

Q4 FY2025 Earnings Call Management Prepared Remarks

01 Introduction (Presenter: Daniel Gao)

Hello everyone and thank you for joining us on UCLOUDLINK's fourth quarter and full year 2025 earnings call. The earnings release and our earnings presentation are now available on our IR website at 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 UCLOUDLINK's earnings press release and this conference call include discussions of unaudited GAAP financial information and unaudited non-GAAP financial measures. UCLOUDLINK'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.

Despite significant macroeconomic headwinds throughout 2025, including tariff, we remained steadfast in strategically investing across our three new business lines. Against this challenging backdrop, we maintained our financial health and delivered stable performance: net income for the year increased 38.2% year-over-year to US\$6.3 million, with net cash inflow from operations reaching US\$3.2 million. Total revenues from mainland China surged 16.5% from last year, underscoring how our uCloudlink 1.0 international data connectivity solutions are accelerating broader consumer adoption and further solidifying our leadership in the global roaming market.

This robust performance demonstrates the resilience of our core strategy and strategic impact of the investments we made in our three new growth engines. These new product launches have diversified our business and allowed us to successfully navigate a persistently challenging macroeconomic and trade environment. Through strict operational discipline and focus, we have laid a solid foundation to build upon and accelerate growth in 2026. Moreover, our smart hardware and data are emerging as a key gateway to AI and big data connectivity, while our heavy investment in Pet AI - analyzing pet language, health, behavior, and scent data - continues to strengthen our industry leadership.

We remain highly focused on overcoming the world's three fundamental digital divides through transformative connectivity solutions. We continue to dismantle the global connectivity divide by breaking down international roaming barriers to ensure our users maintain seamless network access anywhere in the world. At the same time, we are tackling the single-multi network divide through our proprietary *CloudSIM* and *HyperConn*® technologies which are setting industry standards for intelligent multi-network connectivity and reliability. Lastly and most innovatively, we are bridging the emotional digital divide with our AI-powered pet ecosystem, creating entirely new and meaningful connections between humans and their pets.

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

I'll start with our *GlocalMe* Life business which continues to generate solid growth momentum. Average daily active terminals during the fourth quarter surged 897.9% year-over-year while average daily active users, which excludes *PetPhone*, increased 409.1% year-over-year. Within our broader *GlocalMe* Life portfolio, our industry-first *UniCord Plus* and *UniCord Pro* series remain highly competitive and continue to differentiate themselves with their seamless connectivity across multiple networks, 6-

Tech global positioning, and fast-charging capabilities. This is further strengthening our competitive edge in the travel, automotive, and secure networking markets. At the same time, *Petphone* orders continue to scale and accelerate since its initial launch last quarter, reflecting strong market traction across the board.

We kicked off 2026 with a powerful showcase of our latest innovations at CES in Las Vegas and MWC in Barcelona. As a highlight, we outlined our vision to eliminate the 'Pet People Divide' through the *PetPogo* ecosystem and the introduction of the all-new *PetCam* that complements the *PetPhone*. This revolutionary AI-powered ecosystem will transform how we connect with and care for our pets and transcends basic pet tracking functions by establishing a comprehensive 'Safety-Wellness-Emotion Connection' loop that enables owners to see, hear, and interact with their pets in real-time from anywhere in the world. The market response has been exceptional, generating significant global attention and validating our product roadmap. Purchase orders are growing alongside strong customer feedback, laying solid foundation for us to drive scaled commercialization in 2026.

Also making its debut at CES was the *MeowGo G50 Max*, an AI-powered connectivity hub with Sky-to-Ground 5G/satellite/WiFi integration that creates mobile Wi-Fi hotspots anywhere. This solution provides a critical safety net with two-way messaging and Emergency SOS via satellite networks, ensuring connectivity even when terrestrial networks are beyond reach. Powered by our patented AI-powered *HyperConn*® technology, it can intelligently switch terrestrial 5G networks and WiFi networks to deliver a frictionless 'One Device, One Account' roaming experience. At its core, it creates a reliable mobile Wi-Fi hotspot, ensuring unmatched coverage and a truly seamless connection.

