



3rd Quarter 2020 Earnings Presentation

NOVEMBER 2020



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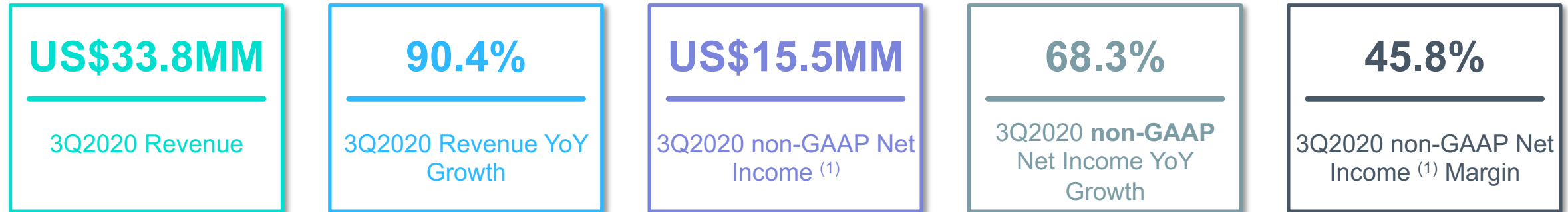




3rd Quarter 2020 Achievements and Growth Strategies



Robust 3rd Quarter 2020 Results, Further Strengthening Our Position as the Pioneer in Voice-centric Mobile Social Networking and Entertainment Platform in MENA



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



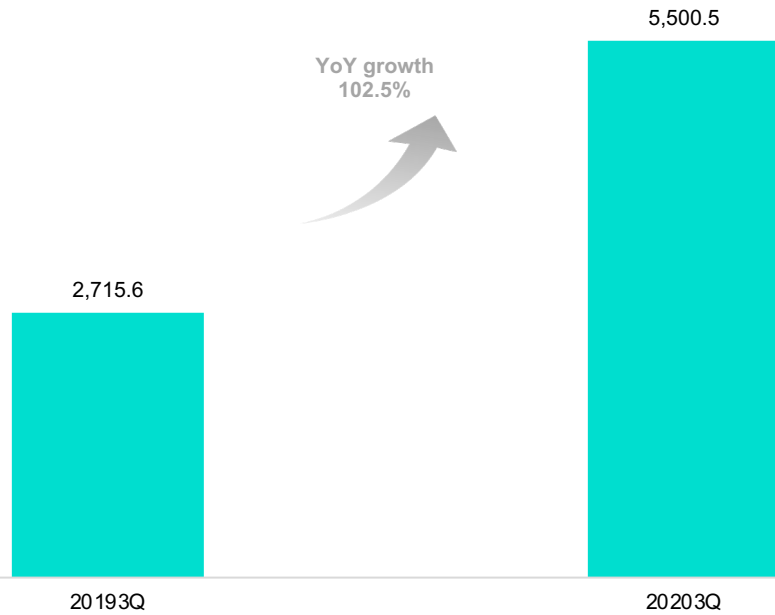
Notes: to

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

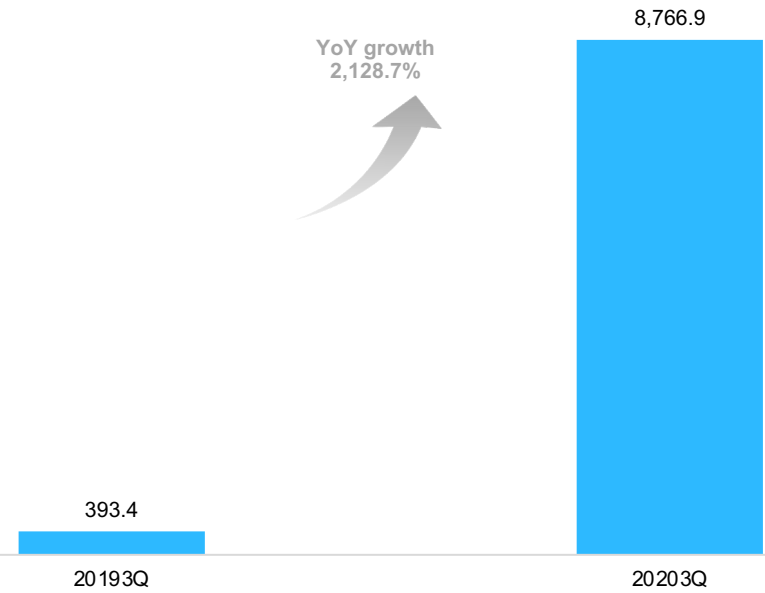


- Primarily features Yalla rooms, which can be viewed as the online version of Majlis or cafés, where people spend their leisure time in casual chats
- Focus on building a tight-knit and high-quality user community
- Continue to enrich Yalla with new localized features and new mobile social leisure activities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



Yalla Ludo Monthly Active Users

000s



- 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



Yalla Group's Listing Ceremony in the UAE



A nighttime cityscape featuring a prominent skyscraper. The skyscraper is illuminated with a bright cyan light and has the text "YALA LISTED NYSE" displayed on its facade. Below the text, the YALA logo is visible. The background shows other city buildings and lights.

**YALA
LISTED
NYSE**

First UAE-based Tech Unicorn Listed on NYSE



Strong Recognition from the UAE Government Officials and Presses

Tweets from Prime Minister and Minister of AI of the UAE

HH Sheikh Mohammed @HShkMohd · Oct 1
 From Dubai Internet City, the social networking platform "Yalla Group" is the first unicorn UAE-based technology company to be listed on the New York Stock Exchange. Our digital economy is growing & will remain an integral part of our exports globally.



