



**(Nasdaq: UCL)**

**2Q 2024 Earnings Conference Call  
Presentation**

**August 2024**

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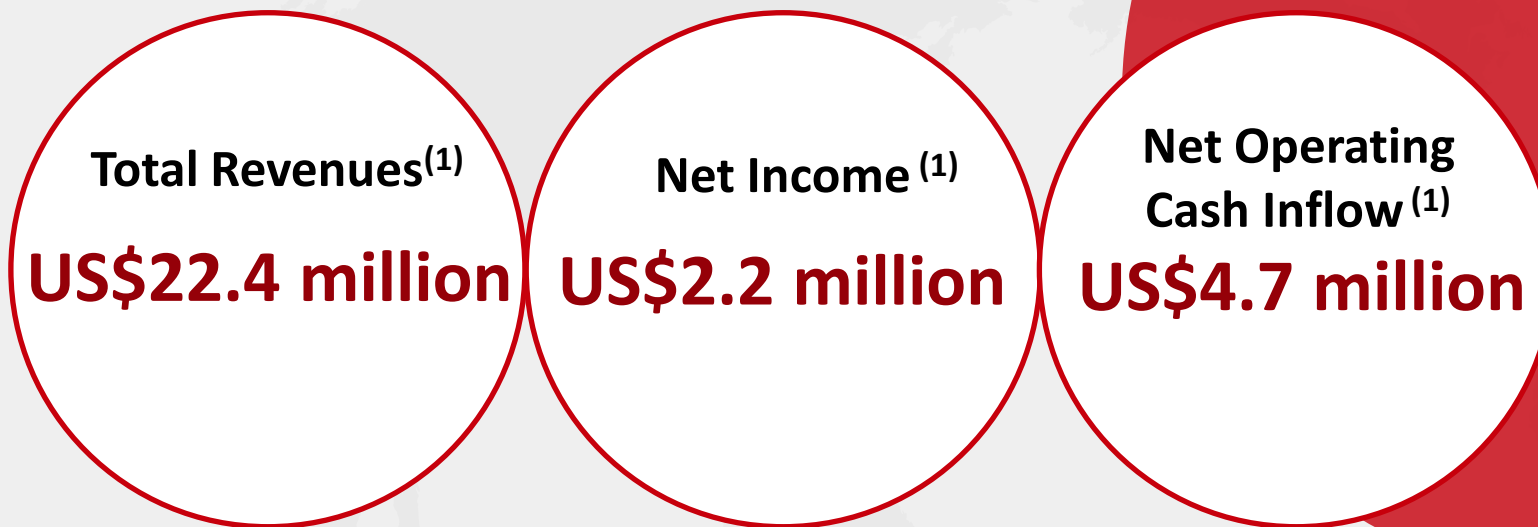
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# Financial Highlights: Strong Operating Cash Flow and Solid Performance

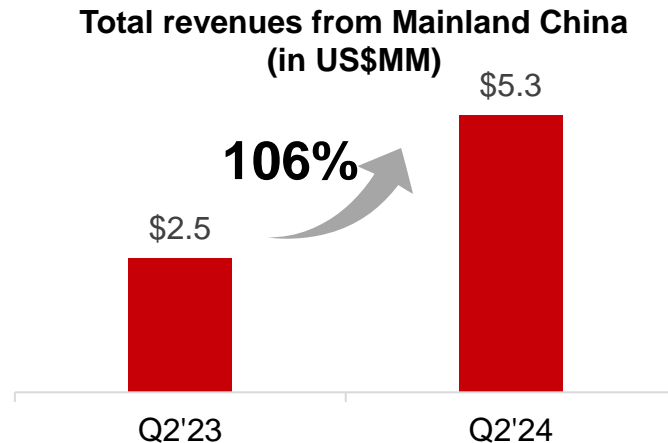
(Nasdaq: UCL)



Note: 1. In Q2 2024



## Business Performance



Increases in revenues from Mainland China are primarily driven by the recovery of international travel.



## Key Drivers

- **Innovative Global 5G Solutions**, providing **full-speed 5G** network coverage across **60** countries and regions, enhancing our leading competitive position within the global roaming market
- Sales of **GlocalMe SIM**, including OTA and eSIM, **doubled** quarter-to-quarter
- Expanding business **beyond portable Wi-Fi terminals** and building an expanded array of comprehensive data connectivity solutions to satisfy a wide range of user needs

# Expanding Business Beyond the Travel Sector into Various Aspects of Daily Life

(Nasdaq: UCL)

01

## ***GlocalMe* Mobile/Fixed Broadband**

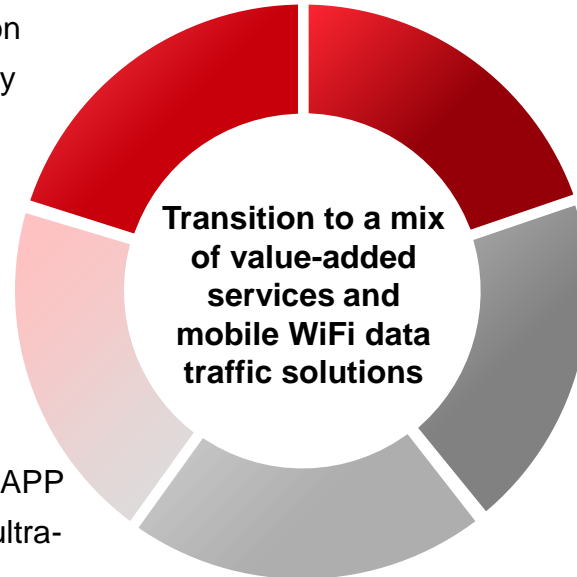
Strengthen our leadership position in the sector and redefine industry benchmarks for connectivity and innovation. 5G solutions have been continuously promoted and popularized.

03

## ***GlocalMe* SIM**

**OTA:** Physical card, easy to carry, recharge data package via mobile APP  
**eSIM:** No physical card required, ultra-portable, convenient and fast  
**“All SIM”:** Compatible with various smartphones, consolidating OTA SIM, eSIM, and Cloud SIM into “All SIM”

solutions.



05

## **Other value-added services...**

02

## ***GlocalMe* Life**

Offering seamless connectivity to various high-frequency daily life application scenarios to help expand our user base beyond travel sector and diversify revenue streams.

04

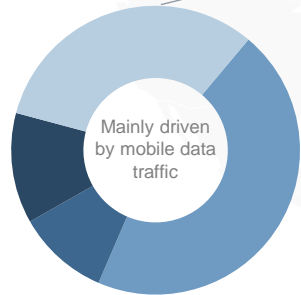
## ***GlocalMe* IoT**

Compatible with various chipset platforms to engage with a broader spectrum of partners in the security camera, dashboard camera, and other related sectors to explore additional application scenarios.

# Transition of Revenue Drivers

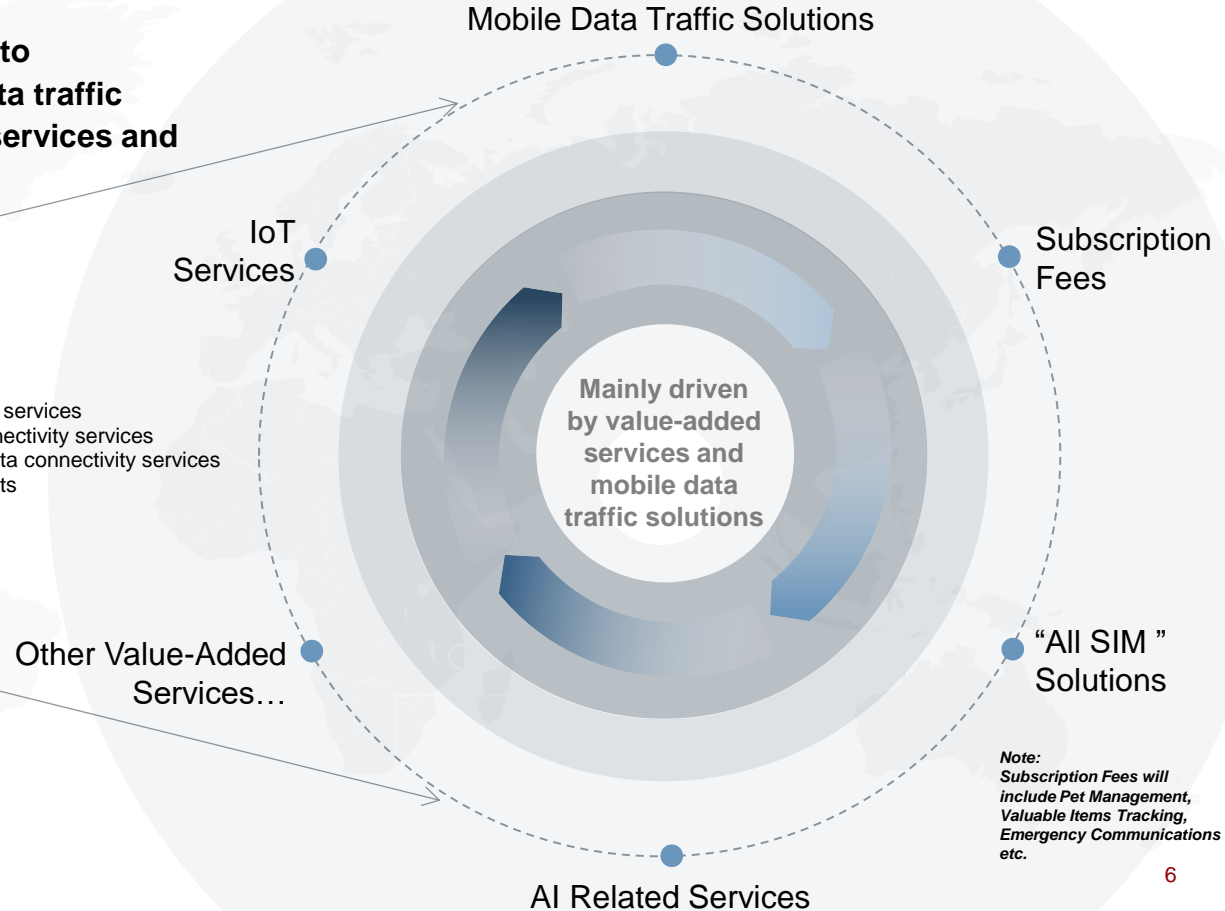
(Nasdaq: UCL)

