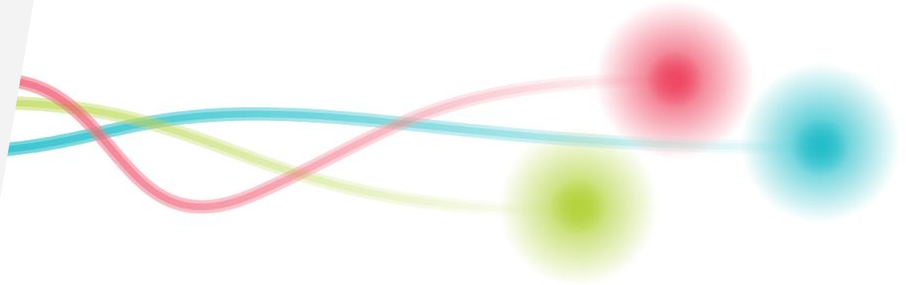




Supercharging Connectivity



Interim Results 2023

27 July, 2023

Our Vision

We make connectivity reliable,
anytime, anywhere

Key Facts

- Revenue (1H23): US\$44.6M
- Net profit (1H23): US\$12.3M
- Employees: 200+
- Brands: Peplink, Pepwave

Who Are We?

Plover Bay Technologies Limited (stock code: 1523 HK) develops networking technologies that enable **supercharged connectivity**. By combining fixed, mobile and satellite connectivity, users can build always-on networks anywhere.

Our technologies are used by thousands of businesses and individuals in countless use cases. These include large and small enterprises, maritime, transport, retail, events, governments, industrials, prosumers, and more.

What is Connectivity?

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Expectation

- Connectivity should be **simple**
- Connectivity should **always work**
- Connectivity should be **cost effective**
- Connectivity should **be easily accessible**

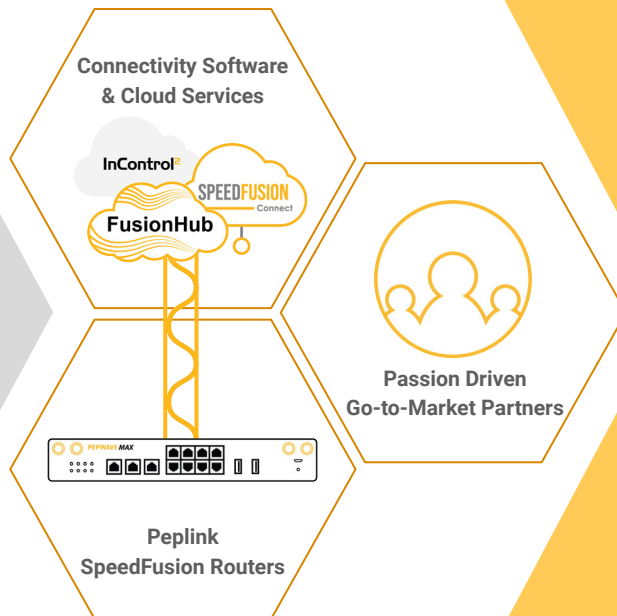
Reality

- Existing solutions are **complex** to setup and maintain
- **Incomplete coverage** by individual fixed and mobile networks
- Network congestion and fair usage policies **drags down** performance
- **Contract lock in**, even though you may only need connectivity for a short while

What We Do

Supercharging Connectivity

- Fiber / Broadband
- Consumer 5G/LTE
- Private 5G/LTE
- 5G Fixed Wireless Access
- LEO satellite



Multiple Sources of
Connectivity

Peplink
Ecosystem

Customer
Benefits

What We Do

Supercharging Connectivity



Public Safety



Broadcasting



Telemedicine



Maritime

● Mission critical connectivity



Bank



Enterprise



Construction



Large Events

● Essential connectivity



Retail



Small Offices



Pop-up Stores



Home Offices

● Better connectivity



Remote WFH



Transport



IoT



Ships

● Wireless connectivity

Case Study Highlight

Starlink x Peplink Deployments Continue to Gain Momentum

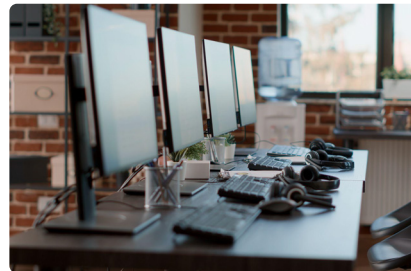
Peplink's capability to supercharge Starlink is creating new possibilities on multiple fronts



Large mining service provider in Australia uses Peplink to bond multiple Starlinks for remote networks at a dozen of mining sites, with opportunity to expand to hundreds of sites



World's largest cruise ship company uses Peplink solutions to combine multiple Starlink and 5G connections on its whole fleet, providing high-throughput crew and passenger WiFi onboard



A Southeast Asian network operator uses Peplink to combine multiple types of WAN networks, including Starlink, as its network backhaul to serve regional ISPs



Case Study Highlight

FusionSIM for an Intercity Passenger Transport Operator



Background

A passenger bus transport operator based in Germany with more than 3,000 intercity buses across 40 European and North American cities.

