



4th Quarter 2023 Earnings Presentation

March 2024



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Agenda

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Q&A





4th Quarter 2023 Achievements and Growth Strategies



Robust 4th Quarter 2023 Results Further Strengthen Yalla's Position as the Largest MENA-based Online Social Networking and Gaming Company

US\$80.9MM

4Q2023 Revenues

US\$33.4MM

4Q2023 Non-GAAP
Net Income ⁽¹⁾

41.3%

4Q2023 Non-GAAP
Net Margin ⁽²⁾

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 designed to fit the social networking and entertainment needs of MENA users



**Expanding
Product Portfolio**

Continually diversifying our platform's product offerings to extend our brand and deepen user loyalty



Notes:

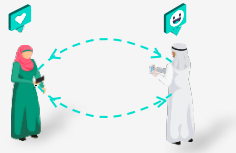
1. Non-GAAP net income represents net income excluding share-based compensation. Non-GAAP net income is a non-GAAP financial measure.
2. Non-GAAP net margin is non-GAAP net income as a percentage of revenues.



Recent Developments



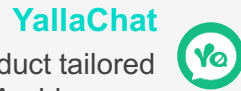
Our Integrated Ecosystem



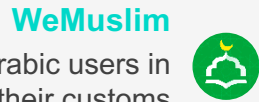
Social



Group voice-chatting



YallaChat
IM product tailored for Arabic users



WeMuslim
Supports Arabic users in observing their customs

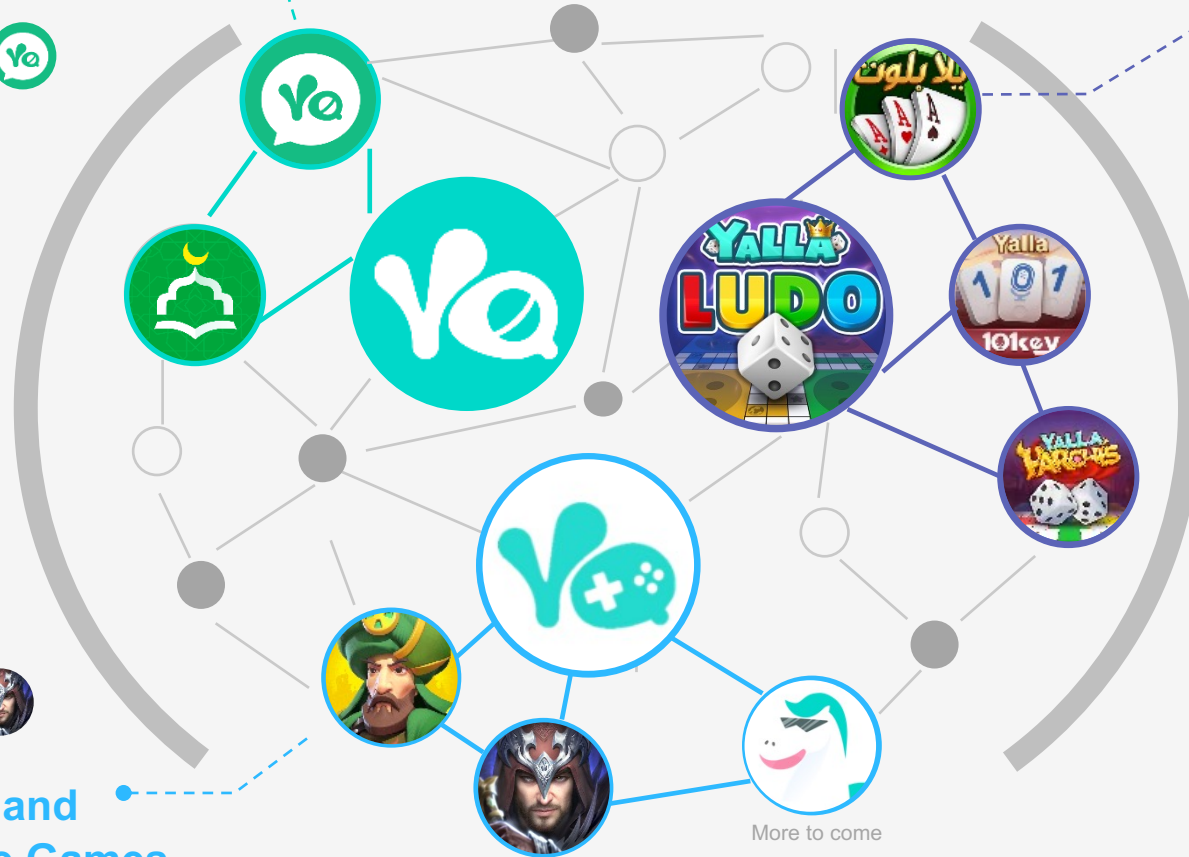


