

## **Yalla Analyst Day 2021 Script**

### **Kerry:**

Good morning, good afternoon and good evening, ladies and gentlemen. My name is Kerry Gao, and I am Yalla's IR Director. It's our pleasure to welcome you from all around the world to attend Yalla's first ever Analyst Day since we went public. At this unique time when travel has become difficult due to Covid-19, we are conducting our Analyst Day virtually this time. We truly appreciate you taking the time to join us here today.

Yalla is headquartered in Dubai, UAE, part of MENA. This is a fast-growing market with strong needs in online social networking and entertainment. In today's Analyst Day, we plan to give you a closer look at our UAE headquarters, our local team, and our user community, while also providing in-depth insights into digital trends and regulations in MENA markets.

Let me give you an outline of today's agenda. In a moment, our president Mr. Saifi Ismail, will deliver his opening remarks. He will be followed by Mr. Ahmed, our Product Director, Ms. Aviva, our General Manager for the Dubai Office and Mr. Hichem, our Customer Service Specialist. They are going to talk about their work at Yalla. And for the next session, we have invited Yalla user from Saudi Arabia, to attend today's event and share experiences in Yalla with you. After that, we will take a 15-minute break. And for the afternoon session, we have invited 4 terrific speakers with rich experience in MENA's internet industry to share their insights of MENA's digital economy. At the end of each section today, we have Q&A sessions. If you wish to ask any questions, please feel free to type in your questions and send them to us via Zoom any time before the session ends.

Due to rights issues and as some of our guests are ordinary people who are reluctant to be in public, please do not record the screen during the event. Shortly after the event, we will have related materials ready and share them with you.

Finally, and most importantly, thanks for taking the time to join us today. And now, our President Saifi Ismail is going to deliver his opening remarks. Welcome Saifi!

### **Saifi:**

Thank you, Kerry! On behalf of the Yalla Management Team, I would also want to welcome you all to our virtual Analyst Day. We are grateful to have the opportunity to be with you and we hope this will be an informative as much as insightful event for you all.

It is hard to believe it has already been a year since we launched our IPO on the New York Stock Exchange and become a public company.

While this has been a very tough year for all of us, we still delivered robust performance and saw strong momentum here at Yalla. Furthermore, we strengthened our position as the pioneering voice-centric mobile social networking and entertainment platform in the MENA.

In fact, in H1 of 2021, our revenue and Non-GAAP net income reached 134.2 million US dollars and 65.7 million US dollars, respectively. To put it into perspective, we have delivered the same level of revenues and Non-GAAP net income of 2020 in just the first half of this year. We are tremendously encouraged with this strong performance and full of confidence to pursue the growth in H2 2021.

Yalla has been an active contributor and leader of the industry in MENA. In 2016, we launched Yalla as the first movers, the first voice-centric product in MENA with which we identified the potential of voice-centric social networking in this region and achieved a leading position based on our innovative business model. For 5 years, we have been committed to promoting a healthy and orderly industry environment and providing local people with better access for digital life.

Yalla has been cultivating a healthy and highly interactive online user community. As a pure user-generated content platform, we encourage users to share and participate actively and bring them a sense of belonging as well as a cultural identity. As of Q2 of 2021, our average monthly active users expanded to 22.1 million. Going forward, we will continue to further penetrate both, existing markets and new markets to expand our user base, as well as responding to users' evolving demands and adding new features to optimize the user experience and enhance their engagement.

Looking into the future, we are confident that the development of the digital economy in MENA and the advancement of technology will create more positive environment for the online social networking and entertainment market. And we will take deliberate, innovative steps and make the right investments to accelerate future growth.

Once again, I would like to thank each and every one of you for taking time out of your busy schedules to attend and participate in our event. I will now turn it over to our co-host today Mohamad who is our new marketing manager based in Dubai. Thank you.

**Mohamad:**

Thank you Saifi. Welcome everyone, it is my immense pleasure to be here with you today.

We will start by introducing our Dubai office team here.

We will start first with a virtual office tour and we will also invite some of our team members here, we have Ms. Aviva our general manager of Dubai, Mr. Ahmed Fardous our product director and we have Hichem Al Kedadi our customer service specialist. They are all here with us today to attend the event and to answer your questions.

Please remember that there is a Q&A button at the bottom of the zoom function the way you can ask all your questions, we will try as much as we can to answer all of them. Let's have a look at the video.

**Moe:**

Hello everybody. My name is Moe Maktabi and I am the new Investor Relations Manager of our group here in Dubai. It is tremendously exciting to have you all present with us live from across the globe.

Before we get through our first Q&A questions, I would like you all please to have a great welcome to our management team in Dubai. Saifi, Aviva, Ahmed and Hichem, please welcome on stage.

Mr. Saifi, could you please introduce the team to our audience today?

**Saifi:**

My pleasure, Hello team!

We have today Aviva, she is the general manager of Dubai office, Ahmed Fardous, he is the director of product management and marketing, and we have specialist of customer service Hichem.

**Moe:**

Thank you very much for that Saifi, we will now start with our Q&A questions. Let's kick off the meeting with Ahmed.

Good morning Ahmed, could you please briefly introduce to us, and give us a description of your job duties?

**Ahmed:**

Yes so I am very happy to be here thank you so much, and my job duties would be mostly focused on product management and marketing, managing the different products of Yalla, these include Yalla, Yalla Ludo, Baloot and Parchis and any upcoming games that we have and then marketing them, publishing them on Google

and the app store as well.

**Moe:**

Could you please elaborate furthermore what is the typical process of conducting a project at Yalla?

**Ahmed:**

Yeah, so after the marketing and the products team decides on a product, the product itself goes into several stages, this includes the project line which has the localization process, and this localization process is focused on localizing the product textually and graphically as well, making it suitable for the region, to make it feel as if it was designed for the region itself. And then it goes into QA, we have a team of QA engineers that test the product, making sure there are no technical or major issues that disrupt the flow of the user. After that we move into adding more testers, this is a beta phase, we can add up to a thousand to 10 thousand testers in a product testing, if everything is okay, the health metric, what we call health metrics are the crash rates and application not responding, if they are below the standard rate, we move on to promoting the app again on Google and Apple store.

**Moe:** Thank you.

**Ahmed:** My pleasure.

**Moe:**

So what's the product decision making process here at Yalla?

**Saifi:**

I would love to answer this question, sorry Ahmed, and the reason that I would like to share the story of the selection of the first app we published Yalla.live and the history behind the name itself.