Our revenue streams are expected to transition from primarily mobile data traffic solutions to a mix of value-added services and mobile data traffic solutions.



FY2023 Revenue Breakdown

- Paas and Saas services
- Local data connectivity services
- International data connectivity services
- Sales of products



Note: Subscription Fees will include Pet Management, Valuable Items Tracking, Emergency Communications etc.

# Better Connection Empowers Better Life: Three *GlocalMe* Life Solutions Launched (Nasdaq: UCL)

### KeyTracker

While other smart tag & GPS tracker failed, we located.



**Tracker** Powered by 6-fold positioning tech GPS, AGPS, LBS, WIFI, Bluetooth, Active Radar

Our accurate tracking can

- Multiple network for higher chance of information uploading
- Function perfect at indoor, outdoor, high building, rural area
- 100M active search

**Mobile WiFi** Powered by CloudSIM tech

- Connect to global 4G internet without SIM card
- 30 minutes free internet service everyday\*

\*frequency depends on the positioning service subscribed.



### RoamPlug

Travel lighter and smarter, one plug for all your tech.

**4-in-1 Universal Adaptor with Built in CloudSIM Hotspot**

Travel adaptor Laptop charger Smartphone charger Internet device



PPS PD3.0 AFC QC4.0

**Say goodbye to lugging around multiple adapters and unsecured public Wi-Fi**

**Universal Adapter**  
Built-in sliding plugs adaptable for 195+ countries/regions worldwide.

**Global SIM-free WiFi**  
Built-in CloudSIM tech to access network of 350+ carriers in 200+ countries.

**70W PD3.0 Multi-port**  
3C1A USB ports with 65W Max single output. Laptops, tablets, smartphone and more all together.

**Used as Portable WiFi**  
Power up by portable power bank or smartphone to use as global mobile hotspot.




### UniCord

One cable for all. Charging and connection worldwide.

**3-in-1 Charging Cable with Built in CloudSIM Hotspot**


Charging cable Internet device







**65W Super-fast Charging**  
High power cable for all your tech from smartphone, digital gadgets and even laptop.

**Multi-interface Expansion**  
Supports expansion of multiple interfaces, including A/C/lighting that compatible for a wide range of devices.

**Global SIM-free WiFi**  
Built-in CloudSIM tech to access global 4G mobile network of 350+ carriers in 200+ countries.



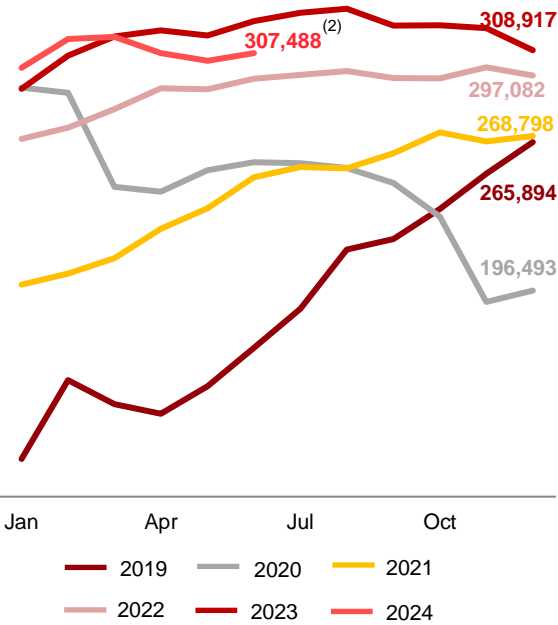
- 01 **Pet Management**  

- 02 **Search and Location**  

- 03 **Item Tracking**  

- 04 **Wi-Fi Hotspot**  


Others...

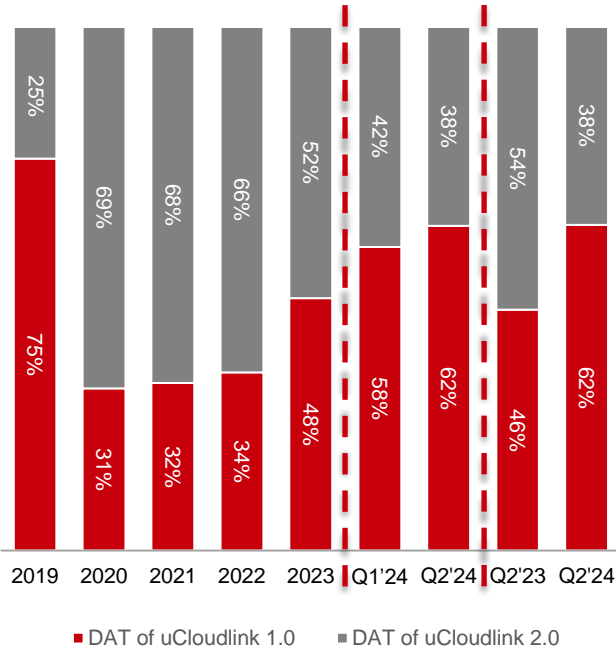
The first three *GlocalMe* Life solutions launched in May at Viva Technology 2024 in Paris attracted widespread attention from distributors and users. We expect them to contribute more revenues in the coming quarters through various markets and channels. With our high-quality data connectivity solutions for a range of everyday scenarios, we will be able to engage with a broader end user base and enable our users to enjoy a more intelligent and convenient life.

