The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountant's Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. 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, and our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, (i) reference to 2023 refers to the financial period ended December 31, 2023 (consisting of the period from August 29, 2023, our date of incorporation, to December 31, 2023), (ii) reference to 2024 refers to the year ended December 31, 2024, and (iii) reference to 2025 refers to the year ended December 31, 2025.

OVERVIEW

We are a leading open, independent token supply platform in China, operating at the forefront of an era defined by the rapid application of AI models across enterprises. As AI models become increasingly integrated into everyday workflows, the demand for tokens is growing exponentially, while the need for high-quality token supply, characterized by accuracy, generation speed, cost efficiency, stability and security, is becoming increasingly critical. By connecting computing resources and AI models with system software capabilities, the token supply platform offers one-stop AI infrastructure services, enabling high-quality token delivery at scale.

In China, we are the largest independent ecosystem token supplier and one of the top five players among all token suppliers, as measured by annual token throughput in 2025, according to Frost & Sullivan. Powered by our proprietary inference engine and computing resource orchestration system, we effectively aggregate, optimize, and orchestrate heterogeneous computing resources across diverse hardware architectures from different vendors, thereby converting underlying computing power into standardized, reliable and scalable token supply. This enables seamless access to and deployment of AI capabilities across a broad range of state-of-the-art models with industry-leading performance-to-cost efficiency. To capture diversified commercial demands, we deliver our core capabilities primarily through public cloud-based services and on-premise deployment solutions, servicing customers across a wide range of sectors. We achieved significant growth in revenue during the Track Record Period. In 2023, 2024 and 2025, our revenue was RMB6 thousand, RMB7.3 million and RMB55.3 million, respectively.

BASIS OF PREPARATION

Our historical financial information during the Track Record Period, consisting of the financial period from August 29, 2023, which is the date of incorporation of our Company, to December 31, 2023, and the years ended December 31, 2024 and 2025, has been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). Our historical financial information has been prepared on a historical cost convention, except for financial assets at fair value through profit or loss, which are carried at fair value. Furthermore, our historical financial information has been prepared on a going concern basis.

All effective standards, amendments to standards and interpretations, which are mandatorily effective for the financial year beginning on January 1, 2025, are consistently applied to us for the Track Record Period. Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by us during the Track Record Period are set out in Note 2 of the Accountant's Report included in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by the following major factors.

General Factors

Our results of operations and financial position have been, and are expected to continue to be, influenced by general factors affecting the global token supply market and the broader AI infrastructure industry, including those in China. These factors primarily include macroeconomic growth and the AI trend globally, the pace of technological advancements in AI models and chips, the global geopolitical landscape and its impact on supply chains, and government policies supporting AI infrastructure and token supply services. Any material changes in these general market conditions could significantly impact our operating environment.

Specific Factors

While our business is influenced by the general factors set forth above, our results of operations are more directly affected by specific factors relating to our business, primarily including:

Ability to Expand Customer Base and Drive Revenue Growth

Our revenue growth directly depends on our ability to expand our customer base and deepen their engagement across our diverse offerings. To drive sustainable revenue, we focus on scaling the number of enterprises and developers adopting our platform while increasing their usage volume and average contract values. We have achieved significant growth across all our business lines. For our public cloud-based services, we experienced growth in our user base, with our number of registered users growing from 127,133 as of December 31, 2024 to 9,197,439 as of December 31, 2025, and further to 10,282,431 as of April 30, 2026. This user growth was accompanied by deep commercial engagement, driving our average daily token throughput to increase substantially from 47.8 billion in December 2024 to 163.1 billion in December 2025 and reaching 578.5 billion in April 2026. The number of our serverless token services customers increased from 2,455 in 2024 to 716,012 in 2025, and was 642,866 for the four months ended April 30, 2026. Concurrently, we successfully scaled our enterprise engagement. The number of our dedicated instance customers increased from 7 in 2024 to 49 in 2025, alongside an increase in the average revenue per customer from RMB87,669 in 2024 to RMB305,353 in 2025. Similarly, the number of our on-premise deployment customers was 28 in 2024 and 20 in 2025, with the average revenue per customer increasing from RMB224,184 in 2024 to RMB1,303,448 in 2025.

Furthermore, our international expansion contributed to our overall token volume and broadened the global market acceptance of our public cloud platform. This expanding customer base and increasing token consumption directly drive our revenue growth. Specifically, acquiring large enterprise customers is crucial to our revenue strategy, as it can significantly increase our average contract value. To establish a recurring revenue stream that supports our long-term financial viability, we execute a "land-and-expand" approach through two clear conversion pathways: first, converting individual developers and small and medium businesses into paying users of our serverless token services as they scale their usage; and second, identifying high-potential enterprise users growing within our public cloud ecosystem and upselling them to our high-value dedicated instances or on-premise deployment solutions.

Ability to Optimize Cost Efficiency and Manage Gross Margin Profile

Our profitability is largely influenced by our cost of revenue, which mainly consists of computing resources purchased in the form of computing power rental fees. Our overall gross margin is determined by the respective gross margins of our different business lines and their revenue contribution.

For our on-premise deployment solutions, the gross profit margin was 92.4% in 2024 and 82.5% in 2025. The gross profit margin for this business line remained high, primarily because these services are relatively standard and are delivered without incurring additional computing resource costs. This high-margin business acts as a steady source of operating cash flow, ensuring our overall cash generation capabilities even as we invest heavily in public cloud expansion.

For our public cloud-based services, the gross loss margin was 271.6% in 2024 and 119.0% in 2025. We recorded the gross loss margin for this business line during the Track Record Period, primarily due to the early stage of our commercialization where we strategically prioritized market share, user acquisition and ecosystem building over immediate profitability. Specifically, we incurred substantial upfront direct computing resource costs to secure sufficient capacity and maintain high service availability for our rapidly expanding user base. The rapid expansion of our public cloud business altered our overall revenue mix, causing our overall gross margin to shift from 39.4% in 2024 to (24.0%) in 2025.

To improve the unit economics of our public cloud services and drive our path to profitability, we expect our gross margin to structurally improve as our revenue base scales. We intend to achieve this primarily by optimizing our supply chain, continuously enhancing our operational efficiency and increasing the proportion of higher-margin enterprise engagements.

