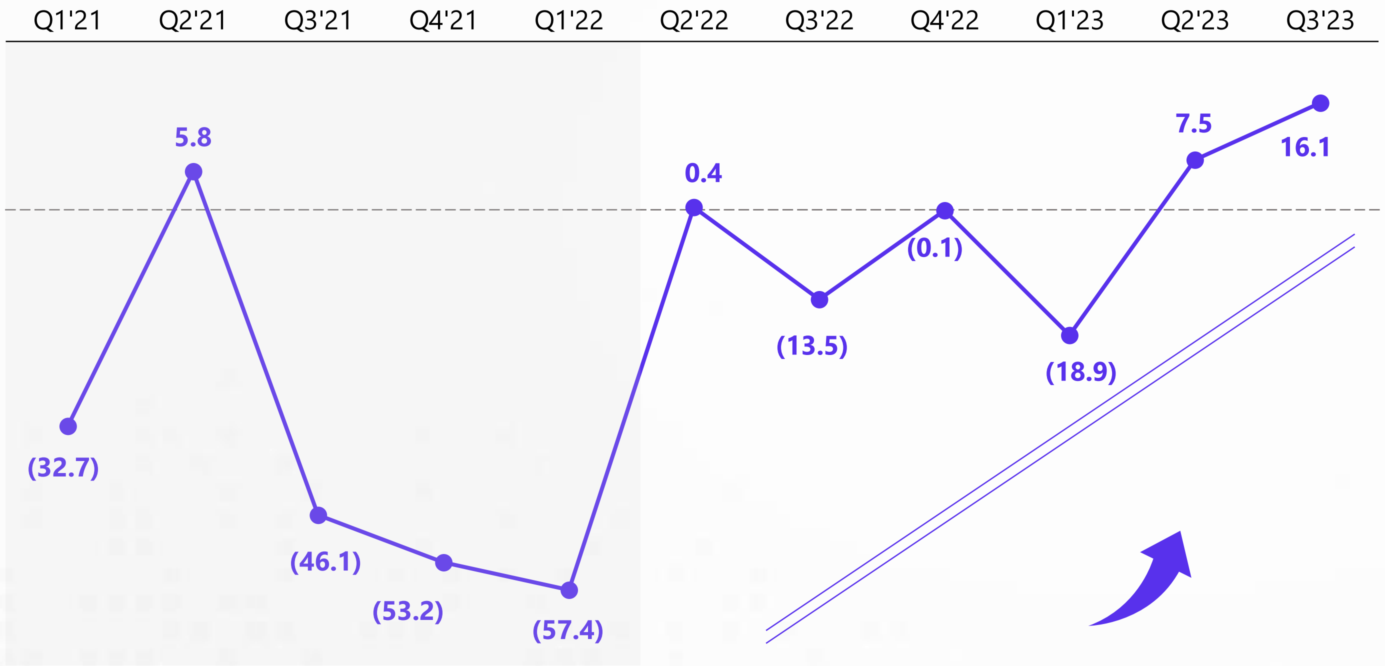
- Improvement in **operating loss**;
- US$13.1 million of interest income achieved in Q3'23 due to treasury management.

Non-GAAP net profit in Q3'23
improved to **$10.1 million**, compared to a loss of $15.9 million in Q3'22.

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 by Quarters

Net Cash Generated/(Used) in Operating Activities
(USD'M)



