



(Nasdaq: UCL)

**4Q and Full Year 2022 Earnings
Conference Call Presentation**

March 2023

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The logo for uCloudlink features a stylized 'U' and 'C' in black and red. The 'U' is a thick red vertical bar on the left, and the 'C' is a black circle with a red vertical bar inside. A small red circle is positioned at the top right of the 'C'.

uCloudlink Overview

(Nasdaq: UCL)



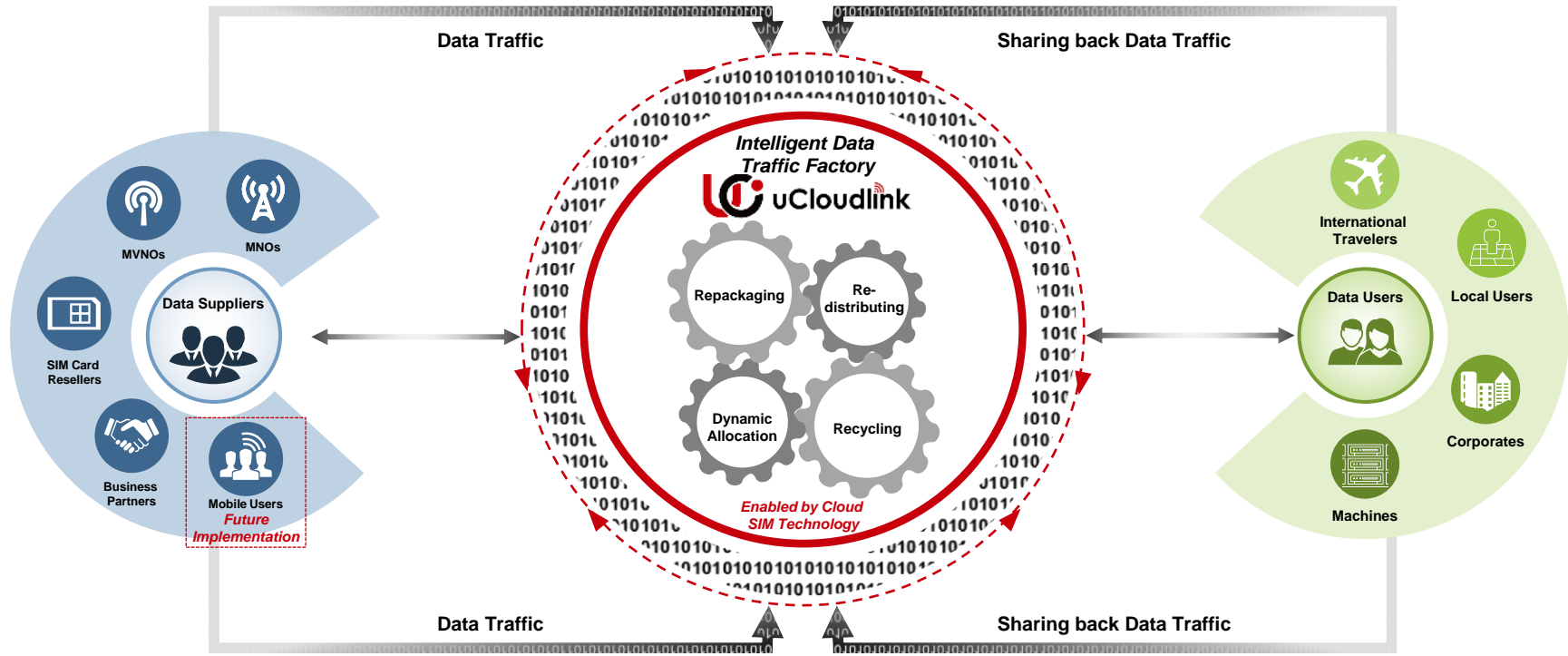
Connecting and Sharing without **Limitations**

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)

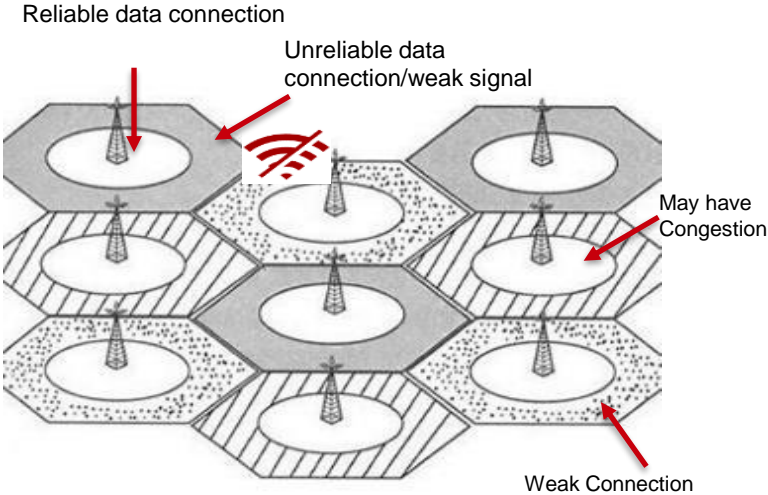


- Best Coverage
- Best Speed
- Best Price
- Flexible Solution
- High Throughput

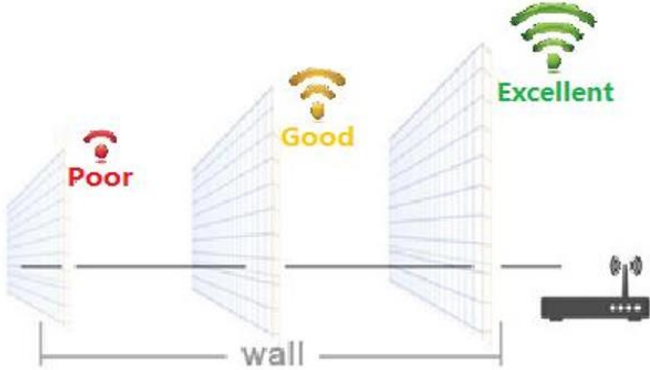
Operators Face Two Major Challenges: Coverage and Congestion




(Nasdaq: UCL)

