

**(Nasdaq: UCL)**

## **Company Presentation**

**March 2022**

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**Zhiping Peng**

Co-founder,  
Chairman of the Board



**Chaohui Chen**

Co-founder, Director and  
Chief Executive Officer



**Yimeng Shi**

Chief Financial Officer



**Zhigang Du**

Chief Operating Officer



**Wen Gao**

Chief Strategy Officer



**Shubao Pei**

Chief R&D Officer and Chief  
Supply Chain Officer



**Zhihui Gong**

Chief Technology Officer



**Zhu Tan**

Vice President of Marketing  
and Sales

# uCloudlink Nasdaq: UCL Fact Sheet

(Nasdaq: UCL)

<b>Issuer</b>	UCLOUDLINK GROUP INC. (“uCloudlink” or the Company)
<b>Exchange</b>	NASDAQ
<b>Ticker</b>	UCL
<b>Securities Issuance</b>	American Depositary Shares (ADSs)
<b>Outstanding ADS</b>	28,291,522 <sup>(1)</sup>
<b>IPO ADS / Size</b>	2,010,000ADS // US\$36,180,000 <sup>(2)</sup>

Note:

1. As of February 28, 2021 1 ADS = 10 ordinary shares
2. As of June 10 2020



**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"





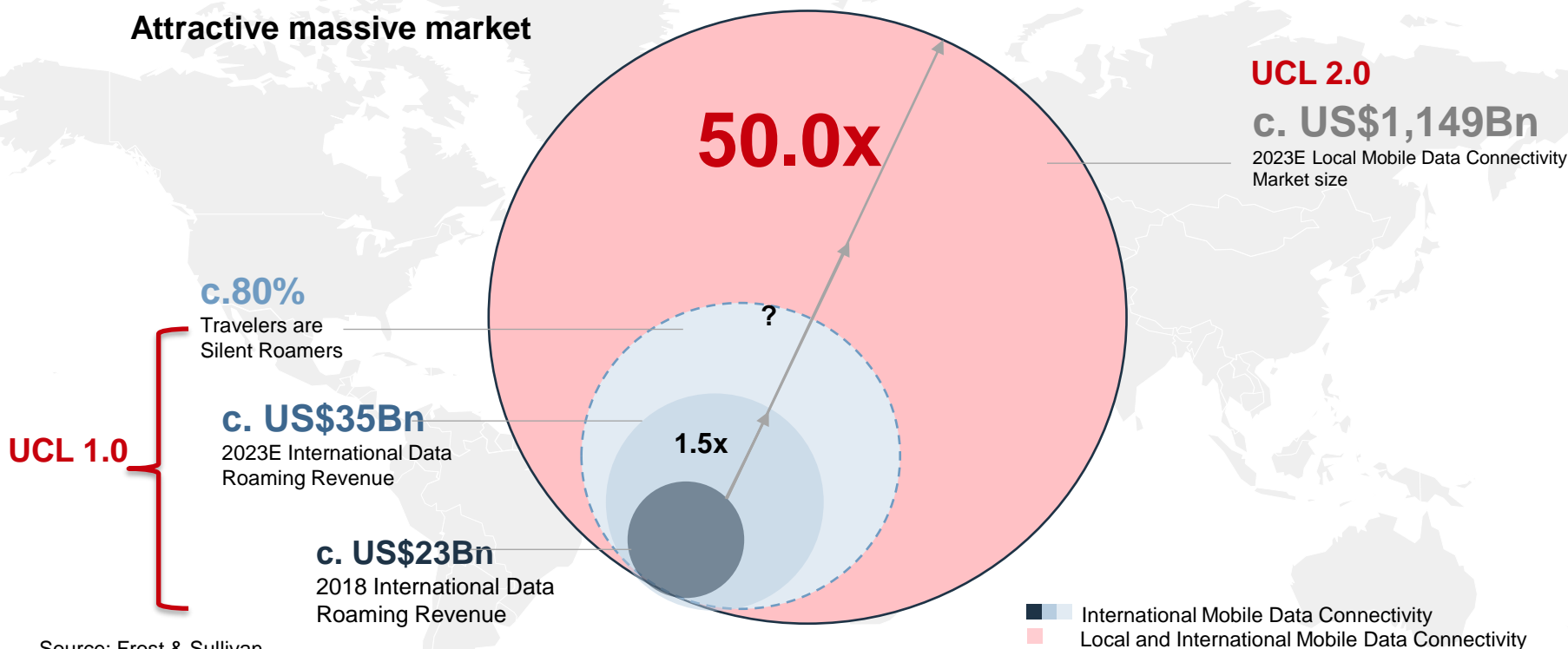
(Nasdaq: UCL)



# uCloudlink's Massive and Attractive Market Potential

(Nasdaq: UCL)

## Attractive massive market



Source: Frost & Sullivan

# uCloudlink 1.0 : Proven Track Record and Leading Position in the Global Connectivity Services Market

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## uCloudlink 1.0: International Data Connectivity Services

**Established track record** and **global leading position** in the international data connectivity services market.

**Over 140** countries and regions across over **200** MNOs <sup>(1)</sup>

**Monetization Model;** 1. Retail (To C Online Selling or Rental)  
2. Wholesale (To B, Reseller or Commission)  
3. PaaS and SaaS Services (CRM, Billing, SIM Card Management, etc.)

