



(Nasdaq: UCL)

Company Presentation

June 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)

Issuer	UCLOUDLINK GROUP INC. (“uCloudlink” or the Company)
Exchange	NASDAQ
Ticker	UCL
Securities Issuance	American Depositary Shares (ADSs)
Outstanding ADS	28,974,765 ⁽¹⁾
IPO ADS / Size	2,010,000ADS // US\$36,180,000 ⁽²⁾

Note:

1. As of February 28, 2022 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"

Investment Highlights

(Nasdaq: UCL)



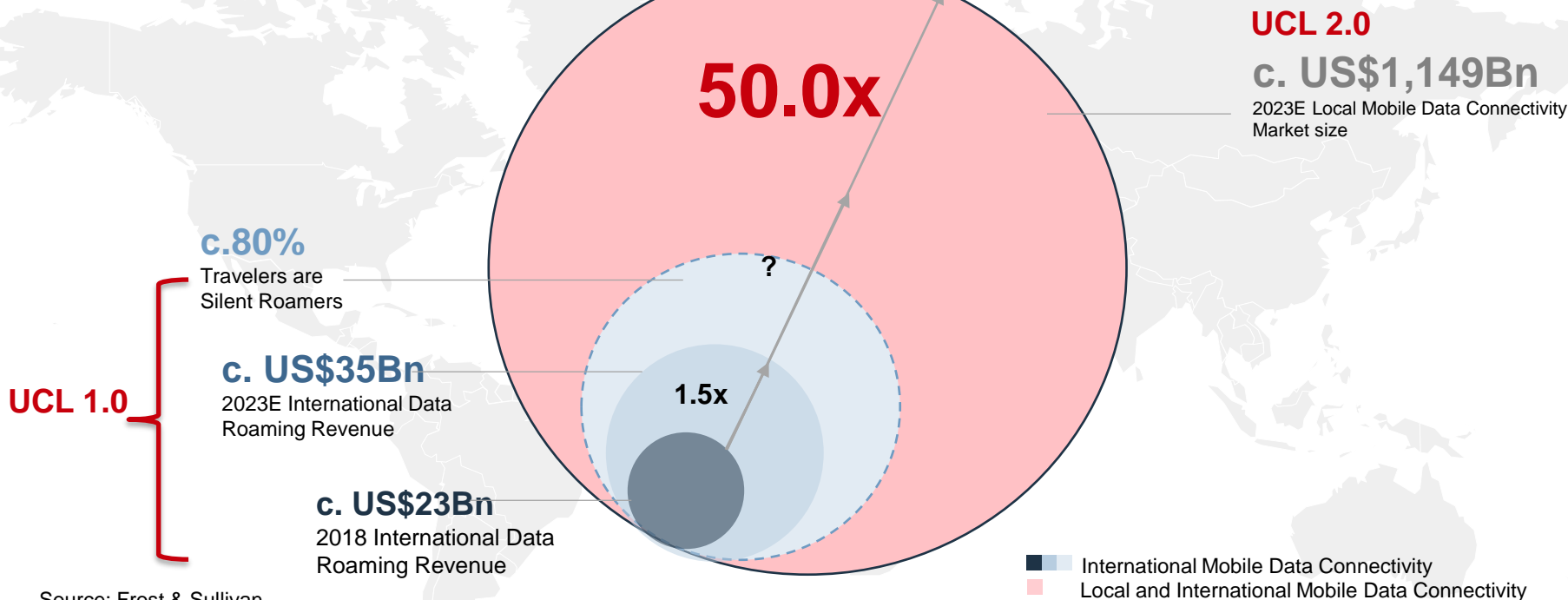


(Nasdaq: UCL)

uCloudlink's Massive and Attractive Market Potential

(Nasdaq: UCL)

Attractive massive market



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

(Nasdaq: UCL)

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 **300 MNOs** ⁽¹⁾

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.)



