



# 3<sup>rd</sup> Quarter 2024 Earnings Presentation

November 2024



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# Agenda

01

**3<sup>rd</sup> Quarter 2024 Achievements and Growth Strategies**

02

**Recent Developments**

03

**3<sup>rd</sup> Quarter 2024 Financial Performance Overview**

04

**Q&A**





# 3<sup>rd</sup> Quarter 2024 Achievements and Growth Strategies



# Robust 3<sup>rd</sup> Quarter 2024 Results Further Strengthen Yalla's Position as the Largest MENA-based Online Social Networking and Gaming Company

**US\$88.9MM**

3Q2024 Revenues

**US\$42.6MM**

3Q2024 Non-GAAP  
Net Income <sup>(1)</sup>

**47.9%**

3Q2024 Non-GAAP  
Net Margin <sup>(2)</sup>

## 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.



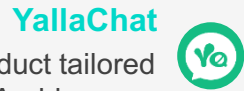
# Our Integrated Ecosystem



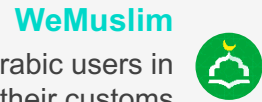
## Social



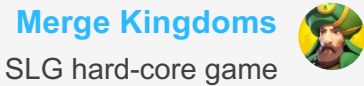
Group voice-chatting



**YallaChat**  
IM product tailored for Arabic users



**WeMuslim**  
Supports Arabic users in observing their customs

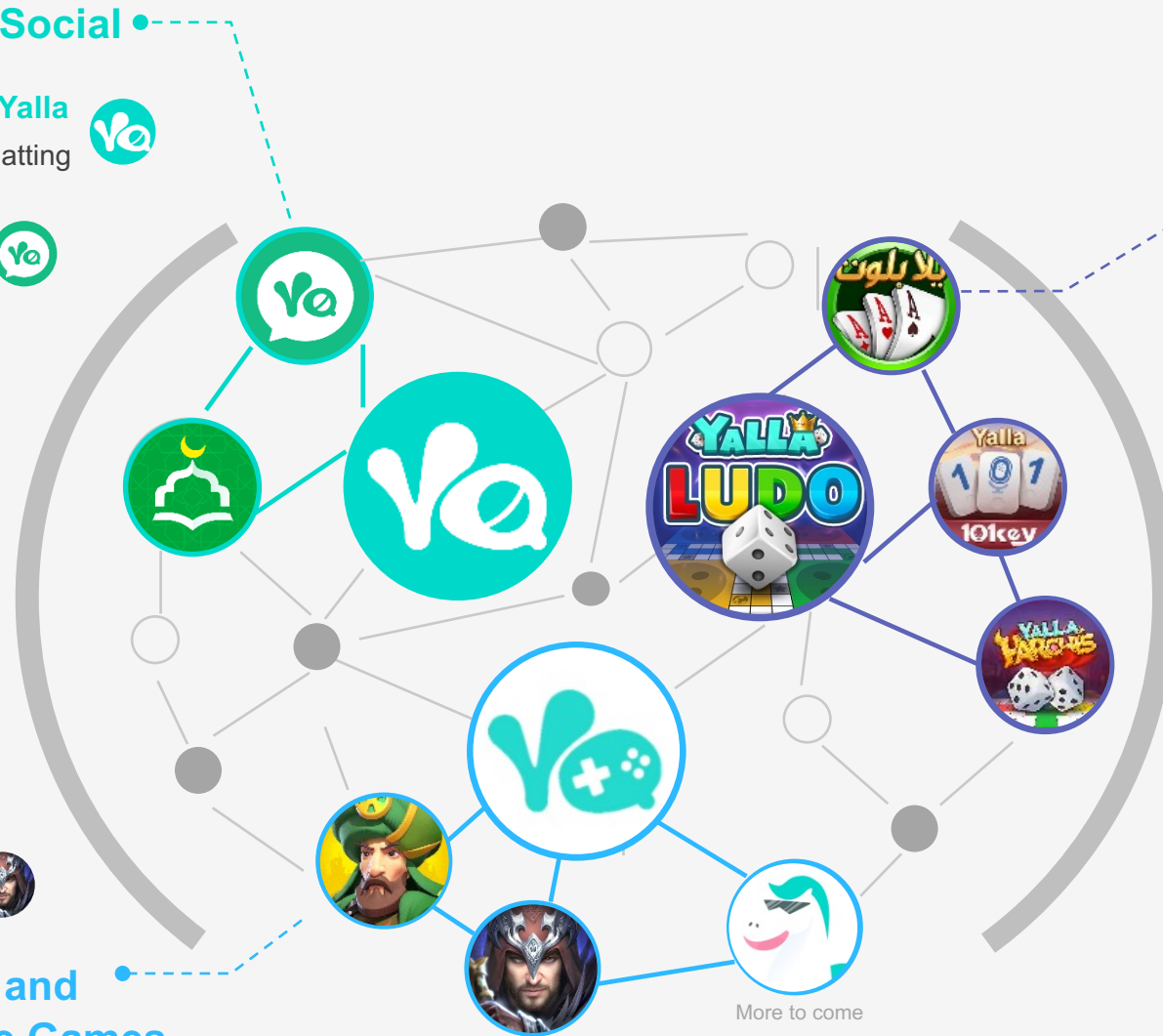


**Merge Kingdoms**  
SLG hard-core game



**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

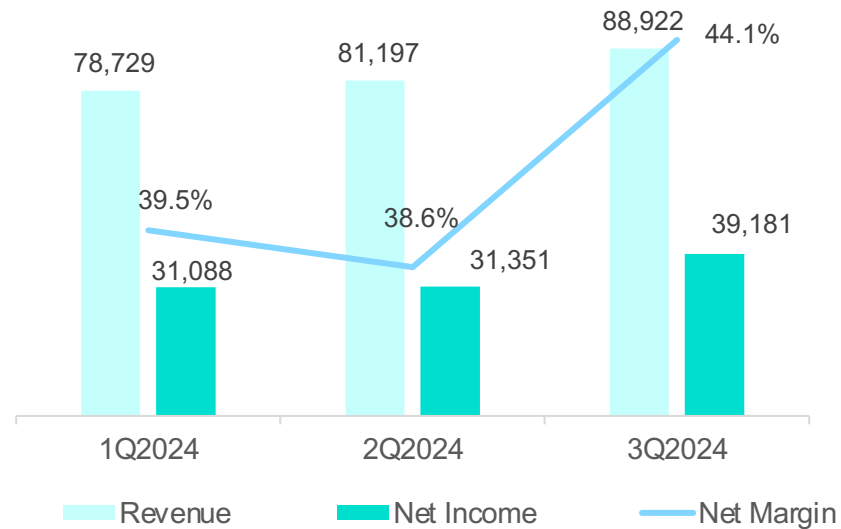
**Yalla Parchis**  
South American Ludo exploring opportunities overseas



# Yalla Ludo & 101 Okey Yalla: Casual Game Matrix Provides Robust Support

## Robust Financial Performance in 3Q2024

US\$000