I knew Yang Tao our chairman and CEO since 2005, and we worked together, and after he moved to the internet industry and he successfully launched the first video group chat app at that time, he called me back in 2015, and he told me: Hey Saifi, I want to launch my own app, and we decided the product to be voice-centric group chatting app, so what should I call the app? I immediately told him let's call it Yalla and since Yang knows the culture very well, he recognized the name and he loved it, and he right away registered the name of Yalla to be the brand name for the app and the company itself. Since then I worked closely with Yang and the team as a consultant, and we worked very hard on all aspects of designing Yalla.live, in terms of the complete UI/UX, branding, all the features that match the culture of MENA users, until we have seen Yalla Live in mid of 2016, and after few months of optimization, the app was successfully accepted by the market,

and then it was really attractive for the users to entertain and engage with an Arabic social media app, so the feedback was positive. We thought of the second application of our portfolio and we discussed to have a casual game to be part of our portfolio, so we made our decision to have the second product which is Yalla Ludo which is a very popular casual game in MENA, but what we did, we transformed it from its offline shape into online, and not only online, we plugged the voice function into the application, where users can talk while playing, and later on we added the majlis function, which is the online version of the real majlis into the application, and it becomes very successful. And back to the history in 2019, when I joined the company formally, and we established our product marketing team here in Dubai, we started working closely with the team, back in our R&D team to work on the selection of the products. So to be very specific and answer your question after I shared the story of Yalla, we work onto 3 different aspects where we select the product:

First we looked at the demand in the market, second, we looked into the competition landscape, and third and most importantly, we looked into the opportunity of the monetization. And this is where we came with the product, and in just short period, we managed to introduce few products which were very successful and accepted by the market like Yalla Baloot in Saudi Arabia, and Yalla Parchis in Latin America, and Yalla 101 Okey in Turkey market, and recently we are optimizing our new instant messaging app, the first of its kind Arabic IM in the market called YallaChat.

**Moe:**

Thank you very much it is very insightful. Back to you Ahmed. You know it's very important for our firm and the tech industry to know about the users, how do you learn about your users?

**Ahmed:**

So there are several channels we look into to learn about our users, especially local ones and I would say we would start with our own users since we have a large user base. We have over 22 million monthly active users, and a high percentage of them are VIP and paying users, so we start there learning about what matters to them, what doesn't matter, and what they would like to improve in our apps and how we would improve ourselves. After that, we look into top grossing games in the region, this is a good area to look at different products, because again, this is what the users like, what the users are using as well. We look at different apps and games, look at the features in these apps, what they provide, what they don't provide, and what users are saying about them. Social platforms as well, is a very valuable resource for us, we learn a lot from the posts, the campaigns and what's trending, and what people are buzzing about, so again, there are different channels we look into, when every channel can provide different type of information.

**Moe:**

And finally, as a new key employee here at Yalla, how will your past experiences in the industry be

incorporated in Yalla?

**Ahmed:**

So I'm very happy to be here, and I think it was a great opportunity especially at this moment to work in Yalla. So looking back at my let's say journey, you can have a better understanding of how I can help or what my job will be. So I started out with the support and community area, that was years back in this industry, and then moved my way through in the product management, and now focusing on marketing, and I am very lucky to have been in that particular order because again this is all about the user. These products that we create are for the user in the end. That knowledge helped me in my second role which was product management so now I understood what the users wanted in terms of features and updates in a product. It also helped me with different companies, adding to their portfolio different products based on, again what the users insights were, and combining that humble knowledge with the rich information that Yalla has, the different teams and team members at Yalla, I believe it would create very valuable information or unique value, that will help me in my 3rd role, and that is marketing, so here we are focusing on extending and expanding our brand recognition and also solidifying and strengthening our market position in the region as a social and entertainment platform.

**Moe:**

Thank you, Ahmed, moving on into questions directed to our GM Aviva, hello! You have been in Dubai from the very start in our office. Could you please explain to us how the Dubai office grew?

**Aviva:**

Yeah, actually I still remember the day when Mr. Yang told me to register a company here in Dubai, then after some days, we had our first office in Dubai Internet City, of course I became the first employee here in our Dubai company. Very soon we had a small team of 5 employees, we were responsible for some local operations, and marketing coordination. Then we expanded to around 15 employees, this was the time we had our first VIP customer service team, because we realized that the users in this region may attach high importance to dedicated customer service, and they want to be special. They want some dedicated customer service staff whom they can contact directly anytime, not only just robots, then we continue our expansion, we have more functions like marketing, product, operation, finance, HR departments. As of today, we have 52 employees in our Dubai company, beside as well we have 300 customer service staff in the other countries.

**Moe:**

Okay and as our GM, what are your job duties?

**Aviva:**

Yeah, I am responsible for the operations of our apps, customer service, and the operation of our Dubai company.

**Moe:**

And what's one common challenge you face when managing the customer service team?

**Aviva:**

Actually, in the beginning it was a challenge for us to find qualified customer service staff here from the same sector, because internet is quite new in this region. And it usually took more time for us to educate the customer service staff about the industry and our products, and the ways for communicating with our users because it is different from the traditional industries, like the customer service team their role is not only to help the user when there are issues on our platform, they also need to know every single like and dislike of the key users, so instead of customer service team I personally prefer to call them relationship management team.

**Moe:**

Okay, you know we have VIP users, what type of services do you usually provide to them? And how frequently do we have those services?

**Aviva:**

Besides helping users when there is any issues or questions on our platform, the team is also collecting the feedbacks and suggestions from the users, besides this, getting to know the likes and dislikes and the personal network for the users on our platform is also one important task of our team. For all the VIP users, our customer service staff is available 24/7 so the users can contact the team any time, so I think this is something we differentiate from a lot of other apps as well.

**Moe:**

Okay, you know how Covid-19 had a lot of negative impact around the world for different businesses, how do you think Covid-19 impacted us in our operations.

**Aviva:**

Well, I think the pandemic somehow changed the way of working all the companies but I have to say it's effecting on our operation is not that much, because we are an internet company, so communicating and coordinating on many channels is something that we are good at, like there is no any task that requires physical presence, for example we have our customer service team that work in different countries and we have our own online system and groups where we can share any information instantly, so related people can

react to the related information immediately. So even during the lockdown of a lot of Arab countries, our customer service team was still working in 24/7 without any interruption, and actually during that period, we saw a dramatic increase of the users and their inquiries, and the team did a great job.

**Moe:**

Thank you very much for that Aviva, last but not least, Mr. Hichem. Mr. Hichem, could you please tell us what are your duties, and how'd you allocate your time at work.

**Hichem:**

First of all, thank you for having me here. My job title is customer service representative specialist, so my main duty divided into 4 tasks. The first task is responding immediately for VIP customers, so those VIP customers are the most spenders or the most users who purchase a large money in the application, so [for] those VIP, I will respond immediately to reply to them as soon as possible. My second task is controlling the system used by the application, so this system will receive feedback and complaints inside the application so the users when they send feedback inside the application we listen through our system. So I reply them and check their complaint then we do action. The third task is monitoring the application by entering with my official Yalla account and to check the rooms, if there is no violation, everything under control, nothing in the system. The fourth task is an additional task. We contact the most purchased users about their suggestions, also if we wanna put new features in the application they are the first group of people that will know. Also we contact them if they are facing network issue or any recharge issue, so yeah.