Challenges for Mobile Network Operators



Unreliable Indoor Wi-Fi Coverage

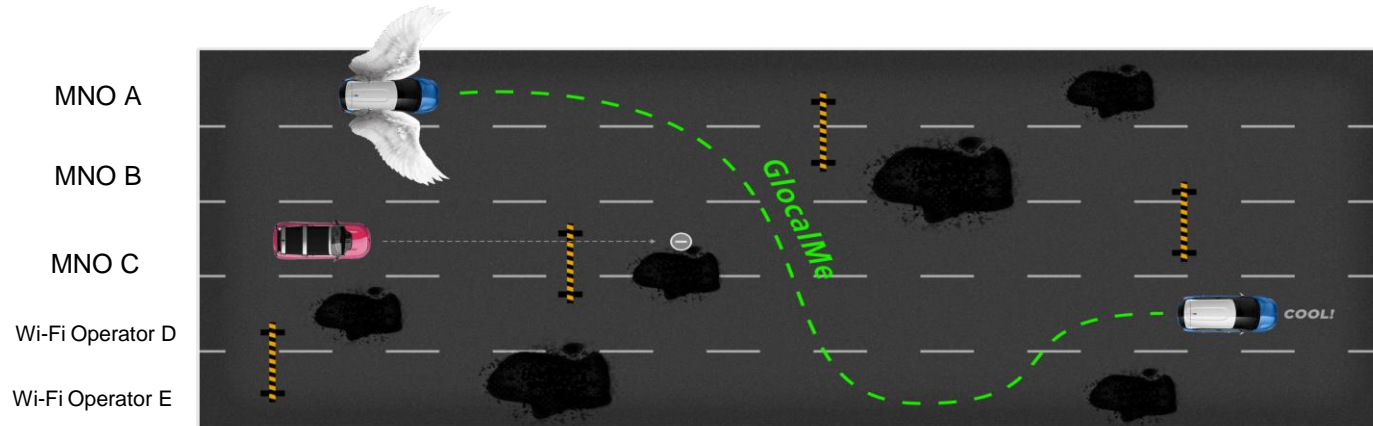


- **Poor coverage** 
- **May easily have congestion** 
- **Capital Intensive** for MNOs 

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:

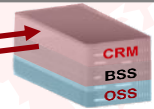
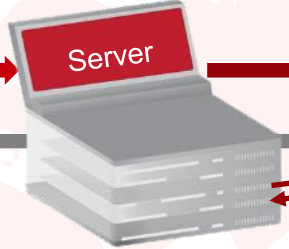
1 Global roaming pass: Seed SIM

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



Pool of SIM Cards (2) from 337 MNOs(3) Globally

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

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

175 Patents (1)

Software-based

Ready to Support All Three Generations of our Businesses

Notes:
1. As of December 31, 2022, with 130 patents approved and 45 patents pending approval, globally
2. As of December 31, 2022, among these SIM cards, c.28% are owned by the Company with remaining SIMs owned by our business partners
3. As of December 31, 2022

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 2022 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



ROAMING MAN



GlocalMe

Proven Cloud-SIM
Technology, Scalable,
Profitable Business Model

B2B2C Wholesale

uCloudlink sells GlocalMe hardware and data packages via local Business Partners



MNOs



MVNOs



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, 2022

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

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

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

2014

c.US\$35bn *

2023E International Data Roaming Market size

2018

c.US\$1,149bn *

2023E Local Mobile Data Connectivity Market size

*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

175 Patents ⁽¹⁾

Such As Our Innovative
HyperConn Technology
Solution



Team & Talent

141 R&D Staff ⁽²⁾
**125 business development,
Sales and Marketing Staff** ⁽²⁾
**64 Administration and
Management Staff** ⁽²⁾



Operational Track-record

8+ Years



Strategic Global Partnerships

**Business
Across 59 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, 2022 with 130 patents approved and 45 patents pending approval, globally

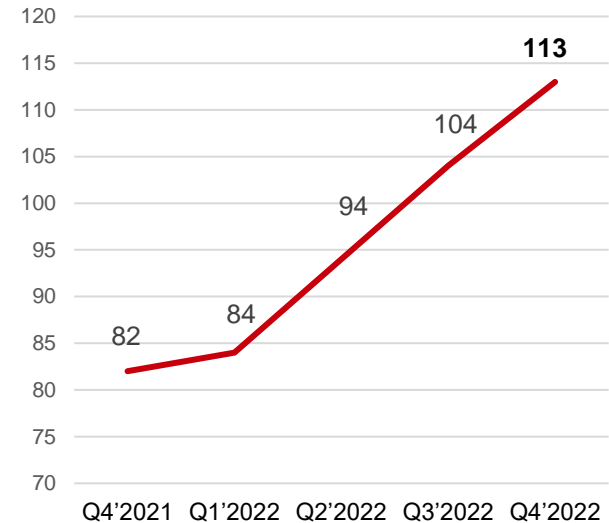
2. As of December 31, 2022

uCloudlink 1.0: International Data Connectivity Services

- **Innovative Global 5G Solution** incorporates high-quality, low-latency roaming tech and become a leading **5G roaming** solution provider applied in various industries
- **HyperConn technology** elevates overall user experience with access to all available networks and contributes to the growth of our 1.0 business
- **Established track record** and **global leading position** in the international data connectivity services market
- We acted quickly to establish provider data solution coverage to meet the recovering demand for **Roamingman business**
- **We expect greater tourist demand** with the long-term recovery of international travel benefit our 1.0 business
- **We expect to launch more innovative products** to satisfy various roaming needs of our customer and users

1.0 Average daily active terminals

(In thousands)



Notes: SIM card Pool includes SIM cards from **337 MNOs** globally

uCloudlink 2.0: Expanding Application Scenarios Supported by Growing Local Demands