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

# Terminals

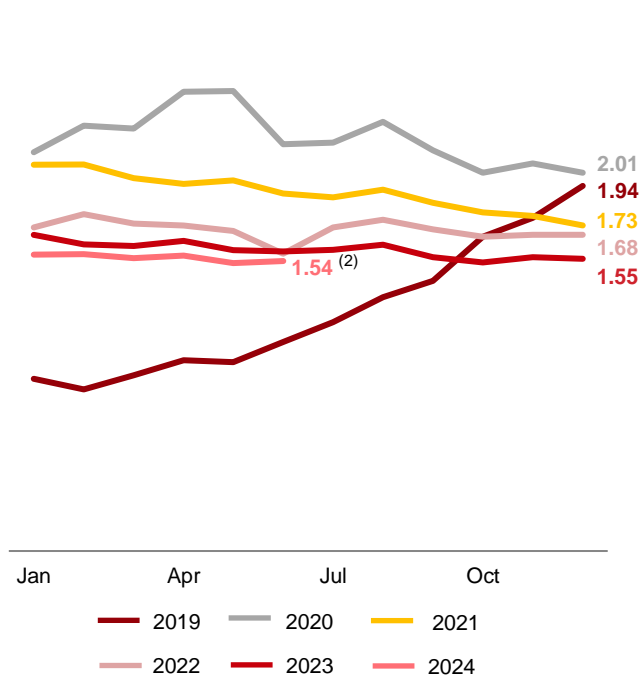


## DAT Breakdown: uCloudlink 1.0 vs. 2.0 <sup>(1)</sup>



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

GB



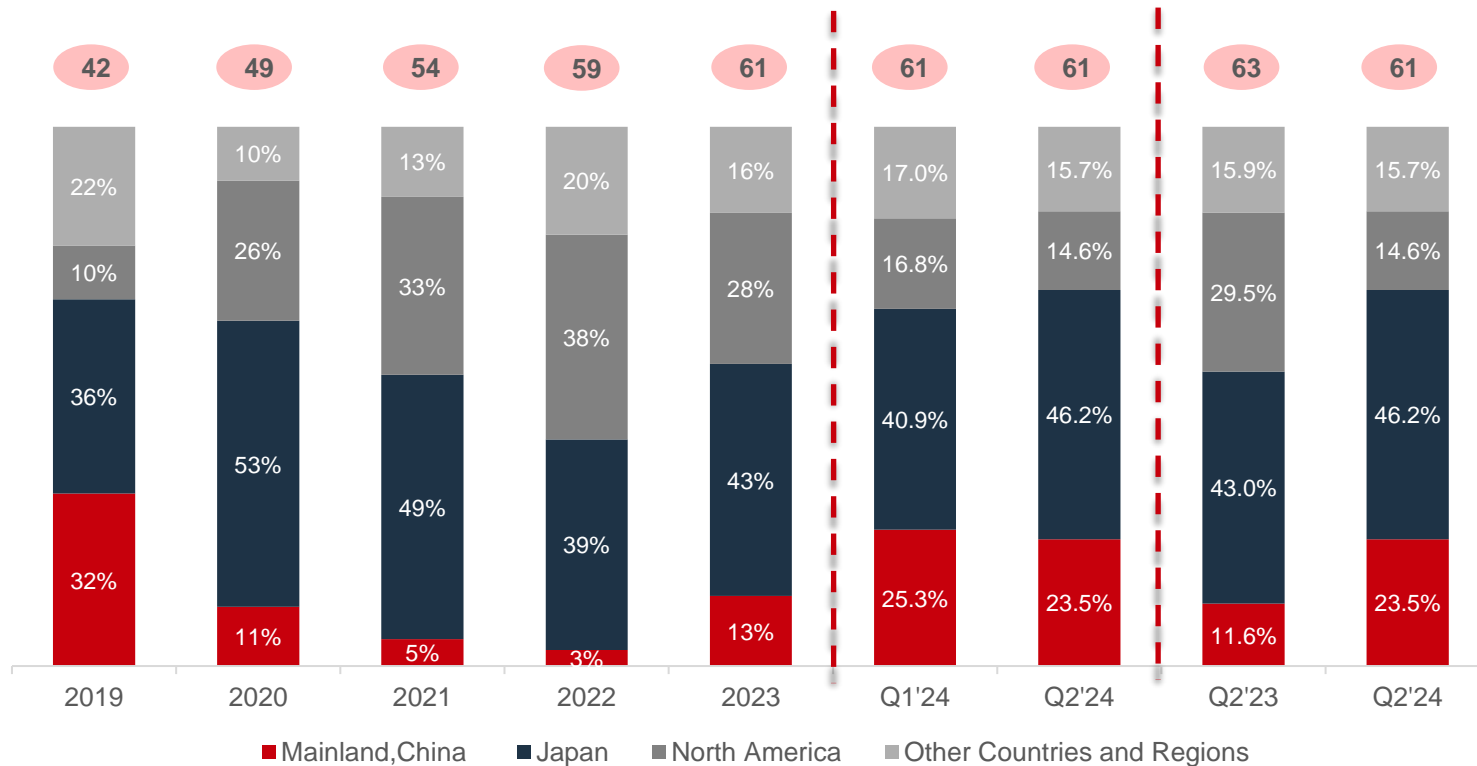
Note:  
1. Average daily active terminals include terminals connected to our platform that are serviced by us or our business partners.

2. In June 2024  
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.



# Geographically Diversified Revenue Streams

(Nasdaq: UCL)



**76.5%**<sup>(1)</sup>  
Non-Mainland  
China Revenue  
Contribution

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

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

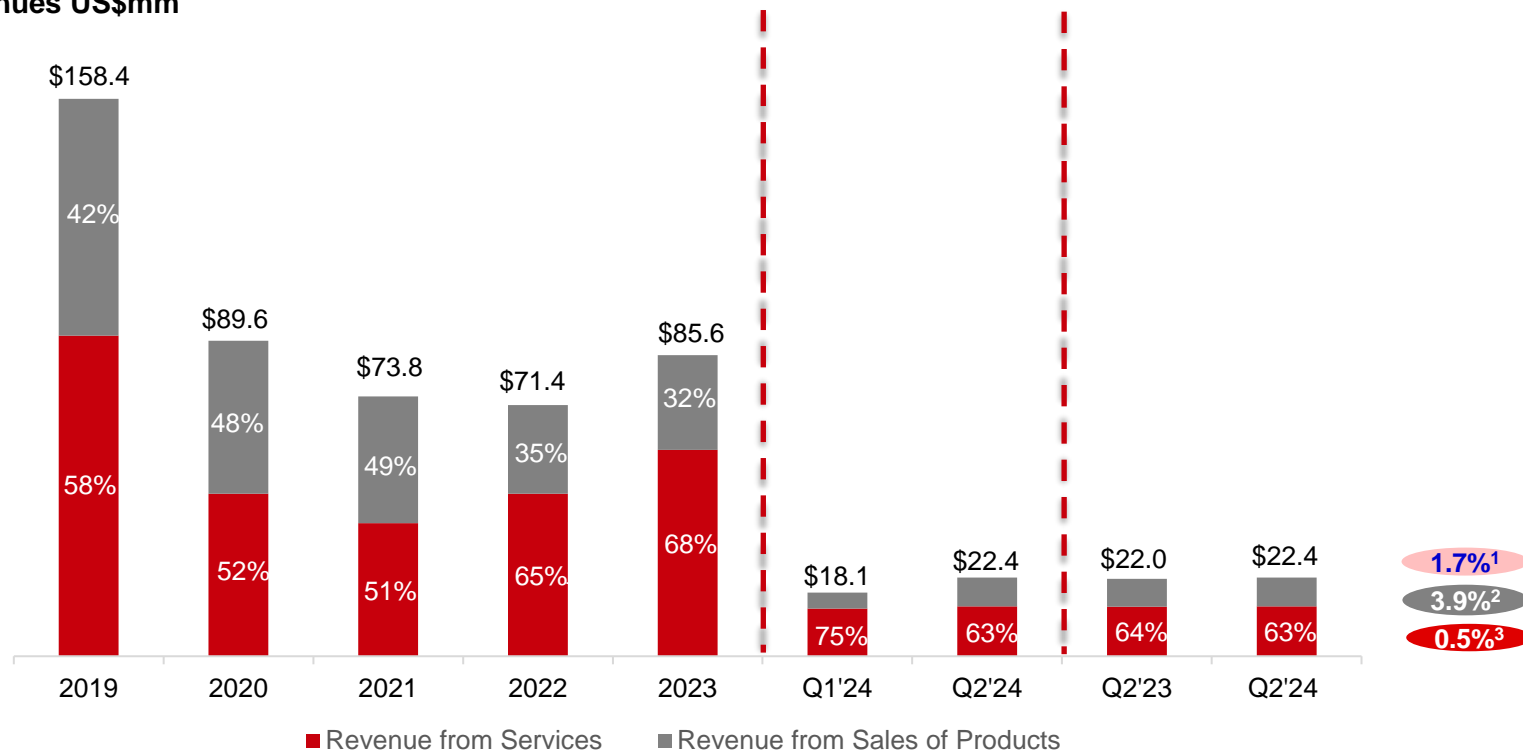
Note:

1. In Q2 2024

# Revenue Breakdown

(Nasdaq: UCL)

## Revenues US\$mm

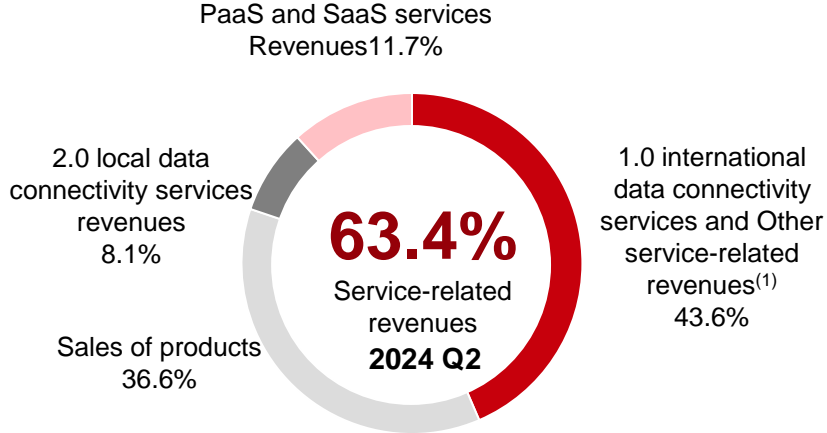
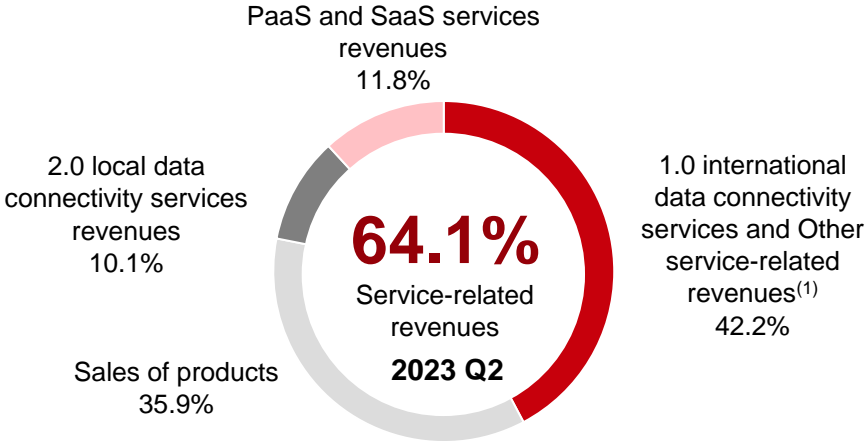