- ***Optimizing our supply chain***. As our business scale expands, we plan to optimize our supply chain through the following key approaches: (i) leveraging our proprietary heterogeneous computing platform, which is capable of dynamically orchestrating workloads across various chip architectures. By removing our reliance on any single chip architecture or hardware vendor, this capability significantly broadens the range of computing power suppliers we are able to engage, enriches and diversifies our sources of supply, and strengthens our bargaining position in procuring computing resources on more favorable commercial terms; (ii) securing long-term lease agreements for advanced chips, which will directly lower our absolute unit computing rental costs; and (iii) transitioning a portion of our capacity from fixed-rate rentals to revenue-sharing or utilization-based partnerships with computing resource providers. Under this collaborative model, rather than paying a fixed monthly lease regardless of user traffic, our payment obligations to suppliers will be directly tied to the actual revenue generated by, or the specific usage of, their computing resources. This effectively converts fixed rental expenses into variable costs. Furthermore, these partnerships typically feature arrears billing and favorable credit periods, allowing us to collect cash from our customers before settling with our suppliers. This structural alignment of cash outflows with actual cash inflows serves to significantly optimize our working capital and operating cash flow.

- ***Enhancing our operational efficiency***. In parallel, we focus on maximizing the utilization and output of our computing resources through the following measures: (i) continuously optimizing our operational efficiency through deep engineering and technological advancements, which increase the token throughput produced per unit of computing power and thereby structurally lower our unit cost of service delivery; and (ii) expanding our user base across different geographies and broadening the diversity of our application scenarios and workload types, which can enable us to dynamically orchestrate tasks around the clock and maximize the utilization rate of our server clusters.

- ***Increasing the proportion of higher-margin enterprise engagements***. As we continuously enhance our enterprise-grade capabilities to meet stringent requirements for data isolation, greater performance and stability, we expect demand from enterprise customers to grow and the proportion of customers adopting our dedicated instances to increase, which will further improve the unit economics and gross margin profile of our public cloud-based services.

Our path to profitability depends on our ability to continually execute these supply chain and utilization optimization strategies, balance our revenue mix, and achieve greater economies of scale to lower our unit computing resource costs.

Continued Investment in Research and Development

Maintaining our technological leadership in the highly dynamic AI infrastructure sector requires sustained investment in research and development. Our research and development expenses were RMB10.8 million, RMB64.5 million, and RMB209.2 million in 2023, 2024 and 2025, respectively. The significant increases in 2024 and 2025 were primarily driven by an increase in our computing resource costs, as well as substantial share-based compensation expenses recognized following the grant of equity incentives to our R&D employees. The increased computing resource costs were essential to support our core technological initiatives, primarily including adapting new AI models and chip architectures, advancing large-scale inference technologies such as prefill-decode separation, continuously developing our computing resource orchestration system, and conducting rigorous testing and validation for large-scale token production and related services.

This research and development capability directly impacts our financial performance. Deep engineering optimization enables us to offer faster inference speeds and broader model compatibility, which are primary factors in acquiring enterprise customers and driving token consumption. Furthermore, continuous technological breakthroughs allow us to improve compute-to-token conversion efficiency, which is essential for lowering our unit cost of revenue and improving our gross margins. We expect our absolute research and development expenses to increase as we continue to advance our AI infrastructure, while we anticipate these expenses will gradually decrease as a percentage of total revenue as we achieve greater commercial scale.

Effectiveness of Sales and Marketing Strategies

Our ability to drive revenue growth and achieve long-term profitability depend on our ability to execute effective sales and marketing strategies, build brand awareness, and establish a vibrant developer ecosystem. Our selling and marketing expenses increased from RMB6.4 million in 2024 to RMB83.7 million in 2025.

To encourage initial platform testing and user adoption, we strategically distributed promotional token vouchers to onboard developers and enterprise users. During the early stage of our commercialization, distributing these vouchers was not only a customer acquisition tool, but also a vital operational strategy. By generating massive real-world workloads, it helped us continuously refine our platform's usability, debug the underlying infrastructure, and optimize the overall user experience. The computing resources consumed during these promotional activities constituted a major component of our selling and marketing expenses. This strategy facilitated our rapid user accumulation and directly contributed to the exponential growth of our registered users, which reached nearly 9.2 million by the end of 2025, and further exceeded 10.2 million by April 30, 2026. Moving forward, our financial growth relies on our ability to monetize this vast developer ecosystem through a "land-and-expand" approach. To effectively execute this, we have established two distinct conversion pathways. First, converting individual developers and small and medium businesses from free trials into paying users of our serverless token services. Second, identifying high-potential enterprise users growing within our public cloud ecosystem and upselling them to our high-value dedicated instances or on-premise deployment solutions. Through these tailored monetization paths, we aim to lower our marginal customer acquisition costs and increase the lifetime value of our customers. Furthermore, as our platform and market presence mature, we plan to structurally reduce our reliance on widespread promotional voucher distributions. Consequently, we anticipate that our selling and marketing expenses as a percentage of total revenue will steadily decrease, thereby driving sustainable operating leverage.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial statements. Accounting policies that are material for understanding our financial condition and results of operations are set forth in detail in Note 4 and Note 34 to the Accountant's Report in Appendix I of this document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. See Note 4 to the Accountant's Report in Appendix I of this document for details. 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.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	% of Revenue	RMB	% of Revenue	RMB	% of Revenue
	(in thousands, except for percentages)					
Revenue	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**
Cost of revenue	(1)	(16.7)	(4,452)	(60.6)	(68,632)	(124.0)
Gross profit/(loss)	**5**	**83.3**	**2,894**	**39.4**	**(13,302)**	**(24.0)**
Selling and marketing expenses	(110)	(1,833.3)	(6,392)	(87.0)	(83,743)	(151.4)
General and administrative expenses	(1,219)	(20,316.7)	(9,094)	(123.8)	(21,843)	(39.5)
Research and development expenses	(10,841)	(180,683.3)	(64,475)	(877.7)	(209,176)	(378.1)
Net impairment losses on financial assets	–	–	(91)	(1.2)	(306)	(0.6)
Other income and (losses)/gains — net	–	–	(100)	(1.4)	5,020	9.1
Operating losses	**(12,165)**	**(202,750.0)**	**(77,258)**	**(1,051.7)**	**(323,350)**	**(584.4)**
Finance income	–	–	422	5.7	1,420	2.6
Finance costs	(58)	(966.7)	(5,079)	(69.1)	(23,561)	(42.6)
Finance costs — net	**(58)**	**(966.7)**	**(4,657)**	**(63.4)**	**(22,141)**	**(40.0)**
Loss before income tax	**(12,223)**	**(203,716.7)**	**(81,915)**	**(1,115.1)**	**(345,491)**	**(624.4)**
Income tax expense	–	–	–	–	–	–
Loss for the period/year	**(12,223)**	**(203,716.7)**	**(81,915)**	**(1,115.1)**	**(345,491)**	**(624.4)**

Non-IFRS Measures

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data.

