4th Quarter 2020 Earnings Presentation

MARCH 2021

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Agenda

01 **4th Quarter 2020 Achievements and Growth Strategies**

02 **Recent Development**

03 **4th Quarter 2020 Financial Performance Overview**

04 **Q&A**

4th Quarter 2020 Achievements and Growth Strategies

Robust 4th Quarter 2020 Results, Further Strengthening Our Position as the Pioneer Platform in Voice-centric Mobile Social Networking and Entertainment in MENA

US$48.3MM	150.9%	US$23.3MM	181.6%	48.3%
4Q2020 Revenue	4Q2020 Revenue YoY Growth	4Q2020 non-GAAP Net Income (1)	4Q2020 non-GAAP Net Income (1) YoY Growth	4Q2020 non-GAAP Net Income (1) Margin

Core Competitive Strengths

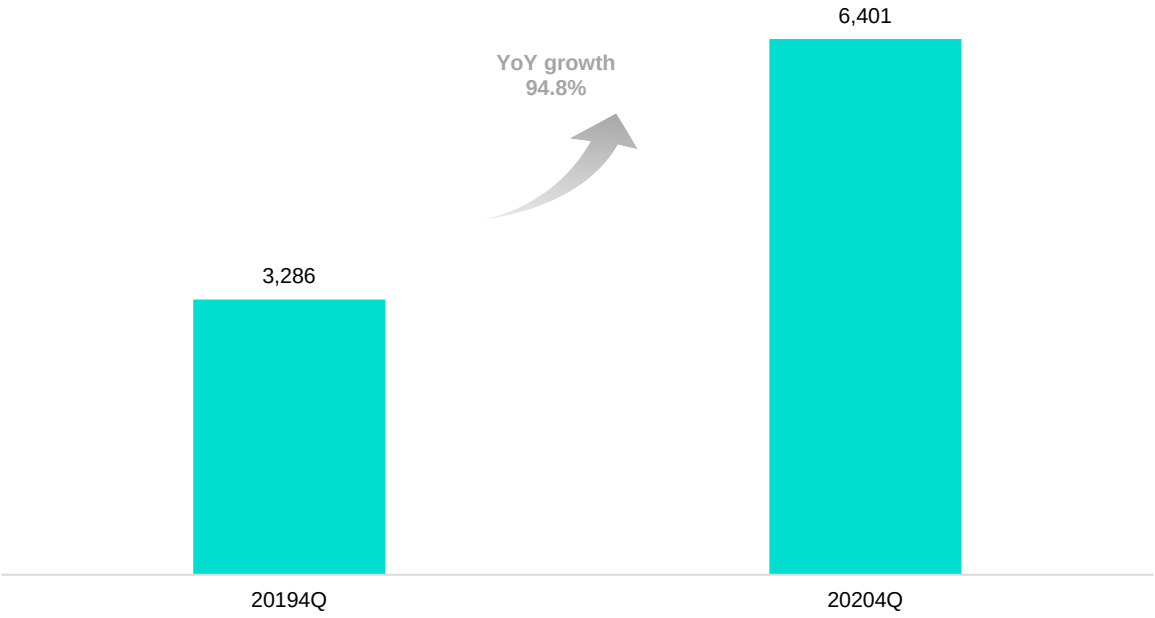
First Mover	In voice-centric mobile social networking and entertainment in MENA
Innovative Business Model	Focusing on users' interaction and social networking experience lead to leading position in MENA
Pure UGC Platform	Encourages user engagement and helps build a healthy and cohesive user community
Localized and Customized	Product features specifically decided to fit the social networking and entertainment needs of MENA users
Expanding Product Portfolio	Continually diversifying our platform's product offerings to create brand extension and deeper loyalty

Note:
1. Non-GAAP net income is defined as net income (loss) excluding share-based compensation. Please refer to the Appendix for a reconciliation of non-GAAP net income to the most comparable U.S. GAAP financial measure, net income.

User Base Continue to Grow Across Yalla and Yalla Ludo

Yalla Monthly Active Users

000s



- Primarily features Yalla rooms, which can be viewed as the online version of Majlis or cafés, where people spend their leisure time in casual chats
- Focus on building a tight-knit and high-quality user community
- Continue to enrich Yalla with new localized features and new mobile social leisure activities tailored to users in MENA

Yalla Ludo Monthly Active Users

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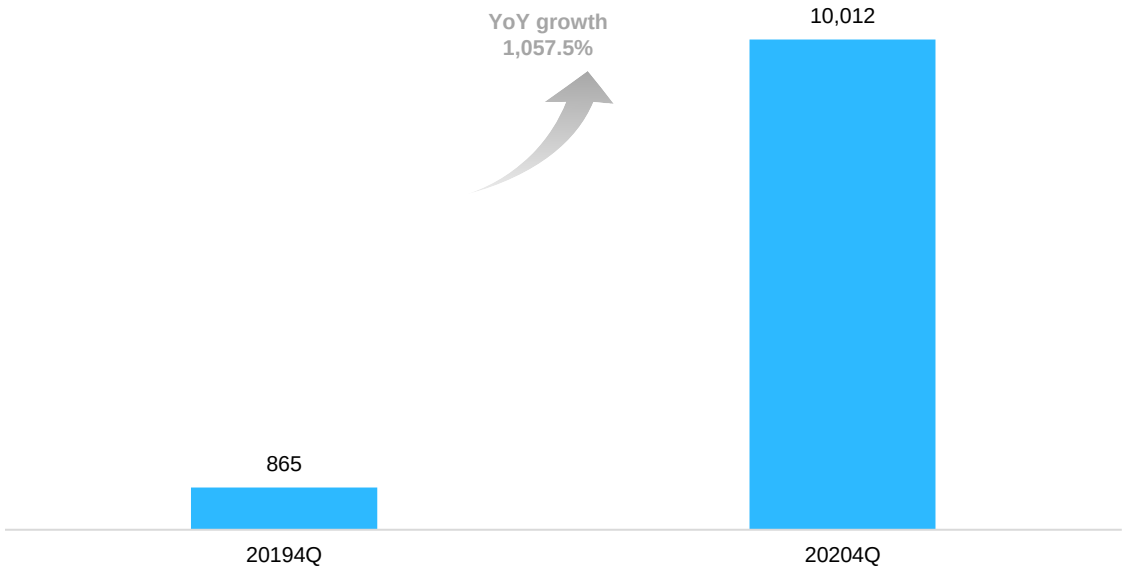


