



**(Nasdaq: UCL)**

**4Q and Full Year 2023 Earnings  
Conference Call Presentation**

**Mar 2024**

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This document also contains non-GAAP financial measures, the presentation of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is contained within this presentation.

Total Revenues  
increased  
**19.8%**  
YoY

Net Income of  
**US\$2.8**  
million

Operating cash  
inflow of  
**US\$6.5**  
million

## 1.0 International Data Connectivity Services

- Continued to recover, especially in China and Japan
- Chinese tourists using our **Roamingman brand services** further enhance our Chinese market share
- Solidify our **leading position** in the 5G roaming market

## GlocalMe SIM

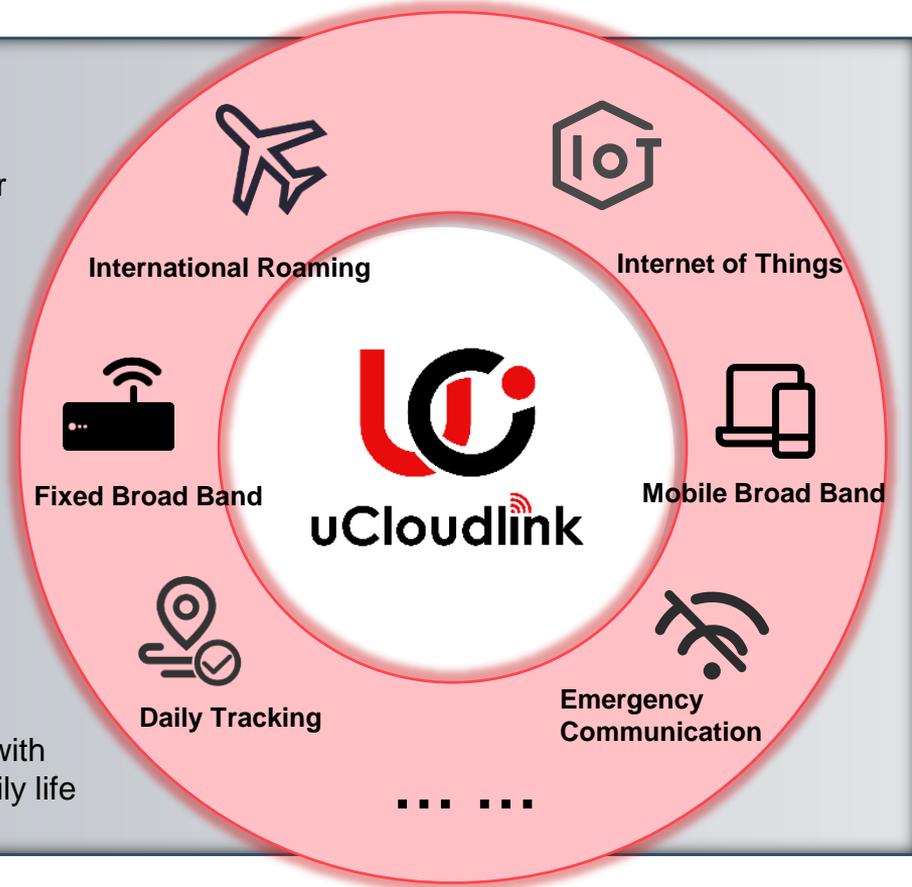
- July 2023: launched **GlocalMe SIM**, an over-the-air(OTA) SIM card
- October 2023: piloted an **eSIM solution**

## Internet of Things (IoT)

- Made significant progress in expanding the number of third-party devices utilizing our cloud SIM technology powered IoT solutions in Japan

## Daily Life

- Launched **KeyConnect with GPS positioning** will be enhanced with additional new features to offer more intelligent and convenient daily life services



# Better Connection Empowers Better Life : Four Distinct Product Lines

(Nasdaq: UCL)

## GlocalMe Mobile/Fixed Broadband

## GlocalMe SIM



## GlocalMe Life

## GlocalMe IoT

### GlocalMe Mobile/Fixed Broadband

- Continue to strengthen the foundation of our business: GlocalMe mobile/fixed broadband
- Commercial upgrades for our 5G Customer Premises Equipment (CPE), which will unlock additional opportunities in the mobile/fixed broadband space

### GlocalMe SIM

- Includes our over-the-air (OTA) SIM and eSIM solutions, will evolve into our innovative “All SIM” solution, which will allow us to engage with a broader end user base beyond those in the portable Wi-Fi terminal market

### GlocalMe Life

- Exciting slate of product announcements planned in the future, which will bring seamless connectivity into various high-frequency daily life applications scenarios

### GlocalMe IoT

- Leveraging both proprietary and third-party smart modules compatible with mainstream chipset platforms, our IoT business will empower terminals and third-party devices allowing them to intelligently select and dynamically switch between multiple local carriers worldwide

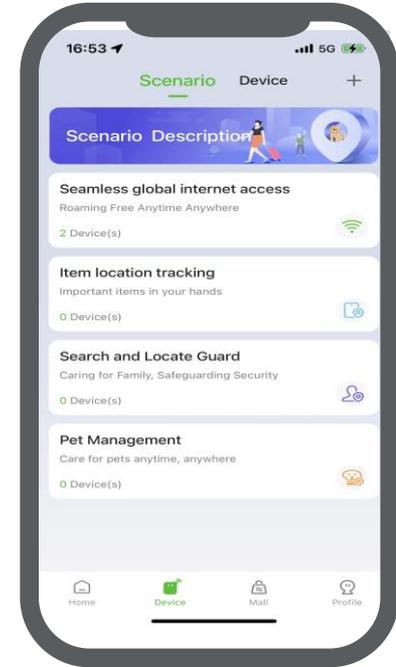
# GlocalMe Life: Expanding Market Reach and Presence

(Nasdaq: UCL)

Customers can enjoy our services anytime and anywhere through **proprietary terminals** or **third-party devices** integrated with **GlocalMe Inside (GMI)**



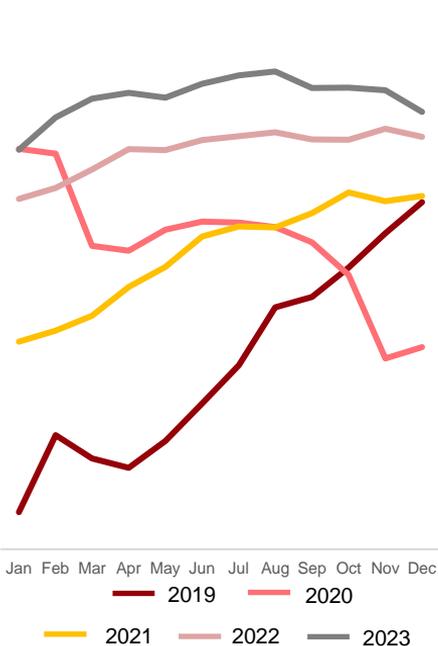
## Upgraded **GlocalMe APP**



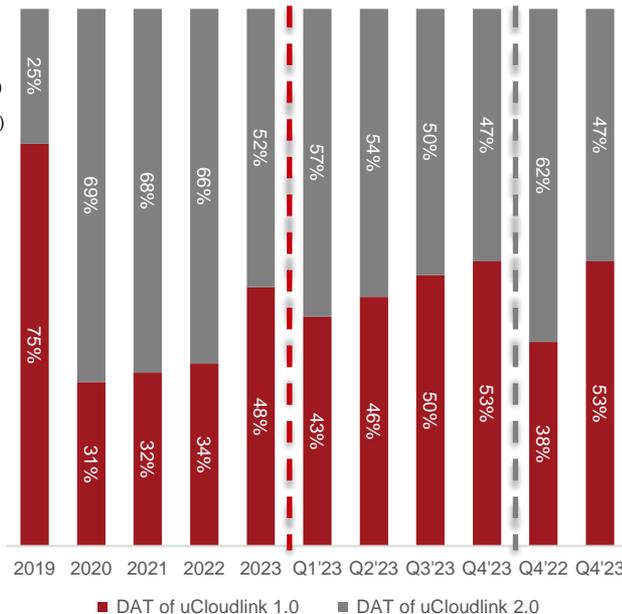
**Upgraded GlocalMe APP** offers more new features and is more user-friendly to improve the user experience