Note:

1. Q2 2024 total revenues YoY%
2. Q2 2024 revenues from sales of products YoY%
3. Q2 2024 revenues from services YoY%

# Revenues Segmentation

(Nasdaq: UCL)



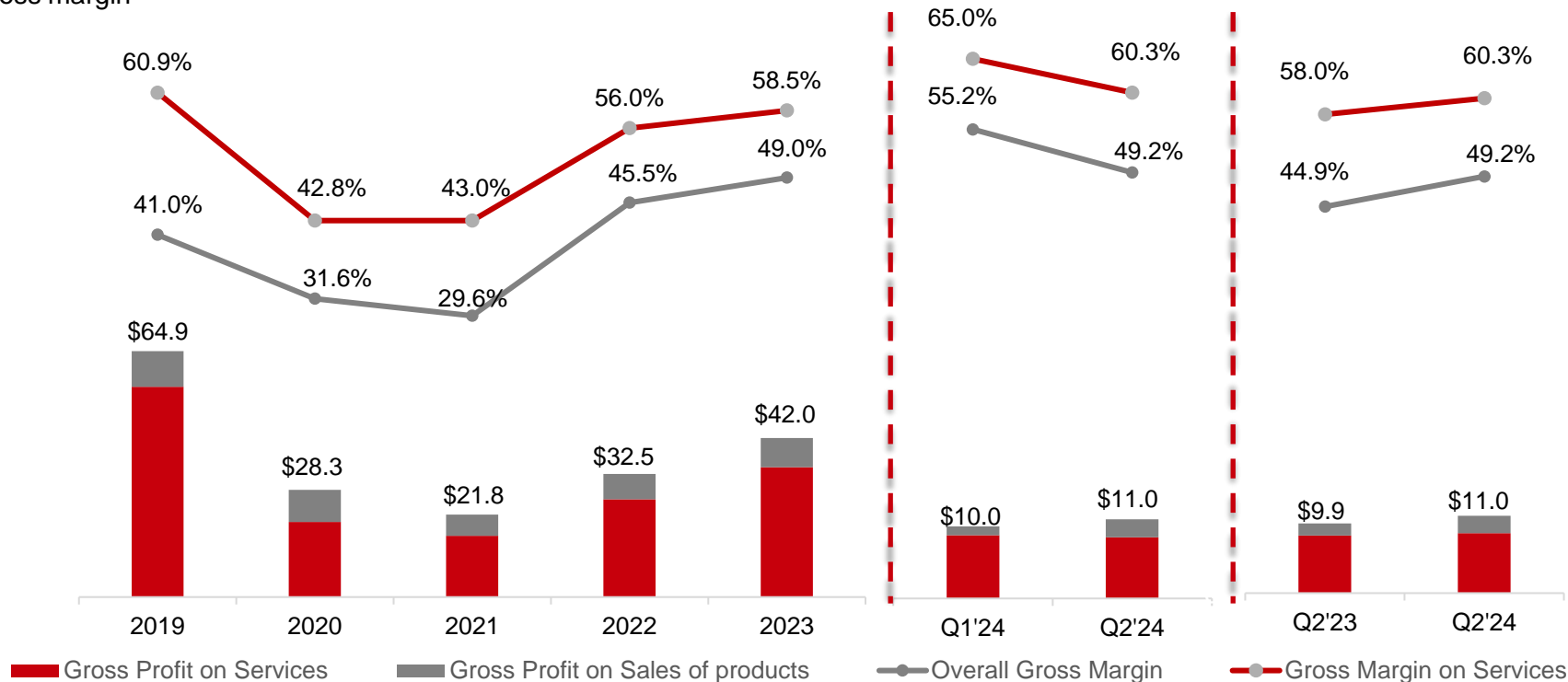
Note:  
1. Other service-related revenues include revenues from others

# Gross Margin from Services Consistently Higher than Overall Gross Margin

(Nasdaq: UCL)

## Gross Profit US\$mm

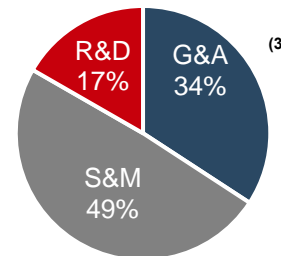
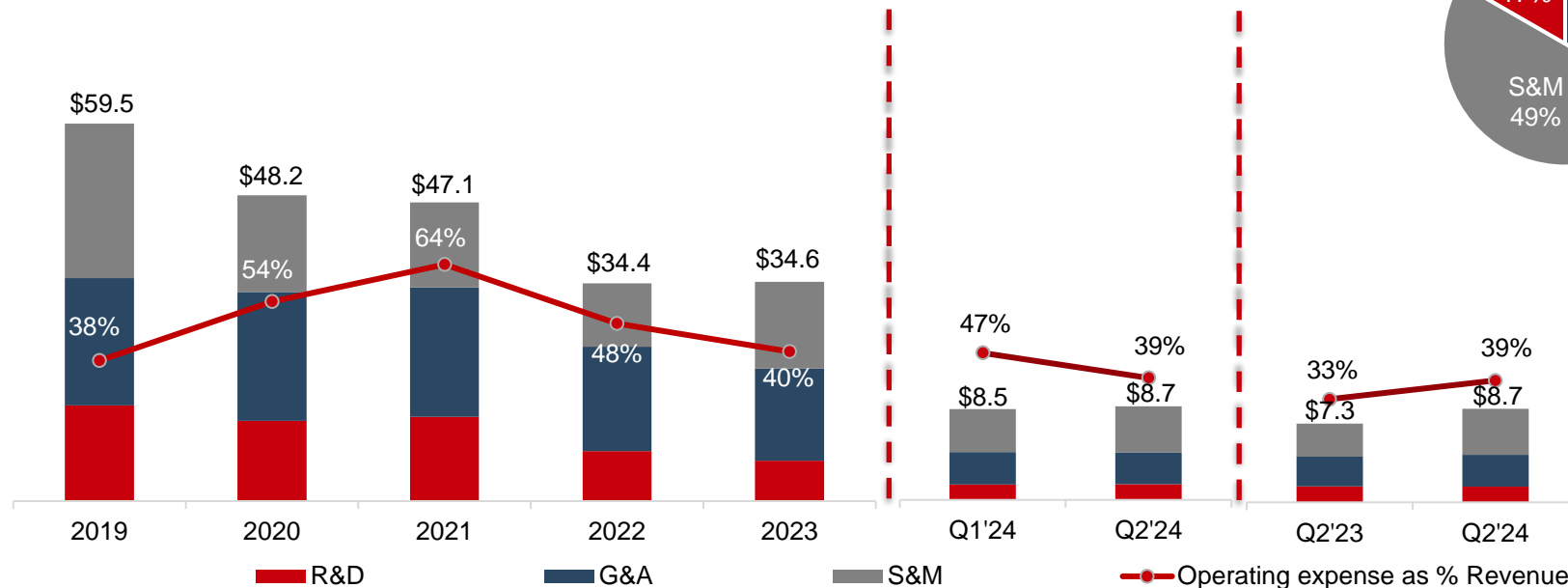
Gross margin



# Improving Operational Efficiency

(Nasdaq: UCL)

## Operating expenses<sup>(1)</sup> US\$mm



**150 R&D Staff<sup>(2)</sup> 168 Business Development, Sales and Marketing Staff<sup>(2)</sup> 75 Administration and Management Staff<sup>(2)</sup>**

Note:

1. Operating Expenses excluding share-based compensation
2. As of June 30, 2024
3. Operating Expenses Breakdown Pie Chart is specifically for Q2 2024

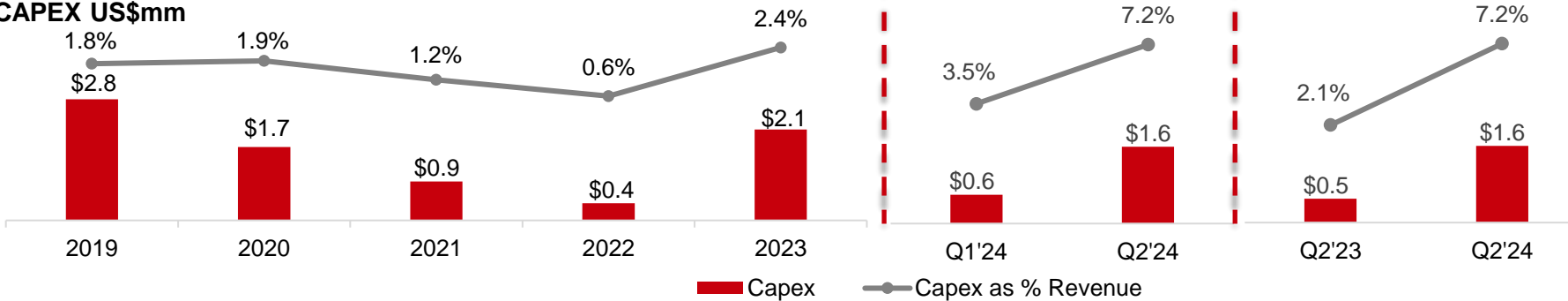
# Asset Light Business Model

(Nasdaq: UCL)