- Resembles a family living room where family members and friends play simple board games that are highly popular in MENA, such as Ludo and Domino
- Additional feature such as tournaments to further enrich users' gaming experiences on our platform
- Recommended by numerous app stores including Apple Store and Google Store on their respective home pages

Recent Development

Expanding Product Portfolio

Yalla Baloot

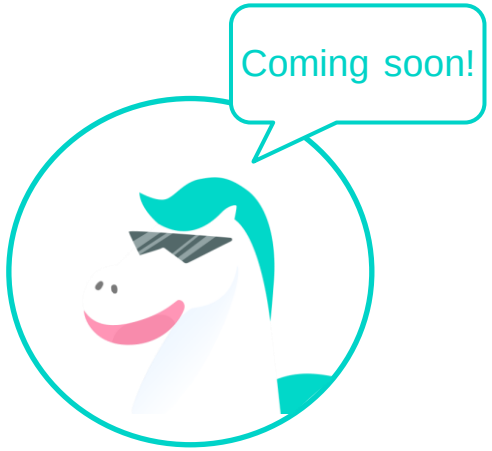
Saudi Arabia Card Game

101 Okey Yalla

Turkish Mahjong

Yalla Parchis

South America Ludo



Yalla Chat

IM for Arabic Users

Local Operation Activities

Yalla Fadia

Popular Program	149K Participants (1)
Deep Interactions	250K Virtual Gifts Sent (1)
Strong Engagement	20MM Total Minutes Consumed (1)
High Stickiness	72 Min. Daily Avg Per 90 Min. Program (2)

Yalla Sports with Lutfi Al Zoabi

Popular Program	147K Participants
Deep Interactions	270K Virtual Gifts Sent
Strong Engagement	6.35MM Total Minutes Consumed
High Stickiness	43 Min. Daily Avg Per 60 Min. Program

Reached +60 media across 11 countries (3)

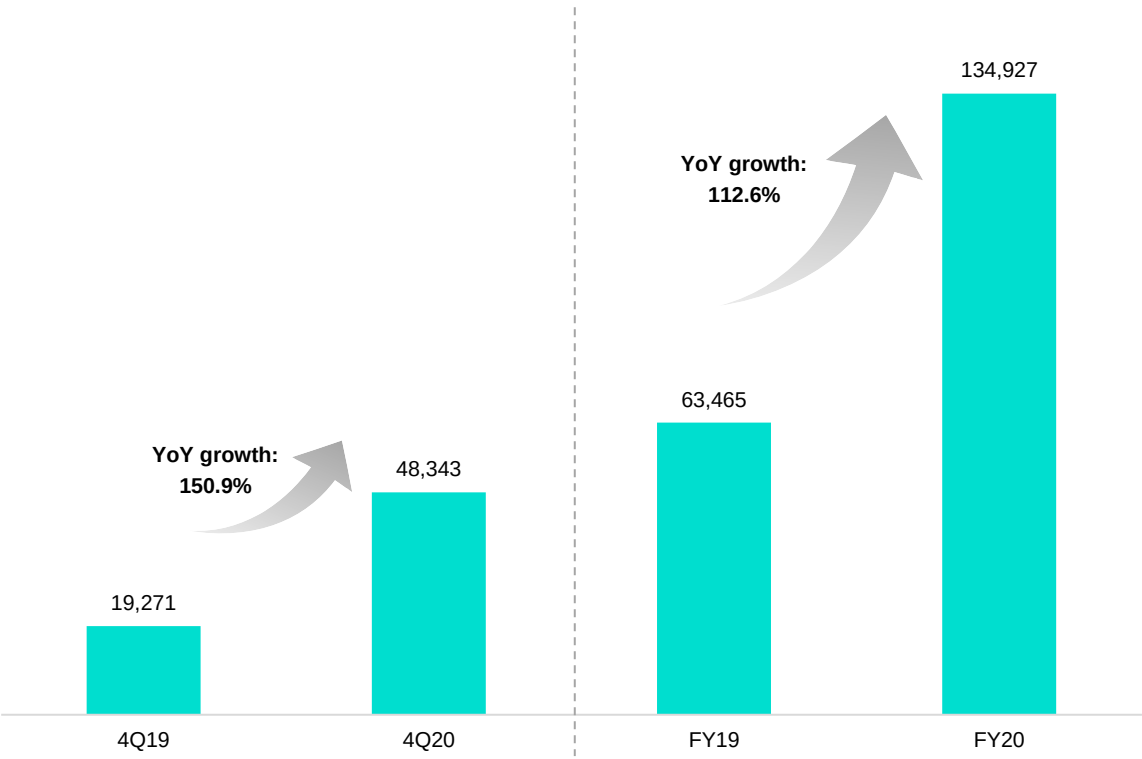
Notes:
1: Refers to Yalla Fadia Season 1&2
2: Refers to Yalla Fadia Season 2
3.Refers to both Yalla Sports and Yalla Fadia