**Intelligently Repackaging to Minimize Data Traffic Unit Cost**  
(From **Wholesale to Retail**, **Varying Prices** of Data Packages of Single operator or Cross MNOs, MVNOs)

**High-quality Data Connection Services** through Multi-Networks  
Reselection and Combination

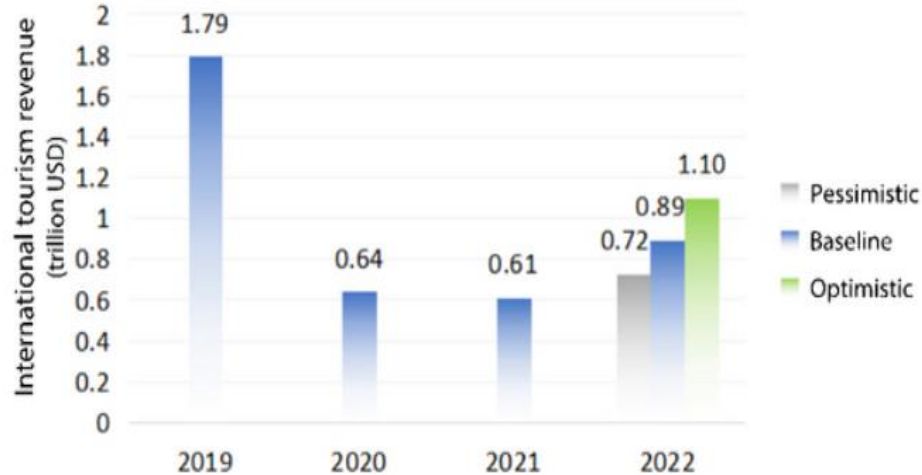
Proven **High Gross Margin and Profitability** with ongoing Growth Potential

Verified Solution and Business Model with **Track Record**

We Believe an Increase in Vaccinations will Help the **Recovery of International Tourism** and uCloudlink 1.0 business

Notes:

1. As of December 31, 2021



International tourism revenue globally in 2019-2022

Source: WTCF( World Tourism Cities Federation) World Tourism Economy Trends Report (2022)

**Expect Greater Tourists demand and Recovery of International travel**

**Helps MNOs Gain Market Share and Simplify Roaming Negotiation through Technology and Market Methods**

**Innovative Global 5G Solution; High quality, Low Latency Roaming Tech**

**Our New HyperConn Technology Elevates Overall User Experience with Access to All Available Networks and Contributes to the Growth of our 1.0 business**

# uCloudlink 2.0: Rapid Growth Track Record of Local Demand

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## uCloudlink 2.0: Local Data Connectivity Services

### Market Position

- **Growing traction** in local data connectivity services

### Our Customers & Services

- Local data connectivity services for **local users**

### Presence

#### Existing Markets



China



Japan

#### Near-term Markets



Europe



US



APAC

### Key Results

- Daily Active Terminals (DAT) contribution: **69% in 2021 Q4**(3.6% in 2018)

**Wireless Networks**

**Smart Hardware  
(GlocalMe Inside)**

**IoT  
(GlocalMe Inside)**

**Monetization Model;** 1. PaaS and SaaS services (CRM, Billing, SIM Card Management, etc.) 2. Retail (To C, Online Selling) 3. Wholesale (To B, Reseller or Commission).  
Similar Monetization Model as uCloudlink 1.0 business with Massive Opportunities in Local Data Connectivity Markets.

**Proven High Demand Business and New Growth Driver since 2020 (2.0 DAT: 3.6% in 2018 vs 69% in 2021 Q4)**

**Business Resilience during the COVID-19 Pandemic**

**An Increase in Demand for Better and Reliable Data Connectivity due to Lock-down Measures and the Need to Work From Home. Created Great Opportunities for Our uCloudlink 2.0 Business**

**Our New HyperConn Technology Contributes to the Development and Growth of Our uCloudlink 2.0 Business. We Expanded the Business Scope of Our Local Data Connectivity Services**

# uCloudlink 2.0: Clear Business Model Partnership with MNOs, Chipset and Handset Manufacturers

(Nasdaq: UCL)

Chipset's readiness,  
Easy embedding



Alliance with Mobile  
Network Operators,  
GlocalMe Inside (GMI),  
Scale Up Users Base



+



Mobile Handset  
manufacturers

Successfully Verified 2.0  
Business Model with  
Products and Services  
For Local Demand and  
Opportunities



For Reliable, fast and  
Safe Connectivity  
Requirements



# uCloudlink 2.0: Rapid Growth Track Record of Local Demand and Massive Opportunities

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Our New HyperConn Technology Contributes to the Further Development and Growth of Our uCloudlink 2.0 Business; We Expanded the Business Scope of Our Local Data Connectivity Services; Our HyperConn Technology is Widely Accepted by MNOs, Business Partners in Various Industries, such as in China, US and Japan



## Help Operators to Win

Help operators improve data connection services through our **PaaS and SaaS platform**; Expand cooperation with **major MNOs in China**.