## Operating Cash Flow US\$mm



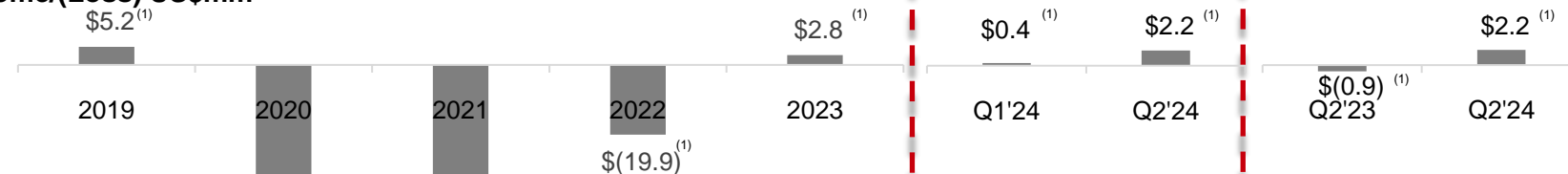
## CAPEX US\$mm



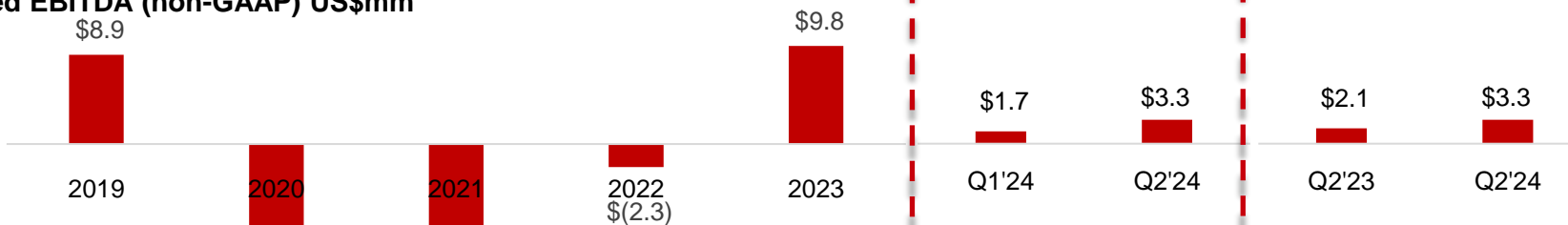
# Net Income & Adjusted EBITDA (non-GAAP)

(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, US\$ 3.3 million in 2023, US\$1.6million in Q2 2023, US\$0.4 million in Q1 2024 and US\$0.3 million in Q2 2024.

Q & A

*Thank you*





## Appendix

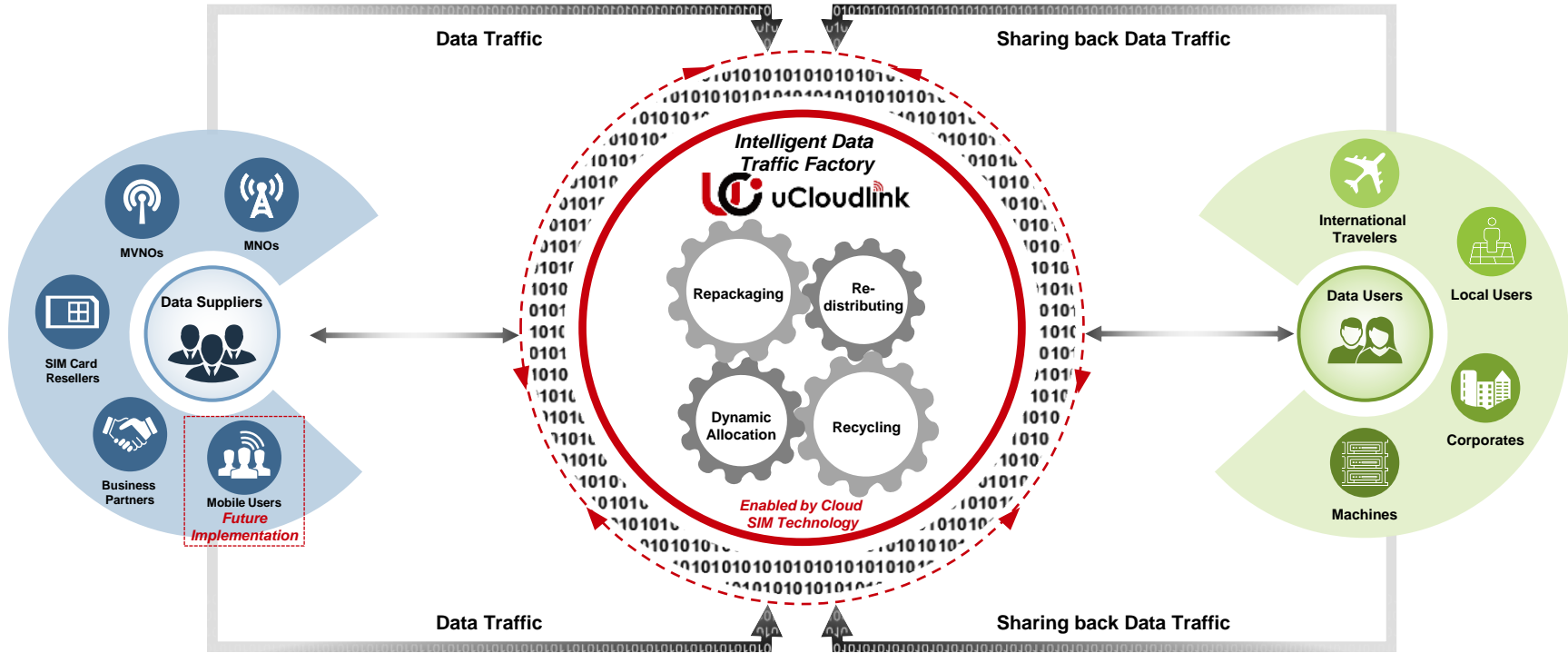


**Connecting and Sharing** without **Limitations**  
**Better Connection** Empowers **Better Life**

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

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

(Nasdaq: UCL)



**Best Coverage**

**Best Speed**

**Best Price**

**Flexible Solution**

**High Throughput**

# Addressing Data Connectivity Pain Points for Businesses and Consumers

(Nasdaq: UCL)

“Enabling people to use mobile data traffic freely, anytime and anywhere”

## Consumers

### International travel



- **Cost of data roaming**



- **Need for diverse travel services**

### Everyday life



- **Keeping touch of valuables and loved ones**



- **Inflexible data plans**

## All Stakeholders

### All scenarios



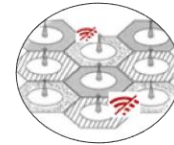
- **Underutilized capacity for mobile data**



- **Limited 5G connectivity**

## Businesses

### MNOs/MVNOs



- **Network coverage & congestion**



- **Unreliable indoor Wi-Fi**

### IoT module and device manufacturers makers



- **Reliable connectivity with no temporary disconnections**



# Evolution of our Business

(Nasdaq: UCL)

2014  
- present



## uCloudlink 1.0

**Between Countries**

for **cross-border travelers**

**International Data  
Connectivity Solutions**



2018  
- present



## uCloudlink 2.0

**Between Carriers**

for **local users**

**Local Data Connectivity  
Solutions**



2024 -



## uCloudlink 3.0

**GlocalMe Ecosystem  
(Trial Phase)**

Offer high quality connectivity solutions to meet users' **everyday needs** for security, convenience, and intelligent lifestyles

**Acquire and retain users** beyond the travel sector

**Diversified revenue streams**

Vision



## uCloudlink 3.0

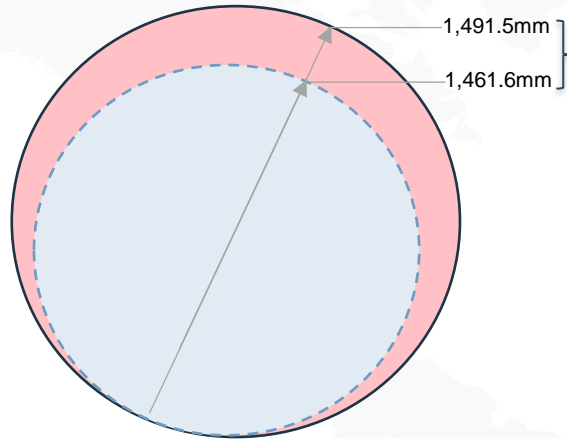
**Sharing Marketplace  
(Next Phase)**

Capitalize on scalable **user base** accumulated through uCloudlink 1.0 and 2.0 models

Trial testing user access to **maximize network utility** and **eliminate wastage**