- Our third quarter revenues reached US\$88.9 million, exceeding the upper end of the guidance by 8%, while our net margin rose to 44.1%, and our net income increased by 11.2% YoY

## Yalla Ludo & 101 Okey Yalla Set New Revenue Records



- During the quarter, our products displayed exceptional strength, with Yalla Ludo and 101 Okey Yalla both achieving new quarterly revenue records.





# Yalla: Enhanced with New Gaming Features

- Our flagship product, Yalla, was enhanced with diverse new features this quarter.
- E.g., we embedded a Crazy Soccer game in Yalla's chatrooms, tapping into the soccer frenzy sweeping the Middle East.



# Yalla's Brand Across MENA

## Yalla Ludo Deepened Brand Leadership



- This quarter, we collaborated with the UAE Esports Federation to stage an additional Yalla Ludo offline tournament in Abu Dhabi, and we partnered with the App Gallery to host the Egyptian Ludo Arab Cup in Egypt.

## Yalla Group President Saifi Ismail Interviewed by Pocket Gamer<sup>1</sup>



- Pocket Gamer, a globally acclaimed leader in the mobile gaming industry, invited Yalla Group President Saifi Ismail for an interview this quarter.



Note:

1. <https://www.pocketgamer.biz/our-focus-is-undoubtedly-on-the-middle-east-market-where-we-have-unique-advantages/>



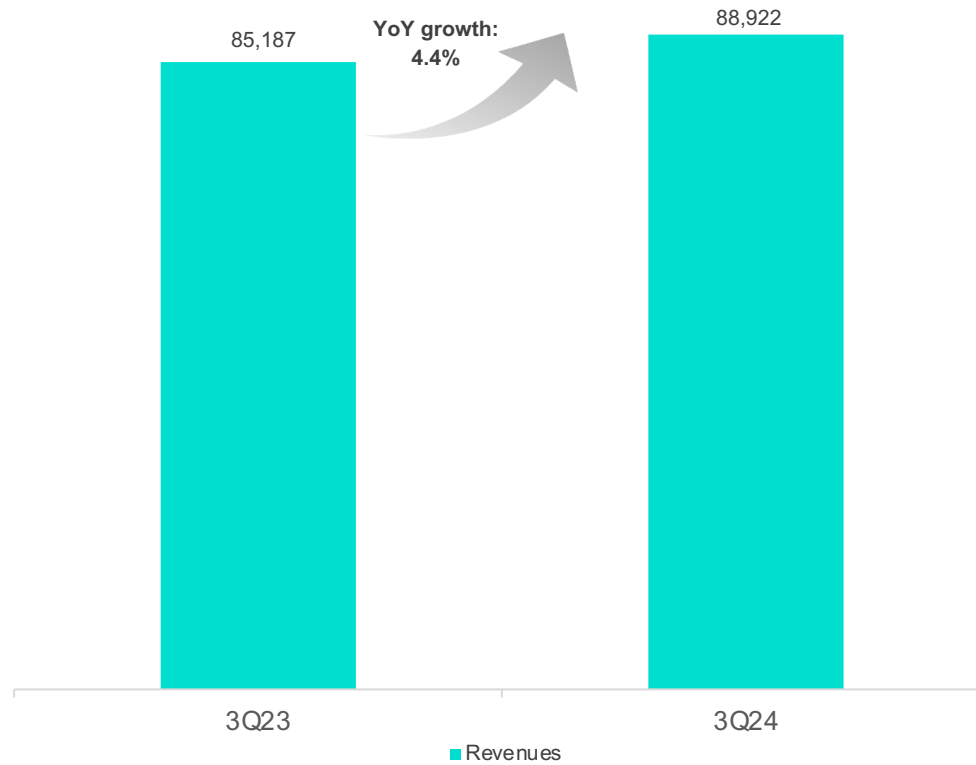
# 3<sup>rd</sup> Quarter 2024 Financial Performance Overview