In its equipment upgrade, the customer chose Peplink because our FusionSIM technology enables real-time remote management of its vast numbers of SIM cards on its fleet.

Solution

- Peplink **dual-modem solution** was used to provide **bonded 4G/5G connectivity** for passenger Wi-Fi during bus rides
- **FusionSIM** cuts down idle SIMs, **automates SIM card provisioning**, and minimizes manual servicing
- The solution also includes customized features for **docker implementation**

Growth Prospects

- Project is being rolled out across customer's fleet over 2-3 years
- First large scale deployment with FusionSIM

Case Study Highlight

Extending the Network as a Service Business Model

Background

Peplink began to provide a “**Network-as-a-service**” business model, providing equipment and mobile data by subscription

Solution

- **NaaS business model:** Provided networking equipment, built-in 5G/LTE data and support services at no upfront cost
- Monthly charge based on actual data usage

Result

- **Project revenue over 2% of 1H23 total revenue**
- No capex required for customer, enables rapid build up and scaling



Growth Prospects

- Opportunity to extend similar models to multiple partners in the US
- Continue to explore opportunities to expand the business model to other regions

Case Study Highlight

Large Scale Branch Network Deployment

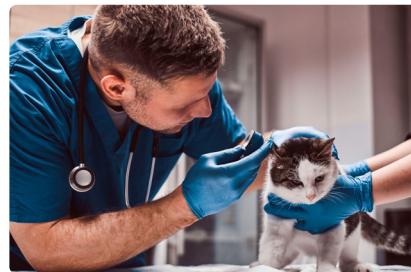
Diverse range of opportunities happening around the world



US construction company attaches hundreds of Peplink 5G mobile routers to safeguard connectivity in its automated guided vehicles operating in their manufacturing plant



Subway operator of a major city in Asia attaches hundreds of Peplink dual modem routers to ensure mission-critical connectivity to its platform door sensing systems



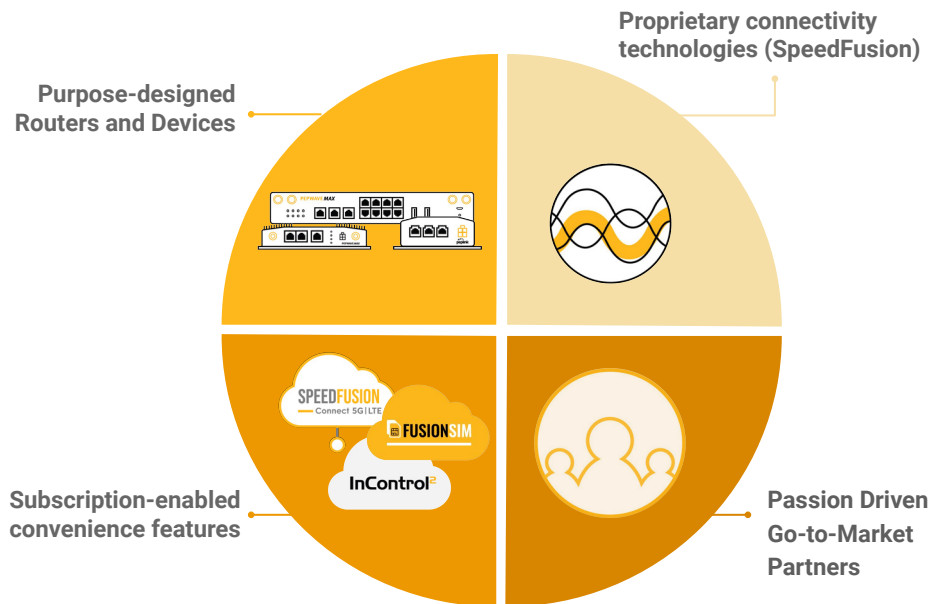
Large veterinarian group in Europe deploys Peplink to over 350 locations, with opportunity to scale to over 1,000 locations in coming years



