*You should read the following discussion and analysis in conjunction with our consolidated financial statements included in "Appendix I — Accountants' Report" to this document, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards issued by the International Accounting Standards Board ("**IASB**"). You should read the entire Accountants' Report and not merely rely on the information contained in this section.*

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance and involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors. In evaluating our business, you should carefully consider the information provided in this document, including "Risk Factors" and "Business" in this document.

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading provider of intelligent logistics EV management solutions in China. We leverage our data-driven digital infrastructure and nationwide service network to provide one-stop solutions throughout the EV lifecycle including EV management services, EV leasing and EV sales. According to Frost & Sullivan, we ranked first in the logistics EV management industry in China in terms of managed fleet size and network coverage as of December 31, 2025, and in terms of revenue for the year ended December 31, 2025. As of December 31, 2025, we managed 224,546 logistics EVs, accounting for approximately 15.6% of all logistics EVs in China.

The number of logistics EVs under our management increased from 106,024 EVs as of December 31, 2023 to 224,546 EVs as of December 31, 2025, representing a CAGR of 45.5%. Our revenue increased from RMB2,349.5 million in 2023 to RMB4,138.6 million in 2025, representing a CAGR of 32.7%. From 2023 to 2025, the proportion of revenue from EV management services increased from 34.6% to 46.0%. We recorded positive operating cash flows of RMB654.8 million, RMB743.6 million and RMB1,461.6 million in 2023, 2024 and 2025, respectively. We incurred losses of RMB841.7 million, RMB770.6 million and RMB655.6 million in 2023, 2024 and 2025, respectively, corresponding to net loss margins of 35.8%, 24.0% and 15.8% in the respective years. Eliminating the impact of finance costs associated with shares with preferential rights, **[REDACTED]** expenses, and equity-settled share award schemes expenses, we recorded adjusted loss for the year (*non-IFRS measure*) of RMB494.5 million, RMB328.0 million and RMB201.7 million in 2023, 2024 and 2025, respectively, corresponding to the adjusted loss margin (*non-IFRS measure*) of 21.0%, 10.2% and 4.9% in the respective years. Our adjusted EBITDA (*non-IFRS measure*) increased from RMB651.1 million in 2023 to RMB1,829.6 million in 2025, representing a CAGR of 67.6%.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been consistently adopted by us in the preparation of the historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each period of the Track Record Period.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 3 to the Accountants' Report in Appendix I to this document.

As of December 31, 2025, we had net current liabilities of RMB10,246,899,000, which included liabilities of RMB5,299,287,000 associated with the preferential shares with redemption rights. Pursuant to Shareholders' Agreement, the redemption rights have been terminated immediately prior to the first filing of the **[REDACTED]** to the Stock Exchange and shall be automatically restored in full force and subject to certain conditions. The Directors are of the opinion that the Company is not obligated to settle the redemption rights in the next twelve months from December 31, 2025. Excluding the liabilities associated with the preferential shares, our net current liabilities were RMB4,947,612,000 on December 31, 2025. On the same date, we had unutilized bank facilities of RMB5.9 billion. In addition, we have performed a working capital forecast for the next twelve months, considering the anticipated cash flows to be generated by us and the available financing resources. The Directors are of the opinion that, taking into account the terminated redemption rights, the unutilized bank facilities, and the working capital forecast, we will have sufficient working capital to fund our operations in the next twelve months from December 31, 2025. Accordingly, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial performance are influenced by a variety of industry-wide and business-specific drivers. The following discussion sets out the principal factors that management believes are most significant to our results of operations during the Track Record Period and beyond.

Our Market Position and Overall Growth of Market Demand

We are a leading provider of intelligent logistics EV management solutions in China, ranking first in the logistics EV management industry in China in terms of managed fleet size and network coverage as of December 31, 2025, and in terms of revenue for the year ended December 31, 2025, according to Frost & Sullivan. Therefore, our results of operations are significantly affected by the market demand for intelligent management solutions for logistics EVs in China. Moreover, maintaining and improving our leading market position and competitive edges are conducive to enhancing our financial performance.

The market where we operate is experiencing rapid growth and demonstrating high growth potential, as the replacement of commercial fuel-powered vehicles with commercial electric vehicles is expected to accelerate in the coming years, which is driven by, among others, technological advancements, infrastructure transformation, AI-driven product and business model innovation and favorable policy support. In China, a comprehensive policy support framework has been established, providing a solid foundation for the development of EV logistics. According to Frost & Sullivan, the market size for logistics EV management services in China is projected to grow from RMB60.9 billion in 2025 to RMB325.1 billion in 2030, representing a CAGR of 39.8% from 2025 to 2030. See "Risk Factors — Risks Related to Our Business and Industry — We may suffer from adverse developments in the EV service industry and other sectors directly related to our services" and "Risk Factors — Risks Related to Our Business and Industry — We operate in a competitive industry and any impediment in our business development caused by failure to compete successfully against existing and new competitors may result in losses of our customers or failure to attract new customers and reduction of our market share, and our business, financial condition, operating results and prospects could be materially and adversely affected" in this document for further details.

Our Ability to Continue Expanding Fleet Size

Fleet size expansion is one of the key drivers to our business growth. The number of logistics EVs under our management grew from 106,024 as of December 31, 2023 to 224,546 as of December 31, 2025, representing a CAGR of 45.5%. Our fleet under management is the backbone of our business operation, which we leverage for our diverse service offerings. We initially started with offering EV leasing bundled with EV management services to customers, and then introduced additional value-added EV management services to existing customers while further expanding our entrusted and served fleet base via an asset-light business model. Therefore, whether we can successfully continue expanding our fleet size is pivotal to scaling our business and driving revenue growth. See "Business — Our Strategies — Expanding Market Share through Increasing Fleet Size and Network Coverage" in this document for further details.

Our Ability to Maintain and Expand Customer Base

Our financial performance and future growth are affected by our ability to maintain long-term and stable relationships with our existing customers, deepen our cooperation with them across a broader range of service and product offerings, and attract new customers to expand our customer base. Customer demand for our products is affected by various factors, such as general market conditions and our ability to ensure stable and efficient delivery of high-quality solutions. We rely on our industry insights, technological capabilities, and customer service experience to maintain our existing customer base as well as attracting new customers and promoting long-term sustainable partnership with them.

Our customers span the core segments of urban life and include logistics companies and companies in food and beverage, consumer electronics, apparel, healthcare, local services and other industries. In the future, we will continue to strategically focus on the EV management service business, and expect to continue to deepen our understanding of customer needs and strategies, providing better differentiated and optimized services to our existing and incoming customers to further enhance customer loyalty and facilitate customer acquisition.

Our Strategy and Ability to Optimize Our Service and Product Mix

Our business model is based on a comprehensive service and product portfolio comprising EV management services, EV leasing and EV sales. These diverse businesses involve different cost structures and profitability levels. Therefore, the optimization of our service and product structure is crucial to improving our profitability.

In 2023, 2024 and 2025, we had gross profit of RMB401.7 million, RMB652.4 million and RMB870.6 million, respectively, and gross profit margin of 17.1%, 20.3% and 21.0%, respectively, which presented a continuously increasing trend primarily driven by the optimized service and product mix. The EV management services business is our most profitable business with the highest gross profit margin across all businesses, which amounted to 17.4%, 28.2% and 28.3% in 2023, 2024 and 2025, respectively. The revenue contribution proportion of our EV management services has increased from 34.6% in 2023 to 40.1% in 2024 and 46.0% in 2025, driving the steady growth of our overall gross profit margin during the same periods. We will continue to optimize our service and product mix by further increasing the revenue contribution of EV management services, which is a key driver to our profitability.

Cost Control and Operational Efficiency

Our ability to maintain and improve profitability partially depends on our ability to control our costs and expenses and enhance our operating efficiency.

In 2023, 2024 and 2025, our cost of sales amounted to RMB1,947.8 million, RMB2,563.7 million and RMB3,268.1 million, respectively, accounting for 82.9%, 79.7% and 79.0% of our total revenue in the corresponding periods. Depreciation costs were the largest component of our cost of sales. See "— Major Factors Affecting Our Results of Operations — Our Depreciation Policy and Residual Value Estimates" in this section for details. In 2023, 2024 and 2025, we incurred insurance costs of RMB487.1 million, RMB689.2 million and RMB985.8 million, respectively, representing 25.0%, 26.9% and 30.2% of our total cost of sales during the same periods. See "— Path to Profitability — Pathway to Profitability — Improving Gross Profit Margin" in this section for details of our measures to control insurance costs.

Our financial performance is also dependent on our operational efficiency. We strive to our various expenses to improve our profitability. For example, we have enhanced the efficiency of our administrative and selling activities as our business scale grows. Our administrative expenses amounted to RMB288.4 million, RMB309.2 million and RMB310.6 million in 2023, 2024 and 2025, respectively, accounting for 12.3%, 9.6% and 7.5% of our revenue in the corresponding periods, which presented a steady decreasing trend. Our selling and distribution expenses amounted to RMB174.1 million, RMB204.7 million and RMB178.6 million in 2023, 2024 and 2025, respectively, accounting for 7.4%, 6.4% and 4.3% of our revenue in the corresponding periods, which also continuously declined. We will strive to further optimize our operational efficiency and control expenses capitalizing on economies of scale as our business continues to grow, thereby achieving higher productivity and profitability. See "— Path to Profitability — Pathway to Profitability" in this section for further details of our measures to control expenses.

Our Ability to Obtain Bank Borrowings or Financing

Our ability to obtain bank borrowings or financing will affect our growth and liquidity position. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our total interest-bearing bank and other borrowings amounted to RMB4,717.9 million, RMB7,738.7 million, RMB11,841.1 million and RMB12,101.4 million, respectively, which continuously increased as we leveraged external borrowings to fund our fleet expansion. The fleet expansion has been a key driver to our business growth, and thus our ability to obtain further bank borrowings or financing also plays a pivotal role in our business expansion. Further, our liquidity position is also affected by our ability to obtain bank borrowings or financing. We recorded net current liabilities of RMB6,762.2 million, RMB8,706.4 million, RMB10,246.9 million and RMB10,702.4 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. We may need to incur additional bank borrowings or financing to improve our liquidity position and support our fleet expansion from time to time. Benefiting from China's policy support for green finance promoting low-cost funding for EV fleet operations, our robust revenue growth underpinned by our extensive customer base, robust service network and digitalized operations, and our healthy operating cash inflows, we are well positioned to obtain further borrowings as needed.

During the Track Record Period, our finance costs amounted to RMB263.8 million, RMB360.4 million and RMB524.2 million in 2023, 2024 and 2025, respectively, accounting for 11.2%, 11.2% and 12.7%, respectively, of our revenue in the corresponding periods. Substantially all our finance costs during the Track Record Period were related to the interest on our interest-bearing bank and other borrowings. Consequently, our borrowing and interest level may significantly affect our finance costs, which may in turn affect our overall profitability and financial performance.

Our Depreciation and Residual Value Estimates

Depreciation costs represented the largest component of our cost of sales, which amounted to RMB830.8 million, RMB1,173.2 million and RMB1,475.8 million in 2023, 2024 and 2025, respectively, representing 42.7%, 45.8% and 45.2% of our total cost of sales during the same periods. Such costs were mainly related to the depreciation of our fleet. We generally hold vehicles in our fleet for a term of seven to ten years. Our depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. See Note 2.3 to the Accountants' Report in Appendix I to this document for further details of our depreciation policy. In 2023, 2024 and 2025, we recorded impairment losses related to vehicles of RMB94.6 million, RMB85.5 million and RMB16.7 million, respectively, and we recorded a small amount of aggregate net losses on disposal related to vehicles during the Track Record Period. In light of our fleet size and its continuous expansion, our depreciation and residual value estimates related to our fleet may have material impact on our cost of sales, which may further affect our profitability.