Merge Kingdoms
SLG hard-core game



Age of Legends
RPG hard-core game

Mid-core and Hard-core Games



Casual Games



Yalla Ludo

MENA casual games+social networking



Yalla Baloot

Saudi Arabian card game



101 Okey Yalla

Turkish board game

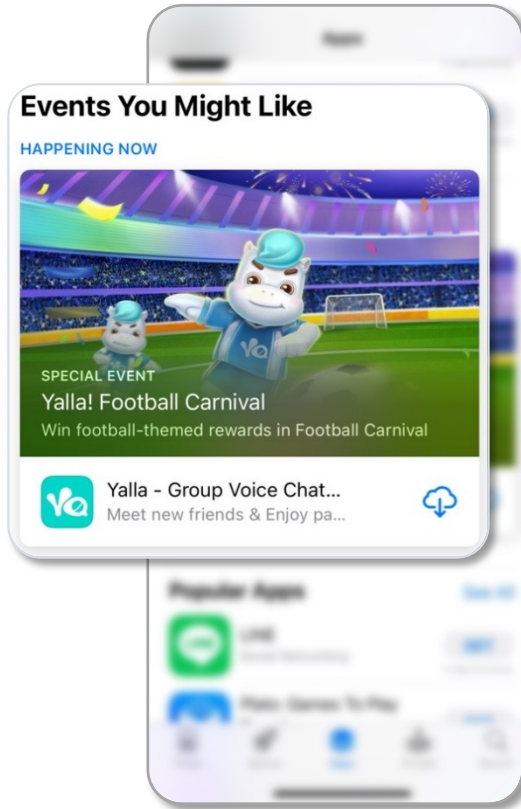




Yalla Parchis

South American Ludo
exploring opportunities overseas



Yalla & Yalla Ludo: Flagship Products' Influence Expands Online & Offline



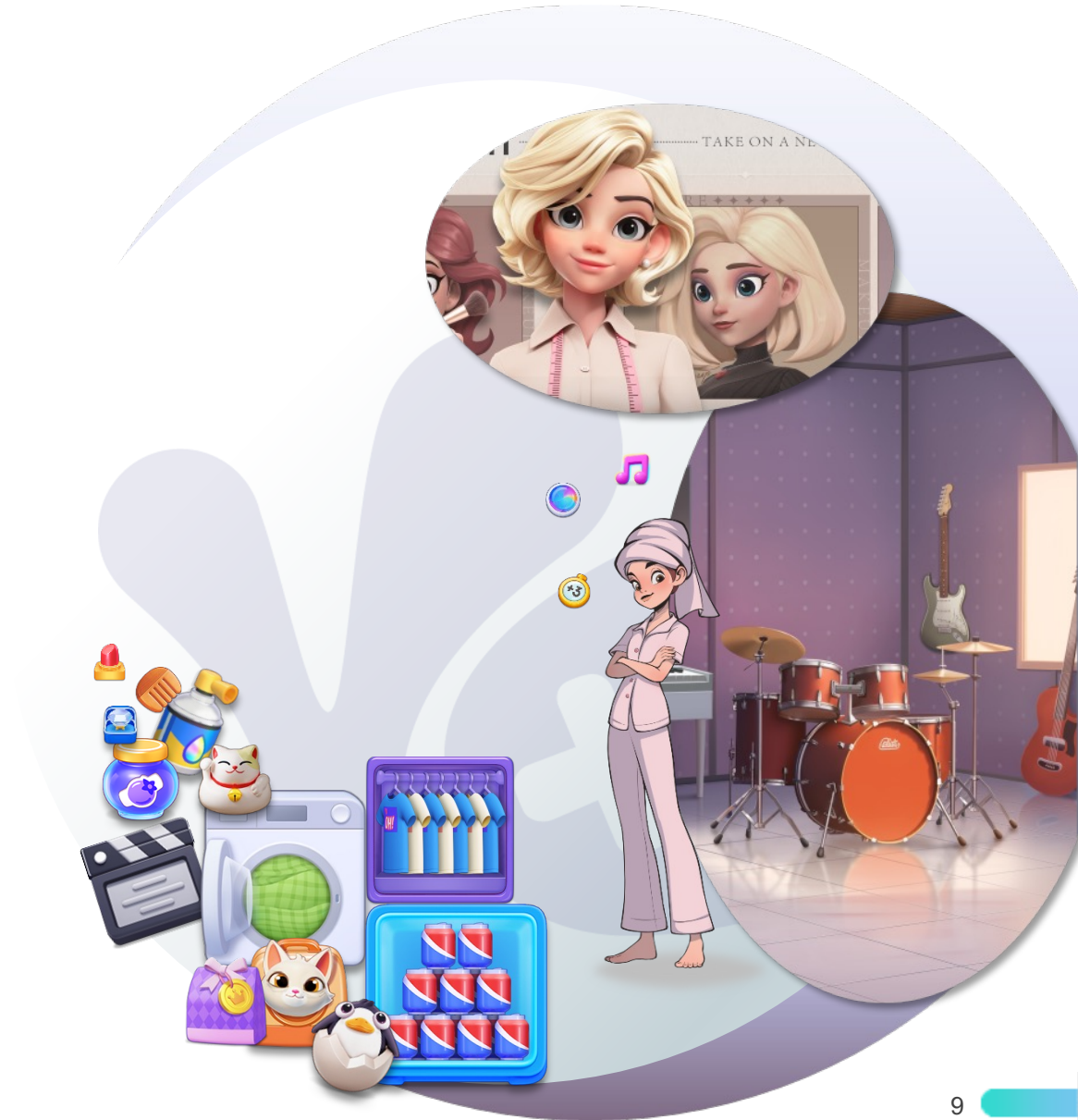
-  Unveiled a series of operational activities, including the Football Carnival event, recommended by the App Store.
-  Introduced Yalla Ludo Champion Tournament. Over 150,000 players participated in more than 1.8 million preliminary matches online.

- In December 2023, Yalla Ludo Champion offline finals at Saudi Arabia's Riyadh VOV Gaming Center. Three winners took home top prizes.



Yalla Game: *Enriching Mid-core and Hard-core Game Pipeline*

- We are committed to investing in mid- and hard-core games and enriching our game pipeline.
- Mid-core games will be a particular focus, and we will draw on our vast experience, talents, and resources in casual games in the region.
- We are actively communicating with global top-tier gaming studios to explore potential joint monetization opportunities in the region.