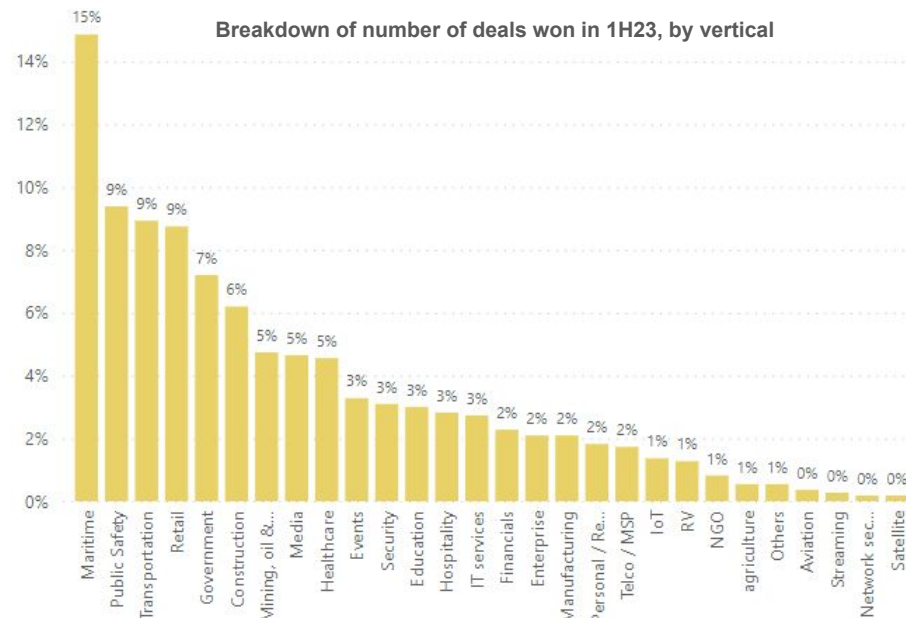
Convenient store chain in Taiwan chooses to deploy Peplink into 1,200 sites across the island because of better VPN performance and support for on-premise solutions

Investment Highlights

1. Peplink ecosystem...



... enables long-tail market reach



Investment Highlights

2. Growing need for **wireless connectivity** worldwide, more wireless options

Market secular trends:

- Number of IoT connections **increasing at 19% CAGR¹**
- Mobile data traffic **increasing at 29% CAGR¹**

Low Earth Orbit (LEO) services are expanding the frontier of wireless connectivity:

- Starlink subscribers **exceeded 1.5 million** (May 2023)
- **Launch of new LEO services** to bring new opportunities for Peplink's SpeedFusion technology

Major growth runway from enterprise adoption of 5G:

- Private 5G expected to grow from **\$1B to \$30B-\$40B** from 2022 to 2030²

Investment Highlights

3. Growing recurring revenue pipeline

Increasing portion of sales is recurring

- 31% of total sales in 1H23 was recurring, vs 27% in 2022

Strong subscription growth:

- Number of devices under a subscription¹ at 30 June 2023 increased 34% YoY
- New subscription bookings² increased 24% YoY

Explosive growth potential with embedded 5G/LTE service

- Launched in 2021, exceeded 2% of total revenue in 1H23
- High margin business at >70% GPM
- Potential explosive growth from:
 - Increasing data consumption
 - Growing installed base of compatible connectivity devices

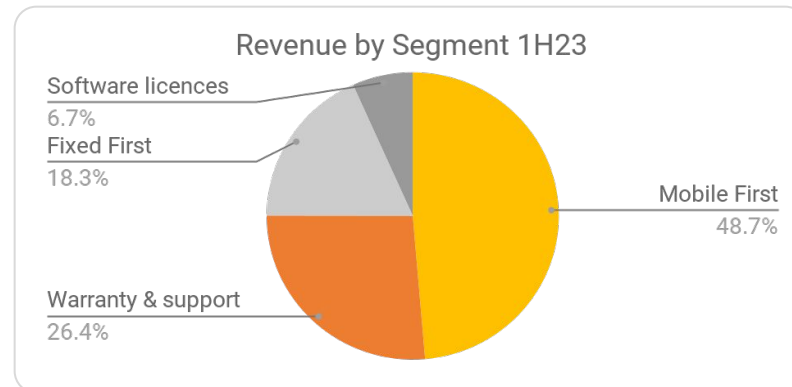
Interim Results 2023

Financial Summary

Interim period			
Financial period (US \$'000)	1H22	1H23	Growth (YoY)
Revenue	40,114	44,632	+11.3%
Gross Profit	22,345	23,799	+6.5%
Operating Expense, Other Income & Finance cost	(10,062)	(8,912)	-11.4%
Profit before Tax	12,283	14,887	+21.2%
Net Profit	10,308	12,323	+19.5%
Gross Profit Margin	55.7%	53.3%	-2.4ppt
Net Profit Margin	25.7%	27.6%	+1.9ppt
Diluted EPS	0.94 US cents	1.12 US cents	+19.1%
Dividend per share declared	5.90 HK cents	7.01 HK cents	+18.8%