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

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

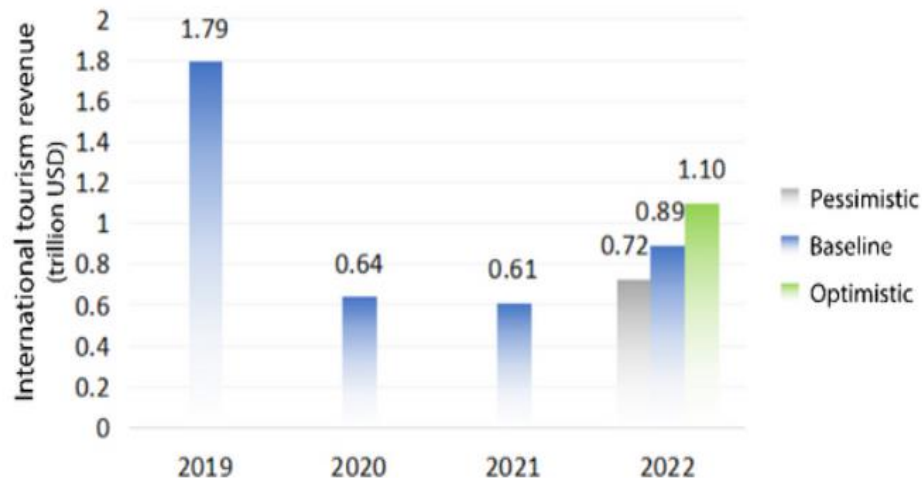
Expect 1.0 business to steadily grow and exceed pre-COVID level in the future based on the long-term **recovery of international travel markets** and **greater tourist demands**.

Notes:

1. As of March 31, 2022

uCloudlink 1.0: Expect Recovery Post COVID-19 Pandemic with More Growth Potential

(Nasdaq: UCL)



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

(Nasdaq: UCL)

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 2022 Q1**(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 2022 Q1)

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

(Nasdaq: UCL)

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

Teleworking and remote learning which require **highly-reliable connectivity**;



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.



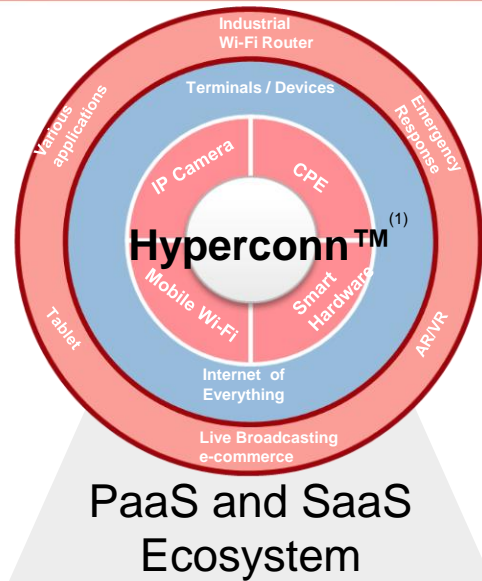
Wireless Networks Convergence

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.



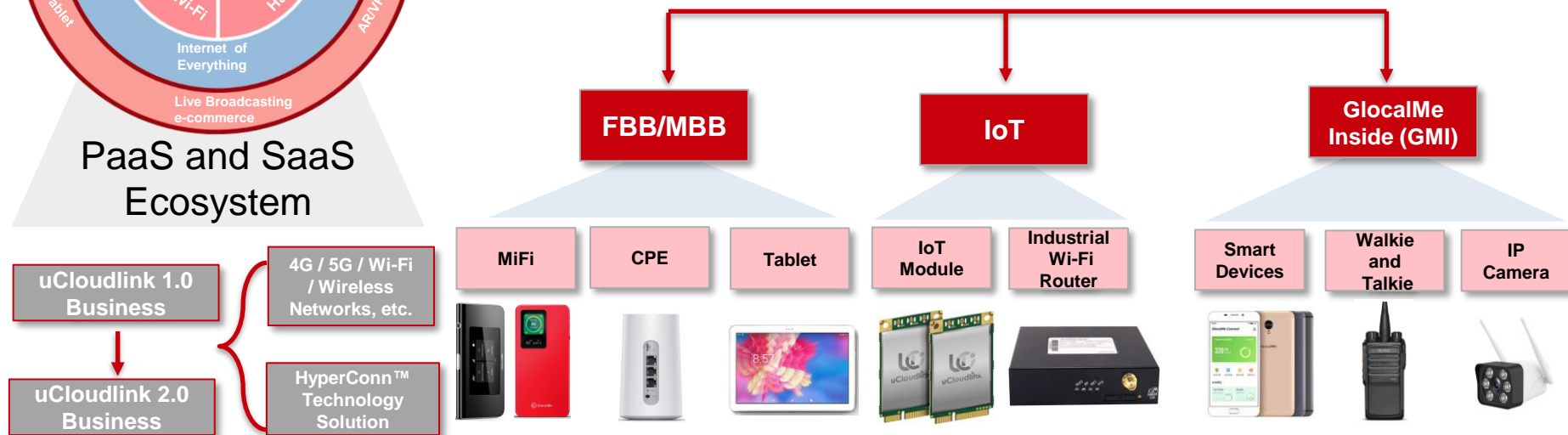
IoT (Guaranteed Reliable Connection)