Seasonality

Our sales are subject to seasonal fluctuations mainly due to the seasonal patterns of China's e-commerce, logistics, and supply chain industries. We typically experience surges in demand for new EVs and related services in the second and fourth quarters each year, when major online retailers and e-commerce platforms launch special promotions (such as the annual June 18th and November 11th online shopping festivals). According to Frost & Sullivan, this is in line with industry norms. The degree of seasonality may vary each year, and our operating and financial results for an interim period may not be representative of our overall performance for a year.

PATH TO PROFITABILITY

Since our inception in 2015, we have been at a ramp-up stage in terms of longer-term business development. Back in 2015 when the EV logistics industry was still in its infancy, we have just started to build and develop our business. Leveraging the tailwind of the EV logistics industry growth in China, we have endeavored to build and expand the scale of our business operation, underpinned by fleet size expansion, service network development and digitalized fleet management system. As we further scale up, we expect our operating results and financial performance to continue benefiting from economies of scale, which leads to improvement in margins. Despite the net losses during the Track Record Period, we have achieved positive and strong growth trajectory of EBITDA *(non-IFRS measure)* in the same periods and expect to turn profitable in the future, although the path to profitability may take time, which is seen as a common pattern in our industry. According to Frost & Sullivan, fleet management companies in the U.S. and China generally take over ten years to turn profitable, despite different operating environment and phases of industry development.

Summary of Our Historical Financial Performance

We have experienced sustained business growth during the Track Record Period. Our revenue increased from RMB2,349.5 million in 2023 to RMB3,216.1 million in 2024, and further increased to RMB4,138.6 million in 2025, representing a CAGR of 32.7%. Our gross profit increased from RMB401.7 million in 2023 to RMB652.4 million in 2024, and further increased to RMB870.6 million in 2025, representing a CAGR of 47.2%. We have also improved the profitability of our business with our gross profit margin increasing from 17.1% in 2023 to 20.3% in 2024, and further to 21.0% in 2025. For a detailed analysis regarding such growth, see "— Period-to-Period Comparison of Results of Operations" in this section.

Despite the robust growth, our revenue and gross profit had not been able to fully cover the various costs and expenses incurred during the Track Record Period, and as a result, we incurred loss for the year of RMB841.7 million, RMB770.6 million and RMB655.6 million in 2023, 2024 and 2025, respectively, corresponding to the net loss margin of 35.8%, 24.0% and 15.8% in the respective years. Eliminating the impact of finance costs associated with shares with preferential rights, **[REDACTED]** expenses, and equity-settled share award schemes expenses, we recorded adjusted loss for the year (*non-IFRS measure*) of RMB494.5 million, RMB328.0 million and RMB201.7 million in 2023, 2024 and 2025, respectively, corresponding to the adjusted loss margin (*non-IFRS measure*) of 21.0%, 10.2% and 4.9% in the respective years. See "— Non-IFRS Financial Measures" and "— Key Financial Ratios" in this section for details. The loss and net loss margin, as well as the adjusted loss (non-IFRS measure) and adjusted loss margin (*non-IFRS measure*), all continuously decreased throughout the Track Record Period, mainly because of an increase in our gross profit of RMB250.7 million from 2023 to 2024 and RMB218.2 million from 2024 to 2025, partially offset by an increase in our finance costs of RMB96.6 million from 2023 to 2024 and RMB163.9 million from 2024 to 2025. For a detailed analysis regarding such increases in our gross profit and finance costs, see "— Period-to-Period Comparison of Results of Operations" in this section.

Our recurring loss and adjusted loss (*non-IFRS measure*) during the Track Record Period were primarily due to the following costs and expenses:

- ***Finance Costs***. We recorded finance costs of RMB263.8 million, RMB360.4 million and RMB524.2 million in 2023, 2024 and 2025, respectively, accounting for 11.2%, 11.2% and 12.7%, respectively, of our revenue in the corresponding periods. During the Track Record Period, our finance cost primarily comprised the interest on interest-bearing bank and other borrowings, which amounted to RMB255.9 million, RMB345.2 million and RMB502.8 million in 2023, 2024 and 2025, respectively. We incurred such borrowings to fund our business growth, particularly the purchase of additional vehicles to expand our fleet size. The number of logistics EVs under our management grew from 106,024 as of December 31, 2023 to 224,546 as of December 31, 2025, representing a CAGR of 45.5%.

- ***Administrative Expenses***. We recorded administrative expenses of RMB288.4 million, RMB309.2 million and RMB310.6 million in 2023, 2024 and 2025, respectively, accounting for 12.3%, 9.6% and 7.5%, respectively, of our revenue in the corresponding periods. Our administrative expenses as a percentage of revenue continuously declined throughout the Track Record Period attributable to enhanced administrative efficiency and economies of scale. Employee compensation was the largest component of our administrative expenses during the Track Record Period, amounting to RMB139.3 million in 2025, accounting for 44.8% of our total administrative expenses in the same year. Our administrative employee compensation remained high during the Track Record Period as we made strategic upfront investment in administrative talent, which is indispensable in light of our continuous business expansion.

- ***Selling and Distribution Expenses***. We recorded selling and distribution expenses of RMB174.1 million, RMB204.7 million and RMB178.6 million in 2023, 2024 and 2025, respectively, accounting for 7.4%, 6.4% and 4.3%, respectively, of our revenue in the corresponding periods. During the Track Record Period, our selling and distribution expenses as a proportion of revenue consistently decreased, reflecting our (i) high customer retention, (ii) improved distribution efficiency due to enhanced brand awareness and digitalized selling process and (iii) the benefits of economies of scale. Employee compensation was the largest component of our selling and distribution expenses during the Track Record Period, amounting to RMB88.7 million in 2025, accounting for 49.7% of our total selling and distribution expenses in the same year. We incurred high employee compensation related to our sales team during the Track Record Period as we conceived maintaining a sizable and well-compensated sales team as essential for us to establish and develop a robust sales network and achieve effective customer acquisition particularly in cities where we had not fully penetrated.

Our recurring loss during the Track Record Period was also attributable to finance costs associated with shares with preferential rights. We recorded finance costs associated with shares with preferential rights of RMB336.7 million, RMB442.5 million and RMB437.9 million in 2023, 2024 and 2025, respectively, accounting for 14.3%, 13.8% and 10.6%, respectively, of our revenue in the corresponding periods. During the Track Record Period, our finance costs associated with shares with preferential rights primarily represented the interest expenses of the shares with preferential rights issued to our Pre-**[REDACTED]** Investors, which were measured at amortized costs. Certain of our Pre-**[REDACTED]** Investors were granted special rights in relation to our Company, including, among others, redemption rights, rights of first refusal, anti-dilution rights, liquidation preferences, information rights and rights to nominate directors. All existing special rights will be terminated upon **[REDACTED]** with the redemption rights terminated immediately before the first filing of the **[REDACTED]**. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors."

Despite the net losses, we have recorded robust net cash inflows from operating activities of RMB654.8 million, RMB743.6 million and RMB1,461.6 million in 2023, 2024 and 2025, respectively, and maintained cash and cash equivalents of RMB428.1 million, RMB316.0 million and RMB200.1 million as of December 31, 2023, 2024 and 2025, respectively.

Pathway to Profitability

To achieve profitability, we aim to (i) continue driving our revenue growth; (ii) improve our gross profit margin by strategically prioritizing high-margin businesses; and (iii) achieve effective control of costs and expenses, in particular our finance costs, administrative expenses, and selling and distribution expenses.

Driving Revenue Growth

We aim to further drive revenue growth across all businesses comprising (i) EV management services; (ii) EV leasing; and (iii) EV sales. To support our revenue growth, we will continue to expand our fleet size so that we are well positioned on the supply side to capture the opportunity to satisfy the robust customer demand for our EV management services and EV leasing.

- ***EV Management Services.*** EV management services have become the largest revenue contributor across our businesses, the revenue from which amounted to RMB1,904.3 million in 2025, representing 46.0% of our total revenue in the same year. We expect the revenue growth of our EV management services to be the key driver to our overall revenue growth in the future. We anticipate our EV management services will benefit significantly from the rapidly growing market demand. According to Frost & Sullivan, in terms of revenue the market size of logistics EV management services in China has grown rapidly from RMB14.1 billion in 2021 to RMB60.9 billion in 2025, representing a CAGR of 44.3%, which is expected to reach RMB325.1 billion by 2030, with a CAGR of 39.8% from 2025 to 2030. We plan to leverage the market tailwind to achieve further penetration and increased service orders. In addition, we plan to further develop and expand our nationwide intelligent service network combining offline service capabilities with online digital-driven operations. As of December 31, 2025, our service network covered all 333 prefecture-level cities in China, ranking us first in the logistics EV management industry in China, according to Frost & Sullivan. The network comprised 419 fulfillment centers, 2,827 maintenance and repair centers and over 2.8 million battery charging and swapping facilities as of December 31, 2025. We expect our further investment in service network development will enhance the competitive edge of our EV management services and empower customer reach, thus contributing to our order acquisition. Further, we plan to continue expanding our service scope and increasing service types so that we can cover more demand that has not been fully addressed by our existing service offerings. See "Business — Our Strategies — Expanding Market Share through Increasing Fleet Size and Network Coverage" in this document for further details.

- ***EV Leasing.*** We plan to achieve further revenue growth from the EV leasing business leveraging rising market demand. According to Frost & Sullivan, in terms of leasing revenue the market size of China's logistics EV leasing increased from RMB1.2 billion in 2021 to RMB6.3 billion in 2025, representing a CAGR of 51.3% from 2021 to 2025, which is expected to further grow to RMB40.4 billion by 2030, with a CAGR of 45.0% from 2025 to 2030. Additionally, we plan to utilize our nationwide service network to enhance customer reach, and continue expanding our fleet size to ensure sufficient EV supply, particularly by introducing more entrusted vehicles for leasing, which is consistent with our asset-light strategy.

- ***EV Sales.*** We expect further revenue growth from our EV sales attributable to an increase in market demand. According to Frost & Sullivan, from 2021 to 2025, in terms of sales revenue the sales market size of logistics EVs in China increased from RMB15.1 billion to RMB72.8 billion, representing a CAGR of 48.2% from 2021 to 2025, which is expected to further grow to RMB296.8 billion by 2030, representing a CAGR of 32.5% from 2025 to 2030. We also plan to enhance cross-selling by increasing EV sales to our EV management service and leasing customers, particularly those highly appreciating our service quality and hence tending to prioritize our products while purchasing EVs.

Improving Gross Profit Margin

We plan to further improve our business profitability by optimizing our service and product mix through further increasing the revenue contribution of EV management services, which was our most profitable business with gross profit margins of 17.4%, 28.2% and 28.3% in 2023, 2024 and 2025, respectively. We aim to further improve the gross profit margin of our EV management services by scaling such business and controlling relevant costs.

We plan to further improve the profitability of our EV management services by expanding the size of this business, which enables us to benefit from economies of scale. For instance, as our business scaled, our fixed costs, comprising service center costs, service staff costs, vehicles and charging piles-related miscellaneous costs and other miscellaneous fixed costs, as a percentage of revenue from EV management services decreased from 17.7% in 2023 to 11.6% in 2024 and 8.0% in 2025. See "— Path to Profitability — Pathway to Profitability — Driving Revenue Growth" in this section for details as to scaling our EV management services. In addition, we will strive to control operating costs. We intend to further lower our overall procurement costs by leveraging bulk purchases and bargaining power as our business scales up. In particular, we expect our insurance costs as a percentage of revenue to decline over time, substantially alleviating the pressure on our profitability. In addition to the bulk purchase strategy, we will also strive to control insurance costs by (i) optimized insurance planning and procurement strategies, including ensuring the period of vehicle insurance we procured matches the period of EV management services our customers procured so as to reduce unnecessary insurance costs; and (ii) obtaining a more favorable insurance fee level through (a) reducing our accident occurrence rate with risk management technologies and precise customer risk assessment; and (b) streamlining the insurance claim process.