We define our adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, which are non-cash in nature and represent expenses arising from the grant of restricted interests to our employees, and (ii) interest expenses on redemption liabilities, which represent the interest expenses accrued on the redemption liabilities arising from the special rights granted to pre-[**REDACTED**] investors that will be terminated upon [**REDACTED**].

The following table presents our non-IFRS financial measure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
	(RMB in thousands)		
Loss for the period/year	**(12,223)**	**(81,915)**	**(345,491)**
Adjusted for:			
Share-based payment expenses	–	22,885	135,338
Interest expenses on redemption liabilities	23	5,020	23,076
Adjusted net loss (non-IFRS measure) for the period/year	**(12,200)**	**(54,010)**	**(187,077)**

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

During the Track Record Period, our revenue was derived from two primary sources: (i) public cloud-based services, and (ii) on-premise deployment solutions. Each revenue stream reflects a distinct monetization pathway aligned with our AI infrastructure strategy, allowing us to serve a diverse customer base ranging from individual users to enterprise customers.

The following table sets forth the breakdown of our revenue by business line, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Public cloud-based services	–	–	1,069	14.6	29,261	52.9
On-premise deployment solutions	6	100.0	6,277	85.4	26,069	47.1
Total	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**

Public cloud-based services. We provide scalable AI infrastructure to individual users and enterprise customers through our public cloud platform. This revenue stream is further categorized into serverless token services and dedicated instances.

- *Serverless token services*. In 2023, 2024 and 2025, revenue generated from our serverless token services amounted to nil, RMB455 thousand and RMB14.3 million, respectively. We provide these services on a shared-resource basis, allowing customers to access AI capabilities by consuming tokens. Monetization is driven by usage-based charges measured in tokens consumed. Customers generally purchase prepaid credits, while certain recurring enterprise customers operate on postpaid monthly settlement terms. Revenue from serverless token services is recognized at a point in time based on the customer's utilization of the tokens, reflecting the transfer of our promised service. The transaction price is determined based on the agreed usage rate per token, adjusted for any discounts offered. Furthermore, we provide coupons for free access to AI model inference services on our platform. For usage settled by coupons, no revenue is recognized as we do not receive consideration for such usage. The related computing resource costs are recognized as selling and marketing expenses for users who have not made any paid consumptions, and as cost of revenue for existing paying customers.

- *Dedicated instances*. In 2023, 2024 and 2025, revenue generated from our dedicated instances amounted to nil, RMB614 thousand and RMB15.0 million, respectively. We offer dedicated instances providing reserved computing capacity on a public cloud basis, where computing resources are allocated exclusively to specific customers and are not shared with other users. These services are primarily targeted at customers with higher requirements for performance, stability, or data isolation. Monetization of our dedicated instances is driven by two billing arrangements depending on the customer's preference, which include a fixed fee for the reserved period, or usage-based charges measured in tokens consumed within the exclusive instance. For dedicated instances operating under a fixed fee arrangement, revenue is recognized over time on a straight-line basis over the contractual service period, as the customer simultaneously receives and consumes the benefits of the reserved computing capacity provided. Conversely, for dedicated instances billed based on token consumption, revenue is recognized at a point in time based on the customer's utilization of the tokens.

On-premise deployment solutions. We provide on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at their own infrastructure. Pricing typically comprises one-time software licensing fees and/or customized services fees depending on the deployment scale and configuration. For software licenses that are distinct and provide the customer with a right to use the software as it exists at the point of delivery, revenue is recognized at a point in time when control of the license is transferred to the customer, which generally occurs upon delivery and acceptance. For customized services, in cases including several services in one contract, we evaluate whether these promises constitute distinct performance obligations. We allocate the transaction price to each distinct performance obligation based on its relative standalone selling price and recognize revenue at a point in time when control of that specific service is transferred.

In terms of geographic coverage, while a substantial majority of our revenue is generated in Chinese Mainland, we have also actively expanded our global footprint to serve overseas developers and enterprises. In 2023 and 2024, our overseas revenue was primarily driven by our on-premise deployment solutions serving early international enterprise clients. In 2025, our overseas revenue mix structurally shifted, with the vast majority being generated from serverless token services and dedicated instances consumed by global users. The following table sets out a breakdown of our revenue by geographical locations, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Chinese Mainland	–	–	6,881	93.7	53,269	96.3
Overseas[1]	6	100.0	465	6.3	2,061	3.7
Total	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**

Note:

(1) Our overseas revenue is primarily generated from the U.S. and Singapore.

Cost of Revenue

Our cost of revenue primarily consists of (i) computing resource costs, which primarily represent computing power rental fees required to support our AI infrastructure and token production, (ii) technology service fee, which represent fees paid for technical support and maintenance related to our cloud infrastructure, (iii) employee benefit expenses, which represent compensation for our operations and technical personnel directly involved in service delivery, and (iv) other expenses, which primarily include utilities, property management, traveling, as well as depreciation and amortization.

The following table sets out a breakdown of our cost of revenue by nature, in absolute amounts and as a percentage of our total cost of revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Computing resource costs	–	–	2,614	58.7	59,627	86.9
Technology service fee	–	–	822	18.5	3,217	4.7
Employee benefit expenses	–	–	925	20.8	5,246	7.6
Others	1	100.0	91	2.0	542	0.8
Total	**1**	**100.0**	**4,452**	**100.0**	**68,632**	**100.0**

The following table sets forth a breakdown of our cost of revenue by sources of revenue, in absolute amounts and as percentages of total cost of revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Public cloud-based services	–	–	3,972	89.2	64,082	93.4
On-premise deployment solutions	1	100.0	480	10.8	4,550	6.6
Total	**1**	**100.0**	**4,452**	**100.0**	**68,632**	**100.0**

Gross Profit/(Loss) and Gross Margin

As a result of the foregoing, we recorded gross profit of RMB5 thousand and RMB2.9 million in 2023 and 2024, respectively, and gross profit margin of 83.3% and 39.4% in the respective periods. We recorded gross loss of RMB13.3 million and gross loss margin of 24.0% in 2025.

