



(Nasdaq: UCL)

**3Q 2024 Earnings Conference Call
Presentation**

November 2024

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Financial Highlights: Consistent Profitability and Solid Operating Cash Flow

(Nasdaq: UCL)

Total Revenues⁽¹⁾

US\$25.2 million

Net Income⁽¹⁾

US\$3.4 million

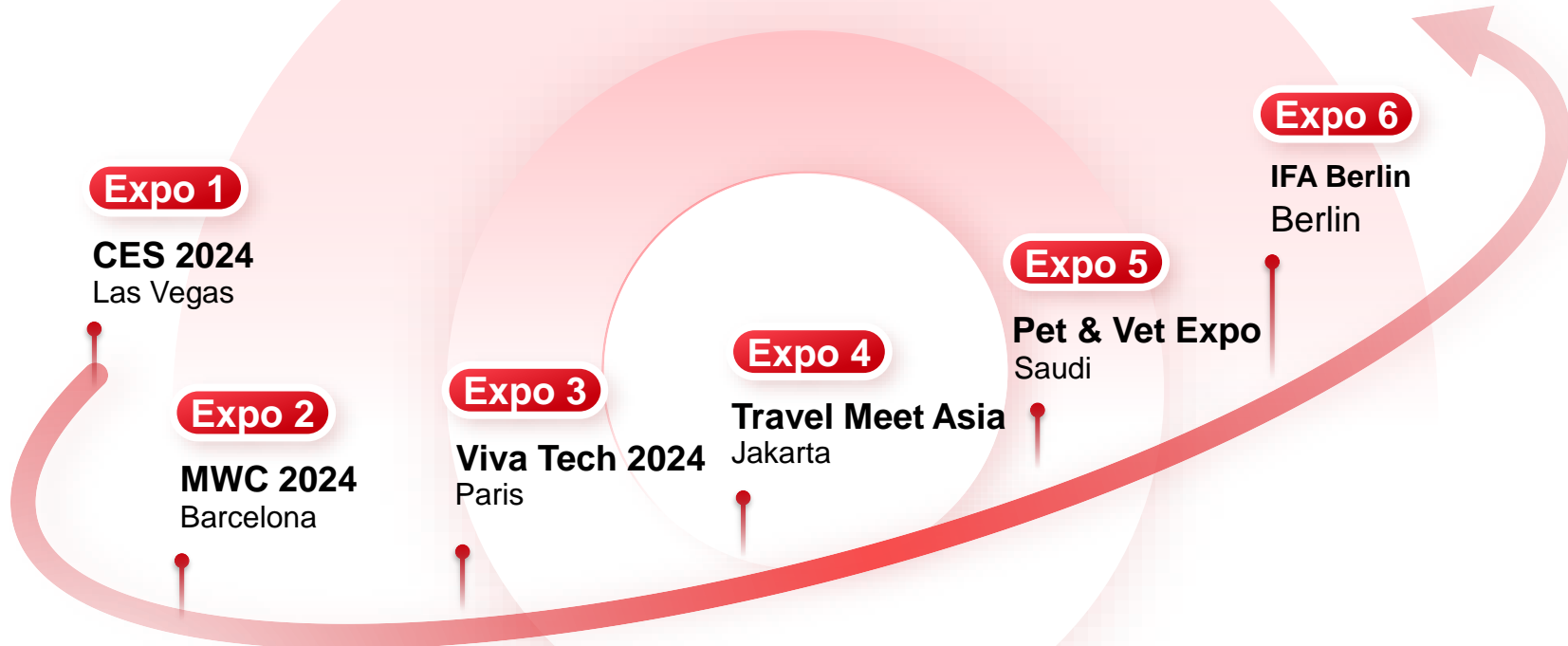
**Net Operating
Cash Inflow⁽¹⁾**

US\$2.0 million

Note: 1. In Q3 2024

Actively Attending Global Exhibitions to Enhance Market Exposure

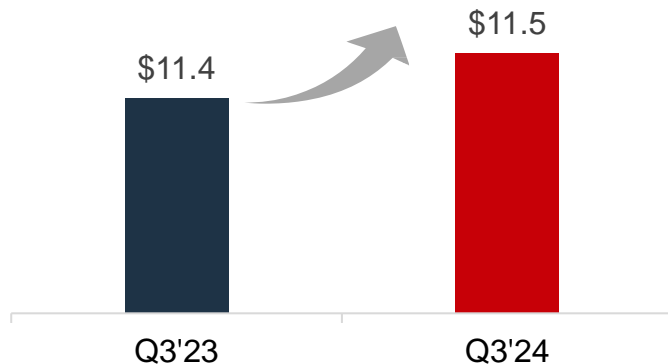
(Nasdaq: UCL)



GlocalMe MBB: Enhancing Leading Position in the Global Roaming Market

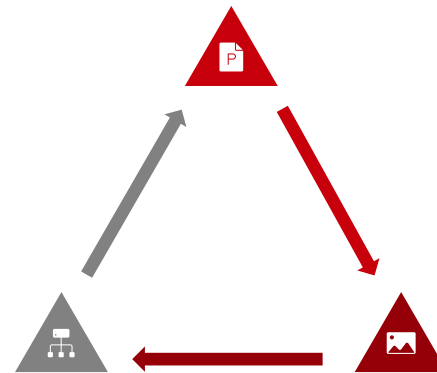
(Nasdaq: UCL)

Revenues from international data connectivity services
(in US\$MM)



Revenues from 1.0 international data connectivity services driven primarily by the recovery of international travel and growing demand in major markets.

Innovative global full-speed **5G** solutions cover **75 countries and regions**, an increase from 60 in the 2Q 2024.



Market shares in **mainland China and Japan** in 3Q 2024 increased YoY

Next-generation portable Mi-Fi products integrated with HyperConn solutions will be launched

Breakthroughs achieved in several key market channels and expect more in the future

GlocalMe Life Launch

First three *GlocalMe* Life solutions officially unveiled in May at VivaTech 2024

Commercial Launch

Unicord, RoamPlug, and KeyTracker commercially launched in July 2024 and garnered widespread acclaim