## Adapt to new normal life-style

Remote work and remote learning which require **highly-reliable connectivity**; New innovative **tablet products** facilitate online **education**, such as in the **Japanese market**.



## GlocalMe Inside (GMI)

Cooperation with Intelligent hardware manufacturers; **Expands PaaS and SaaS ecosystem** through cooperation with local partners.



## 5G Everywhere

5G may stimulate users to use high data consumption APPs, creating persistent demand for better and faster connections; **HyperConn technology solution and New HyperConn enabled products** launched to various markets; Accelerates 5G Cloud Era.



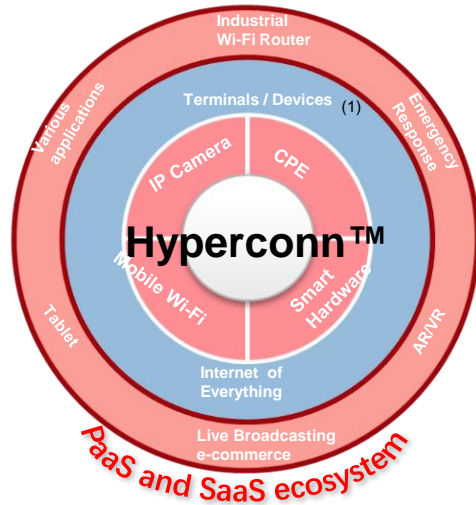
## Wireless Networks Convergence

Continuous Development with Great Growth Potential; Helping one of the major MNOs in China elevate **indoor and outdoor user experience** and scale up our potential user base such as home broadband.

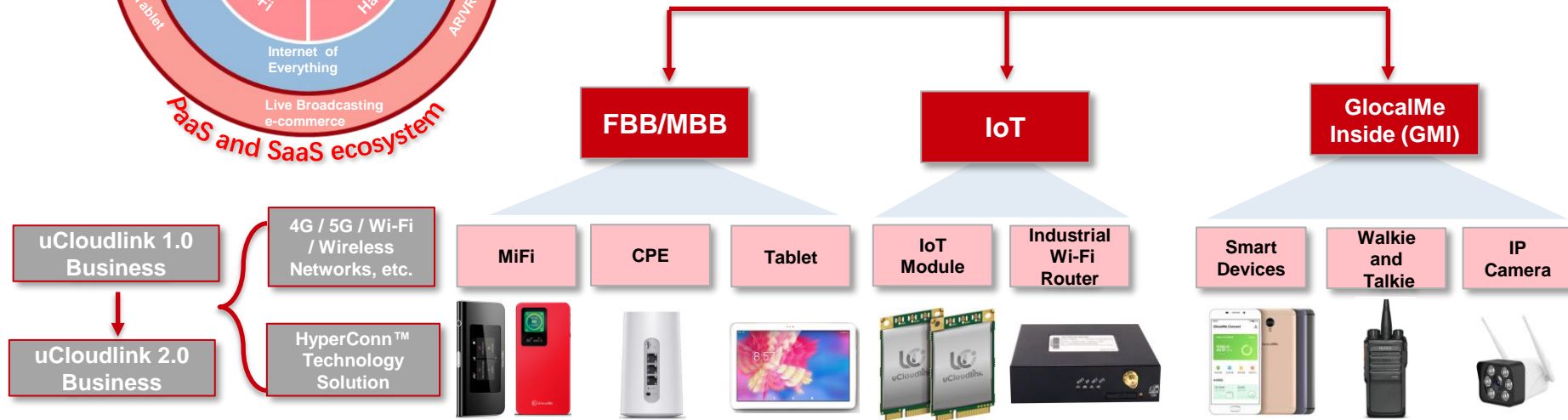


## IoT (Guaranteed Reliable Connection)

Opens opportunities with industries requiring high-quality data connection (**Internet of Things ("IoT") modules, industry Wi-Fi router, IP Camera, Power, emergency services, live broadcasting e-commerce and Autopilot etc.**) driving an increase in userbase.



Hyperconn™ technology solution supports and applies to further development of our 1.0 and 2.0 businesses as well as continuous development and launching of innovative products, leading to develop our PaaS and SaaS ecosystem