4th Quarter 2020 Financial Performance Overview

Robust Financial Performance in 4Q2020

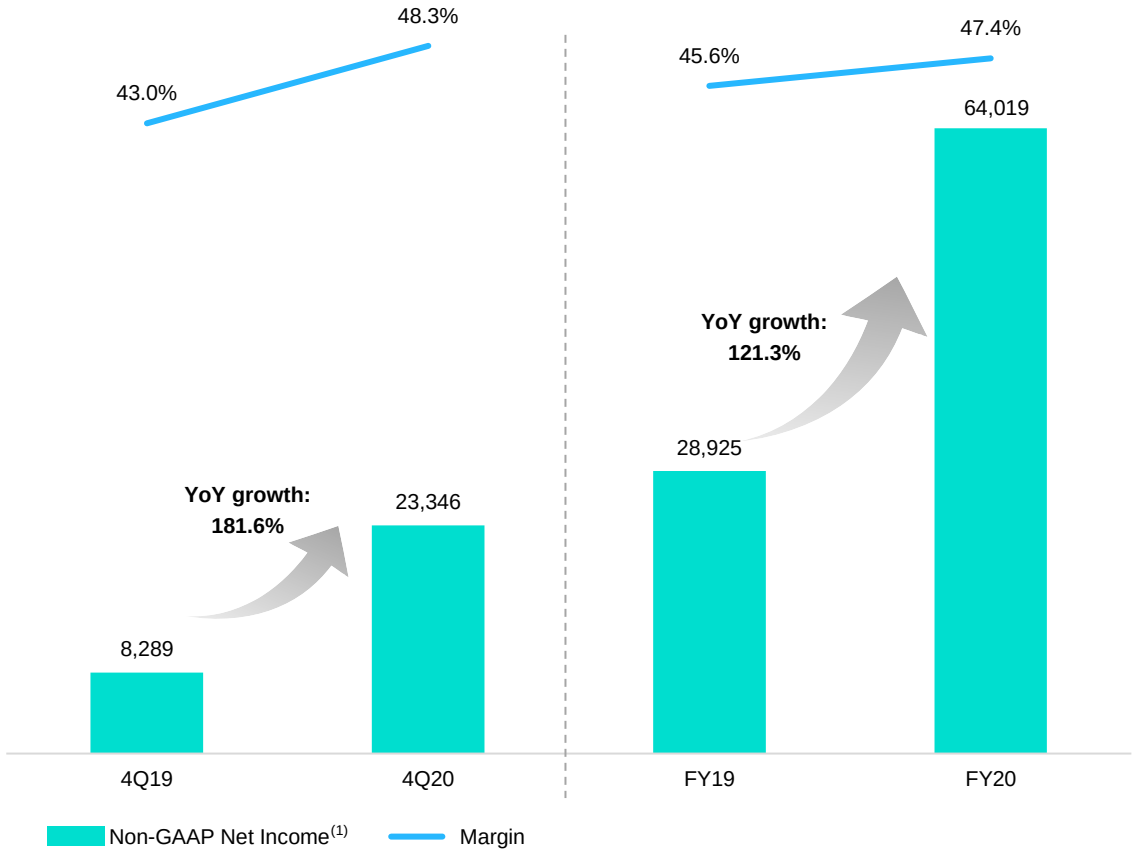
Revenue

US$000



Non-GAAP Net Income[1]

US$000



Note:
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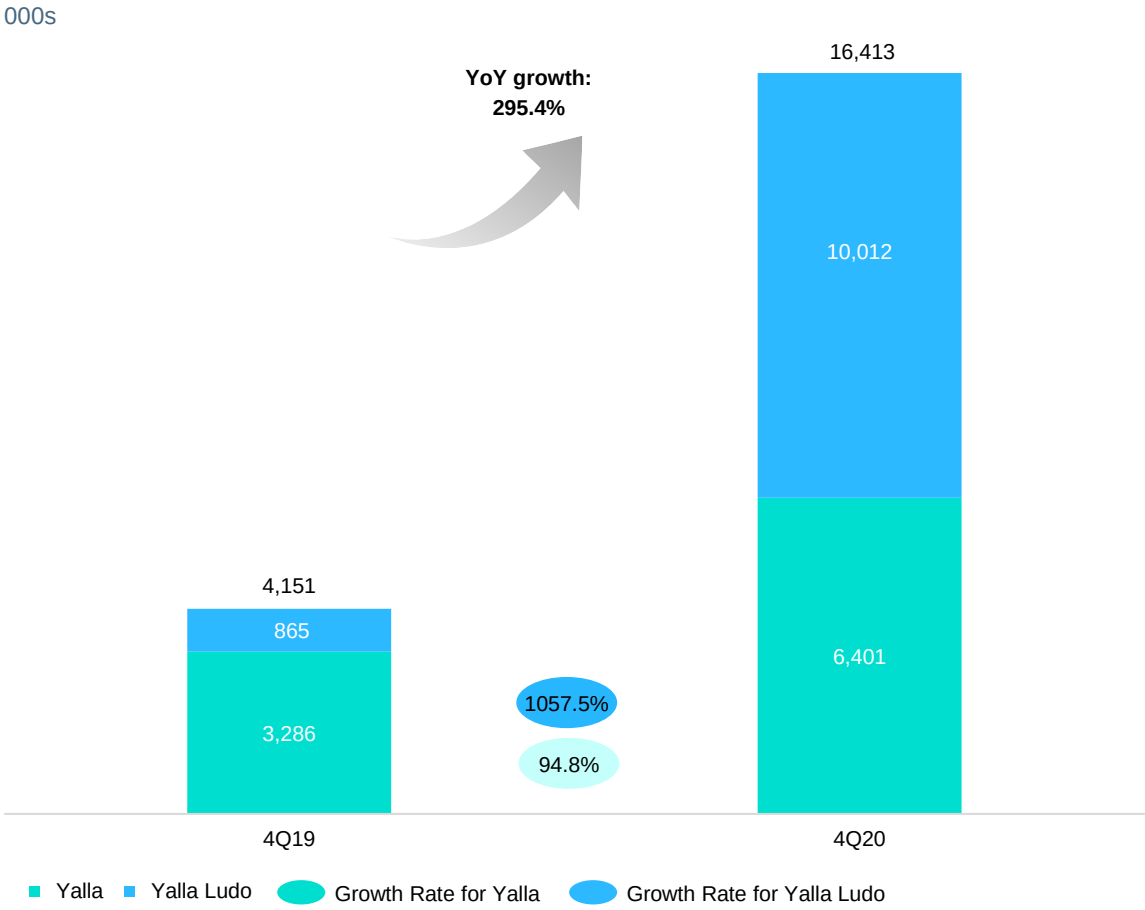
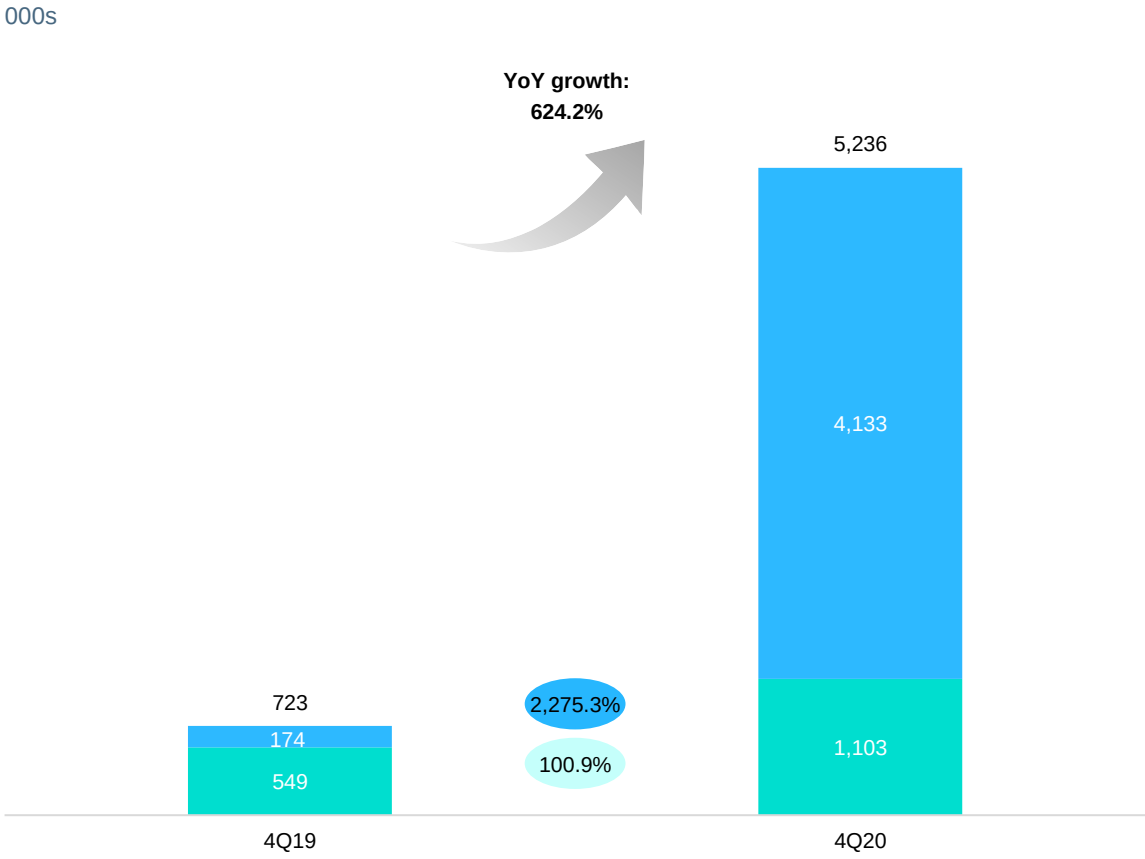
Strong Revenue Growth Driven by Growing User Base