North American Distribution

Partnership with Inmotion to distribute products across North American airports

Future Pipeline

New solutions in development and expected to be launched in coming quarters

Further Expansion

Plans to expand distribution into Germany, Poland and other European countries

Upgrading and developing our *GlocalMe* SIM solutions




Sales of
OTA SIM

Expanding market
presence



OTA SIM service
resubscription

Growing user base
resubscribing to OTA
SIM services



Paving the way
for “ALL SIM”
solution

Highly-anticipated
“ALL SIM” solution
in commercial trials

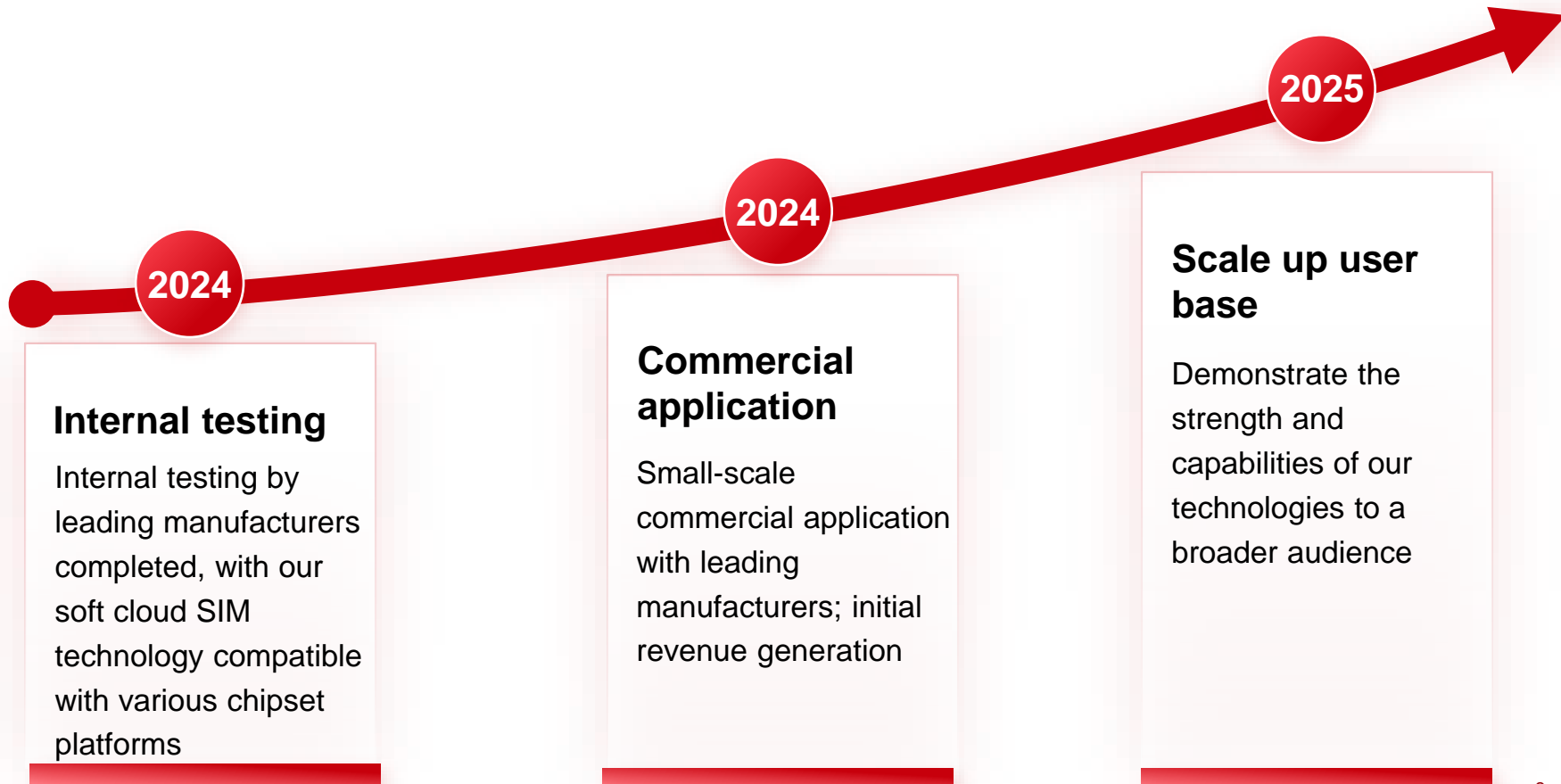


“ALL SIM”
solution **launch**

Commercial launch
expected in the coming
quarters

GlocalMe IoT: Small-scale Commercial Application by Leading Manufacturers

(Nasdaq: UCL)



Full Marketplace

GlocalMe SIM

Global potential
market of ~100
million of
users/devices

GlocalMe Life

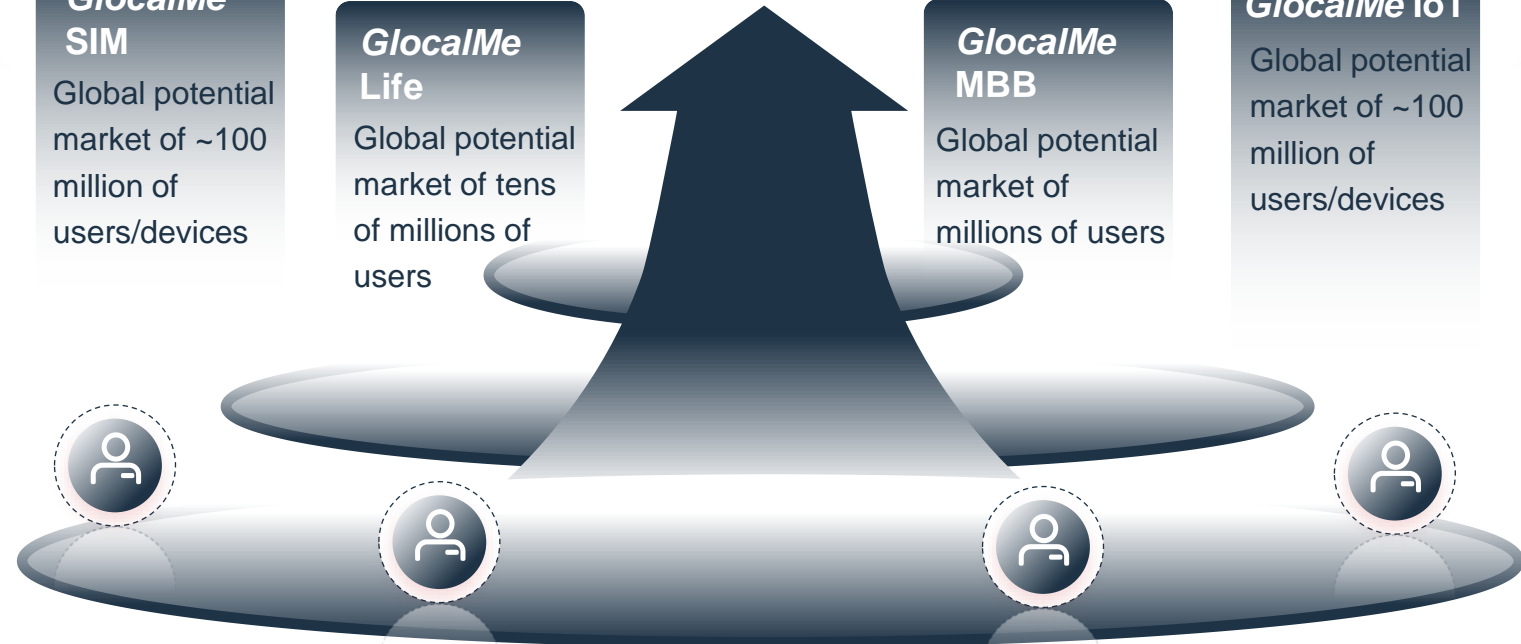
Global potential
market of tens
of millions of
users

GlocalMe MBB

Global potential
market of
millions of users

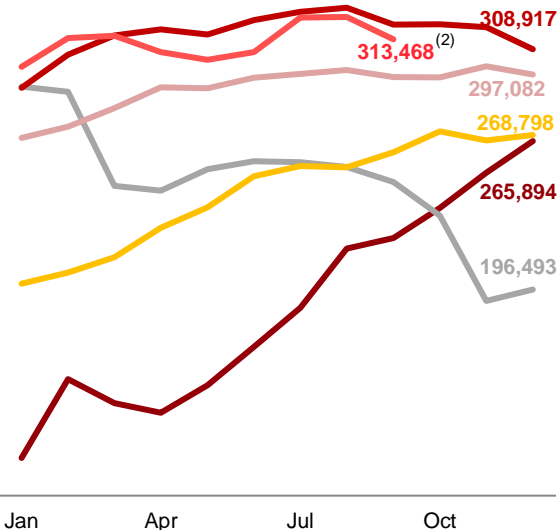
GlocalMe IoT

Global potential
market of ~100
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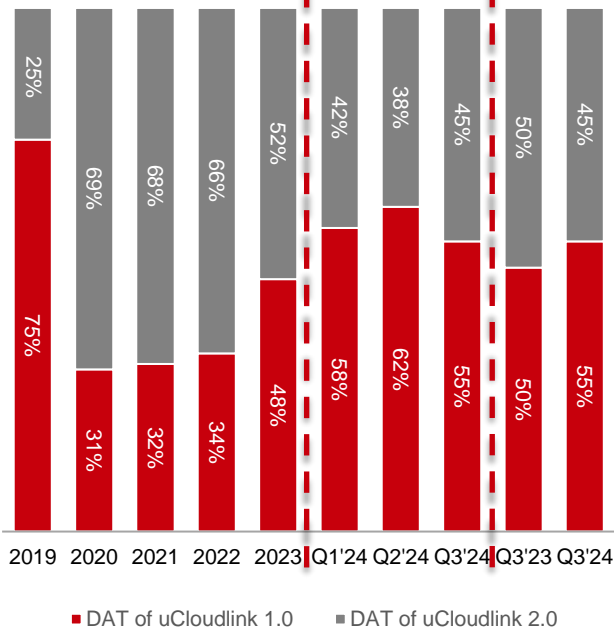
Daily Active Terminals (DAT) ⁽¹⁾

Terminals



— 2019 — 2020 — 2021
— 2022 — 2023 — 2024

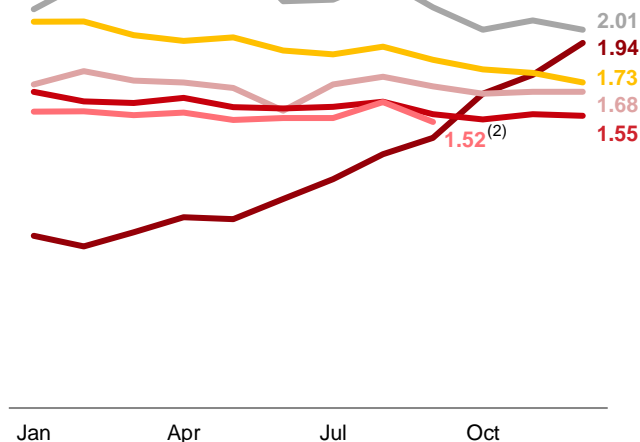
DAT Breakdown: uCloudlink 1.0 vs. 2.0 ⁽¹⁾