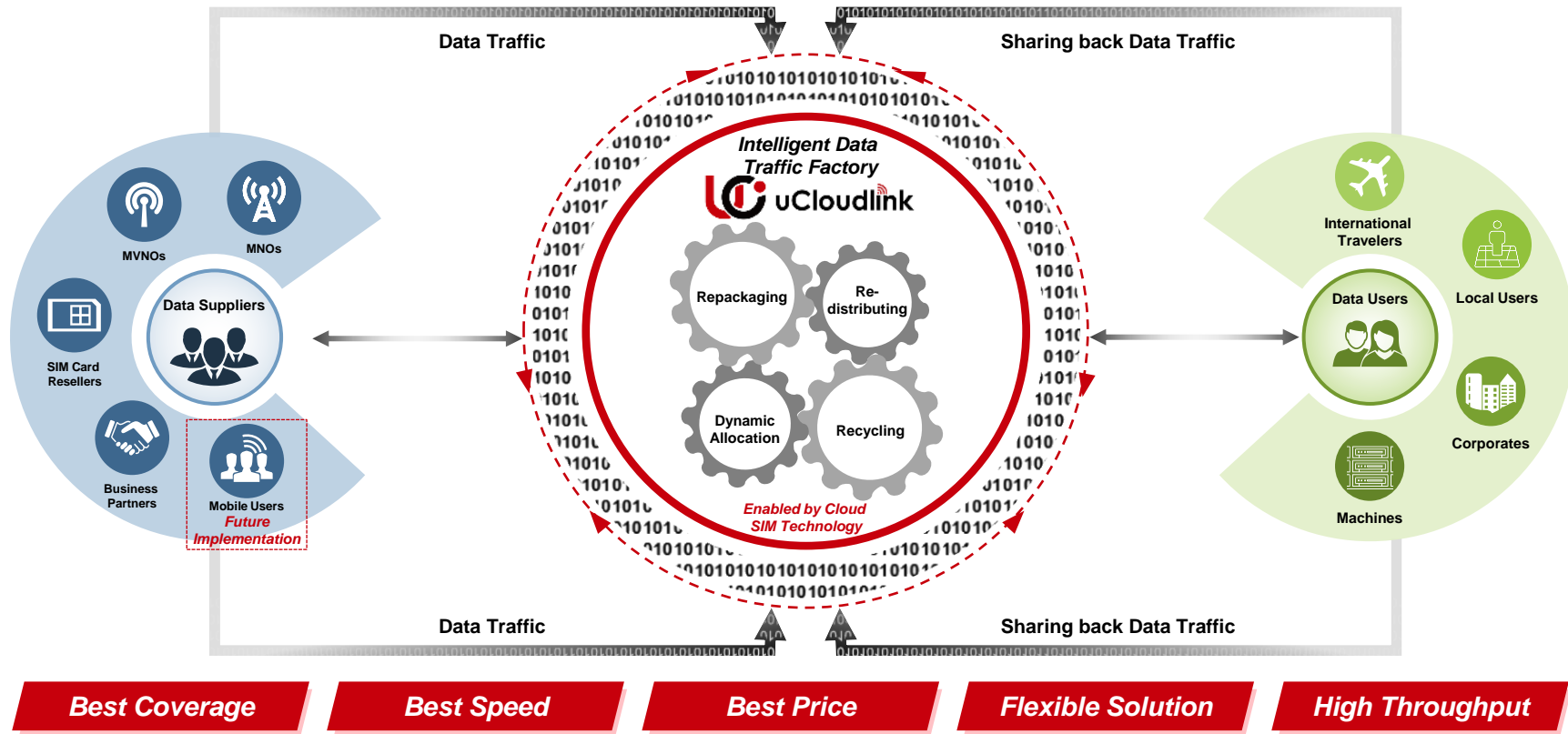


Note:

1. Our Hyperconn™ technology solution applies to our self-developed terminals. Through cooperation with business partners, we embed GlocalMe Inside (GMI) into third-party devices.

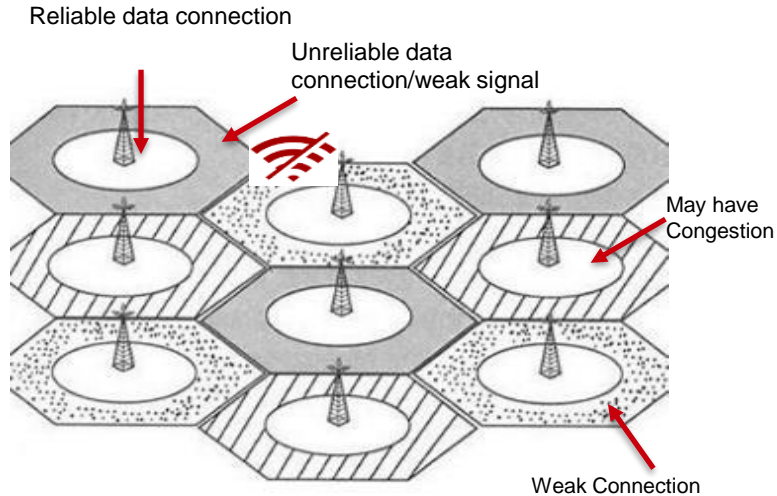
# The World's First and Leading Mobile Data Traffic Sharing Marketplace

(Nasdaq: UCL)