Monthly Active Users



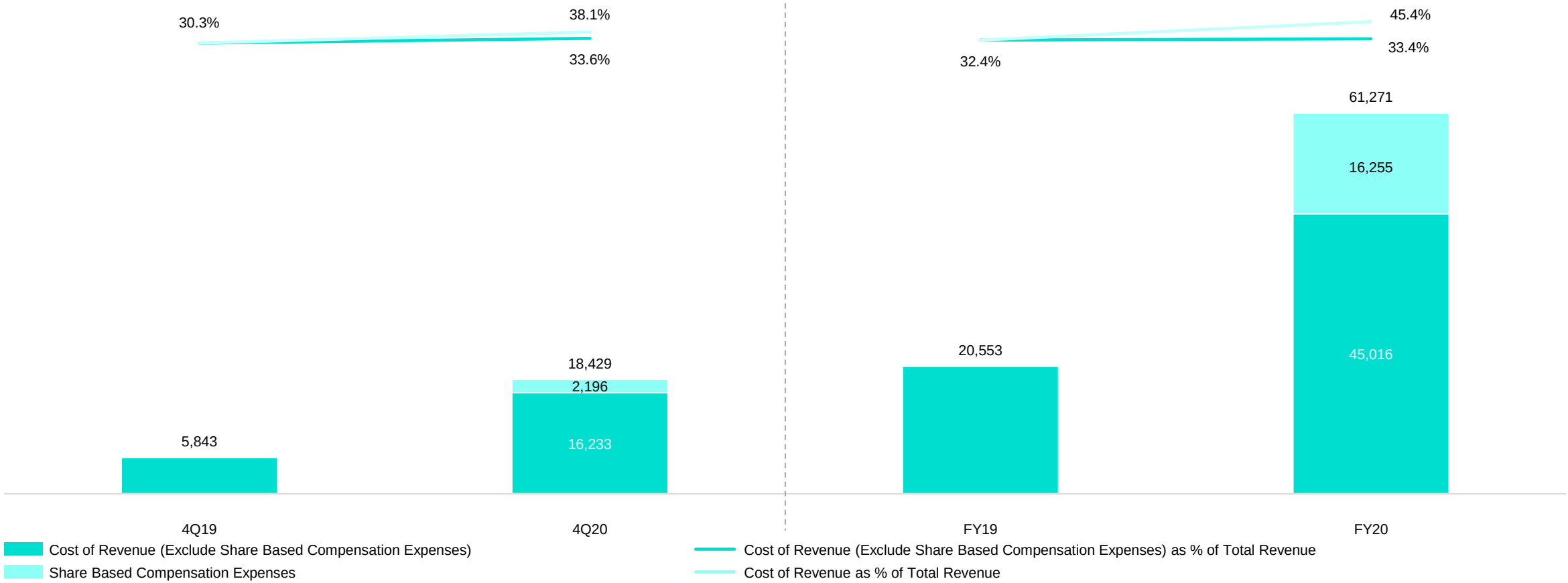
Quarterly Paying Users



Continued Efficient Operations with Stable Cost Margin – Cost of Revenues

Cost of Revenues

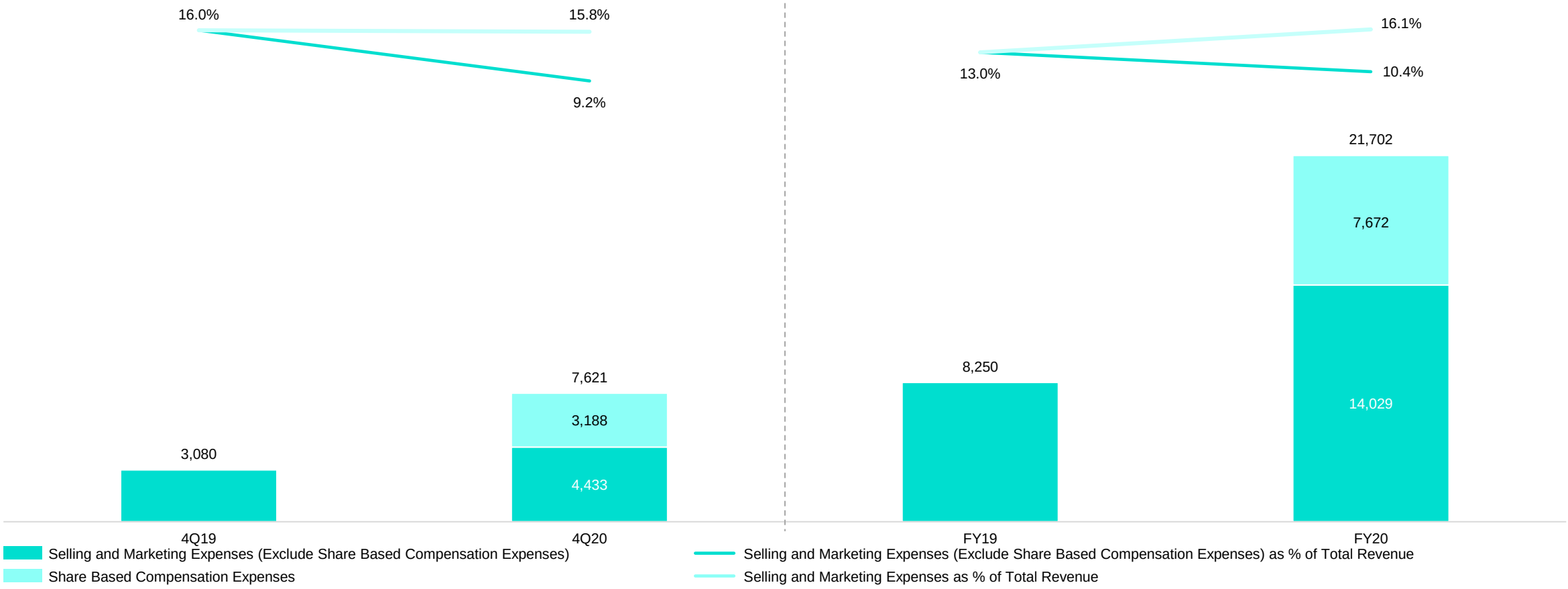
US$000



Continued Efficient Operations with Stable Cost Margin – Selling and Marketing Expenses

Selling and Marketing Expenses

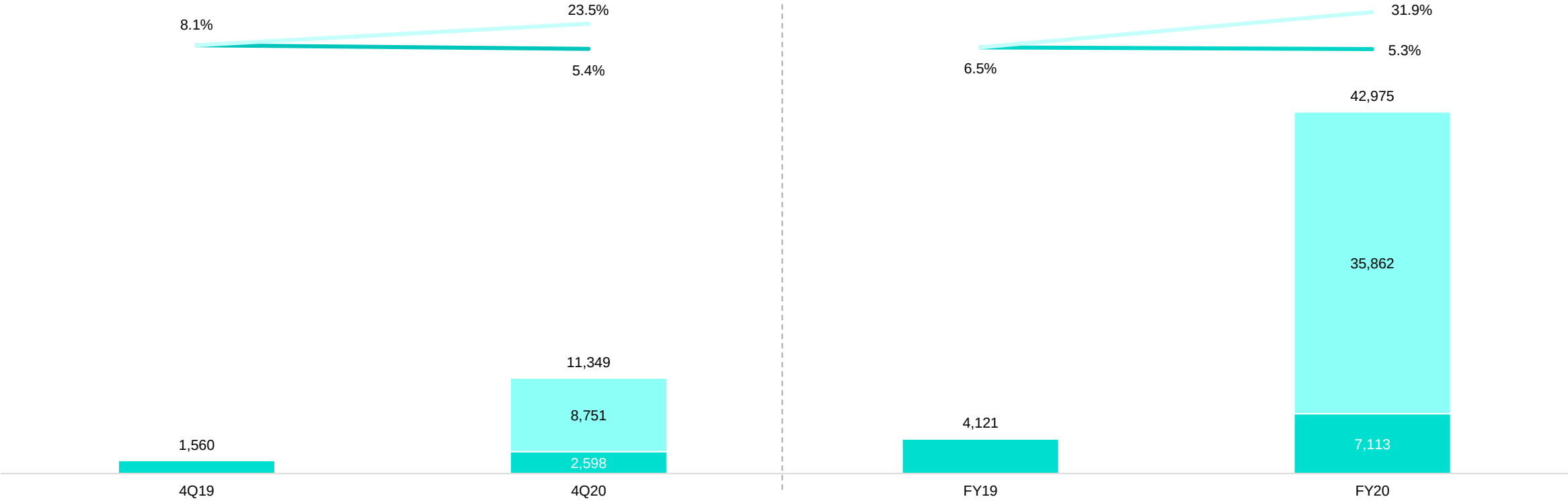
US$000



Continued Efficient Operations with Stable Cost Margin – General and Administrative Expenses