## Daily Active Terminals (DAT) <sup>(1)</sup>

# Terminals

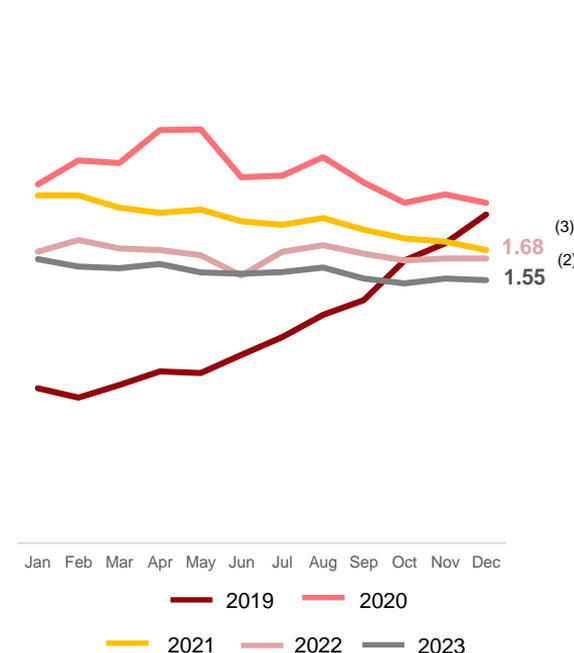


## DAT Breakdown: uCloudlink 1.0 vs. 2.0 <sup>(1)</sup>



## Daily Data Usage per Terminal <sup>(1)</sup>

GB



Note:

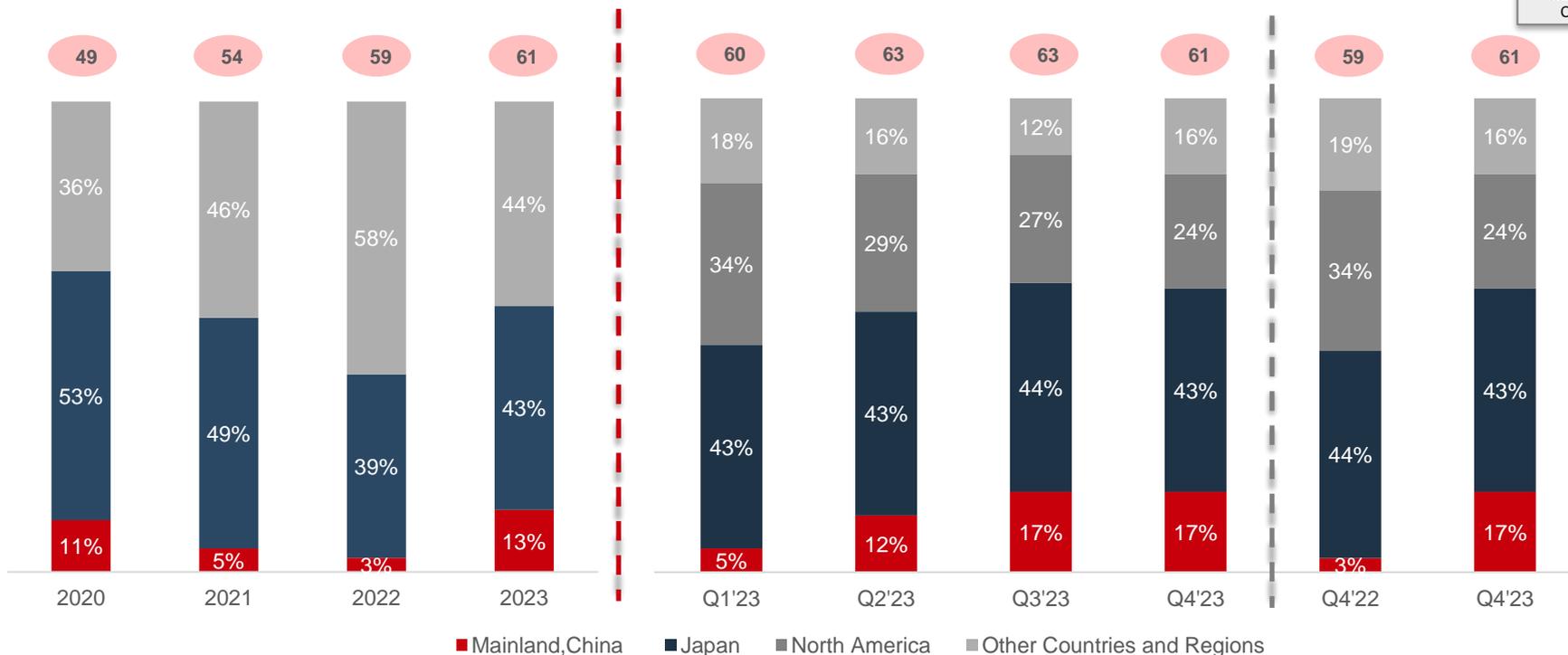
1. Average daily active terminals include terminals connected to our platform that are serviced by us or our business partners. Data consumed by the active terminals including data consumed by users who contributed to our revenues from data connectivity services and data consumed by users who did not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

2. In December 2023 3. In December 2022

# Increasingly Diversified Global Revenue Streams

(Nasdaq: UCL)