Omar Sultan AlOlama @OmarSAlolama
 More than 2 decades ago @HShkMohd had a vision to make Dubai the hub of future billion dollar companies. Today, we see incredible companies reach unicorn status from the region, and the common factor is choosing the UAE as a hub. The UAE is the home of talent and creativity.

HH Sheikh Mohammed @HShkMohd · Oct 1
 From Dubai Internet City, the social networking platform "Yalla Group" is the first unicorn UAE-based technology company to be listed on the New York Stock Exchange. Our digital economy is growing & will remain an integral part of our exports globally.



Members of the Royal Family Attended Yalla Group's Listing Ceremony in Dubai



100+ Dubai Media Reported on Yalla's Listing with Multiple Front-page Headlines

| Al Bayan News | Emirates News Agency | ENN |
|-------------------|----------------------|-----------|
| | | |
| Ittihad Newspaper | Alwatan News | UrduPoint |
| | | |



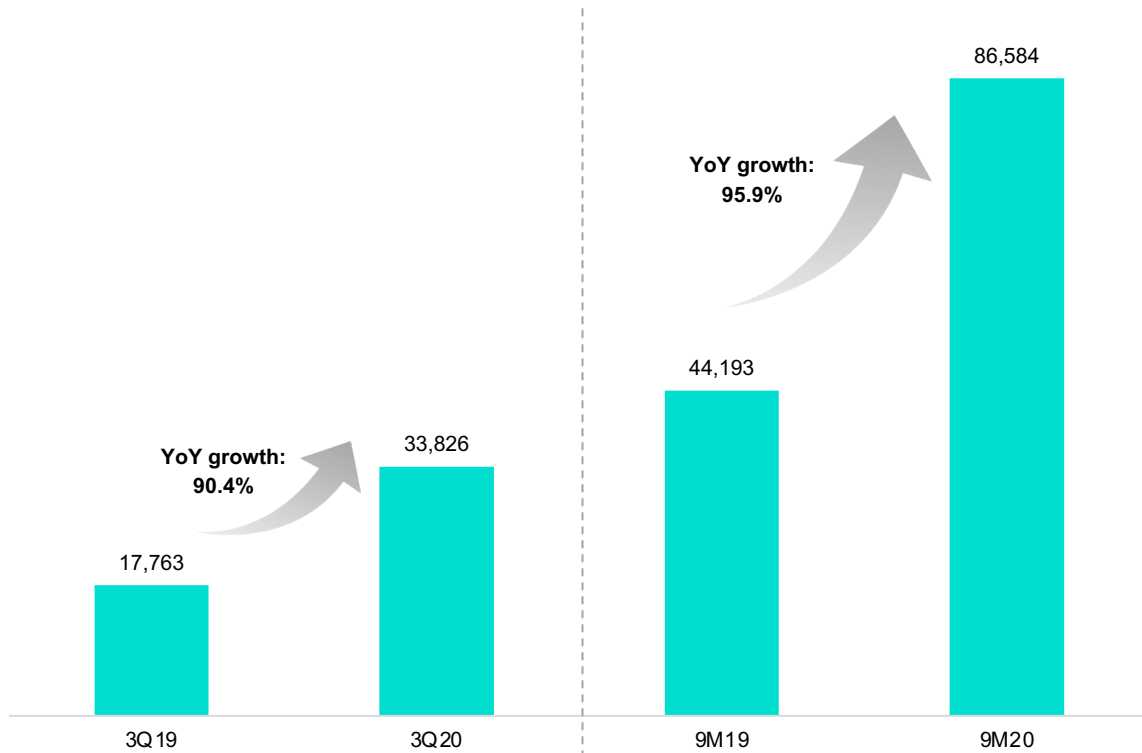
3rd Quarter 2020 Financial Performance Overview