Revenue by Product Segment

Product Segment/ Financial Period (US\$'000)	Segment Revenue		Growth (YoY)	Key drivers
	1H22	1H23	(%)	
Fixed First Connectivity (formerly Wired SD-WAN)	6,562	8,151	+24.2%	- Strong sales growth of Fixed First products to enable Starlink or 5G FWA applications - Strong adoption of 5G devices, which accounted for 22% of total sales in 1H23
Mobile First Connectivity (formerly Wireless SD-WAN)	21,687	21,713	+0.1%	
Warranty & Support Services	9,916	11,774	+18.7%	Continued growth in subscription renewals, data revenues accounted for over 2% of total sales
Software Licenses	1,949	2,994	+53.6%	Significant growth in InControl2 subscription revenues
Total	40,114	44,632	+11.3%	



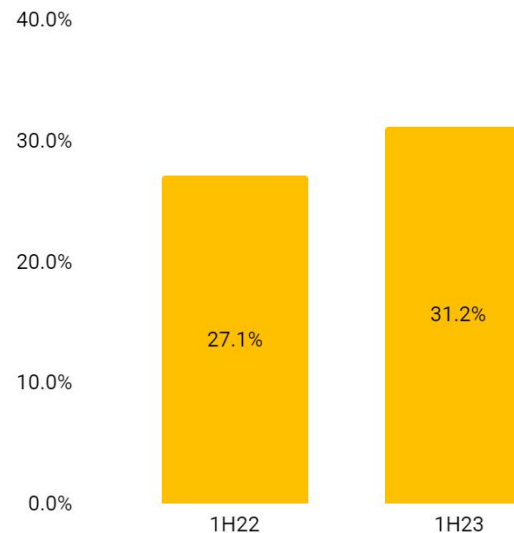
Recurring Revenue

Recurring revenue (US\$'000)	Period ended		YoY Growth
	1H22	1H23	%
Recurring Sales	10,868	13,945	28.3%

Drivers of Recurring Revenue

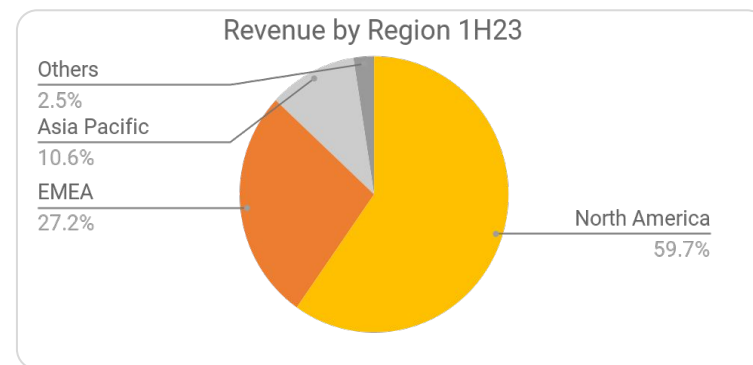
- Overall take up slightly increased to 27%
- Registered device reached over 475K at June 2023
- Number of devices with a subscription at June 2023 increased 34% YoY
- New subscription bookings amounted to \$8.6m in 1H23, +24% YoY

Recurring revenue, % of total sales



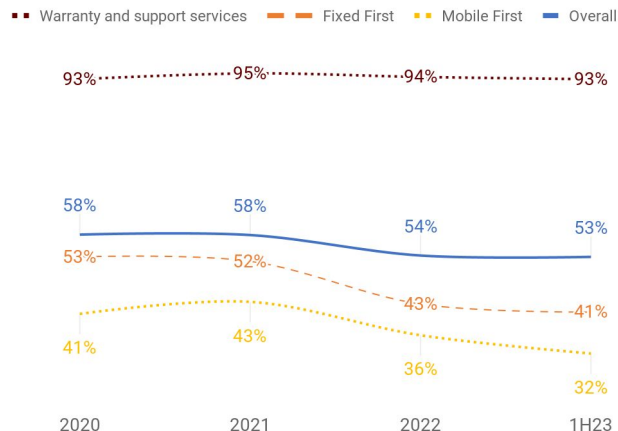
Geographical Breakdown

Geographic Segment	Revenue		Growth (YoY)
Financial Period (US\$'000)	1H22	1H23	(%)
North America	23,638	26,667	+12.8%
EMEA	10,634	12,131	+14.1%
Asia	4,733	4,732	0.0%
Others	1,109	1,102	-0.6%
Total	40,114	44,632	+11.3%