**83%**<sup>(1)</sup>  
Non-Mainland  
China Revenues  
Contribution



■ Mainland, China ■ Japan ■ North America ■ Other Countries and Regions

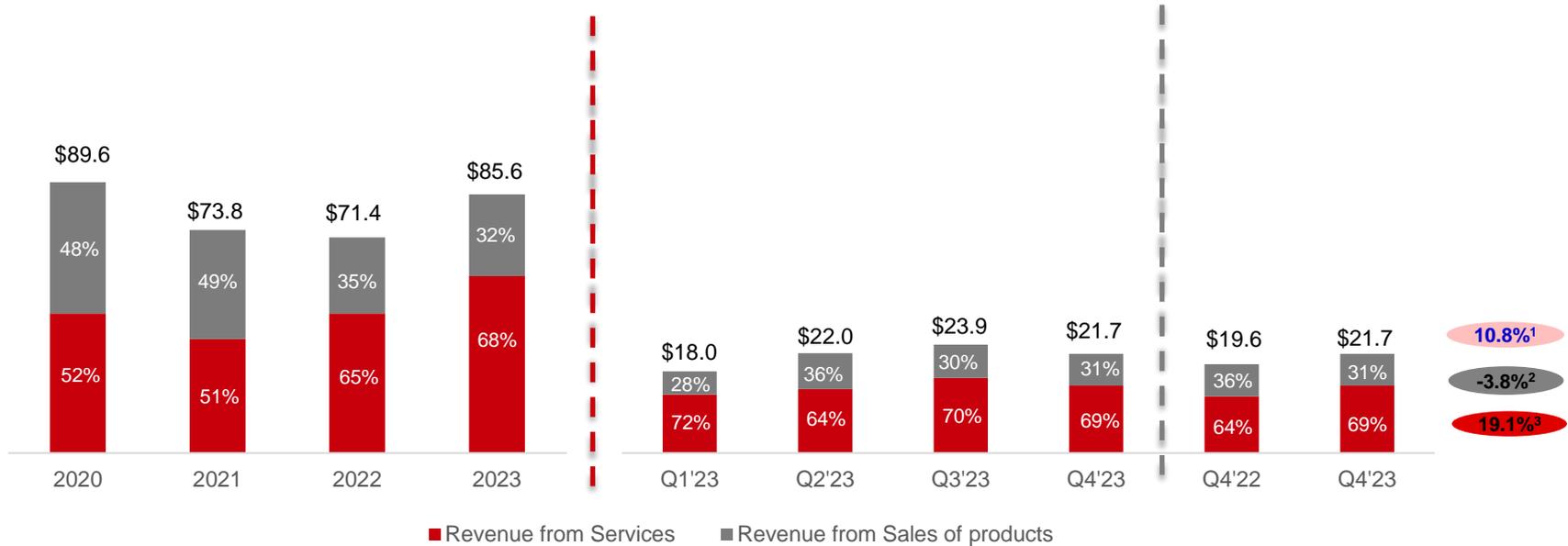
○ Number of countries and regions based on partners' registered location

Note: 1. In Q4 2023

# Revenues Breakdown

(Nasdaq: UCL)

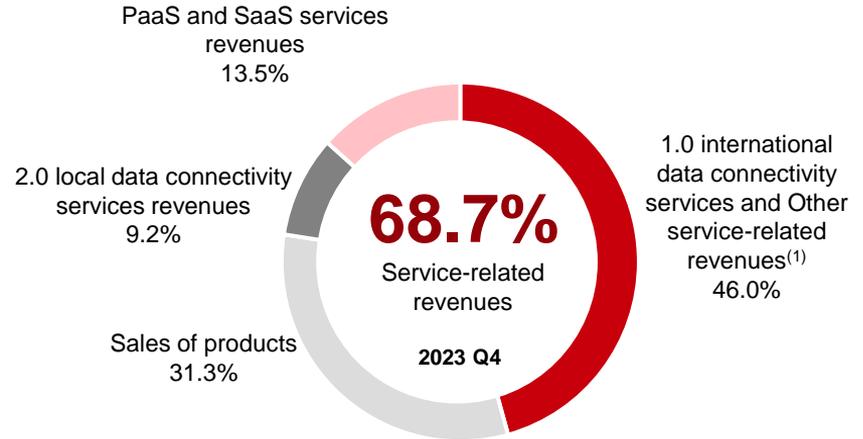
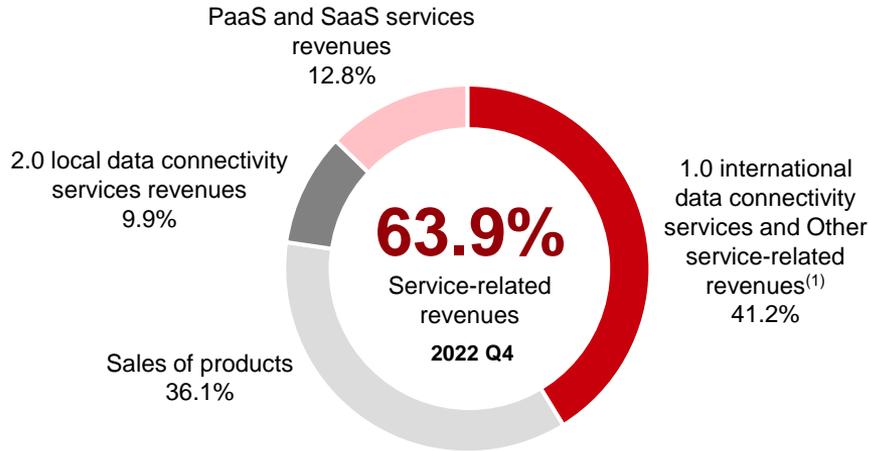
Revenues, US\$MM



10.8%<sup>1</sup>  
 -3.8%<sup>2</sup>  
 19.1%<sup>3</sup>

1. Q4 Total Revenues Year-over-Year change
2. Q4 Revenues from sales of products Year-over-Year change
3. Q4 Revenues from Services Year-over-Year change

## Revenues Segmentation



Note:

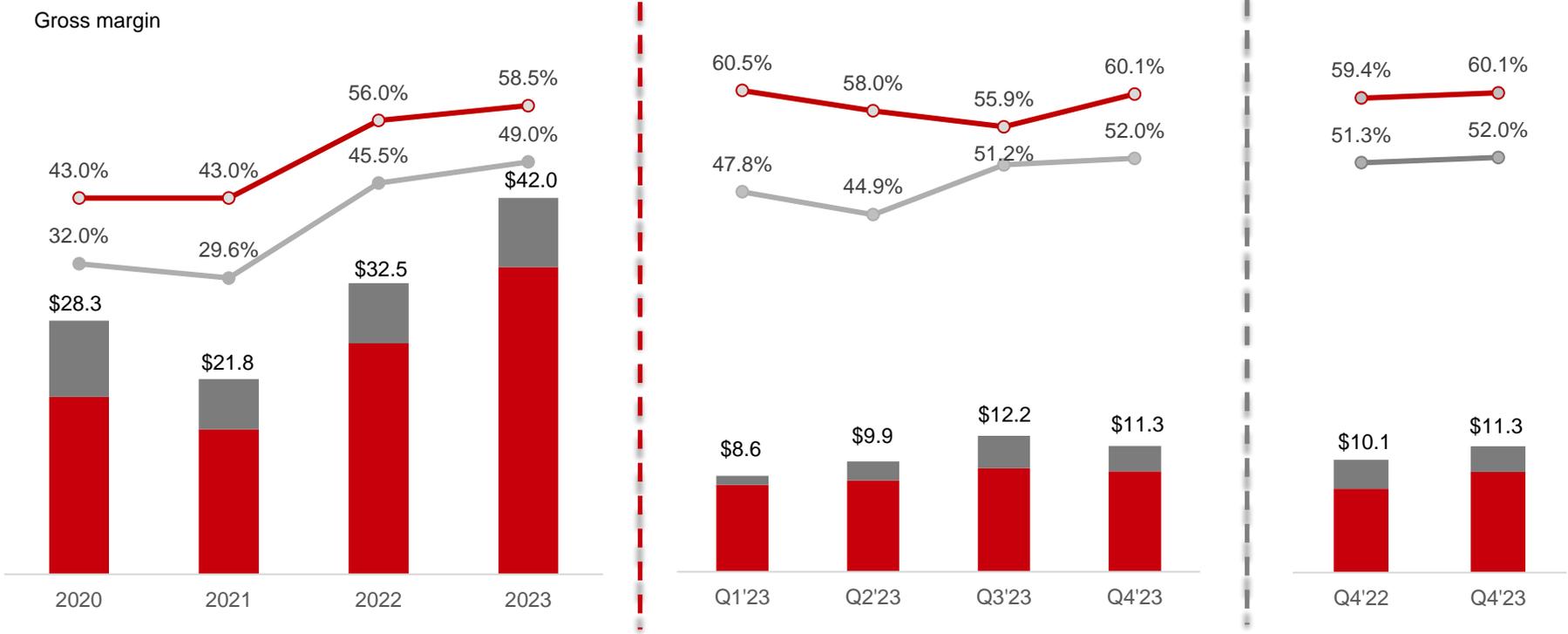
1. Other service-related revenues include revenues from others