Robust Financial Performance in 3Q2020

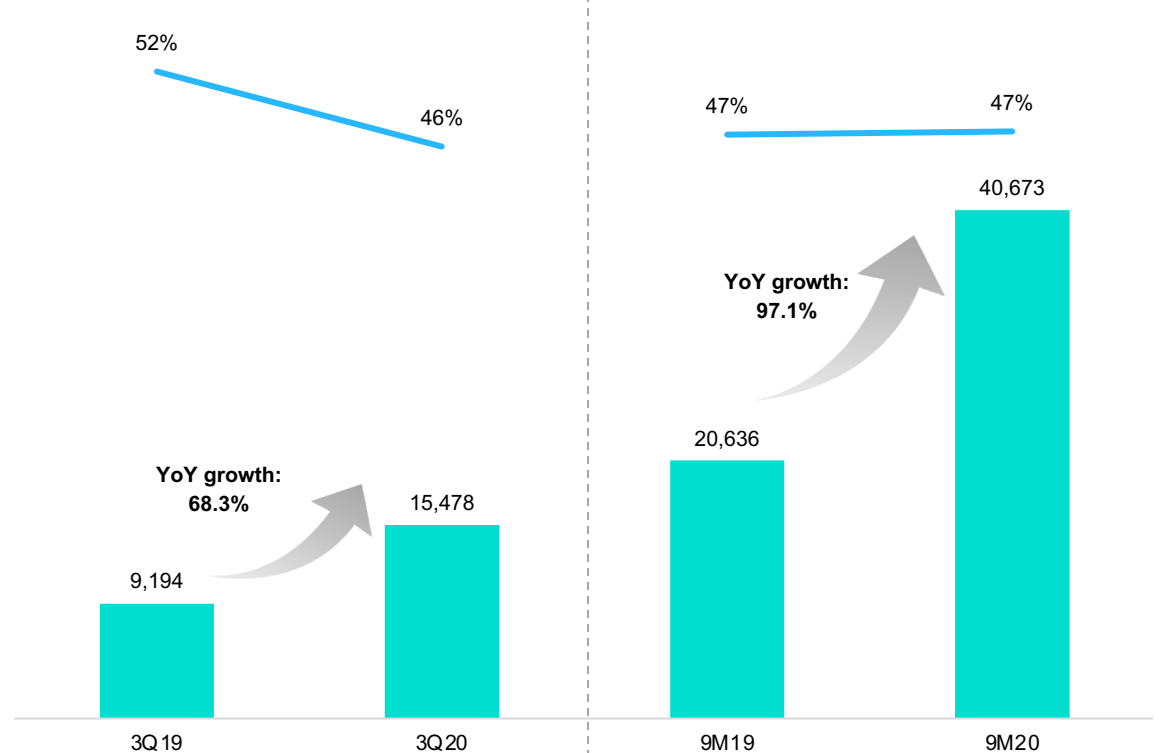
Revenue

US\$000



Non-GAAP Net Income⁽¹⁾

US\$000



■ Non-GAAP Net Income⁽¹⁾ ■ Margin



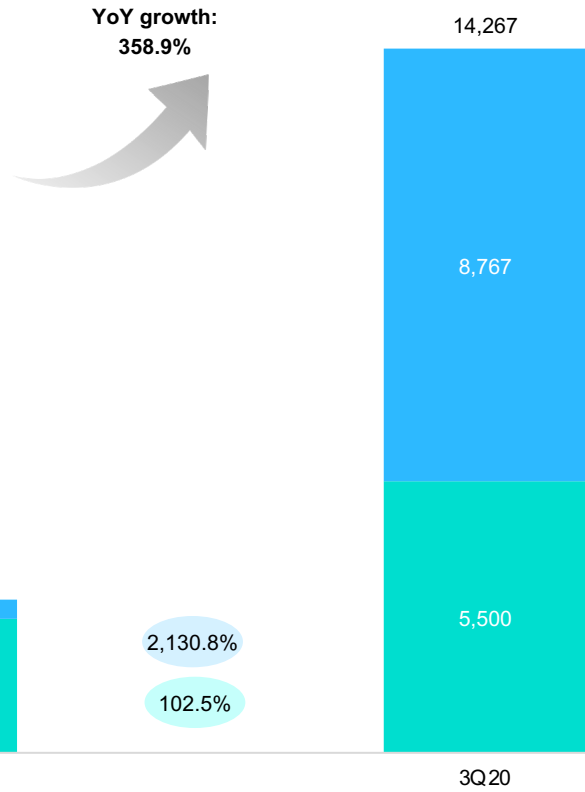
Note:

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.

