

(Nasdaq: UCL)

**4Q and Full Year 2021 Earnings
Conference Call Presentation**

March 2022

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The logo for uCloudlink features a stylized 'u' in red on the left, followed by a black circle containing a red vertical bar and a red dot. To the right of the circle is the text 'uCloudlink' in black, with a red Wi-Fi symbol above the 'd'. The word 'Overview' follows in a larger black font.

uCloudlink Overview

(Nasdaq: UCL)



Connecting and Sharing without **Limitations**

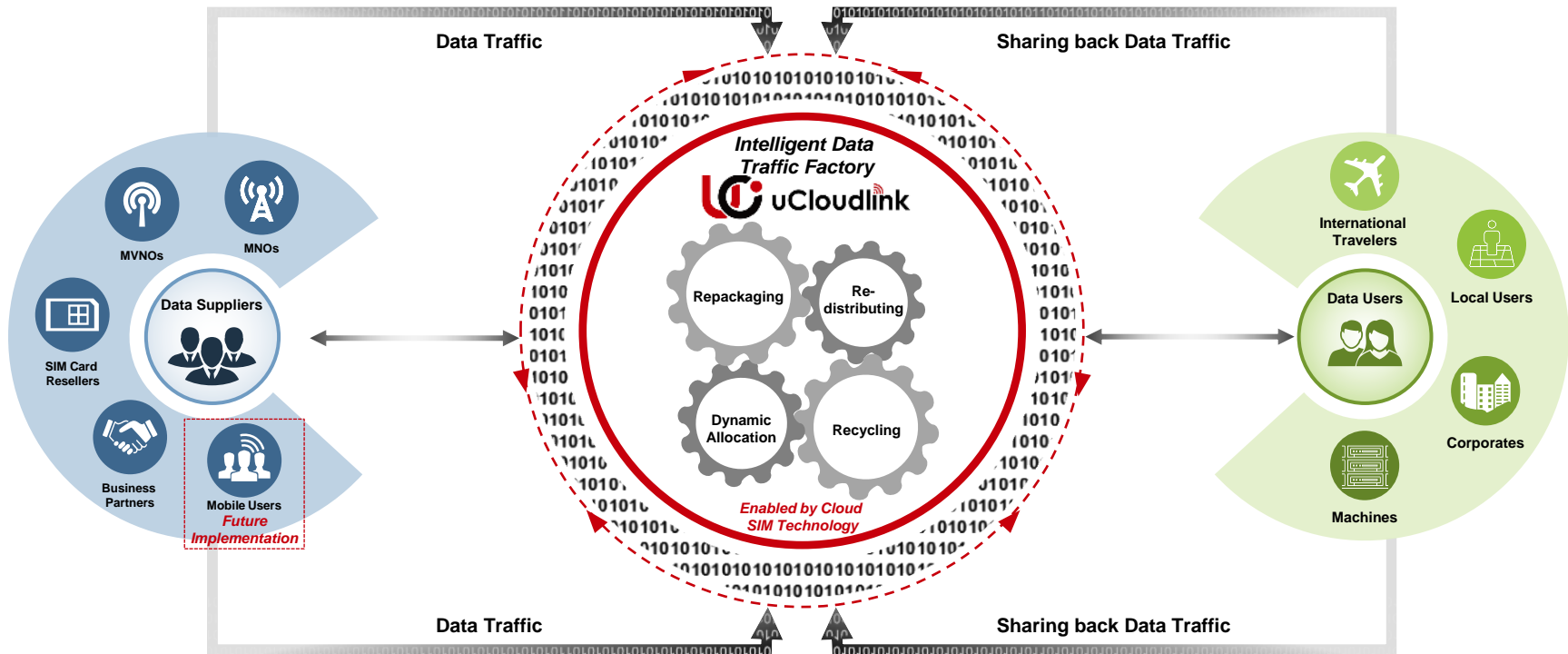
Mission Statement

To **Make the World More Connected** with **Maximized Network Utility** through the **Power of Mobile Data Traffic Sharing**

Founders' Story: "To enable people to use mobile data traffic freely anytime, anywhere like breathing the air"

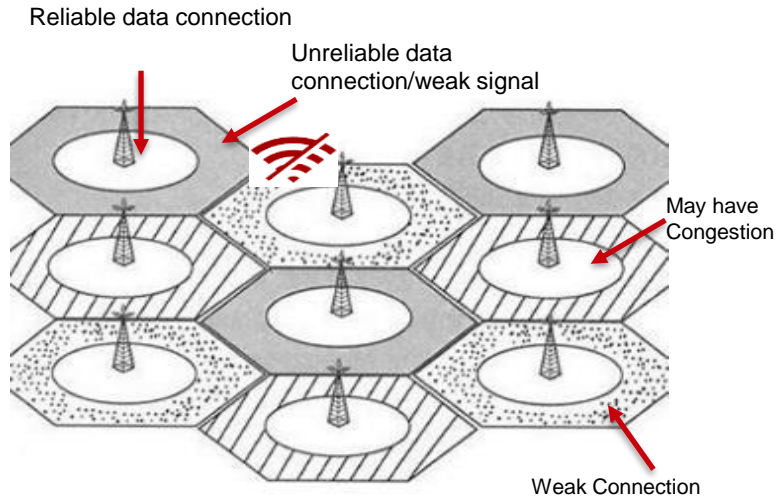
The World's First and Leading Mobile Data Traffic Sharing Marketplace

(Nasdaq: UCL)