Yalla's Brand Across MENA



Yalla Group Has Been Invited to DET Interview

- Dubai's Department of Economy and Tourism (DET), which is committed to transforming Dubai into a regional gaming hub, honored Yalla with an interview invitation.



Yalla Festival Event Launched on App Store

- In February 2024, App Store featured Yalla Festival Event across 13 countries in the MENA region, enhancing Yalla's brand awareness.





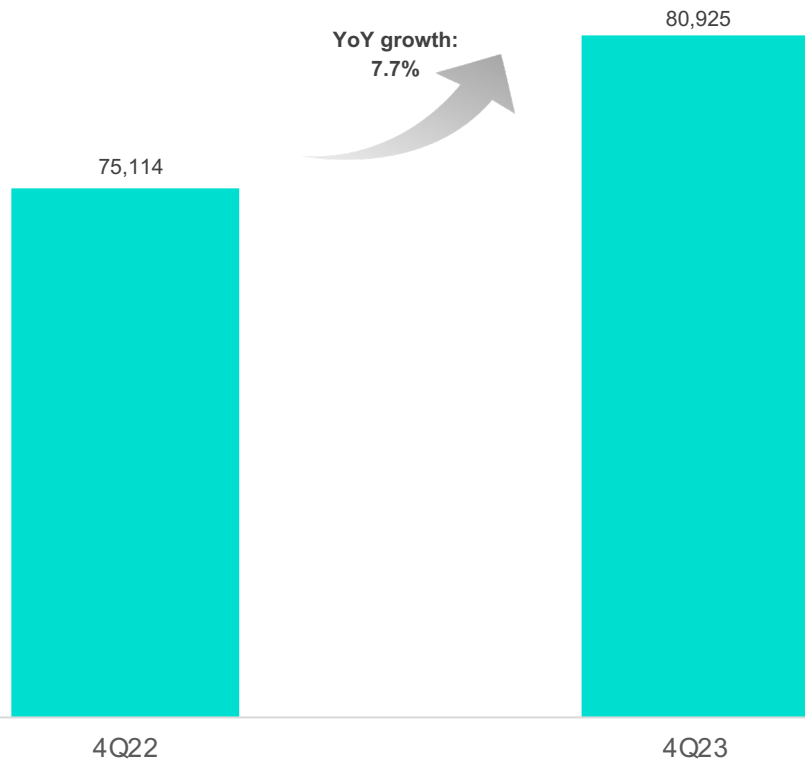
4th Quarter 2023 Financial Performance Overview



Robust Financial Performance in 4Q2023

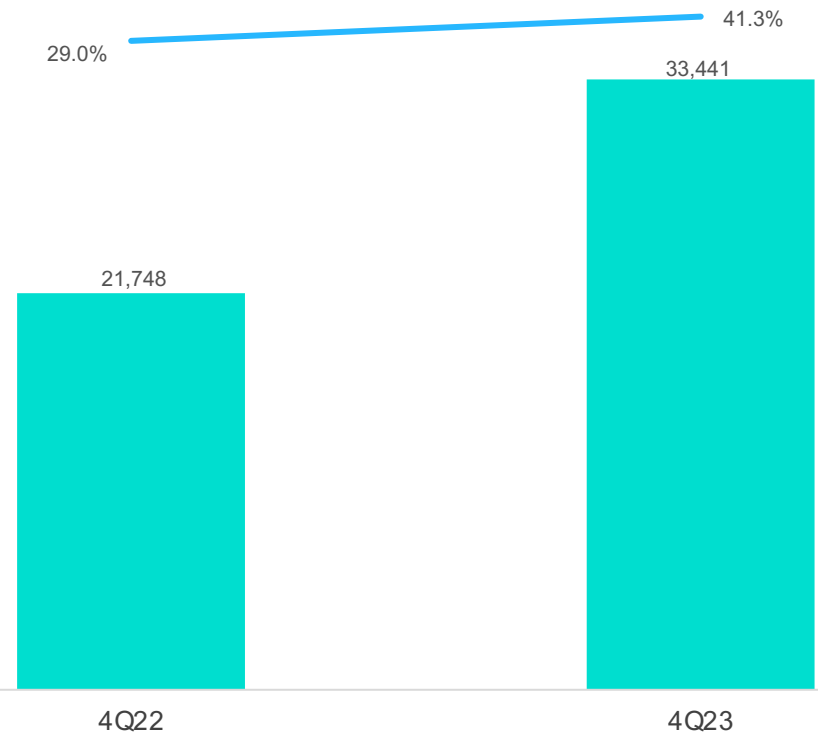
Revenues

US\$000



Non-GAAP Net Income⁽¹⁾

US\$000



■ Non-GAAP Net Income⁽¹⁾ — Margin



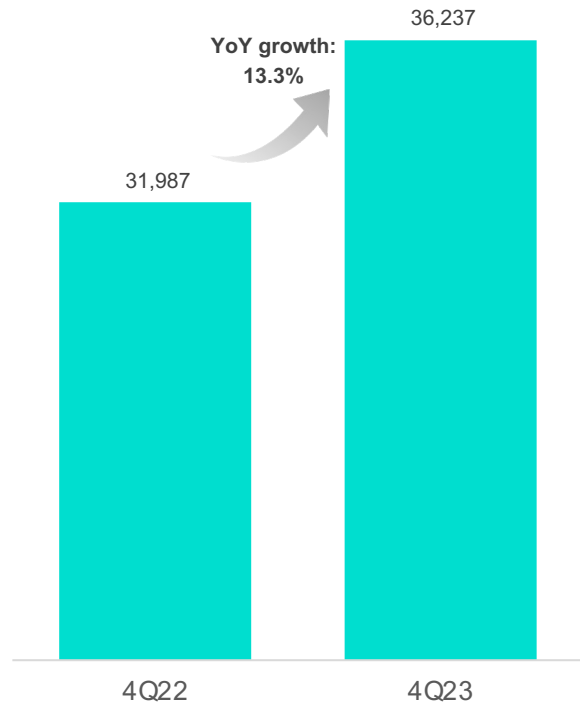
Note:

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MAUs and Paying Users

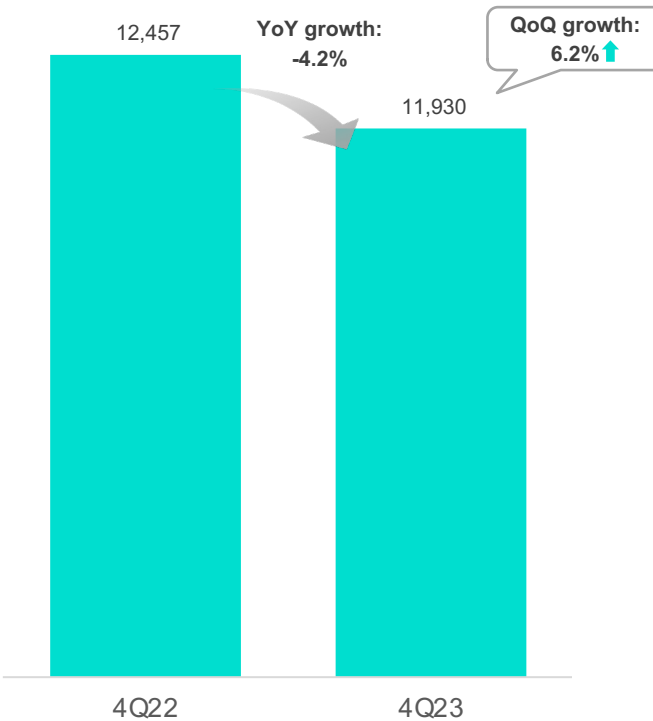
Average Monthly Active Users

000s



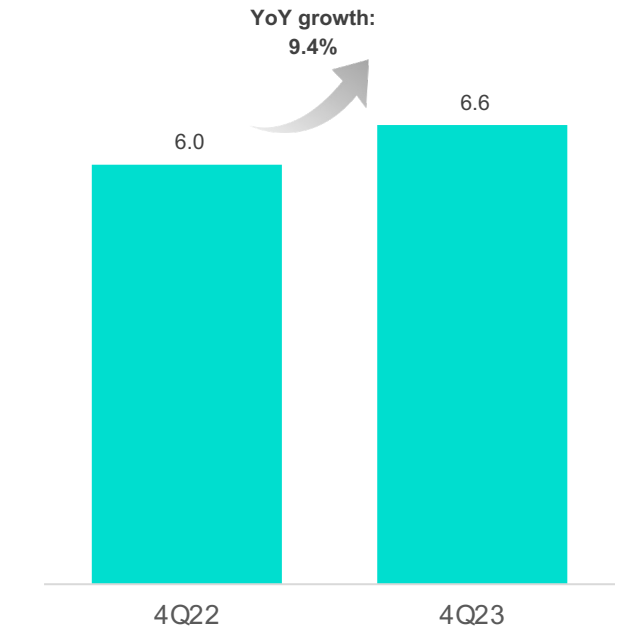
Quarterly Paying Users ⁽¹⁾

000s



Quarterly ARPPU

US\$



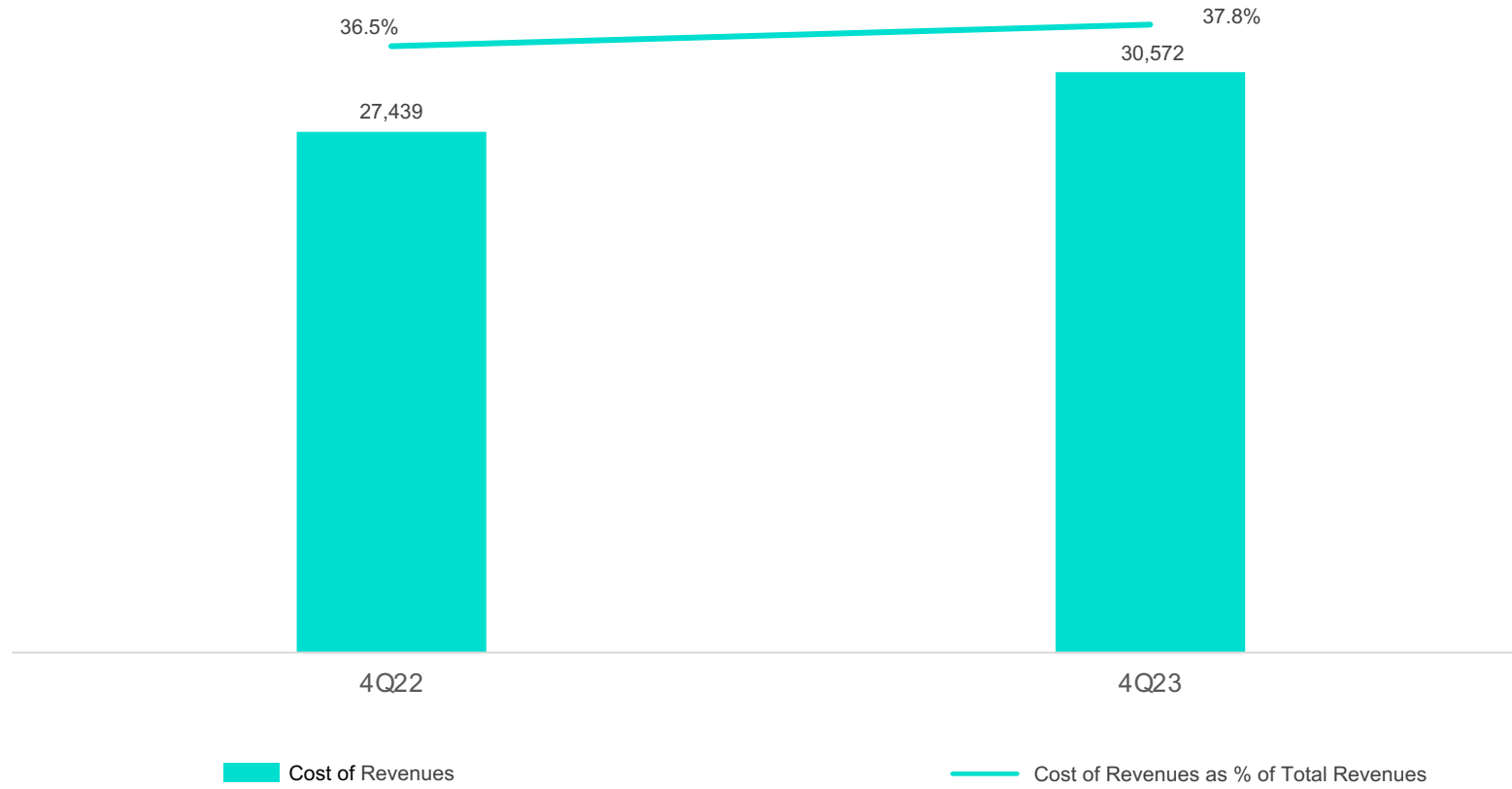
Note:

1. The slight decrease in Quarterly Paying Users was mainly due to the near-term game mechanism adjustment, which resulted in a lowered frequency of certain low-spend consumption on the platform during the second half of the year. However, Paying Users increased by 6.2% quarter-over-quarter in the fourth quarter of 2023, reflecting the return to a growth trend in paying users after ongoing adjustments in the flagship product.