General and Administrative Expenses

US$000



General and Administrative Expenses (Exclude Share Based Compensation Expenses)

Share Based Compensation Expenses

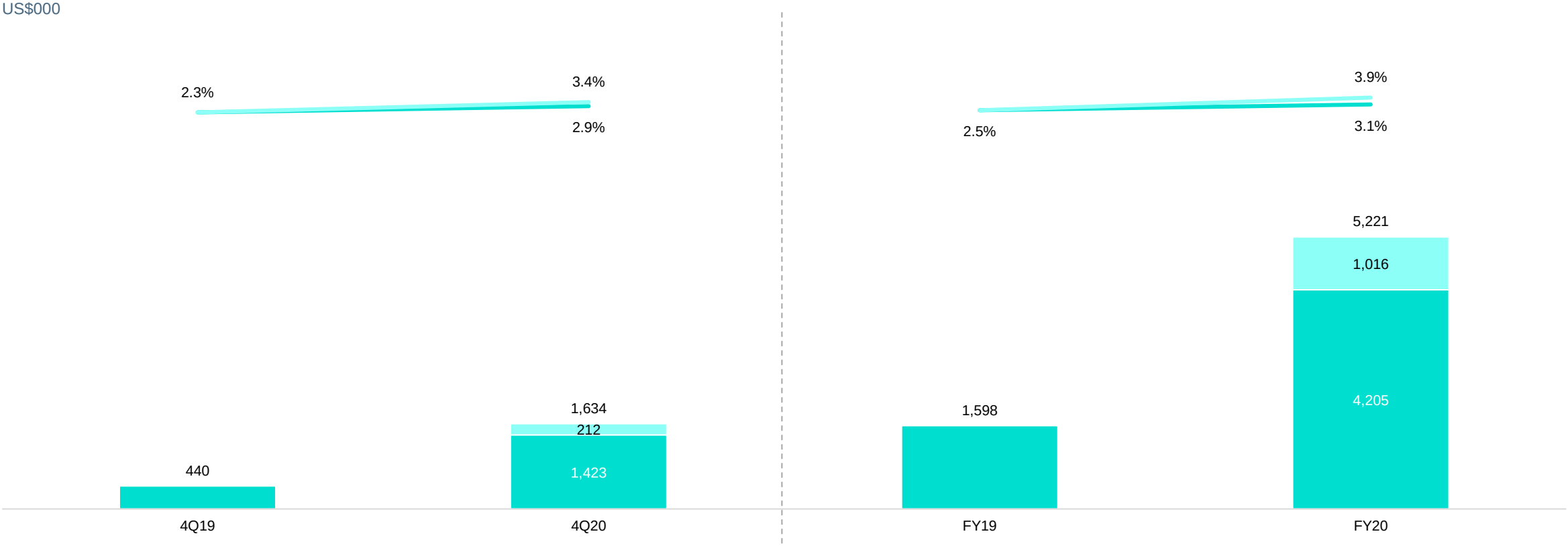
General and Administrative Expenses (Exclude Share Based Compensation Expenses) as % of Total Revenue

General and Administrative Expenses as % of Total Revenue

Continued Efficient Operations with Stable Cost Margin – Technology and Product Development Expenses