# Robust Financial Performance in 3Q2024

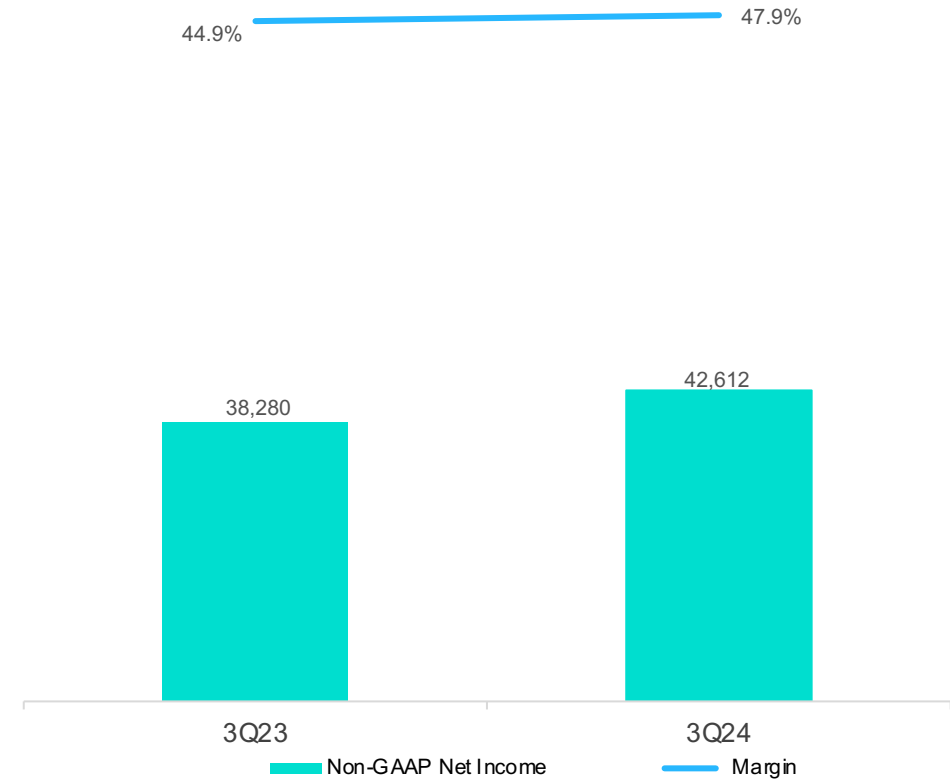
## Revenues

US\$000



## Non-GAAP Net Income<sup>(1)</sup>

US\$000



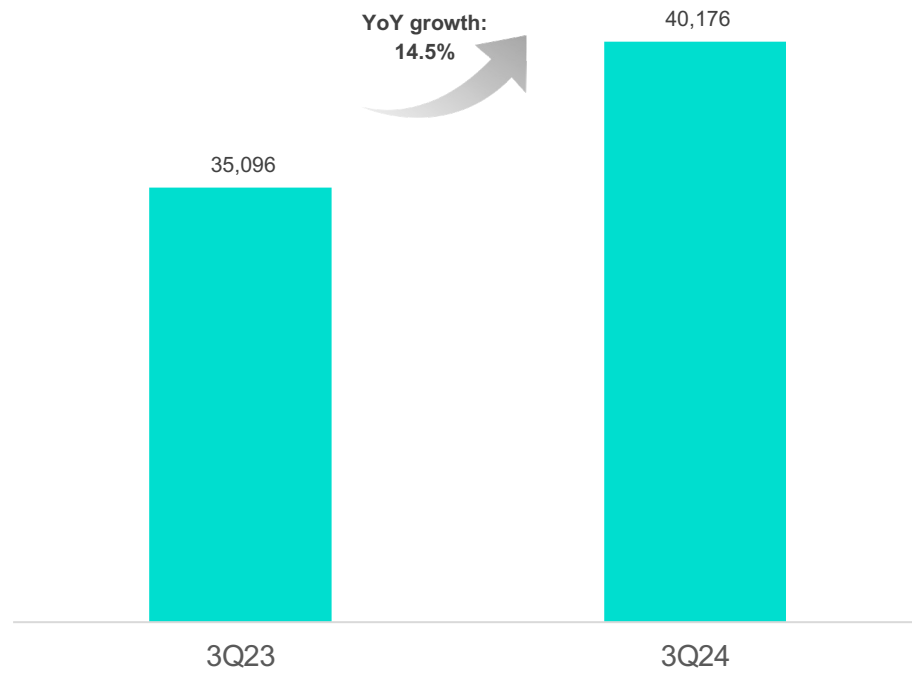
Note:

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

# MAUs and Paying Users

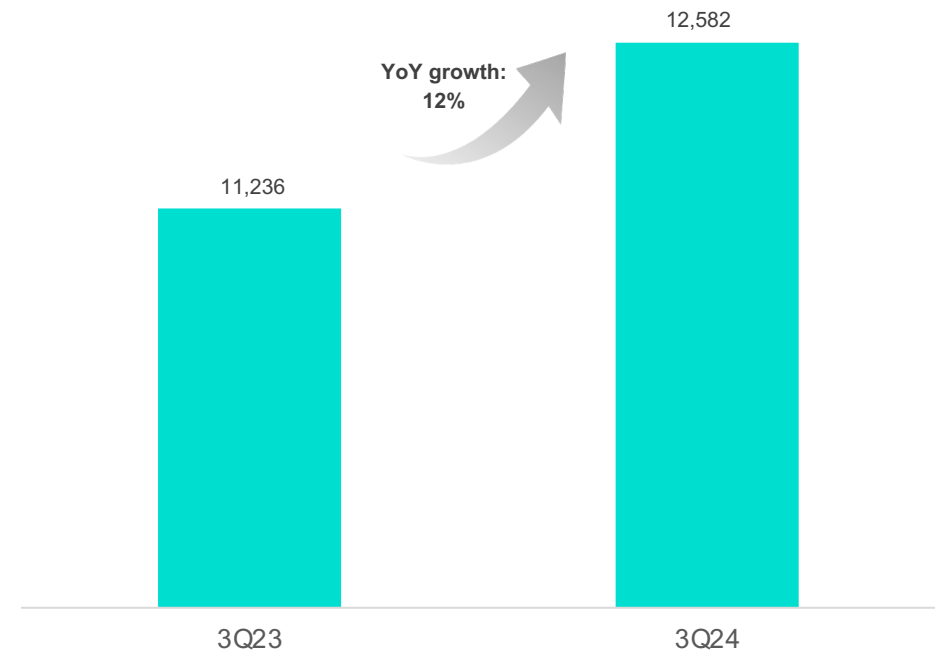
## Average Monthly Active Users

000s



## Quarterly Paying Users

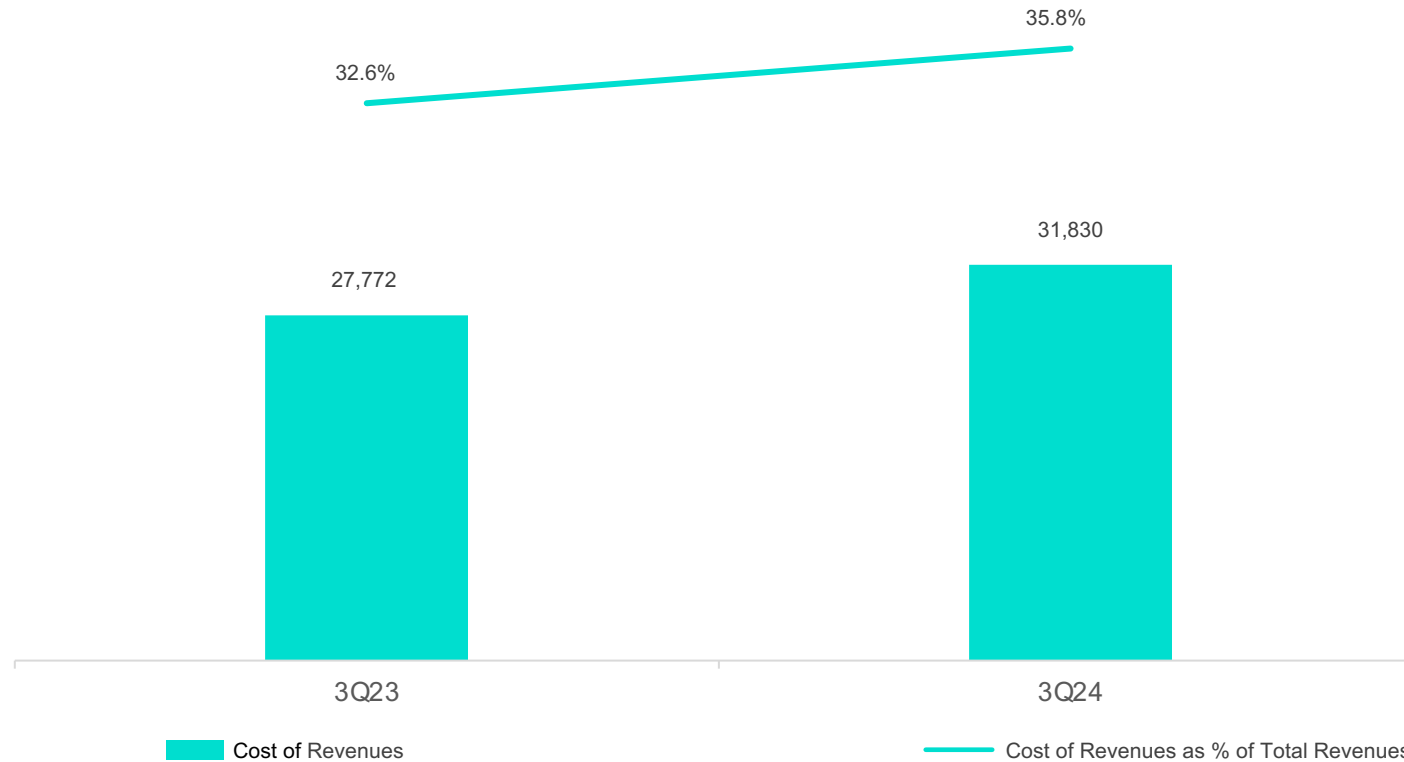