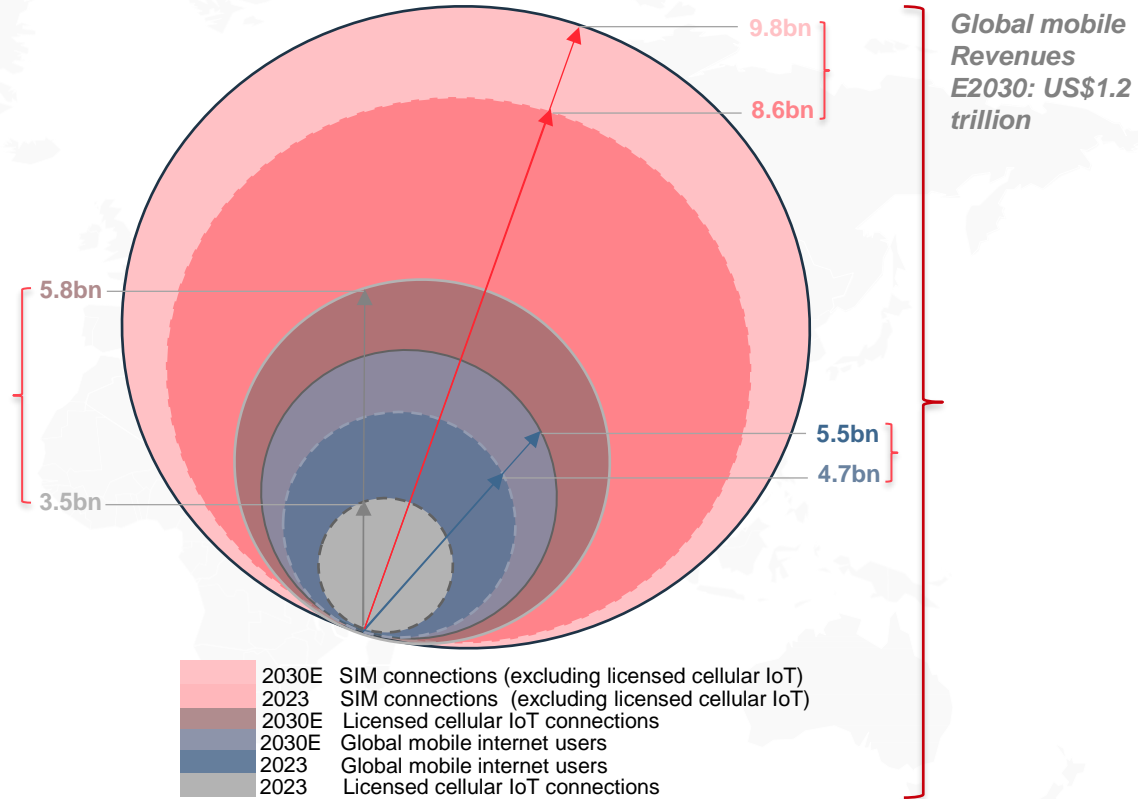
# Massive Market Opportunity and Scalable User Base

(Nasdaq: UCL)



2024E International Tourist Arrivals  
2019 International Tourist Arrivals

Notes: source: [International Tourism to Reach Pre-Pandemic Levels in 2024 \(unwto.org\)](#)



Global mobile Revenues  
E2030: US\$1.2 trillion

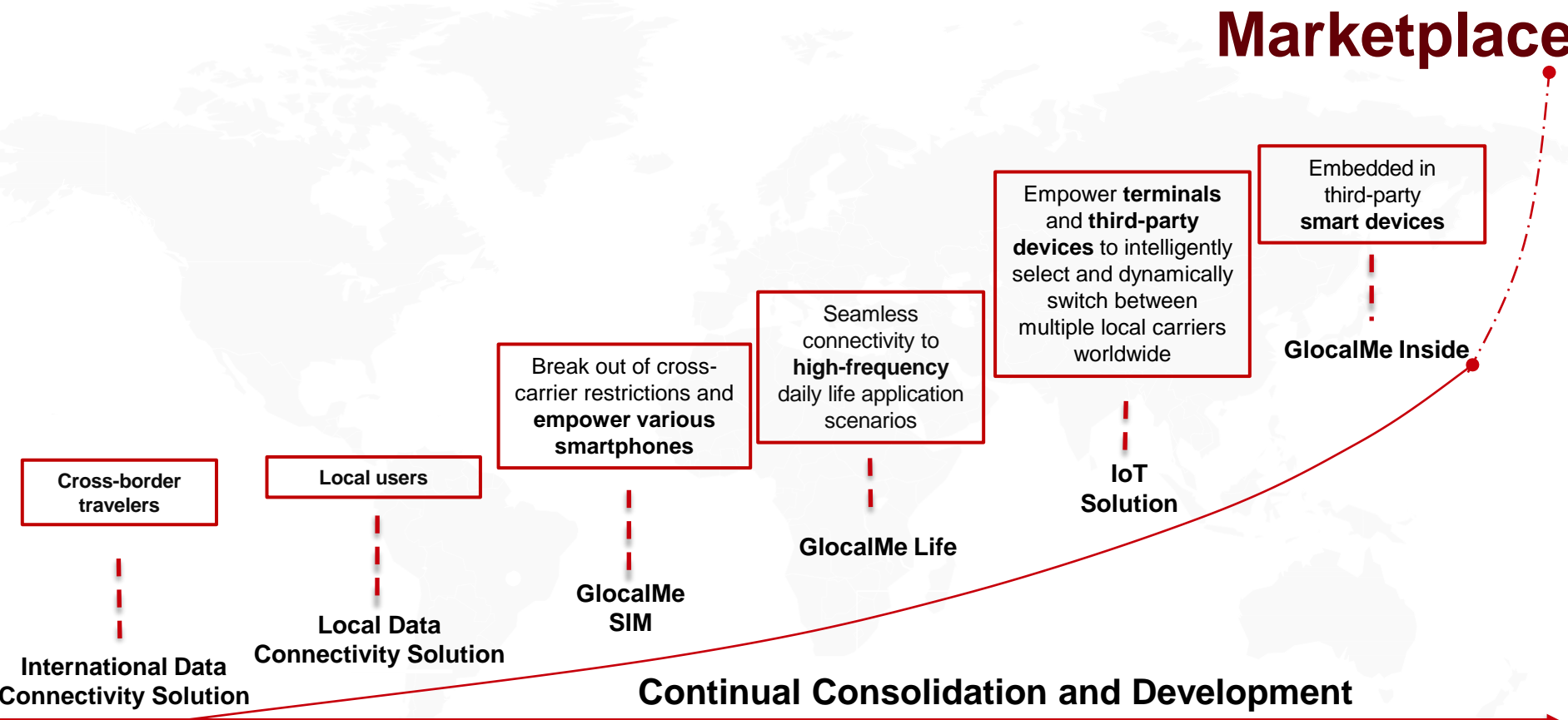
2030E SIM connections (excluding licensed cellular IoT)  
2023 SIM connections (excluding licensed cellular IoT)  
2030E Licensed cellular IoT connections  
2030E Global mobile internet users  
2023 Global mobile internet users  
2023 Licensed cellular IoT connections

Notes: source: [The Mobile Economy 2024 \(gsma.com\)](#)

# Scaling Up User Base to Build a Full Marketplace

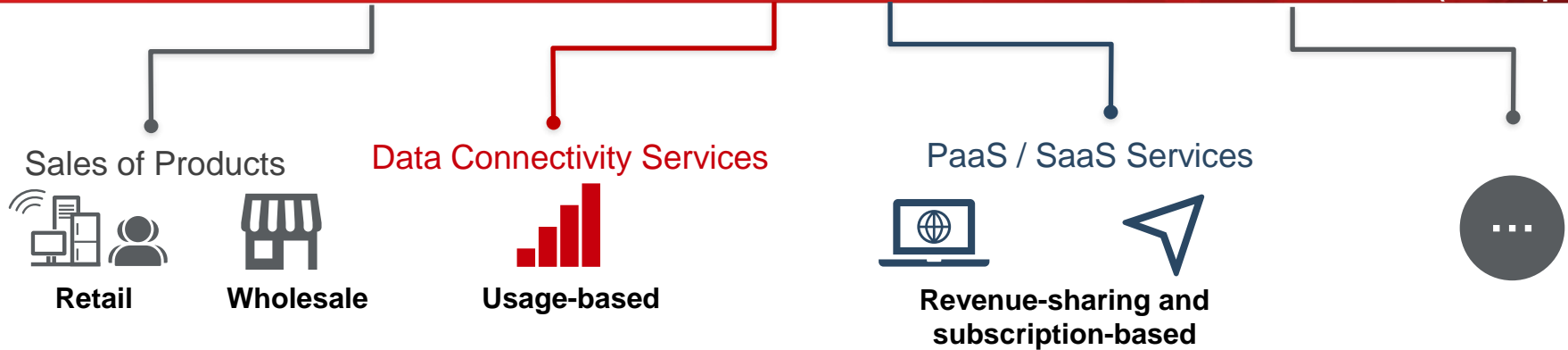
(Nasdaq: UCL)

## Marketplace



# Profitable Monetization Model: Recurring Revenues with Scalable User Base

(Nasdaq: UCL)



- Retail: Providing products **directly to consumers** under our own brands
- Wholesale: Providing products to our **distributor partners**