Moving on to our *GlocalMe* IoT business, we maintained a robust growth trajectory, with user adoption and revenue contribution increasing strongly on a year-over-year basis during the quarter. In the fourth quarter, average daily active terminals recorded a year-over-year increase of 434.8%, highlighting the strategic positioning and traction we are getting in high-growth sectors such as in-car infotainment and security cameras. Having established a strong initial presence in these key sectors, we plan to scale these solutions into additional industrial verticals in the future to drive further expansion of our ecosystem.

Turning to our *GlocalMe* SIM business line, our *eSIM TRIO* solution continues to gain strong traction following its pilot program last quarter, with cumulative SIM card sales now surpassing several hundred thousand units as growth momentum accelerates. This is creating strong growth momentum, with average daily active terminals increasing

180.8% year-over-year during the quarter, validating both our carrier partnership model and its market positioning as a permanent secondary SIM for users. More importantly, our carrier co-issuance program has begun pilot deployment and is expanding fast, providing a highly effective, low-capex solution for operators that enhances their global roaming capabilities. This 'First SIM' model is gaining strong traction and is welcomed by both operators and users, confirming robust product-market fit.

Looking ahead, 2026 will be a pivotal year of execution and transformation for us. We closed 2025 with a streamlined organizational structure, having integrated our branding, online and offline sales, and e-commerce teams to better align with our evolving strategy. Building on this foundation, we kicked off the new year by onboarding highly experienced leaders with deep to-customer expertise to strengthen our capabilities for the next phase of growth. At the same time, we are actively forging partnerships with world-renowned universities and leading global technology companies, integrating resources and laying a solid foundation for long-term success. The strong market feedback from CES 2026, combined with accelerating sales of new solutions, provides us with multiple powerful growth engines. We are confident in our ability to scale our user base globally, further diversify our revenue streams, and bridge critical digital divides, from cross-border connectivity to the emotional distance between people and their pets.

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 first quarter of 2026, we expect total revenues to be between US\$16.0 million and US\$17.0 million, representing a decrease of 9.1% to 14.4% compared to the same period of 2025. For 2026, we expect total revenues to be between US\$85.0 million and US\$100.0 million, representing an increase of 4.4% to 22.9% from 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 fourth quarter and full year 2025.

Average daily active terminals (“DAT”) and average monthly active terminals (“MAT”) are important operating metrics for us, as they measure customer usage trends over the period and are reflective of our business performance. In the fourth quarter of 2025, average DATs were 328,847 (15,636 owned by the Company and 313,211 not owned by the Company), representing an increase of 6.6% from the fourth quarter of 2024. During the quarter, 57.1% of DATs were from uCloudlink 1.0 international data connectivity services and 42.9% were from uCloudlink 2.0 local data connectivity services. In December 2025, the average daily data usage per terminal was 1.59 GB.

Average MATs in the fourth quarter were 704,393, representing an increase of 11.1% from 634,245 in the fourth quarter of 2024. Growth was driven by strong momentum across our three new growth engines with average MATs for GlocalMe IoT, GlocalMe SIM and GlocalMe Life increasing 127.5%, 153.8%, and 616.9%, 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 slightly by 0.5% year-over-year, reflecting a relatively stable user base in this segment.

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 fourth quarter. Average DAU in the fourth quarter were 353,278, representing an increase of 10.4% from 320,037 in the fourth quarter of 2024. GlocalMe IoT, GlocalMe SIM and GlocalMe Life all delivered significant gains, with average DAUs up 558.7%, 349.8%, and 409.1% respectively, from the same period last year. Average DAUs from *GlocalMe Meowgo* business declined slightly by 4.0% year-over-year.

Average MAUs were 738,777, representing a 9.2% increase from 676,610 in the fourth quarter of 2024. Average MAUs from *GlocalMe* IoT, *GlocalMe* SIM and *GlocalMe* Life business lines saw increases of 66%, 153.3%, and 460.2% respectively, from the same period last year. Average MAUs from *GlocalMe Meowgo* business decreased slightly by 2.2% year-over-year.

As PetPhone is a newly launched business, we are beginning to see early user adoption

during the quarter. In the fourth quarter, average DAT and MAT for PetPhone reached 257 and 571, respectively, while average DAU and MAU were 745 and 977, reflecting the initial traction of this new offering.

As of December 31, 2025, the Company had 206 patents, with 181 approved and 25 pending approval, and a pool of SIM cards from 398 MNOs globally.

