



Fourth Quarter and Full Year 2019 Results (Preliminary and Unaudited)

March 27, 2020

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Disclosure and Forwarding Looking Statements



This investor presentation contains forward-looking statements, including statements regarding the Company's expectation regarding its strategic initiatives and business outlook. Forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company, the Company's future performance and the industries in which the Company operates as well as on the Company management's assumptions and beliefs.

These forward-looking statements are only predictions and are subject to risks and uncertainties that may cause actual results to differ materially and adversely from the Company's current expectations. These include risks and uncertainties related to, among other things, changes in the financial condition and cash position of the Company, changes in the composition of the Company's management and their effect on the Company, the Company's ability to realize anticipated results of operational improvements and benefits of the divestiture transaction, successfully operate and grow its services business, execute its business plan and manage regulatory matters, as well as the risk factors identified in the Company's latest Annual Report on Form 20-F, and Current Reports on Form 6-K, as filed with the Securities and Exchange Commission. We undertake no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this investor presentation. The Company is in a period of significant transition and the conduct of its business is exposed to additional risks as a result.

Q4 and Full Year 2019 Financial Highlights



	Q4 2019	Y/Y Change	Q/Q Change	2019	Y/Y Change
Revenue	\$14.2	+11.4%	+8.4%	\$65.8	-43.2%
Gross Profit	\$5.1	-10.7%	-28.5%	\$24.4	-24.5%
Operating Expenses	\$6.3	-24.1%	-34.4%	\$30.2	+8.2%
Operating Loss	-\$1.1	+\$1.4	+\$1.2	-\$5.8	-\$10.2
Net Loss	-\$3.6	-\$2.3	-\$1.5	-\$3.6	-\$8.4
Basic loss per share	-\$0.1	-\$0.07	-\$0.04	-\$0.1	-\$0.24
Cash Balance (including Restricted Cash)	\$48.6	-34.0%	+2.2%	\$48.6	-34.0%

Note: All dollar figures in millions (except basic EPS)