■ DAT of uCloudlink 1.0 ■ DAT of uCloudlink 2.0

Daily Data Usage per Terminal ⁽¹⁾

GB



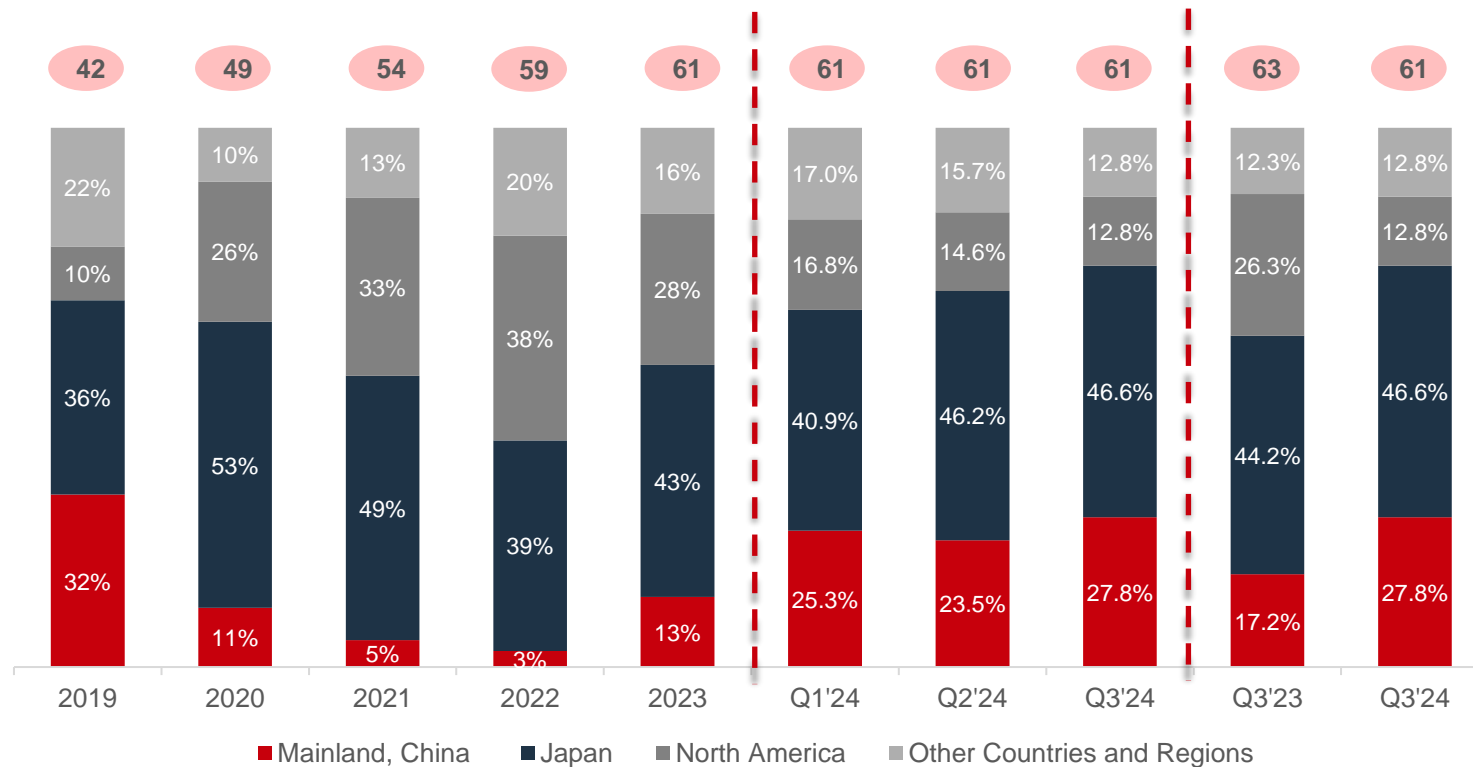
— 2019 — 2020 — 2021
— 2022 — 2023 — 2024

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

2. In September 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)



72.2% ⁽¹⁾
Non-Mainland
China Revenue
Contribution

Note:

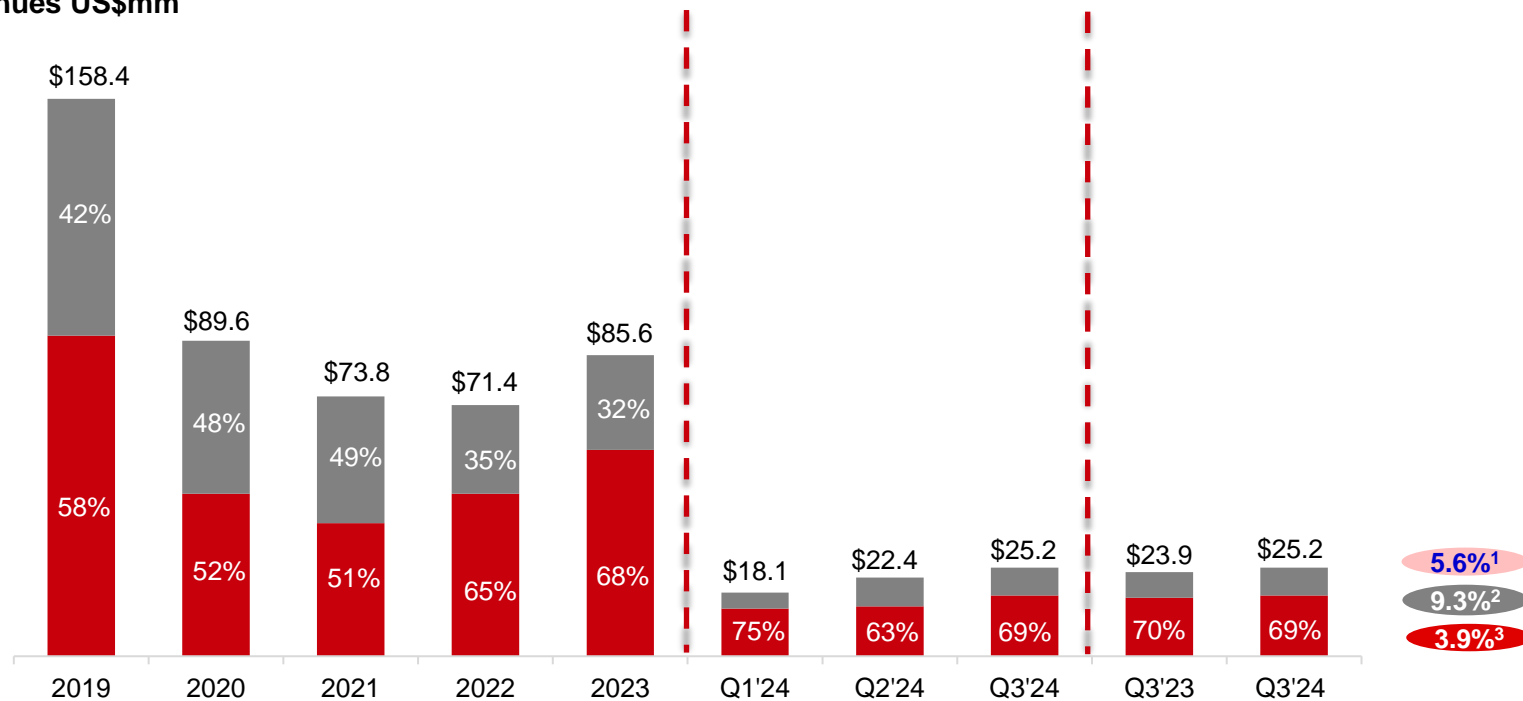
1. In Q3 2024



Revenue Breakdown

(Nasdaq: UCL)