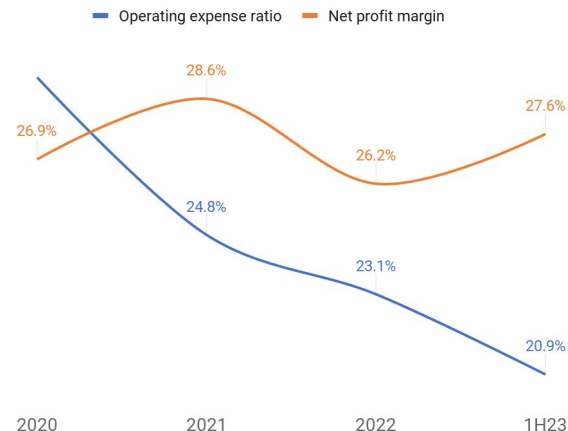


Lean Operating Structure

Segment Gross Margin



Net Margin vs. Opex¹/Sales Ratio



- Gross margin decreased in 1H23 vs 1H22 on a year-on-year basis, as we continue to make our products more affordable in more markets to expand our ecosystem to build future recurring revenue
- Gross margin in 1H23 was 53.3%, improved vs 51.8% in 2H22.
- Despite the decrease in gross margin, the Group maintains a relatively high net profit margin at 28% in 1H23 due to strong operating leverage

1. Opex is the total of Selling & distribution, R&D and Admin expenses.

Balance Sheet and Cash Flow Summaries

Balance Sheet Summary (US\$'000)	2019	2020	2021	2022	1H23
Trade and other receivables	8,245	9,199	13,692	14,688	15,577
Inventories	7,387	12,509	18,622	32,333	24,826
Trade and other payables	2,614	4,452	5,626	6,900	3,161
Contract liabilities	8,891	10,881	14,501	18,859	20,161
Bank borrowings	393	3378	4,639	6,471	5,891
Cash and cash equivalents	28,926	31,151	31,641	28,658	30,788
Total equity	34,114	35,837	40,083	43,291	43,957
ROE ¹ (%)	36%	41%	56%	54%	56%

Cash Flow Summary (US\$'000)	2019	2020	2021	2022	1H23
Cash flows from operating activities	15,877	15,838	18,916	17,572	15,797
Cash flows from investing activities (excluding changes to bank deposit)	-777	-789	-1,390	-1,027	-220
Cash flows from financing activities	-13,020	-10,866	-16,913	-19,383	-13,514

- Subscription booking increased 24% during the period, which contributed to operating cash flows

Working Capital Summary

Working Capital summary (US\$'000)	2019	2020	2021	2022	1H23
Inventory	7,387	12,509	18,622	32,333	24,826
Raw materials and consumables	5,006	7,939	13,083	17,992	12,675
% of Inventory	68%	63%	70%	56%	51%
Finished goods	2,381	4,570	5,539	14,341	12,151
% of Inventory	32%	37%	30%	44%	49%

Average turnover days					
Inventory turnover days	168	165	183	231	250
Trade receivables and prepayment	58	61	56	60	62
Trade payable and other payables	52	59	59	57	44

Inventory:

- Inventory reduced to a more normalized level

Revenue Recognition of Different Segments

Product	Description	Revenue Model	Segment
Routers and Supporting Networking Devices	Hardware sales with 1 year embedded warranty	Non-recurring: 85% ¹ Recurring: 15% ¹	Fixed First & Mobile First Connectivity Warranty and support
CarePlan Subscriptions	- Different tiers of subscriptions for hardware warranty, software features and access to InControl2 network manager - Subscription starts after 1 year of embedded warranty	Recurring	Warranty and support
SpeedFusion Connect Services	Prepaid & postpaid data service	Recurring	Warranty and support
InControl2 Subscription	Standalone subscription for InControl2	Recurring	Software licence
FusionHub, InControl2 Virtual Appliance, other features	Purchase of licenses for FusionHub, IC2, software feature upgrades and hardware activation	Non-recurring	Software licence

1. Percentage of product selling price

Thank You

Contacts

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