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 introduction of innovative products, leading to develop our PaaS and SaaS ecosystem

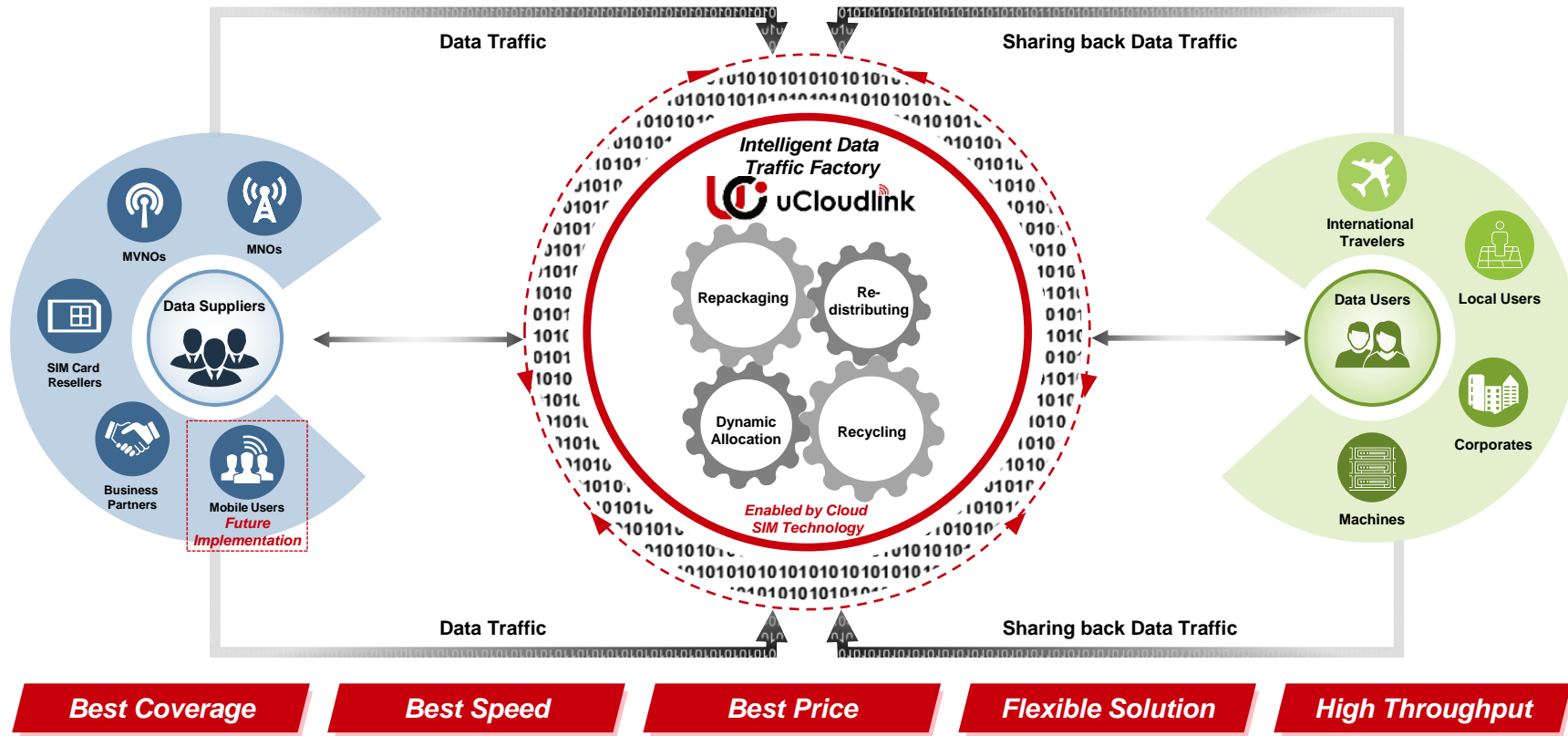
In the first quarter of 2022, we promoted more innovative 5G products in countries and regions like US, Japan, Europe



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.