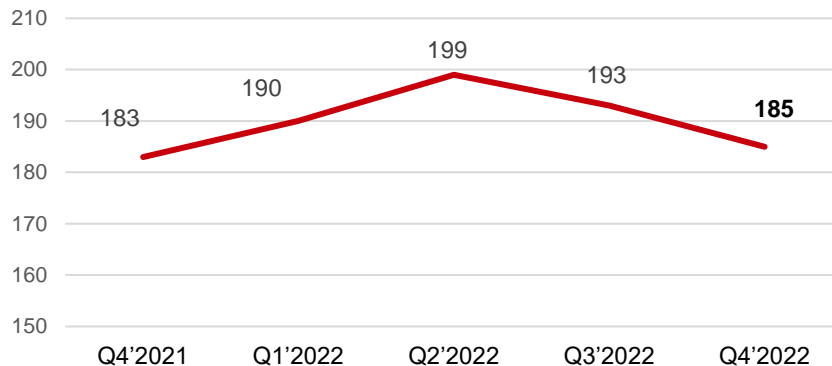
(Nasdaq: UCL)

uCloudlink 2.0: Local Data Connectivity Services

- **Post-pandemic “New Normal”**, supporting remote work and learning which require reliable connectivity
- **Accelerating IoT applications** and driving userbase increase within industries requiring high-quality data connection. Applied our IoT modules and solutions in industry Wi-Fi router, IP Camera, Augmented Reality and Virtual Reality (AR/VR), electric vehicles and etc.
- High data-consumption APP using habits and market demands for better and faster connections in the **5G Era** and our solutions will accelerate 5G Cloud Era
- **Helping operators’ networks convergence and improve data connection**, helping one of China’s major MNOs elevate indoor and outdoor user experience and scale up our potential user base such as home broadband
- Cooperation with smart hardware manufacturers with **GlocalMe Inside (GMI)**
- Gained more in **industry recognition** and expanding **PaaS and SaaS platform ecosystem**

- **HyperConn technology** supports the further development and growth of our uCloudlink 2.0 Business, solutions and HyperConn enabled products now widely accepted by MNOs & business partners in various industries in China, US and Japan

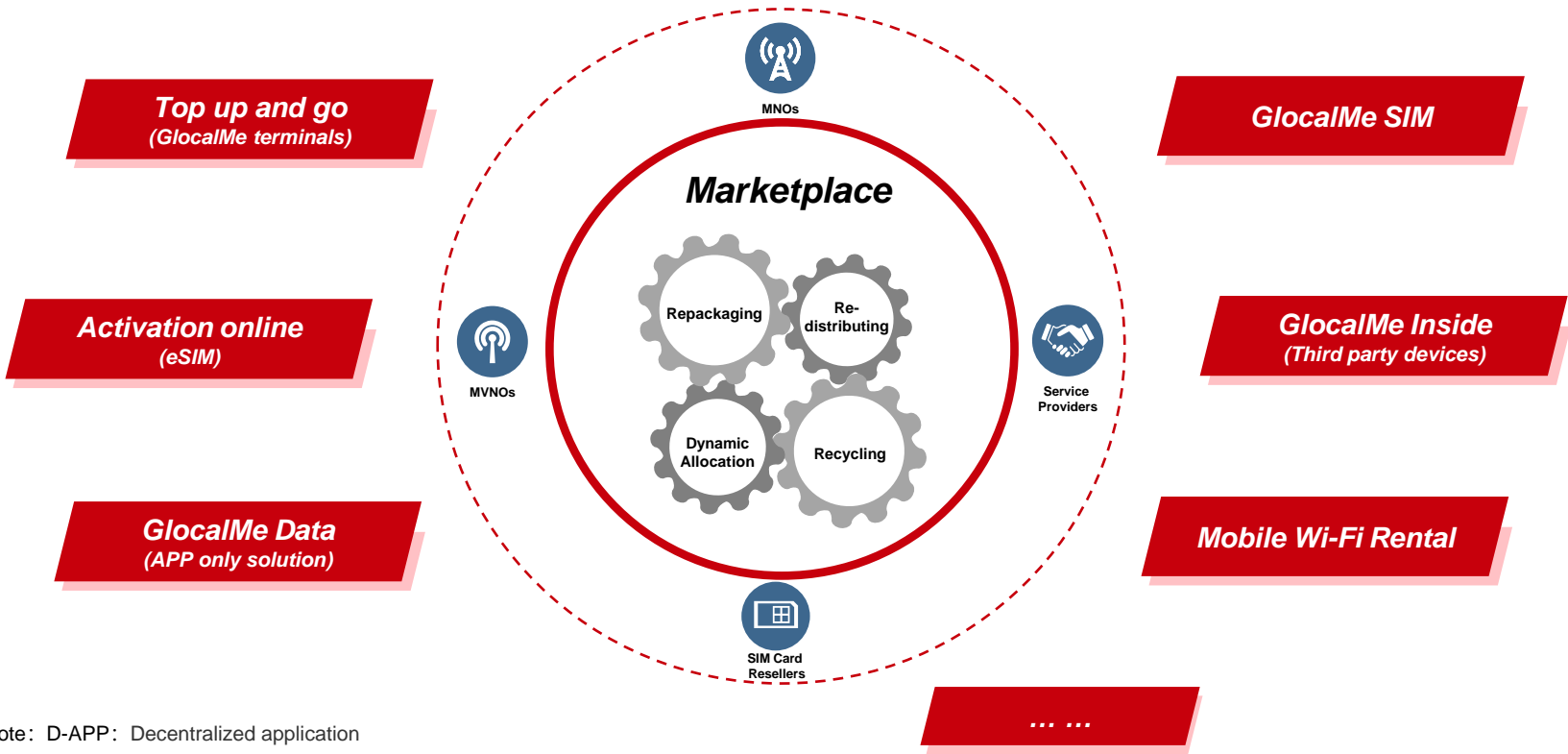
2.0 Average daily active terminals
(In thousands)



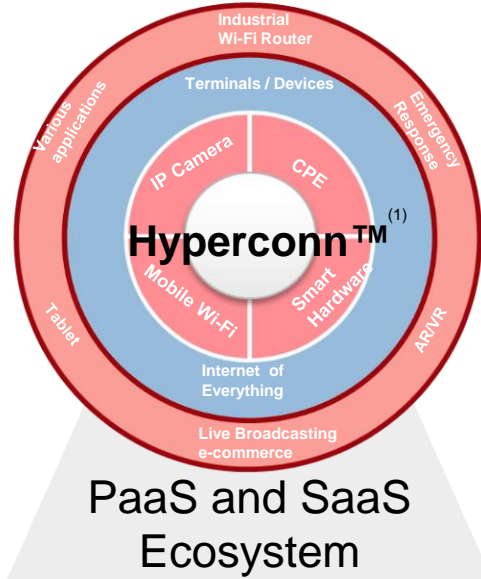
uCloudlink 3.0: To initiate One-stop Mobile Data Traffic Sharing Marketplace Application

(Nasdaq: UCL)