000s



# Continued Efficient Operations with Stable Cost Margin – Cost of Revenues

## Cost of Revenues

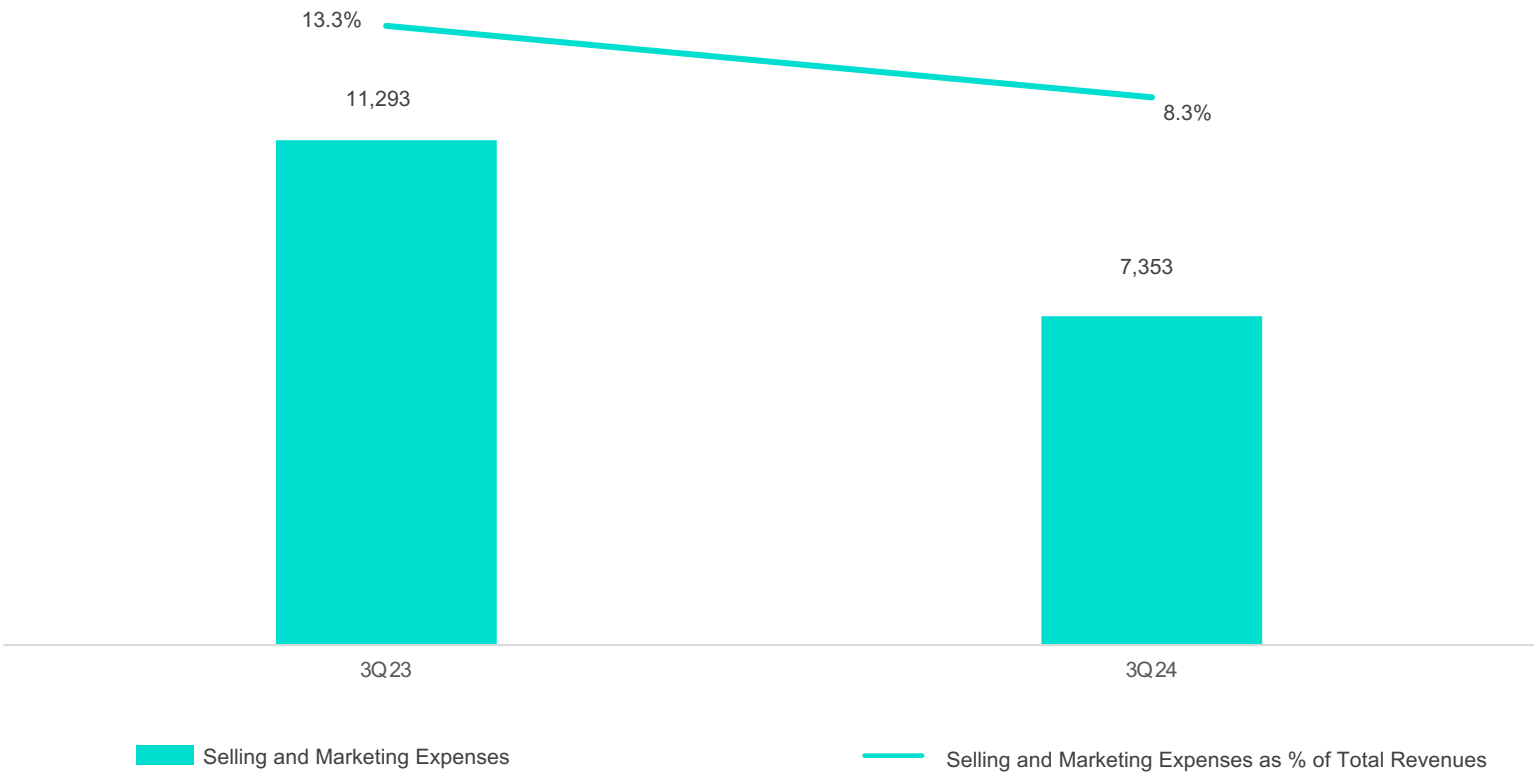
US\$000



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