Key Business Updates

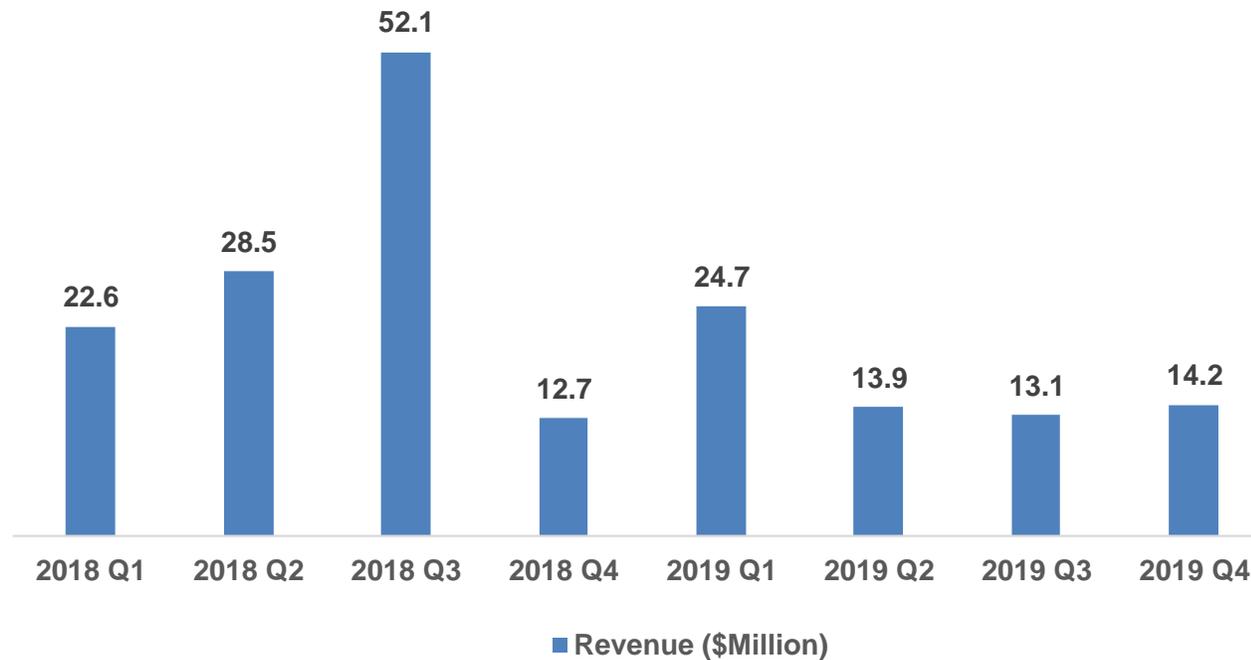


- CEO Tim Ti is taking a temporary leave of absence
 - Tim's leave of absence is due to health reasons (unrelated to the COVID-19 virus)
 - Senior VP of Sales and Business Development for Japan and Korea, Dr. Zhaochen Huang, has been appointed as acting CEO
- Impact from the COVID-19 pandemic is likely to be significant
 - Some customer shipments were temporarily interrupted in Q1 2020, with limited financial impact
 - Production and operations in China have generally returned to normal
 - COVID-19 outbreak escalates outside of China
- Diminished 5G prospects in China result in cloudy outlook for 2020 and beyond
 - The vendor team of which UT is a member will not receive meaningful contract awards to support a large 5G project for a carrier in China
 - The majority of the business will be awarded to other local vendors
- UT continues to collect amounts due from its major customer in India
 - Since November 2019, over \$12 million has been collected, with \$54 million still outstanding
 - Due to the 21-day national lockdown in India, the timing of future payments is uncertain
- UT is stepping up its efforts to streamline its businesses
 - Co. will discontinue its goSmart product line and exit the retail automation market

Revenue



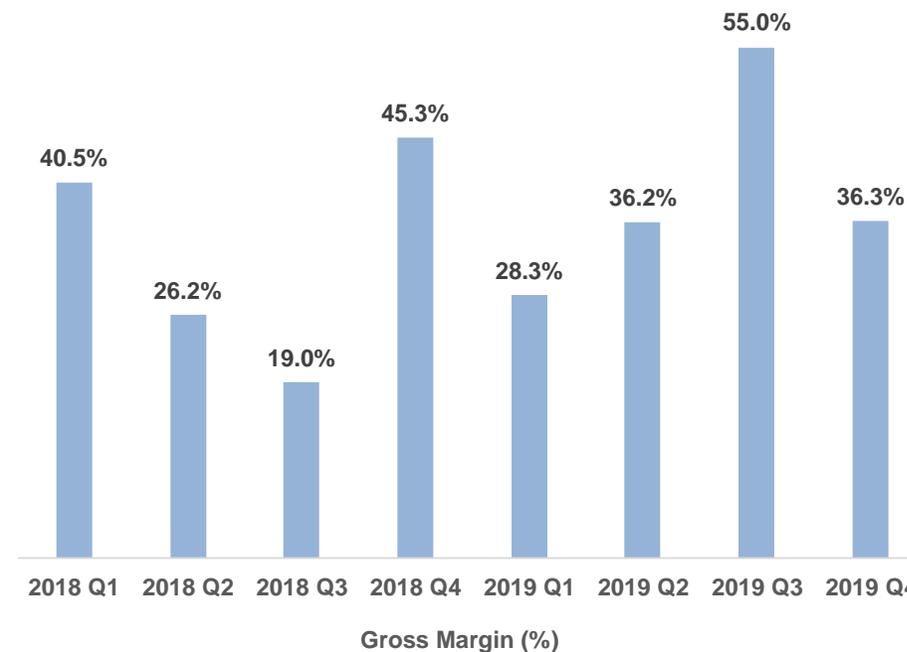
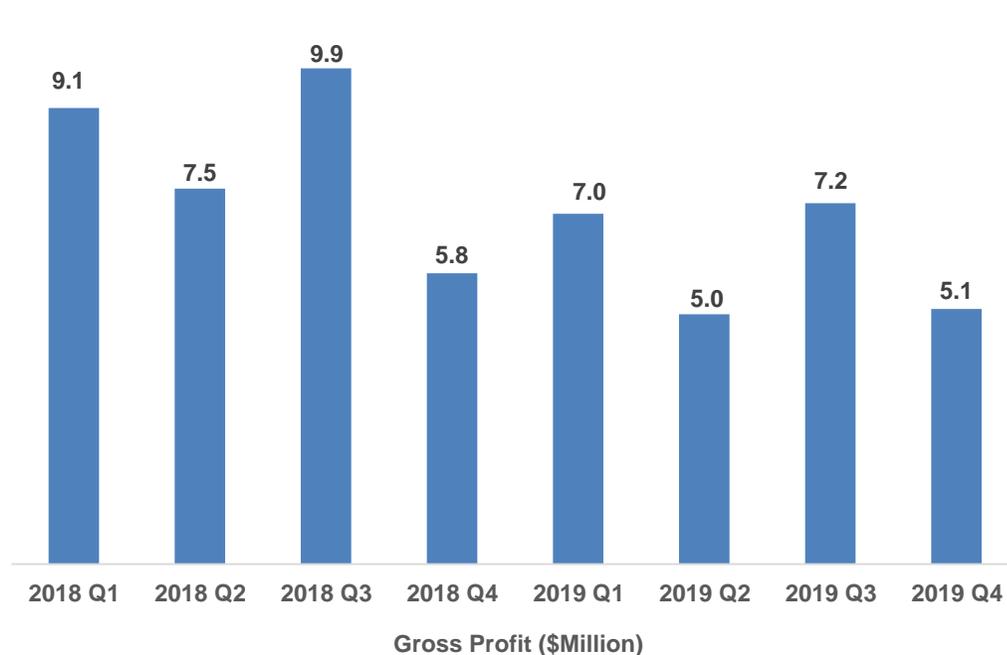
- Q4'19: up 11% Y/Y and up 8% Q/Q
- 2019: down 43%
- India accounted for over 50% of 2019 revenue