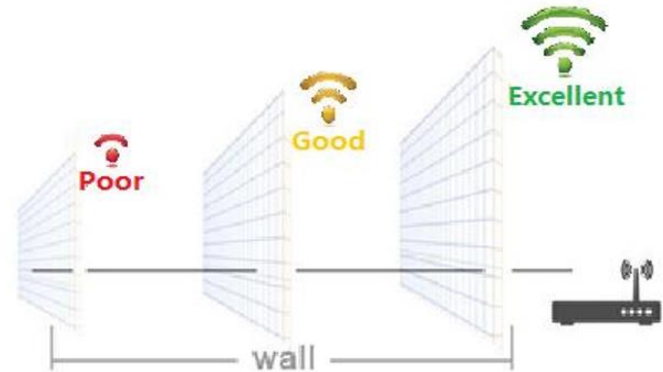





- Best Coverage
- Best Speed
- Best Price
- Flexible Solution
- High Throughput

Challenges for Mobile Network Operators



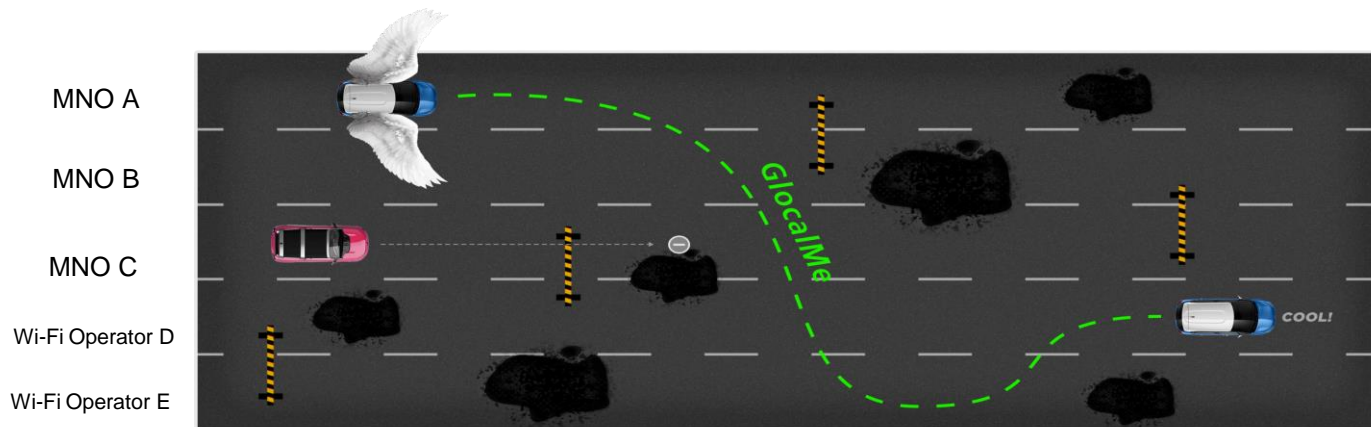
Unreliable Indoor Wi-Fi Coverage



- **Poor coverage** 
- **May easily have congestion** 
- **Capital Intensive** for MNOs 
MNOs

Better Data Connection for MNOs and Users

Effectively help improve networks' coverage and congestions indoors and outdoors



- Uses existing coverage to create more reliable data connections; help Operators and Users **Better 5G Data Connected**
- **Seamless coverage** for end users; solves pain points such as roaming and international travel
- Mobile network partners can **improve user experience** without expensive upgrades to existing infrastructure
- Market to industries requiring **high-quality data connectivity** (such as education)
- **Improved overall network efficiency** and access to all networks available worldwide like “**Navigation + Electronic Toll Pass**”

Our Rooting Technology Enabling Data Traffic Marketplace (cloud SIM)

(Nasdaq: UCL)

Two Key Passes:

1

Global roaming pass: Seed SIM

2

Local data connectivity pass: SIM Pool

5

Authentication response of the remote SIM stored in the chipset to enable local connection to be established

1

Seed-SIM sends initial signal to server, including location and authentication details from available network

2

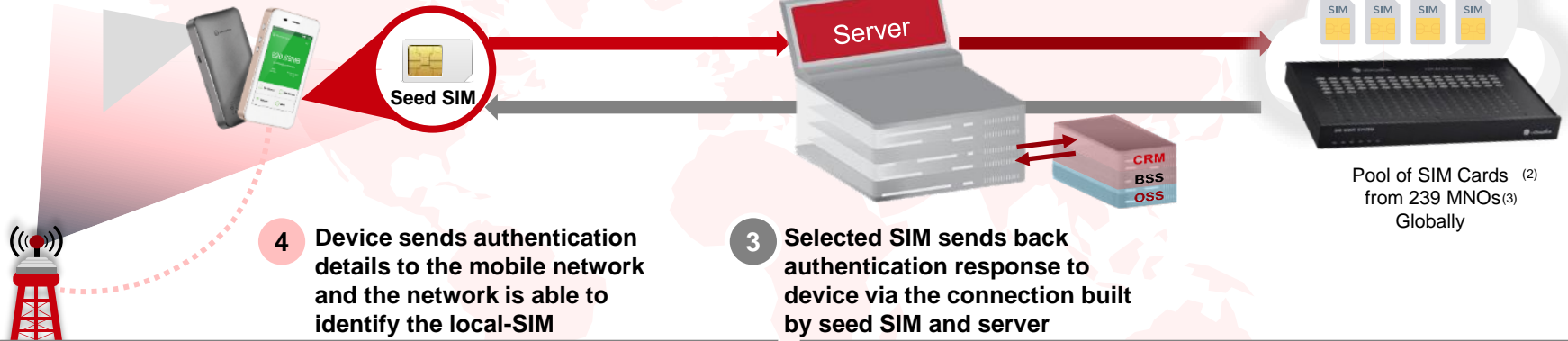
Server identifies SIM in the SIM pool with the optimal connectivity service

3

Selected SIM sends back authentication response to device via the connection built by seed SIM and server

4

Device sends authentication details to the mobile network and the network is able to identify the local-SIM



179 Patents (1)

Software-based

Ready to Support All Three Generations of our Businesses

Notes:

- 1. As of December 31, 2021, with 100 patents approved and 79 patents pending approval, globally
- 2. As of December 31, 2021, among these SIM cards, c.25% are owned by the Company with remaining SIMs owned by our business partners
- 3. As of December 31, 2021

Our Advanced Technology Enabling Secured and Robust Connectivity (Hyper-connectivity “HyperConn”)

(Nasdaq: UCL)

Cloud SIM Developed to HyperConn Stage and HyperConn™ products delivered to various markets during the fourth quarter of 2021 and more innovative products and services are in the pipeline, with continuous development of 2.0 business, GlocalMe Inside, Wireless Networks, Education, Autopilot, Internet of Things, etc.

5 Crosses

Physical media



SIM Form Factors



Carriers' Networks



Cross Countries



Cross Layers



3 steps

3. Optimization/Acceleration

2. Monitoring/Evaluation

1. Identification/Scan

5G

4G

Wi-Fi

Wireless Networks

...

Fast Multi-network
Reselection, 5G Applications
Require HyperConn

Intelligent Navigation
through PaaS/SaaS platform,
Secured Network
Connectivity

Compatible with Variety of
Industries Requiring Secure
and Reliable Connections

Paving the Way for 2.0
Business, Further
HyperConn™ Products
Launch

The Evolution of cloud SIM and HyperConn Business Models

(Nasdaq: UCL)

Increasingly Platform-centric

B2C Retail

uCloudlink sells or leases GlocalMe hardware and data packages to retail consumers



Proven Cloud-SIM
Technology, Scalable,
Profitable Business Model

B2B2C Wholesale

uCloudlink sells GlocalMe hardware and data packages via local Business Partners



Expedite Global Expansion,
Pool of **2,000+** Local
Partners⁽²⁾

PaaS/SaaS Platform

uCloudlink's partners procure customized ODM⁽¹⁾ hardware and purchase data packages from UCL and own sources. Partners rely on uCloudlink's PaaS/SaaS platform for SIM management



Rapid Expanding Global Partner
Ecosystem, SIM Securely Locally
Hosted by Partners
C2C/C2B2C/B2B2C Models

Note:

1. Original design manufacture

2. As of December 31, 2021

Clear Growth Strategies Across Business Models

(Nasdaq: UCL)

Between Countries



Strengthen Leadership Position



Single Operator Entry Point to Access all Available Networks Globally



Innovative Global 5G Roaming Solution



Expand eco-system: expanding globally backed by our PaaS and SaaS platform.