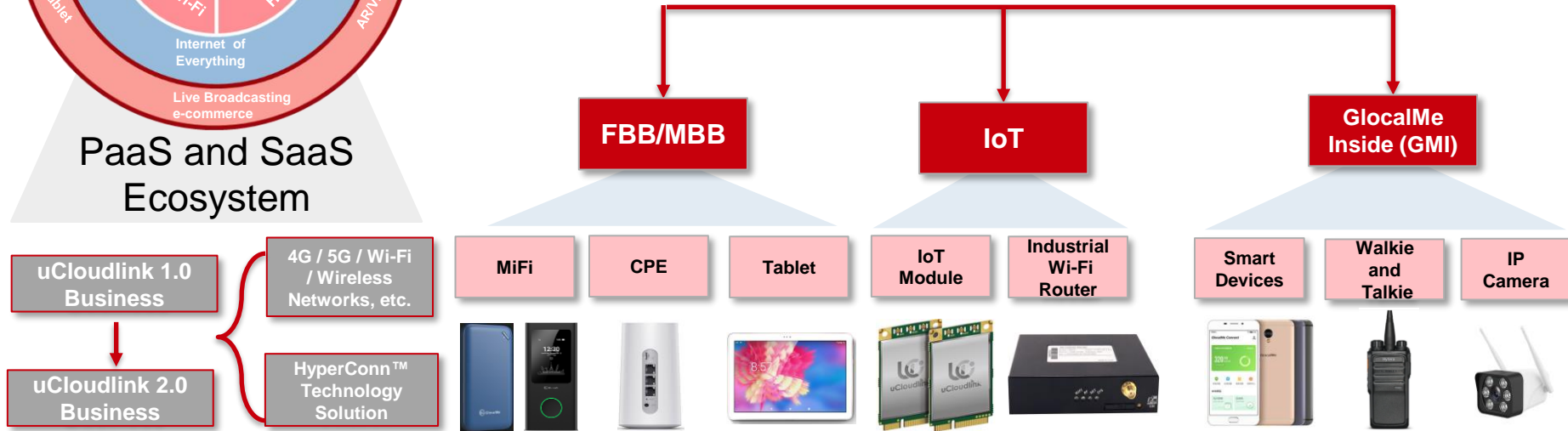
One-stop Marketplace within only one APP/D-APP



Note: D-APP: Decentralized application



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, helping 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 device.



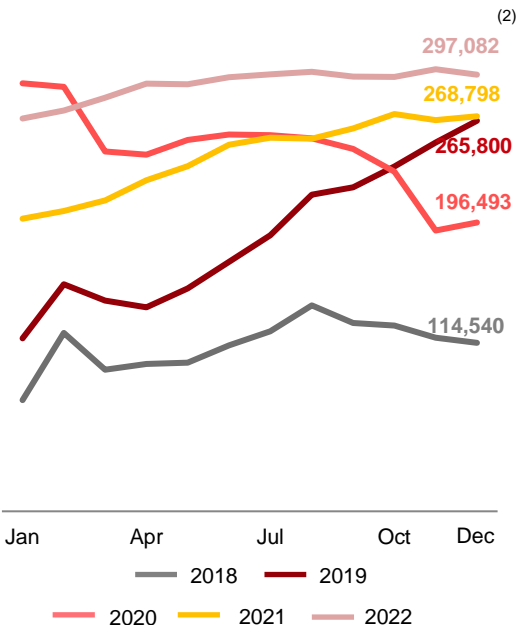
Q4 2022 Operating Highlights

Our Business Performance and Operating Highlights

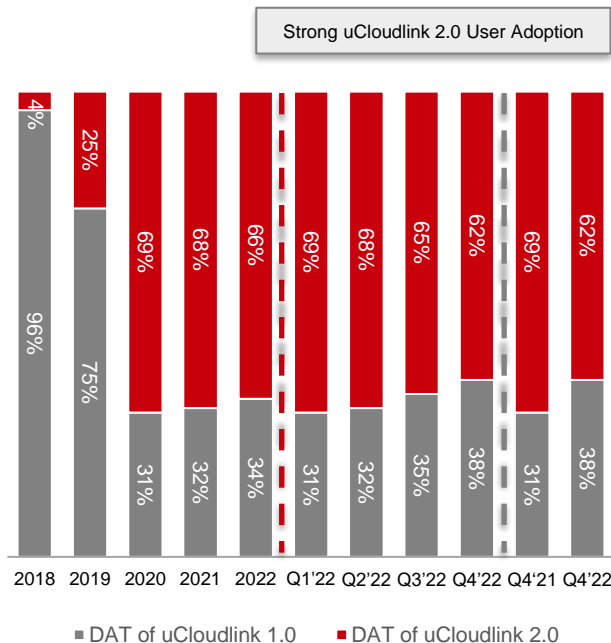
(Nasdaq: UCL)

Daily Active Terminals (DAT) ⁽¹⁾

Terminals

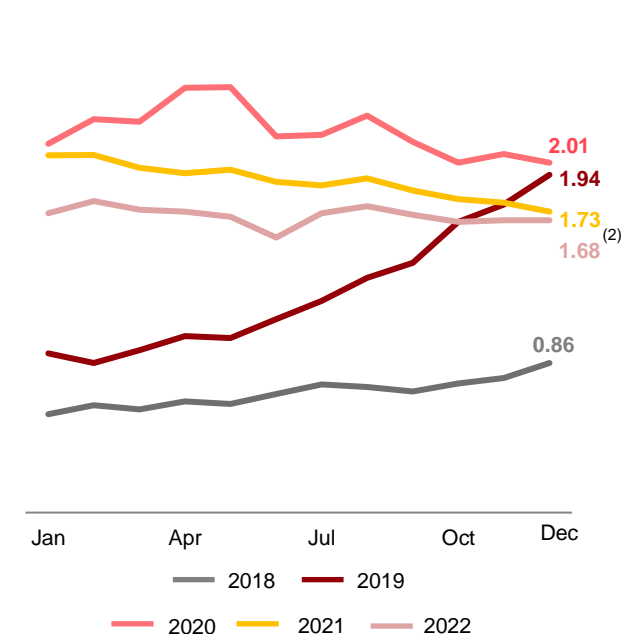


DAT Breakdown by uCloudlink 1.0 vs. 2.0 ⁽¹⁾



Daily Data Usage per Terminal ⁽¹⁾

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.