Gross Profit and Gross Margin



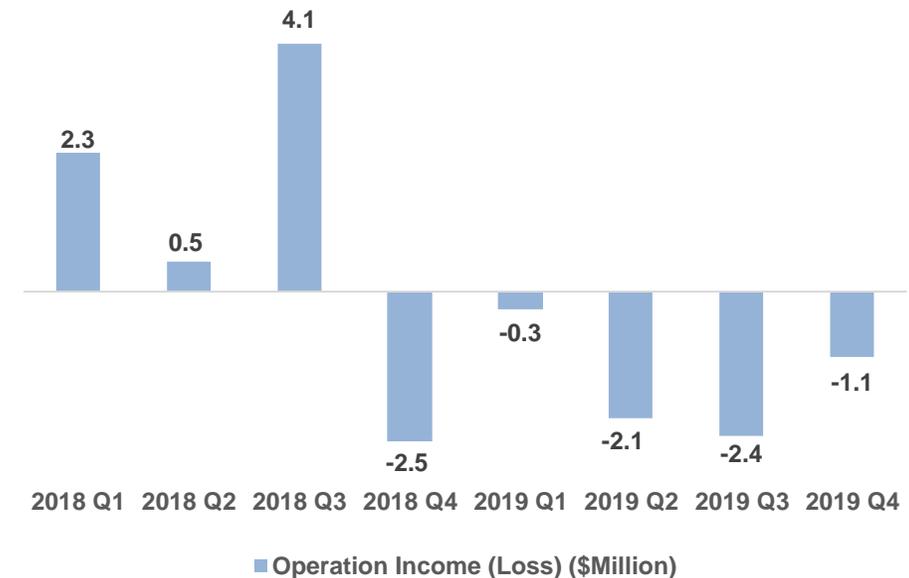
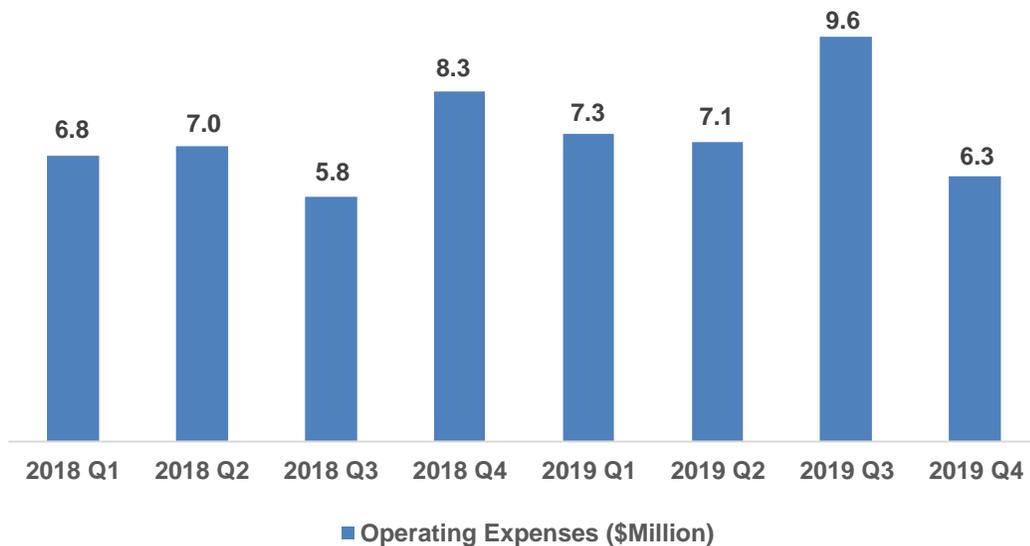
- 2019 gross profit down 25%
- 2019 gross margin of 37% was up from 28% in 2018 due to favorable product mix