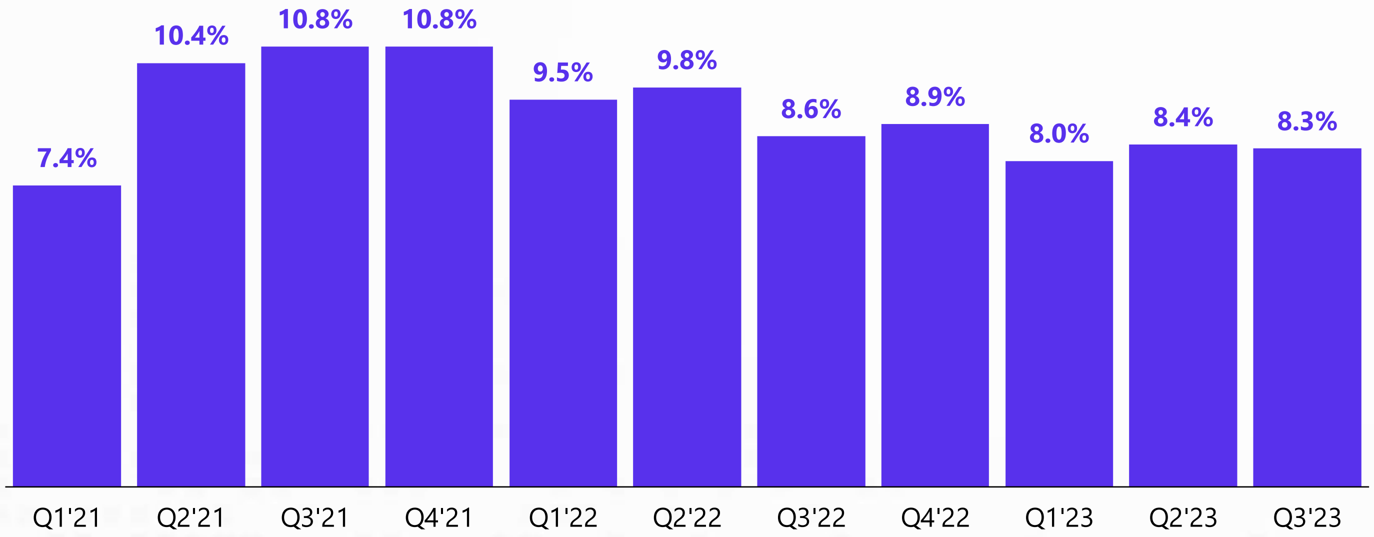
US$961 Million

Net cash[1]
as at September 30, 2023

1. "Net cash" refers to cash in banks and time deposits recorded as short-term and long-term investments in the balance sheet (as Tuya has no loans or interest-bearing liabilities).
Note: Numbers are rounded for presentation purposes.

Strong Balance Sheet Assures Long-term Operation

Total Liabilities to Assets Ratio
(%)



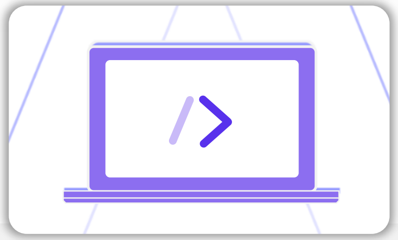
No debt or capital commitments

Liabilities are mainly operating related, such as account payable, salary payable, advance from customers, etc.

Note: Numbers are rounded for presentation purposes.

Key Business Growth Strategies

1. Further enhancement of product capabilities
2. Further expanding high-quality customer base
3. Expand into non-consumer electronics sectors
4. Continuously strengthen developer platform, creating competencies to efficiently serving highly fragmented IoT Market



909,000 Developers[1] | **40.5%** y/y Growth

1. "Developer" refers to the registered developer, as of September 30, 2023.

Appendix

Appendix: Q3'23 Reconciliation of Non-GAAP to GAAP

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2023
	USD'000	USD'000
Reconciliation of operating expenses to non-GAAP operating expenses		
Research and development expenses	(32,341)	(24,946)
Add: Share-based compensation	3,078	3,165
Adjusted Research and development expenses	(29,263)	(21,781)
Sales and marketing expenses	(14,120)	(9,418)
Add: Share-based compensation	1,714	758
Adjusted Sales and marketing expenses	(12,406)	(8,660)
General and administrative expenses	(16,172)	(15,843)
Add: Share-based compensation	11,891	11,025
Add: Credit-related impairment of long-term investments	-	52
Adjusted General and administrative expenses	(4,281)	(4,766)
Reconciliation of loss from operations to non-GAAP loss from operations		
Loss from operations	(40,414)	(18,487)
Add: Share-based compensation expenses	16,683	14,948
Add: Credit-related impairment of long-term investments	-	52
Non-GAAP Loss from operations	(23,731)	(3,487)
Non-GAAP operating margin	(52.7%)	(5.7%)
Reconciliation of net loss to non-GAAP net (loss)/profit		
Net loss	(32,623)	(4,905)
Add: Share-based compensation expenses	16,683	14,948
Add: Credit-related impairment of long-term investments	-	52
Non-GAAP net (loss)/profit	(15,940)	10,095
Non-GAAP net margin	(35.4%)	16.5%
Weighted average number of ordinary shares used in computing non-GAAP net (loss)/profit per share, basic	553,043,213	555,782,518
Weighted average number of ordinary shares used in computing non-GAAP net (loss)/profit per share, diluted	553,043,213	586,434,725
Non-GAAP net (loss)/profit per share attributable to ordinary shareholders - basic	(0.03)	0.02
Non-GAAP net (loss)/profit per share attributable to ordinary shareholders – diluted	(0.03)	0.02