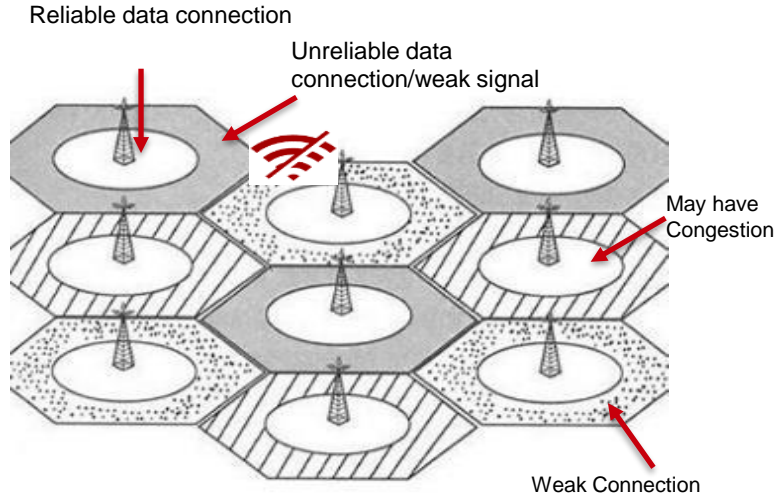
The World's First and Leading Mobile Data Traffic Sharing Marketplace (Nasdaq: UCL)



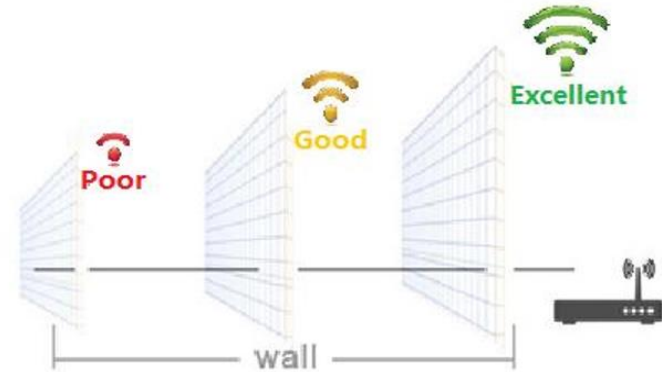
Operators Face Two Major Challenges: Coverage and Congestion

(Nasdaq: UCL)

Challenges for Mobile Network Operators



Unreliable Indoor Wi-Fi Coverage

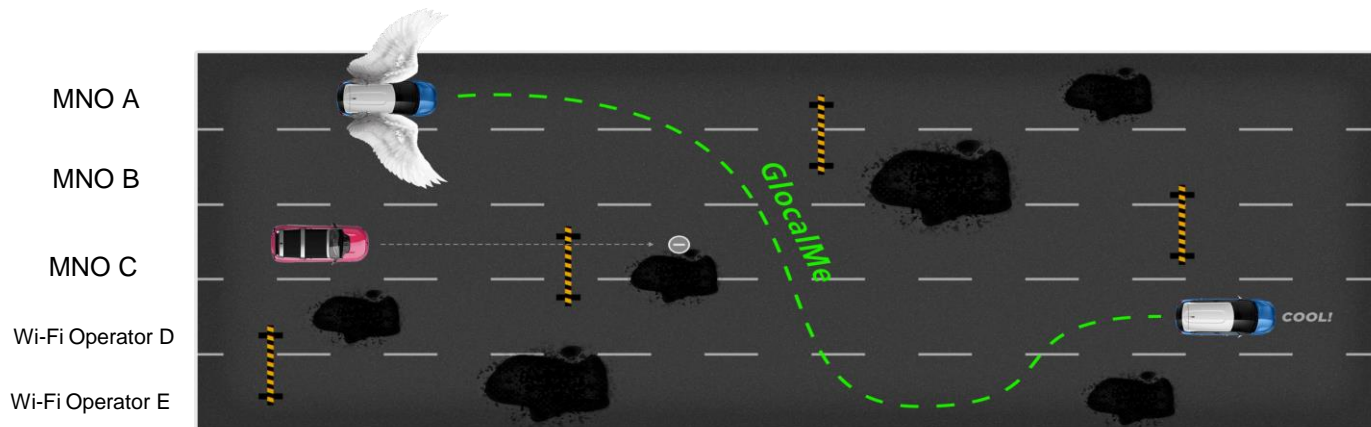


- **Poor coverage**
- **May easily have congestion**
- **Capital Intensive** for MNOs