Strong Revenue Growth Driven by Growing User Base

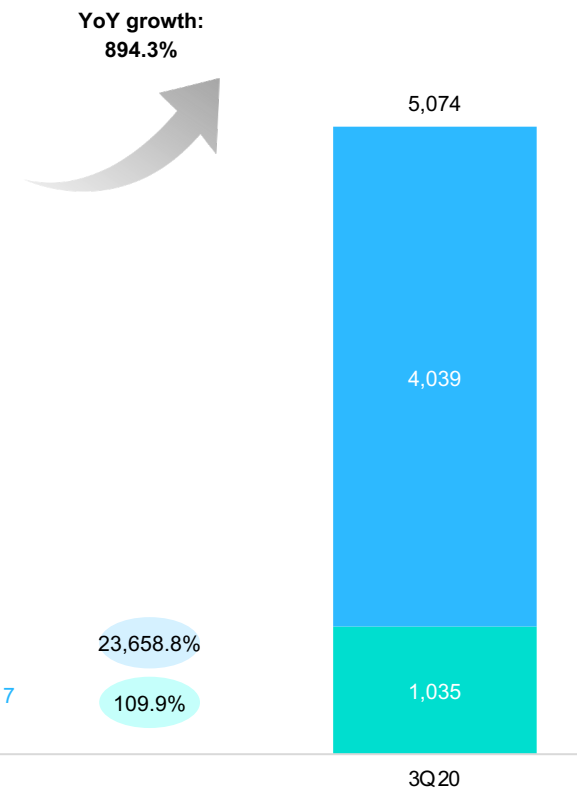
Monthly Active Users

000s



Quarterly Paying Users

000s



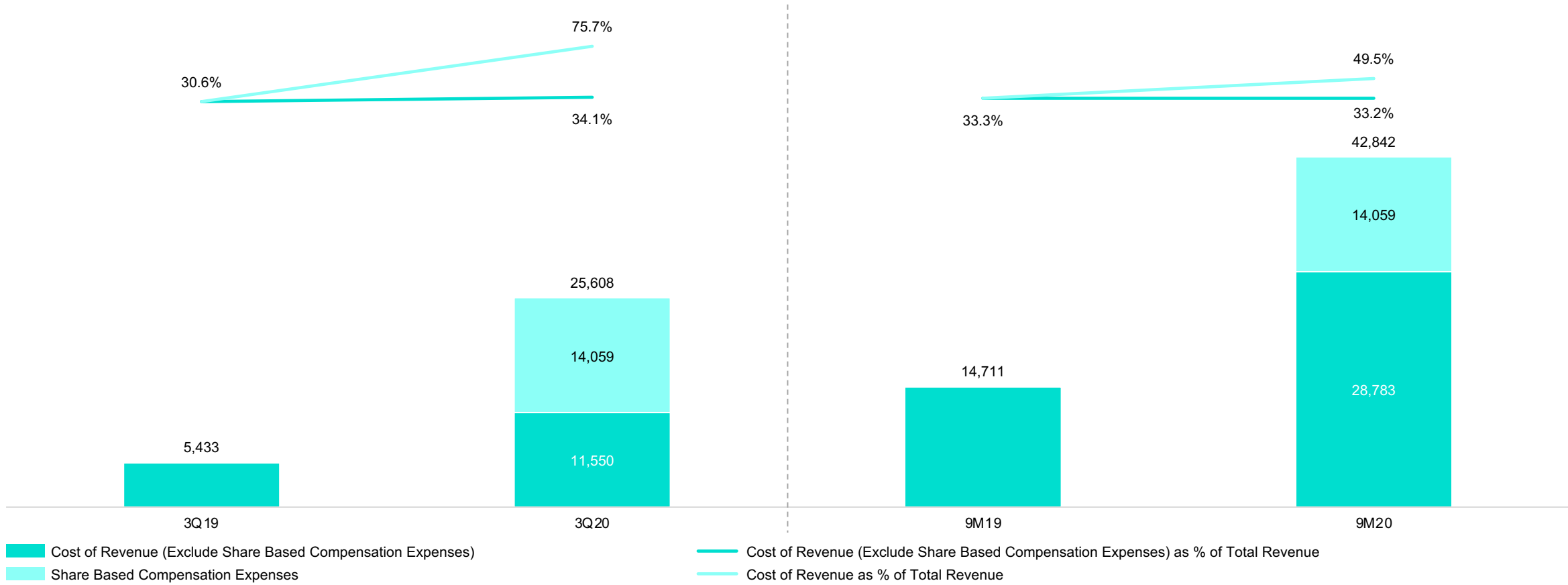
■ Yalla ■ Yalla Ludo ● Growth Rate for Yalla ● Growth Rate for Yalla Ludo