The following table sets forth a breakdown of our gross profit/(loss) and gross margin by revenue source for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	Gross profit/(loss) (RMB)	Gross margin (%)	Gross profit/(loss) (RMB)	Gross margin (%)	Gross profit/(loss) (RMB)	Gross margin (%)
	(in thousands, except for percentages)					
Public cloud-based services	–	–	(2,903)	(271.6)	(34,821)	(119.0)
On-premise deployment solutions	5	83.3	5,797	92.4	21,519	82.5
Total	**5**	**83.3**	**2,894**	**39.4**	**(13,302)**	**(24.0)**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) promotional computing resources costs, which represent computing resource costs associated with the large-scale distribution of free token vouchers designed to acquire and onboard new users onto our public cloud platform, (ii) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our sales and marketing personnel, and (iii) other expenses, which primarily include depreciation and amortization, office expenses, and traveling expenses.

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as a percentage of our total selling and marketing expenses, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Promotional computing resources costs	–	–	932	14.6	54,213	64.7
Employee benefit expenses	–	–	4,265	66.7	23,009	27.5
Others	110	100.0	1,195	18.7	6,521	7.8
Total	**110**	**100.0**	**6,392**	**100.0**	**83,743**	**100.0**

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our administrative and management personnel, (ii) professional service expenses, which represent fees paid to third-party professionals, such as financial advisors and legal counsels primarily in connection with our financing activities, and (iii) other expenses, which primarily include depreciation and amortization, property management fees, and office expenses.

The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as a percentage of our total general and administrative expenses, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Employee benefit expenses	928	76.1	6,460	71.0	18,158	83.1
Professional service expenses	217	17.8	1,882	20.7	2,167	9.9
Others	74	6.1	752	8.3	1,518	7.0
Total	**1,219**	**100.0**	**9,094**	**100.0**	**21,843**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consist of (i) R&D computing resources costs, which represent computing power rental fees utilized for model adaptation, underlying operator library optimization, and platform testing, (ii) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our research and development personnel, and (iii) other expenses, which primarily include professional service fees, depreciation and amortization, and traveling expenses.

The following table sets forth the 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.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
R&D computing resources costs	2,169	20.0	8,274	12.8	45,241	21.6
Employee benefit expenses	8,271	76.3	55,055	85.4	159,868	76.5
Others	401	3.7	1,146	1.8	4,067	1.9
Total	**10,841**	**100.0**	**64,475**	**100.0**	**209,176**	**100.0**

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily represent the provision of expected credit losses associated with our trade receivables, other receivables and other non-current assets. We recorded net impairment losses on financial assets of nil, RMB91 thousand and RMB306 thousand in 2023, 2024 and 2025, respectively.

Other Income and (Losses)/Gains — Net

Our other income and losses or gains primarily consist of (i) government grants, and (ii) donations. We recorded government grants of RMB5.0 million in 2025, primarily representing financial subsidies received from local government authorities in support of our technology innovation and business operations. We recorded donations of RMB100 thousand in 2024, which represented charitable contributions made to a university education foundation.

Finance Costs — Net

Our net finance costs are equal to finance income minus finance costs. The following table sets forth the breakdown of our net finance costs, in absolute amounts and as a percentage of our net finance costs, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Finance income						
Interest income	–	–	422	(9.1)	1,420	(6.4)

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Finance costs						
Interest expenses on redemption liabilities	(23)	39.7	(5,020)	107.8	(23,076)	104.2
Interest expenses on lease liabilities	(35)	60.3	(53)	1.1	(224)	1.0
Interest expenses on bank borrowings	–	–	–	–	(105)	0.5
Others	–	–	(6)	0.1	(156)	0.7
Total finance costs	**(58)**	**100.0**	**(5,079)**	**109.1**	**(23,561)**	**106.4**
Total net finance costs	**(58)**	**100.0**	**(4,657)**	**100.0**	**(22,141)**	**100.0**

Income Tax Expense

We recorded income tax expense of nil in 2023, 2024 and 2025. Our effective tax rate was nil during the Track Record Period primarily because we incurred significant losses before tax and did not recognize deferred tax assets in respect of tax losses and temporary differences. For further details regarding our income tax, see Note 11 to the Accountant's Report in Appendix I to this document.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased significantly by 653.2% from RMB7.3 million in 2024 to RMB55.3 million in 2025. This was primarily driven by the rapid scaling of our commercialized offerings, our demonstrated capability to adapt models to domestic chips, and the rapid expansion of our customer base across both individual users and enterprise customers.

Public cloud-based services. Revenue from our public cloud-based services increased by 2,637.2% from RMB1.1 million in 2024 to RMB29.3 million in 2025. This growth was driven by the expansion across all our public cloud-based service offerings: (i) revenue from serverless token services increased from RMB455 thousand to RMB14.3 million, primarily due to an explosive market demand for tokens as AI applications proliferated. Our user engagement deepened significantly, with the number of registered users increasing from 127,133 as of December 31, 2024 to 9,197,439 as of December 31, 2025, which correspondingly drove our average daily token throughput in the last month of the period from 47.8 billion in 2024 to 163.1 billion in 2025. Furthermore, our international expansion further contributed to this billable usage; and (ii) revenue from dedicated instances increased from RMB614 thousand to RMB15.0 million, as an increasing number of enterprise customers with stringent performance and data isolation requirements opted for our reserved computing capacity, evidenced by the number of our dedicated instance customers increasing from 7 in 2024 to 49 in 2025, and the average revenue per dedicated instance customer increasing from RMB87,669 in 2024 to RMB305,353 in 2025.

On-premise deployment solutions. Revenue generated from on-premise deployment solutions increased significantly by 315.3% from RMB6.3 million in 2024 to RMB26.1 million in 2025. This robust growth was primarily supported by our deeper engagements with some enterprise customers, with the average revenue per on-premise deployment customer increasing significantly from RMB224,184 in 2024 to RMB1,303,448 in 2025.