# Services Gross Margin Exceeds Overall Gross Margin

(Nasdaq: UCL)

Gross Profit US\$MM

Gross margin



Gross profit on Services

Gross profit on Sales of products

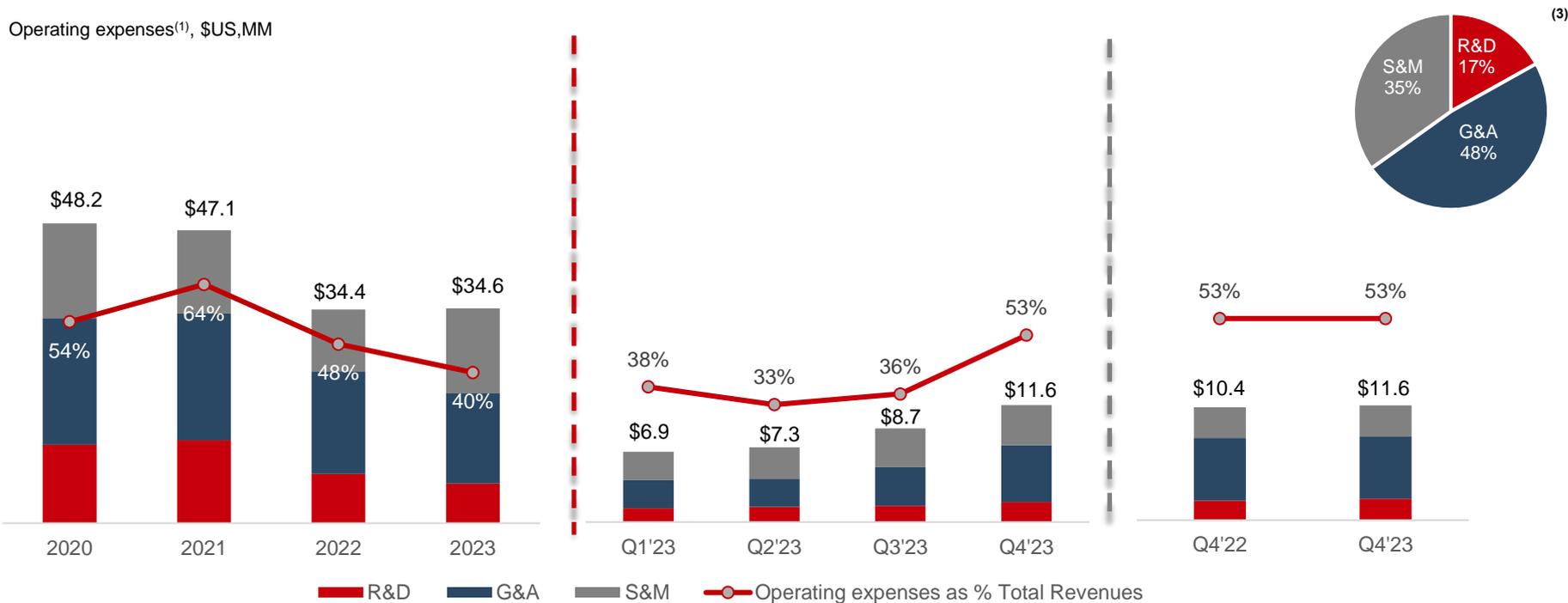
Gross Profit Margin

Gross Margin on Services

# Improving Operational Efficiency

(Nasdaq: UCL)

Operating expenses<sup>(1)</sup>, \$US,MM



**146 R&D Staff <sup>(2)</sup> 176 Business Development, Sales and Marketing Staff <sup>(2)</sup> 71 Administration and Management Staff <sup>(2)</sup>**

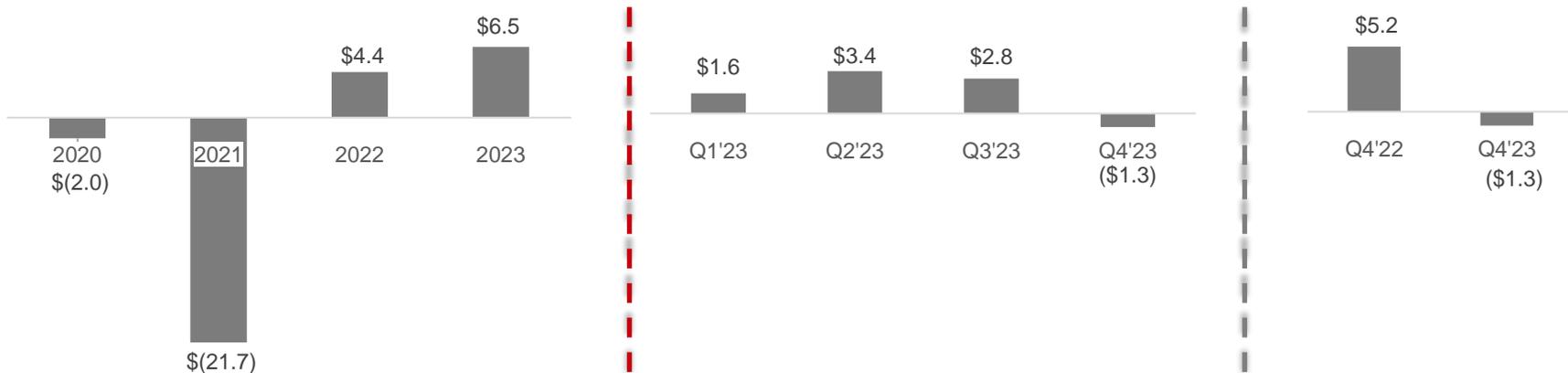
Note:

1. Operating Expenses excluding share-based compensation
2. As of December 31, 2023
3. Operating Expenses Breakdown Pie Chart is specifically for 2023Q4

# Asset Light Business Model

(Nasdaq: UCL)

Operating Cash Flow, \$US,MM



CAPEX, \$US,MM



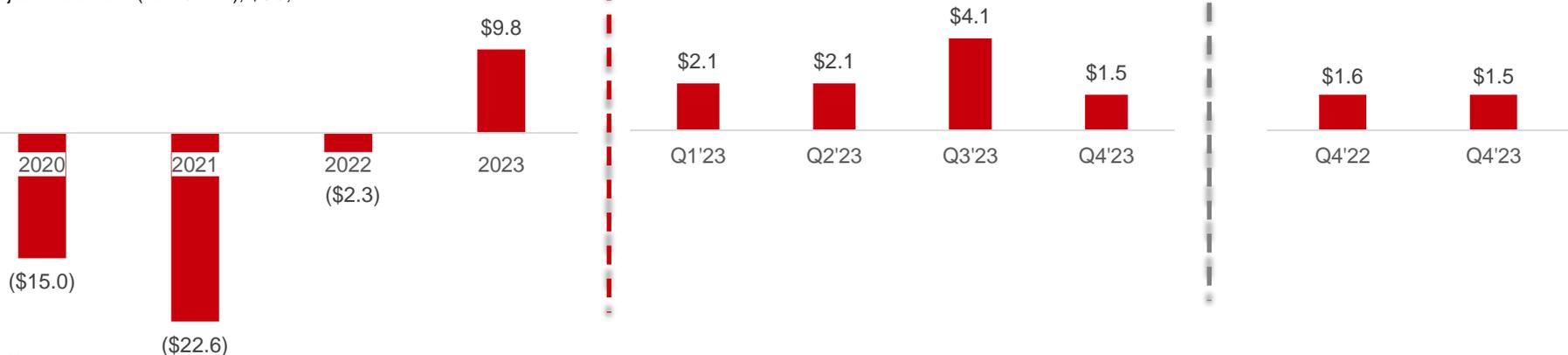
# Net Income & Adjusted EBITDA (non-GAAP)