Continued Efficient Operations with Stable Cost Margin – Cost of Revenues

Cost of Revenues

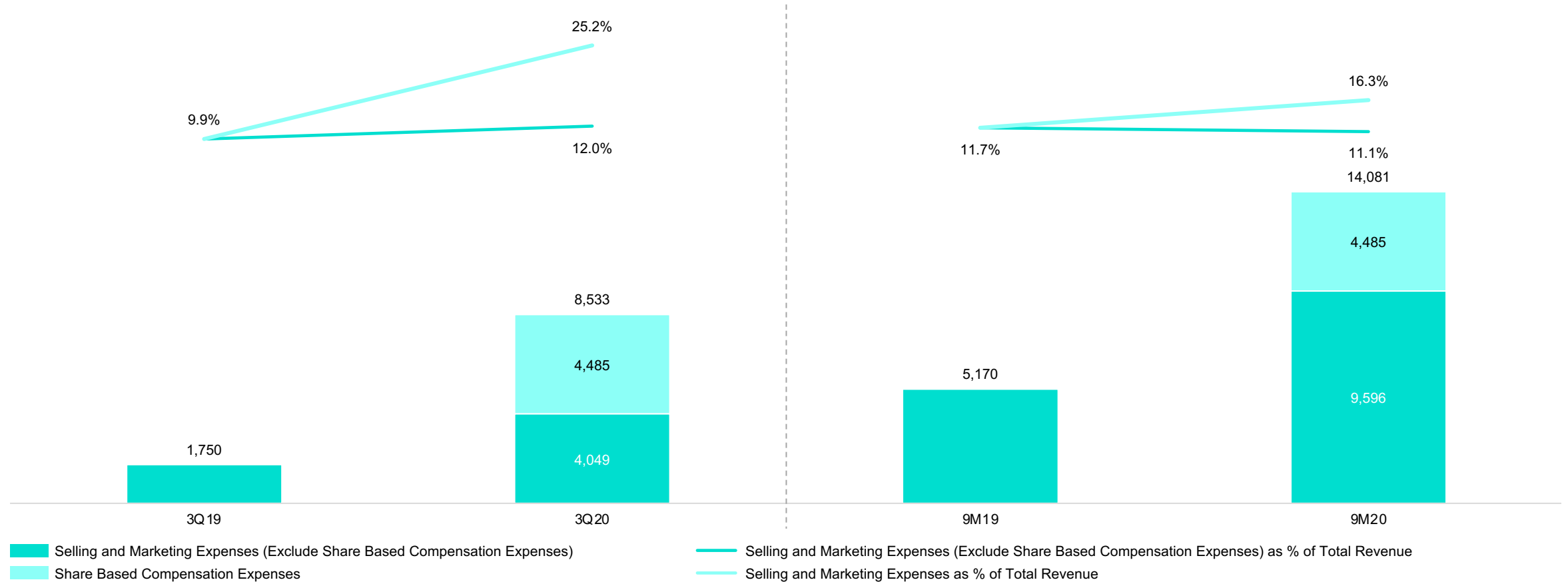
US\$000



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

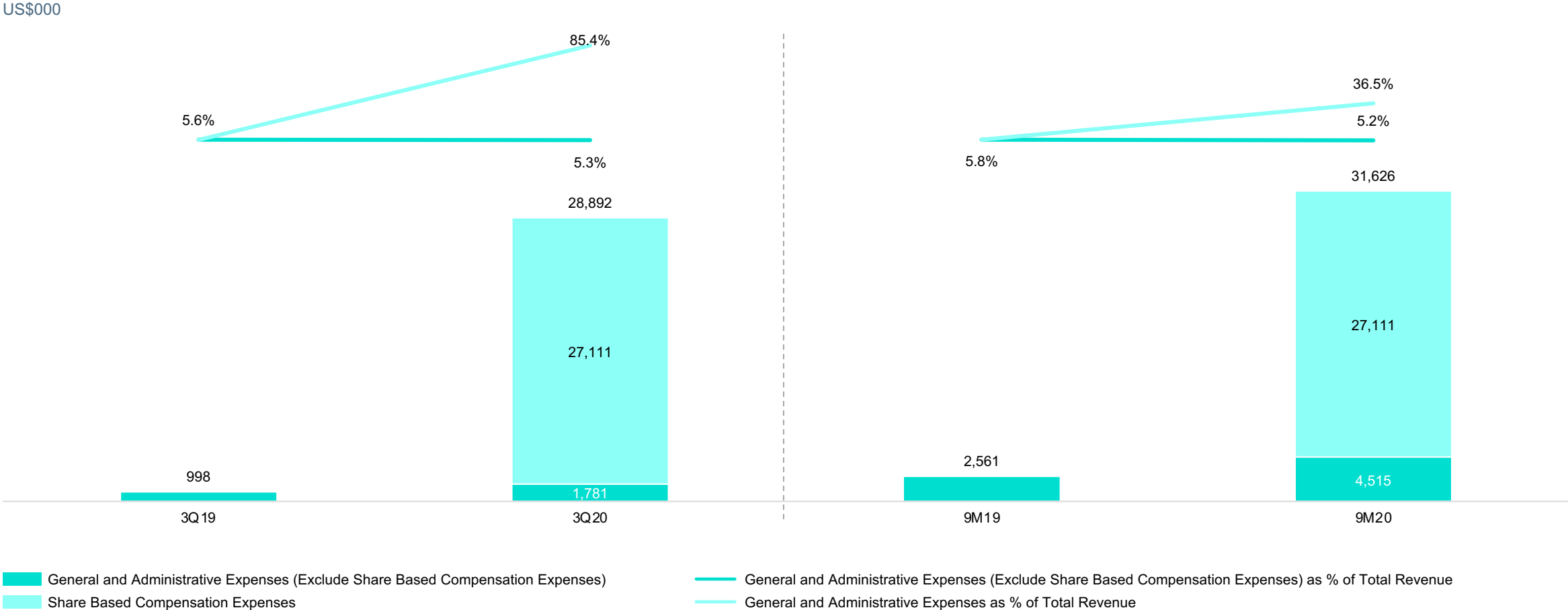
Selling and Marketing Expenses

US\$000



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

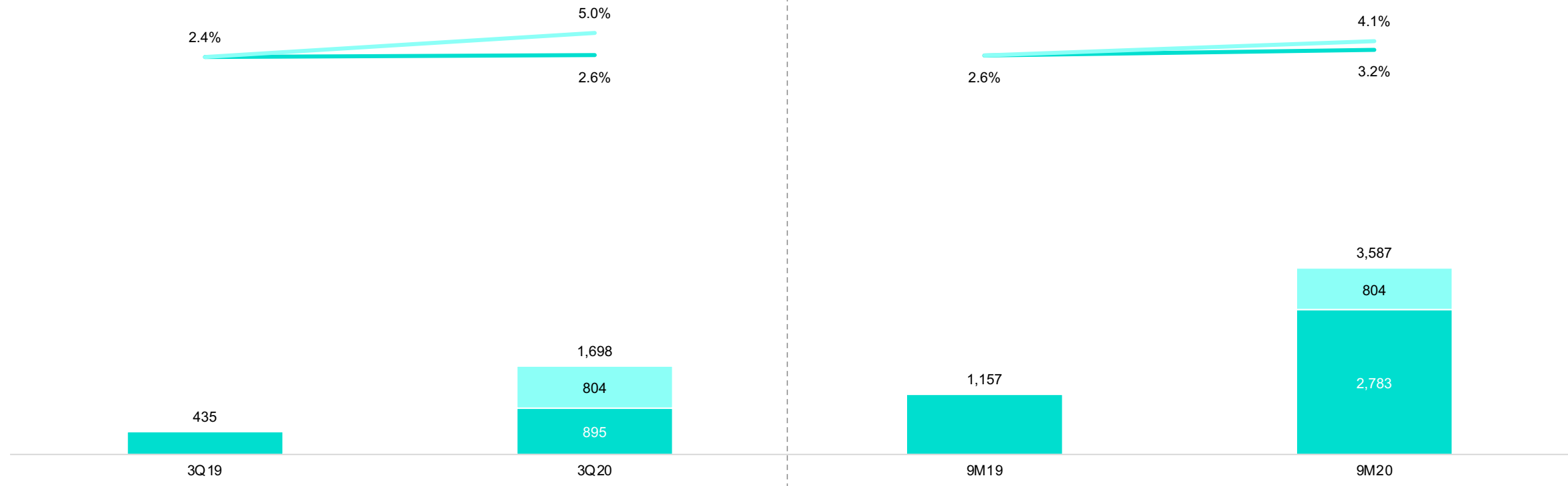
General and Administrative Expenses