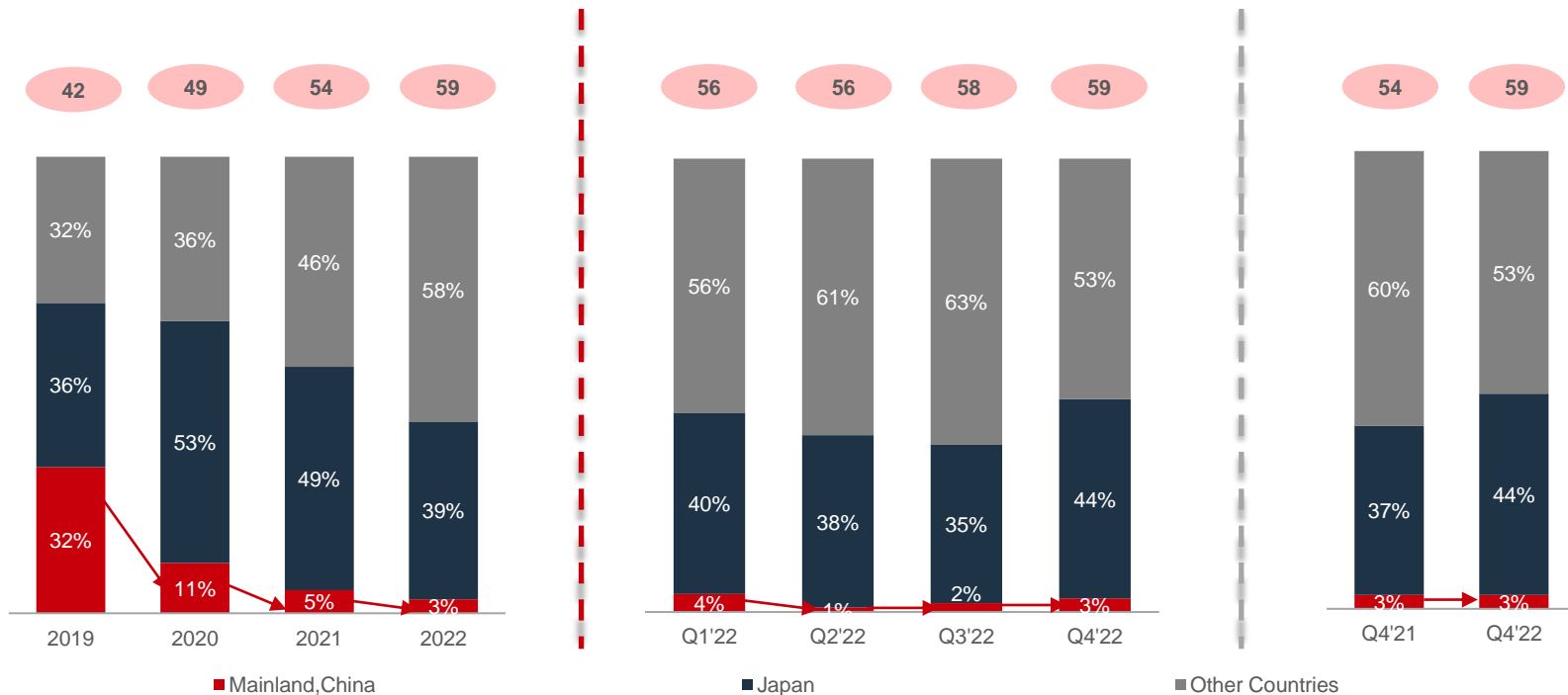
2. In December 2022



Our Business and Revenue Are Increasingly Diversified Globally

(Nasdaq: UCL)

97%⁽¹⁾
Non-Mainland
China Revenue
Contribution



Number of countries and regions based on partners' registered location

Note: 1. In Q4 2022

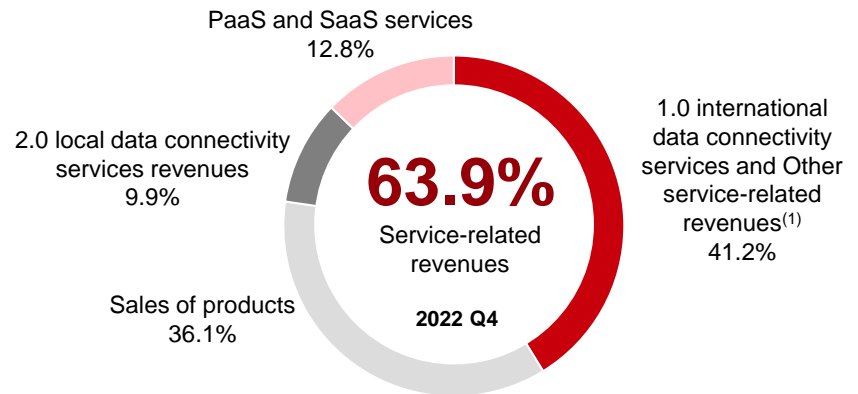
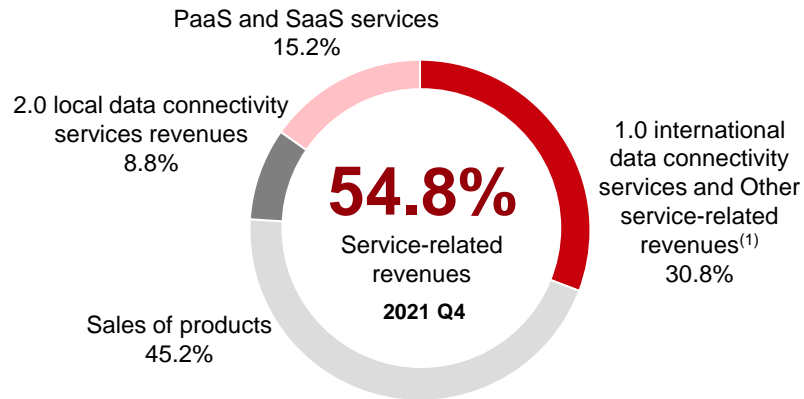


Q4 2022 Financial Highlights

Percentage of Our Service-Related Revenues and COVID-19 Impact

(Nasdaq: UCL)