(Nasdaq: UCL)

Net Income/ (Loss) , \$US,MM



Adjusted EBITDA (non-GAAP), \$US,MM



Note:

1. Including share-based compensation US\$50.6 million in 2020, US\$8.8 million in 2021, US\$3.1 million in 2022 and US\$ 3.3 million in 2023, US\$ 0.7 million in Q1 2023 , US\$1.6 million in Q2 2023 ,US\$ 0.5 million in Q3 2023, US\$ 0.5 million in Q4 2023 and US\$ 0.8 million in Q4 2022



**Appendix**



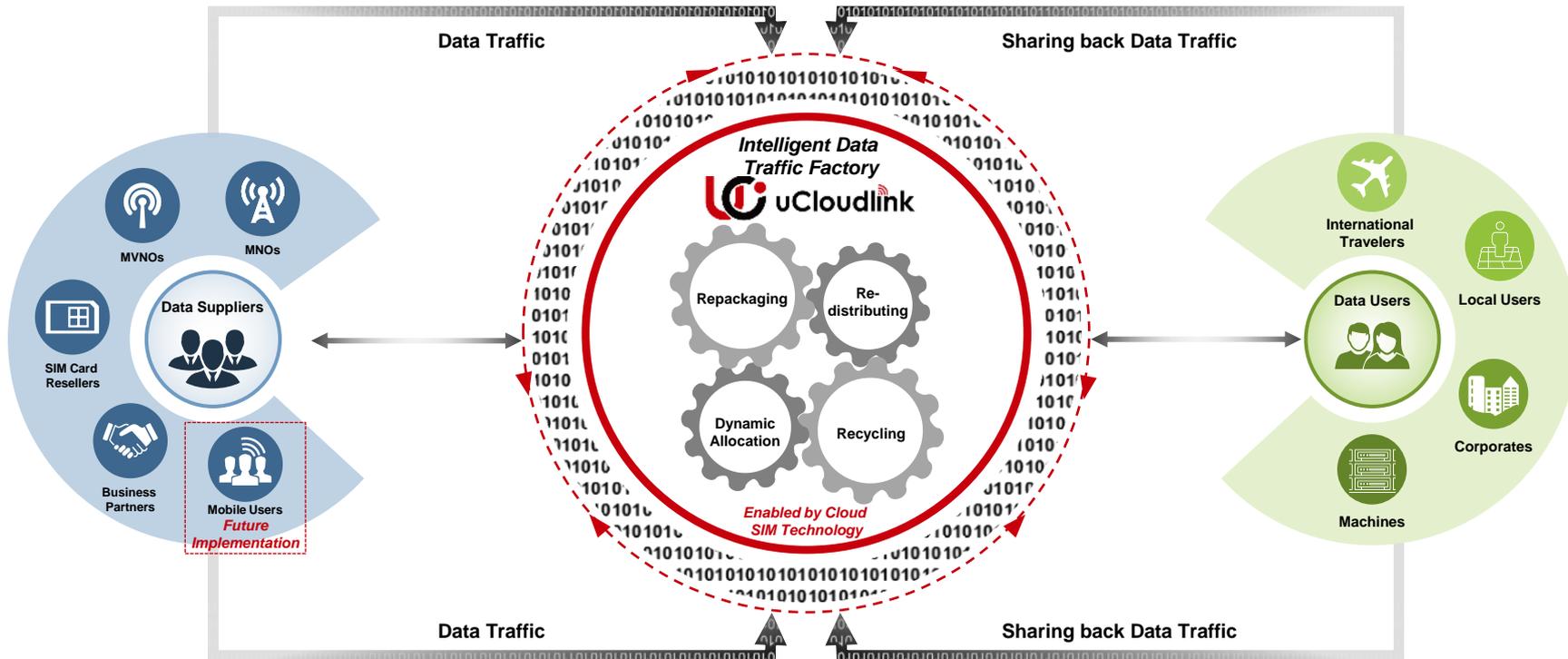
**Connecting and Sharing** without **Limitations**

## Mission Statement

To **Make the World Better 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

# Evolution of Our Business

(Nasdaq: UCL)



## Marketplace Evolution

## uCloudlink's Unique Position in the Market to Address These Demands



Most Global travelers  
Deactivate  
International  
Roaming



Diverse travel  
services beyond  
data connectivity



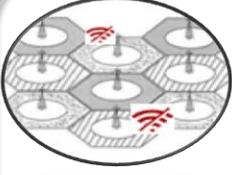
Better and faster  
connections in  
the 5G Era