Revenues US\$mm



5.6%¹
9.3%²
3.9%³

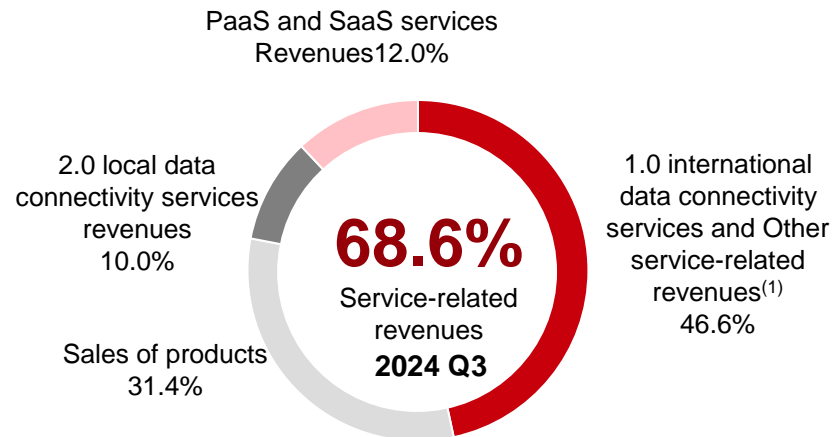
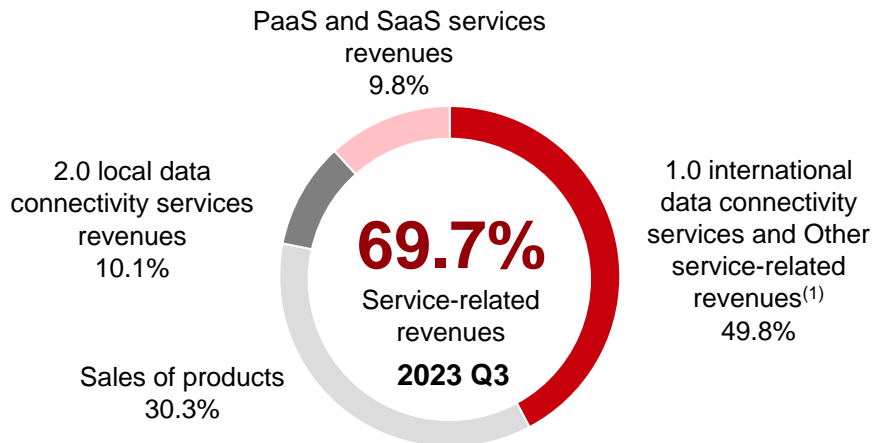
Note:

- 1. Q3 2024 total revenues YoY%
- 2. Q3 2024 revenues from sales of products YoY%
- 3. Q3 2024 revenues from services YoY%

■ Revenue from Services ■ Revenue from Sales of Products

Revenue Segmentation

(Nasdaq: UCL)



Note:

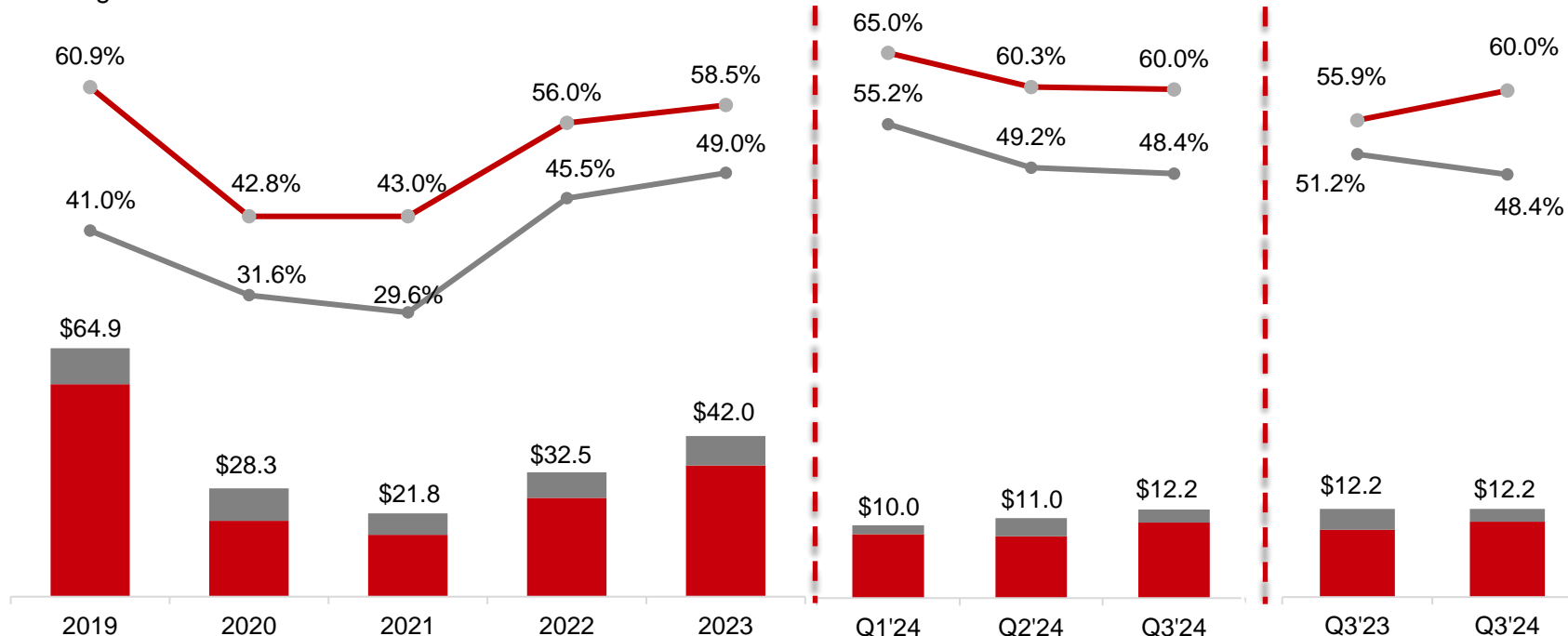
1. Other service-related revenues include revenues from others

Gross Margin from Services Consistently Higher than Overall Gross Margin

(Nasdaq: UCL)

Gross Profit US\$mm

Gross margin



Gross Profit on Services

Gross Profit on Sales of products

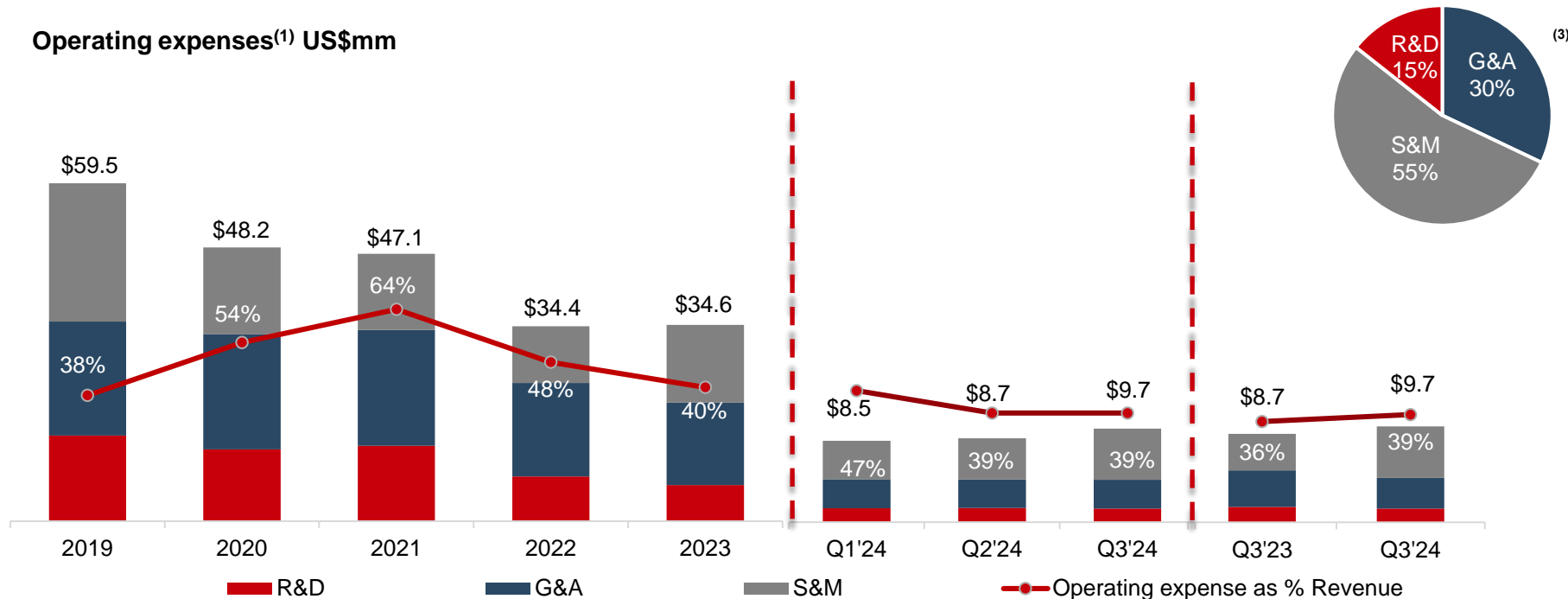
Overall Gross Margin

Gross Margin on Services

Improving Operational Efficiency

(Nasdaq: UCL)