**Moe:**

Okay and what are the major differences between our customer services and the ones from the market, especially our competition?

**Hichem:**

Yeah, at Yalla we provide a special service for those users. Not like other platforms. We create a professional relationship between us and them. They can contact us individually. Most of the users they know us, they feel safe with us, they feel free with us when they contact us. They have trust on us. The thing is, other applications, have the auto reply or the virtual assistant reply, so when you compare between us and other applications, you can find that we are more close to those users, and they feel safe with us.

**Moe:**

Okay, so you mentioned our VIP users are very important, so can you give us demographics breakdown of our VIP users, in terms of gender, age, etc.

**Hichem:**

Yeah, approximately we have like 55% males and 45% females, the age range is going between 17 to 35, so we have teenagers, we have grownups users, we have adults. Also most of them are employees in companies, also students, we have military users, we have police officers, businessmen, also royalty from around the Middle East.

**Moe:**

Okay, I've just seen we've received few questions over zoom directed to Ahmed. In your point of view, do successful products in the MENA region share anything in common?

Yeah, so we are looking at the again top grossing apps throughout the years, I think the MENA region, the apps in the MENA region, they do share some features, common features, and I would say, social competitiveness would be one on top, where you are allowing users to invite others, communicate with others on different platforms, such as voice chatting, text chat, and allowing them to compete as well, whether it's a 1 v/s 1 player or team v/s team game. The other thing would be again the frequent update, and this is critical across all apps, we see these top grossing apps or the top apps in the region they are being updated on a 2 week to monthly basis, these come from minor updates such as fixes such as minor features and functions, to major updates that include new content. So I do think that they have few things in common yeah sure.

**Moe:**

Okay, so we have another question for you, from your past experiences, what are some of the differences between the MENA users' preferences and those from across the globe?

**Ahmed:**

Okay ,so yeah, if we look at it on a wider scale, I don't see extreme differences, but I do think that based on the Arab nature, we do for sure, we are quite social, compared to others, we love competitiveness, and we have pride in our heritage, our history, and you can link that to the top apps in the region, we are looking at top games, these are SLG games, strategy games, RPG games that have a historical theme, and I always link this to again the people who would talk about the Arab region from different cultures, they would say that people in the Arab region they are not looking to be fans of futuristic themes, star wars, star trek, or zombies, yeah I think we do prefer certain types of apps, and certain type of games, so for sure there are some minor changes.

**Moe:**

Okay, we have 1 question here directed to our customer service specialist, Hichem, have you ever received

any reports about inappropriate content on our platform, and if so, what do Yalla do to prevent this from happening?

**Hichem:**

Yeah, this is part of our job, we receive complaints about inappropriate content in our application, the thing is we have 300 customer service all around the world, we have different regions, different languages, so in each region, we take this inappropriate content, and analyze it, if it's against our rules and our regulations, we see if it's against our terms, then we double check the evidence, we see who is sending the report and about who. The thing is, we take the action after we warn the user first, so we give him a chance, we don't do action directly, we give him a chance, then we monitor his account, if still the account owner violates with the same violation, directly we take the suitable action fits with that situation.

**Moe:**

Okay great, thank you very much. Team thank you very much for all those answers, and that's it for now, over back to Mohamed. Thank you.

**Mohamed:**

Hello again everyone, and next we would like to show you a video about our social habits and traditions here in the MENA region, let's take a look.

As you have seen in the video, there are many things connected with Yalla from board games to majlis, in fact, the local needs and preferences are always our priority and at the forefront of our products. We are committed to building a healthy and highly interactive community to our users.

Next, we have collected stories and feedback from our Yalla community and would like you to take a look.

**Riad:**

Hello everyone, my name is Riad, and I am a Product manager at Yalla, it's my pleasure to be here with you today.

Thank you for taking the time to listen in and watch this video presentation.

Now let's move to the QA session with our user. Today, we invited *Saad* one of our important users, and he's ready to share with us all the experiences he had with Yalla community.

If you have any questions in mind, please feel free to send them to us via Zoom.

Since Saad is more familiar and confident in Arabic, this session will be bilingual, and we are help in translating Questions into Arabic and Answers into English. Welcome Saad.

**Riad:**

Saad, we're very happy having you here with us today, you are a major part of Yalla family and your insights play key roles in helping us develop our apps and community much further.

**Saad:** God bless you.

**Riad:**

Saad, we will start with a brief question, so you can introduce yourself briefly, your name? the country you came from? And how long have you been on Yalla?

**Saad:**

Saad Almotairi from Kingdom of Saudi Arabia, and I started using Yalla since 2018, my experience was and still wonderful, all through my smartphone.

**Riad:**

Now we will move to some questions for Saad.

Saad, tell us more about your typical day in life, especially that you spend most of your time on Yalla, does it affect your work or daily routine?

**Saad:**

No, since Yalla is on my smartphones, our smartphones are available 24 hours a day, so it's very convenient using Yalla any time in a day.

**Riad:**

We move to the next question, Saad, who uses Yalla among your colleagues or friends? And did you recommend Yalla to any of your friends?

**Saad:**

Yes, around 50% of my colleagues use Yalla, most of my room members are from family and friends, and they're enjoying voice chat with me, and it is very convenient for all of them.

**Riad:**

Saad, you know that Core function on Yalla is free, and users can chat with each other's without paying, what drives you to pay or invest money in Yalla? And did your experience change after starting to pay or not?

**Saad:**

Sure, my experience went different, while Yalla's advantage compared to any other product is about contest and competitions, but each time I spend in Yalla, each time I give or receive gifts, the actions play a major part in moving the room competing to the top of trending list. And of course my experience changed a lot because of that.

**Riad:**

Saad, tell us about your feelings when you send or receive any gift on Yalla.

**Saad:**

It feels wonderful and satisfying to receive or gift any gift on Yalla, it strengthens the connections with my friends and community.

**Riad:**

Why do you feel you're popular on yalla? Is there a memory?

**Saad:**

On Yalla, the weekly competitions were a great opportunity to be popular, to rank up on the list and to build new connections and new experiences on Yalla.

**Riad:**

Now, we will move to some questions we've received from the audience & analysts.

Saad, if there is another platform that provides similar features to Yalla, but at cheaper prices, would you switch to that platform? And if not, why?