Technology and Product Development Expenses

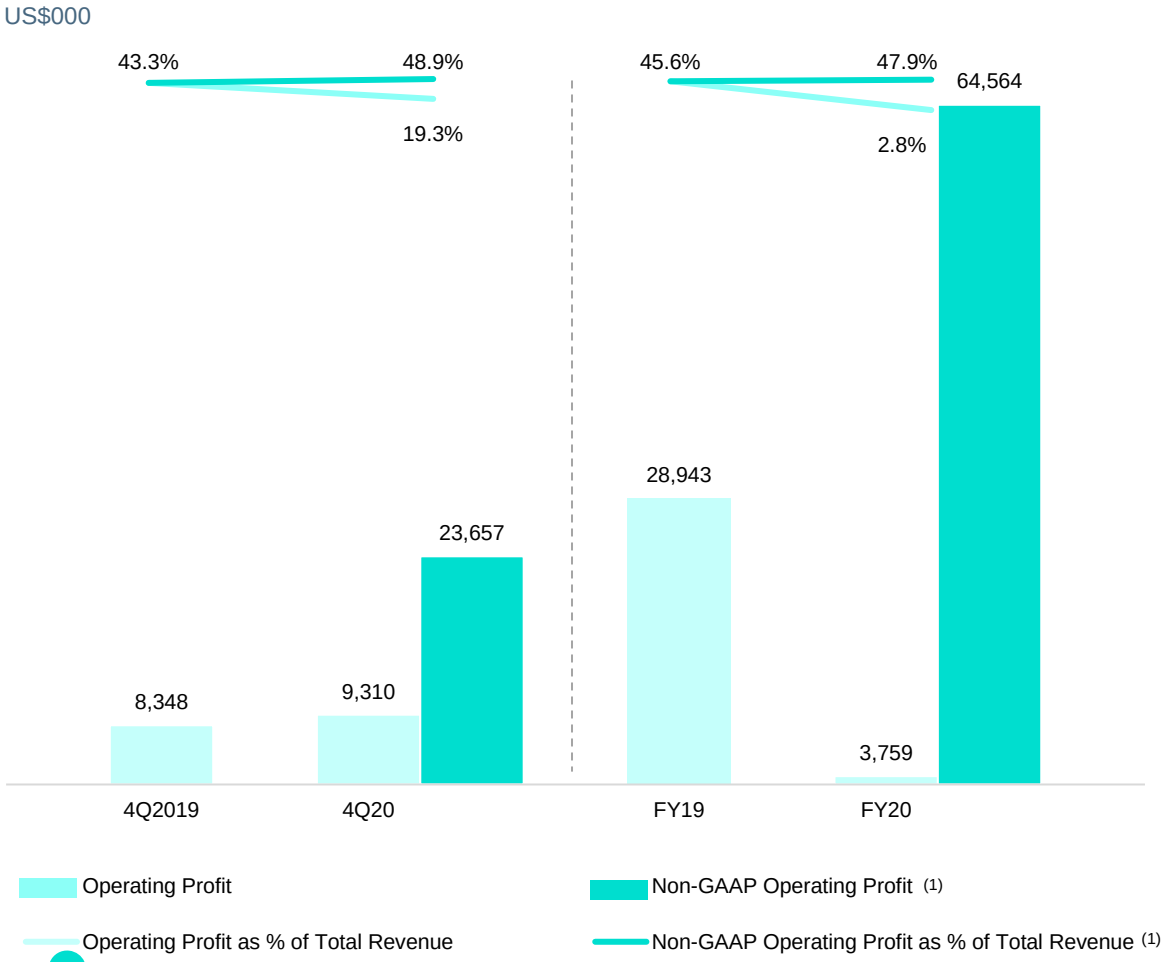
US$000



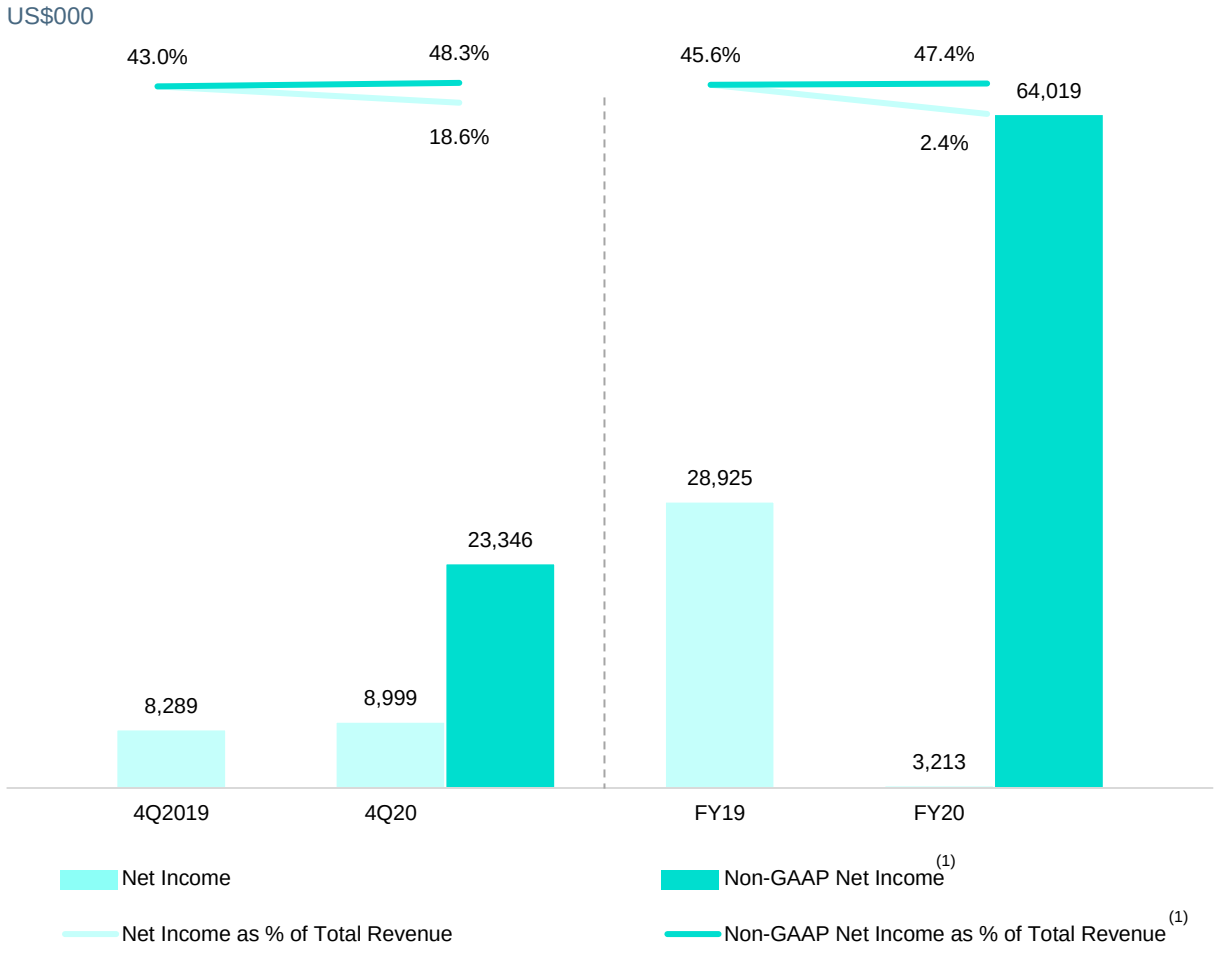
Technology and Product Development Expenses (Exclude Share Based Compensation Expenses)
Share Based Compensation Expenses
Technology and Product Development Expenses (Exclude Share Based Compensation Expenses) as % of Total Revenue
Technology and Product Development Expenses as % of Total Revenue