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

Technology and Product Development Expenses

US\$000

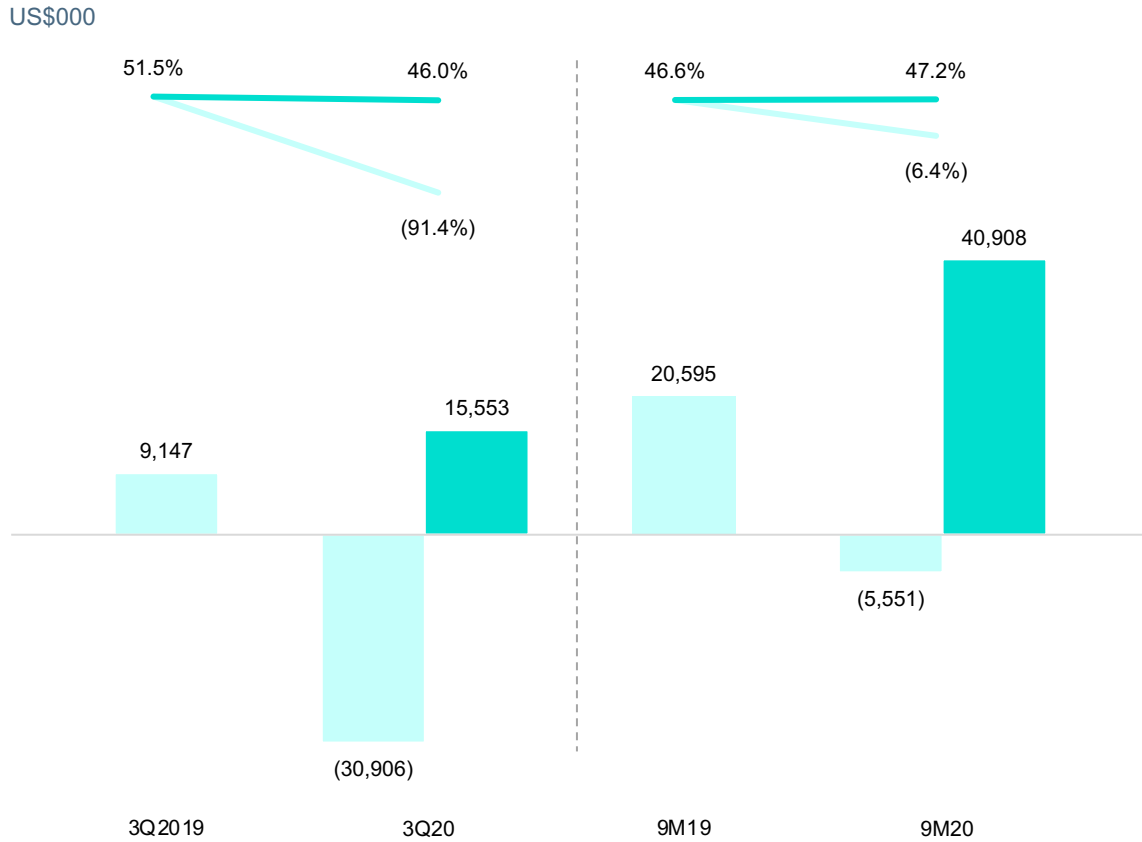


■ Technology and Product Development Expenses (Exclude Share Based Compensation Expenses)
 — Technology and Product Development Expenses (Exclude Share Based Compensation Expenses) as % of Total Revenue
■ Share Based Compensation Expenses
 — Technology and Product Development Expenses as % of Total Revenue

