

# Q1 2026 Earnings Call Management Prepared Remarks

## 01 Introduction (Presenter: Daniel Gao)

Hello everyone and thank you for joining us on UCLLOUDLINK's first quarter 2026 earnings call. The earnings release and our earnings presentation are now available on our IR website at [ir.ucloudlink.com](http://ir.ucloudlink.com). Joining me on today's call are

Mr. Zhiping Peng, co-founder and chairman of the board of directors;

Mr. Chaohui Chen, co-founder, director and chief executive officer, and

Mr. Yimeng Shi, chief financial officer.

Mr. Chen will begin with an overview of our recent business highlights. Mr. Shi will then discuss our financial and operational highlights for the quarter. They will all be available to take your questions in the Q&A session that follows.

Before we proceed, please note that this call may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and observations that involve known and unknown risks, uncertainties and other factors not under the company's control, which may cause actual results, performance, or achievements of the company to be materially different from the results, performance, or expectations projected or implied by these forward-looking statements.

All forward-looking statements are expressly qualified in their entirety by the cautionary statements, risk factors, and details of the company's filings with the SEC. The company does not assume any obligation to revise or update any forward-looking statements as a result of new information, future events, changes in market conditions or otherwise, except as required by law.

Please also note that UCLLOUDLINK's earnings press release and this conference call include discussions of unaudited GAAP financial information and unaudited non-GAAP financial measures. UCLLOUDLINK's press release contains a reconciliation of the unaudited non-GAAP measures to the most directly comparable unaudited GAAP measures. I will now turn the call over to Mr. Chen. Please go ahead.

## 02 Company Overview (Presenter: Chaohui Chen)

Thank you, Daniel, and good morning or evening everyone.

We delivered total revenues of US\$16.9 million in the first quarter of 2026. This result came despite significant external headwinds—including macroeconomic volatility, weak travel demand, rising energy prices, memory chip cost increases, and conflict-related supply chain disruptions. More importantly, our new product lines have continued to warm up and scale, gradually offsetting the negative impact on our traditional business from these external headwinds.

With the continued ramp-up of new products such as the *PetPhone*, and *UniCord Pro*, revenues from our new business lines are increasing following an initial market warm-up period over the past two quarters. Each of these new products continued to make significant strategic progress during the quarter, laying the groundwork for accelerated commercial momentum going forward. Overall, our three new growth engines - *GlocalMe Life*, *GlocalMe IoT*, and *GlocalMe SIM* - delivered remarkable year-over-year revenue growth of over 400%, 300%, and 170%, respectively. To accelerate commercialization and capture early market leadership, we strategically increased marketing spending during the quarter on the *PetPhone* and broader *PetPogo* ecosystem. While these investments will temper near-term profitability and cash flow, we are confident they will yield substantial long-term payoffs and contribute to sustainable growth going forward.

I'll now review the highlights for each of our key business lines.

I'll start with the *PetPogo* ecosystem. Building on the exceptional global media attention and market validation received at MWC 2026 and CES 2026 with the unveiling of our *PetPogo* ecosystem and the all-new *PetCam*, we launched the beta version of the *PetPogo* app during the quarter. This differentiated and pioneering 'AI-powered + Social' platform for the pet technology industry leverages AI technology and the *PetPhone* to enable pets and their owners to communicate seamlessly. By effectively transforming the pet ownership experience into an interactive, social, and connected community, we are fostering unparalleled engagement and continuous interaction. *PetPogo* also allows pet owners to manage their pet care journey across three stages: before, during, and after daily activities. This social platform is expected to complete commercial validation in Q2 2026 and begin driving growth starting in Q3 2026. During the quarter, average monthly active user (MAU) reached 1,397, and early beta feedback has been overwhelmingly positive, reinforcing our confidence in its user adoption and strong growth potential.

Moving on to our *GlocalMe* Life business line, we continue to drive exponential growth with industry-first innovations. Our *UniCord Pro* gained strong traction during the quarter, with sales volume and market adoption accelerating rapidly. By enabling a lighter, more convenient lifestyle with secure and reliable connectivity—freeing users from cumbersome devices while ensuring seamless, protected experiences—*GlocalMe* Life solutions saw average daily active users (DAU) during the quarter increase 559.9% year-over-year.