Operating Expense/Operating Income (Loss)



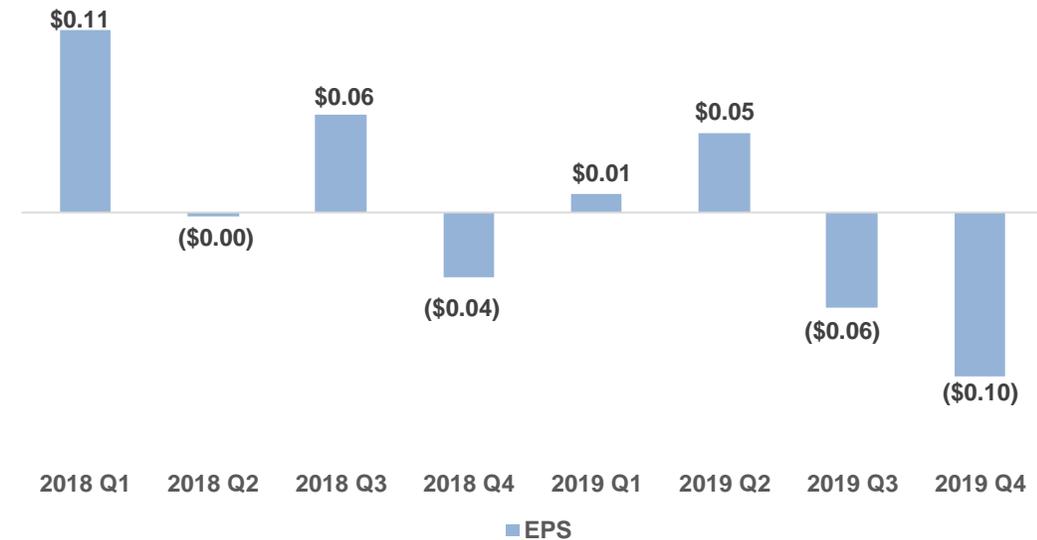
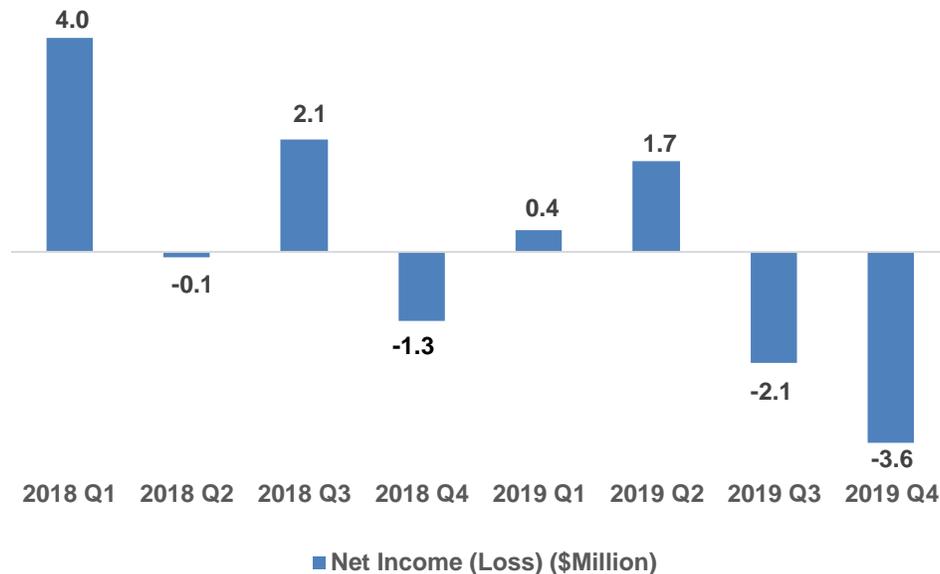
- 2019 operating expenses up 8% y/y
- 2019 operating loss of \$5.8M versus operating income of \$4.4M in 2018