Effective Control of Finance Costs and Operational Expenses

Effective control of finance costs and operational expenses has been an important driver of net margin improvement. During the Track Record Period, our finance costs, administrative expenses, and selling and distribution expenses remained high as we scaled business. To improve profitability, we are focusing not only on growing revenue and improving gross margins, but also on effectively controlling such costs and expenses.

- ***Control of Finance Costs.*** During the Track Record Period, our finance costs as a percentage of revenue remained stable at 11.2% in both 2023 and 2024, before slightly increasing to 12.7% in 2025. The increase was driven by additional borrowings incurred to fund vehicle purchases, as we anticipated the higher vehicle acquisition tax rate in 2026. We expect finance costs as a percentage of revenue to decline over time, although their absolute amounts may increase in certain periods as our business continues to grow. Through driving continuous growth in revenue and gross profit margin, we expect the increased marginal return on our investment in business expansion, including fleet size expansion, will outweigh the marginal costs of financing. We will also manage the borrowing pace to slow down the increase in borrowings as we continue to shift towards a more asset-light business structure by steadily increasing the proportion of entrusted and served EVs within our managed fleet. Further, we will endeavor to control finance costs through achieving lower interest rates by leveraging our enhanced bargaining power based on our expanded business size.

- ***Control of Administrative Expenses.*** During the Track Record Period, our administrative expenses as a percentage of revenue declined from 12.3% in 2023 to 9.6% in 2024 and 7.5% in 2025. We also expect administrative expenses as a percentage of revenue to continue declining over time partly attributable to economies of scale, although their absolute amounts may increase in certain periods as our business continues to grow. We also plan to control administrative expenses through enhancing efficiency of administrative staff so that we can maintain a moderate size of administrative team and avoid a rapid increase in administrative employee compensation. For example, we have required our administrative staff to improve efficiency by using advanced AI tools.

- ***Control of Selling and Distribution Expenses.*** During the Track Record Period, our selling and distribution expenses as a percentage of revenue declined from 7.4% in 2023 to 6.4% in 2024 and 4.3% in 2025. We also expect selling and distribution expenses as a percentage of revenue to continue declining over time partly attributable to economies of scale, although their absolute amounts may increase in certain periods as our business continues to grow. We will also endeavor to control selling and distribution expenses by enhancing sales efficiency. For instance, we will leverage our existing customer resources for cross-selling and upselling as well as new customer referral, which is more cost efficient. In addition, we will take advantage of automatized sales processes as well as advanced AI sales tools, including offering tailored solutions to customers by leveraging AI analytical tools.

- ***Continuous investment in R&D.*** We will continue investing in R&D initiatives to develop our technological capabilities, which are critical to not only driving our business growth, but also further enhancing our operating efficiency by more advanced tools, particularly efficiency of our administrative and selling and distribution activities, which may also contribute to our expense control and profitability.

Further, our shares with preferential rights did not affect our profitability of regular business operations, working capital sufficiency and operating cash flow during the Track Record Period. All existing special rights will be terminated upon **[REDACTED]** with the redemption rights terminated immediately before the first filing of the **[REDACTED]**. Furthermore, our shares with preferential rights will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our net current liabilities would significantly decrease upon **[REDACTED]**. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors."

The foregoing forward-looking statements on our future revenue and profitability are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Our business growth and long-term profitability is subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control, and they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements set out above. Investors should read this section together with the sections headed "Risk Factors" and "Future Plans and Use of **[REDACTED]**" in this document, as well as the Accountants' Report set out in Appendix I to this document.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Set forth below are our certain material accounting policies, which are important for understanding our financial condition and results of operations. See Note 2.3 to the Accountants' Report in Appendix I to this document for further details of our material accounting policies.

Revenue Recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Information about our performance obligations is summarized below:

- ***EV Management Services***: We provide services that are either rendered separately or bundled with the leasing of EVs to a customer. The services can be obtained from other providers and do not significantly customize or modify the products. Contracts for bundled leasing of EVs and management services comprise two performance obligations because the promises to lease the EVs and provide management services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone prices of the EV leasing and management services. The performance obligation is satisfied over time as services are rendered or at a point upon completion of services;

- ***EV Leasing***: Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred; and

- ***EV Sales***: We sell vehicles and service parts to customers, and revenue from sales of such goods is recognized at the point in time when control of the assets are transferred to the customer, generally upon delivery and acceptance of goods.

Property, Plant and Equipment and Depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as maintenance and repair, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, we recognize such parts as individual assets with specific useful lives and depreciate them accordingly. Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Principal annual rates
	(%)
Vehicles	9 to 13
Office and electronic equipment	19 to 33
Charging piles and equipment for vehicles	13 to 50
Leasehold improvements	17 to 50
Others	20 to 33

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end. An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset. Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Financial Liabilities at Amortized Cost

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

Estimates, Assumptions and Judgments

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See Note 3 to the Accountants' Report in Appendix I to this document for details.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Revenue	2,349,547	100.0	3,216,079	100.0	4,138,633	100.0
Cost of sales	(1,947,815)	(82.9)	(2,563,670)	(79.7)	(3,268,056)	(79.0)
Gross profit	**401,732**	**17.1**	**652,409**	**20.3**	**870,577**	**21.0**
Other income and gains	65,824	2.8	125,550	3.9	40,085	1.0
Selling and distribution expenses	(174,112)	(7.4)	(204,652)	(6.4)	(178,614)	(4.3)
Administrative expenses	(288,417)	(12.3)	(309,173)	(9.6)	(310,588)	(7.5)
Research and development expenses	(60,864)	(2.6)	(55,558)	(1.7)	(50,939)	(1.2)
Impairment losses of financial assets, net	(30,962)	(1.3)	(29,959)	(0.9)	(11,076)	(0.3)
Other expenses	(114,837)	(4.9)	(109,702)	(3.4)	(49,634)	(1.2)
Finance costs associated with shares with preferential rights	(336,706)	(14.3)	(442,475)	(13.8)	(437,941)	(10.6)
Finance costs	(263,777)	(11.2)	(360,357)	(11.2)	(524,237)	(12.7)
Share of profits and losses of associates and joint ventures	(14,560)	(0.6)	1,189	0.0*	903	0.0*
Loss before tax	**(816,679)**	**(34.8)**	**(732,728)**	**(22.8)**	**(651,464)**	**(15.7)**
Income tax expenses	(25,004)	(1.1)	(37,830)	(1.2)	(4,132)	(0.1)
Loss for the year	**(841,683)**	**(35.8)**	**(770,558)**	**(24.0)**	**(655,596)**	**(15.8)**

Note:

* Less than 0.1%.

NON-IFRS FINANCIAL MEASURES

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss (*non-IFRS measure*) and adjusted EBITDA (*non-IFRS measure*) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items.

We believe these measures provide useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS financial measures as we presented may not be directly comparable to similar measures presented by other companies. The use of these non-IFRS measures should not be considered as substitute for analysis of our results of operations or financial condition as reported under IFRS.

We define adjusted loss (*non-IFRS measure*) as loss for the year adjusted by finance costs associated with shares with preferential rights, **[REDACTED]** expenses, and equity-settled share award schemes expenses. We define adjusted EBITDA (*non-IFRS measure*) as loss for the year adjusted by (i) income tax expense, (ii) finance costs, (iii) finance costs associated with shares with preferential rights, (iv) depreciation of property, plant and equipment, (v) depreciation of right-of-use assets, and (vi) amortization of intangible assets, which is EBITDA (*non-IFRS measure*), further adjusted by (i) **[REDACTED]** expenses, and (ii) equity-settled share award schemes expenses.

The following table reconciles our adjusted loss (*non-IFRS measure*) and adjusted EBITDA (*non-IFRS measure*) presented to the most directly comparable financial measures calculated and presented in accordance with IFRS.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Loss for the year	**(841,683)**	**(770,558)**	**(655,596)**
Adjusted for:			
— Finance costs associated with shares with preferential rights	336,706	442,475	437,941
— **[REDACTED]** expenses	3,694	122	13,213
— Equity-settled share award schemes expenses	6,757	—	2,738
Adjusted loss for the year (*non-IFRS measure*)	**(494,526)**	**(327,961)**	**(201,704)**

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Loss for the year	**(841,683)**	**(770,558)**	**(655,596)**
Adjusted for:			
— Income tax expense	25,004	37,830	4,132
— Finance costs	263,777	360,357	524,237
— Finance costs associated with shares with preferential rights	336,706	442,475	437,941
— Depreciation of property, plant and equipment	820,817	1,159,831	1,459,358
— Depreciation of right-of-use assets	30,898	34,844	35,599
— Amortization of intangible assets	5,112	6,460	7,984
EBITDA (*non-IFRS measure*)	**640,631**	**1,271,239**	**1,813,655**
Adjusted for:			
— **[REDACTED]** expenses	3,694	122	13,213
— Equity-settled share award schemes expenses	6,757	—	2,738
Adjusted EBITDA (*non-IFRS measure*)	**651,082**	**1,271,361**	**1,829,606**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was primarily derived from (i) EV management services, including digital fleet management, safety and risk management, battery charging and swapping, maintenance and repair and residual value management; (ii) EV leasing, featuring scenario-based deployment, multi-cycle leasing and flexible lease terms; and (iii) EV sales, representing the sale of logistics EVs and service parts.

The following table sets forth our revenue breakdown by type of products and services in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
EV management services	814,009	34.6	1,290,027	40.1	1,904,292	46.0
EV leasing	1,170,080	49.8	1,554,060	48.3	1,894,300	45.8
EV sales	365,458	15.6	371,992	11.6	340,041	8.2
Total	**2,349,547**	**100.0**	**3,216,079**	**100.0**	**4,138,633**	**100.0**

Revenue by Geographic Markets

We generated substantially all our revenue from Chinese mainland during the Track Record Period. The following table sets out a breakdown of our revenue by geographical location, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Chinese mainland	2,259,607	96.2	3,211,264	99.9	4,138,546	100.0
Others[(1)]	89,940	3.8	4,815	0.1	87	0.0*
Total	**2,349,547**	**100.0**	**3,216,079**	**100.0**	**4,138,633**	**100.0**

Note:

* Less than 0.1%.

(1) Others mainly included Singapore and South Korea. Our revenue from other regions significantly decreased from RMB89.9 million in 2023 to RMB4.8 million in 2024 and RMB87 thousand in 2025 mainly due to a decrease in EV sales in overseas markets as we had strategically focused on the domestic market during this period.

Cost of Sales

Our cost of sales primarily consists of depreciation costs, insurance costs, cost of EV sales, maintenance and repair costs, and employee compensation. In 2023, 2024 and 2025, we recorded cost of sales of RMB1,947.8 million, RMB2,563.7 million and RMB3,268.1 million, respectively, accounting for 82.9%, 79.7% and 79.0%, respectively, of our total revenue in the corresponding periods.