Cost of Revenue

Our cost of revenue increased by 1,441.6% from RMB4.5 million in 2024 to RMB68.6 million in 2025, which was primarily attributable to (i) an increase in computing resource costs resulting from the rapid scaling of our public cloud-based services, which required massive underlying computing power to support the surging token demands, and (ii) an increase in technology service fees and employee benefit expenses to support the growing scale of our cloud infrastructure and service delivery.

Gross Profit/(Loss) and Gross Margin

As a result of the foregoing, we recorded gross profit of RMB2.9 million and gross loss of RMB13.3 million in 2024 and 2025, respectively, and gross margin of 39.4% and (24.0)% in the respective years. The change in our overall gross margin was primarily due to a structural shift in our revenue mix, as our public cloud-based services, which operate at a lower gross margin, accounted for a significantly larger percentage of our total revenue in 2025.

Public cloud-based services. We recorded a gross loss from public cloud-based services of RMB2.9 million in 2024 and RMB34.8 million in 2025, representing a gross margin of (271.6)% and (119.0)%, respectively. The negative gross margin was primarily due to the substantial direct computing resource costs, particularly computing power rental fees, required to secure sufficient capacity and maintain high service availability for our rapidly expanding user base, which outpaced our initial paid revenue generation during the early commercialization phase. The improvement in gross margin from 2024 to 2025 was primarily attributable to three key factors: (i) economies of scale, as our rapid revenue growth enabled us to better absorb fixed computing rental costs, (ii) technological advancements in inference efficiency, which significantly increased our maximum token production throughput per unit of computing power, thereby structurally lowering the unit cost of service delivery, and (iii) enhanced computing resource utilization, driven by a highly diversified mix of users, application scenarios, and workload types, which enabled us to dynamically orchestrate tasks and maximize the utilization rate of our server clusters around the clock.

On-premise deployment solutions. Our gross profit from on-premise deployment solutions increased from RMB5.8 million in 2024 to RMB21.5 million in 2025, in line with the revenue growth of this business line. The gross margin for this business line decreased from 92.4% in 2024 to 82.5% in 2025. As we onboarded new enterprise customers across a broader range of industries, these new customers presented more varied deployment requirements and operated in more diverse infrastructure environments, which entailed a higher degree of deployment complexity during the initial onboarding phase. Accordingly, we devoted additional delivery support personnel and resources to ensure successful implementation. This reflects the nature of our business at the early stage of commercialization, during which we focus on identifying and responding to evolving customer needs while continuously refining our offerings. As such needs gradually converge and are progressively distilled into more standardized product modules, we expect the associated delivery efforts and any related margin fluctuations to moderate over time.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly by 1,210.1% from RMB6.4 million in 2024 to RMB83.7 million in 2025. This increase was primarily attributable to (i) an increase in promotional computing resource costs resulting from the distribution of promotional token vouchers to acquire and onboard developers and enterprise users, and (ii) an increase in employee benefit expenses as we expanded our sales and marketing team to support our business expansion and market penetration, coupled with an increase in share-based compensation expenses recognized following the grant of equity incentives to our sales and marketing personnel.

General and Administrative Expenses

Our general and administrative expenses increased by 140.2% from RMB9.1 million in 2024 to RMB21.8 million in 2025. This increase was primarily attributable to an increase in employee benefit expenses associated with the expansion of our administrative team.

Research and Development Expenses

Our research and development expenses increased significantly by 224.4% from RMB64.5 million in 2024 to RMB209.2 million in 2025. This increase was primarily attributable to (i) an increase in employee benefit expenses driven by the expansion of our research and development team, coupled with newly recognized share-based compensation expenses, and (ii) an increase in R&D computing resources costs required for conducting extensive model adaptation and performance optimization.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased significantly by 236.3% from RMB91 thousand in 2024 to RMB306 thousand in 2025, which was in line with the growth of our trade receivables.

Other Income and (Losses)/Gains — Net

We recorded net other losses of RMB100 thousand and net other income and gains of RMB5.0 million in 2024 and 2025, respectively, primarily attributable to government grants of RMB5.0 million received in 2025.

Finance Costs — Net

Our net finance costs increased significantly by 375.4% from RMB4.7 million in 2024 to RMB22.1 million in 2025. This was primarily driven by an increase in interest expenses on redemption liabilities from RMB5.0 million in 2024 to RMB23.1 million in 2025, reflecting the expansion of our financing scale and the accumulation of accrued interest on the special rights granted to our pre-[**REDACTED**] investors.

Income Tax Expense

We did not recognize any income tax expense in 2024 or 2025.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 321.8% from RMB81.9 million in 2024 to RMB345.5 million in 2025.

Year Ended December 31, 2024 Compared to Period from August 29 to December 31, 2023

Revenue

Our revenue increased significantly from RMB6 thousand in 2023 to RMB7.3 million in 2024. In 2023, we operated primarily as a Pre-Commercial Company focused on the research and development of our core AI infrastructure technologies and only generated a nominal amount of revenue from an early software licensing arrangement. In 2024, we successfully transitioned to the commercialization stage, launching our offerings to the market and generating meaningful revenue from both individual users and enterprise customers.

Cost of Revenue

Our cost of revenue was RMB4.5 million in 2024, compared to RMB1 thousand in 2023. The increase in our cost of revenue was primarily attributable to computing resource costs, technology service fees, and employee benefit expenses incurred following the official launch of our public cloud platform, as we began fulfilling service obligations to our customers.

Gross Profit and Gross Margin

As a result of the foregoing, we recorded a gross profit of RMB2.9 million and an overall gross margin of 39.4% in 2024, compared to a gross profit of RMB5 thousand in 2023. This was attributable to the initial commercialization of our offerings in 2024, whereas we operated as a Pre-Commercial Company focused on research and development without generating revenue or cost of revenue in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses were RMB6.4 million in 2024, compared to RMB110 thousand in 2023. This increase was primarily attributable to (i) an increase in employee benefit expenses due to the establishment of our sales and marketing team, and (ii) an increase in promotional computing resources costs to initiate marketing activities for our newly launched offerings.