Operating expenses⁽¹⁾ US\$mm



157 R&D Staff⁽²⁾ 169 Business Development, Sales and Marketing Staff⁽²⁾ 75 Administration and Management Staff⁽²⁾

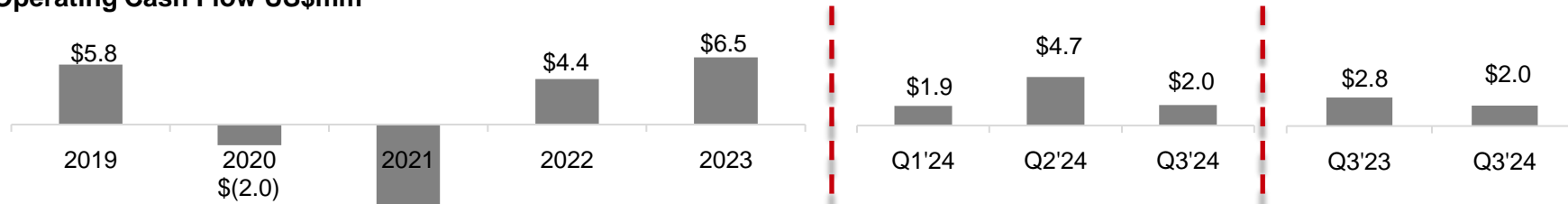
Note:

1. Operating Expenses excluding share-based compensation
2. As of September 30, 2024
3. Operating Expenses Breakdown Pie Chart is specifically for Q3 2024

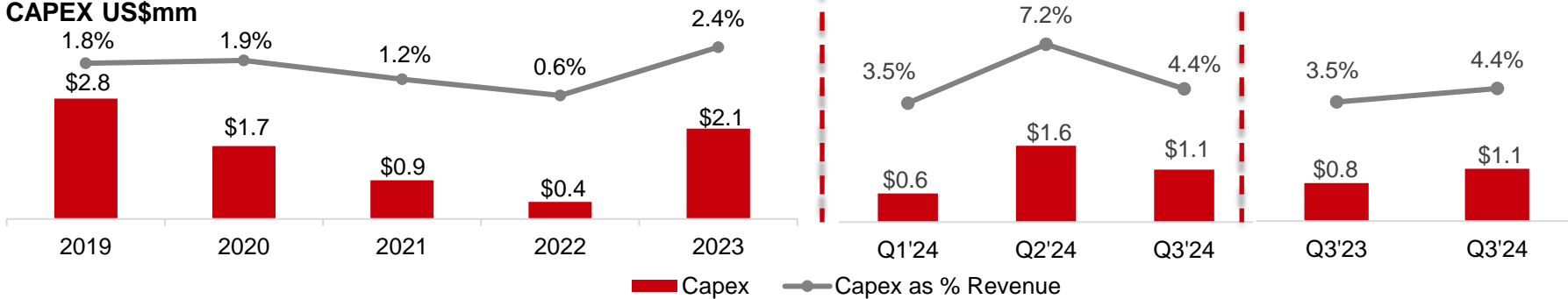
Asset Light Business Model

(Nasdaq: UCL)

Operating Cash Flow US\$mm



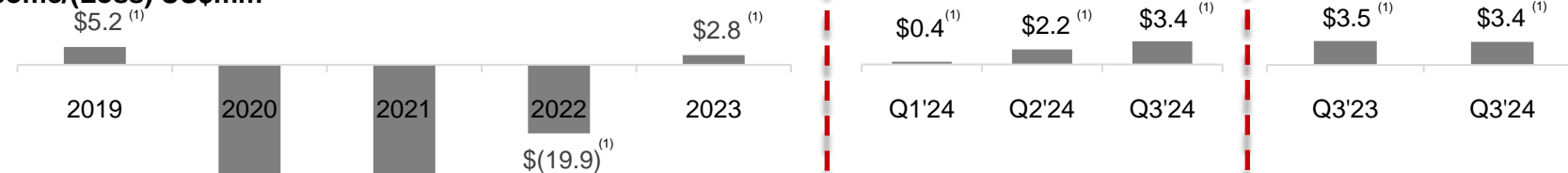
CAPEX US\$mm



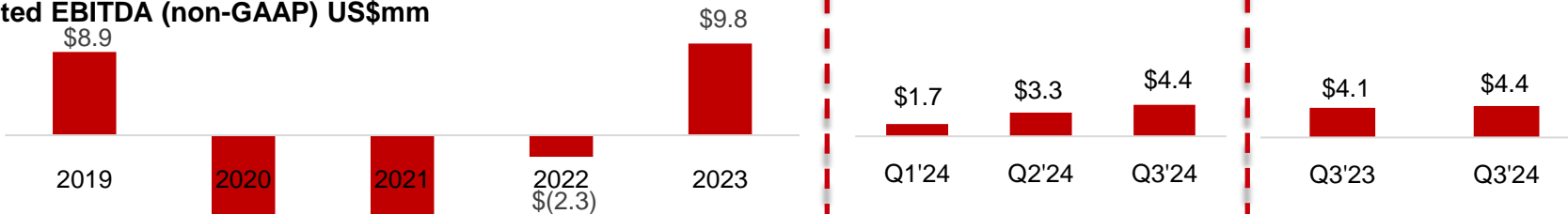
Net Income & Adjusted EBITDA (non-GAAP)

(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\$0.5 million in Q3 2023, US\$0.4 million in Q1 2024, US\$0.3 million in Q2 2024, and US\$0.3 million in Q3 2024

Q & A

Thank you



Appendix

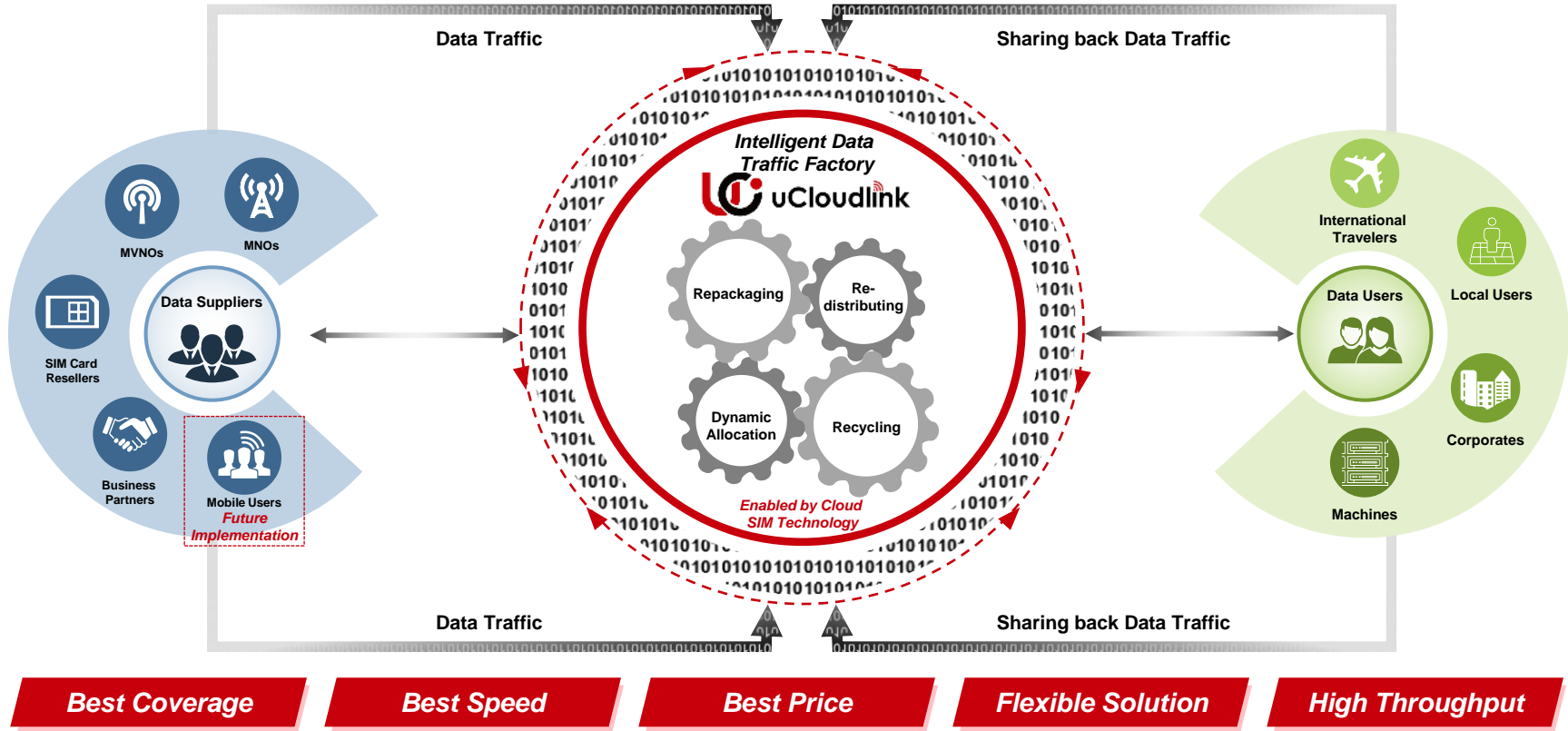


Connecting and Sharing without **Limitations**
Better Connection Empowers **Better Life**