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

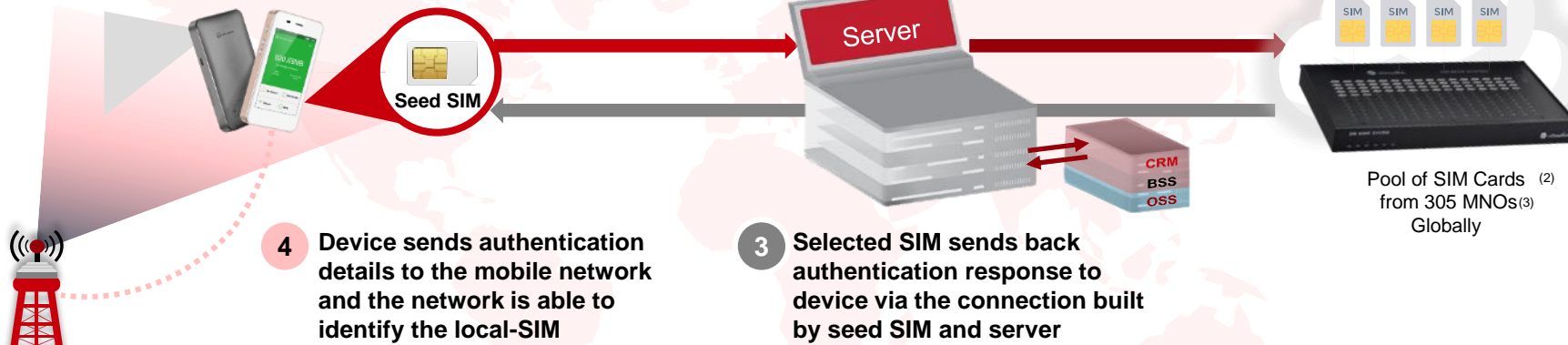
Server identifies SIM in the SIM pool with the optimal connectivity service

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



184 Patents ⁽¹⁾

Software-based

Ready to Support All Three Generations of our Businesses

Notes:

1. As of March 31, 2022, with 110 patents approved and 74 patents pending approval, globally

2. As of March 31, 2022, among these SIM cards, c.26% are owned by the Company with remaining SIMs owned by our business partners

3. As of March 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 first 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



**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⁽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**

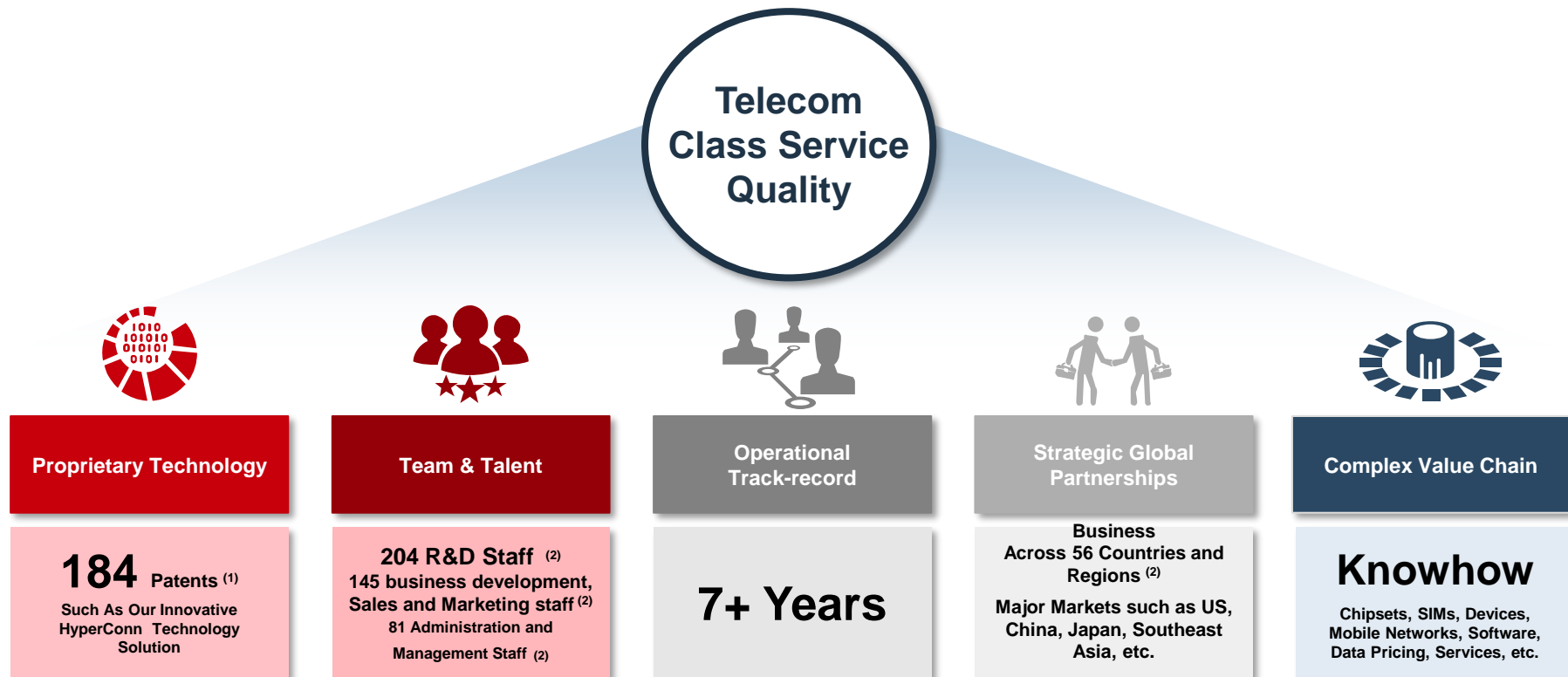
Note:

1. Original design manufacture

2. As of March 31, 2022

Unique Business Model with High Barriers to Entry

(Nasdaq: UCL)



Notes:

1. As of March 31, 2022 with 110 patents approved and 74 patents pending approval, globally

2. As of March 31, 2022

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)

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

2.1% vs 15.8%
2017 – Q1 2022

**Increasing Geographic Diversification of
Revenues**

25 vs 56 ⁽¹⁾
2017 – Q1 2022

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

3.6% vs 69% ⁽²⁾
2018 – Q1 2022



Growth Track Record pre COVID-19 Pandemic

35.8%
CAGR 2017-2019

Profitability improved pre COVID-19 Pandemic

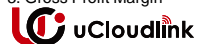
34% - 41% ⁽³⁾
2017 - 2019

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

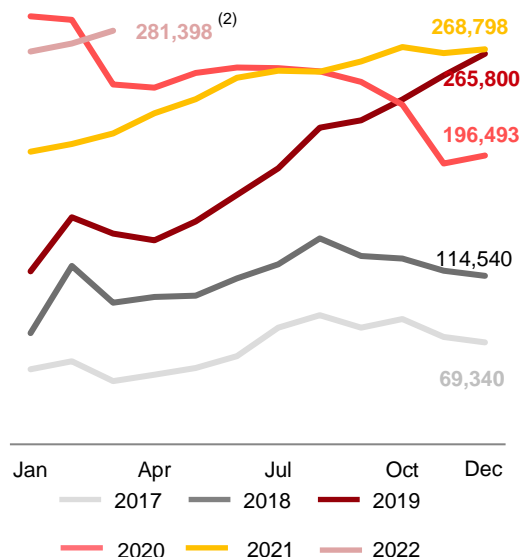


Our Business Performance and Operating Highlights

(Nasdaq: UCL)