Revenue segmentation based on product & services



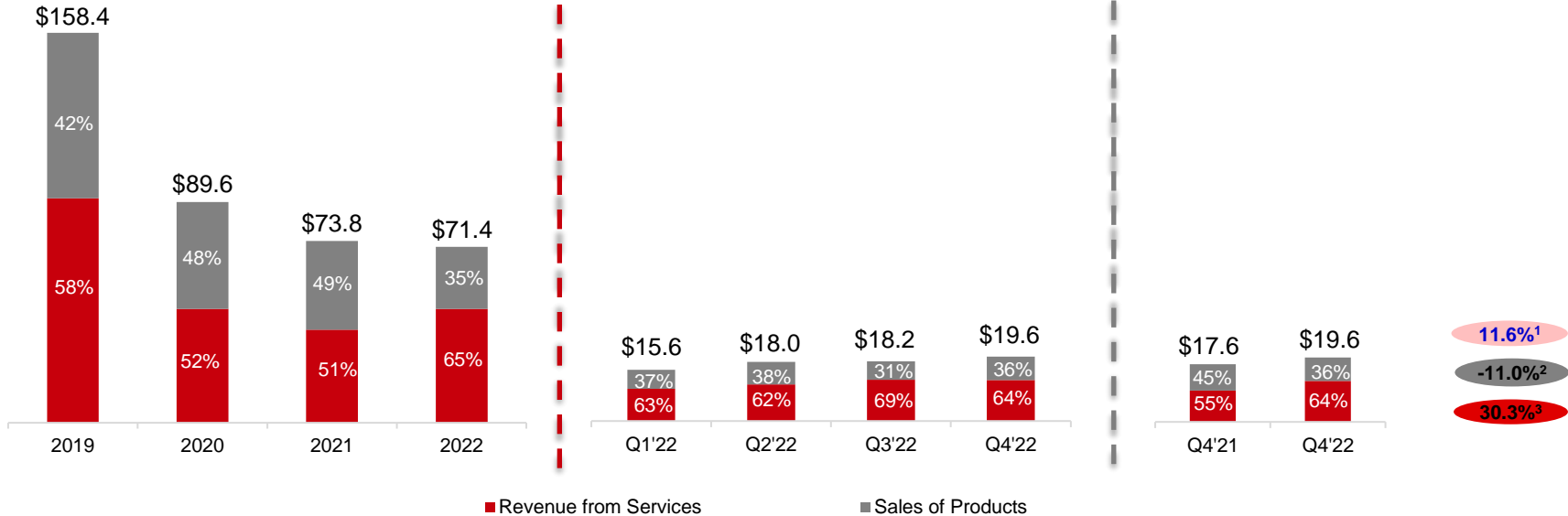
Note:

1. Other service-related revenues includes revenues from others

Revenue Breakdown By Our Two Business Segments

(Nasdaq: UCL)

Revenue, US\$MM



11.6%¹
 -11.0%²
 30.3%³

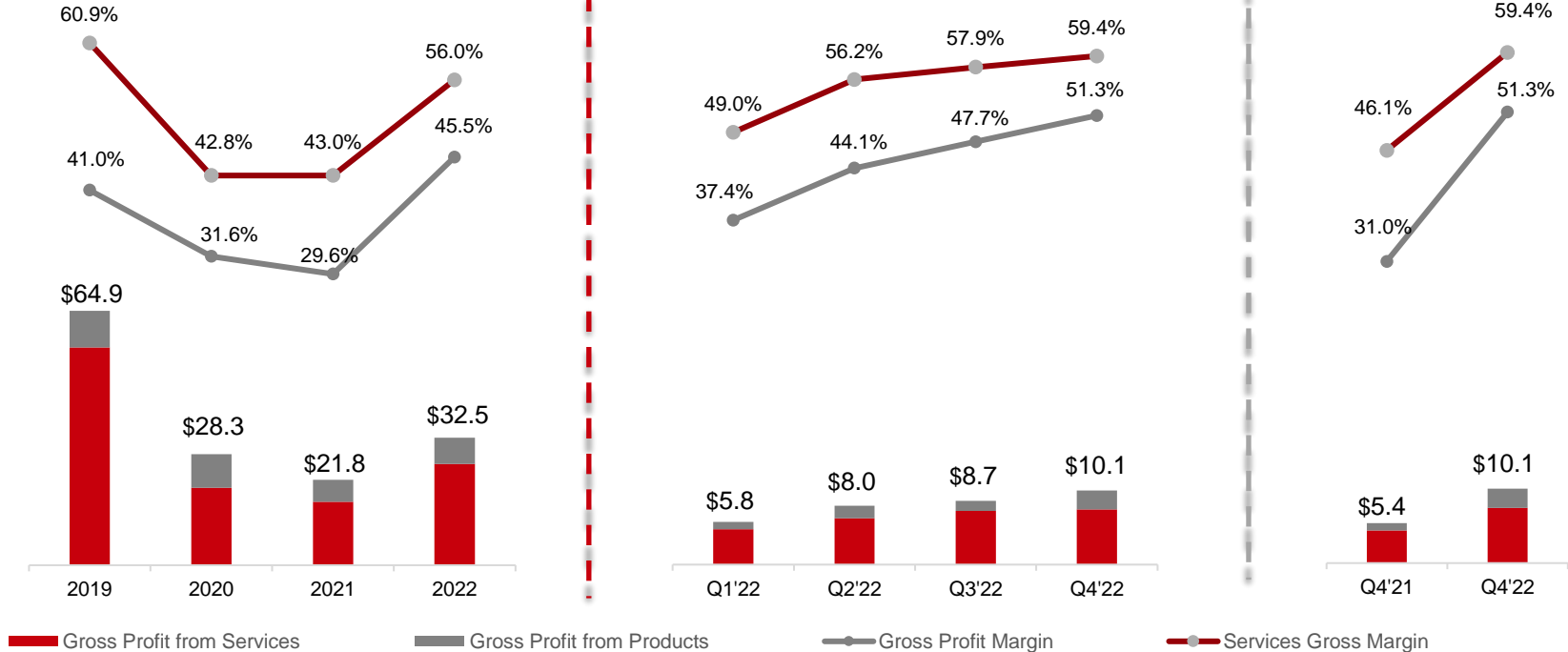
1. Q4 Total Revenue Year-over-Year growth
2. Q4 Sales of Products Year-over-Year growth
3. Q4 Revenue from Services Year-over-Year growth

Higher Service Gross Margin Over Overall Gross Margin

(Nasdaq: UCL)