## Selling and Marketing Expenses

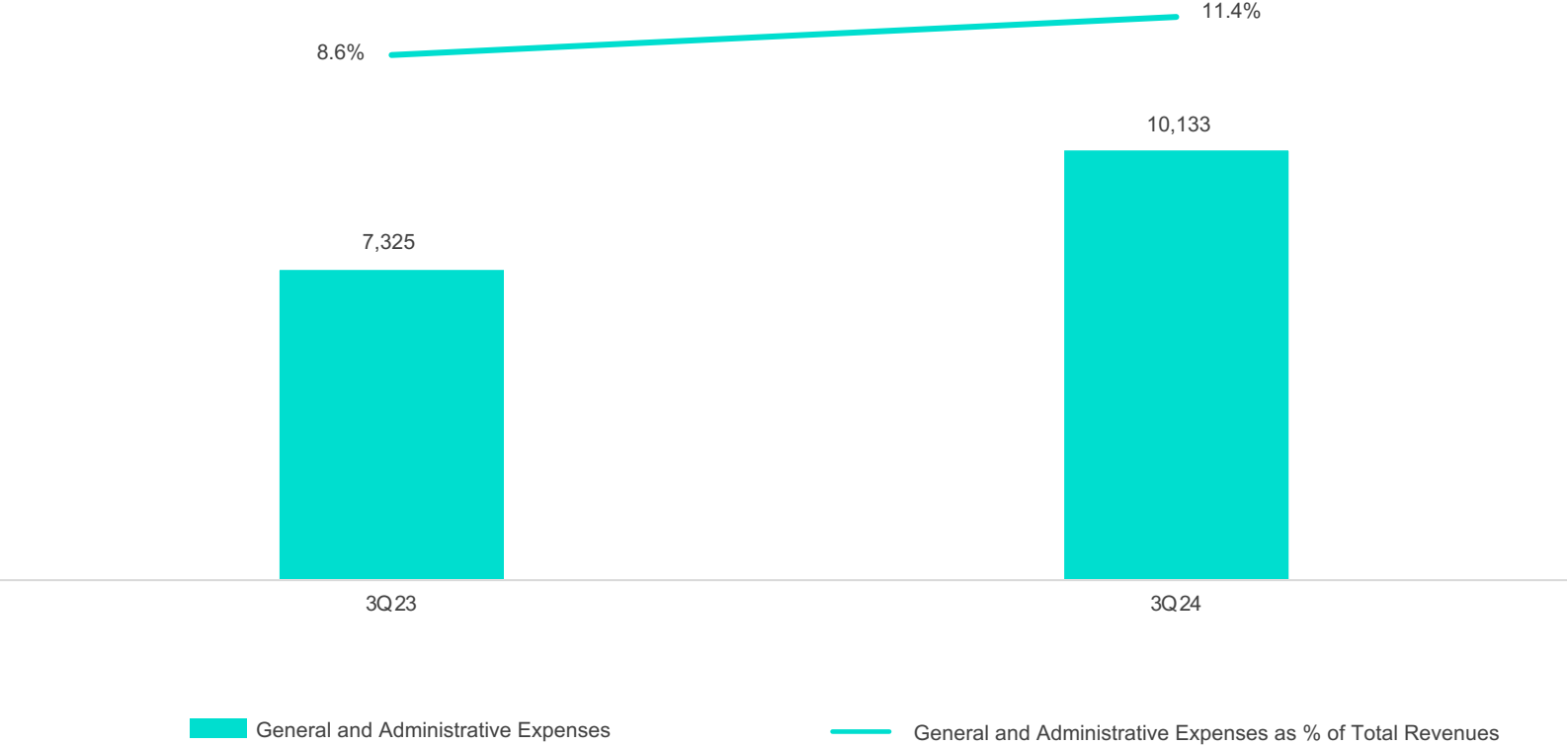
US\$000



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

## General and Administrative Expenses

US\$000

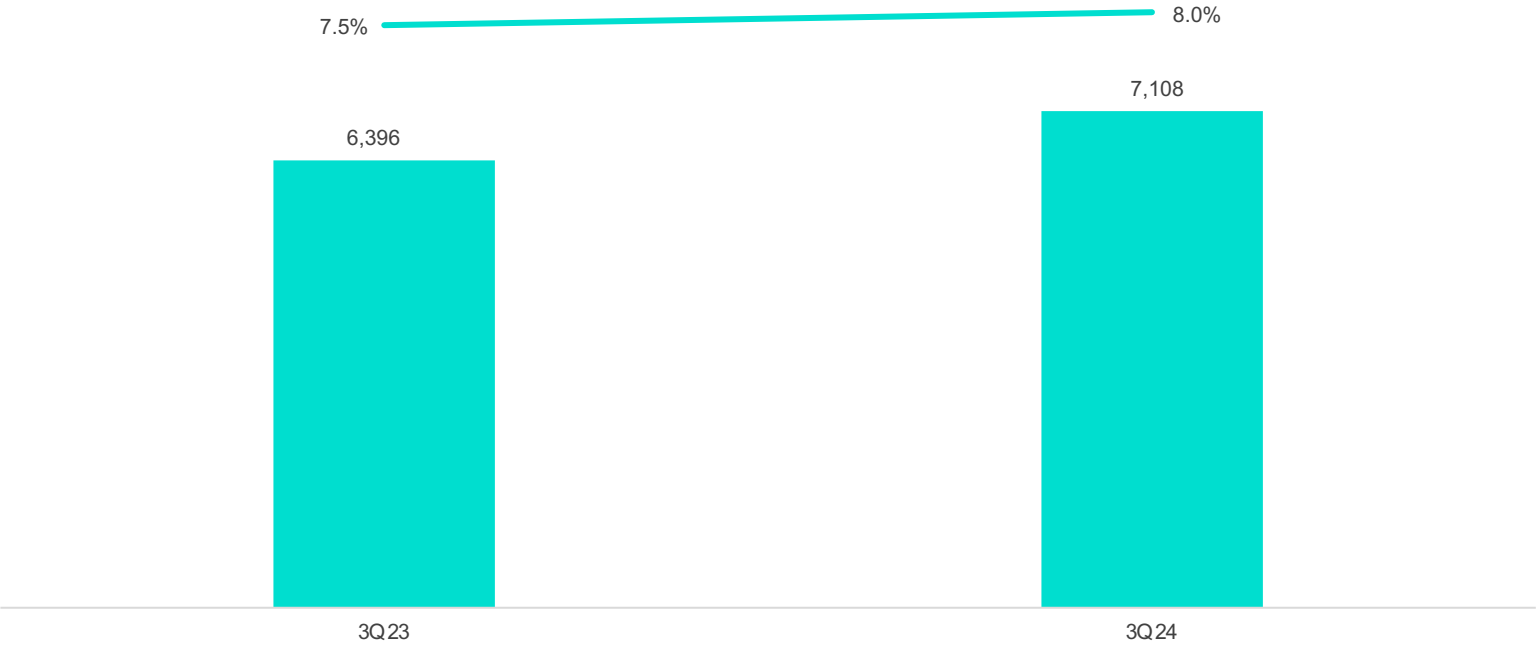