Enhance Service Quality with improved network connectivity, quality and speed

2014

c.US\$35bn *

2023E International Data Roaming Market size



Between Carriers



Capture Local Data Connectivity Market Opportunity



Single Operator Entry Point to Access All Locally Available Networks



GlocalMe Inside App

embedded, low friction, to become standard for local data connectivity



Strategic Partnerships

Cooperation with MNOs, MVNOs and smart device manufacturers to increase user base. Business partners can manage business to provide better data connection services to end-users via our PaaS and SaaS platform



Localize Operations in key

markets by leveraging expertise of strong local business partners

2018

c.US\$1,149bn *

2023E Local Mobile Data Connectivity Market size

Full Marketplace



Data Traffic with Massive User Base



Capitalize **Scalable** user base accumulated through uCloudlink 1.0 and 2.0 models



Tested users access to **Complete Data Traffic** in trials and eliminate wastage



Gateway to **Digital Mobile Ecosystem** offering opportunities for VAS deployments

*Finalized prototype APP in 2019



Notes:
* According to Frost & Sullivan

Unique Business Model with High Barriers to Entry

(Nasdaq: UCL)

Telecom Class Service Quality



Proprietary Technology

179 Patents ⁽¹⁾

Such As Our Innovative
HyperConn Technology
Solution



Team & Talent

237 R&D Staff ⁽²⁾
**160 business development,
Sales and Marketing** ⁽²⁾
**94 Administration and
Management Staff** ⁽²⁾



Operational Track-record

7+ Years



Strategic Global Partnerships

**Business
Across 54 Countries and
Regions** ⁽²⁾
**Major Markets such as US,
China, Japan, Southeast
Asia, etc.**



Complex Value Chain

Knowhow

Chipsets, SIMs, Devices,
Mobile Networks, Software,
Data Pricing, Services, etc.

Notes:

1. As of December 31, 2021 with 100 patents approved and 79 patents pending approval, globally

2. As of December 31, 2021

uCloudlink 1.0: Expect Recovery Post COVID-19 Pandemic with More Growth Potential

(Nasdaq: UCL)

uCloudlink 1.0: International Data Connectivity Services

Established track record and **global leading position** in the international data connectivity services market.

A positive trend in the daily active terminal (DAT) of 1.0 business growth; We expect greater tourist demand with the long-term recovery of international travel benefit our 1.0 business

- Monetization Model;** 1. Retail (To C Online Selling or Rental)
2. Wholesale (To B, Reseller or Commission)
3. PaaS and SaaS Services (CRM, Billing, SIM Card Management, etc.)

Intelligent Repackaging to Minimize Data Traffic Unit Cost
(From Wholesale to Retail, Varying Prices of Data Packages of Single operator or Cross MNOs, MVNOs)

High-quality Data Connection Services through Multi-Networks
Reselection and Combination

Helps MNOs Gain Market Share and Simplify Roaming Negotiation through Technology and Market Methods; SIM card Pool Includes SIM cards from 239 MNOs globally

Innovative Global 5G Solution; High quality, Low Latency Roaming Tech

Our New HyperConn Technology Elevates Overall User Experience with Access to All Available Networks and Contributes to the Growth of our 1.0 business

uCloudlink 2.0: Rapid Growth Track Record of Local Demand and Massive Opportunities

(Nasdaq: UCL)

Our New HyperConn Technology Contributes to the Further Development and Growth of Our uCloudlink 2.0 Business; We Expanded the Business Scope of Our Local Data Connectivity Services; Our HyperConn Technology is Widely Accepted by MNOs, Business Partners in Various Industries, such as in China, US and Japan



Help Operators to Win

Help operators improve data connection services through our **PaaS and SaaS platform**; Expand cooperation with **major MNOs in China**.



Adapt to new normal life-style

Remote work and remote learning which require **highly-reliable connectivity**; New innovative **tablet products** facilitate online **education**, such as in the **Japanese market**.



GlocalMe Inside (GMI)

Cooperation with Intelligent hardware manufacturers; **Expands PaaS and SaaS ecosystem** through cooperation with local partners.



5G Everywhere

5G may stimulate users to use high data consumption APPs, creating persistent demand for better and faster connections; **HyperConn technology solution and New HyperConn enabled products** launched to various markets; Accelerates 5G Cloud Era.



Wireless Networks Convergence

Continuous Development with Great Growth Potential; Helping one of the major MNOs in China elevate **indoor and outdoor user experience** and scale up our potential user base such as home broadband.

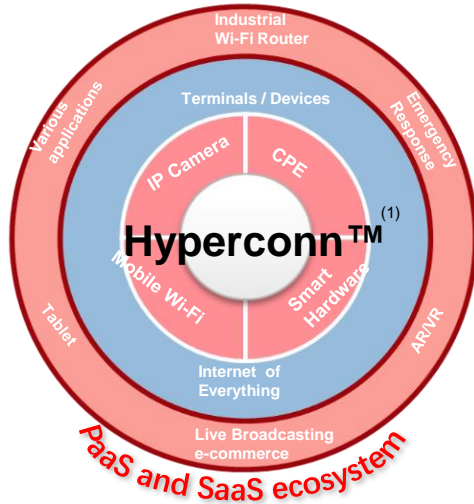


IoT (Guaranteed Reliable Connection)