Net Income (Loss) and EPS



- 2019 net loss was \$3.6M versus net income of \$4.8M in 2018
- 2019 net loss per share was \$0.10 versus net income per share of \$0.14 in 2018



Cash Flow

- Q4:
 - Positive cash flow from operations \$3.3M
 - Cash used in financing activities \$4.6M
- Year-end cash and equivalents \$48.6M



Q1 2020 Outlook



- Co. expects revenue in the range of \$8 to \$12 million.

Market Opportunity: 5G Transition



- **SkyFlux Platform:** Segment Routing Product Family
 - Based on Segment Routing over IPv6 or MPLS data plane
 - Integrated with FlexE as well as SDN platform SOO network
 - Value proposition:
 - Scalability
 - Greater flexibility
 - Rapid provisioning
 - Better automation
 - Reduced complexity
 - Optimized operation/maintenance

Excellent packet optical transport designed and optimized to meet complex mix of 5G requirements

- **SyncRing XGM30**

- Launch November 2018
- Grand Master – Source of accurate time sync
- Enables time sync requirements of LTE/LTE-A and 5G networks
- Customer functional testing in progress

- **SyncRing XBC340 & XBC341**

- GA release July 2019
- Boundary Clock with support of sync, data forwarding, POE
- Enables time sync requirements of LTE/LTE-A and 5G networks
- Customer functional testing in progress

Highly accurate cost-effective time sync for 5G networks

Innovation Remains Our Focus



Segment Routing (SR):

- ① A new forwarding paradigm
- ② Source routing technology
- ③ SR TP/SR BE
- ④ Remove complexity of MPLS networks
- ⑤ Great match for SDN automation
- ⑥ Soft network slicing



01

FlexE:

MAC
FlexE Shim
PCS
PMS
PMD

- ① Various Ethernet MAC rates
 - ① Bonding of multiple links
 - ② Sub-rating of links
 - ③ Channelization of links
- ② TDM Tunnel and XC
- ③ Low latency
- ④ Hard network slicing

02

Fast development progress

04

Clock Synchronization:

- ① Sync over packet NW
- ② High accuracy for 5G

03



SDN Controller

- ① Service orchestration
- ② Network on demand
- ③ Automation
- ④ APP driven

SkyFlux Technology Segment Routing

New tunneling technology in packet network base on source routing: SR-TP/SR-BE

FlexE

Flex Ethernet through a variety of Ethernet MAC rates

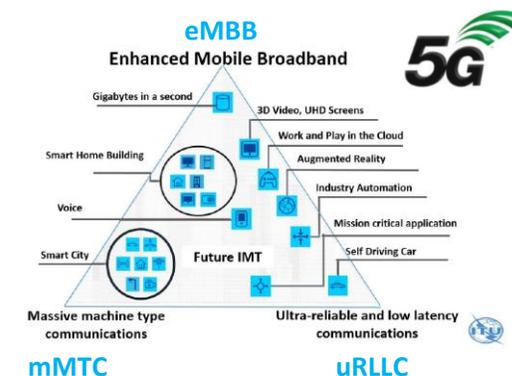
SDN Controller

SDN for service orchestration with APP driven

Synchronization

"Sync over packet network" with PTP (Precision Time Protocol) and SyncE

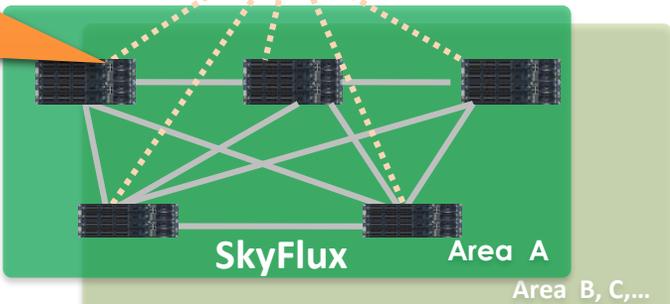
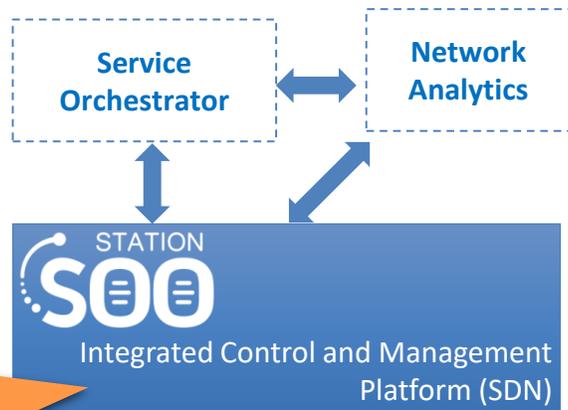
Great match!



SkyFlux UAR Segment Routing Platform



April 19, 2018
Announced
POC-ready release



Intelligent Networking:
Source Routing + SDN + 10/100GE

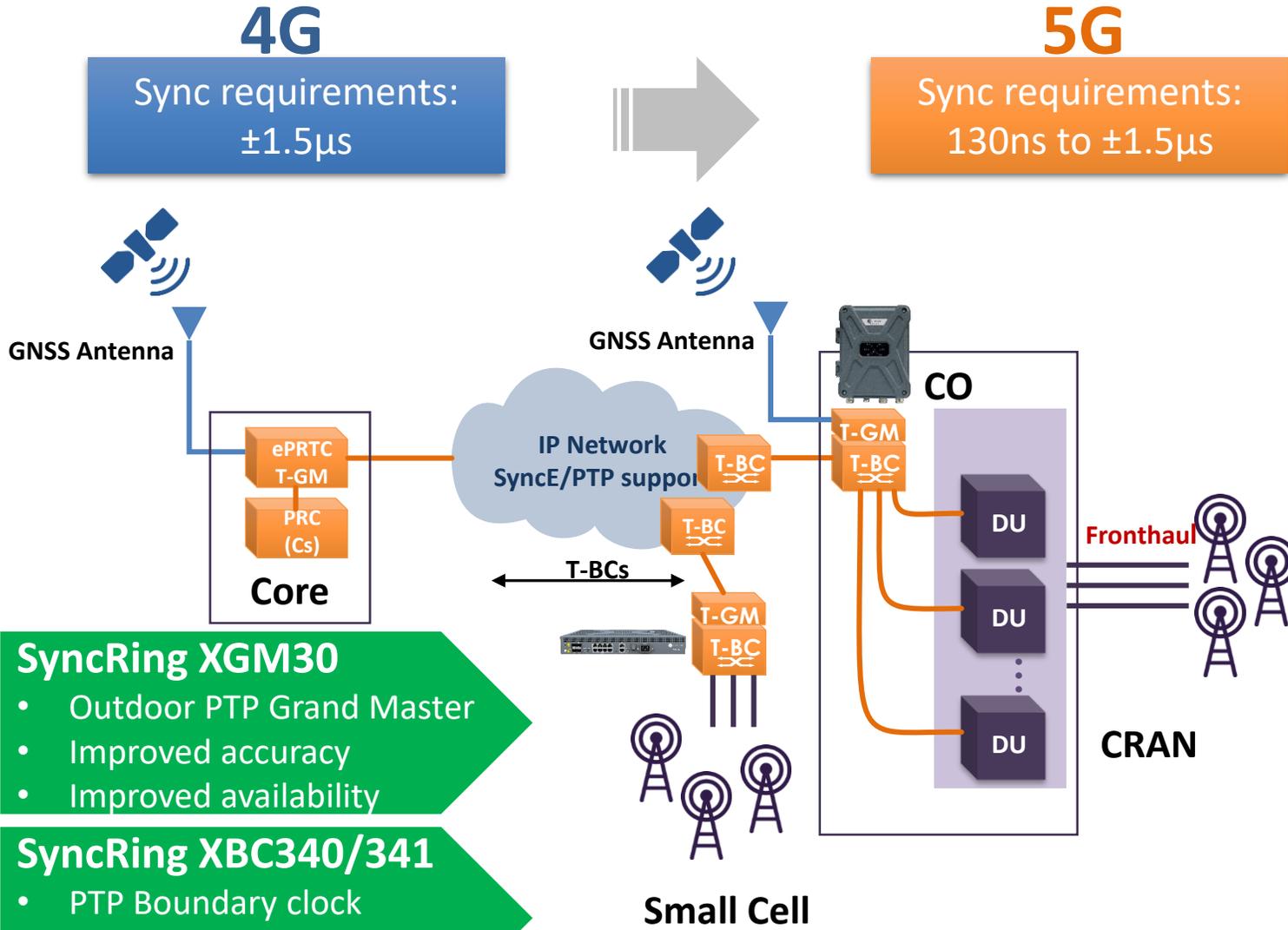
Enable
network programmability,
SDN-based automation,
and high network scalability...
...while reducing complexity