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)



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**

Everyday life



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



- Need for **diverse** travel services



- **Inflexible** data plans

All Stakeholders

All scenarios



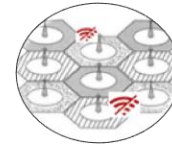
- **Underutilized** capacity for mobile data



- **Limited** 5G connectivity

Businesses

MNOs/MVNOs



- **Network coverage &**

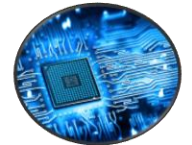


- **Unreliable** indoor Wi-Fi congestion

IoT module and device manufacturers makers



- **Reliable** connectivity with **no temporary disconnections**



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

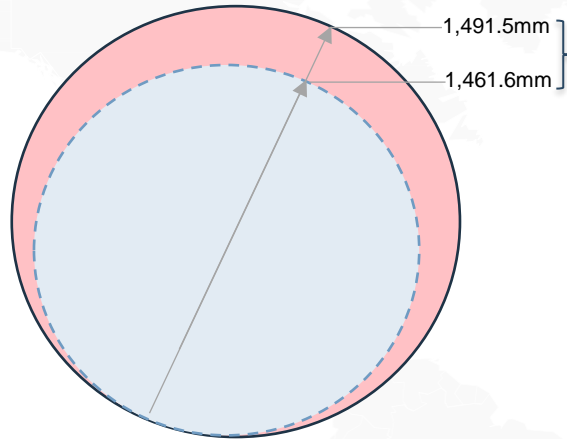
**Sharing Marketplace
(Next Phase)**

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**

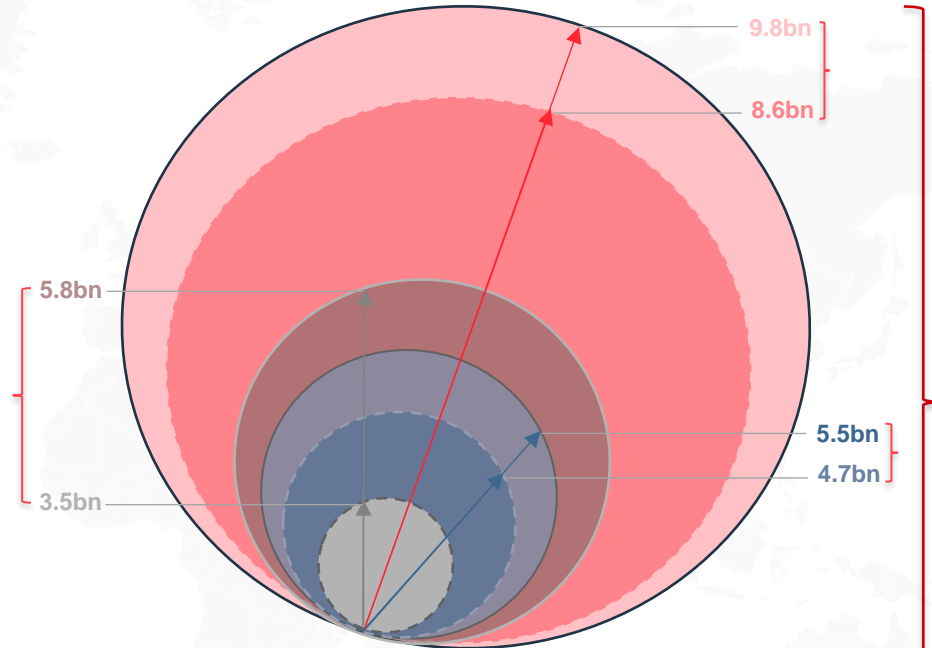
Massive Market Opportunity and Scalable User Base

(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

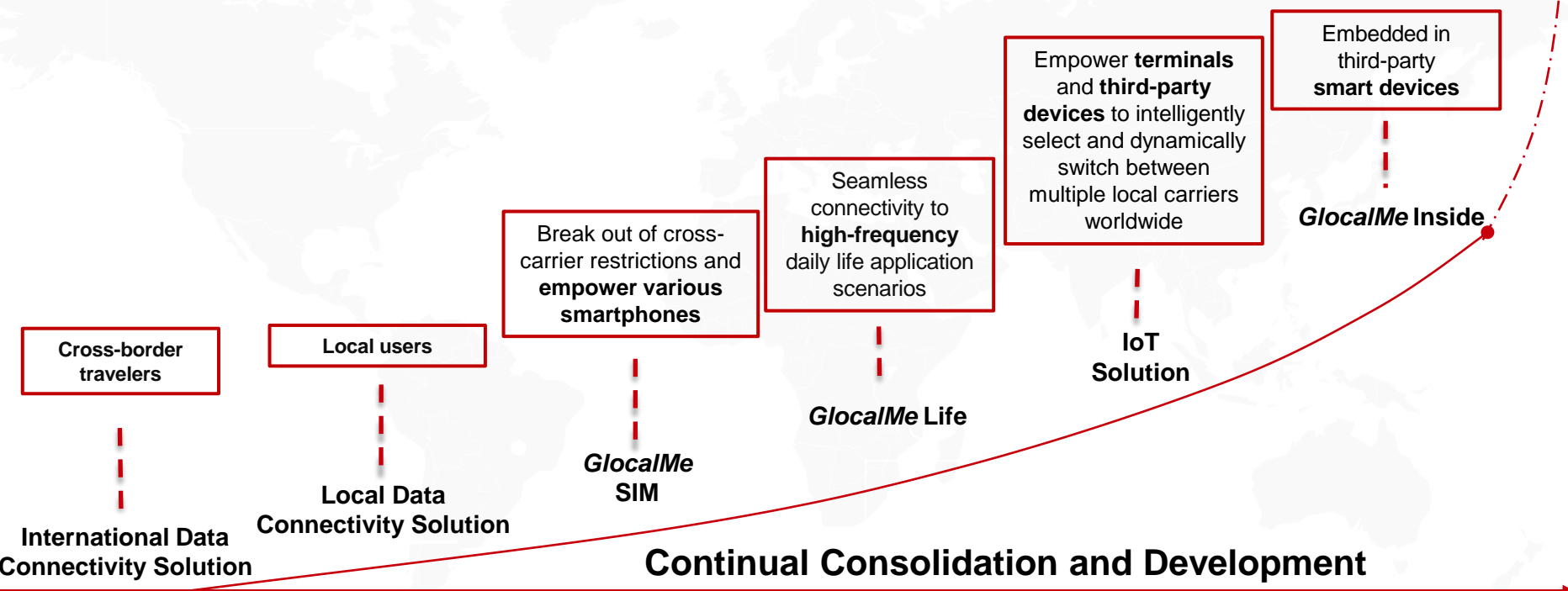
2030E SIM connections (excluding licensed cellular IoT)
2023 SIM connections (excluding licensed cellular IoT)
2030E Licensed cellular IoT connections
2030E Global mobile internet users
2023 Global mobile internet users
2023 Licensed cellular IoT connections

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

Scaling Up User Base to Build a Full Marketplace

(Nasdaq: UCL)

Marketplace



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

(Nasdaq: UCL)

01

***GlocalMe* Mobile/Fixed Broadband**

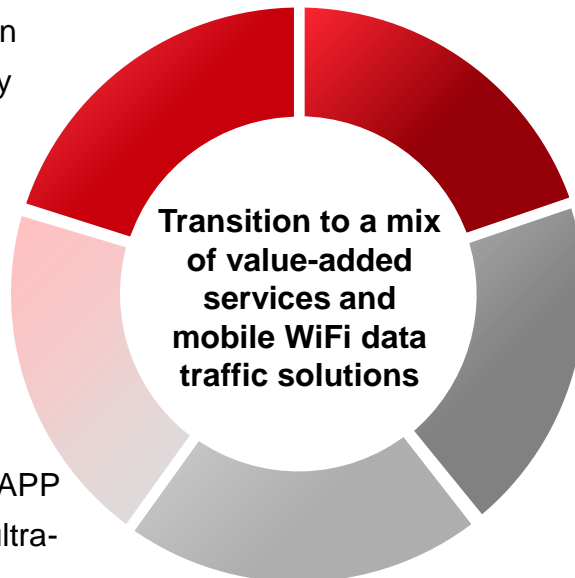
Strengthen our leadership position in the sector and redefine industry benchmarks for connectivity and innovation. 5G solutions have been continuously promoted and popularized.