- Collecting revenue based on the data usage of **all terminals** (including GMI devices) that use our cloud SIM technology

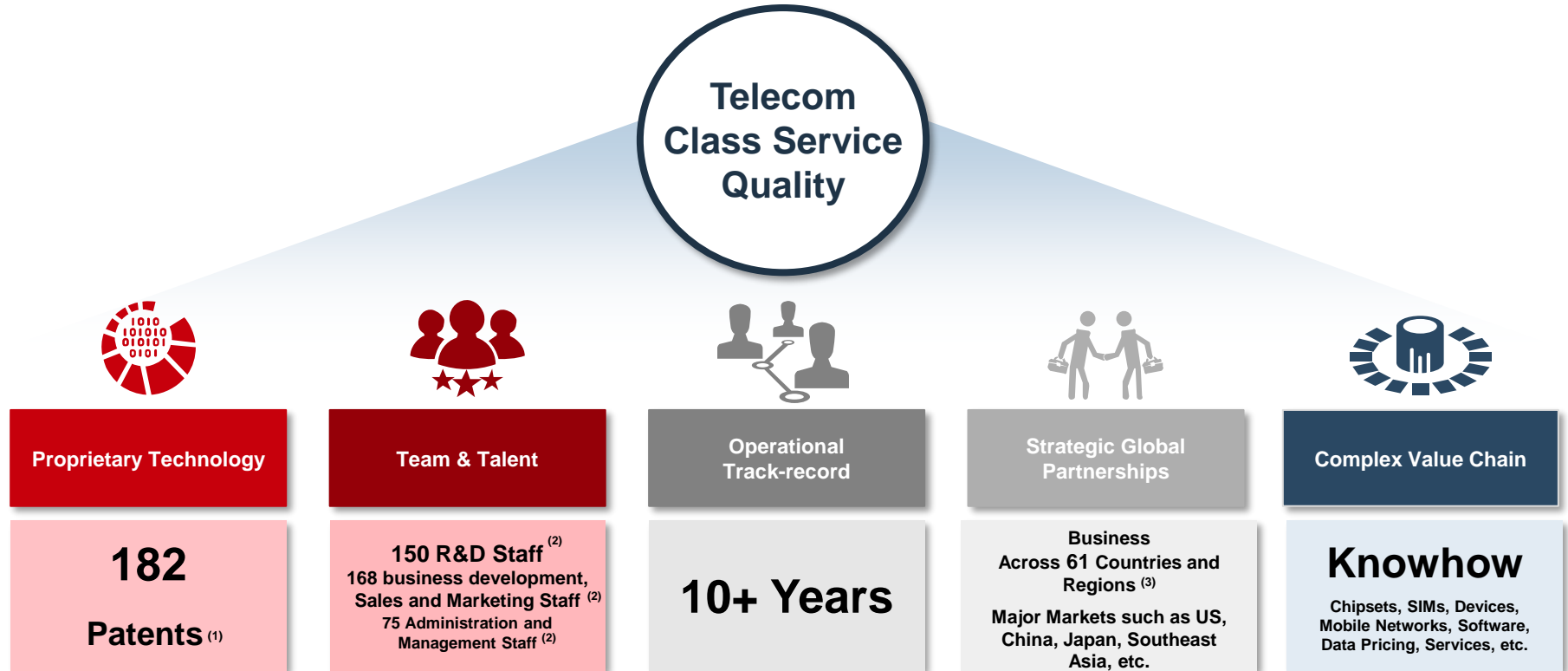
- Providing our business partners with cloud SIM platform services and earning revenue through **revenue sharing**
- Providing CRM, SIM card management, data analysis, security & emergency communications, and other services to our business partners
- Providing value-added services such as location tracking and translation services to **retail users**

- The introduction of our one-stop GlocalMe app and the ongoing growth of our user base will enable further diversification of our revenue stream through new monetization models



# Unique Business Model with High Barriers to Entry

(Nasdaq: UCL)

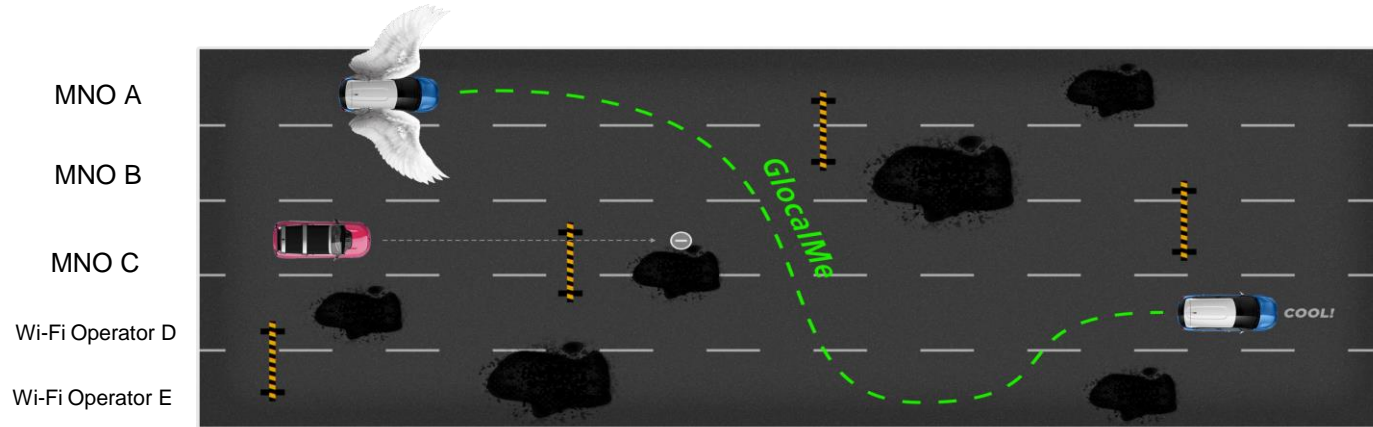


## Notes:

1. As of June 30, 2024, with 153 patents approved and 29 patents pending approval, globally
2. As of June 30, 2024, only full-time employees are counted
3. As of June 30, 2024

## Better Data Connections for MNOs and Users

Improves network coverage and alleviates congestion both indoors and outdoors

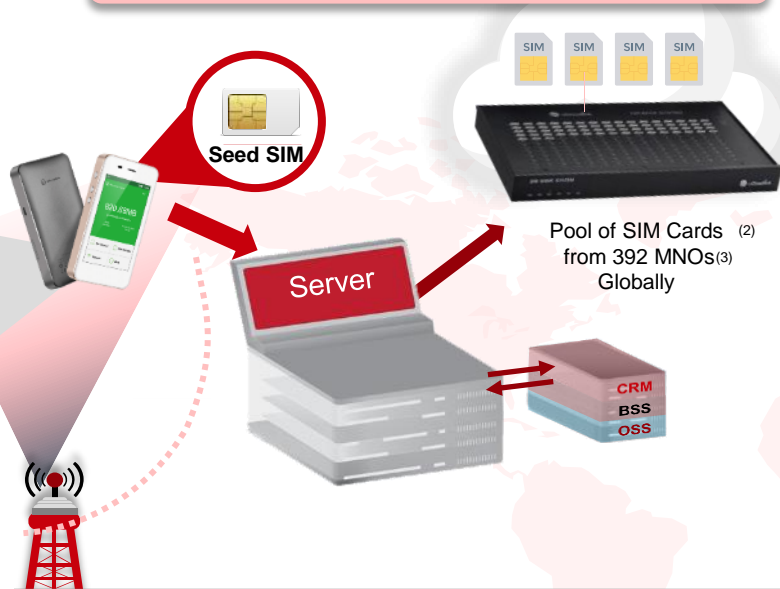


- Uses existing coverage to create more reliable data connections, providing operators and users with **Better 5G Data Connectivity**
- **Seamless coverage** for end users; solves pain points such as roaming and international travel
- Enables MNOs to **improve user experience** without expensive upgrades to existing infrastructure
- Ample opportunities in industries requiring **high-quality data connectivity** (such as education, energy, autonomous driving, etc)
- **Improved overall network efficiency** and access to worldwide networks via “**Navigation + Electronic Toll Pass**”

# Our Advanced Technology and Solutions Enable Secure and Robust Connectivity

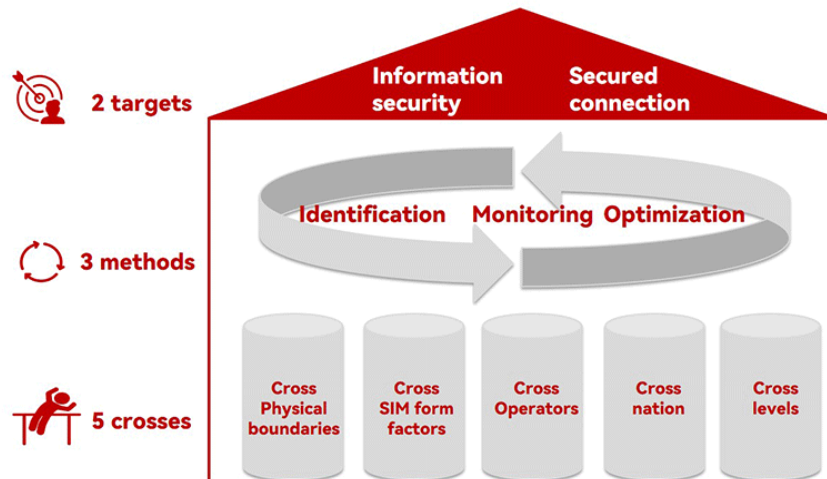
(Nasdaq: UCL)

