Q3 2026 Earnings Call
Management Prepared Remarks

01 Introduction (Presenter: Liam Xie)

Hello everyone and thank you for joining us on UCLOUDLINK's third quarter 2026 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, Liam, and good morning or evening everyone.

Our third quarter results mark a meaningful turning point for us. As anticipated, our total revenues regained positive growth momentum on a year-over-year basis, landing at the high end of our guidance range. Despite macro headwinds, geopolitical tensions, rising memory chip costs, and extended component lead times, we demonstrated the resilience of our business model with robust growth across our emerging new business lines. Importantly, we generated positive operating cash inflow of US$1.0 million for the first time this year, further strengthening our financial foundation.

Before I dive into the business lines, I want to share a strong belief of ours. “Good connectivity is the foundation of artificial intelligence (AI).” This is especially true when reliable networks are critical for safety during turbulent periods marked by natural disasters or conflict. Driven by this vision, we achieved key commercial breakthroughs across our business during the third quarter. I'll now review the highlights for each key business line.

First, in our *GlocalMe MeowGo* business, we rapidly capitalized on two strategic opportunities. The first was in our premium segment, where our *MeowGo G50 Max* with AI-powered HyperConn® technology, the world’s leading Sky-to-Ground integrated mobile connectivity hub, generated better-than-expected sales, demonstrating that demand for premium solutions remains highly resilient to macro headwinds. The second was in local connectivity markets, where our latest 4G/5G CPE solution delivered strong sales growth and deepened our penetration. Powered by the same AI-powered HyperConn® technology, which provides intelligent switching between fixed and mobile networks and real-time congestion detection, the solution delivers highly reliable connectivity for home and office environments. It reinforces our local broadband strategy and allows us to expand beyond one-time hardware sales into recurring data connectivity revenue.

Next is *GlocalMe* IoT business, which achieved impressive momentum with revenue surging 496.5% year-over-year. Growth was driven by the accelerating deployment of our integrated data connectivity solutions across a growing installed base of smart devices, particularly in key sectors such as in-car infotainment and security cameras. As this installed base expands and data usage increases, recurring data connectivity revenue is expected to scale. We remain well positioned to capture further demand as smart hardware partners rapidly extend their international footprint.

GlocalMe SIM/eSIM business forms another key growth driver. Our OTA and eSIM solutions rank among the top 10 products on major Chinese e-commerce platforms for key Asia-Pacific travel routes. Further demonstrating our technological strength, the *eSIM Trio*, co-developed with MNOs and MVNOs, leverages our hardware-based multi-IMSI capabilities to provide enhanced security and coverage for domestic and overseas use.

In addition, *GlocalMe* Life business achieved steady MAU growth, with its key solution, *UniCord Pro*. gaining strong momentum.

Before closing, I want to highlight our *PetPhone/PetPogo* ecosystem. We continue to evolve our "AI-powered + Social" model. Unlike single-function devices on the market, *PetPhone* operates like a mobile phone, enabling "anytime, anywhere" two-way communication between pets and their owners. We launched our pet AI agent on the *PetPogo* app, and our next-generation *PetCam*, an AI-powered camera, is in the final stages of development and is set to launch in the fourth quarter.

Following several quarters of significant marketing investments, *PetPhone*'s consumer value proposition is now materializing and gaining meaningful market traction. We are receiving highly positive feedback both at major offline events, such as IFA 2026, and from users and influencers across leading global social media platforms. Our distribution is expanding as well. In Europe, we have placed *PetPhone* in the retail network of a regional telecom operator. In China, we have been added to the centralized procurement catalogs of three major telecom operators, which facilitates SIM issuance and helps build our partner ecosystem.

Looking ahead, we expect our revenue growth momentum to continue and further accelerate in the fourth quarter on a year-over-year basis, delivering a higher growth rate than what we achieved in the third quarter. To achieve this, our focus will be on executing our strategic priorities to drive sustainable growth. We will continue to invest in R&D and marketing to scale our key business lines, while maintaining disciplined operational management to improve operating leverage. The share repurchase program announced in the third quarter reflects management's confidence in our long-term fundamentals. We believe our solid execution and continued innovation will position us well to deliver long-term value to our shareholders.

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 now go over our operational and financial highlights for the third quarter of 2026.

First, let's look at our user metrics. Both average daily active users ("DAU") and average monthly active users ("MAU") recorded robust growth. Average DAUs reached 431,245, up 22.4% year-over-year. This growth was largely driven by the strong momentum in our new business lines. Specifically, DAUs for *GlocalMe* IoT, SIM, Life, and *PetPhone* business increased by 271.4%, 142.1%, 844.3%, and 572.9%, respectively. Average DAUs from our *GlocalMe MeowGo* business declined by 6.4% year-over-year, reflecting softer outbound travel demand from China amid macroeconomic headwinds and geopolitical uncertainties. Average MAUs were 867,935, up 14.0% year-over-year, fueled by broad-based growth across our new emerging business lines, led in absolute terms by *GlocalMe* IoT and SIM business, which surged 241.8% and 67.0%, respectively. This fully offset the 10.3% decline in *GlocalMe MeowGo* MAUs, which continued to face external supply and macro pressures.

Finally, on technology assets, as of September 30, 2026, we had 184 approved patents and 33 patent applications pending approval, and our global SIM pool covered 396 MNOs.

Moving to our financial results. Total revenues for the third quarter were US$21.4 million, up 1.1% year-over-year and at the high end of our guidance, mainly driven by strong product sales growth of 30.8% year-over-year. Breaking this down, while our *GlocalMe MeowGo* services faced macro headwinds, we saw robust customer demand for our premium and local connectivity solutions. Rather than being just standalone product sales, these hardware deployments are strategic catalysts that pave the way for ongoing, recurring data connectivity revenue as users engage with our network. Meanwhile, our new emerging business lines continued to expand rapidly. Our *GlocalMe* SIM business revenue grew 40.3% year-over-year, while *GlocalMe* IoT business grew a remarkable 496.5%, *GlocalMe* Life business grew 189.9%, and *PetPhone* business grew 285.0%.

Revenues from services were US$16.0 million, contributing 74.9% of total revenues, compared with 80.6% last year. Even so, our service gross margin improved to 60.3%

from 56.6%, demonstrating the solid profitability of our connectivity business. Overall gross margin was 51.8%, reflecting the higher share of product sales in our mix this quarter.

Looking at profitablity, operating expenses, excluding share-based compensation, were held broadly flat at US$11.5 million. Our net loss narrowed sequentially to just US$0.3 million. Our Adjusted EBITDA was negative US$0.2 million.

Our cash flow and balance sheet remain very healthy. We generated an operating cash inflow of US$1.0 million this quarter, our first positive quarter this year and a significant turnaround from the US$0.9 million outflow in the same quarter of last year. Capital expenditures were only US$0.1 million. Our cash and cash equivalents increased to US$26.5 million from US$25.2 million last quarter, giving us a solid financial foundation to support our growth initiatives.

Turning to our outlook for the fourth quarter of 2026, we expect total revenues to be between US$22.5 million and US$25.5 million, representing a year-over-year increase of 1.8% to 15.4%.

Looking at the full year, we now expect total revenues for 2026 to range between US$79.0 million and US$82.0 million. This narrows our previous guidance range of US$75.0 million to US$85.0 million.

This guidance reflects our current view of market and operating conditions, as well as customer demand. These estimates are subject to change.

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

04 Closing Remarks (Presenter: Liam Xie)

Thank you once again for joining us today. If you have further questions, please feel free to contact UCLOUDLINK'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.