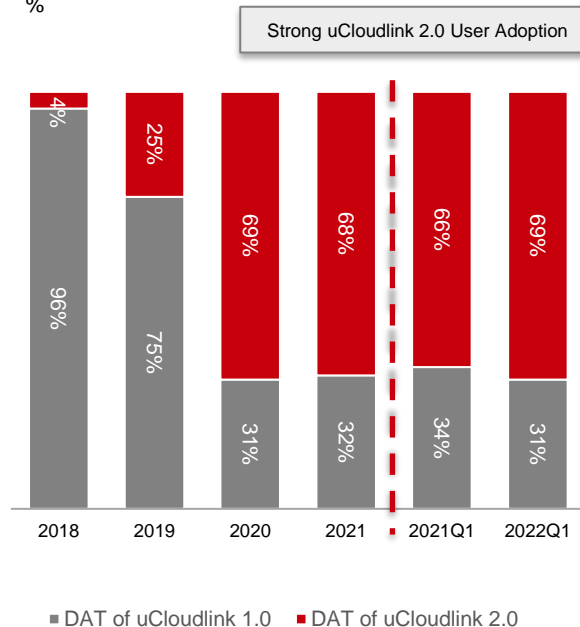
Daily Active Terminals (DAT) ⁽¹⁾

Terminals



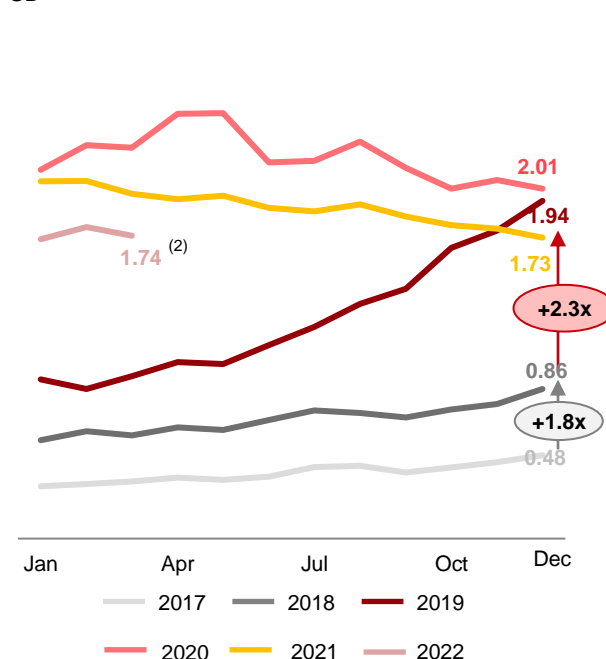
DAT Breakdown by uCloudlink 1.0 vs. 2.0 ⁽¹⁾

%



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.

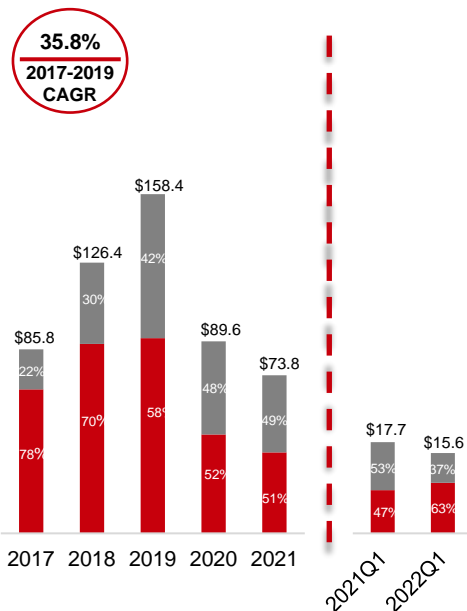
2. In March 2022.

Proven Trackable Growth Record

(Nasdaq: UCL)

Robust Growth in Revenue Driven by services...

Revenue, US\$MM

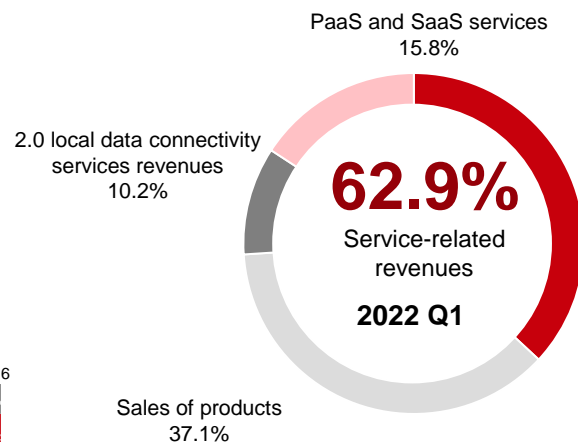


■ Revenue from Services ■ Sales of Products

Note:

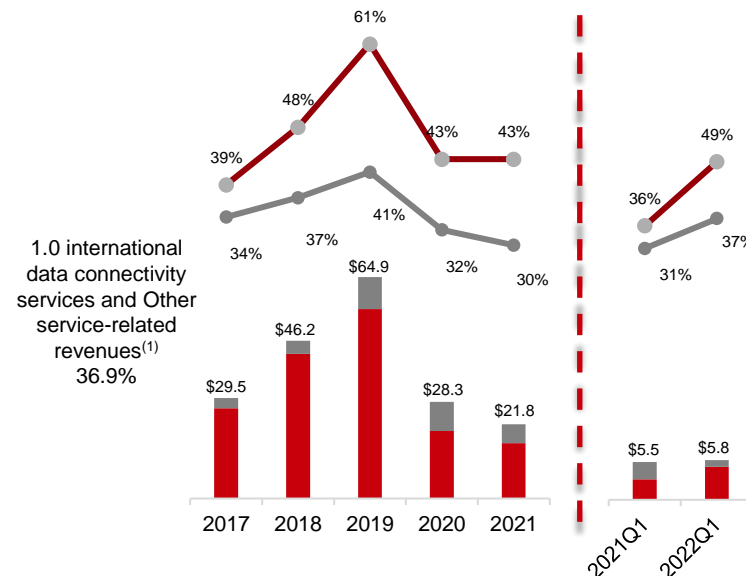
1. Other service-related revenues includes revenues from others