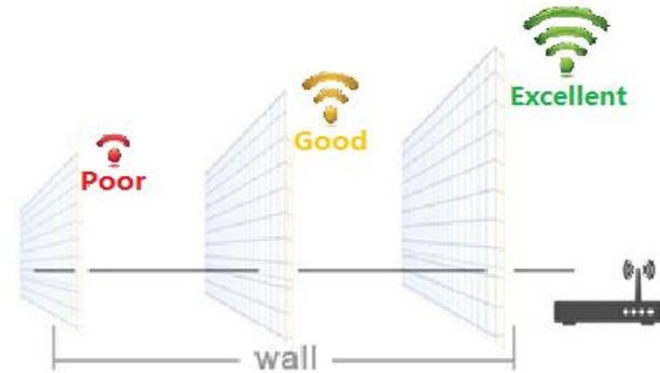




## Challenges for Mobile Network Operators



## Unreliable Indoor Wi-Fi Coverage

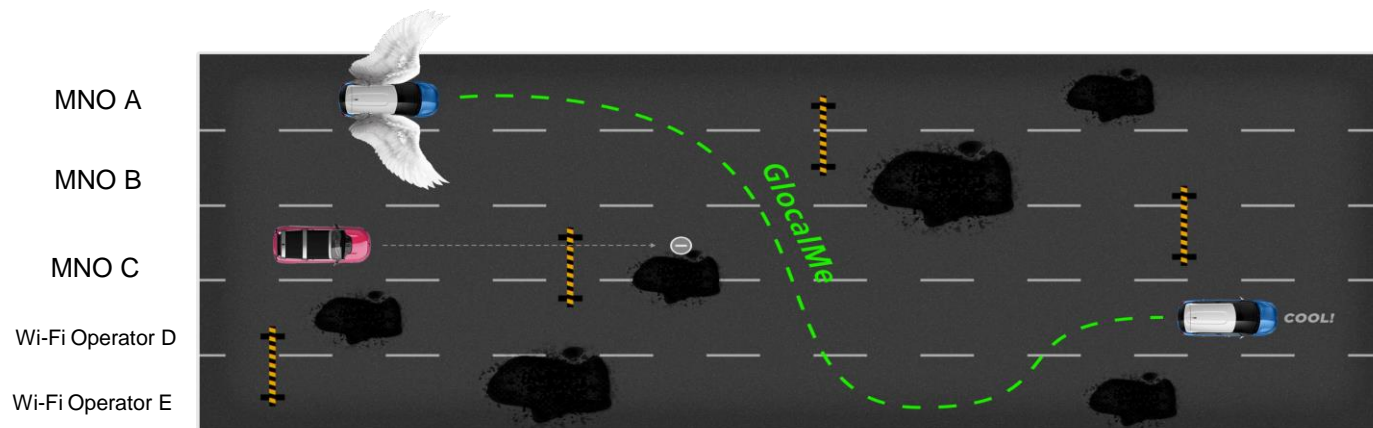


- **Poor coverage**
- **May easily have congestion**
- **Capital Intensive** for MNOs



## 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 Connectivity**
- **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

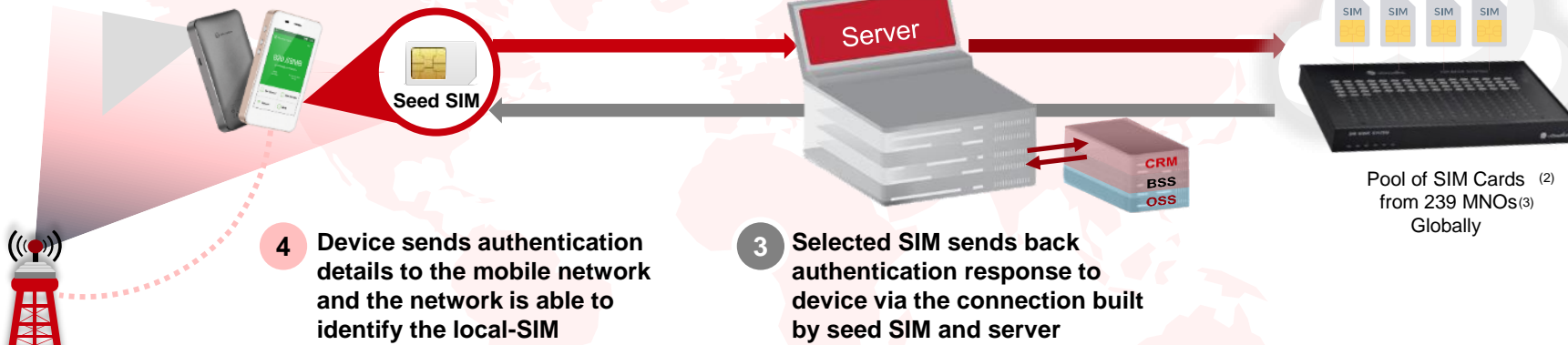
Server identifies SIM in the SIM pool with the optimal connectivity service

3

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

4

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



**179 Patents <sup>(1)</sup>**

**Software-based**

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

Notes:

1. As of December 31, 2021, with 100 patents approved and 79 patents pending approval, globally

2. As of December 31, 2021, among these SIM cards, c.25% are owned by the Company with remaining SIMs owned by our business partners

3. As of December 31, 2021

# Our Advanced Technology Enabling Secured and Robust Connectivity (HyperConn)

(Nasdaq: UCL)

Cloud SIM Developed to HyperConn Stage and Hyperconn™ products delivered to various markets during the third quarter of 2021 and more innovative products and services are in the pipeline, with continuous development of 2.0 business, GlocalMe Inside, Wireless Networks, Education, Autopilot, 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



**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, 2021

# Unique Business Model with High Barriers to Entry

(Nasdaq: UCL)



Notes:

1. As of December 31, 2021 with 100 patents approved and 79 patents pending approval, globally

2. As of December 31, 2021

# Clear Growth Strategies Across Business Models

(Nasdaq: UCL)

## Between Countries



### Strengthen Leadership Position



**Single Operator Entry Point** to Access All Available Global Networks



**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

**c.US\$35bn \***

2023E International Data Roaming Market size



## Between Carriers



### Capture Local Data Connectivity Market Opportunity



**Single Operator Entry Point** to Access All Available Local 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 management 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

**c.US\$1,149bn \***

2023E Local Mobile Data Connectivity Market size

## Full Marketplace



### 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

\*Finalized prototype APP in 2019

?