General and Administrative Expenses

Our general and administrative expenses increased from RMB1.2 million in 2023 to RMB9.1 million in 2024. This increase was primarily driven by (i) an increase in employee benefit expenses as a result of the full-year effect of our operations in 2024 compared to a four-month period in 2023, coupled with the build-up of our core administrative functions and related share-based compensation, and (ii) an increase in professional service expenses primarily associated with our initial development and financing activities.

Research and Development Expenses

Our research and development expenses increased from RMB10.8 million in 2023 to RMB64.5 million in 2024. This increase was primarily driven by (i) an increase in employee benefit expenses due to our efforts to recruit core technical personnel and the full-year effect of our operations in 2024 compared to a four-month period in 2023, and (ii) an increase in R&D computing resources costs invested in developing and launching our public cloud platform and on-premise solutions.

Net Impairment Losses on Financial Assets

We recorded net impairment losses on financial assets of RMB91 thousand in 2024, compared to nil in 2023, primarily due to the generation of trade receivables following the commercialization of our offerings in 2024.

Other Income and (Losses)/Gains — Net

We did not record any other income and losses or gains in 2023, and we recorded net other losses of RMB100 thousand in 2024, which represent donations made to a university education foundation.

Finance Costs — Net

We recorded net finance costs of RMB4.7 million in 2024, compared to RMB58 thousand in 2023. This was primarily due to the recognition of RMB5.0 million in interest expenses on redemption liabilities following our issuance of preferred rights to investors during our financing rounds in 2024.

Income Tax Expense

We did not recognize any income tax expense in 2023 and 2024.

Loss for the Period/Year

As a result of the foregoing, our loss for the year increased by 570.0% from RMB12.2 million in 2023 to RMB81.9 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated balance sheets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Assets			
Non-current assets			
Property, plant and equipment	–	527	927
Right-of-use assets	1,989	6,176	5,358
Other non-current assets	–	–	1,096
Total non-current assets	**1,989**	**6,703**	**7,381**
Current assets			
Prepayments and other receivables	446	4,251	15,541
Trade receivables	–	3,597	10,582
Time deposits	–	–	100,000
Cash and cash equivalents	4,874	49,737	171,533
Total current assets	**5,320**	**57,585**	**297,656**
Total assets	**7,309**	**64,288**	**305,037**
Net current assets	**2,898**	**28,356**	**118,697**
Deficit			
Paid-in capital	22	12,758	16,527
Share-based payments reserves	–	8,411	50,947
Capital reserves	11,423	(4,859)	(16,532)
Accumulated losses	(12,223)	(94,138)	(439,629)
Deficit attributable to owners of the Company	**(778)**	**(77,828)**	**(388,687)**
Total deficit	**(778)**	**(77,828)**	**(388,687)**

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Liabilities			
Non-current liabilities			
Lease liabilities	642	3,629	1,298
Redemption liabilities	5,023	107,243	498,629
Share-based compensation liabilities	–	2,015	14,838
Total non-current liabilities	**5,665**	**112,887**	**514,765**
Current liabilities			
Borrowings	–	–	40,000
Trade and other payables	1,100	12,825	31,455
Share-based compensation liabilities	–	12,458	92,437
Contract liabilities	–	1,122	653
Receipts in advance	–	331	10,243
Lease liabilities	1,322	2,493	4,171
Total current liabilities	**2,422**	**29,229**	**178,959**
Total liabilities	**8,087**	**142,116**	**693,724**
Total liabilities and deficit	**7,309**	**64,288**	**305,037**

We recorded a total deficit of RMB0.8 million, RMB77.8 million and RMB388.7 million as of December 31, 2023, 2024 and 2025, respectively. Our deficit position as of December 31, 2023, 2024 and 2025 was primarily due to the accumulated losses incurred during our pre-commercialization R&D phase and the recognition of redemption liabilities. The redemption liabilities represent the obligations arising from the preferential rights granted to our pre-[**REDACTED**] investors, which amounted to RMB5.0 million, RMB107.2 million and RMB498.6 million as of the respective dates. We recorded net current assets of RMB2.9 million, RMB28.4 million and RMB118.7 million as of December 31, 2023, 2024 and 2025, respectively.

Assets

Property, Plant and Equipment

Our property, plant and equipment primarily consist of electronic equipment and office furniture. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Electronic equipment	–	527	892
Office furniture	–	–	35
Total	**–**	**527**	**927**

Our property, plant and equipment increased from nil as of December 31, 2023 to RMB527 thousand as of December 31, 2024, and further to RMB927 thousand as of December 31, 2025. This continuous increase was primarily attributable to our continuous purchase of electronic equipment as a result of the expansion of our workforce and business operations.

Right-of-Use Assets

Our right-of-use assets primarily consist of leased buildings and leased computing resources. Our right-of-use assets were RMB2.0 million, RMB6.2 million, and RMB5.4 million as of December 31, 2023, 2024 and 2025, respectively. The increase in our right-of-use assets from 2023 to 2024 was primarily attributable to the recognition of leased computing resources used for our computing operations. The subsequent decrease from 2024 to 2025 was primarily due to the depreciation and early termination of such computing resources leases, which was partially offset by an increase in leased building attributable to our relocation to a new and larger office space in 2025.

Other Non-current Assets

Our other non-current assets represent rental and other deposits. We recorded other non-current assets of RMB1.1 million in 2025, mainly due to the payment of a long-term security deposit in connection with our newly leased office space.

Prepayments and other receivables

Our prepayments and other receivables mainly consisted of (i) input value-added tax ("VAT") to be deducted, (ii) other receivables, primarily representing advances and amounts due from related parties, and (iii) prepayments to suppliers. The following table sets forth our prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Input VAT to be deducted	–	817	7,912
Other receivables	406	3,221	5,611
Prepayment to suppliers	40	217	2,020
Less: loss allowance	**–**	**(4)**	**(2)**
Total	**446**	**4,251**	**15,541**

Our prepayments and other receivables increased from RMB446 thousand as of December 31, 2023 to RMB4.3 million as of December 31, 2024, mainly due to an increase in other receivables. Our prepayments and other receivables further increased from RMB4.3 million as of December 31, 2024 to RMB15.5 million as of December 31, 2025, primarily attributable to (i) an increase in input VAT to be deducted resulting from our increased leases of computing power, (ii) an increase in other receivables, primarily representing amounts due from related parties and operational advances; and (iii) an increase in prepayments to suppliers resulting from increased prepayments made to computing power providers to secure continuous capacity as our business scaled rapidly.