2022Q1 revenue segmentation based on product & services



Gross Profit US\$MM

Gross margin, %



■ Gross Profit from Services

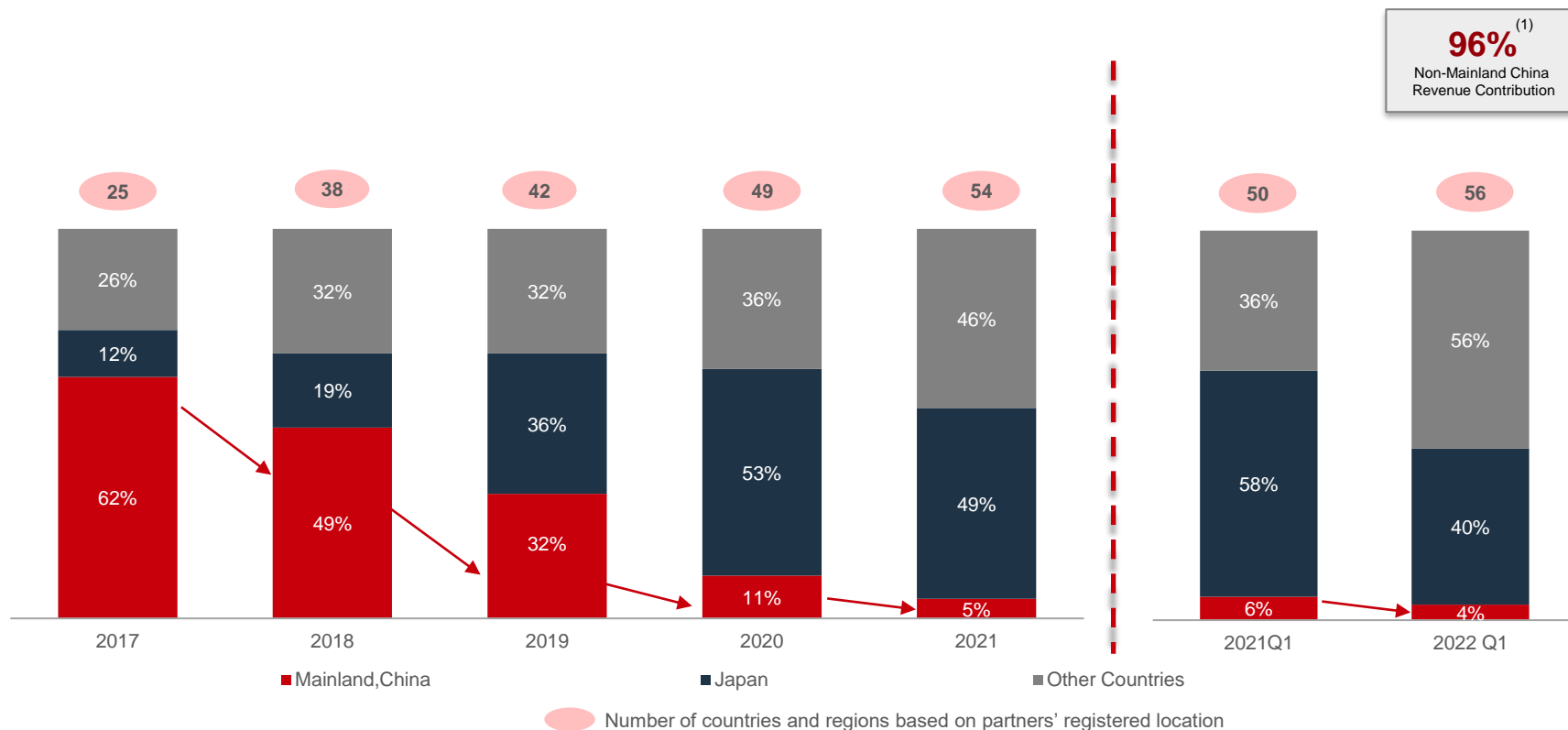
■ Gross Profit from Products

— Gross Profit Margin

— Services Gross Margin

Our Business and Revenue Are Increasingly Diversified Globally

(Nasdaq: UCL)



Note: 1. In Q1 2022

uCloudlink PaaS/SaaS Monetization Model

(Nasdaq: UCL)

Revenue from PaaS and SaaS services

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