# Continued Efficient Operations with Stable Cost Margin – Technology and Product Development Expenses

## 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



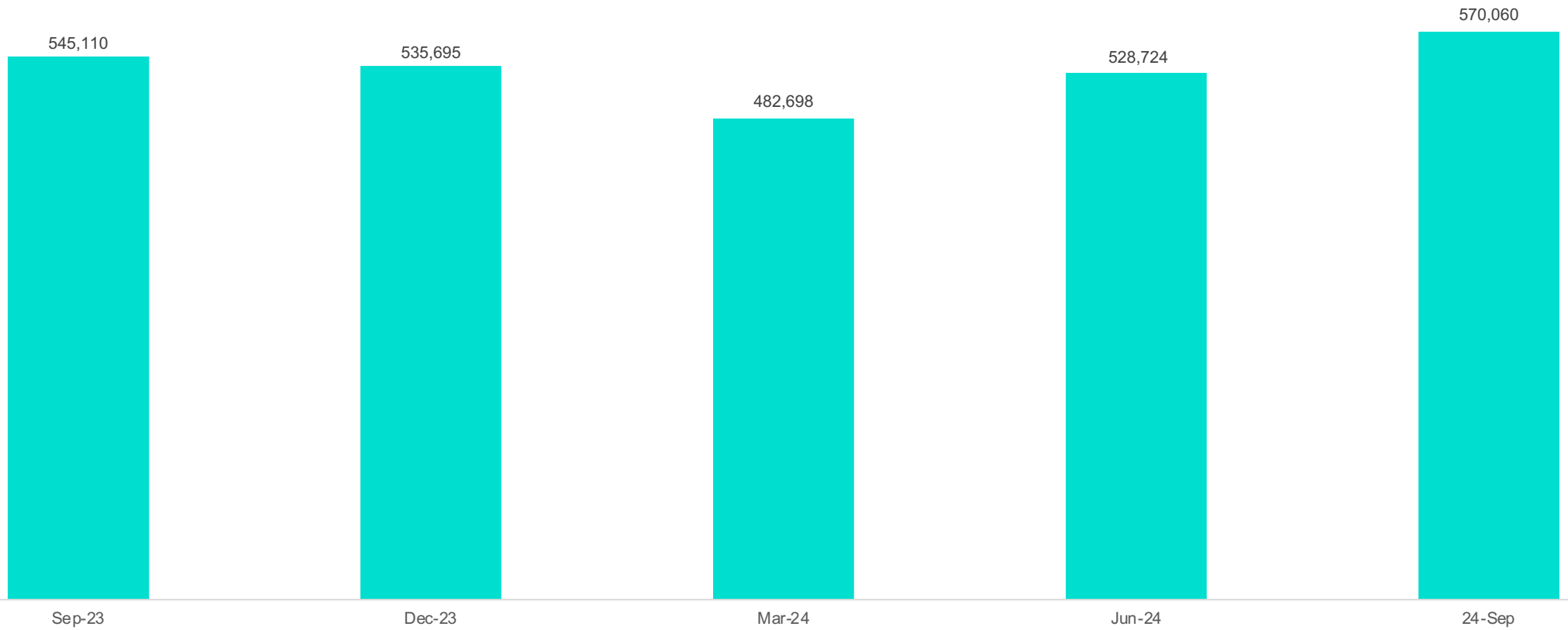
Note:

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	September 30, 2023	September 30, 2024
Revenues	303,603,522	318,877,564	85,187,360	88,922,031
<b>Costs and expenses</b>				
Cost of revenues	(113,808,128)	(114,527,174)	(27,772,226)	(31,830,126)
Selling and marketing expenses	(49,939,683)	(45,382,752)	(11,292,732)	(7,352,820)
General and administrative expenses	(36,582,626)	(36,808,454)	(7,325,451)	(10,133,394)
Technology and product development expenses	(24,575,485)	(25,804,995)	(6,396,426)	(7,108,024)
<b>Total costs and expenses</b>	<b>(224,905,922)</b>	<b>(222,523,375)</b>	<b>(52,786,835)</b>	<b>(56,424,364)</b>
<b>Operating Income</b>	<b>78,697,600</b>	<b>96,354,189</b>	<b>32,400,525</b>	<b>32,497,667</b>
Interest income	3,300,976	19,833,520	5,612,861	7,829,223
Government grants	322,273	337,355	228	7,603
Investment income	21,407	1,728,308	435,545	133,606
Impairment loss of investments	(705,428)	(2,509,480)	(2,509,480)	-
<b>Income before income taxes</b>	<b>81,636,828</b>	<b>115,743,892</b>	<b>35,939,679</b>	<b>40,468,099</b>
Income tax expense	(2,598,983)	(2,685,456)	(708,673)	(1,287,156)
<b>Net Income</b>	<b>79,037,845</b>	<b>113,058,436</b>	<b>35,231,006</b>	<b>39,180,943</b>



## RECONCILIATIONS OF GAAP AND NON-GAAP RESULTS

US\$	Year ended		Three months ended	
	December 31, 2022	December 31, 2023	September 30, 2023	September 30, 2024
Operating income	78,697,600	96,354,189	32,400,525	32,497,667
Share-based compensation expenses	26,690,970	17,929,842	3,048,700	3,431,077
<b>Non-GAAP operating income</b>	<b>105,388,570</b>	<b>114,284,031</b>	<b>35,449,225</b>	<b>35,928,744</b>
Net income	79,037,845	113,058,436	35,231,006	39,180,943
Share-based compensation expenses, net of tax effect of nil	26,690,970	17,929,842	3,048,700	3,431,077
<b>Non-GAAP net income</b>	<b>105,728,815</b>	<b>130,988,278</b>	<b>38,279,706</b>	<b>42,612,020</b>



# BALANCE SHEETS

US\$	As of December 31, 2023	As of September 30, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	311,883,463	349,117,329
Restricted cash	423,567	428,119
Term deposits	213,105,501	212,514,896
Short-term investments	10,282,329	8,000,000
Amounts due from a related party	109,507	-
Prepayments and other current assets	33,340,602	41,563,630
<b>Total current assets</b>	<b>569,144,969</b>	<b>611,623,974</b>
<b>Non-current assets</b>		
Property and equipment, net	1,583,604	1,290,519
Intangible asset, net	1,133,715	956,191
Operating lease right-of-use assets	2,382,026	1,595,166
Long-term investments	51,692,218	135,684,579
Other assets	13,015,729	13,155,593
<b>Total non-current assets</b>	<b>69,807,292</b>	<b>152,682,048</b>
<b>Total assets</b>	<b>638,952,261</b>	<b>764,306,022</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	928,055	789,509
Deferred revenue	46,558,571	58,839,261
Operating lease liabilities, current	1,153,691	1,034,753
Amounts due to a related party	-	98,113
Accrued expenses and other current liabilities	26,694,999	33,737,519
<b>Total current liabilities</b>	<b>75,335,316</b>	<b>94,499,155</b>
<b>Non-current liabilities</b>		
Operating lease liabilities, non-current	949,970	-
<b>Total non-current liabilities</b>	<b>949,970</b>	<b>-</b>
<b>Total liabilities</b>	<b>76,285,286</b>	<b>94,499,155</b>
<b>EQUITY</b>		
<b>Shareholders' equity of Yalla Group Limited</b>		
Class A Ordinary shares	13,778	13,970
Class B Ordinary shares	2,473	2,473
Additional paid-in capital	313,306,523	325,394,525
Treasury stock	(35,527,305)	(42,517,154)
Accumulated other comprehensive loss	(2,341,740)	(1,922,789)
Retained earnings	292,223,525	395,316,281
<b>Total shareholders' equity of Yalla Group Limited</b>	<b>567,677,254</b>	<b>676,287,306</b>
Non-controlling interests	(5,010,279)	(6,480,439)
<b>Total equity</b>	<b>562,666,975</b>	<b>669,806,867</b>
<b>Total liabilities and equity</b>	<b>638,952,261</b>	<b>764,306,022</b>



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