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.

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.



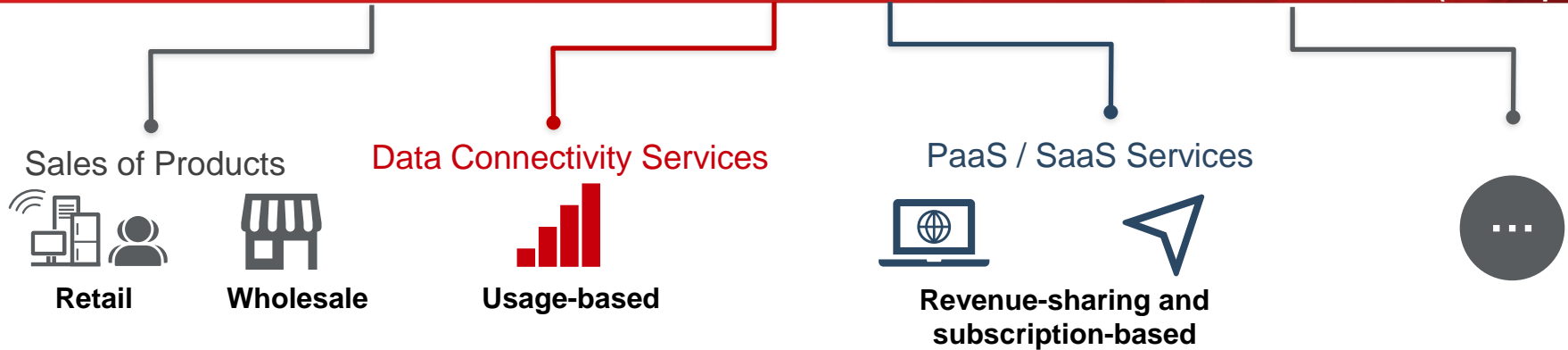
- 01 **Pet Management**

- 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.

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**

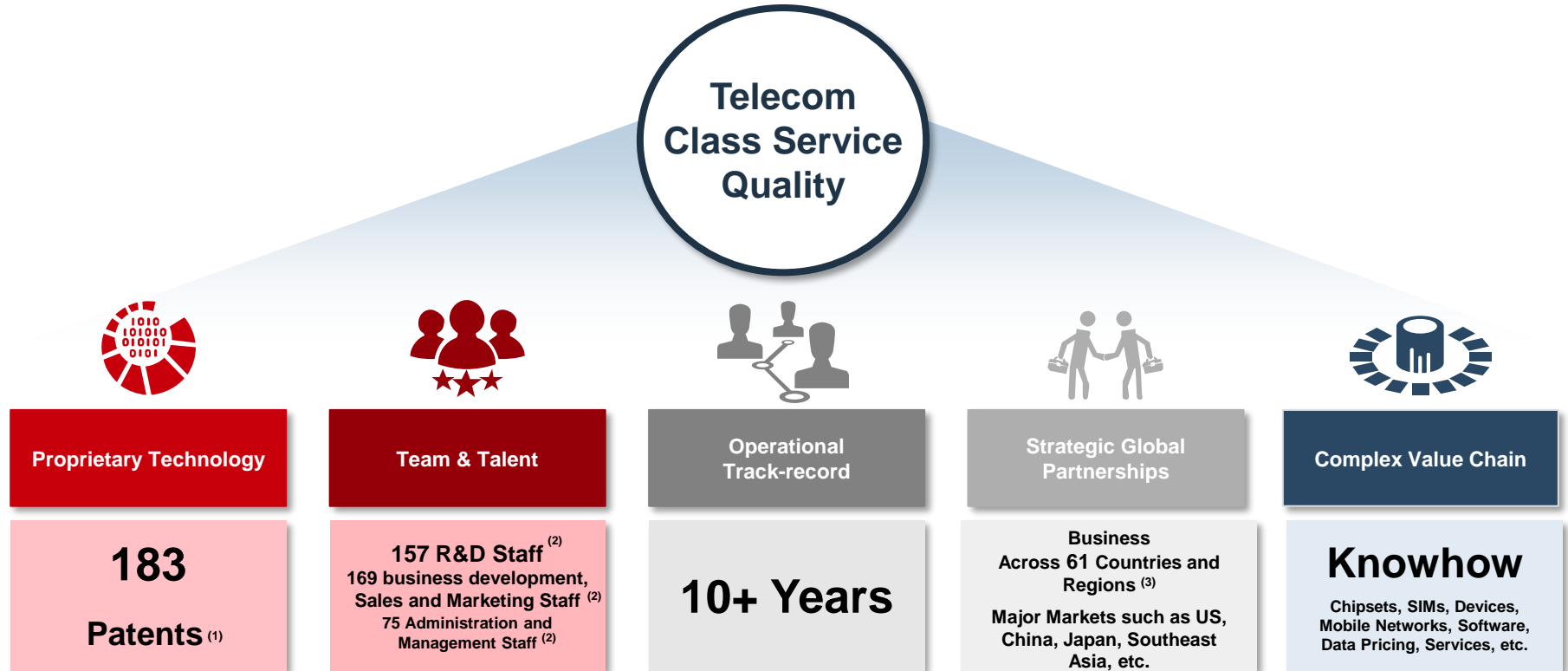
- Collecting revenue based on the data usage of **all terminals** (including GMI devices) that use our cloud SIM technology

- 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:

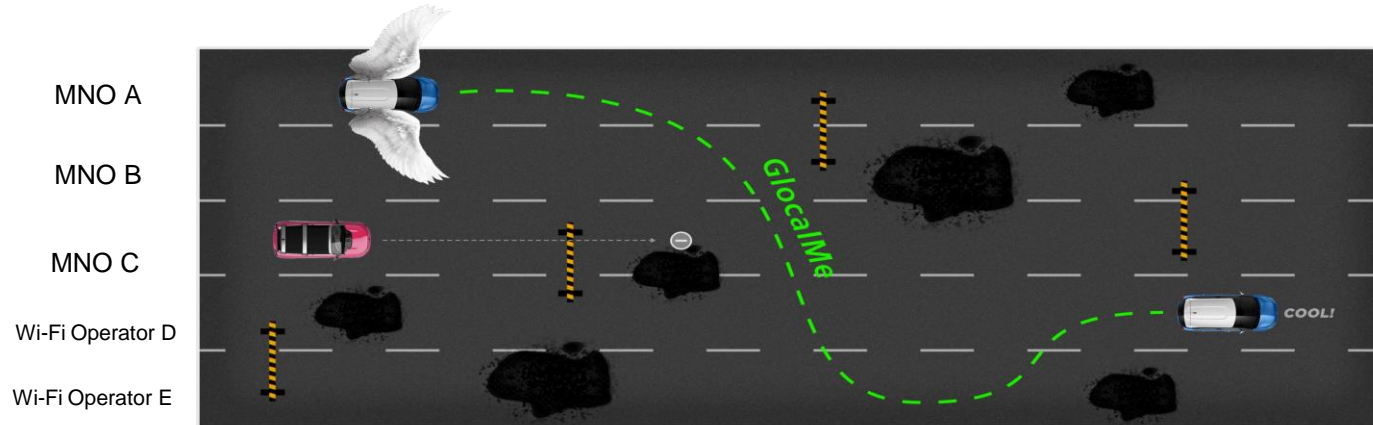
1. As of September 30, 2024, with 158 patents approved and 25 patents pending approval, globally

2. As of September 30, 2024, only full-time employees are counted

3. As of September 30, 2024

Better Data Connections for MNOs and Users

Improves network coverage and alleviates congestion both indoors and outdoors

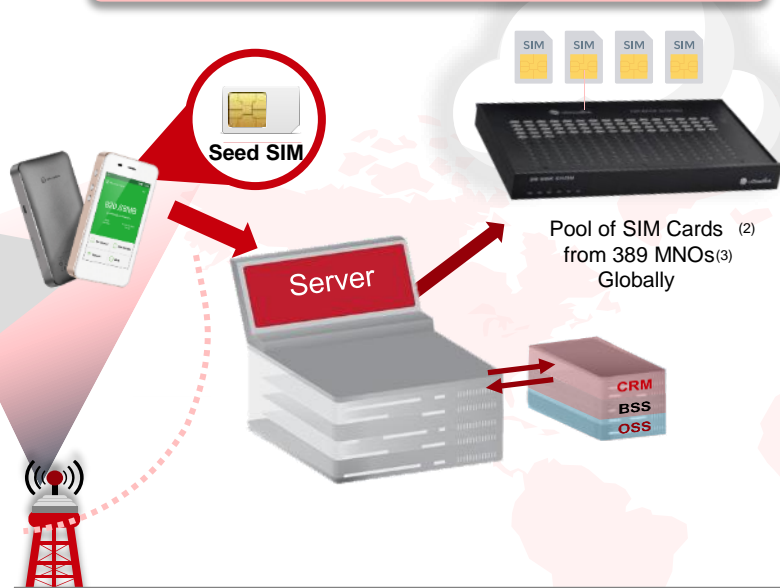


- Uses existing coverage to create more reliable data connections, providing operators and users with **Better 5G Data Connectivity**
- **Seamless coverage** for end users; solves pain points such as roaming and international travel
- Enables MNOs to **improve user experience** without expensive upgrades 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

