

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“A/B testing”	a user experience research methodology, which consists of a randomized experiment that usually involves two variants (A and B). It includes application of statistical hypothesis testing or “two-sample hypothesis testing” as used in the field of statistics. A/B testing is a way to compare two versions of a single variable, typically by testing a subject’s response to variant A against variant B, and determining which of the two variants is more effective
“anomaly detection”	a machine learning technique that automatically identifies data points, patterns, or system behaviors that deviate significantly from an established baseline or expected norm
“autonomous decision-making”	the capability of a system to independently evaluate real-time data and select optimal actions with minimal human intervention, based on pre-trained models and algorithmic logic
“autonomous operations”	a mode of business operations in which automated systems, guided by algorithms and real-time data, make decisions and dispatch tasks across the full operational cycle with minimal human intervention
“CAGR”	compound annual growth rate
“closed-loop”	a system design principle in which output data or feedback is continuously fed back as input to enable self-correction and iterative optimization, so that the system adjusts its behavior based on observed real-world results
“cloud platform”	a set of on-demand computing services, including servers, storage, databases, networking, and software, delivered over the internet, enabling scalable infrastructure without the need for on-premises hardware
“computer vision”	a field of artificial intelligence that develops techniques enabling machines to interpret and understand visual information using methods derived from deep learning, pattern recognition, and image processing
“demand forecasting” or “demand sensing”	the analytical process of predicting future customer demand for a product or service over a specified time horizon, using historical sales data, statistical models, machine learning, and external market signals

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“distributed network”	an operational network architecture in which computing, storage, and processing capabilities are spread across multiple geographically dispersed nodes rather than concentrated in a single location, enabling greater resilience, scalability, and efficiency, with each node serving as a point of sale, a unit for data collection, temporary storage, and product movement
“dynamic pricing”	an algorithmic pricing strategy in which prices are adjusted in real time based on current demand levels, inventory status, competitor pricing, and other market signals
“edge computing”	a distributed computing paradigm that places data processing and storage at or near the source of data generation, such as a retail terminal or IoT device, rather than relying on centralized cloud infrastructure, thereby reducing latency and bandwidth demands
“fast-moving consumer goods”	refers to products consumed in people’s daily lives and are characterized by quick turnover and frequent consumption
“Field Pilot”	one of the agents in our FLOW Pilot agent system, serving as our engine for site expansion, aggregating data in regional scenarios, site valuation, and partner qualifications to enable intelligent lead recommendations, site quality and risk assessments, and scenario-specific expansion strategies
“FLOW Pilot”	our central AI agent system with autonomous decision-making and continuous self-improvement capabilities, serving as the operational foundation of our business. FLOW Pilot consists of four interconnected agents: Field Pilot, Link Pilot, Opti Pilot, and Work Pilot
“GMV”	gross merchandise value, the total value of merchandise sold in a given period, regardless of whether the goods are settled or returned
“grab-and-go”	a retail format in which consumers select items and exit without cashier interaction, with payment processed automatically through AI dynamic video recognition or mobile payment systems
“intelligent agent”	a system or program that utilizes AI to perform tasks and achieve goals autonomously on behalf of a user or another system
“IoT”	Internet of Things, which describes physical objects with sensors, processing ability, software and other technologies that connect and exchange data with other devices and systems over the internet or other communications networks

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“large model”	a machine learning model trained on massive datasets with a larger number of parameters, capable of complex reasoning and generative tasks, and in some cases multimodal understanding
“light-traffic scenario”	deployments in enclosed, semi-enclosed, or remote areas with limited but stable customer traffic, which are typically underserved by traditional retail, and the consumer base is fixed with clear purchasing intent and high repeat purchase potential
“Link Pilot”	one of the agents in our FLOW Pilot agent system, serving as our engine for product assortment, integrating cross-site demand sensing, transaction history, consumer feedback, and product correlations data
“multi-modal recognition”	a recognition technology that integrates and cross-validates data from multiple input modalities, to identify products or actions with greater accuracy
“node” or “network node”	an individual device, terminal, or operational site within a network that can send, receive, process, or redistribute data
“OMS” or “Order Management System”	a modular system designed to manage and optimize orders management
“operations research”	an interdisciplinary discipline that applies analytical and mathematical methods, including optimization, simulation, and probability theory, to support complex decision-making and improve operational performance
“Opti Pilot”	one of the agents in our FLOW Pilot agent system, serving as our engine for inventory planning, coordinating dynamic inventory allocation, stocking and outbound decisions, and upstream-downstream collaboration among regional warehouses, front warehouses, and smart retail cabinets
“penetration rate”	the percentage of a total addressable market or potential user population that has adopted a given product, service, or technology at a specified point in time, used as a measure of market maturity and remaining growth potential
“POS”	point of sale, the location and moment at which a retail transaction is completed, as well as the hardware and software system through which payment is processed and transaction data captured
“POS operator”	personnel who directly manage our POS and execute tasks related to the operation of smart retail cabinets

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“predictive maintenance”	a proactive maintenance strategy that uses data analytics, sensor monitoring, and machine learning to anticipate equipment failures before they occur
“route planning”	the process of determining the optimal sequence of stops and travel paths for delivery vehicles or service personnel to minimize time, distance, or cost
“sensor fusion”	the technique of combining data from two or more sensors to produce a more accurate understanding of a physical subject or environment
“‘Shuying’ platform”	our digital intelligence collaboration platform that enables brand partners to monitor sales performance of their products across our network of smart retail cabinets, obtain precise data insights based on real retail scenarios, and improve supply chain efficiency through a digital collaboration mechanism
“site partner”	partners that provide placement sites and customer traffic resources for smart retail cabinets, responsible for the placement, on-site coordination, and provision of necessary utilities and access, such as power supply and entry convenience
“SKU(s)”	stock keeping unit(s), the unit of measure in which the stocks of products are managed
“smart retail cabinet”	an AI-equipped, unmanned retail enclosure that uses computer vision, sensor fusion, and edge computing to automatically identify products selected by consumers and process payment without cashier involvement
“SME(s)”	small and medium-sized enterprise(s)
“tier one cities”	in this document, Beijing, Shanghai, Guangzhou and Shenzhen
“tier two cities”	in this document, Changchun, Changsha, Changzhou, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Guiyang, Hangzhou, Harbin, Hefei, Huizhou, Jiaxing, Jinan, Jinhua, Kunming, Nanchang, Nanjing, Nanning, Nantong, Ningbo, Qingdao, Quanzhou, Shaoxing, Shenyang, Shijiazhuang, Suzhou, Taizhou, Taiyuan, Tianjin, Weifang, Wenzhou, Wuhan, Wuxi, Xiamen, Xi’an, Xuzhou, Yangzhou, Yantai, Zhengzhou, Zhuhai
“tier three cities and other”	any or all of the other cities and towns in China other than tier one or tier two cities
“TMS” or “Transportation Management System”	a modular system designed to manage logistics planning for the fulfillment

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“unattended retail” or “unmanned retail”	a retail model in which goods are sold to consumers through automated equipment without on-site shop staff
“unit economics”	the direct revenues and costs attributable to a single fundamental unit of a business model, such as one retail cabinet, one customer, or one transaction, used to assess the intrinsic profitability and scalability potential of the overall business
“WMS” or “Warehouse Management System”	a modular system designed to manage the turnover of inventory in warehouses, the inventory records and the standardization of processes across different warehouses
“Work Pilot”	one of the agents in our FLOW Pilot agent system, serving as the execution and dispatching engine covering all fulfillment scenarios