Continued Efficient Operations with Stable Cost Margin – Cost of Revenues

Cost of Revenues

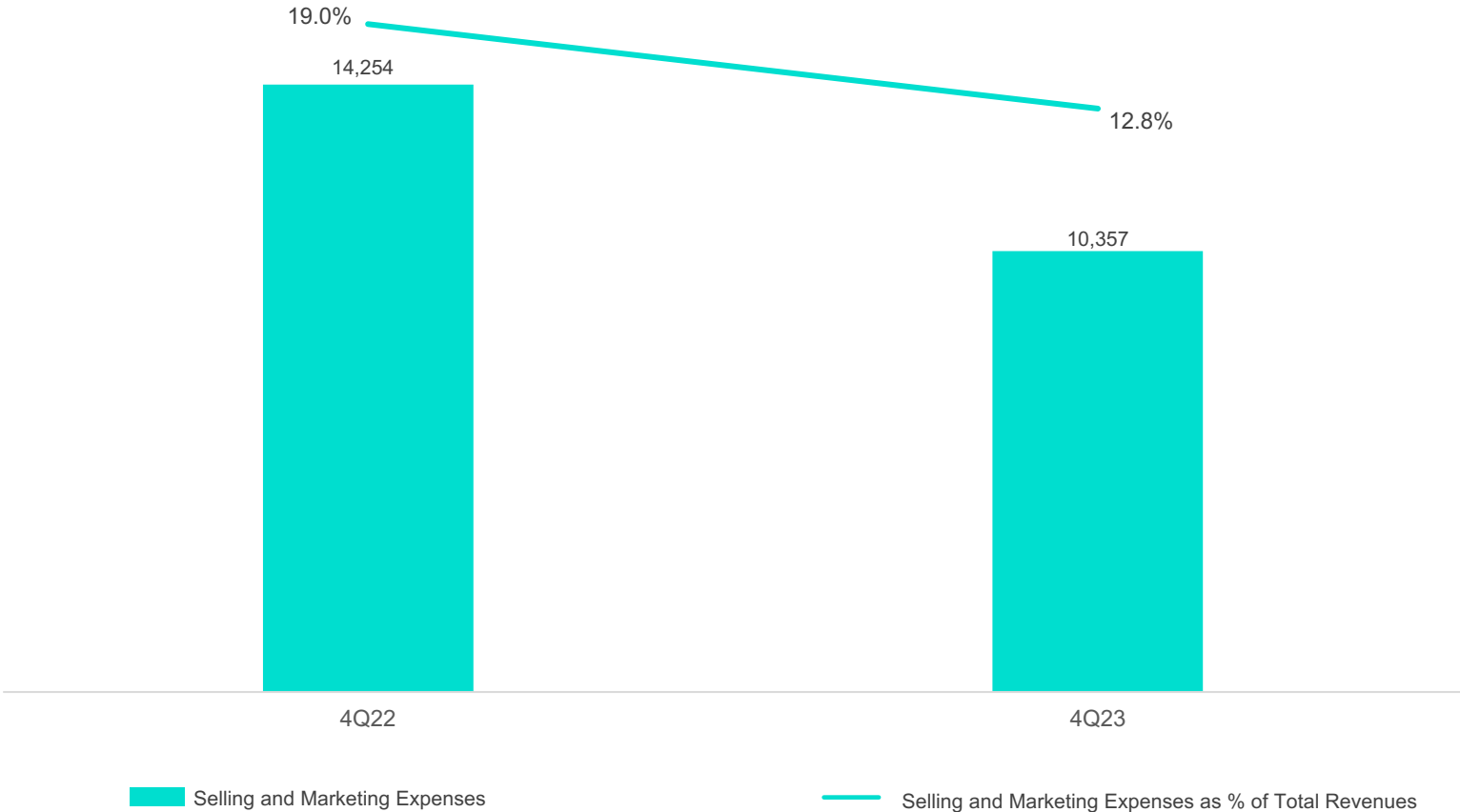
US\$000



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

Selling and Marketing Expenses

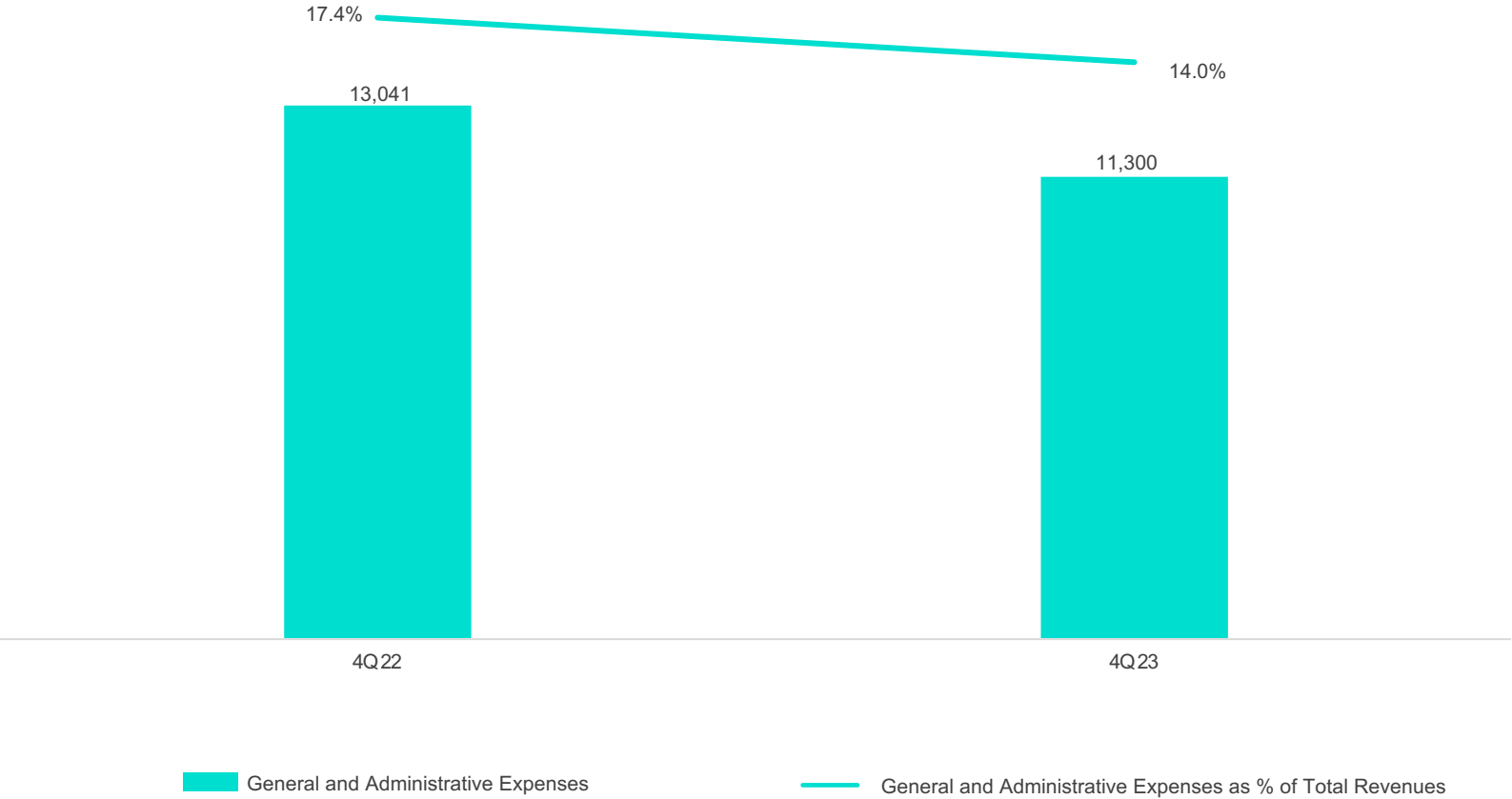