Notes:  
\* According to Frost & Sullivan



# Operating and Financial Highlights

(Nasdaq: UCL)



# Key Financial Highlights

(Nasdaq: UCL)

**Growth Track Record pre COVID-19  
Pandemic**

**35.8%**  
**CAGR 2017-2019**

**Increasing Geographic Diversification of  
Revenues**

**25 vs 54 <sup>(1)</sup>**  
**2017 – Q4 2021**

**Local connectivity demand became main  
driver of growth**

**3.6% vs 69% <sup>(2)</sup>**  
**2018 – Q4 2021**



**Increasing Revenue Contribution Percentage of PaaS and  
SaaS Platform**

**2.1% vs 15.2%**  
**2017 – Q4 2021**

**Profitability improved pre COVID-19 Pandemic**

**34% - 41% <sup>(3)</sup>**  
**2017 - 2019**

Note:

1. Number of countries and regions based on partners' registered location

2. 2.0 Daily Active Terminals (DAT) as a percentage of total DAT

3. Gross Profit Margin

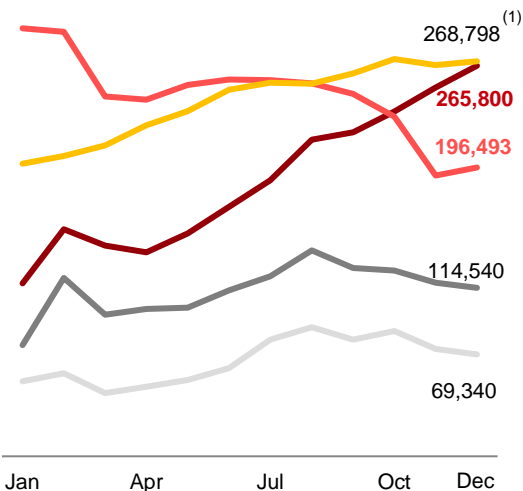


# Our Business Performance and Operating Highlights

(Nasdaq: UCL)

## Daily Active Terminals (DAT) <sup>(2)</sup>

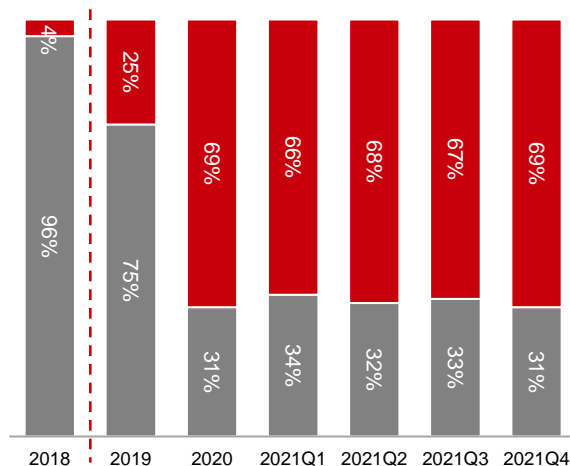
# Terminals



## DAT Breakdown by uCloudlink 1.0 vs. 2.0 <sup>(2)</sup>

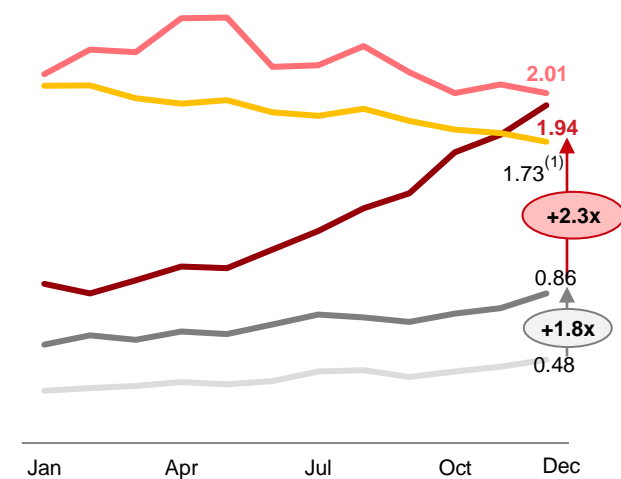
%

Strong uCloudlink 2.0 User Adoption



## Daily Data Usage per Terminal <sup>(2)</sup>

GB



Note:

1. In December 2021

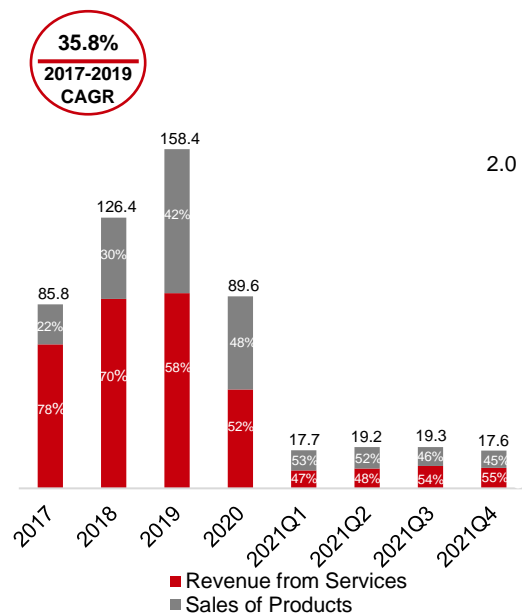
2. Average daily active terminals include terminals connected to our platform that are serviced by us or our business partners. Data consumed by the active terminals including data consumed by users who contributed to our revenues from data connectivity services and data consumed by users who did not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

# Proven Trackable Growth Record

(Nasdaq: UCL)

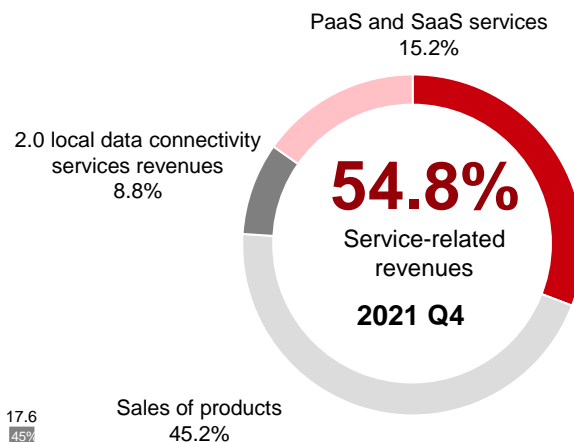
Robust Growth in Revenue Driven by services...

Revenue, US\$MM



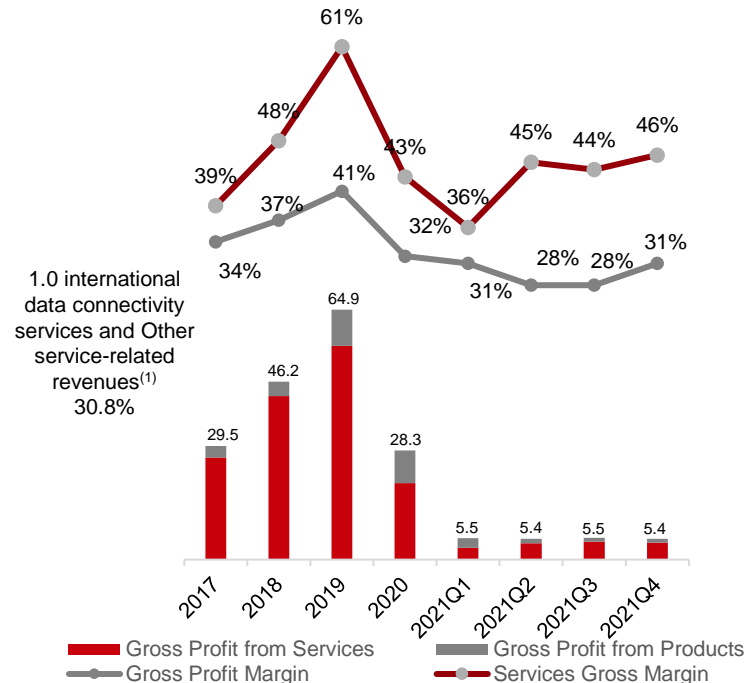
Note:  
1. Other service-related revenues includes revenues from others