Trade Receivables

Our trade receivables primarily represent trade receivables from third parties. The following table sets forth a breakdown of our trade receivables and loss allowance as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Trade receivables	–	3,684	10,965
Less: loss allowance	–	(87)	(383)
Total trade receivables, net	**–**	**3,597**	**10,582**

Our trade receivables, net increased from nil as of December 31, 2023 to RMB3.6 million as of December 31, 2024, and further increased to RMB10.6 million as of December 31, 2025. This continuous increase was generally in line with our robust revenue growth, particularly driven by the rapid expansion of our on-premise deployment solutions targeting enterprise customers. The credit terms given to these customers are determined on an individual basis mainly within 180 days.

The following table sets forth our trade receivables turnover days for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
Trade receivables turnover days[(1)]	–	92	48

Note:

(1) The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of our trade receivables in that period by revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 125 days for 2023, 366 days for 2024 and 365 days for 2025).

Our trade receivables turnover days were 92 days in 2024, mainly because we commenced commercialization in 2024 and began extending credit terms to our early enterprise customers. Our trade receivables turnover days decreased to 48 days in 2025, mainly because our public cloud-based services, which generally have shorter credit terms compared to our other business lines, grew at a significantly faster pace and accounted for a larger proportion of our total revenue in 2025.

The following table sets forth an aging analysis of our trade receivables based on the date of revenue recognition, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within 6 months	–	3,684	10,803
6 months to 1 year	–	–	153
1 year to 2 years	–	–	9
Total	**–**	**3,684**	**10,965**

As of April 30, 2026, approximately RMB7.8 million, or 74% of our trade receivables as of December 31, 2025, had been subsequently settled.

Time Deposits

Our time deposits represent deposits placed at financial institutions in the PRC with original maturity dates over three months, and they bear interest ranged from 1.50% to 1.60% during the Track Record Period. We recorded time deposits of RMB100.0 million in 2025.

Cash and Cash Equivalents

Our cash and cash equivalents consist of bank deposits denominated in Renminbi. Our cash and cash equivalents increased significantly from RMB4.9 million as of December 31, 2023 to RMB49.7 million as of December 31, 2024 and further to RMB171.5 million as of December 31, 2025, mainly because of the proceeds received from our successive rounds of equity financing to support our rapid business expansion and technological research and development.

Liabilities

Share-based compensation liabilities

Our share-based compensation liabilities are related to our restricted share units ("RSUs") vested prior to the lock-up period expiry under the 2024 Employee Incentive Plan. We recorded share-based compensation liabilities, including both current and non-current portions, of nil, RMB14.5 million and RMB107.3 million as of December 31, 2023, 2024 and 2025, respectively.

Trade and Other Payables

Our trade and other payables consist primarily of (i) payroll and welfare payables, (ii) trade payables, (iii) tax payables, and (iv) other miscellaneous payables. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payroll and welfare payables	415	6,522	14,484
Trade payables	450	3,396	13,898
Tax payables	7	2,628	2,666
Others	228	279	407
Total	**1,100**	**12,825**	**31,455**

Our trade and other payables increased from RMB1.1 million as of December 31, 2023 to RMB12.8 million as of December 31, 2024, and further to RMB31.5 million as of December 31, 2025. This continuous increase was primarily driven by (i) an increase in payroll and welfare payables reflecting the steady expansion of our workforce, and (ii) an increase in trade payables resulting from our expanded leases of computing power, equipment, and cloud services to support our rapidly growing commercial operations.

The following table sets forth our trade payables turnover days for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
Trade payables turnover days [(1)]	N/A	158	46

Note:

(1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that period by cost of revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 125 days for 2023, 366 days for 2024 and 365 days for 2025).

Our trade payables turnover days were not meaningful in 2023 as we only recorded a nominal amount of cost of revenue during our pre-commercial stage, and were 158 days in 2024. Our trade payables turnover days decreased from 158 days in 2024 to 46 days in 2025, mainly because our computing power suppliers generally granted us shorter credit terms as our leases of computing resources scaled up.

All of our trade payables are aged within one year during the Track Record Period.

As of April 30, 2026, approximately RMB13.5 million, or 97.1% of our trade payables as of December 31, 2025, had been subsequently settled.

Contract Liabilities

Our contract liabilities are related to advance payments received from our customers. We recorded contract liabilities of nil, RMB1.1 million and RMB653 thousand as of December 31, 2023, 2024 and 2025, respectively.

Receipts in Advance

Our receipts in advance represent the amounts received from users in advance of service delivery for serverless token service. Our receipts in advance increased from nil as of December 31, 2023 to RMB331 thousand as of December 31, 2024, and further increased to RMB10.2 million as of December 31, 2025, mainly because of the continuous expansion of our public cloud platform, which attracted a rapidly growing number of registered users who pre-funded their accounts to consume tokens.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our research and development activities, leases of computing resources, sales and marketing efforts, and other daily operational needs. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from successive rounds of equity financing and, to a lesser extent, bank borrowings. After the [**REDACTED**], we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and net [**REDACTED**] from the [**REDACTED**]. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB4.9 million, RMB49.7 million and RMB171.5 million, respectively.

Cash Flows

The following table sets forth our selected cash flow data for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Net cash used in operating activities	(298)	(46,510)	(172,402)
Net cash used in investing activities	(28)	(651)	(101,866)
Net cash from financing activities	5,200	92,024	396,064
Net increase in cash and cash equivalents	**4,874**	**44,863**	**121,796**
Cash and cash equivalents at the beginning of the period/year	–	4,874	49,737
Exchange effect on cash and cash equivalents	–	–	–
Cash and cash equivalents at the end of the period/year	**4,874**	**49,737**	**171,533**

Net Cash used in Operating Activities

Net cash used in operating activities was RMB172.4 million in 2025. This was primarily attributable to our loss before income tax of RMB345.5 million, as adjusted for certain non-cash or non-operating items, primarily including share-based compensation of RMB135.3 million.

Net cash used in operating activities was RMB46.5 million in 2024. This was primarily attributable to our loss before income tax of RMB81.9 million, as adjusted for (i) certain non-cash or non-operating items, primarily including share-based compensation of RMB22.9 million, and (ii) changes in working capital, primarily including an increase in trade and other payables of RMB11.5 million.