US\$000



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

General and Administrative Expenses

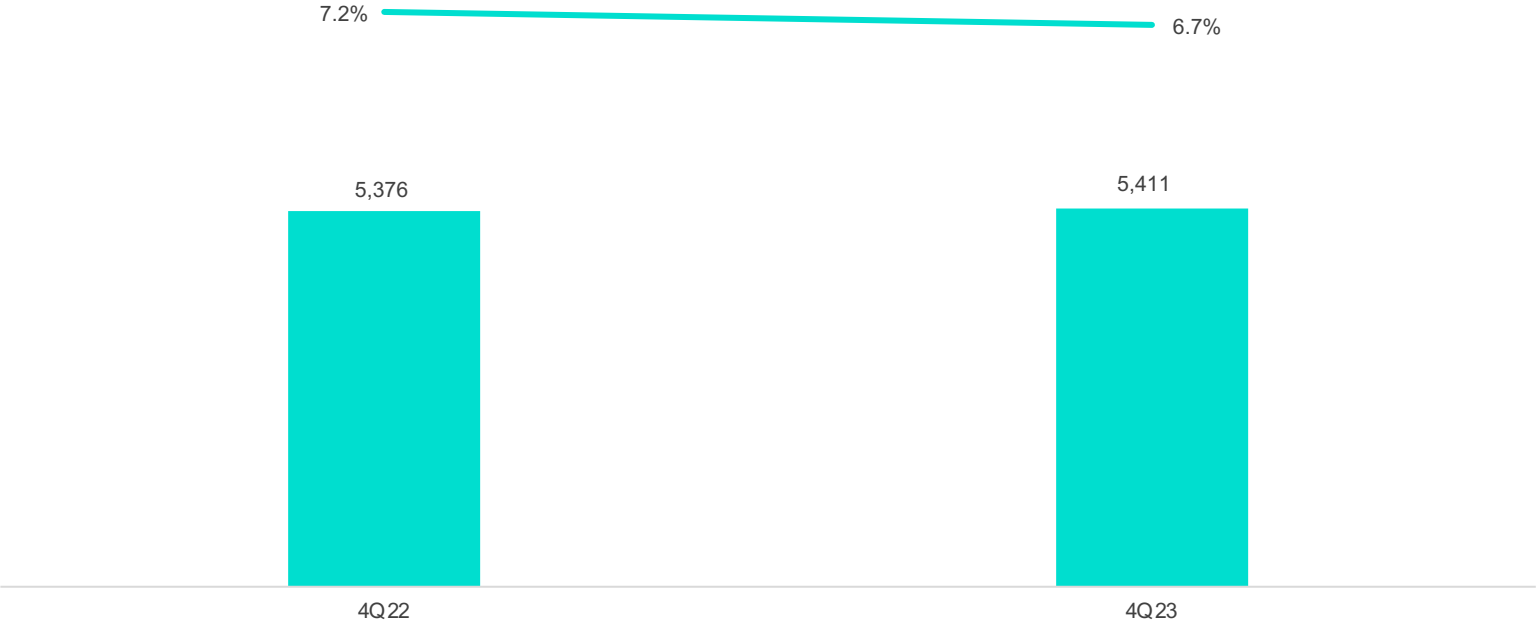
US\$000



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

Technology and Product Development Expenses