Profit Margin Continued to Remain Stable

Operating Profit



Net Income

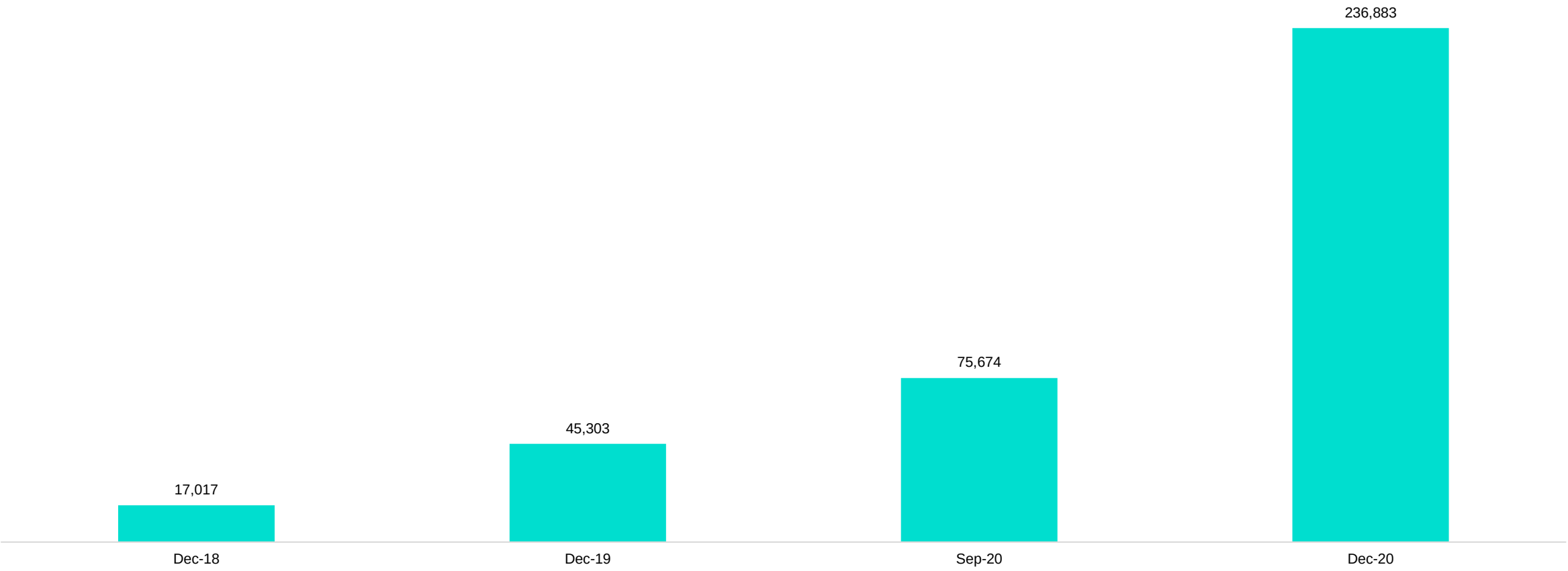


Note:
1. Non-GAAP operating income/loss is defined as operating income/loss excluding share-based compensation. Please refer to the Appendix for a reconciliation of non-GAAP operating income/loss to the most comparable U.S. GAAP financial measure, operating income/loss.

Continued Strong Cash Flow Position

Cash and Cash Equivalents [1]

US$000



Note:
1. Cash and cash equivalents excludes IPO proceeds

Q&A

Appendix

Income Statement

US$	Year ended December 31		Three months ended	
	2019	2020	Dec 31, 2019	Dec 31, 2020
Revenue	63,464,574	134,927,410	19,271,374	48,343,470
Costs and expenses				
Cost of revenues	(20,553,319)	(61,270,887)	(5,842,647)	(18,429,067)
Selling and marketing expenses	(8,250,130)	(21,701,852)	(3,080,448)	(7,621,296)
General and administrative expenses	(4,120,693)	(42,974,825)	(1,559,652)	(11,349,102)
Technology and product development expenses	(1,597,658)	(5,221,124)	(440,403)	(1,634,465)
Total costs and expenses	**(34,521,800)**	**(131,168,688)**	**(10,923,150)**	**(39,033,930)**
Operating Income (loss)	**28,942,774**	**3,758,722**	**8,348,224**	**9,309,540**
Interest income	390,227	202,474	65,420	13,343
Government grant	-	99,277	-	5,627
Investment income	27,568	13,994	8,783	1,947
Income (loss) before income taxes	**29,360,569**	**4,074,467**	**8,422,427**	**9,330,457**
Income tax expenses	(435,766)	(861,081)	(133,139)	(331,427)
Net Income (loss)	**28,924,803**	**3,213,386**	**8,289,288**	**8,999,030**

Reconciliations of Non-GAAP measures to the nearest comparable GAAP measures

US$	Year ended December 31		Three months ended	
	2019	2020	Dec 31, 2019	Dec 31, 2020
Operating income (loss)	28,942,774	3,758,722	8,348,224	9,309,540
Share-based compensation expenses	-	60,805,483	-	14,347,011
Non-GAAP Operating income	**28,942,774**	**64,564,205**	**8,348,224**	**23,656,551**
Net income (loss)	28,924,803	3,213,386	8,289,288	8,999,030
Share-based compensation expenses	-	60,805,483	-	14,347,011
Non-GAAP Net income	**28,924,803**	**64,108,869**	**8,289,288**	**23,346,041**

Balance Sheet

US$	As of December 31	
	2019	2020
ASSETS		
Current assets		
Cash and cash equivalents	45,302,622	236,883,282
Term deposits	2,722,941	-
Short-term investments	1,506,985	766,295
Proceeds from initial public offering	-	-
Prepayments and other current assets	3,930,306	15,725,424
Total current assets	**53,462,854**	**253,375,001**
Non-current assets		
Property and equipment, net	453,923	1,241,756
Other assets	200,000	-
Total assets	**54,116,777**	**254,616,757**
LIABILITIES		
Current liabilities		
Accounts payable	724,487	1,573,784
Deferred revenue	6,010,874	13,359,827
Accrued expenses and other current liabilities	1,576,530	6,148,486
Total current liabilities	**8,311,891**	**21,082,097**
Total liabilities	**8,311,891**	**21,082,097**
MEZZANINE EQUITY		
Series Angel Redeemable Convertible Preferred Shares	263,608	-
Series Pre-A Redeemable Convertible Preferred Shares	3,570,201	-
Series A Redeemable Convertible Preferred Shares	22,068,901	-
Total mezzanine equity	**25,902,710**	**-**
SHAREHOLDERS' EQUITY:		
Ordinary Shares	7,339	-
Subscriptions receivable	(7,339)	-
Class A Ordinary shares	-	11,920
Class B Ordinary shares	-	2,473
Additional paid-in capital	-	220,623,005
Accumulated other comprehensive income	5,218	373,989
Retained earnings	19,896,958	12,523,273
Total shareholders' equity	**19,902,176**	**233,534,660**
Total liabilities, mezzanine equity and shareholders' equity	**54,116,777**	**254,616,757**