**Saad:**

I'm not switching anywhere soon, especially that I've invested a lot of time & experiences building up a community on Yalla, so it takes so much time to learn about the other platform, build new community and connections all over again.

**Riad:**

Through your offline life without Yalla, what are the usual activities and entertainments that you usually do? For example?

**Saad:**

Since I'm apart from my family, they're in Kuwait and I'm in Saudi Arabia, most of my time is spent on Yalla and work, and in weekends I enjoy some gatherings with friends and family.

**Riad:**

We would like to thank you Saad, for all the experiences and insights you shared with us today.

**Saad:** It's amazing being in such an event today, I feel how great it's to be on Yalla and participate in such an event.

**Riad:** You're a great part of Yalla family. Thank you so much Saad. You may now go to your seat.

Now we would like to thank you all for being with us Today, we're going to take a 15-minute break and see you shortly.

**Mohamed:**

Hello everyone. Welcome back to our event and thank you for staying with us, next we are moving to our keynote speech with our guest Mr. Dan Hu.

Mr. Dan Hu is the CEO of Group 42 Cloud, an artificial intelligence and cloud computing company here in Abu Dhabi.

Mr. Hu has been living in the UAE for 10 years.

Prior to working and leading Group 42 Cloud, he has been working in pioneering groups Alibaba and Huawei.

Today, he is here giving us a keynote speech titled *Digitalization Opportunity and Challenge in the Middle East*.

Please remember there will be another QA session after Dan Hu's speech. If you wish to ask any questions, please make sure to type your question in the zoom app and Mr. Hu will take the time to answer as many questions as possible.

Please welcome Mr. Dan Hu.

**Dan Hu:**

Thank you everyone. It's really my honor to be invited here to the Yalla analyst day. My Name is Dan Hu, and I'm the CEO of G42 Cloud, and Group 42 is an artificial intelligence cloud computing company that exists to champion AI as a tool that powers progress propelled by the combined efforts of people and technology.

Seeing technology as the next frontier of humanity we solved complex challenges across multiple industries with a holistic and far-reaching systematic view. During my time at Group 42 I helped to build the largest and most sophisticated AI and cloud infrastructure in Middle East and Africa region. We also contributed to the local cloud strategy and during last two years I helped to grow the team from scratch to now almost 300 full time employees in Abu Dhabi.

Prior to my work at group 42 cloud, I founded Alibaba in middle east and North Africa region since 2015. From 2015 to 2019 I elevated the company to new heights building it from ground up. Under my team's hard work Alibaba gradually expanded from the UAE to the GCC to LEVANT countries and Turkey and Africa.

Alibaba grew exponentially and became one of the top cloud service providers in the Middle East and Africa region and this region is becoming the fastest growing region across Alibaba international cloud market. Before I joined Alibaba I was also working for Huawei and Huawei Middle East office and China. This is about myself.

Today my topic is the challenges and opportunities in the Middle East and Africa digital transformation. Look UAE is on the rapid digital transformation journey across both public and private sectors. The country has made huge strides in the digital transformation and digitalization efforts. However, what I can see today there are still two key challenges that can be further addressed. The biggest challenge is the connectivity cost. UAE's bandwidth is one of the most expensive in the region and in the world per month the average price in UAE is about \$111, while our neighborhood countries and USA and China are about \$60 and \$12. So, this is a problem.

As you can see water flows from high points to low points in the physical world and also it's the same in the digital world. The data flows from high bandwidth cost regions or countries to low bandwidth cost places, and everybody now's talking about data hub both the leadership in the UAE and other countries in the region they would like to build the so called regional or global or data hubs. What are data hubs, data hubs are formed in places where cheap connectivity can be obtained.

I have many clients that voiced their concerns about the bandwidth costs. For example, many of the regional Internet companies which the top three or top five E-commerce companies in the region actually most of them hosted outside of the UAE but in Europe, Frankfurt or London. Why? Because the connectivity costs are two to three times cheaper, and plus that data is stored and used in Europe not in UAE. It will be a huge loss for UAE because without the data storage actually it will be difficult to build the ecosystem or data hub and it is very difficult to build the digital gravity to attract the regional and international Internet traffic.

Another problem besides the bandwidth cost is the interconnectivity between the UAE and neighborhood countries. As we can see the latency between UAE and Egypt is 164 latency. It's more than double the latency from Germany to Egypt. But actually, the geographic point of view from UAE to Egypt is much closer. Because there is lack of proper Internet peering between those two countries so the Internet route will go to Frankfurt first and then jump back to Egypt.

And also, the next challenge is the lack of digital talent in UAE. The higher education student is 300,000 but in which only 20% their majors are related to IT. However, as you can see here this is a comparison between UAE, China, Saudi, and also UK and China IT related graduates are more than 1,000,000. So the lack of the talents will cost high hiring expense for the technology companies I think probably YALLA as you just mentioned when you started to open up the offices in Dubai you met a similar issue. However, although despite many existing challenges I still see great potential in the region. This is our opportunity. This is more generalized stuff most of you guys you know this.

I would also like to address that in this region we have a population of almost 450 million and most of them speak Arabic. It's a decent population pool and tops the richest countries in the world. The GDP in Qatar, in UAE is one of the highest in the world and also the population is very young, almost 28% of population in the Middle East region is between 15 to 29, representing more than 100 million young people. And also, they're rich and they have time to spend.

Moreover, Middle East is the place with good Internet and mobile Internet penetration rate comparing

to the rest of the world. So, they have good access to Internet and also this place is lacking good local content. I think this is also one of the reasons that YALLA is rising in the last two three years. And also, as we can see the most popular mobile games or entertainment app downloads in the region just are from other countries for example from east or from West. However, very few local content is specifically developed for this region. Good content and good platforms are very rare. So that's the reason why I firmly believe that Yalla has a great potential and opportunities here.

And here I would like to talk about my personal engagement with Yalla and also Yalla's founding team in last 5-6 years.

When I joined, I still remember when I joined Alibaba in the year of 2015, actually digitalization and cloud technology were still a new concept for most of our clients. At that time, we did not have so many enterprise or government clients, most of our clients actually at that time were Internet companies or technology companies because most of them are like cloud native companies. They were starting to adopt cloud from the birth date, so from the year of 2015 to 2017 I've witnessed many star technology companies rising in the UAE. For example, YALLA company and another company I think you also mentioned OneMT. One of the largest SLG Arabic SLG games developer and publisher in the region, Noon, Talabat and some of them were Alibaba cloud clients.

I knew the founder Yang Tao personally. He's one of the earliest entrepreneurs who started to develop mobile entertainment apps to serve this region specifically. He is also the person who developed the first live streaming platform as Mr.Saifi just mentioned. It's called 7 Nojoom, meaning seven stars in Arabic before he started Yalla, this journey. Actually, my biggest regret in my life is or was not investing in Yalla in the early stage.