2021Q4 revenue segmentation based on product & services



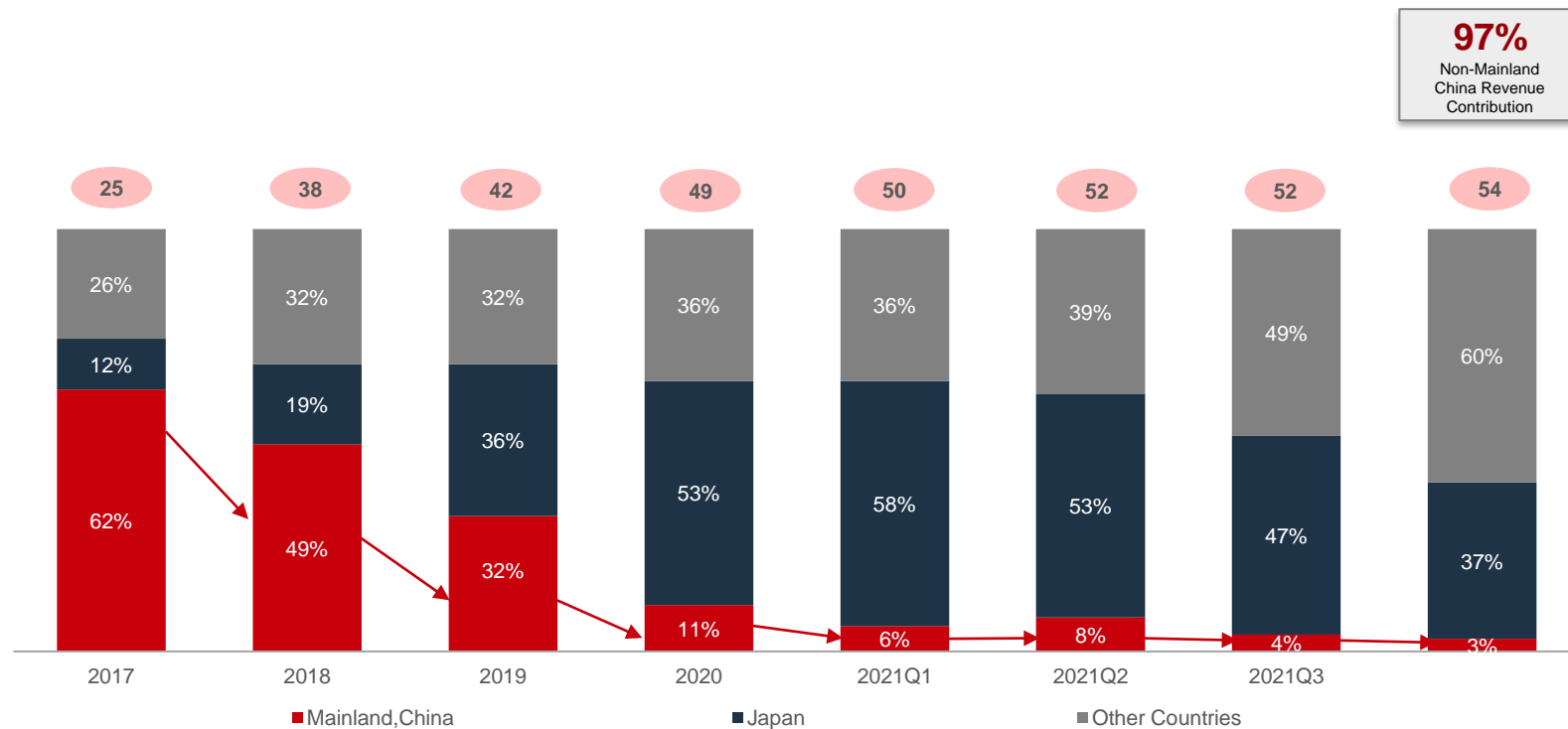
Gross Profit US\$MM

Gross margin, %



# Our Business and Revenue Are Increasingly Diversified Globally

(Nasdaq: UCL)

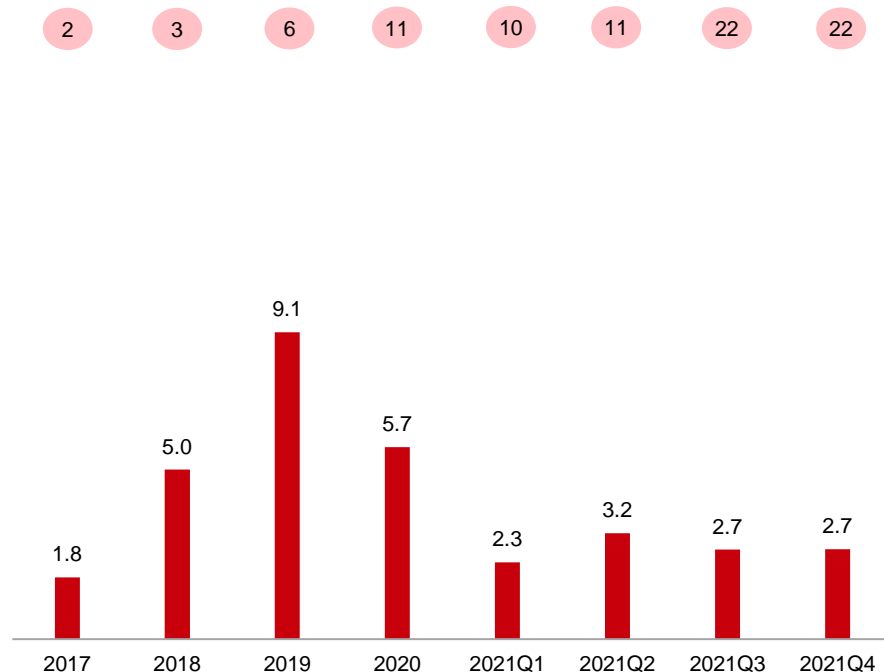


Number of countries and regions based on partners' registered location

# uCloudlink PaaS/SaaS Monetization Model

(Nasdaq: UCL)

Revenue  
US\$MM



# of PaaS / SaaS Customers

## Key Revenue Models

### Primary Revenue Models



Revenue/  
Profit Sharing



SIM  
Hosting Fee

### Ancillary Revenue Models



SIM  
Installation Fee



SIM  
Management Fee



Software  
Upgrade Fee



Technical  
Service Fee



License  
Fee



Platform  
Development Fee



Q & A

***Thank you***