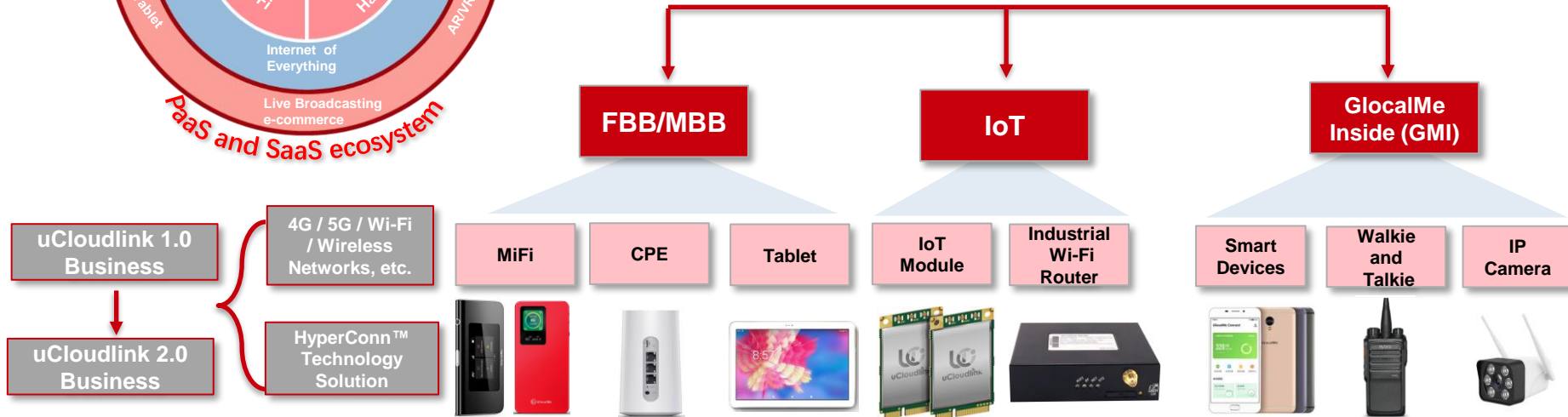
Opens opportunities with industries requiring high-quality data connection (**Internet of Things ("IoT") modules, industry Wi-Fi router, IP Camera, Power, emergency services, live broadcasting e-commerce and Autopilot etc.**) driving an increase in userbase.

HyperConn™ Enabled Innovative Products and Services

(Nasdaq: UCL)



HyperConn™ technology solution supports and applies to further development of our 1.0 and 2.0 businesses as well as continuous development and introduction of innovative products, leading to develop our PaaS and SaaS ecosystem



Note:

1. Our HyperConn™ technology solution applies to our self-developed terminals. Through cooperation with business partners, we embed GlocalMe Inside (GMI) into third-party devices.



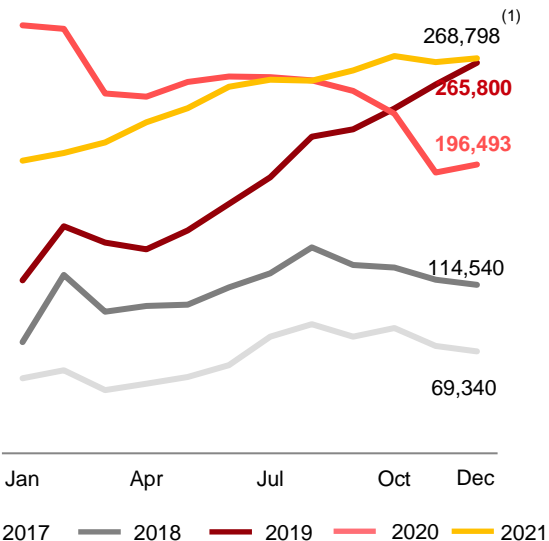
4Q 2021 Operating Highlights

Our Business Performance and Operating Highlights

(Nasdaq: UCL)