I still remember it was middle 2016 when Yalla finished the first draft of Yalla Live. At that time both Yang Tao and COO approached me, they said: look, I want to try Alibaba cloud but maybe my app is pretty small. We will start with like two cloud virtual servers. I said how much are you going to spend? They said probably \$500 but you need to give me some free of charge coupons. I said what? \$500. I asked what's the nature of your product? they told me it's kind of a voice chatting tool. Voice chatting tool? My understanding to it was like 20 years ago where you had chatrooms.

Frankly speaking, at that time I don't think it was a very sexy or attractive app. But I said look, I saw those two guys I read their resumes, they were good, and they were in the region for one or two decades especially Yang Tao. He tried to convince me that the feature of his product is the so-called companionship. You know Arabs, due to some religion or climate features here actually they fear being

lonely, they need some companionship. At that time the valuation was 30 million RMB which was 4.5 million U.S. dollars. They said if you're interested, maybe we can still negotiate because frankly speaking, in the market, there was no investor who was seriously interested and maybe we can compromise the valuation to 20 million which is 3 million U.S. dollars. But I was so doubtful, I missed Yalla. That is one of the biggest regrets in my life.

If I invested in Yalla, then I wouldn't have to work now. And even I still remember it was very difficult for Yalla, even for \$500 monthly for spending they asked me for coupons. So that is how difficult they started. But look at Yalla now. I witnessed the growing of Yalla in the last four five years.

Also there's a funny story about your Yalla. I still remember in the early 2018, one of your investors I think from SIG he came to me to my office and asked about my opinion about the Middle East region, and the technology firms. I gave him some very general introduction and then he secretly took me into the washroom and said: you know actually I was looking at Yalla, and this company looks good but my only concern at that time was the next day and 7<sup>th</sup> day retention rate look not that optimistic.

I firmly told him I already missed Yalla like two years ago and this team is one of the best teams in the UAE and also in the region. They had insights about this market and 100% devoted to local content and successfully transfers the demand into practical monetization, what we call business models. I told him I think they are capable of overcoming the challenges and will be able to deliver good products for the market in the very long run. And this is my understanding about Yalla business model, my personal understanding and especially about why chat room suits this region better than live broadcasting platform.

You see Yalla's business model is very decentralized, the chat room with a clear monetization strategy. It is not one host to one or not one to many.

Monetization is based on the self-identity and also gifting, chat room it's more suitable than live streaming in this region and catering for the local culture. For example, they built Arabic community to gather to share to send gifts and also Arabic houses you have the hosts, guests, majlis and you helped us to walk through in the previous video, they can purchase virtual gifts. And by the way, companionship is always important in their culture and also you have excellent customer service I think we have spent some time to introduce how you build your customer service team in the UAE and also across the globe and chat room is more trendy than the live streaming in Middle East.

So firstly, business model centralized versus decentralized, is not one man show, culture difference, privacy, monetization strategy and then about cost, because chat room they spent much much lower Internet traffic and also the lower cloud computing resources.

As I just introduced, in this region the connectivity cost is still very high can be like 2-3 or five times less than the live streaming platform.

So, let's also talk about this, it's like a commercial break, about Group 42 cloud. So, our vision is to be the world's 3<sup>rd</sup> cloud hub, in addition to US and China.

Cloud service provider leaders in the world are AWS, Azure, Alibaba, Huawei, Tencent, either from China or US. But I think because of the deglobalization trend is rising in the recent 2-3 years and can be lasting for the next decade. I think our vision is to be the most trustworthy cloud service provider in addition to either China or US. And we grew up from UAE and our vision is to expand in GCC, in Middle East Africa and then international.

Here is our key value proposition. We have the best cloud infrastructure in this region, we have already launched the 100 megawatts data center this is the largest hyper-scale cloud data center infrastructure in the region and one of the largest in the world and also we have very cutting edge technology in terms of cloud-stack, [inaudible] technology, enablement service and also we have supercomputing capabilities we have Artemus #26 out of top 500 high performance computer.

Also we have abundant offerings and also most important we have data sovereignty network and 24X7 security operation, and here are some of our cloud ecosystem partners including the range DOH, Schlumberger, MOE, Etisalat and others.

Thanks for your time I shared my personal story with Yalla and observation about Yalla hoping it would be helpful for you guys thank you.

**Mohamed:**

Thank you very much, Dan, for that insightful speech, we learned a lot about digitization in the Middle East through you, I would now like to reinvoke our president Saifi to conduct the Q&A session.

**Saifi:**

Thank you, Dan, for this interesting speech, you missed the opportunity of investment, but we are lucky to have an expert in this industry here with us today.

**Dan Hu:**

Saifi you ruin my day.

**Saifi:**

Well, we have a couple of questions for you, so the first one is What's the competitive landscape of MENA's local internet companies? And what would the trend be?

Dan Hu:

This is you know a very broad question and a very general question, but you know in my view we have many segments in terms of like e-commerce, social media, gaming, so and so forth. I would like to talk something about social media and gaming. Especially in gaming market, the size here in this region I think including Turkey is around 10 billion US dollar per year, more or less, and Turkey probably the largest market maybe 40% and then after that is Saudi and then followed by UAE. But if you look at the 10 top developers, I think it's like what PUBG from Tencent and then Yalla Ludo, then by some Chinese mobile game developer, and some of the developers from Finland, for example Supercell. So look before the rising of Yalla I think so it's either from US, China or Finland, but I think Yalla brought a new alternative to serve this market, due to your customization, your dedication and also your strategy in this region. I think still I think in the future still US or China or Finland developers will still be dominating, they still will be the mainstream, and also I think Yalla really will have a very unique value.

**Saifi:**

Interesting. thank you. You mention in your presentation of the high cost of bandwidth and here is the question about the same subject, and here is the question: Why is the bandwidth cost higher in MENA than in other regions around the world? And what would the cost trend be in the future?

**Dan Hu:**

I am not sure if I am the right guy to answer this question or not, actually it should be maybe from the telecom and regulatory authorities, maybe they would be the better guy.

**Saifi:**

How do you see the picture, of the trend itself?

**Dan Hu:**

For the trend definitely it will be going down, because all the leadership from the region this is you know everybody is seeing the rising of the new energy in the industries, right, Tesla along with also some other new energy car companies. This region is too much depending on the sale of energy, oil and gas, so everybody, our leadership of the countries actually they are looking for some transformation and also I saw a lot of vision 2030, from Saudi and also from UAE, so most of the country leaders, they do point out they want to build the so called digital hub, digital hub as I just introduced in my slides, you need to have a robust infrastructure, data center, cloud, everything, however, to connect the cloud to your end user, you'll need a robust telecommunication network and a very inclusive and affordable telecommunication charge, I think the leadership in UAE and also in neighborhood countries like Saudi are serious and they are dedicated to this journey and to this vision so that's the reason I think in the future or in the near future the telecom charge will be going down, at least if they want to lead the competition versus the regional countries and even versus the region neighborhood for example India, Singapore, Frankfurt, this is a must, this is not a better to have, this is a must do, so that's my idea.