US\$000



Technology and Product Development Expenses

Technology and Product Development Expenses as % of Total Revenues



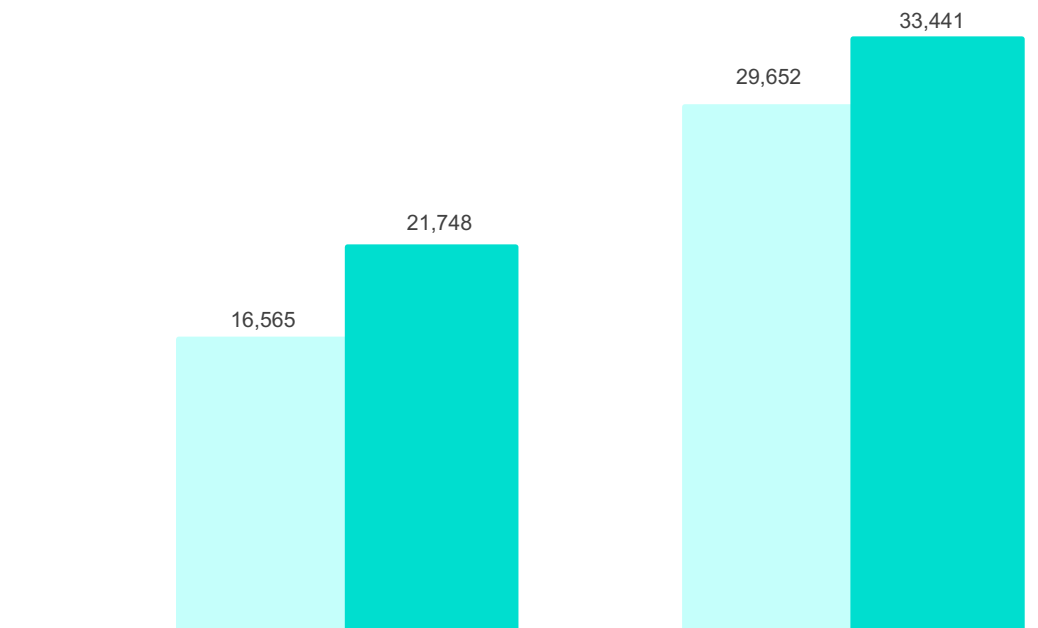
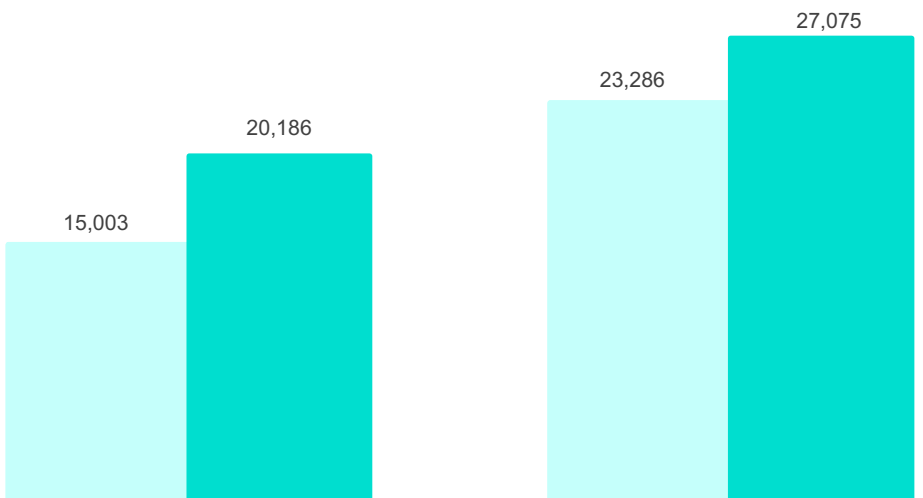
Profit Margin Expanded