Gross Profit US\$MM

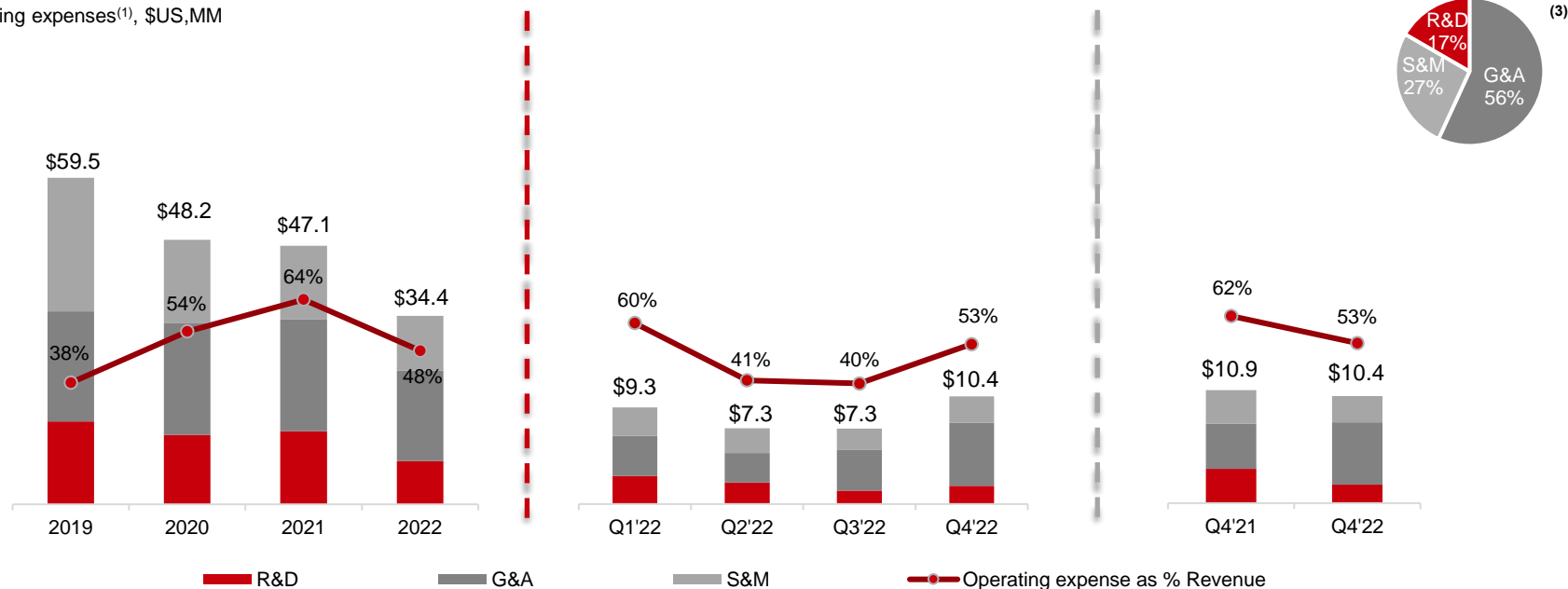
Gross margin



Improvement of Business Operational Efficiency

(Nasdaq: UCL)

Operating expenses⁽¹⁾, \$US,MM



141 R&D Staff ⁽²⁾

125 Business Development, Sales and Marketing Staff ⁽²⁾

64 Administration and Management Staff ⁽²⁾

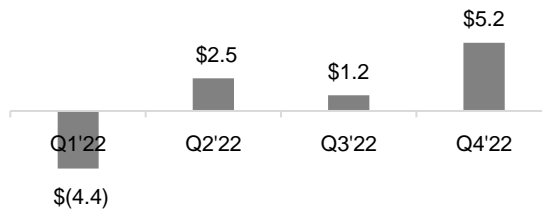
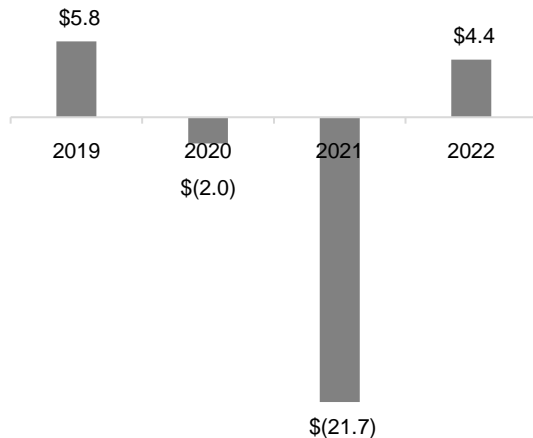
Note:

1. Operating Expenses excluding share-based compensation
2. As of December 31, 2022
3. Operating Expenses Breakdown Pie Chart is specifically for 2022Q4

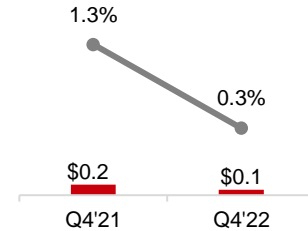
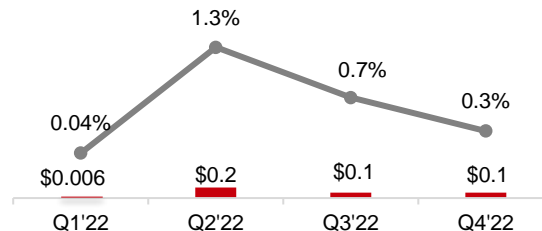
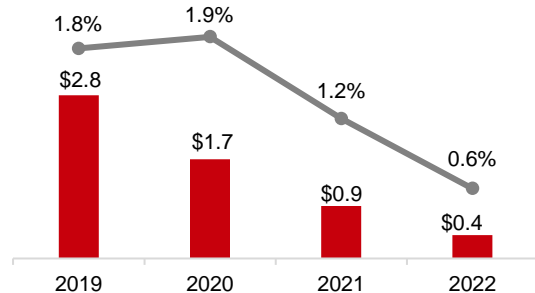
Asset Light Business Model

(Nasdaq: UCL)