**Saifi:**

No doubt, we have witnessed recently the announcement of the new 50 projects led by the UAE government and the majority talk about digital, coding and bringing skills into the country, also Saudi Arabia they launched recently .sa, which is a platform that accommodates all types of startups and inviting big companies to build their own labs and resources to be locally also in Saudi Arabia. Thank you, Dan, for being with us today, and you may go back to your seat, thank you so much.

**Dan Hu:**

Thank you Saifi!

**Mohamed:**

For the next section, we are quite excited to welcome our next guest Mr. Saeed Al Hamli on stage, welcome.

Hello Mr. Saeed, thank you for being with us today, we are quite excited to have you, before we start I'd like to give you all a brief introduction about our guest, Mr. Saeed.

Mr. Saeed Al Hamli is one veteran executive in the telecommunications industry.

In his early days, he was one of the early founders of Thuraya satellite telecommunications and he has held many roles. He was the CEO of Etisalat in Egypt. He has excellent leadership skills and wide experience navigating challenging environments; especially those concerning turn-around situations.

I now go back to our president Mr. Saifi for the Q&A session.

**Saifi:**

Thank you, Mohamed.

Hello Abou Hamad, first of all I would like to thank you for being with us today.

**Saeed:**

Thank you very much for inviting me and such a great audience and I think I've been blessed to know your team and your company. I guess you have done fantastically so far, so thank you very much for the invitation.

**Saifi:**

Thank you so much. So we knew each other for more than now 15 years, and honestly speaking we were learning from your leadership when it comes to your positions back in the telcos.

**Saeed:**

We are all learning

**Saifi:**

Exactly, and today we are happy that you are with us today talking about the new revolution moving from Telcos into the internet industry.

**Saeed:**

I would like also just to correct, I left Etisalat for now 5 years and I have developed and initiated my own company it's called Seattle and maybe you can look it up Seattle.ae that's our company and we are more into telecom and the technology services.

**Saifi:**

Interesting, we have a couple of questions for you.

And we want to know some insights from you on the UAE's local mainstream society think of digital entertainment, including social media, live streaming and mobile gaming?

**Saeed:**

Sure, as everybody knows UAE is a young country and we are actually developing our country and this is led by the government here, as you can see a lot of initiatives being done here, from the top all the way to the bottom, and if you want to really look at the UAE, you need to look at the market dynamics, you need to understand the UAE as a market, so we are actually forming a lot of, you know at the UAE actually a lot of expats and their total population is around 10 millions, and most of these people are actually using services as we speak. It is almost 100% or 99 point something percent but I think this is because the users are actually using more than 1 service or you know maybe more than 1 handset, and that's a clear indication that the usage of these kinds of services are actually at rise, it is increasing and it is actually increasing also in terms of consumption per user, around 3 hours per day.

Something happened you know during the COVID and you know I was trying to being optimistic myself in even my name Saeed I am happy, so the idea here is that when Covid came, the regulator, the telecom operators were very much flexible in changing the rules and regulations here in the country so that they adapted new rules and new regulations to soften up the use of the VoIP and the VoIP was before that maybe a little bit difficult to have. You can see nowadays for example Zoom, I remember before COVID, we were not able to use it for example with a mobile handset, but we were able to use it as a corporate or a company, maybe at home you can use it, but nowadays, COVID being with us, for example Zoom is available and it is being opened up for all the market segments.

Here also we are talking about the region, and I think in the region here we see growing need for the data, because if the young generation, the young generation is definitely not like myself, but they are more data savvy people and you can see also the market here for example Egypt, where I used to work there and I have good experience working in Egypt, and I can tell the young generation are consuming data services, really big time, you know a lot of services being provided there and you have also some talented innovative projects being generated and started up, actually in Egypt.

Basically we are as Arabs, I guess I can take it from Mr. Dan, we are very much social, we are socializing people, you know I guess this is true and I agree with you Mr. Dan, the Arabs, they like to be always with a companion, they have to always have something, if they don't talk to somebody they will talk to themselves, but you know it is true, and I agree with you, and it's like an opportunity for social network and social media really to grab, in the Arab region you have great deal of opportunity, so this is in brief answer to your question.

**Saifi:**

Interesting, as an Emirati Abou Hamad, is the digital entertainment facing any challenges from the tradition or the culture perspective.

**Saeed:**

Of course, as in any country there is definitely a challenge, keeping in mind that each and every country has its own unique specialty and cultural kind of needs in every different country. In our country here we have some special kind of requirements and need to be adhered to when it comes to any operator to come to our area here, and I think we share similar kind of cultures almost amongst all the Arab countries, because maybe of the language, maybe of the religion also, and there are maybe certain differences from one country to another but in general, I think there is definitely certain needs, I would say, for really adhering and respecting the cultural requirements.

**Saifi:**

Right, you touched the point of how the regulators are relaxing the regulations of VoIP and voice applications, so what's the regulators' opinion on this industry? Could you please introduce the regulatory structure for the internet industry in the region?

**Saeed:**

I think when you look at the regulations here, where it started, think we've taken it from the end where everybody has reached and I think it was a good opportunity here to really stop, you know the ministry of communication for example was there for some time but you know it was ended as they introduced the regulations and the TRA was introduced here in UAE, and they have built all the rules and regulations really to maintain certain solid kind of requirements, especially when it comes really to safeguard and security, you know the internet for example, the content, securing basically the customer information, their data, all of that. And the UAE, definitely they have a motive, they have a drive to drive the digitalization, or the digital transformation, and it has been led by top leaders in the UAE especially when it comes for example to Sheikh Mohamad Bin Rashed Al Maktoum and his initiative for the 1 million coder here in Dubai, specifically in Dubai, thus shows the intention and shows the drive from the UAE government you know to install, to really build the digital society and basically transformation here in UAE. And I think you know the regulator is a product of the government's intention, and I think there is you know a driver behind them really to meet, you know from the operator point of view, all the operators, and will be also serving the customer from the other end, and I can see them actually being situated in the middle, between the 2 entities, maintaining the balance between the telecom operators or operators in general and from the other perspective which is the customer and of course they have the government intention and drive that steer their strategy and their current direction.

**Saifi:**

We have couple of questions from the Q&A section. The first one is also about the regulation. How does the mainstream or local regulator think about Yalla?