Daily Active Terminals (DAT) ⁽²⁾

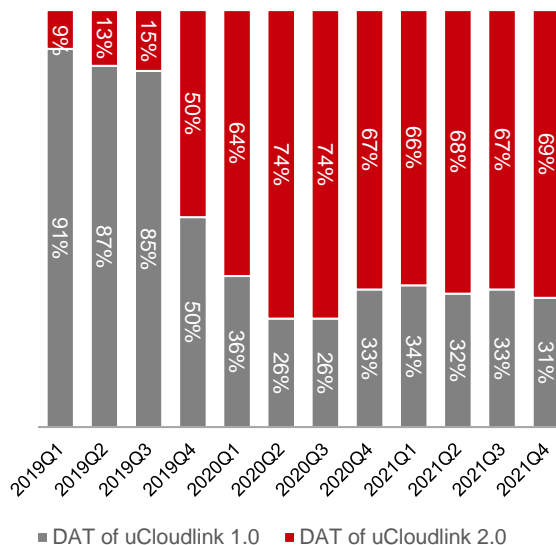
Terminals



DAT Breakdown by uCloudlink 1.0 vs. 2.0 ⁽²⁾

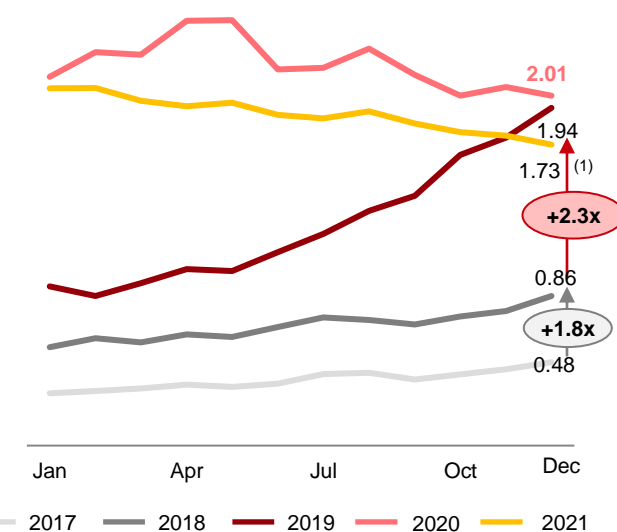
%

Strong uCloudlink 2.0 User Adoption



Daily Data Usage per Terminal ⁽²⁾

GB



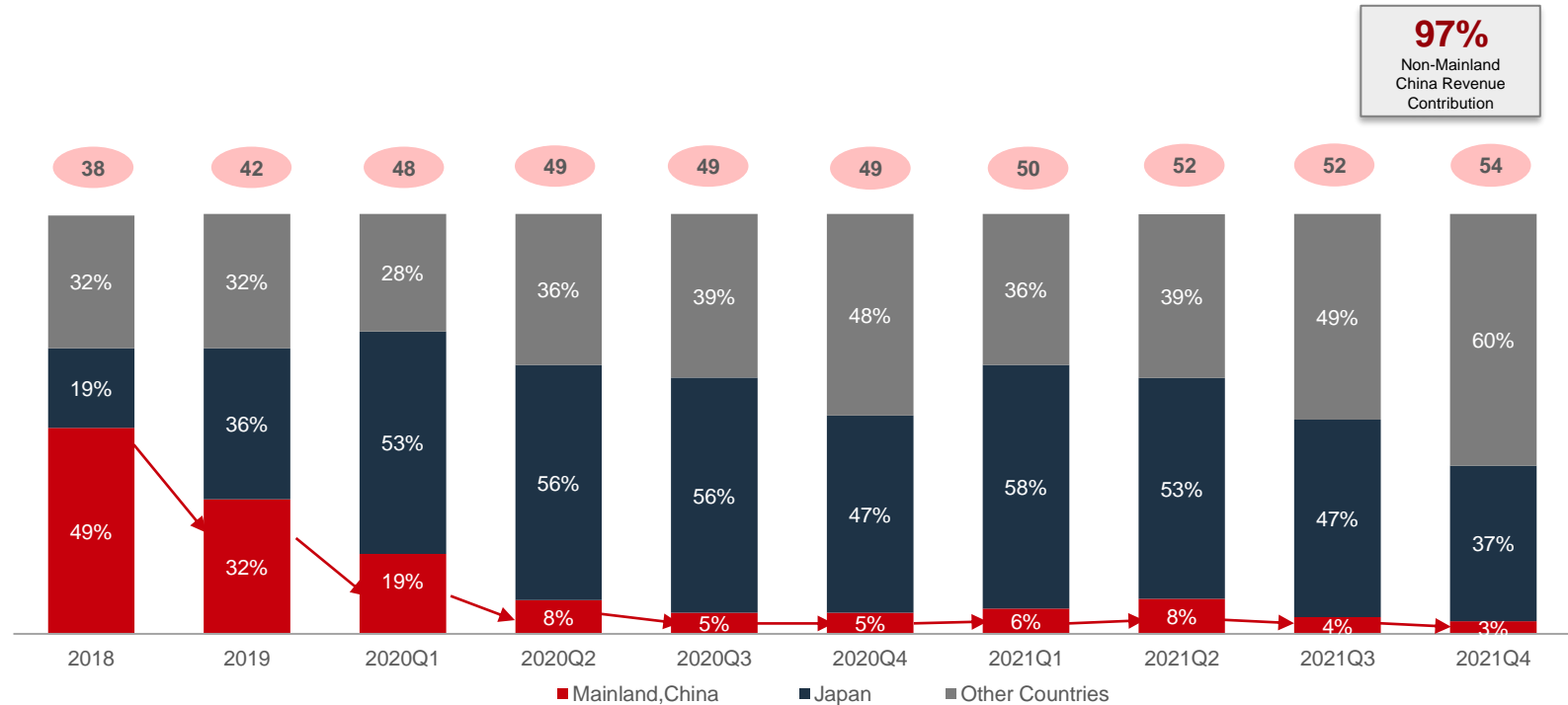
Note:

1. In December 2021

2. Average daily active terminals include terminals connected to our platform that are serviced by us or our business partners. Data consumed by the active terminals including data consumed by users who contributed to our revenues from data connectivity services and data consumed by users who did not contribute to such revenues.

Our Business and Revenue Are Increasingly Diversified Globally

(Nasdaq: UCL)



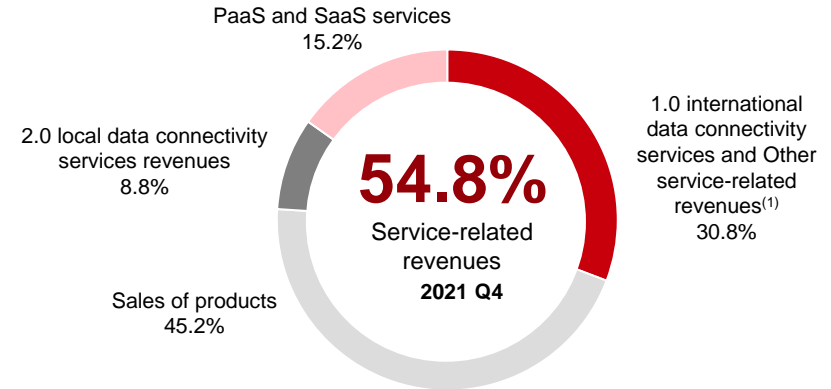
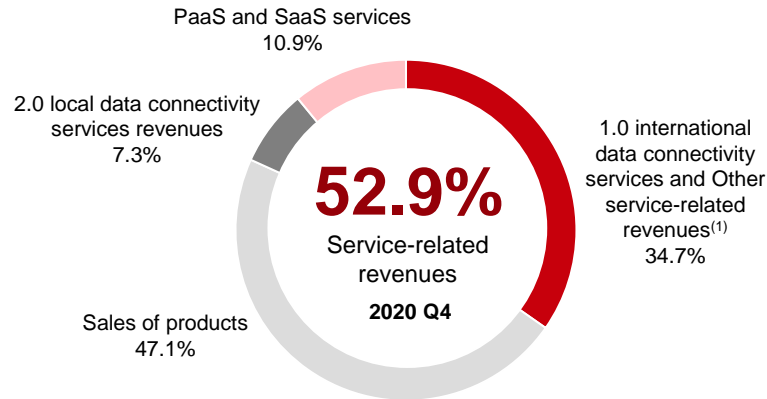
○ Number of countries and regions based on partners' registered location



4Q 2021 Financial Highlights

Percentage of Our Service-Related Revenues and COVID-19 Impact (Nasdaq: UCL)