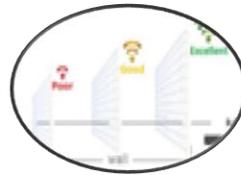
Peer-to-Peer  
Data Traffic  
Sharing



Reliable  
connectivity  
demand in IoT  
industry



Solve the  
problems for  
MNOs  
Coverage  
Congestion

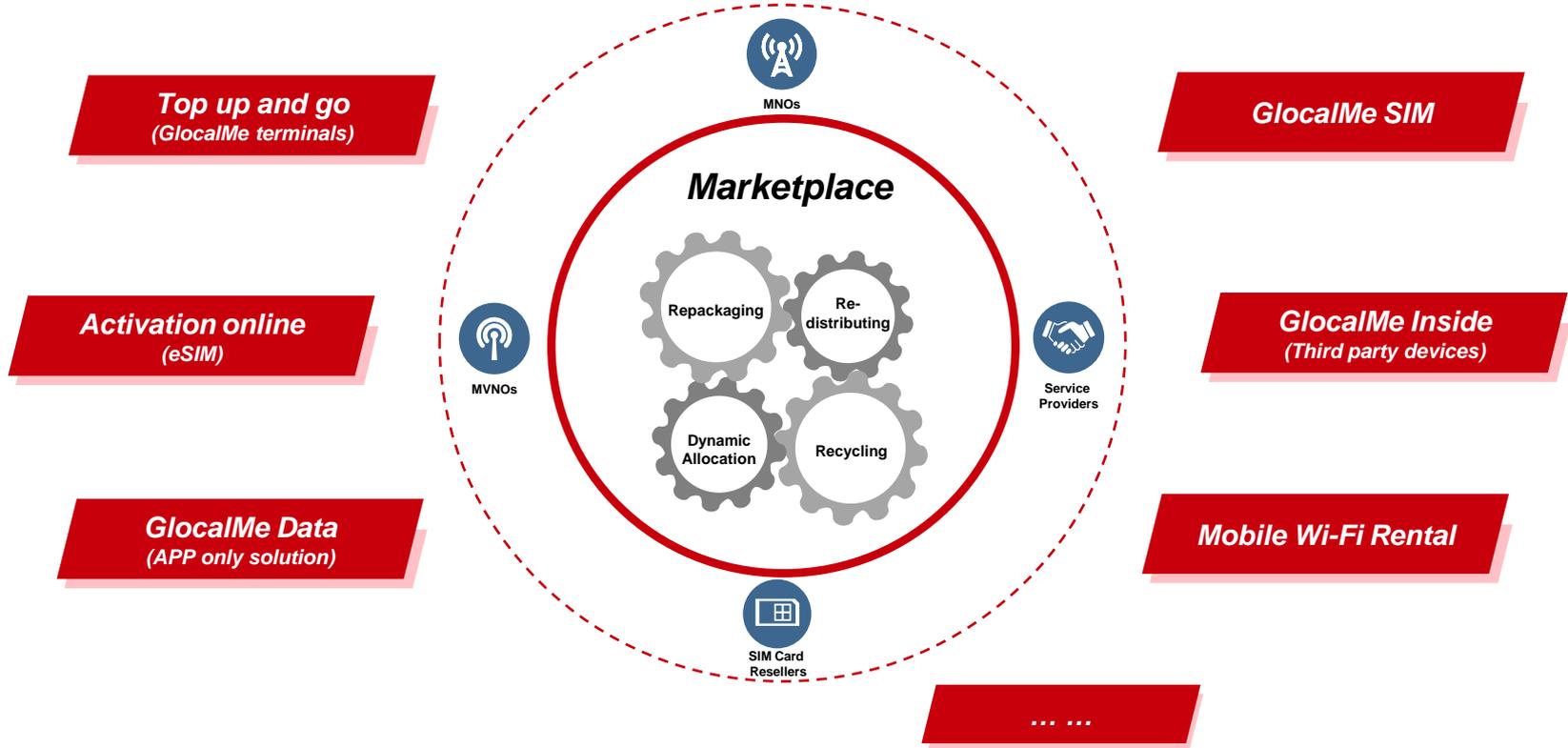


FBB/MBB:  
Challenge for Users  
Unreliable Indoor  
Wi-Fi Coverage

# One-stop Mobile Data Traffic Sharing Marketplace Application

(Nasdaq: UCL)

## One-stop Marketplace Within *One* APP



# Clear Growth Strategies Across Business Models

(Nasdaq: UCL)

Between Countries

 uCloudlink 1.0

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

Between Carriers

 uCloudlink 2.0

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

Full Marketplace

 uCloudlink 3.0

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

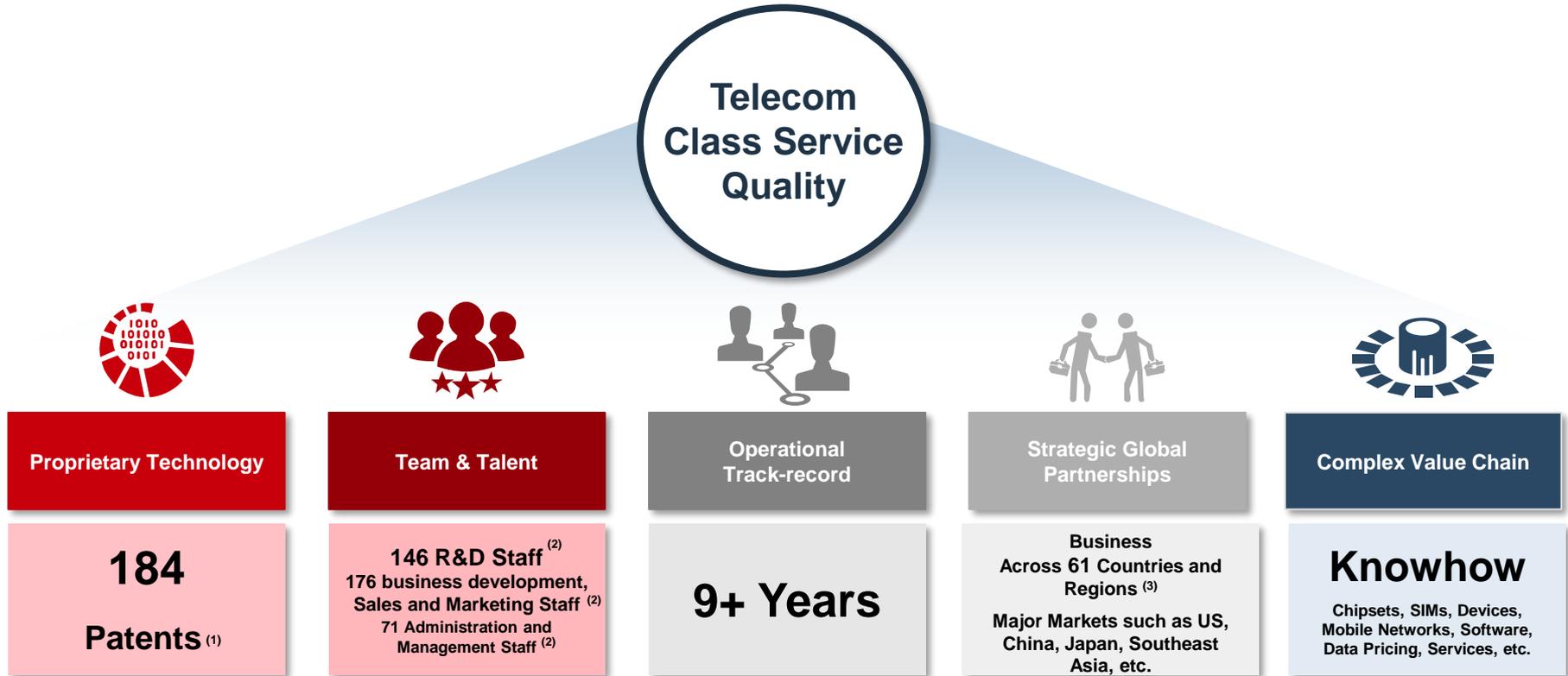


Gateway to **Digital Mobile Ecosystem** offering opportunities for VAS deployments

Next ...

# Unique Business Model with High Barriers to Entry

(Nasdaq: UCL)



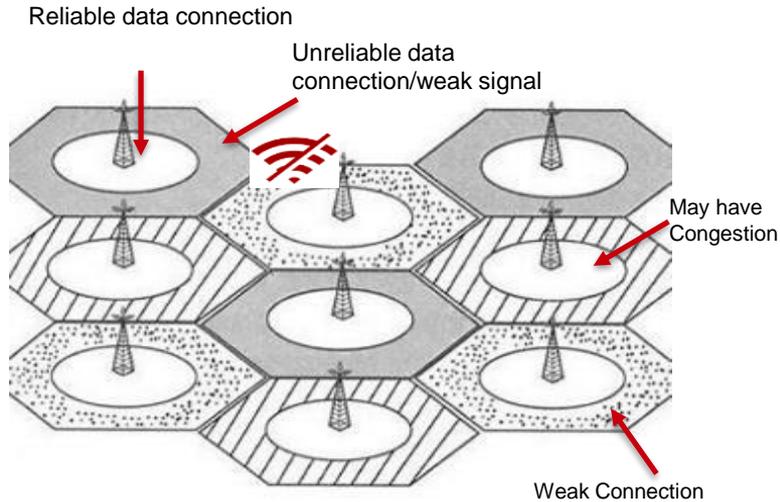
Notes:

1. As of December 31, 2023, with 146 patents approved and 38 patents pending approval, globally

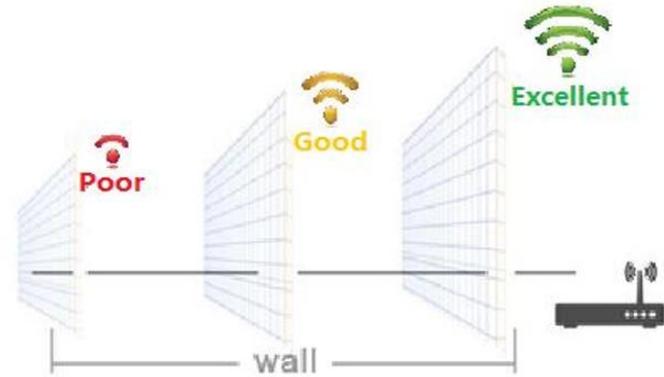
2. As of December 31, 2023, only full-time employees are counted

3. As of December 31, 2023

## Challenges for Mobile Network Operators



## Unreliable Indoor Wi-Fi Coverage

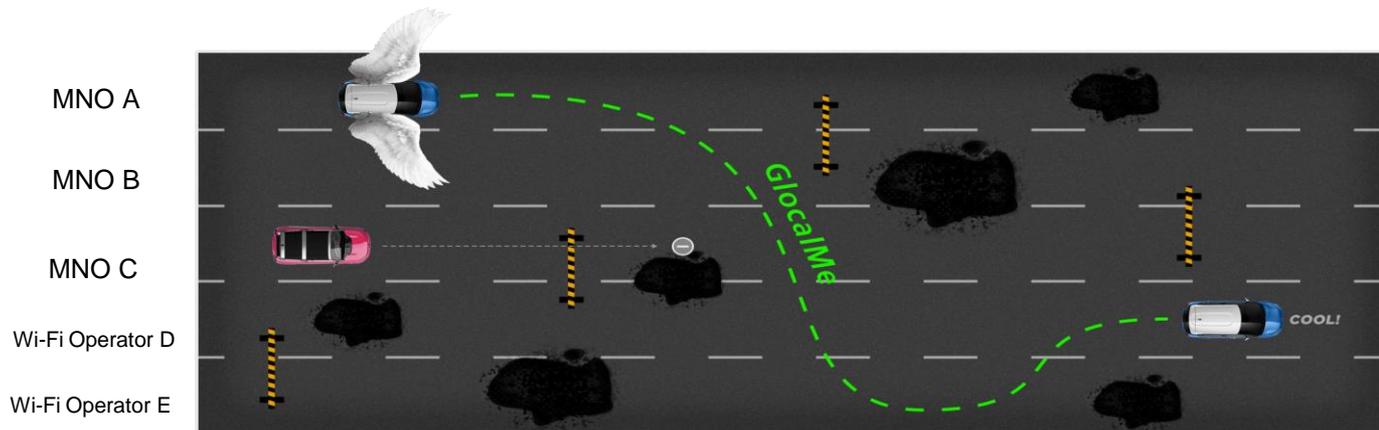


- **Poor coverage** 
- **May easily have congestion** 
- **Capital Intensive** for MNOs   
MNOs

# Our Solution Makes for a Better Connection

## Better Data Connection for MNOs and Users

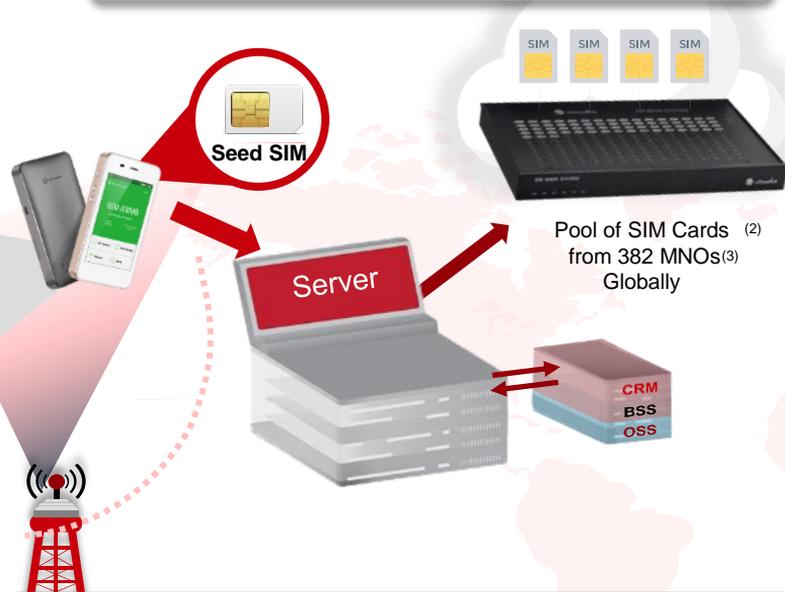
Effectively help improve networks' coverage and congestions indoors and outdoors



- Uses existing coverage to create more reliable data connections; Offers **Better 5G Data Connectivity** to Operators and Users
- **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 Advanced Technology and Solutions Enable Secure and Robust Connectivity

## Cloud SIM Technology



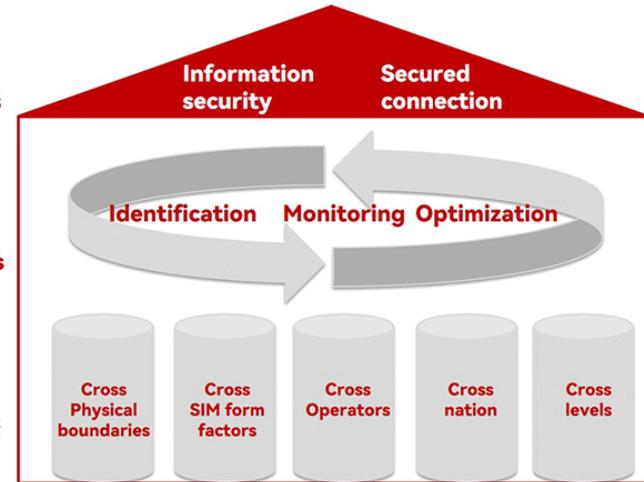
**184 Patents (1)**

## HyperConn Solutions

**2 targets**

**3 methods**

**5 crosses**



**Software-based**

**Ready to Support All Three Generations of our Businesses**

Notes:

1. As of December 31, 2023, with 146 patents approved and 38 patents pending approval, globally
2. As of December 31, 2023, among these SIM cards, c.28% are owned by the Company with remaining SIMs owned by our business partners
3. As of December 31, 2023