**Saeed:**

Of course Yalla is new here in the region and I think the regulator encouraged having such content because otherwise you would be substituting it in with something maybe outside the region and it's important to have something that has the flavor of our region and the flavor of our culture and all and I can see from the faces here, you have really matched that, you have some of the Arabs, and of course we don't forget our friends from China, but you know the Arabs are actually very very important you know to have the understanding of the culture needs here. So I think they are great here to have encouraged such project.

**Saifi:**

Interesting, one more question,

According to your experiences, what kind of products will you recommend companies to avoid from in MENA? Or what kind of products may be more easily accepted in the region?

**Saeed:**

I think this is a clear question and the answer is even clearer, if you want to be successful in our region you want to adhere to our you know regulations, this is number one and the regulation is stamped from the principle and the teaching of our religion as well as the culture. I don't see a difference between religion and culture by the way they are actually one, and if you want really to be successful you want to adhere to such regulations. If you want to do something else, it will be banned and it will not be allowed here and then you can see that there are some social media and some social networks have been banned here, because of their content, because of their inappropriate kind of material they are actually providing, maybe it is approved and it is okay somewhere else in the world, but then in our region here it will be stopped. However, you can see there is certain moves, and I think it is a trend of learning a trend of understanding, and the way we look at it from the regulator point is that let us control it, and then allow it as we are learning, as we are moving towards you know the time and the understanding even more and more we can redefine the regulations and really regulate the system in a more clearer picture, when you understand more, then you have a better way to regulate it that's the way, and not really to open up all the services and try to cut it down but I think it is the other way around where it has been permitted as per the understanding and growing and as time is going we can have a better understanding of those young services and then accordingly you can be allowed.

I think this is the very obvious way that I can see from the regulator and I can tell a story which happened 2 weeks ago, where my kids were having actually the Teams for school and they were watching the teachers using the Teams service and all of a sudden there was a screen pops up, and it has a certain not really good content, pornography and all of that and they tried to stop it with their nannies and they took them to another screen where it says this is the Abu Dhabi government and you have to pay a fee, because you have entered this forbidden location, otherwise you'll be fined 50 thousand dirhams. Then what I did, we took a picture of that, and I sent it to my friend Mr. Al Mesmar the CEO of TRA and I told him please do something about it, so they have taken an action, and I guess this is something you need to really be aware of and I think we have an action, we have somebody who can take an action immediately, I think our TRA they have capable people, and they have control over these.

**Saifi:**

Interesting, as you mentioned content monitoring is very important for the success of any social media app in this region.

**Saeed:**

Sure.

**Saifi:**

And understanding the culture or the attributes of the way of how we have our own lifestyle is what can make a successful app from a not successful app. Mr. Saeed thank you so much, for being with us today, thank you.

**Mohamed:**

Okay we are now at the final panel session for today, let's all welcome our 2 guests, Mr. Sherif Abdel Baqi, and Saeed Taher.

Before we continue, please allow me to introduce our 2 distinguished guests. Mr. Sherif Abdel-Baqi is the Vice President of the Arab Federation of Electronic Games, the president of the Egyptian Federation of Electronic Games as well as Editor-in-chief of Al-Ahram Al-Iqtisadi and Loghat Alasr magazines. Mr. Saeed Ali Mohamed Taher is the Secretary General of the Emirates Electronic Sports Association. He is also the founder and CEO of Saeed Ali Mohamed Taher Advocates and Legal Consultants.

Please note that this panel will be conducted fully in Arabic for your convenience, our colleague Moe, will translate Mr. Sherif and Mr. Saeed's answers into English through the zoom app. Please allow for some delay, now back to our president Mr. Saifi.

**Saifi:**

Thank you, Mohamed.

Mr. Sherif and Mr. Saeed, thank you for joining us.

We are so glad to have you here today representing the eSports associations in both the UAE and Egypt. We have seen lots of movement into this domain so far and we have seen each and every country building its own eSports associations and supporting the tournaments and the digital economy behind all those aspects.

I will turn to speaking in Arabic.

We would like to ask Mr. Sherif about what is the market potential, and what are some of the most popular type of games in this area? Did you receive any feedback regarding Yalla? And finally, what do people think of Yalla in the gaming industry?

**Sherif:**

All of this?

First of all, I would like to thank Yalla for asking me to participate. We, as the Egyptian Federation of Electronic Games, along with the Egyptian government, that the market for electronic games is very important not only to create innovation and entrepreneurship but extends to all aspects of the digital economy. Our view was to regulate and organize this economy so that we are able to serve the investors in this domain. This sport should be the same as other sports federations with the goal of organizing and help spread the popularity of this sport, not just to organize or increase the popularity but to do both.

Here, the Egyptian Federation of Electronic Games assumed its rule as it is known that from Egypt's population of 110 million, about 70% are below the age of 35 years old. We are at almost 100% when it comes to using mobile devices and the apps within them. This ready infrastructure along with the large population makes us feel the responsibility of spreading this type of sport that, again, serves the digital economy.

With regards to the last part of your question, about how do I see Yalla. We see it as a spark of hope in terms of enabling young Arabs to be developers, organizers, and gamers to be able to enter this domain

and be a part of it. So, Yalla is to us this spark of hope that we expressed to developers, startups, programmers, and those working in outsourcing around the world.

We have a presidential initiative to train 10,000 developer that was announced three years ago that also included creating 100 companies to lead Egypt's role in Africa in this type of economy.

From here, I return to Yalla. We told the youth that when we spoke about this economy and its importance, and its adoption by the Egyptian presidency, that this initiative has hope as we have seen Arab youth that have succeeded, which confirms our point of view. And we hope for more success in the future.

**Saifi:**

That's great!

Here, I go to Mr. Saeed. My question is could you please talk about the regulations? What's the government's attitude towards e-games? And what policies or support have you seen from the government? How does this relate to the younger generation in the MENA?

**Saeed:**

First of all, I would like to thank Yalla Group for allowing me to participate in this session.

To begin with, we would like to start talking about the government's support. We, the UAE Federation of Electronic Games, are like the other sports federations like football, basketball, and volleyball. So, we are responsible for regulating and organizing electronic games and its competitions in the UAE. We are recognized by the authority regulating sports in the country.

Of course, the realm of electronic games is very large and has attracted the attention of many whether it is children, teenagers, adults both male and female. This has made us regulate the sport in terms of rules and policies, as well as what is allowed and not allowed.

The government like you have kindly mentioned recognized this federation and accepted it as part of the various sports in the country. This type of sport is new and will continue to attract more organizers, developers, and publishers of games.

Today, our goal is to eliminate the random practices that happens in this sport in the UAE by working with other authorities in the UAE, the local and federal governments, as well as the tourism boards in

the country to consult and collaborate with us so that we can avoid any negative aspects that this sport faces.