Revenue segmentation based on product & services

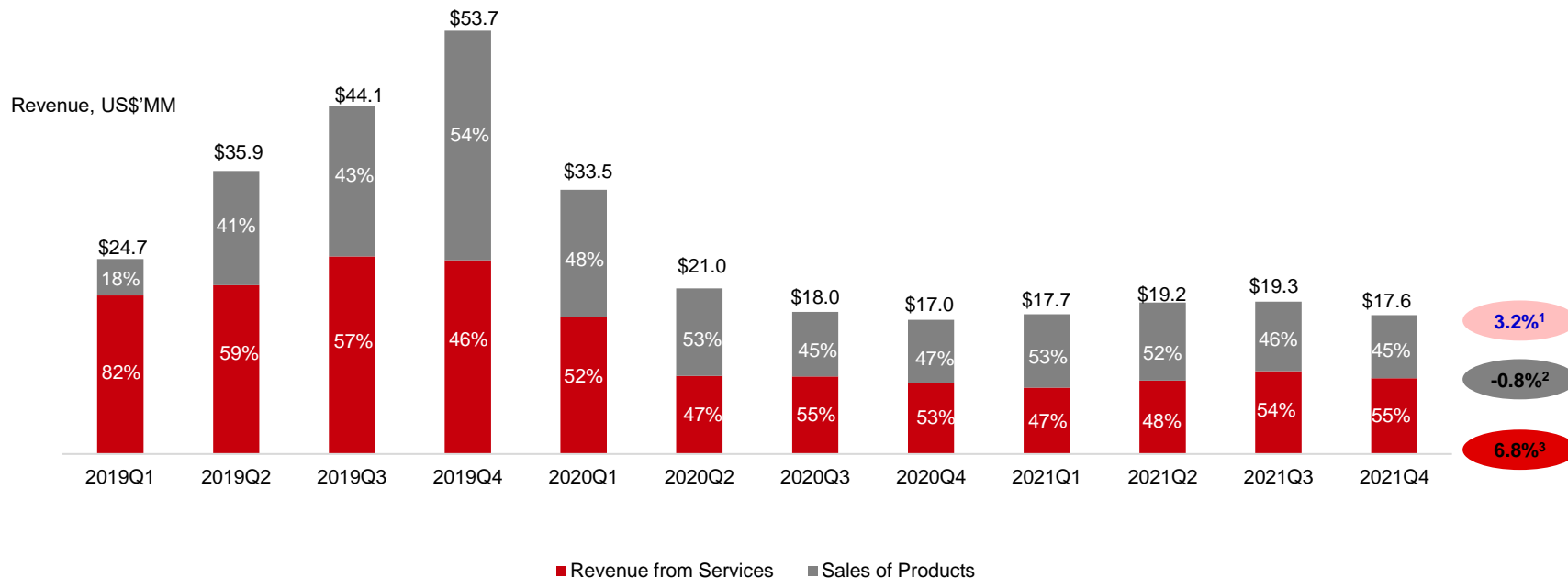


Note:

1. Other service-related revenues includes revenues from others

Revenue Breakdown By Our Two Business Segments

(Nasdaq: UCL)

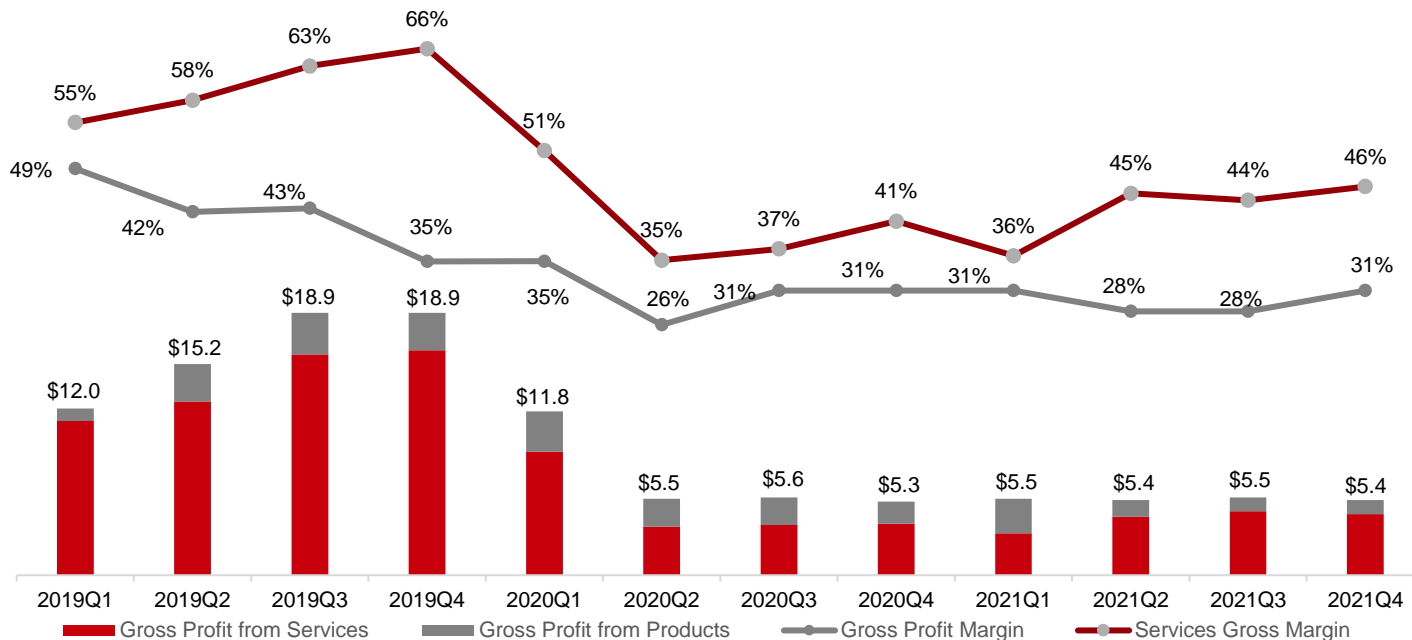


1. Q4 Total Revenue Year-over-Year growth
2. Q4 Sales of Products Year-over-Year growth
3. Q4 Revenue from Services Year-over-Year growth

Higher Service Gross Margin Over Overall Gross Margin

(Nasdaq: UCL)