The following table sets forth our cost of sales breakdown by nature in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Depreciation costs	830,757	42.7	1,173,189	45.8	1,475,782	45.2
Insurance costs	487,104	25.0	689,204	26.9	985,751	30.2
Cost of EV sales	367,070	18.8	373,672	14.6	315,786	9.7
Maintenance and repair costs	106,454	5.5	165,785	6.5	297,431	9.1
Employee compensation	41,090	2.1	44,916	1.8	40,168	1.2
Others[1]	115,340	5.9	116,904	4.6	153,138	4.7
Total	**1,947,815**	**100.0**	**2,563,670**	**100.0**	**3,268,056**	**100.0**

Note:

(1) Others mainly included service center costs, transportation costs, electricity costs and other miscellaneous costs.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less cost of sales, and our gross profit margin represents gross profit divided by our revenue, expressed as a percentage. In 2023, 2024 and 2025, we had gross profit of RMB401.7 million, RMB652.4 million and RMB870.6 million, respectively, and gross profit margin of 17.1%, 20.3% and 21.0%, respectively.

The following table sets forth our gross profit and gross profit margin breakdown by service and product types for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	*Gross Profit Margin*	*Gross Profit*	*Gross Profit Margin*	*Gross Profit*	*Gross Profit Margin*
	(RMB in thousands, except for percentages)					
EV management services	141,565	17.4	363,347	28.2	538,346	28.3
EV leasing	261,779	22.4	290,742	18.7	307,976	16.3
EV sales	(1,612)	(0.4)	(1,680)	(0.5)	24,255	7.1
Total	**401,732**	**17.1**	**652,409**	**20.3**	**870,577**	**21.0**

We recorded a gross loss margin for EV sales of 0.4% and 0.5% in 2023 and 2024, primarily as we adopted a more competitive pricing strategy to facilitate order acquisition.

Other Income and Gains

During the Track Record Period, our other income and gains primarily consisted of the bank interest income, gains from additional deduction of the value-added tax, gains on disposal of items of property, plant and equipment, government grants, gain on disposal of associates and joint ventures, and gain on fair value changes of financial assets at FVTPL. Our other income and gains amounted to RMB65.8 million, RMB125.6 million and RMB40.1 million in 2023, 2024 and 2025, respectively, accounting for 2.8%, 3.9% and 1.0%, respectively, of our total revenue in the corresponding periods. The following table sets forth a breakdown of our other income and gains in absolute amounts and as a percentage of our total other income and gains for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Other income						
Bank interest income	5,948	9.0	5,953	4.7	5,225	13.0
Others[(1)]	770	1.2	2,096	1.7	1,242	3.1
Subtotal	6,718	10.2	8,049	6.4	6,467	16.1
Gains						
Gains from additional deduction of value-added tax	21,300	32.4	—	—	—	—
Gains on disposal of items of property, plant and equipment	19,989	30.4	—	—	—	—
Government grants	13,726	20.9	12,178	9.7	19,283	48.1
Gain on disposal of associates and joint ventures	1,476	2.2	101,000[(2)]	80.4	110	0.3
Foreign exchange gains	—	—	1,587	1.3	—	—
Investment income	715	1.1	471	0.4	2	0.0*
Gain on disposal of subsidiaries	—	—	542	0.4	—	—
Gain on disposal of items of right of use assets	—	—	623	0.5	202	0.5
Gain on disposal of financial assets at FVTPL — an unlisted equity investment	—	—	—	—	21	0.1
Gain on fair value changes of financial assets at FVTPL	1,900	2.9	1,100	0.9	14,000	34.9
Subtotal	59,106	89.8	117,501	93.6	33,618	83.9
Total	**65,824**	**100.0**	**125,550**	**100.0**	**40,085**	**100.0**

Notes:

* Less than 0.1%.

(1) Others included income from disposal of scrap materials and other miscellaneous income.

(2) In December 2024, we exchanged equity interest in an associate for shares of an equity investment, resulting in investment income of RMB101.0 million in 2024.

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses primarily consisted of employee compensation, advertising and promotion expenses, referral fees, travel and business development expenses, and consultancy service fees as well as share-based compensation of our sales staff. Our selling and distribution expenses amounted to RMB174.1 million, RMB204.7 million and RMB178.6 million in 2023, 2024 and 2025, respectively, accounting for 7.4%, 6.4% and 4.3%, respectively, of our revenue in the corresponding periods. The following table sets forth a breakdown of our selling and distribution expenses in absolute amounts and as a percentage of our total selling and distribution expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Employee compensation	81,300	46.7	77,097	37.7	88,706	49.7
Advertising and promotion expenses	63,735	36.6	68,515	33.5	57,359	32.1
Referral fees	13,292	7.6	39,514	19.3	11,377	6.4
Travel expenses and business development expenses	10,205	5.9	11,080	5.4	10,802	6.0
Consultancy service fees	1,269	0.7	4,289	2.1	1,081	0.6
Share-based compensation	—	—	—	—	508	0.3
Others[(1)]	4,311	2.5	4,157	2.0	8,781	4.9
Total	**174,112**	**100.0**	**204,652**	**100.0**	**178,614**	**100.0**

Note:

(1) Others included technical service fees, depreciation and amortization, renovation costs and other miscellaneous expenses related to our marketing activities.

Administrative Expenses

During the Track Record Period, our administrative expenses mainly consisted of employee compensation, consultancy service fees, handling fees related to financial leasing and banking services, depreciation and amortization, travel and business accommodation expenses, office expenses, and technical service fees. Our administrative expenses amounted to RMB288.4 million, RMB309.2 million and RMB310.6 million in 2023, 2024 and 2025, respectively, accounting for 12.3%, 9.6% and 7.5%, respectively, of our revenue in the corresponding periods. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Employee compensation	143,368	49.7	156,801	50.7	139,337	44.9
Consultancy service fees	28,199	9.8	32,157	10.4	37,689	12.1
Handling fees	12,180	4.2	27,476	8.9	30,075	9.7
Depreciation and amortization	25,922	9.0	27,771	9.0	26,627	8.6
Travel and business accommodation expenses	15,033	5.2	15,986	5.2	15,440	5.0
Office expenses	11,428	4.0	9,832	3.2	12,977	4.2
Technical service fees	16,005	5.5	12,335	4.0	8,272	2.7
Severance expenses	3,682	1.3	7,042	2.3	8,268	2.7
Vehicle miscellaneous expenses	2,067	0.7	2,808	0.9	5,121	1.6
Share-based compensation	6,757	2.3	—	—	1,991	0.6
Others[(1)]	23,776	8.2	16,965	5.5	24,791	8.0
Total	**288,417**	**100.0**	**309,173**	**100.0**	**310,588**	**100.0**

Note:

(1) Others included labor service fees and other miscellaneous expenses related to our administrative activities.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) employee compensation comprising salaries, bonuses and social security expenditure related to our R&D staff, (ii) technical service fees, representing expenditure on servers, internet access and technical support services related to R&D initiatives, and (iii) depreciation and amortization related to our software, devices and equipment used for R&D purposes. Our research and development expenses amounted to RMB60.9 million, RMB55.6 million and RMB50.9 million in 2023, 2024 and 2025, respectively, accounting for 2.6%, 1.7% and 1.2%, respectively, of our revenue in the corresponding periods. The following table sets forth a breakdown of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Employee compensation	55,616	91.4	51,842	93.3	39,556	77.7
Technical service fees	4,512	7.4	2,177	3.9	8,828	17.3
Depreciation and amortization	79	0.1	142	0.3	496	1.0
Others[1]	657	1.1	1,397	2.5	2,059	4.0
Total	**60,864**	**100.0**	**55,558**	**100.0**	**50,939**	**100.0**

Note:

(1) Others included travel and business accommodation expenses, share-based compensation and other miscellaneous expenses related to our R&D activities.

Impairment Losses of Financial Assets, Net

During the Track Record Period, our impairment losses of financial assets, net primarily represented the provision or reversal of bad debt reserves for trade receivables. The relevant changes were related to the scale of our receivables, the aging structure and the status of customer payments. Our impairment losses of financial assets, net amounted to RMB31.0 million, RMB30.0 million and RMB11.1 million in 2023, 2024 and 2025, respectively.

Other Expenses

During the Track Record Period, our other expenses primarily consisted of the impairment of property, plant and equipment, losses on disposal of items of property, plant and equipment, and accident and litigation compensation. Our other expenses amounted to RMB114.8 million, RMB109.7 million and RMB49.6 million in 2023, 2024 and 2025, respectively, accounting for 4.9%, 3.4% and 1.2%, respectively, of our total revenue in the corresponding periods. The following table sets forth a breakdown of our other expenses in absolute amounts and as a percentage of our total other expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Impairment of property, plant and equipment	94,585	82.4	85,461	77.9	16,669	33.6
Losses on disposal of items of property, plant and equipment	—	—	12,084	11.0	20,903	42.1
Accident and litigation compensation	14,044	12.2	12,157	11.1	12,039	24.3
Foreign exchange losses	3,122	2.7	—	—	23	0.0*
Impairment loss on investment in an associate	3,086	2.7	—	—	—	—
Total	**114,837**	**100.0**	**109,702**	**100.0**	**49,634**	**100.0**

Note:

* Less than 0.1%

Finance Costs Associated with Shares with Preferential Rights

During the Track Record Period, our finance costs associated with shares with preferential rights primarily represented the interest expenses of the shares with preferential rights issued to our Pre-**[REDACTED]** Investors, which were measured at amortized costs. Certain of our Pre-**[REDACTED]** Investors were granted special rights in relation to our Company, including, among others, redemption rights, rights of first refusal, anti-dilution rights, liquidation preferences, information rights and rights to nominate directors. All existing special rights will be terminated upon **[REDACTED]** with the redemption rights terminated immediately before the first filing of the **[REDACTED]**. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors." Our finance costs associated with shares with preferential rights amounted to RMB336.7 million, RMB442.5 million and RMB437.9 million in 2023, 2024 and 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily included the interest on interest-bearing bank and other borrowings, interest on discounted bills receivables and interest on lease liabilities. Our finance costs amounted to RMB263.8 million, RMB360.4 million and RMB524.2 million in 2023, 2024 and 2025, respectively, accounting for 11.2%, 11.2% and 12.7%, respectively, of our revenue in the corresponding periods. Our interest on interest-bearing bank and other borrowings accounted for RMB255.9 million, RMB345.2 million and RMB502.8 million of the total finance costs in 2023, 2024 and 2025, respectively. Our borrowings continuously increased throughout the Track

Record Period to support our fleet expansion, and we will enhance management on finance costs as part of our profitability strategy. For details, see "— Path to Profitability — Pathway to Profitability — Effective Control of Finance Costs and Operational Expenses" in this section. Our interest on discounted bills receivables accounted for RMB2.7 million, RMB7.7 million and RMB15.2 million of the total finance costs in 2023, 2024 and 2025, respectively. Our interest on lease liabilities accounted for RMB5.2 million, RMB7.4 million and RMB6.2 million of the total finance costs in 2023, 2024 and 2025, respectively.

Share of Profits and Losses of Associates and Joint Ventures

During the Track Record Period, our share of profits and losses of associates and joint ventures was primarily related to their operation results. We assess at the end of each reporting period to consider whether there is any indication of impairment on the interests in the associates and joint ventures and further assess if they have suffered any impairment. See Note 18 to the Accountants' Report in Appendix I to this document for further details. Our share of profits and losses of associates and joint ventures amounted to losses of RMB14.6 million, profits of RMB1.2 million and profits of RMB0.9 million in 2023, 2024 and 2025, respectively.

Income Tax Expenses

Although we incurred net losses during the Track Record Period, we recorded income tax expenses of RMB25.0 million, RMB37.8 million and RMB4.1 million in 2023, 2024 and 2025, respectively, due to the profitability of certain subsidiaries as well as the impact of deferred tax. During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities.

Chinese Mainland

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25% unless subject to preferential tax treatments as set out below.

One of our PRC subsidiaries is a software enterprise and a High and New Technology Enterprise, and it is entitled to total exemption from corporate income tax for the first two years and a preferential corporate tax rate of 12.5% for the following three years starting from January 1, 2021. Our certain other subsidiaries were qualified as small and micro enterprises and their taxable income were deducted to 25%, with the applicable corporate income tax rate of 20% during the Track Record Period.