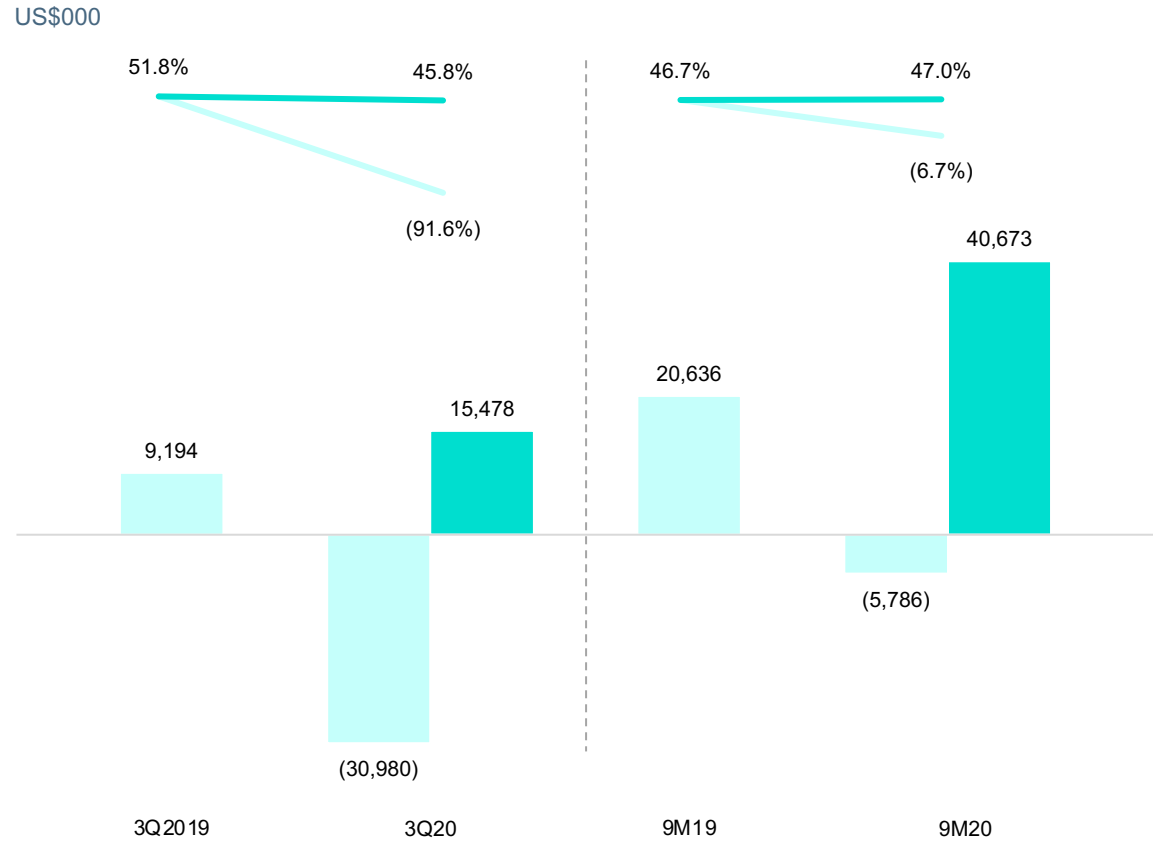


Profit Margin Continued to Remain Stable

Operating Profit / (Loss)



Net Income / (Loss)



- Operating Profit / (Loss)
- Non-GAAP Operating Profit / (Loss)⁽¹⁾
- Operating Profit / (Loss) as % of Total Revenue
- Non-GAAP Operating Profit / (Loss) as % of Total Revenue

- Net Income / (Loss)
- Non-GAAP Net Income / (Loss)
- Net Income / (Loss) as % of Total Revenue
- Non-GAAP Net Income / (Loss) as % of Total Revenue

Note:

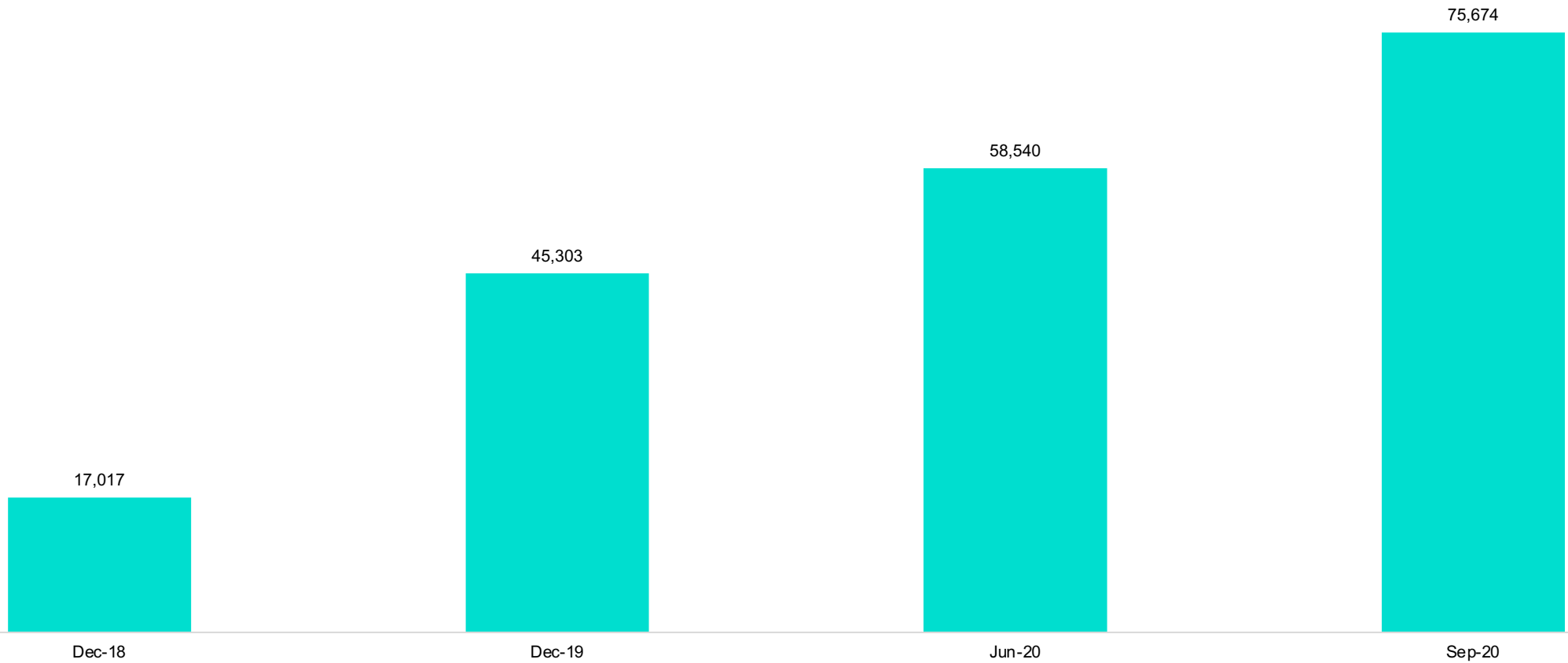
1. Non-GAAP operating income/loss is defined as operating income/loss excluding share-based compensation. Please refer to the Appendix for a reconciliation of non-GAAP operating income/loss to the most comparable U.S. GAAP financial measure, operating income/loss.