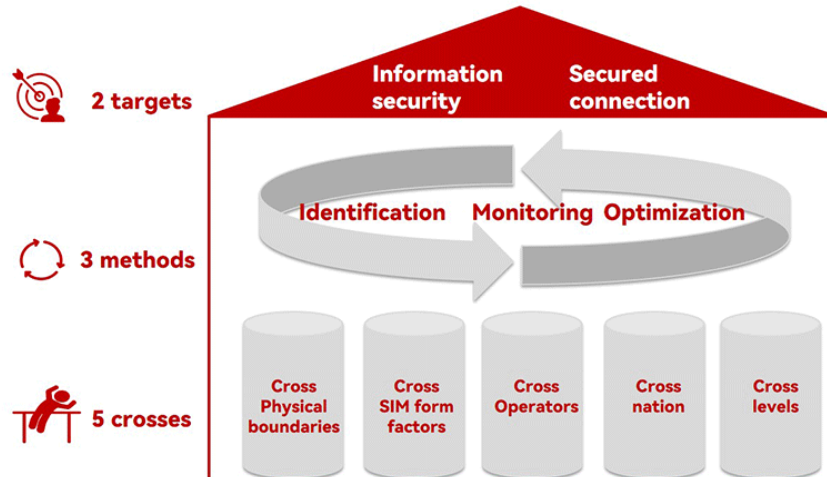
(Nasdaq: UCL)

Cloud SIM Technology



183 Patents (1)

HyperConn Solutions



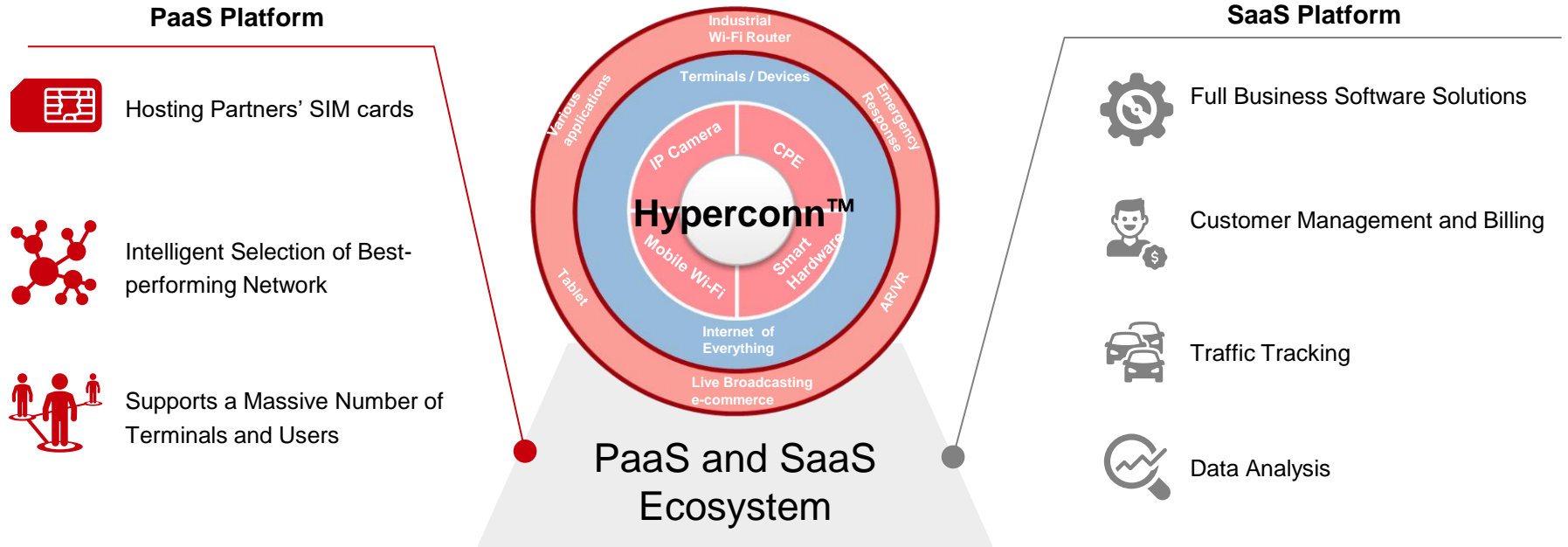
Software-based

Ready to Support All Three Generations of our Businesses

Notes:
 1. As of September 30, 2024, with 158 patents approved and 25 patents pending approval, globally
 2. As of September 30, 2024, among these SIM cards, c.34% are owned by the Company with remaining SIMs owned by our business partners
 3. As of September 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

 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

2014

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

2018

Full Marketplace

 uCloudlink 3.0

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 September 30, 2024
ASSETS		
Current assets		
Cash and cash equivalents	23,371	27,678
Accounts receivable, net	6,489	7,982
Inventories	2,183	2,085
Prepayments and other current assets	6,416	6,348
Other investments	7,613	6,973
Amounts due from related parties	2,945	472
Total current assets	49,017	51,538
Non-current assets		
Prepayments	228	-
Long-term investments	1,956	1,966
Property and equipment, net	2,433	4,235
Right-of-use assets, net	2,321	1,520
Intangible assets, net	652	555
Total non-current assets	7,590	8,276
TOTAL ASSETS	56,607	59,814
LIABILITIES		
Current liabilities		
Short term borrowings	5,297	3,996
Accrued expenses and other liabilities	24,755	23,192
Accounts payable	5,314	6,976
Amounts due to related parties	1,250	531
Contract liabilities	1,425	991
Operating lease liabilities	1,082	1,015
Total current liabilities	39,123	36,701
Non-current liabilities		
Operating lease liabilities	1,286	566
Other non-current liabilities	145	102
Total non-current liabilities	1,431	668
TOTAL LIABILITIES	40,554	37,369
SHAREHOLDERS' EQUITY		
Class A ordinary shares	13	13
Class B ordinary shares	6	6
Additional paid-in capital	240,137	241,156
Accumulated other comprehensive income	2,463	1,776
Accumulated losses	(226,566)	(220,506)
TOTAL SHAREHOLDERS' EQUITY	16,053	22,445
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	56,607	59,814

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 nine months ended	
	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024
Revenues	23,863	25,192	63,846	65,675
Revenues from services	16,631	17,285	43,643	44,987
Sales of products	7,232	7,907	20,203	20,688
Cost of revenues	(11,656)	(13,002)	(33,173)	(32,488)
Cost of services	(7,326)	(6,921)	(18,355)	(17,287)
Cost of products sold	(4,330)	(6,081)	(14,818)	(15,201)
Gross profit	12,207	12,190	30,673	33,187
Research and development expenses	(1,600)	(1,436)	(4,457)	(4,404)
Sales and marketing expenses	(3,786)	(5,356)	(10,223)	(13,698)
General and administrative expenses	(3,824)	(3,206)	(11,125)	(9,890)
Other income/(expense), net	322	1,148	(423)	908
Income from operations	3,319	3,340	4,445	6,103
Interest income	12	11	36	51
Interest expenses	(25)	(42)	(105)	(145)
Income before income tax	3,306	3,309	4,376	6,009
Income tax (expense) credit	(23)	2	(67)	(66)
Share of profit in equity method investment, net of tax	202	80	333	117
Net income	3,485	3,391	4,642	6,060
Attributable to:				
Equity holders of the Company	3,485	3,391	4,642	6,060
Earnings per share for Class A and Class B ordinary shares				
Basic	0.01	0.01	0.01	0.02
Diluted	0.01	0.01	0.01	0.02
Earnings per ADS (10 Class A shares equal to 1 ADS)				
Basic	0.09	0.09	0.13	0.16
Diluted	0.09	0.09	0.13	0.16
Shares used in earnings per Class A and Class B ordinary share computation:				
Basic	372,334,114	377,117,817	370,796,417	375,798,078
Diluted	372,334,114	377,117,817	370,796,417	375,798,078
Net income	3,485	3,391	4,642	6,060
Other comprehensive income, net of tax				
Foreign currency translation adjustment	(200)	(828)	1,111	(687)
Total comprehensive income	3,285	2,563	5,753	5,373