Hong Kong

Hong Kong profits tax was calculated at 16.5% on the estimated assessable profits during the Track Record Period. No provision for Hong Kong profits tax has been made as our Hong Kong subsidiary did not generate any assessable profits arising in Hong Kong during the Track Record Period.

Loss for the Year

As a result of the foregoing, our loss for the year continuously decreased from RMB841.7 million in 2023 to RMB770.6 million in 2024 and RMB655.6 million in 2025.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 28.7% from RMB3,216.1 million in 2024 to RMB4,138.6 million in 2025. The increase was primarily attributable to (i) an increase in revenue from our EV management services by 47.6% from RMB1,290.0 million in 2024 to RMB1,904.3 million in 2025 mainly due to additional EV service customers we served in 2025 and the continuous revenue growth from EV service customers we already served in 2024, as well as the continuous expansion of our service scope such as introducing the FleetGuard (安行達) safety system; and (ii) an increase in revenue from our EV leasing by 21.9% from RMB1,554.1 million in 2024 to RMB1,894.3 million in 2025 mainly due to an increase in the customer orders from both new and existing customers for our EV leasing. The increase in both the number of customers and volume of orders for our EV management services and EV leasing reflected the increasing market demand for EVs, as well as the enhanced perception of our service and brand within the marketplace.

The increase in revenue from EV management services and EV leasing business was partially offset by a decrease in revenue from EV sales by 8.6% from RMB372.0 million in 2024 to RMB340.0 million in 2025 accompanied by a decrease in the number of EVs we sold, mainly because we have strategically focused on high-margin businesses such as EV management services, and reduced the R&D and marketing resources invested in EV sales.

Cost of Sales

Our cost of sales increased by 27.5% from RMB2,563.7 million in 2024 to RMB3,268.1 million in 2025, mainly due to the increases in (i) depreciation costs in line with the expansion of our fleet size; and (ii) insurance costs and maintenance and repair costs, which were mainly attributable to the growth of our EV management service business.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 33.4% from RMB652.4 million in 2024 to RMB870.6 million in 2025. Our gross profit margin increased from 20.3% in 2024 to 21.0% in 2025, primarily attributable to the optimized service and product mix with the proportion of revenue contributions from EV management services increasing from 40.1% in 2024 to 46.0% in 2025 due to our proactive strategic adjustment as this business involved a relatively higher gross profit margin. Moreover, the gross profit margin of our EV management services slightly increased from 28.2% in 2024 to 28.3% in 2025, driven by (i) economies of scale as our business scaled up; and (ii) more favorable terms offered by our supply chain to enable cost savings.

The gross profit margin of our EV leasing decreased from 18.7% in 2024 to 16.3% in 2025, mainly as we adopted a more competitive pricing strategy to facilitate order acquisition. The gross profit margin of our EV sales reached 7.1% in 2025 in contrast with the gross loss margin of 0.5% in 2024, mainly as we prioritized high-margin orders.

Other Income and Gains

Our other income and gains decreased by 68.1% from RMB125.6 million in 2024 to RMB40.1 million in 2025. The decrease was primarily due to a decrease in the gain on disposal of associates and joint ventures attributable to the one-off gain on the associate disposal in 2024, which was not recurring in 2025, and such decrease was partially offset by an increase in gains from fair value changes of financial assets at FVTPL. The percentage of our other income and gains to our total revenue decreased from 3.9% in 2024 to 1.0% in 2025.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 12.8% from RMB204.7 million in 2024 to RMB178.6 million in 2025. The decrease was primarily attributable to (i) a decrease in referral fees as a result of our change in sales strategy and decreased EV sales; and (ii) a decrease in advertising and promotion expenses as we enhanced the efficiency of our advertising activities by leveraging automation tools and decreasing the use of third-party advertising services. The percentage of our selling and distribution expenses to our total revenue decreased from 6.4% in 2024 to 4.3% in 2025, primarily due to our high customer retention, economies of scale and improved marketing and selling efficiency.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB309.2 million in 2024 and RMB310.6 million in 2025. The percentage of our administrative expenses to our total revenue decreased from 9.6% in 2024 to 7.5% in 2025, primarily due to our optimized administrative efficiency and economies of scale.

Research and Development Expenses

Our research and development expenses decreased by 8.5% from RMB55.6 million in 2024 to RMB50.9 million in 2025. The decrease was primarily attributable to a decrease in our employee compensation due to our streamlined R&D workforce as we enhanced R&D efficiency leveraging AI, partially offset by an increase in technical service fees related to our R&D initiatives. The percentage of our research and development expenses to our total revenue decreased from 1.7% in 2024 to 1.2% in 2025 attributable to improved R&D efficiency.

Impairment Losses of Financial Assets, Net

Our impairment losses of financial assets, net decreased from RMB30.0 million in 2024 to RMB11.1 million in 2025. The decrease was primarily attributable to a decrease in bad debt as a result of our enhanced trade receivables management and collection efforts.

Other Expenses

Our other expenses decreased by 54.8% from RMB109.7 million in 2024 to RMB49.6 million in 2025. The decrease was primarily due to a decrease in impairment of property, plant and equipment attributable to our improved operation and maintenance of fixed assets.

Finance Costs Associated with Shares with Preferential Rights

Our finance costs associated with shares with preferential rights remained relatively stable at RMB442.5 million in 2024 and RMB437.9 million in 2025.

Finance Costs

Our finance costs increased by 45.4% from RMB360.4 million in 2024 to RMB524.2 million in 2025. The increase was primarily attributable to the increased interests on interest-bearing bank and other borrowings as we increased borrowings to support our business growth, particularly the expansion of our fleet size.

Share of Profits of Associates and Joint Ventures

Our share of profits of associates and joint ventures decreased from RMB1.2 million in 2024 to RMB0.9 million in 2025. The decrease was primarily linked to the operational results of our associates and joint ventures.

Income Tax Expenses

Our income tax expenses decreased from RMB37.8 million in 2024 to RMB4.1 million in 2025. The decrease was primarily attributable to the change in profitability of certain subsidiaries.

Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB770.6 million in 2024 to RMB655.6 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 36.9% from RMB2,349.5 million in 2023 to RMB3,216.1 million in 2024. The increase was primarily attributable to (i) an increase in revenue from our EV management services by 58.5% from RMB814.0 million in 2023 to RMB1,290.0 million in 2024 mainly due to additional EV service customers we served in 2024 and the continuous revenue generation from EV service customers we already served in 2023, as well as the expansion of our service scope such as technical advisory services related to vehicle designing; (ii) an increase in revenue from our EV leasing by 32.8% from RMB1,170.1 million in 2023 to RMB1,554.1 million in 2024 mainly due to an increase in the customer orders from both existing and new customers for our EV leasing, which reflected the increasing market demand for EVs, as well as the enhanced perception of our service and brand within the marketplace; and (iii) an increase in revenue from EV sales by 1.8% from RMB365.5 million in 2023 to RMB372.0 million in 2024 accompanied by an increase in the number of EVs we sold, mainly due to our enhanced marketing and selling efforts.

Cost of Sales

Our cost of sales increased by 31.6% from RMB1,947.8 million in 2023 to RMB2,563.7 million in 2024. The increase was mainly driven by the increased depreciation costs and insurance costs, which was in line with our business growth, particularly the enlarged fleet size.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 62.4% from RMB401.7 million in 2023 to RMB652.4 million in 2024. Our gross profit margin increased from 17.1% in 2023 to 20.3% in 2024, primarily attributable to the optimized service and product mix with the proportion of revenue contributions from EV management services increasing from 34.6% in 2023 to 40.1% in 2024 due to our proactive strategic adjustment as this business involved a relatively higher gross profit margin.

Moreover, the gross profit margin of our EV management services increased from 17.4% in 2023 to 28.2% in 2024 driven by (i) economies of scale as our business scaled up; and (ii) more favorable terms offered by our supply chain to enable cost savings.

The gross profit margin of our EV leasing business decreased from 22.4% in 2023 to 18.7% in 2024, and we recorded a gross loss margin for EV sales of 0.4% and 0.5% in 2023 and 2024, primarily as we adopted a more competitive pricing strategy to facilitate order acquisition.

Other Income and Gains

Our other income and gains increased by 90.9% from RMB65.8 million in 2023 to RMB125.6 million in 2024. The increase was primarily attributable to an increase in the gain on disposal of associates and joint ventures due to the one-off gain on the associate disposal in 2024, partially offset by a decrease in our gains from additional deduction of value-added tax and a decrease in our gains on disposal of items of property, plant and equipment. The percentage of our other income and gains to our total revenue increased from 2.8% in 2023 to 3.9% in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 17.6% from RMB174.1 million in 2023 to RMB204.7 million in 2024. The increase was primarily attributable to an increase in referral fees as we enhanced marketing and selling efforts. The percentage of our selling and distribution expenses to our total revenue decreased from 7.4% in 2023 to 6.4% in 2024, primarily due to our high customer retention, economies of scale and improved marketing and selling efficiency.

Administrative Expenses

Our administrative expenses increased by 7.2% from RMB288.4 million in 2023 to RMB309.2 million in 2024. The increase was primarily attributable to (i) an increase in our handling fees in line with our increased demand for financial leasing and banking services; and (ii) an increase in our employee compensation mainly due to an increase in our administrative workforce to support business expansion. The percentage of our administrative expenses to our total revenue decreased from 12.3% in 2023 to 9.6% in 2024, primarily due to our optimized administrative efficiency and economies of scale.

Research and Development Expenses

Our research and development expenses decreased by 8.7% from RMB60.9 million in 2023 to RMB55.6 million in 2024. The decrease was primarily attributable to (i) a decrease in our employee compensation due to our streamlined R&D workforce as we enhanced R&D efficiency; and (ii) a decrease in technical service fees as we improved our project management and enhanced cost control. The percentage of our research and development expenses to our total revenue decreased from 2.6% in 2023 to 1.7% in 2024 as we improved R&D efficiency.

Impairment Losses of Financial Assets, Net

Our impairment losses of financial assets, net remained relatively stable at RMB31.0 million in 2023 and RMB30.0 million in 2024.

Other Expenses

Our other expenses decreased by 4.4% from RMB114.8 million in 2023 to RMB109.7 million in 2024. The decrease was primarily due to a decrease in impairment of property, plant and equipment attributable to improved maintenance, a decrease in foreign exchange losses and the non-recurrence in 2024 of the one-off impairment loss on investment in an associate recorded in 2023, partially offset by an increase in losses on disposal of items of property, plant and equipment which are redundant.

Finance Costs Associated with Shares with Preferential Rights

Our finance costs associated with shares with preferential rights increased from RMB336.7 million in 2023 to RMB442.5 million in 2024. The increase was primarily attributable to the completion of relevant financing in late 2023 and 2024, which increased the principal of shares with preferential rights.

Finance Costs

Our finance costs increased by 36.6% from RMB263.8 million in 2023 to RMB360.4 million in 2024. The increase was primarily attributable to the increased interests on interest-bearing bank and other borrowings mainly due to our increased borrowings to support our business growth, particularly the expansion of our fleet size.

Share of Profits and Losses of Associates and Joint Ventures

Our share of losses of associates and joint ventures amounted to RMB14.6 million in 2023 mainly due to the operational loss of our associate company in Singapore, while our share of profits of associates and joint ventures amounted to RMB1.2 million in 2024 primarily as a result of the improved operational results of an associate company engaged in insurance services.

Income Tax Expenses

Our income tax expenses increased from RMB25.0 million in 2023 to RMB37.8 million in 2024. The increase was primarily attributable to the improved profitability of certain subsidiaries as well as the impact of deferred income tax.