## Cloud SIM Technology



**182 Patents (1)**

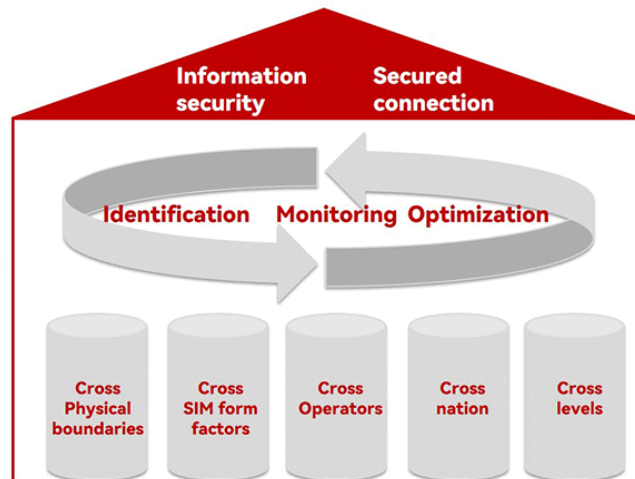
## HyperConn Solutions



**2 targets**

**3 methods**

**5 crosses**



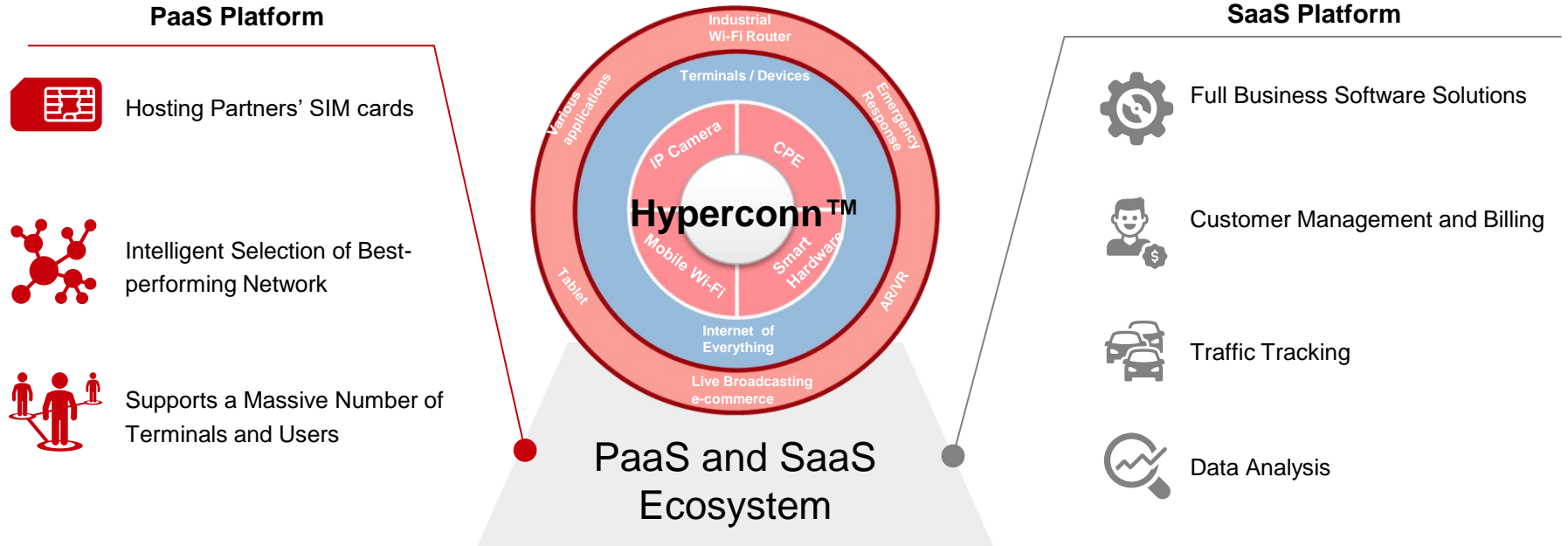
**Software-based**

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

Notes:  
 1. As of June 30, 2024, with 153 patents approved and 29 patents pending approval, globally  
 2. As of June 30, 2024, among these SIM cards, c.32% are owned by the Company with remaining SIMs owned by our business partners  
 3. As of June 30, 2024

# Ecosystem Powered by Our PaaS and SaaS Platform

(Nasdaq: UCL)



uCloudlink SaaS/PaaS platform based on our innovative cloud SIM technology and HyperConn solutions

# 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

## 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

## Full Marketplace



### Data Traffic with Massive User Base



Trial phase for **GlocalMe Ecosystem** to offer connectivity solutions to meet everyday needs for security, convenience, and intelligent lifestyles



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

Initiating in 2024

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

	As of December 31, 2023	As of June 30, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	23,371	26,831
Accounts receivable, net	6,489	6,806
Inventories	2,183	1,834
Prepayments and other current assets	6,416	6,468
Other investments	7,613	7,114
Amounts due from related parties	2,945	371
<b>Total current assets</b>	<b>49,017</b>	<b>49,424</b>
<b>Non-current assets</b>		
Prepayments	228	-
Long-term investments	1,956	1,982
Property and equipment, net	2,433	3,772
Right-of-use assets, net	2,321	1,735
Intangible assets, net	652	579
<b>Total non-current assets</b>	<b>7,590</b>	<b>8,068</b>
<b>TOTAL ASSETS</b>	<b>56,607</b>	<b>57,492</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Short term borrowings	5,297	4,642
Accrued expenses and other liabilities	24,755	23,447
Accounts payable	5,314	6,445
Amounts due to related parties	1,250	41
Contract liabilities	1,425	1,374
Operating lease liabilities	1,082	1,044
<b>Total current liabilities</b>	<b>39,123</b>	<b>36,993</b>
<b>Non-current liabilities</b>		
Operating lease liabilities	1,286	750
Other non-current liabilities	145	117
<b>Total non-current liabilities</b>	<b>1,431</b>	<b>867</b>
<b>TOTAL LIABILITIES</b>	<b>40,554</b>	<b>37,860</b>
<b>SHAREHOLDERS' EQUITY</b>		
Class A ordinary shares	13	13
Class B ordinary shares	6	6
Additional paid-in capital	240,137	240,906
Accumulated other comprehensive income	2,463	2,604
Accumulated losses	(226,566)	(223,897)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>16,053</b>	<b>19,632</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>56,607</b>	<b>57,492</b>

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

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024
<b>Revenues</b>	21,977	22,355	39,983	40,483
Revenues from services	14,096	14,165	27,012	27,702
Sales of products	7,881	8,190	12,971	12,781
<b>Cost of revenues</b>	(12,112)	(11,361)	(21,517)	(19,486)
Cost of services	(5,927)	(5,627)	(11,029)	(10,366)
Cost of products sold	(6,185)	(5,734)	(10,488)	(9,120)
<b>Gross profit</b>	9,865	10,994	18,466	20,997
Research and development expenses	(1,554)	(1,491)	(2,857)	(2,968)
Sales and marketing expenses	(3,516)	(4,292)	(6,437)	(8,342)
General and administrative expenses	(3,866)	(3,295)	(7,301)	(6,684)
Other (expense)/income, net	(1,866)	336	(745)	(240)
<b>(Loss)/income from operations</b>	(937)	2,252	1,126	2,763
Interest income	19	27	24	40
Interest expenses	(31)	(47)	(80)	(103)
<b>(Loss)/income before income tax</b>	(949)	2,232	1,070	2,700
Income tax expense	(31)	(47)	(44)	(68)
Share of profit in equity method investment, net of tax	63	54	131	37
<b>Net (loss)/income</b>	(917)	2,239	1,157	2,669
<b>Attributable to:</b>				
Equity holders of the Company	(917)	2,239	1,157	2,669
<b>(Loss)/earnings per share for Class A and Class B ordinary shares</b>				
Basic	(0.00)	0.01	0.00	0.01
Diluted	(0.00)	0.01	0.00	0.01
<b>(Loss)/earnings per ADS (10 Class A shares equal to 1 ADS)</b>				
Basic	(0.02)	0.06	0.03	0.07
Diluted	(0.02)	0.06	0.03	0.07
<b>Shares used in loss/earnings per Class A and Class B ordinary share computation:</b>				
Basic	370,585,142	375,490,106	370,014,825	375,130,957
Diluted	370,585,142	375,490,106	370,014,825	375,130,957
<b>Net (loss)/income</b>	(917)	2,239	1,157	2,669
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation adjustment	1,087	(77)	1,311	141
<b>Total comprehensive income</b>	170	2,162	2,468	2,810