- UAR500**
- SRv6-enabled high-performance aggregation router
 - 800Gbps capacity
 - Interfaces up to 100GE
 - Modular full-redundant chassis, 5RU
 - Tight SDN integration



Programmable agile network
Seamless SDN integration
L2VPN/L3VPN services
Carrier-class feature set
(sub-50ms protection, OAM, TE, QoS)
100GE support
Reliable modular hardware platform

SyncRing: 4G/5G-ready Synchronization



- SyncRing XGM30**
- Outdoor PTP Grand Master
 - Improved accuracy
 - Improved availability

- SyncRing XBC340/341**
- PTP Boundary clock
 - Sync + data + POE
 - Cost-effective all-in-one

XBC340/XBC341
Boundary Clock / POE

SyncRing XGM30
Grand Master

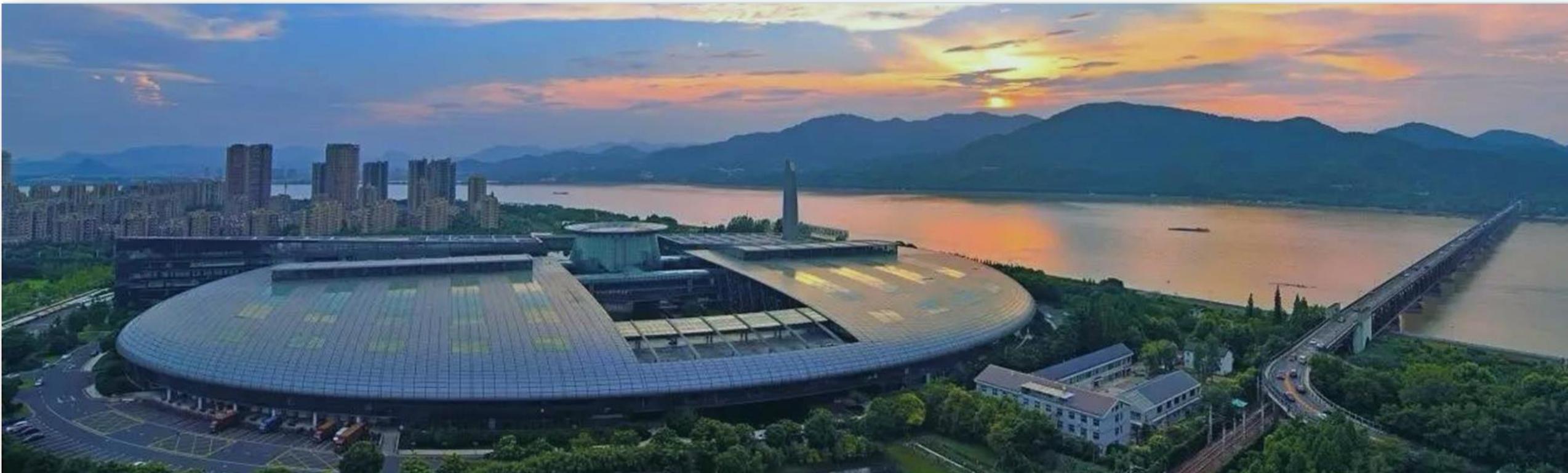
SyncRing XBC510
Boundary Clock

SyncRing XGM20
Grand Master

Netman 6000 OMC-O
Centralized network management

XGM APP
On-site single-touch XGM control tool

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