Loss for the Year

As a result of the foregoing, our loss for the year was RMB841.7 million in 2023 and RMB770.6 million in 2024.

DISCUSSION ON KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total current assets	2,873,597	3,535,552	4,202,590
Total non-current assets	6,276,258	9,033,489	12,602,463
Total assets	**9,149,855**	**12,569,041**	**16,805,053**
Total current liabilities	9,635,814	12,241,942	14,449,489
Total non-current liabilities	2,510,312	4,083,056	6,759,698
Total liabilities	**12,146,126**	**16,324,998**	**21,209,187**
Net liabilities	**(2,996,271)**	**(3,755,957)**	**(4,404,134)**
Paid-in capital/Share capital	282,595	286,906	286,906
Reserves	(3,281,076)	(4,042,152)	(4,694,227)
Deficit	(2,998,481)	(3,755,246)	(4,407,321)
Non-controlling interests	2,210	(711)	3,187
Total deficit	**(2,996,271)**	**(3,755,957)**	**(4,404,134)**
Total liabilities and total deficit	**9,149,855**	**12,569,041**	**16,805,053**

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Current assets				
Inventories	86,197	83,560	167,684	165,731
Trade and bills receivables	854,082	1,280,831	1,384,920	1,780,784
Prepayments, other receivables and other assets	953,840	1,155,876	1,707,453	1,800,413
Financial assets at FVTPL	9,050	111,210	125,060	125,060
Restricted and pledged deposits	542,367	588,036	617,422	581,621
Cash and cash equivalents	428,061	316,039	200,051	225,701
Total current assets	**2,873,597**	**3,535,552**	**4,202,590**	**4,679,310**
Current liabilities				
Trade and bills payables	1,878,261	2,488,596	2,723,780	3,053,678
Other payables and accruals	469,773	481,471	512,864	663,805
Advances from customers	472,650	476,302	563,279	510,560
Contract liabilities	88,723	63,154	65,216	289,766
Interest-bearing bank and other borrowings	2,354,642	3,826,430	5,230,966	5,400,894
Lease liabilities	28,247	30,881	31,697	35,643
Tax payable	10,220	13,762	22,400	5,592
Shares with preferential rights	4,333,298	4,861,346	5,299,287	5,421,813
Total current liabilities	**9,635,814**	**12,241,942**	**14,449,489**	**15,381,751**
Net current liabilities	**(6,762,217)**	**(8,706,390)**	**(10,246,899)**	**(10,702,441)**

Our net current liabilities increased by 4.4% from RMB10,246.9 million as of December 31, 2025 to RMB10,702.4 million as of March 31, 2026, primarily as the increase in current liabilities outweighed the increase in current assets. The current liabilities increased primarily due to the increase in trade and bills payables of RMB329.9 million, the increase in contract liabilities of RMB224.6 million, the increase in interest-bearing bank and other borrowings of RMB169.9 million, the increase in other payables and accruals of RMB150.9 million and the increase in shares with preferential rights of RMB122.5 million. The current assets increased primarily due to the increase in trade and bills receivables of RMB395.9 million and the increase in prepayments, other receivables and other assets of RMB93.0 million. Our shares with preferential rights did not affect our profitability of regular business operations, working capital sufficiency and operating cash flow during the Track Record Period. Furthermore, our shares with preferential rights will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our net current liabilities would significantly decrease upon **[REDACTED]**.

Our net current liabilities increased by 17.7% from RMB8,706.4 million as of December 31, 2024 to RMB10,246.9 million as of December 31, 2025, primarily as the increase in current liabilities outweighed the increase in current assets. The current liabilities increased primarily due to the increase in interest-bearing bank and other borrowings of RMB1,404.5 million, the increase in shares with preferential rights of RMB437.9 million and the increase in trade and bills payables of RMB235.2 million. The current assets increased primarily due to the increase in prepayments, other receivables and other assets of RMB551.6 million, the increase in trade and bills receivables of RMB104.1 million and the increase in inventories of RMB84.1 million, partially offset by the decrease in cash and cash equivalents of RMB116.0 million.

Our net current liabilities increased by 28.8% from RMB6,762.2 million as of December 31, 2023 to RMB8,706.4 million as of December 31, 2024, primarily as the increase in current liabilities outweighed the increase in current assets. The current liabilities increased primarily due to the increase in interest-bearing bank and other borrowings of RMB1,471.8 million, the increase in trade and bills payables of RMB610.3 million and the increase in shares with preferential rights of RMB528.0 million. The current assets increased primarily due to the increase in trade and bills receivables of RMB426.7 million, the increase in prepayments, other receivables and other assets of RMB202.0 million and the increase in financial assets at FVTPL of RMB102.2 million, partially offset by the decrease in cash and cash equivalents of RMB112.0 million.

Inventories

Our inventories primarily consisted of service parts and vehicles for sale. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Service parts	16,682	52,547	13,837
Vehicles for sale	69,797	32,496	155,006
	86,479	85,043	168,843
Impairment allowance	(282)	(1,483)	(1,159)
Total	**86,197**	**83,560**	**167,684**

Our inventories remained relatively stable at RMB86.2 million as of December 31, 2023 and RMB83.6 million as of December 31, 2024. Our inventories increased from RMB83.6 million as of December 31, 2024 to RMB167.7 million as of December 31, 2025 primarily as we purchased more vehicles and held more vehicles for sale in 2025 in anticipation of the higher vehicle acquisition tax in 2026.

Our management periodically reviews our inventory levels for slow-moving inventory, obsolescence or decline in market value. Allowance is made when the net realizable value of inventories falls below the cost or any of the inventories is identified as obsolete. We assess the net realizable value of the inventories as well as the required amount of write-down of inventories at the end of each reporting period, which involves significant judgment on determination of the estimated selling price of our products in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on our current market condition, the contract price of products if they are held for particular contracts and the historical experience of distributing and selling products of similar nature. In 2024, we made provision for impairment of inventories of RMB1.2 million while in 2023 and 2025, we made reversal of impairment of inventories of RMB0.2 million and RMB0.3 million, respectively. Our management believes that sufficient provision has been made for each of the reporting periods.

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days[(1)]	79	84	147

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories (excluding impairment) for a period divided by cost of EV sales for the relevant period and multiplied by 365 days.

Our inventory turnover days remained relatively stable at 79 days in 2023 and 84 days in 2024, which then increased to 147 days in 2025 as we purchased more vehicles and held more vehicles for sale in 2025 in anticipation of the higher vehicle acquisition tax in 2026.

As of March 31, 2026, RMB55.4 million, or 32.8% of our inventory as of December 31, 2025 had been utilized or sold.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Trade receivables	901,795	1,341,386	1,387,755
Bills receivable	200	17,258	58,745
Less: Impairment of trade receivables	(47,913)	(77,813)	(61,580)
Trade receivables, net	**854,082**	**1,280,831**	**1,384,920**

Our trade and bills receivables increased by 50.0% from RMB854.1 million as of December 31, 2023 to RMB1,280.8 million as of December 31, 2024, primarily because we granted relatively long credit terms to certain customers. Our trade and bills receivables further increased by 8.1% from RMB1,280.8 million as of December 31, 2024 to RMB1,384.9 million as of December 31, 2025, which was in line with our business expansion and revenue growth.

Our trading terms with customers are mainly on credit and the credit period is generally not more than six months. As to new customers and one-off purchase order customers, we normally require payment in advance. The following table sets forth the aging analysis of our trade receivables (net of loss allowance), based on invoice dates, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within one year	839,833	1,184,689	1,306,793
One to three years	52,933	157,655	127,533
Over three years	9,229	16,300	12,174
Impairment allowance	(47,913)	(77,813)	(61,580)
Total	**854,082**	**1,280,831**	**1,384,920**

The following table sets forth our trade and bills receivables turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days[(1)]	122	128	124

Note:

(1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables (excluding impairment) for a period divided by revenue for the relevant period and multiplied by 365 days.

Our trade and bills receivables turnover days increased from 122 days in 2023 to 128 days in 2024, primarily as we granted relatively long credit terms to certain new customers. Our trade and bills receivables turnover days then decreased to 124 days as of December 31, 2025, primarily due to the more stringent management on granting credit terms.

As of March 31, 2026, RMB591.5 million, or 40.9% of our trade and bills receivables as of December 31, 2025 had been settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consisted of value-added tax recoverable, prepaid expense for insurance, deposits and other receivables, prepayments related to EV purchases and **[REDACTED]** expenses. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Value-added tax recoverable	333,867	416,412	704,235
Prepaid expense for insurance	356,232	452,381	617,670
Deposits and other receivables[(1)]	230,300	210,093	310,111
Prepayments	49,047	92,614	87,586
[REDACTED] expenses	1,231	1,272	5,120
Subtotal	970,677	1,172,772	1,724,722
Impairment of other receivables	(16,837)	(16,896)	(17,269)
Total	**953,840**	**1,155,876**	**1,707,453**

Note:

(1) Deposits and other receivables mainly included vehicles, depots and office buildings rental deposits.

Our prepayments, other receivables and other assets increased from RMB953.8 million as of December 31, 2023 to RMB1,155.9 million as of December 31, 2024, primarily due to increases in value-added tax recoverable related to vehicle purchases, prepayments, and prepaid expense for insurance. Our prepayments, other receivables and other assets further increased from RMB1,155.9 million as of December 31, 2024 to RMB1,707.5 million as of December 31, 2025 mainly due to (i) an increase in value-added tax recoverable related to vehicle purchases; (ii) an increase in prepaid expense for insurance; and (iii) an increase in our deposits and other receivables related to vehicle purchases.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily consisted of unlisted equity investment. Our financial assets at FVTPL increased from RMB9.1 million as of December 31, 2023 to RMB111.2 million as of December 31, 2024, mainly because we exchanged equity interest in an associate for shares of an equity investment in December 2024. The fair value of the converted shares amounted to RMB101.0 million as of December 31, 2024, resulting in an investment income of RMB101.0 million in 2024. Our financial assets at FVTPL further increased from RMB111.2 million as of December 31, 2024 to RMB125.1 million as of December 31, 2025, primarily due to an increase in the fair value of our investment in the target companies, which was related to the operational results of such target companies. See Note 24 to the Accountants' Report in Appendix I to this document for more details.

Trade and Bills Payables

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Trade payables	638,462	1,344,809	1,582,467
Bills payables	1,239,799	1,143,787	1,141,313
Total	**1,878,261**	**2,488,596**	**2,723,780**

Our trade and bills payables increased from RMB1,878.3 million as of December 31, 2023 to RMB2,488.6 million as of December 31, 2024 and further increased to RMB2,723.8 million as of December 31, 2025. Such continuous increases were mainly due to our increased purchases of various goods and services, particularly vehicles, to support our business expansion.

Our trade and bills payables are non-interest-bearing and are normally settled within six months. The financial liabilities that are part of our supplier finance arrangements included in trade and bills payables are normally settled on 60-day terms or 180-day terms. We have established supplier finance arrangements that are offered to some of our key suppliers in Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to us from our external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by us. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, we settle the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. We provide no security to the finance provider. We entered into supplier finance arrangements with several commercial banks ("**Discounting Banks**"). Under these supplier finance arrangements, our suppliers can elect to have their undue bill receivables from us discounted by the Discounting Banks. Upon our approval, the Discounting Banks will pay the suppliers directly for the discounted receivables. We will subsequently make payments to the Discounting Banks to settle the discounted bill receivables. The term of the above supplier finance arrangements is usually not more than six months.

The following table sets forth the aging analysis of our trade and bills payables as of the dates indicated based on the invoice date:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within one year	1,861,964	2,460,182	2,679,531
Over one year	16,297	28,414	44,249
Total	**1,878,261**	**2,488,596**	**2,723,780**

The following table sets forth our trade and bills payables turnover days for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Trade and bills payables turnover days(1)	338	311	291

Note:

(1) Trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a period divided by cost of sales used for the relevant period and multiplied by 365 days.