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 | | Nine months ended | |
|---|------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| | 2018 | 2019 | As of Sep 30, 2019 | As of Sep 30, 2020 | As of Sep 30, 2019 | As of Sep 30, 2020 |
| Revenue | 42,371,174 | 63,464,574 | 17,763,112 | 33,826,313 | 44,193,200 | 86,583,940 |
| Costs and expenses | | | | | | |
| Cost of revenues | (13,847,509) | (20,553,319) | (5,432,993) | (25,608,476) | (14,710,672) | (42,841,820) |
| Selling and marketing expenses | (5,686,290) | (8,250,130) | (1,749,879) | (8,533,096) | (5,169,682) | (14,080,556) |
| General and administrative expenses | (1,629,539) | (4,120,693) | (998,253) | (28,891,880) | (2,561,041) | (31,625,723) |
| Technology and product development expenses | (853,127) | (1,597,658) | (435,179) | (1,698,495) | (1,157,255) | (3,586,659) |
| Total costs and expenses | (22,016,465) | (34,521,800) | (8,616,304) | (64,731,947) | (23,598,650) | (92,134,758) |
| Operating Income (loss) | 20,354,709 | 28,942,774 | 9,146,808 | (30,905,634) | 20,594,550 | (5,550,818) |
| Interest income | 144,565 | 390,227 | 154,551 | 22,199 | 324,807 | 189,131 |
| Government grant | - | - | - | 8,325 | - | 93,650 |
| Investment income | 5,712 | 27,568 | 12,621 | 3,946 | 18,785 | 12,047 |
| Income (loss) before income taxes | 20,504,986 | 29,360,569 | 9,313,980 | (30,871,164) | 20,938,142 | (5,255,990) |
| Income tax expenses | (263,363) | (435,766) | (119,603) | (109,112) | (302,627) | (529,654) |
| Net Income (loss) | 20,241,623 | 28,924,803 | 9,194,377 | (30,980,276) | 20,635,515 | (5,785,644) |



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

| US\$ | Year ended December 31 | | Three months ended | | Nine months ended | |
|-----------------------------------|------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | 2018 | 2019 | As of Sep 30, 2019 | As of Sep 30, 2020 | As of Sep 30, 2019 | As of Sep 30, 2020 |
| Operating income (loss) | 20,354,709 | 28,942,774 | 9,146,808 | (30,905,634) | 20,594,550 | (5,550,818) |
| Share-based compensation expenses | - | - | - | 46,458,472 | - | 46,458,472 |
| Non-GAAP Operating income | 20,354,709 | 28,942,774 | 9,146,808 | 15,552,838 | 20,594,550 | 40,907,654 |
| Net income (loss) | 20,241,623 | 28,924,803 | 9,194,377 | (30,980,276) | 20,635,515 | (5,785,644) |
| Share-based compensation expenses | - | - | - | 46,458,472 | - | 46,458,472 |
| Non-GAAP Net income | 20,241,623 | 28,924,803 | 9,194,377 | 15,478,196 | 20,635,515 | 40,672,828 |



Balance Sheet

| US\$ | Year ended December 31 | | Nine months ended |
|---|------------------------|-------------------|--------------------|
| | 2018 | 2019 | As of Sep 30, 2020 |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 17,016,700 | 45,302,622 | 75,673,702 |
| Term deposits | 1,311,342 | 2,722,941 | - |
| Short-term investments | 493,723 | 1,506,985 | 293,681 |
| Proceeds from initial public offering | - | - | 130,235,000 |
| Prepayments and other current assets | 2,295,159 | 3,930,306 | 17,138,560 |
| Total current assets | 21,116,924 | 53,462,854 | 223,340,943 |
| Non-current assets | | | |
| Property and equipment, net | 201,287 | 453,923 | 907,940 |
| Other assets | - | 200,000 | - |
| Total assets | 21,318,211 | 54,116,777 | 224,248,883 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 432,645 | 724,487 | 1,524,962 |
| Deferred revenue | 3,439,418 | 6,010,874 | 10,917,719 |
| Accrued expenses and other current liabilities | 601,328 | 1,576,530 | 6,595,445 |
| Total current liabilities | 4,473,391 | 8,311,891 | 19,038,126 |
| Total liabilities | 4,473,391 | 8,311,891 | 19,038,126 |
| MEZZANINE EQUITY | | | |
| Series Angel Redeemable Convertible Preferred Shares | 234,394 | 263,608 | - |
| Series Pre-A Redeemable Convertible Preferred Shares | 3,570,201 | 3,570,201 | - |
| Series A Redeemable Convertible Preferred Shares | 20,157,863 | 22,068,901 | - |
| Total mezzanine equity | 23,962,458 | 25,902,710 | - |
| SHAREHOLDERS' EQUITY (DEFICIT): | | | |
| Ordinary Shares | 7,339 | 7,339 | - |
| Subscriptions receivable | (7,339) | (7,339) | - |
| Class A Ordinary shares | - | - | 11,850 |
| Class B Ordinary shares | - | - | 2,473 |
| Additional paid-in capital | - | - | 201,507,357 |
| Accumulated other comprehensive income (loss) | (30,045) | 5,218 | 164,834 |
| Retained earnings (accumulated deficit) | (7,087,593) | 19,896,958 | 3,524,243 |
| Total shareholders' equity (deficit) | (7,117,638) | 19,902,176 | 205,210,757 |
| Total liabilities, mezzanine equity and shareholders' equity (deficit) | 21,318,211 | 54,116,777 | 224,248,883 |



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