Turning to *GlocalMe* Internet of Things (“IoT”), our forward-looking strategy is already beginning to generate initial results. The business maintained its strong growth trajectory, with user adoption and revenue contribution continuing to expand rapidly year-over-year. We continue to solidify our strategic position to capture additional market share in high-growth sectors such as in-car infotainment and security cameras. Average DAUs for *GlocalMe* IoT increased by 246.5% compared to the first quarter of 2025, and as of March 31, 2026, our total IoT solutions install base reached 2.93 million.

For our *GlocalMe* SIM business line, our *eSIM TRIO* solution continues to gain strong traction and growth momentum, with average DAUs increasing 193.6% year-over-year during the quarter. This validates both our carrier partnership model and its market positioning as a permanent secondary SIM for users. Furthermore, our carrier co-issuance program has begun pilot deployment, providing a highly effective, low-capex solution for operators that enhances their global roaming capabilities. This model is gaining strong traction and is welcomed by both operators and users, confirming a robust product-market fit.

Lastly, the launch of our cutting-edge *MeowGo G50 Max*—the world's first sky-to-ground integrated mobile connectivity hub—is expected to serve as a powerful growth engine for the coming quarters. The *MeowGo G50 Max* is redefining connectivity when it matters most. In conflict-affected markets with disrupted terrestrial networks, its resilient connectivity is a critical differentiator. Powered by our AI-driven *HyperConn*® technology, it seamlessly switches between terrestrial, in-flight, and home Wi-Fi, creating a unique "One Hub, Global Freedom" experience. It also enables satellite-based two-way messaging and Emergency SOS, extending connectivity from oceans to deserts. We expect this product to reach commercial deployment in the second of 2026. Looking beyond its market potential, the *MeowGo G50 Max* not only represents our high-end brand aspirations, but also our focus on driving increased sales and elevating our brand across the entire portfolio of mobile connectivity solutions.

Looking ahead, we remain in the early, high-growth stages of our transformation. Throughout 2026, we will continue investing strategically in our new growth engines.

The strong market validation from MWC 2026 and CES 2026, positive *PetPogo* beta feedback, and sustained momentum in *GlocalMe* IoT demonstrate how our diversified business strategy remains firmly on track. Looking at the coming quarters, we expect our traditional business to gradually stabilize, reaching a level where further downside is limited. At the same time, our new business lines will continue to grow, driven by ongoing product ramp-ups and market adoption. Together, if this dual momentum—our traditional business stabilizing and our new business scaling up—continues as we expect, it is expected to further offset the external headwinds that have impacted our performance. As a result, we believe the second quarter of 2026 will be turning point in our overall business trajectory with a return to positive year-over-year growth.

We are building toward sustainable growth by scaling our user base globally and bridging the digital divides in cross-border connectivity as well as the emotional distance between people and their pets, while creating long-term value for our shareholders.

With that disciplined optimism in mind, we are confident that we have the right strategy in place to drive sustainable growth going forward. For the second quarter of 2026, we expect total revenues to be between US\$19.5 million and US\$22.5 million, representing an increase of 0.5% to 16.0% compared to the same period of 2025.

I will now turn the call over to Mr. Shi.

## 03 Operational Highlights and Financial Results (Presenter: Yimeng Shi)

Thank you, Mr. Chen. Hello everyone, I will go over our operational and financial highlights for the first quarter 2026.

Average daily active users (“DAU”) and monthly active users (“MAU”) represent the average number of unique users engaging with our *GlocalMe* services on a daily and monthly basis, respectively. Both metrics showed strong growth momentum in the first quarter. Average DAUs in the first quarter were 354,789, representing an increase of 10.2% from 321,836 in the first quarter of 2025. *GlocalMe* IoT, *GlocalMe* SIM and *GlocalMe* Life all delivered significant gains, with average DAUs up 246.5%, 193.6%, and 559.9% respectively, from the same period last year. Average DAUs from our *GlocalMe* Meowgo business declined by 5.8% year-over-year.