Total revenues for the fourth quarter of 2025 were US\$22.1 million, representing a decrease of 14.6% from US\$26 million in the same period of 2024. Revenues from services were US\$15.2 million, representing a 1.1% increase from US\$15.0 million in the same period of 2024. Revenue from services contributed 68.5% of total revenues during the fourth quarter of 2025, compared to 57.8% in the same period last year.

Geographically speaking, during the fourth quarter of 2025, Japan contributed 43.6%, mainland China contributed 26.8%, North America contributed 11.2% and other countries and regions contributed the remaining 18.4%, compared to 53.6%, 20%, 12.1% and 14.3%, respectively, in the same period of 2024.

Our gross profit was US\$11.4 million in the fourth quarter of 2025, compared to US\$ 11.2 million in the same period of 2024. Overall gross margin in the fourth quarter of 2025 increased to 51.6% from 43% in the same period of 2024. The gross margin on services was 61.7% in the fourth quarter of 2025, compared to 58.6% in the same period of 2024.

Excluding share-based compensation, total operating expenses were US\$9.4 million, compared with US\$13.9 million in the fourth quarter of 2024.

Net loss in the fourth quarter of 2025 was US\$3.1 million, compared with a net loss of US\$1.5 million in the same period of 2024. Adjusted EBITDA was positive US\$3.1 million in the fourth quarter of 2025, compared with negative US\$2.3 million in the same period of 2024.

For the fourth quarter of 2025, we recorded operating cash inflow of US\$4.7 million, compared to US\$0.5 million in the same period of 2024.

For the fourth quarter of 2025, our capital expenditures were US\$0.02 million, compared to US\$0.6 million in the same period of 2024.

Moving on to 2025 full-year financial results.

Average DATs and MATs showed similar patterns to those observed in the fourth quarter. For the full year, average DATs were 322,169 (18,449 owned by the Company and 303,720 owned by our business partners), representing an increase of 1.7% from 316,688 in 2024. In 2025, 56.3% of DATs were from uCloudlink 1.0 international data

connectivity services and 43.7% of DATs were from uCloudlink 2.0 local data connectivity services.

Average MATs in 2025 were 681,672, representing an increase of 8.0% from 631,137 in 2024. Growth was primarily driven by our three new growth engines, with average MATs for GlocalMe IoT, GlocalMe SIM and GlocalMe Life increasing 360.7%, 190.8% and 356.0% year-over-year, respectively.

Average DAU in 2025 were 340,036, representing an increase of 4.2% from 326,412 in 2024. This growth was supported by strong expansion in GlocalMe IoT, GlocalMe SIM and GlocalMe Life, where average DAUs increased 737.3%, 321.5%, and 349.1% year-over-year, respectively.

Average MAU in 2025 were 723,706, representing an increase of 8.9% from 664,815 in 2024. Average MAUs from GlocalMe IoT, GlocalMe SIM and GlocalMe Life increasing 251.2%, 167.5%, and 413.0% year-over-year, respectively.

Total revenues for 2025 reached US\$81.4 million, compared with US\$91.6 million in 2024. Revenue from services was US\$61.0 million in 2025, representing a 1.8% year-over-year increase from US\$60.0 million in 2024. Revenues from data connectivity services were US\$47.8 million, a slight increase from US\$47.6 million in 2024. Within this segment, international data connectivity services remained the largest contributor, rising from US\$39.5 million in 2024 to US\$41.1 million in 2025, representing a 4.0% year-over-year increase.

Overall gross margin was 52.4% in 2025, an increase when compared with 48.4% in 2024. Gross margin for services was 58.0% in 2025, compared with 60.8% in 2024.

For the full year 2025, excluding share-based compensation, total operating expenses were US\$40.4 million compared to US\$40.8 million in 2024.

Net income was US\$6.3 million in 2025, compared with US\$4.6 million in 2024, representing a 38.2% increase from 2024. Adjusted EBITDA was US\$7.2 million in 2025, compared to US\$7.1 million in 2024.

For the full year, our capital expenditures were US\$1.0 million, compared to US\$4.0 million in 2024. We generated positive operating cash inflow of US\$3.2 million, compared to US\$9.2 million in 2024.

Turning to balance sheet items, our cash and cash equivalents increased to US\$32.8 million as of December 31, 2025, compared to US\$28.5 million as of September 30, 2025. We remain focused on strengthening 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.