Operating Cash Flow, \$US,MM



CAPEX, \$US,MM

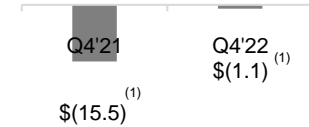
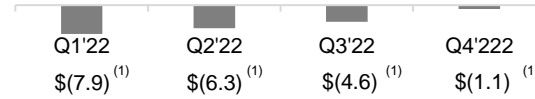
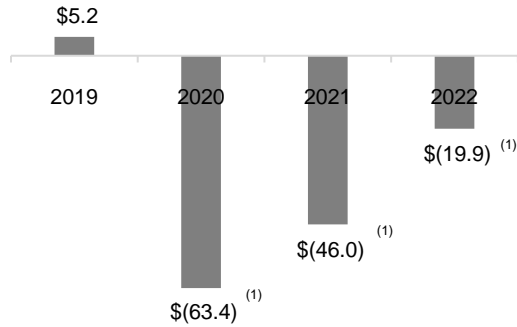


■ Capex — Capex as % Revenue

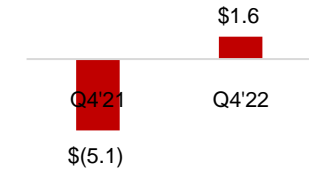
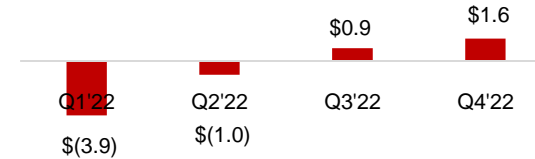
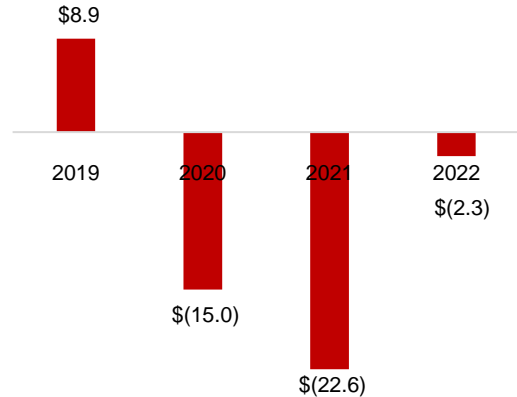
Net Income & Adjusted EBITDA (non-GAAP)

(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 and US\$3.1 million in 2022, US\$ 1.2 million in Q4 2021, US\$ 0.7 million in Q1 2022, US\$ 1.0 million in Q2 2022, US\$ 0.6 million in Q3 2022 and US\$ 0.8 million in Q4 2022

Appendix – Financial Statement

(Nasdaq: UCL)

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

	As of December 31, 2021	As of December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	7,868	14,921
Short-term deposit	196	197
Accounts receivable, net	14,923	5,961
Inventories	6,133	3,624
Prepayments and other current assets	6,225	4,255
Other investments	12,587	11,690
Amounts due from related parties	1,153	698
Total current assets	49,085	41,346
Non-current assets		
Prepayments	1,310	688
Long-term investments	1,867	1,711
Other investments	12,058	-
Right-of-use assets, net	-	206
Property and equipment, net	1,796	1,181
Intangible assets, net	1,009	802
Total non-current assets	18,040	4,588
TOTAL ASSETS	67,125	45,934
LIABILITIES		
Current liabilities		
Short term borrowings	3,177	2,876
Accrued expenses and other liabilities	27,580	24,014
Accounts payable	12,986	6,832
Amounts due to related parties	1,453	1,481
Contract liabilities	1,575	1,052
Current lease liabilities	-	184
Total current liabilities	46,771	36,439
Non-current liabilities		
Other non-current liabilities	262	204
Total non-current liabilities	262	204
TOTAL LIABILITIES	47,033	36,643
SHAREHOLDERS' EQUITY		
Class A ordinary shares	8	12
Class B ordinary shares	6	6
Additional paid-in capital	230,048	236,774
Accumulated other comprehensive (loss)/income	(446)	1,876
Accumulated losses	(209,524)	(229,377)
TOTAL SHAREHOLDERS' EQUITY	20,092	9,291
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	67,125	45,934

Appendix – Financial Statement

(Nasdaq: UCL)

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, 2021	December 31, 2022	December 31, 2021	December 31, 2022
Revenues	17,569	19,611	73,824	71,461
Revenues from services	9,622	12,536	37,798	46,228
Sales of products	7,947	7,075	36,026	25,233
Cost of revenues	(12,129)	(9,549)	(51,990)	(38,927)
Cost of services	(5,186)	(5,090)	(21,556)	(20,346)
Cost of products sold	(6,943)	(4,459)	(30,434)	(18,581)
Gross profits	5,440	10,062	21,834	32,534
Research and development expenses	(3,359)	(1,853)	(13,697)	(8,430)
Sales and marketing expenses	(3,324)	(2,880)	(13,620)	(10,305)
General and administrative expenses	(5,444)	(6,443)	(28,551)	(18,726)
Other income/(loss), net	(8,694)	34	(11,876)	(14,265)
Loss from operations	(15,381)	(1,080)	(45,910)	(19,192)
Interest income	2	10	14	18
Interest expenses	(45)	(68)	(188)	(441)
Amortization of beneficial conversion feature	-	87	-	(149)
Loss before income tax	(15,424)	(1,051)	(46,084)	(19,764)
Income tax expense	(248)	(3)	(244)	(161)
Share of profit in equity method investment, net of tax	174	1	287	72
Net loss	(15,498)	(1,053)	(46,041)	(19,853)
Attributable to:				
Equity holders of the Company	(15,498)	(1,053)	(46,041)	(19,853)
Loss per share for Class A and Class B ordinary shares				
Basic	(0.05)	(0.00)	(0.16)	(0.06)
Diluted	(0.05)	(0.00)	(0.16)	(0.06)
Loss per ADS (10 Class A shares equal to 1 ADS)				
Basic	(0.54)	(0.03)	(1.61)	(0.64)
Diluted	(0.54)	(0.03)	(1.61)	(0.64)
Shares used in earnings per Class A and Class B ordinary share computation:				
Basic	287,048,380	318,209,088	285,979,036	312,485,140
Diluted	287,048,380	318,209,088	285,979,036	312,485,140
Net loss	(15,498)	(1,053)	(46,041)	(19,853)
Other comprehensive loss, net of tax				
Foreign currency translation adjustment	(57)	(1,513)	(17)	2,322
Total comprehensive loss	(15,555)	(2,566)	(46,058)	(17,531)

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 server room with racks of equipment and glowing blue lines representing data or network connections. Overlaid on the handshake are two red, slanted rectangular banners containing text.

Q & A

A red, slanted rectangular banner containing the text 'Thank you' in a white, italicized serif font.

Thank you