Average MAUs were 737,274, representing an increase of 6.0% from 695,599 in the first quarter of 2025. Average MAUs from our *GlocalMe* IoT, *GlocalMe* SIM and *GlocalMe* Life business lines saw increases of 142.1%, 76.8%, and 609.0% respectively, from the same period last year. Average MAUs from our *GlocalMe* Meowgo business decreased by 7.3% year-over-year.

In the first quarter of 2026, average DATs were 327,615, with 13,414 owned by the Company and 314,201 not owned by the Company, representing an increase of 6.1% from the first quarter of 2025. During the quarter, 58.6% of DATs were from uCloudlink 1.0 international data connectivity services and 41.4% were from uCloudlink 2.0 local data connectivity services. In March 2026, the average daily data usage per terminal was 1.57 GB.

Average MATs in the first quarter were 702,805, representing an increase of 7.7% from 652,810 in the first quarter of 2025. Growth was driven by strong momentum across our three new growth engines with average MATs for *GlocalMe* IoT, *GlocalMe* SIM and *GlocalMe* Life increasing 135.0%, 74.1%, and 806.1%, respectively, from the same period last year. Average MATs from *GlocalMe* Meowgo business, which we previously referred to as *GlocalMe* mobile/fixed broadband business, decreased by 4.1% year-over-year.

As *PetPhone* is a newly launched business, we only just began to see user adoption and engagement grow during the quarter. In the first quarter, average DAUs and MAUs were 1,097 and 1,397 respectively, while average DATs and MATs for *PetPhone* reached 368 and 789, reflecting the growing traction of this new offering.

As of March 31, 2026, the Company had 212 patents, with 183 approved and 29 pending approval, and a pool of SIM cards from 397 MNOs globally.

Total revenues for the first quarter of 2026 were US\$16.9 million, representing a decrease of 10.1% from US\$18.7 million in the same period of 2025. Revenues from services were US\$13.3 million, representing a decrease of 6.3% from US\$14.2 million in the same period of 2025. Revenue from services contributed 78.9% of total revenues during the first quarter of 2026, compared to 75.7% in the same period last year.

Geographically speaking, during the first quarter of 2026, Japan contributed 32.0%, mainland China contributed 30.3%, North America contributed 17.3%, and other countries and regions contributed the remaining 20.4%, compared to 40.4%, 31.2%, 12.9% and 15.5%, respectively, in the same period of 2025.

Our gross profit was US\$8.3 million, compared to US\$9.7 million in the same period of 2025. Overall gross margin in the first quarter of 2026 was 49.1%, compared to 51.7% in the same period of 2025. Gross margin on services was 54.5% in the first quarter of 2026, compared to 57.3% in the same period of 2025.

Excluding share-based compensation, total operating expenses were US\$10.8 million, compared to US\$9.9 million in the same period of 2025.

Net loss in the first quarter of 2026 was US\$3.5 million, compared to a net loss of US\$0.6 million in the same period of 2025. Adjusted EBITDA was negative US\$2.0 million in the first quarter of 2026, compared to positive US\$1.4 million in the same period of 2025.

For the first quarter of 2026, we recorded an operating cash outflow of US\$8.7 million, compared to an inflow of US\$0.2 million in the same period of 2025.

For the first quarter of 2026, our capital expenditures were US\$0.03 million, compared to US\$0.3 million in the same period of 2025.

Turning to balance sheet items, our cash and cash equivalents were US\$28.0 million as of March 31, 2026, compared to US\$32.8 million as of December 31, 2025. We continue to strengthen our financial position and believe we are well positioned to drive continued growth in our business.

With that, operator, let's open it up for Q&A.

## 04 Closing Remarks (Presenter: Daniel Gao)

Thank you once again for joining us today. If you have further questions, please feel free to contact U-CLOUDLINK's investor relations through the contact information provided on our website or speak to our investor relations firm, Christensen Advisory. We look forward to speaking with you all again on our next quarterly call. Thank you.