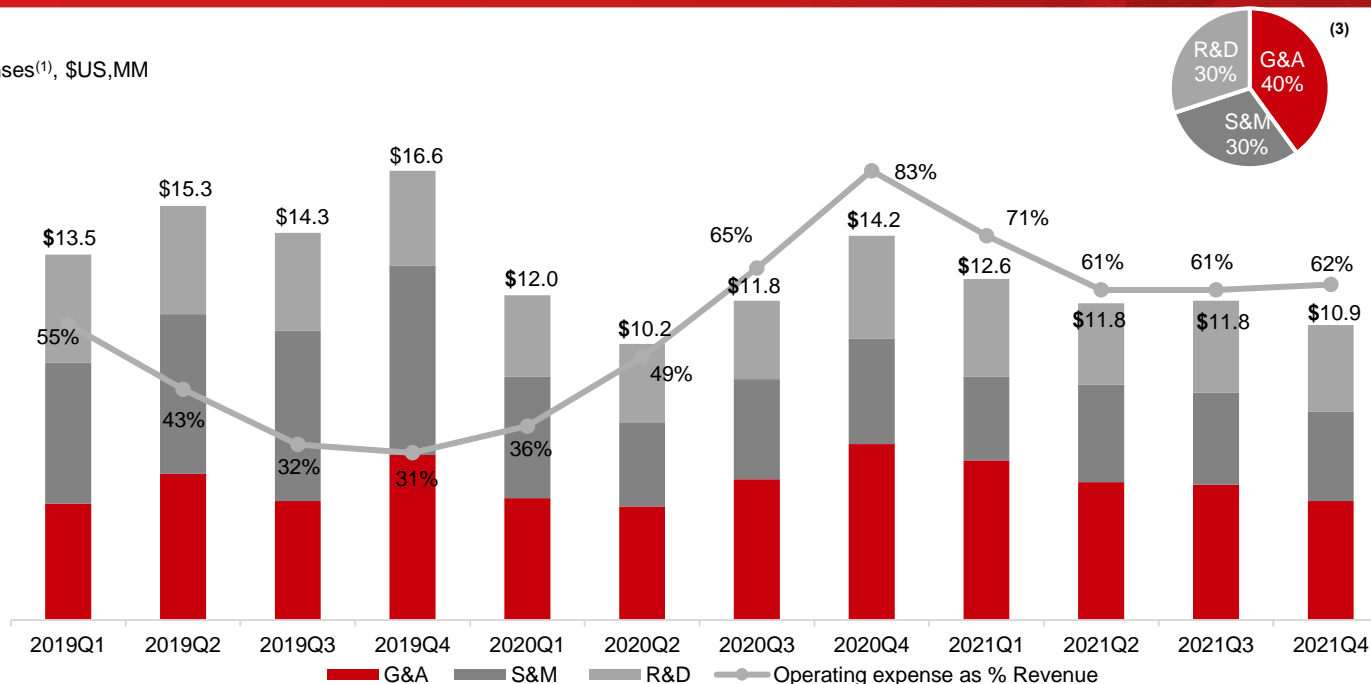
• Gross Profit, US\$'MM



Controlled Operating Expenses During Pandemic of COVID-19

(Nasdaq: UCL)

Operating expenses⁽¹⁾, \$US,MM

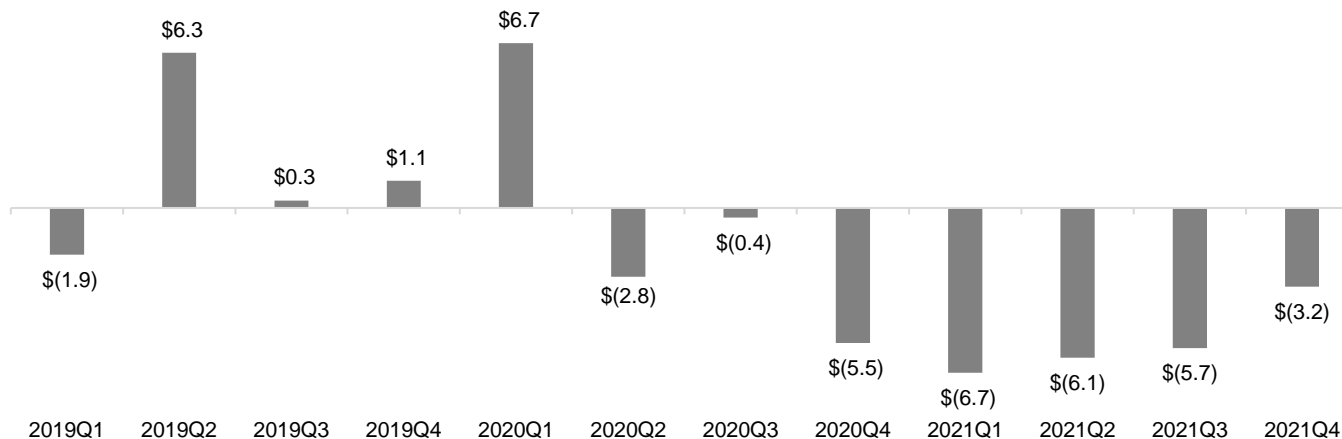


237 R&D Staff ⁽²⁾
160 Business Development, Sales and Marketing Staff ⁽²⁾
94 Administration and Management Staff ⁽²⁾

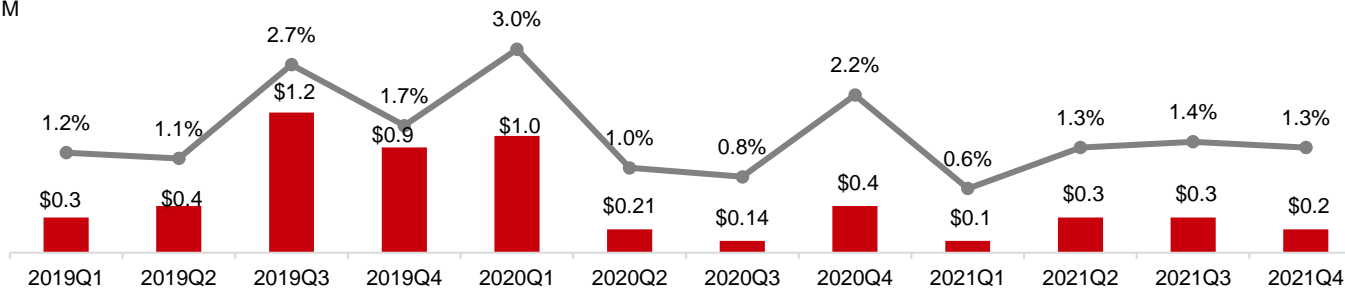
Note:

1. Operating Expenses excluding share-based compensation and others
2. As of December 31, 2021
3. Operating Expenses Breakdown Pie Chart is specifically for 2021Q4