# 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<sup>(2)</sup>

### PaaS/SaaS Platform

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



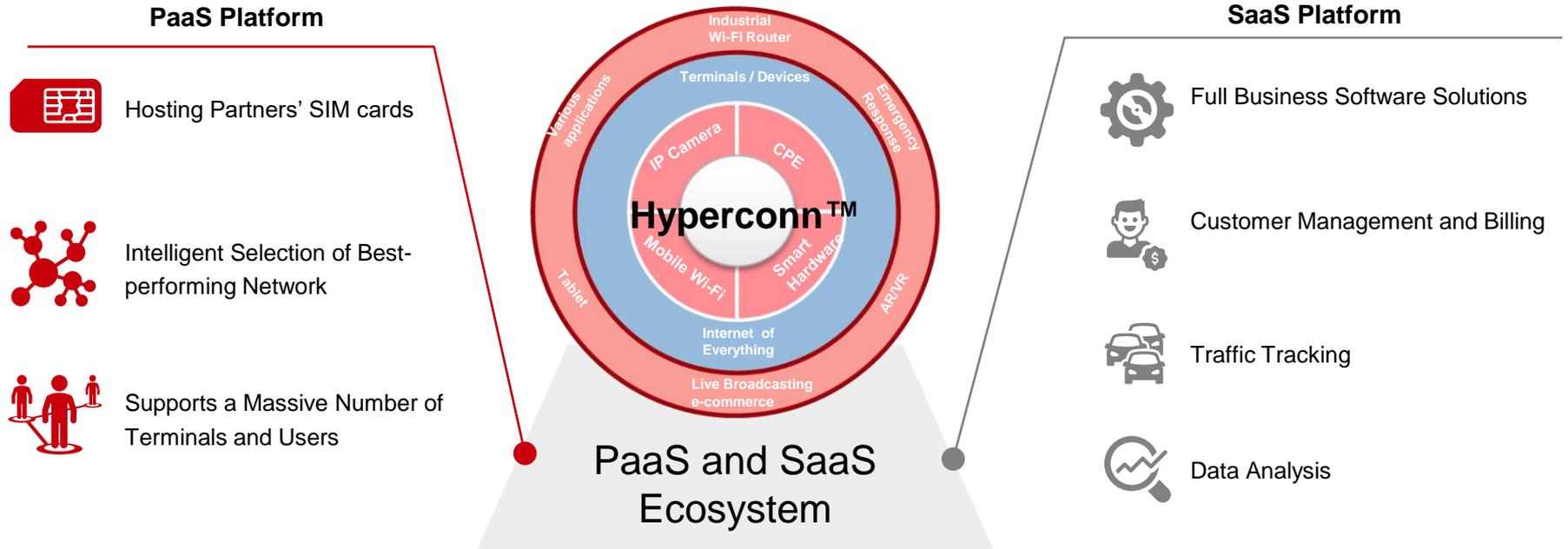
Rapid Expanding Global Partner  
Ecosystem, SIM Securely Locally  
Hosted by Partners  
C2C/C2B2C/B2B2C Models

Note:

1. Original design manufacture

2. As of December 31, 2023

# Ecosystem Powered by Our PaaS and SaaS Platform



The uCloudlink SaaS/PaaS platform is based on our innovative cloud SIM technology and HyperConn solution

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

	As of December 31, 2022	As of December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,921	23,371
Short-term deposit	197	-
Accounts receivable, net	5,961	6,489
Inventories	3,624	2,183
Prepayments and other current assets	4,255	6,416
Other investments	11,690	7,613
Amounts due from related parties	698	2,945
<b>Total current assets</b>	<b>41,346</b>	<b>49,017</b>
<b>Non-current assets</b>		
Prepayments	688	228
Long-term investments	1,711	1,956
Right-of-use assets, net	206	2,321
Property and equipment, net	1,181	2,433
Intangible assets, net	802	652
<b>Total non-current assets</b>	<b>4,588</b>	<b>7,590</b>
<b>TOTAL ASSETS</b>	<b>45,934</b>	<b>56,607</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Short term borrowings	2,876	5,297
Accrued expenses and other liabilities	24,014	24,755
Accounts payable	6,832	5,314
Amounts due to related parties	1,481	1,250
Contract liabilities	1,052	1,425
Operating lease liabilities	184	1,082
<b>Total current liabilities</b>	<b>36,439</b>	<b>39,123</b>
<b>Non-current liabilities</b>		
Operating lease liabilities	-	1,286
Other non-current liabilities	204	145
<b>Total non-current liabilities</b>	<b>204</b>	<b>1,431</b>
<b>TOTAL LIABILITIES</b>	<b>36,643</b>	<b>40,554</b>
<b>SHAREHOLDERS' EQUITY</b>		
Class A ordinary shares	12	13
Class B ordinary shares	6	6
Additional paid-in capital	236,774	240,137
Accumulated other comprehensive income	1,876	2,463
Accumulated losses	(229,377)	(226,566)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,291</b>	<b>16,053</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>45,934</b>	<b>56,607</b>

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

	For the three months ended		For the year ended	
	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023
<b>Revenues</b>	<b>19,611</b>	<b>21,730</b>	<b>71,461</b>	<b>85,576</b>
Revenues from services	12,536	14,927	46,228	58,570
Sales of products	7,075	6,803	25,233	27,006
<b>Cost of revenues</b>	<b>(9,549)</b>	<b>(10,438)</b>	<b>(38,927)</b>	<b>(43,611)</b>
Cost of services	(5,090)	(5,963)	(20,346)	(24,318)
Cost of products sold	(4,459)	(4,475)	(18,581)	(19,293)
<b>Gross profits</b>	<b>10,062</b>	<b>11,292</b>	<b>32,534</b>	<b>41,965</b>
Research and development expenses	(1,853)	(1,999)	(8,430)	(6,456)
Sales and marketing expenses	(2,880)	(4,081)	(10,305)	(14,304)
General and administrative expenses	(6,443)	(5,993)	(18,726)	(17,118)
Other income/(loss), net	34	(1,077)	(14,265)	(1,500)
<b>(Loss)/income from operations</b>	<b>(1,080)</b>	<b>(1,858)</b>	<b>(19,192)</b>	<b>2,587</b>
Interest income	10	34	18	70
Interest expenses	(68)	(28)	(441)	(133)
Amortization of beneficial conversion feature	87	-	(149)	-
<b>(Loss)/income before income tax</b>	<b>(1,051)</b>	<b>(1,852)</b>	<b>(19,764)</b>	<b>2,524</b>
Income tax expense	(3)	(3)	(161)	(70)
Share of profit in equity method investment, net of tax	1	24	72	357
<b>Net (loss)/income</b>	<b>(1,053)</b>	<b>(1,831)</b>	<b>(19,853)</b>	<b>2,811</b>
<b>Attributable to:</b>				
Equity holders of the Company	(1,053)	(1,831)	(19,853)	2,811
<b>(Loss)/earnings per share for Class A and Class B ordinary shares</b>				
Basic	(0.00)	(0.00)	(0.06)	0.01
Diluted	(0.00)	(0.00)	(0.06)	0.01
<b>(Loss)/earnings per ADS (10 Class A shares equal to 1 ADS)</b>				
Basic	(0.03)	(0.05)	(0.64)	0.08
Diluted	(0.03)	(0.05)	(0.64)	0.08
<b>Shares used in earnings per Class A and Class B ordinary share computation:</b>				
Basic	318,209,088	374,485,700	312,485,140	371,726,318
Diluted	318,209,088	374,485,700	312,485,140	371,726,318
<b>Net (loss)/income</b>	<b>(1,053)</b>	<b>(1,831)</b>	<b>(19,853)</b>	<b>2,811</b>
<b>Other comprehensive (loss)/income, net of tax</b>				
Foreign currency translation adjustment	(1,513)	(524)	2,322	587
<b>Total comprehensive (loss)/income</b>	<b>(2,566)</b>	<b>(2,355)</b>	<b>(17,531)</b>	<b>3,398</b>

Q & A

*Thank you*