**Saifi:**

Ok, my question is if this sport is connected to teenagers only? You have mentioned that electronic games are now popular across a wide spectrum of the public. But, what is the role of teenagers in this digital economy?

**Saeed:**

At the moment, the teenagers in electronic games are split into two groups. One group wants to entertain, to enter competitions, and to win prizes.

But there is also another group that have some intelligent characteristics and are at an early stage. This group gets interested in programming, producing games, and communicating with global companies to explain their goals within the electronic games industry. So, their role is not what we usually have which is that teenagers are addicted to video games and wasting their time. Not at all. Teenagers have become quite developed in this sector and have seen it as a job sector where they can be professionals.

**Saifi:**

Mr. Sherif, my question is, in your opinion, what type of games will continue to be favored by users in MENA in the future? What kind of companies will have better opportunities to grow in this market?

**Sherif:**

Before I answer your question, I would like to add to what my colleague Saeed has said about teenagers. It is not only teenagers but also adults. The most famous picture before the events of 25 January (in Egypt) was of the Egyptian Prime Minister pictured in the Egyptian parliament whilst playing a video game. It was Dr. Ahmad Nazeef, who I send my greetings to. A cameraman in the parliament was able to take this picture while he is gaming.

In a similar manner, Angela Merkel won the elections with her party. She had aged and wanted to tell the German public that she is aware of gaming. Her most famous picture was her holding the PlayStation joystick and playing PlayStation. This confirms that teenagers, adults, and world leaders play games. She told the German youth that we are giving benefits to attract the youth and game developers from around the world and provide them with the best incentives. She also said that to conserve Germany's cultural, social, and economic identity, who hold their identity very dear, to give benefits to all developers in the world.

So here, we are aware of our responsibility in raising this awareness with regards to not only organizing electronic games events and competition but also communicating with the parliament and the related authorities who are asked us to help include within the digitalization that Egypt is currently witnessing to also include electronic games.

As my colleague Saeed is saying, there is chaos at the moment. And traditional sports look at us assuming that we know what is going on within our sport but I tell them that we are the only federation that does not know about some of the competitions taking place, but the youth are aware of them.

With regards to your question about the most favored games by users, there are no games that are not popular in Egypt. Why? We have a large gaming community, and each game has its own community. We in Egypt in the upcoming period are focused on 4,300 youth centers around all of Egypt. 1,300 sports club that we hope will turn amateurs into professional players.

Yalla and applications like you are doing a great job in terms of popularity and getting people to socialize and meet online.

However, in order to elevate electronic games in the region and gain recognition from global entities and competitions, we have organized teams by each of the sports clubs and organizations.

The other good thing I would like to tell you also is that we, along with the Ministry of Youth and Sports in Egypt, started recognizing the electronic sports clubs that are treated as companies. We talked to the government and explained that we must recognize the teams that are formed online.

We were able to win college competitions in Spain. Today, I was in touch with the Ministry of Youth and Sports to talk about two Egyptian teams that are currently competing in Turkey and there was some delay as to when it will be starting as it was supposed to start on 25<sup>th</sup> September.

So, there is a lot of interaction about the sport, so we need to enhance this by increasing our relationship with publishers to understand our roles as national electronic games federations and to have an organized sport. It has to be organized.

This is where we extend our hands to Yalla, app developers, and investors from around the world and the region so that, along with the national electronic games federation, we are able to get that global recognition that will affect all financial and regulatory aspects of this industry.

**Saifi:**

Sounds great. Final question to you, Mr. Saeed. In your opinion, what are some of the initiatives Yalla could attempt in the gaming market?

We have created Yalla Ludo and Yalla Baloot which are considered casual games. Where would you like to see Yalla within the electronic games industry?

**Saeed:**

Before I answer your question, I would like to add to what my brother Mr. Sherif has said about the most popular electronic games with the youth. We cannot say that there is a specific game. Today, a game can be popular, and a trend can be set aside and another one takes its place.

For example, there is now a game by Riot Games called Valorant. This is done by the same company that does League of Legends. Valorant today is the trend. When we took the opinion of the youth in the Emirati Festival for Electronic Games 2021 and asked them about what they think about the DOTA 2 competition that the world federation of electronic games will be organizing, they answered that instead of DOTA 2, we would like you, the UAE Federation of Electronic Games, to bring us a competition about Valorant. We had over 38 teams participate!

So, today, there is no set criteria to measure the popular games. There are games that come and go. Having said that, the trend that keeps coming back and will remain in the future is the one related to football games. These are PES and FIFA. These games will continue to be popular all around the world and these companies, whether Konami that publishes PES or EA Sports that publishes FIFA, are continuing to improve these games and adding new features.

Back to your question, Mr. Saifi, about the initiatives Yalla could attempt in the gaming market. In my opinion, I see that Yalla has a golden opportunity. We are very happy that Yalla is an Arab organization that entered this field, and we hope it continues to succeed and compete with foreign companies. I invite you to enter into an MOU between Yalla and the UAE Federation of Electronic Games so that in the future all our competitions are under the sponsorship of Yalla. Yalla's logo would be advertised across our competitions. Another suggestion is that Yalla can help organize local, regional, and global competitions along with the UAE Federation of Electronic Games.

We can also collaborate in training the youth whether that is with regards to being future programmers or developers. We can also organize seminars and conferences that raises awareness about electronic

games that would attract the youth to attend these events and raise their awareness about electronic games.

**Sherif:**

Of course, when he says to collaborate with the UAE, he means Egypt and UAE as we are one.

**Saifi:**

Thank you for this delightful session and thank you for all the information. Thank you also for your efforts in growing the electronic games industry.

Thank you for being with us today.

Thank you everyone and this last panel brings a close of our Analyst Day. I want to thank you all once again for attending our call today.

Thank you, our important users, for sharing your experiences with Yalla Community. And thank you, our distinguished speakers. Your wonderful speeches from local perspectives demonstrate a more comprehensive and promising MENA market.

And here I also want to express my gratitude to all my colleagues for preparing this event. Your eagerness and hard work always impress me. I feel so honored to work with you and to lead this team.

Finally, and most importantly, I want to thank all investors and analysts for attending this event today. We hope this was an informative and inspiring event for you all. We look forward to having you with us again in the next event. And now I'll turn it over to Kerry. Thank you.

**Kerry:**

Thank you Saifi. I would also love to say thank you to all investors and analysts for attending our first analyst day. We really appreciate your valuable time and interest in our company as well as to this market with great potential. For your convenience, we will share related resources, including a transcript for today's event, as well as video clips later. Please feel free to let us know if you have any further questions, and we are always here happy to help.

Thank you once again for spending your time with us today. Have a great day, and we look forward to talking to you again in the near future.

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