Operating Cash Flow, \$US,MM



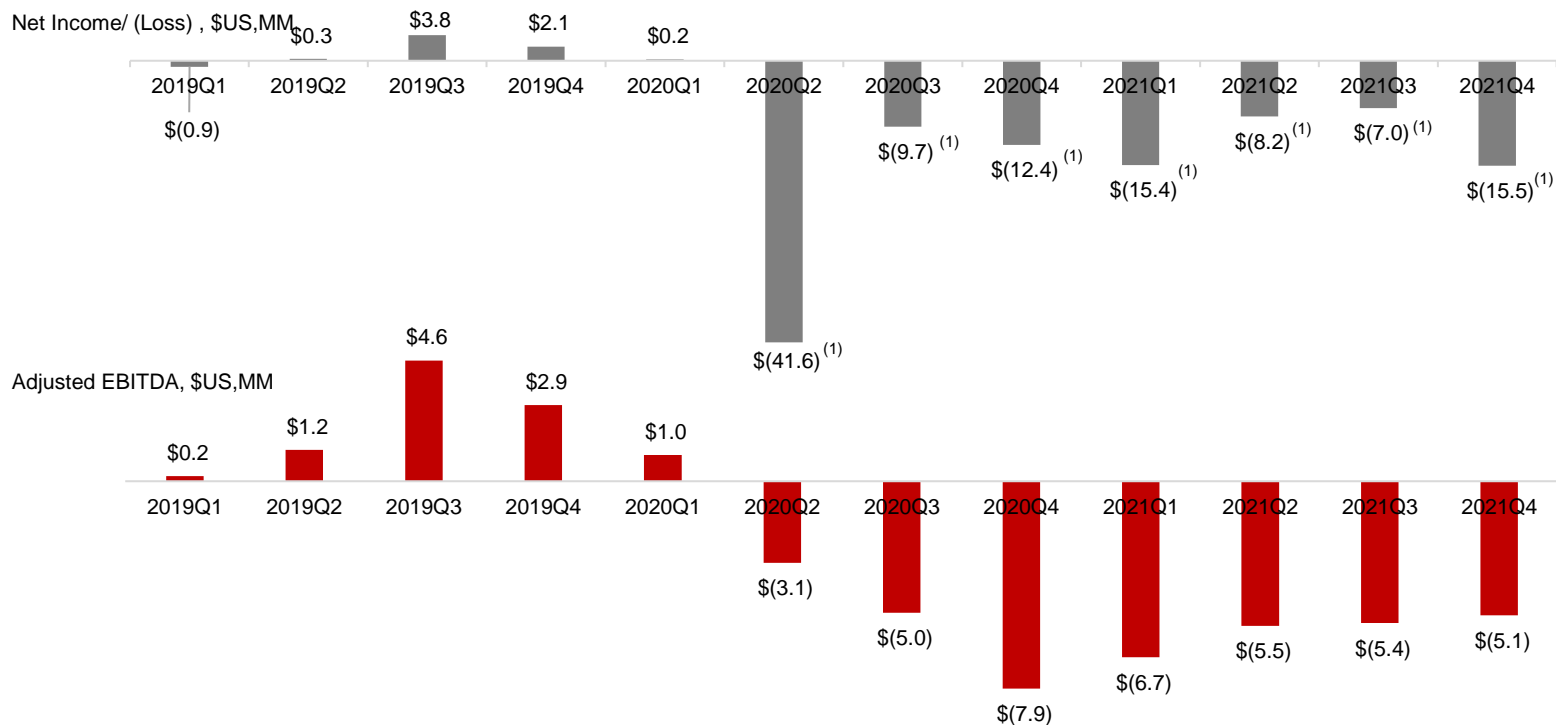
CAPEX, \$US,MM



■ Capex —●— Capex as % Revenue

Net Income & Adjusted EBITDA

(Nasdaq: UCL)



Note:

1. Including share-based compensation US\$36.9 million in 2020Q2, US\$7.9 million in 2020Q3, US\$5.9 million in 2020Q4, US\$5.5 million in 2021Q1, US\$1.2 million in 2021Q2, US\$0.8 million in 2021Q3, US\$1.2 million in 2021Q4

U-CLOUDLINK GROUP INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands of US\$, except for share and per share data)

	As of December 31, 2020	As of December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	21,989	7,868
Restricted cash	8,237	-
Short-term deposit	196	196
Accounts receivable, net	6,745	14,923
Inventories	5,847	6,133
Prepayments and other current assets	7,477	6,225
Other investments	19,185	12,587
Amounts due from related parties	2,264	1,153
Total current assets	71,940	49,085
Non-current assets		
Prepayments	2,116	1,310
Long-term investments	1,306	1,867
Other investments	17,824	12,058
Property and equipment, net	3,029	1,796
Intangible assets, net	1,039	1,009
Total non-current assets	25,314	18,040
TOTAL ASSETS	97,254	67,125
LIABILITIES		
Current liabilities		
Short term borrowings	3,704	3,177
Accrued expenses and other liabilities	25,742	27,580
Accounts payable	8,701	12,986
Amounts due to related parties	1,503	1,453
Contract liabilities	889	1,575
Total current liabilities	40,539	46,771
Non-current liabilities		
Other non-current liabilities	321	262
Total non-current liabilities	321	262
TOTAL LIABILITIES	40,860	47,033
SHAREHOLDERS' EQUITY		
Class A ordinary shares	8	8
Class B ordinary shares	6	6
Additional paid-in capital	220,292	230,048
Accumulated other comprehensive loss	(429)	(446)
Accumulated losses	(163,483)	(209,524)
TOTAL SHAREHOLDERS' EQUITY	56,394	20,092
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	97,254	67,125

U-CLOUDLINK GROUP INC.
 UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
 (In thousands of US\$, except for share and per share data)

	For the three months ended		For the year ended	
	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021
Revenues	17,026	17,569	89,569	73,824
Revenues from services	9,013	9,622	46,150	37,798
Sales of products	8,013	7,947	43,419	36,026
Cost of revenues	(11,680)	(12,129)	(61,264)	(51,990)
Cost of services	(5,300)	(5,186)	(26,392)	(21,556)
Cost of products sold	(6,380)	(6,943)	(34,872)	(30,434)
Gross profits	5,346	5,440	28,305	21,834
Research and development expenses	(5,033)	(3,359)	(26,359)	(13,697)
Sales and marketing expenses	(5,464)	(3,324)	(29,261)	(13,620)
General and administrative expenses	(9,584)	(5,444)	(43,221)	(28,551)
Other income/(loss), net	2,462	(8,694)	7,554	(11,876)
Loss from operations	(12,273)	(15,381)	(62,982)	(45,910)
Interest income	3	2	37	14
Interest expenses	(14)	(45)	(285)	(188)
Loss before income tax	(12,284)	(15,424)	(63,230)	(46,084)
Income tax expense	(98)	(248)	(185)	(244)
Share of profit in equity method investment, net of tax	-	174	-	287
Net loss	(12,382)	(15,498)	(63,415)	(46,041)
Accretion of Series A Preferred Shares	-	-	(1,293)	-
Attributable to:				
Equity holders of the Company	(12,382)	(15,498)	(64,708)	(46,041)
Non-controlling interests	-	-	-	-
Loss per share for Class A and Class B ordinary shares				
Basic	(0.04)	(0.05)	(0.25)	(0.16)
Diluted	(0.04)	(0.05)	(0.25)	(0.16)
Loss per ADS (10 Class A shares equal to 1 ADS)				
Basic	(0.44)	(0.54)	(2.49)	(1.61)
Diluted	(0.44)	(0.54)	(2.49)	(1.61)
Shares used in earnings per Class A and Class B ordinary share computation:				
Basic	281,686,468	287,048,380	259,852,204	285,979,036
Diluted	281,686,468	287,048,380	259,852,204	285,979,036
Net loss	(12,382)	(15,498)	(63,415)	(46,041)
Other comprehensive loss, net of tax				
Foreign currency translation adjustment	(1,233)	(57)	(1,135)	(17)
Total comprehensive loss	(13,615)	(15,555)	(64,550)	(46,058)

A central graphic of two hands shaking, symbolizing agreement or partnership. The hands are positioned in the center of the frame, with the left hand slightly higher than the right. The background is a blue-toned image of a city skyline with various digital overlays.

Q & A

A red banner with the text 'Thank you' in a white, italicized serif font. The banner is positioned below the handshake graphic.

Thank you