Our trade and bills payables turnover days decreased from 338 days in 2023 to 311 days in 2024 and 291 days in 2025 as we agreed to prompter settlement in exchange for more favorable purchase terms.

As of March 31, 2026, RMB1,616.1 million, or 59.3% of our trade and bills payables as of December 31, 2025 had been settled.

Other Payables and Accruals

Our other payables and accruals primarily consisted of deposit payables, accrued salaries and welfare, and other tax payables. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Deposit payables	207,980	269,156	390,931
Accrued salaries and welfare	45,622	45,752	40,207
Other tax payables	3,306	4,742	10,382
Other payables(1)	212,865	161,821	71,344
Total	**469,773**	**481,471**	**512,864**

Note:

(1) Other payables mainly included payables for miscellaneous purchases irrelevant to our key business operations, which were unsecured, non-interest-bearing and repayable on demand.

Our other payables and accruals increased from RMB469.8 million as of December 31, 2023 to RMB481.5 million as of December 31, 2024 and RMB512.9 million as of December 31, 2025. The increases were primarily due to the continuous increases in EV leasing and EV sales customer deposits, which were in line with our business growth.

Advances from Customers

Our advances from customers represented the advances from EV lessees. Our advances from customers slightly increased from RMB472.7 million as of December 31, 2023 to RMB476.3 million as of December 31, 2024, which further increased to RMB563.3 million as of December 31, 2025. Such fluctuations were primarily related to the changes in the year-end market demand and customer orders for our EV leasing business.

Contract Liabilities

Our contract liabilities included advances received to deliver goods and services. The changes in contract liabilities during the Track Record Period were mainly due to the changes in advances received from the EV sales or EV management services. Our contract liabilities decreased from RMB88.7 million as of December 31, 2023 to RMB63.2 million as of December 31, 2024 primarily because we strategically focused on larger customers who typically traded with us on credit terms. Our contract liabilities remained relatively stable at RMB65.2 million as of December 31, 2025.

Shares with Preferential Rights

We recorded current liabilities related to shares with preferential rights of RMB4,333.3 million, RMB4,861.3 million and RMB5,299.3 million as of December 31, 2023 and 2024 and 2025, respectively. The changes primarily represented changes in amortized costs of the convertible redeemable preferred shares issued to our Pre-**[REDACTED]** Investors. See Note 31 to the Accountants' Report in Appendix I to this document for further details. Certain of our Pre-**[REDACTED]** Investors were granted special rights in relation to our Company, including, among others, redemption rights, rights of first refusal, anti-dilution rights, liquidation preferences, information rights and rights to nominate directors. All existing special rights will be terminated upon **[REDACTED]** with the redemption rights terminated immediately before the first filing of the **[REDACTED]**. Our shares with preferential rights did not affect our profitability of regular business operations, working capital sufficiency and operating cash flow during the Track Record Period. Furthermore, our shares with preferential rights will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our net current liabilities would significantly decrease upon **[REDACTED]**. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors."

Property, Plant and Equipment

Our property, plant and equipment consisted of vehicles, construction in progress, charging piles and equipment for vehicles, office and electronic equipment, and leasehold improvements. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Vehicles[(1)]	4,809,332	6,961,613	9,937,500
Construction in progress[(2)]	516,001	736,583	883,740
Charging piles and equipment for vehicles	91,724	88,744	175,371
Office and electronic equipment	5,554	4,371	3,494
Leasehold improvements	4,319	3,814	2,595
Others	264,056	301,150	416,530
Total	**5,690,986**	**8,096,275**	**11,419,230**

Notes:

(1) Vehicles included self-owned EVs and most entrusted EVs which are ready for leasing.

(2) Construction in progress represented EVs having not satisfied the conditions for leasing.

Our property, plant and equipment increased from RMB5,691.0 million as of December 31, 2023 to RMB8,096.3 million as of December 31, 2024 and RMB11,419.2 million as of December 31, 2025 primarily due to an increase in the vehicles we held to support our business expansion.

Right-of-Use Assets

Our right-of-use assets were primarily related to our leased depots and office buildings as well as entrusted vehicles which we leased from third parties. Our right-of-use assets decreased from RMB93.9 million as of December 31, 2023 to RMB89.1 million as of December 31, 2024 and RMB80.7 million as of December 31, 2025, primarily due to ordinary course depreciation charges.

Other Intangible Assets

Our other intangible assets consisted of procured software assets. Our other intangible assets increased from RMB52.7 million as of December 31, 2023 to RMB60.8 million as of December 31, 2024 and RMB68.1 million as of December 31, 2025, primarily as we procured additional software assets.

Investments in Associates and Joint Ventures

Our investments in associates and joint ventures mainly represented our investments in associate companies in the new energy industry. We assess at the end of each reporting period to consider whether there is any indication of impairment on the interests in the associates and joint ventures and further assess if they have suffered any impairment. In 2023, the impairment loss of our interest in an associate, Strides DST Pte. Ltd., of RMB3,086,000 was recognized. The recoverable amount was nil, and we had made a full provision of RMB3,086,000 for impairment of our investment in associates as of December 31, 2023. See Note 18 to the Accountants' Report in Appendix I to this document for further details. Our investments in associates and joint ventures increased from RMB5.7 million as of December 31, 2023 to RMB16.1 million as of December 31, 2024 and remained relatively stable at RMB16.3 million as of December 31, 2025. The changes in our investments in associates and joint ventures were mainly related to the operating results and market valuation of the relevant associates.

Other Non-current Assets

The following table sets out a breakdown of our other non-current assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Deposit for interest-bearing borrowings	255,843	372,656	563,180
Value-added tax recoverable	131,606	148,217	279,414
Prepayment for property, plant and equipment	41,809	240,396	126,798
Prepayment for other intangible assets	2,323	5,211	8,739
Long-term prepayment	818	4,223	39,577
Total	**432,399**	**770,703**	**1,017,708**

Our other non-current assets consisted of deposit for interest-bearing borrowings, value-added tax recoverable, prepayment for property, plant and equipment, prepayment for other intangible assets, and long-term prepayment.

Our other non-current assets increased from RMB432.4 million as of December 31, 2023 to RMB770.7 million as of December 31, 2024, primarily due to an increase in the prepayment for property, plant and equipment and an increase in the deposit for interest-bearing borrowings. Our other non-current assets increased from RMB770.7 million as of December 31, 2024 to RMB1,017.7 million as of December 31, 2025, primarily due to an increase in the deposit for interest-bearing borrowings and an increase in the value-added tax recoverable, partially offset by a decrease in the prepayment for property, plant and equipment.

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025 and March 31, 2026, our indebtedness included interest-bearing bank and other borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(RMB in thousands)		(unaudited)
Interest-bearing bank and other borrowings				
Current				
Bank loans — unsecured	57,469	—	—	—
Bank loans — secured	693,500	1,152,955	1,661,235	1,882,386
Other loans — secured	145,304	260,276	200,867	171,100
Current portion of long-term bank loans — unsecured	571	—	—	—
Current portion of long-term other loans — secured	1,457,798	2,413,199	3,368,864	3,347,408
Subtotal	2,354,642	3,826,430	5,230,966	5,400,894
Non-current				
Bank loans-term loans — secured	—	—	40,000	80,000
Other loans — secured	2,363,254	3,912,295	6,570,097	6,620,480
Subtotal	2,363,254	3,912,295	6,610,097	6,700,480
Total interest-bearing bank and other borrowings	**4,717,896**	**7,738,725**	**11,841,063**	**12,101,374**
Lease liabilities				
Current portion	28,247	30,881	31,697	35,643
Non-current portion	69,005	61,353	49,610	40,632
Total lease liabilities	**97,252**	**92,234**	**81,307**	**76,275**
Total	**4,815,148**	**7,830,959**	**11,922,370**	**12,177,649**

Interest-bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings (including current and non-current portions) primarily consisted of secured and unsecured bank loans, as well as other secured and unsecured loans. Certain of our vehicles with net carrying amounts of approximately RMB3,971.4 million, RMB6,608.6 million and RMB9,628.4 million as of December 31, 2023, 2024 and 2025, respectively, were pledged to secure our financial leasing with leasing companies. As of the Latest Practicable Date, our credit facilities of approximately RMB11,473.26 million (the "**Guaranteed Borrowings**") were secured by (a) the Group's vehicles and (b) a concurrent guarantee by Ms. Zhang and/or entities controlled by her (the "**Guarantees**"). Such Guarantees are not secured by the assets of our Group and were provided on normal commercial terms in line with the typical arrangements of financial leasing in the PRC. As of the Latest Practicable Date, the Company has obtained confirmation letters from the relevant lending banks and financial leasing companies in relation to approximately 91.01% of such Guaranteed Borrowings, pursuant to which such banks and financial leasing companies have confirmed that they will either release the relevant Guarantees or undertake to discharge the relevant Guarantees upon **[REDACTED]** of the Company. For the remaining Guaranteed Borrowings (the "**Unreleased Guaranteed Borrowings**"), the Company does not intend to renew these Unreleased Guaranteed Borrowings upon expiry and does not expect to enter into additional Unreleased Guaranteed

Borrowings. Based on the maturity date of the Unreleased Guaranteed Borrowings, the Company expects that the aggregate amount of the Guarantees upon **[REDACTED]** would be approximately RMB612.94 million, and all Unreleased Guaranteed Borrowings will mature by July 2030. See "Relationship with the Ms. Zhang Entities — Independence from the Ms. Zhang Entities — Financial Independence" in this document for details. See Note 30 to the Accountants' Report in Appendix I to this document for details of the interest rates and the maturity.

Our interest-bearing bank and other borrowings, current portion, increased from RMB2,354.6 million as of December 31, 2023 to RMB3,826.4 million as of December 31, 2024, RMB5,231.0 million as of December 31, 2025 and RMB5,400.9 million as of March 31, 2026. Moreover, our interest-bearing bank and other borrowings, non-current portion, increased from RMB2,363.3 million as of December 31, 2023 to RMB3,912.3 million as of December 31, 2024, RMB6,610.1 million as of December 31, 2025 and RMB6,700.5 million as of March 31, 2026. We recorded such increases primarily because we incurred more borrowings to fund our business growth, particularly the expansion of our fleet size, which was funded mostly by external borrowings. We will manage the borrowing pace to slow down the increase in borrowings as we continue to shift towards a more asset-light business structure by steadily increasing the proportion of entrusted and served EVs within our managed fleet. We will also strive to achieve lower interest rates leveraging our enhanced bargaining power based on our expanded business size.

As of December 31, 2025 and March 31, 2026, we had unutilized banking facilities of RMB5.9 billion and RMB6.0 billion, respectively.

Lease Liabilities

Our lease liabilities (including current and non-current portions) were primarily related to lease contracts for depots and office buildings, and vehicles.

Our lease liabilities, current portion, increased from RMB28.2 million as of December 31, 2023 to RMB30.9 million as of December 31, 2024, RMB31.7 million as of December 31, 2025 and RMB35.6 million as of March 31, 2026, primarily due to our increased leases.

Our lease liabilities, non-current portion, decreased from RMB69.0 million as of December 31, 2023 to RMB61.4 million as of December 31, 2024, RMB49.6 million as of December 31, 2025 and RMB40.6 million as of March 31, 2026, primarily due to (i) the termination and expiry of certain lease contracts related to our non-current lease liabilities; and (ii) favorable rent adjustments related to certain leases.