Operating Income

Net Income

US\$000

US\$000



- Operating Income
- Operating Income as % of Total Revenues
- Non-GAAP Operating Income ⁽¹⁾
- Non-GAAP Operating Income as % of Total Revenues
- Net Income
- Net Income as % of Total Revenues
- Non-GAAP Net Income
- Non-GAAP Net Income as % of Total Revenues



Note:
1. Non-GAAP operating income represents operating income excluding share-based compensation. Non-GAAP operating income is a non-GAAP financial measure.

Continued Strong Cash Flow Position

Cash and Cash Equivalents & Restricted Cash & Term Deposits & Short-term Investments

US\$000





Appendix



STATEMENTS OF OPERATIONS

US\$	Year ended		Three months ended	
	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023
Revenues	303,603,522	318,877,564	75,113,791	80,925,228
Costs and expenses				
Cost of revenues	(113,808,128)	(114,527,174)	(27,439,485)	(30,571,656)
Selling and marketing expenses	(49,939,683)	(45,382,752)	(14,254,031)	(10,356,555)
General and administrative expenses	(36,582,626)	(36,808,454)	(13,040,902)	(11,300,036)
Technology and product development expenses	(24,575,485)	(25,804,995)	(5,376,318)	(5,411,303)
Total costs and expenses	(224,905,922)	(222,523,375)	(60,110,736)	(57,639,550)
Operating Income	78,697,600	96,354,189	15,003,055	23,285,678
Interest income	3,300,976	19,833,520	2,295,844	6,479,095
Government grants	322,273	337,355	110,258	154,908
Investment income	21,407	1,728,308	277,122	271,566
Impairment loss of investments	(705,428)	(2,509,480)	(705,428)	-
Income before income taxes	81,636,828	115,743,892	16,980,851	30,191,247
Income tax expense	(2,598,983)	(2,685,456)	(416,342)	(539,276)
Net Income	79,037,845	113,058,436	16,564,509	29,651,971



RECONCILIATIONS OF GAAP AND NON-GAAP RESULTS

US\$	Year ended		Three months ended	
	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023
Operating income	78,697,600	96,354,189	15,003,055	23,285,678
Share-based compensation expenses	26,690,970	17,929,842	5,183,022	3,788,965
Non-GAAP operating income	105,388,570	114,284,031	20,186,077	27,074,643
Net income	79,037,845	113,058,436	16,564,509	29,651,971
Share-based compensation expenses, net of tax effect of nil	26,690,970	17,929,842	5,183,022	3,788,965
Non-GAAP net income	105,728,815	130,988,278	21,747,531	33,440,936



BALANCE SHEETS

US\$	As of December 31,	As of December 31,
	2022	2023
ASSETS		
Current assets		
Cash and cash equivalents	407,256,837	311,883,463
Restricted cash	-	423,567
Term deposits	20,000,000	213,105,501
Short-term investments	25,788,304	10,282,329
Amounts due from a related party	-	109,507
Prepayments and other current assets	28,652,840	33,340,602
Total current assets	481,697,981	569,144,969
Non-current assets		
Property and equipment, net	2,121,613	1,583,604
Intangible asset, net	1,328,470	1,133,715
Operating lease right-of-use assets	1,950,364	2,382,026
Long-term investments	3,833,750	51,692,218
Other assets	15,406,078	13,015,729
Total non-current assets	24,640,275	69,807,292
Total assets	506,338,256	638,952,261
LIABILITIES		
Current liabilities		
Accounts payable	5,382,276	928,055
Deferred revenue	35,957,485	46,558,571
Operating lease liabilities, current	858,452	1,153,691
Accrued expenses and other current liabilities	22,821,168	26,694,999
Total current liabilities	65,019,381	75,335,316
Non-current liabilities		
Operating lease liabilities, non-current	744,612	949,970
Amounts due to a related party	709,789	-
Total non-current liabilities	1,454,401	949,970
Total liabilities	66,473,782	76,285,286
EQUITY		
Shareholders' equity of Yalla Group Limited		
Class A Ordinary shares	13,356	13,778
Class B Ordinary shares	2,473	2,473
Additional paid-in capital	294,406,395	313,306,523
Treasury stock	(27,014,697)	(35,527,305)
Accumulated other comprehensive loss	(1,701,111)	(2,341,740)
Retained earnings	174,880,748	292,223,525
Total shareholders' equity of Yalla Group Limited	440,587,164	567,677,254
Non-controlling interests	(722,690)	(5,010,279)
Total equity	439,864,474	562,666,975
Total liabilities and equity	506,338,256	638,952,261



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