No Other Outstanding Indebtedness

Our Directors confirm that there was no material covenant or undertaking on any of our outstanding debt and we had complied with covenants in all material respects, and that we did not experience any difficulty in obtaining bank loans and other borrowings during the Track Record Period and up to the date of this document.

Except as disclosed above, as of March 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness from March 31, 2026 to the date of this document.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

The following table sets forth a summary of our cash flow for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash flows from operating activities	654,805	743,597	1,461,599
Net cash flows used in investing activities	(2,560,082)	(3,500,537)	(4,902,520)
Net cash flows from financing activities	2,051,905	2,644,918	3,324,933
Net increase/(decrease) in cash and cash equivalents	146,628	(112,022)	(115,988)
Cash and cash equivalents at the beginning of the year	281,433	428,061	316,039
Cash and cash equivalents at the end of year	**428,061**	**316,039**	**200,051**

Net Cash Flows from Operating Activities

In 2025, our net cash flows generated from operating activities was RMB1,461.6 million, primarily attributable to our loss before tax of RMB651.5 million, adjusted by adding back non-cash items, primarily comprising depreciation of property, plant and equipment of RMB1,459.4 million, finance costs of RMB524.2 million and finance costs associated with shares with preferential rights of RMB437.9 million. The amount was further adjusted by changes in working capital, primarily comprising the increase in advances from customers of RMB87.0 million, the increase in trade and bills payables of RMB38.2 million and the increase in other payables and accruals of RMB30.6 million, partially offset by the increase in other non-current assets of RMB166.6 million, the increase in prepayments, other receivables and other assets of RMB145.9 million and the increase in trade and bills receivables of RMB139.8 million.

In 2024, our net cash flows generated from operating activities was RMB743.6 million, primarily attributable to our loss before tax of RMB732.7 million, adjusted by adding back non-cash items, primarily comprising depreciation of property, plant and equipment of RMB1,159.8 million, finance costs associated with shares with preferential rights of RMB442.5 million and finance costs of RMB360.4 million, partially offset by gain on disposal of associates and joint ventures of RMB101.0 million. The amount was further adjusted by changes in working capital, primarily comprising the increase in trade and bills payables of RMB95.2 million, partially offset by the increase in trade and bills receivables of RMB475.2 million and the increase in prepayments, other receivables and other assets of RMB131.5 million.

In 2023, our net cash flows generated from operating activities was RMB654.8 million, primarily attributable to our loss before tax of RMB816.7 million, adjusted by adding back non-cash items, primarily comprising depreciation of property, plant and equipment of RMB820.8 million, finance costs associated with shares with preferential rights of RMB336.7 million and finance costs of RMB263.8 million. The amount was further adjusted by changes in working capital, primarily comprising the increase in other payables and accruals of RMB179.4 million and the increase in advances from customers of RMB174.2 million, partially offset by the increase in trade and bills receivables of RMB239.9 million and the decrease in contract liabilities of RMB95.5 million.

Net Cash Flows Used in Investing Activities

In 2025, our net cash flows used in investing activities were RMB4,902.5 million, primarily attributable to the purchase of items of property, plant and equipment of RMB5,103.7 million, partially offset by proceeds from disposal of items of property, plant and equipment of RMB218.0 million.

In 2024, our net cash flows used in investing activities were RMB3,500.5 million, primarily attributable to the purchase of items of property, plant and equipment of RMB3,751.1 million, partially offset by proceeds from disposal of items of property, plant and equipment of RMB276.9 million.

In 2023, our net cash flows used in investing activities were RMB2,560.1 million, primarily attributable to the purchase of items of property, plant and equipment of RMB2,866.0 million, partially offset by proceeds from disposal of items of property, plant and equipment of RMB332.0 million.

Net Cash Flows from Financing Activities

In 2025, our net cash flows generated from financing activities were RMB3,324.9 million, primarily attributable to proceeds from interest-bearing bank and other borrowings of RMB9,424.7 million, partially offset by repayment of bank and other loans of RMB5,364.8 million.

In 2024, our net cash flows generated from financing activities were RMB2,644.9 million, primarily attributable to proceeds from interest-bearing bank and other borrowings of RMB6,179.6 million, partially offset by repayment of bank and other loans of RMB3,186.7 million.

In 2023, our net cash flows generated from financing activities were RMB2,051.9 million, primarily attributable to proceeds from interest-bearing bank and other borrowings of RMB4,706.0 million, partially offset by repayment of bank and other loans of RMB2,838.3 million.

WORKING CAPITAL SUFFICIENCY

As of December 31, 2025, we had cash and cash equivalents of RMB200.1 million, restricted and pledged deposits of RMB617.4 million, and financial assets at FVTPL of RMB125.1 million, and as of March 31, 2026, we had unutilized bank facilities of RMB6.0 billion. We also recorded net cash inflows from our operating activities of RMB654.8 million, RMB743.6 million and RMB1,461.6 million in 2023, 2024 and 2025, respectively. Moreover, we estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** after deducting **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]** and based upon an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range in this document, and assuming no exercise of the **[REDACTED]**. Further, we recorded current liabilities related to shares with preferential rights of RMB4,333.3 million, RMB4,861.3 million and RMB5,299.3 million as of December 31, 2023 and 2024 and 2025, respectively. All existing special rights will be terminated upon **[REDACTED]** with the redemption rights terminated immediately before the first filing of the **[REDACTED]**. Our shares with preferential rights did not affect our profitability of regular business operations, working capital sufficiency and operating cash flow during the Track Record Period. Furthermore, our shares with preferential rights will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares and our net current liabilities would significantly decrease upon **[REDACTED]**. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors."

Although we recorded significant net current liabilities during the Track Record Period, taking into consideration the financial resources available to us, including our cash and cash equivalents, restricted and pledged deposits, financial assets at FVTPL, unutilized bank facilities, operating cash inflows, the estimated net **[REDACTED]** from the **[REDACTED]**, the automatic conversion of our shares with preferential rights into ordinary shares upon **[REDACTED]**, and the absence of any call loan for which the lender can require repayment at any time, in the absence of unforeseeable circumstances, the Directors confirm that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

We also expect further improvement in our working capital sufficiency by way of (i) optimizing our customer base and credit period management to facilitate prompt settlement of trade receivables; (ii) negotiating with suppliers for extended credit terms; (iii) enhancing management on interest-bearing bank and other borrowings, particularly through continuing to shift towards a more asset-light business structure by steadily increasing the proportion of entrusted and served EVs within our platform; and (iv) enhancing profitability, which will further solidify our working capital positions. For details of our approach to enhancing profitability, including enhancing management on interest-bearing bank and other borrowings, see "— Path to Profitability" in this section.

Our Directors confirm that we had no material default on trade and non-trade payables or bank loans and other borrowings during the Track Record Period and up to the date of this document.

CAPITAL EXPENDITURES AND COMMITMENTS

During the Track Record Period, our capital expenditures primarily consisted of (i) purchases of items of property, plant and equipment and (ii) purchases of other intangible assets. The table below sets forth our capital expenditure for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Purchases of items of property, plant and equipment	2,866,019	3,751,069	5,103,695
Purchases of other intangible assets	18,076	17,454	18,818
Total	**2,884,095**	**3,768,523**	**5,122,513**

We had capital expenditures of RMB2,884.1 million, RMB3,768.5 million and RMB5,122.5 million in 2023, 2024 and 2025, respectively. We funded the expenditure mainly with cash generated from business operations and financing activities.

Following the **[REDACTED]**, we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank and other borrowings, and the net **[REDACTED]** received from the **[REDACTED]**. See "Future Plans and Use of **[REDACTED]**." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

We had capital commitments primarily related to the purchase of vehicles. As of December 31, 2023, 2024 and 2025, our capital commitments were RMB547.0 million, RMB816.5 million and RMB527.2 million, respectively. We plan to fund such capital commitments mainly through **[REDACTED]** from financial leasing, cash flows generated from our operations and the net **[REDACTED]** received from the **[REDACTED]**.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, save as disclosed in this document, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of the Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of/For the year ended December 31,		
	2023	**2024**	**2025**
Revenue growth rate	N/A	36.9%	28.7%
Gross profit margin[1]	17.1%	20.3%	21.0%
Net loss margin[2]	(35.8)%	(24.0)%	(15.8)%
Adjusted loss margin (*non-IFRS measure*)[3]	(21.0)%	(10.2)%	(4.9)%
Adjusted EBITDA margin (*non-IFRS measure*)[4]	27.7%	39.5%	44.2%
Debt ratio[5]	51.6%	61.6%	70.5%

Notes:

(1) Calculated by dividing gross profit by revenue for the year multiplied by 100%.

(2) Calculated by dividing loss by revenue for the year multiplied by 100%.

(3) Calculated by dividing adjusted loss (*non-IFRS measure*) by revenue for the year multiplied by 100%. For details of the adjusted loss (*non-IFRS measure*), see "— Non-IFRS Financial Measures."

(4) Calculated by dividing adjusted EBITDA (*non-IFRS measure*) by revenue for the year multiplied by 100%. For details of the adjusted EBITDA (*non-IFRS measure*), see "— Non-IFRS Financial Measures."

(5) Calculated by dividing total debts by total assets as of the end of the year multiplied by 100%. Total debts represent the sum of the current and non-current interest-bearing bank and other borrowings as of the end of the year.

We incurred debt ratio of 51.6%, 61.6% and 70.5% in 2023, 2024 and 2025, respectively. According to Frost & Sullivan, it is normal to incur high debt ratios for companies adopting the FMaaS model.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. As of December 31, 2023, 2024 and 2025, we recorded non-trade amounts due to related parties of RMB45.0 million, RMB86.7 million and nil, respectively. For further details of our material related party transactions, see Note 38 to the Accountants' Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 38 to the Accountants' Report in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or R&D services with us.

FINANCIAL RISKS DISCLOSURE

We are exposed to various market risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For more details, including the relevant sensitivity analysis, see Note 42 to the Accountants' Report in Appendix I to this document.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our interest-bearing bank and other borrowings. We currently do not have a specific policy to manage our interest rate risk and have not entered into interest rate swaps.

Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. In addition, certain bank loans are denominated in currencies other than the functional currencies of the entities to which they relate. We tend to accept foreign currency exchange risk avoidance or allocation terms when arriving at purchase and sale contracts. Due to our limited foreign currency transactions, we are not subject to significant foreign currency risk.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both our financial instruments and financial assets and projected cash flows from operations. Our objectives for managing capital are to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to enhance shareholders' value in the long term. Our management reviews the capital structure regularly. As part of this review, our management considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of our management, we balance our overall capital structure through the issuance of new shares as well as borrowings.

DIVIDENDS

Dividend distribution to our Shareholders is recognized as a liability in the period in which the dividends are approved by our Shareholders. During the Track Record Period, we had not declared or paid any dividend.

Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Adviser, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** expenses will be approximately RMB**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range) and no exercise of the **[REDACTED]**), representing **[REDACTED]**% of the **[REDACTED]** (based on the mid-point of our indicative price range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]**, of which RMB**[REDACTED]** was charged to the consolidated statements of profit or loss as administrative expenses and approximately RMB**[REDACTED]** was capitalized as deferred expenses in the consolidated statements of financial position to be charged against equity upon **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of RMB**[REDACTED]**, of which RMB**[REDACTED]** is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and RMB**[REDACTED]** is expected to be recognized as a deduction in equity directly upon **[REDACTED]**. Our Directors do not expect such expenses to materially impact our results of operations in 2026. By nature, our **[REDACTED]** expenses are composed of (i) **[REDACTED]** of RMB**[REDACTED]**, and (ii) **[REDACTED]** related expenses of RMB**[REDACTED]**, which consist of fees and expenses of legal advisers and reporting accountant of RMB**[REDACTED]** and other fees and expenses of RMB**[REDACTED]**.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited **[REDACTED]** Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.