Net cash used in operating activities was RMB298 thousand in 2023. This was primarily attributable to our loss before income tax of RMB12.2 million, as adjusted for certain non-cash or non-operating items, primarily including debt exemption by controlling shareholder of RMB11.0 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was RMB101.9 million in 2025. This was primarily due to purchase of time deposits of RMB100.0 million.

Net cash used in investing activities was RMB651 thousand in 2024. This was due to payments for purchases of property, plant and equipment of RMB651 thousand.

Net cash used in investing activities was RMB28 thousand in 2023. This was due to payments for purchases of property, plant and equipment of RMB28 thousand.

Net Cash Generated from Financing Activities

Net cash generated from financing activities was RMB396.1 million in 2025. This was primarily due to proceeds from issuance of shares of RMB360.4 million and proceeds from bank borrowings of RMB40.0 million.

Net cash generated from financing activities was RMB92.0 million in 2024. This was primarily due to proceeds from issuance of shares of RMB93.7 million.

Net cash generated from financing activities was RMB5.2 million in 2023. This was due to proceeds from issuance of shares of RMB5.0 million.

Cash operating costs

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Workforce employment[1]	1,065	49,927	78,905
R&D costs[2]	–	12,243	54,277
Direct computing resource and technology service costs[3]	–	3,364	60,495
Product marketing expenses[4]	–	1,777	59,918
Administrative expenses[5]	117	2,505	5,053
Total	**1,183**	**69,816**	**258,648**

Notes:

(1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under research and development expenses, general and administrative expenses, cost of revenue and selling and marketing expenses (excluding share-based compensation and other non-cash expenses), adjusted for changes in working capital relating to employee benefit expenses as of previous and current year end under the above operating expenses.

(2) Research and development costs under cash operating costs represent research and development expenses (excluding employee benefit expenses and non-cash items under research and development expenses), adjusted for changes in working capital relating to research and development activities as of previous and current year end.

(3) Cash operating costs relating to direct computing and technology service costs represent cash payments for computing resource purchased and technology service fees recognized under cost of revenue, adjusted for changes in working capital relating to cost of revenue as of previous and current year end.

(4) Cash operating costs relating to product marketing expenses represent selling and marketing expenses (excluding employee benefit expenses and non-cash items under selling and marketing expenses), adjusted for changes in working capital relating to sales and marketing activities as of previous and current year end.

(5) Cash operating costs relating to administrative activities represent general and administrative expenses (excluding employee benefit expenses and non-cash items under general and administrative expenses), adjusted for changes in working capital relating to administrative activities as of previous and current year end.

Current Assets and Current Liabilities

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

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
		(RMB in thousands)		*(unaudited)*
Current assets				
Prepayments and other receivables	446	4,251	15,541	10,827
Trade receivables	–	3,597	10,582	50,953
Time deposits	–	–	100,000	100,000
Cash and cash equivalents	4,874	49,737	171,533	279,612
Total current assets	**5,320**	**57,585**	**297,656**	**441,392**
Current liabilities				
Borrowings	–	–	40,000	40,135
Trade and other payables	1,100	12,825	31,455	72,528
Share-based compensation liabilities	–	12,458	92,437	184,304
Contract liabilities	–	1,122	653	607
Receipts in advance	–	331	10,243	10,735
Lease liabilities	1,322	2,493	4,171	3,159
Total current liabilities	**2,422**	**29,229**	**178,959**	**311,468**
Net current assets	**2,898**	**28,356**	**118,697**	**129,924**

Our net current assets increased from RMB2.9 million as of December 31, 2023 to RMB28.4 million as of December 31, 2024. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB5.3 million as of December 31, 2023 to RMB57.6 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB44.9 million. Our current liabilities increased from RMB2.4 million as of December 31, 2023 to RMB29.2 million as of December 31, 2024, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB12.5 million, and (ii) an increase in trade and other payables of RMB11.7 million.

Our net current assets increased from RMB28.4 million as of December 31, 2024 to RMB118.7 million as of December 31, 2025. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB57.6 million as of December 31, 2024 to RMB297.7 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB121.8 million and (ii) an increase in time deposits of RMB100.0 million. Our current liabilities increased from RMB29.2 million as of December 31, 2024 to RMB179.0 million as of December 31, 2025, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB80.0 million, and (ii) an increase in borrowings of RMB40.0 million.

Our net current assets increased from RMB118.7 million as of December 31, 2025 to RMB129.9 million as of April 30, 2026. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB297.7 million as of December 31, 2025 to RMB441.4 million as of April 30, 2026, primarily due to an increase in (i) cash and cash equivalents of RMB108.1 million and (ii) an increase in trade receivables of RMB40.5 million. Our current liabilities increased from RMB179.0 million as of December 31, 2025 to RMB311.5 million as of April 30, 2026, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB91.9 million, and (ii) an increase in trade and other payables of RMB41.1 million.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Non-current				
Lease liabilities	642	3,629	1,298	242
Redemption liabilities	5,023	107,243	498,629	731,820
Subtotal	**5,665**	**110,872**	**499,927**	**732,062**
Current				
Borrowings	–	–	40,000	40,135
Lease liabilities	1,322	2,493	4,171	3,159
Subtotal	**1,322**	**2,493**	**44,171**	**43,294**
Total	**6,987**	**113,365**	**544,098**	**775,356**

Lease Liabilities

Our lease liabilities were primarily related to our leases of office premises for our daily operations and leases of computing resources. Our total lease liabilities were RMB2.0 million, RMB6.1 million, RMB5.5 million and RMB3.4 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The increase from 2023 to 2024 was primarily due to the recognition of new lease liabilities associated with leased computing resources and buildings. The subsequent decrease to RMB5.5 million as of December 31, 2025 was primarily driven by the early termination of certain computing resources leases in 2025 as these assets no longer aligned with our research and development needs following an adjustment in our research and development direction, partially offset by new leases recognized in connection with our relocation to a new and larger office building in 2025 to accommodate our rapid business expansion and growing headcount. The further decrease to RMB3.4 million as of April 30, 2026 was primarily due to our scheduled lease payments.

Redemption Liabilities

We recorded redemption liabilities of RMB5.0 million, RMB107.2 million, RMB498.6 million and RMB731.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. These liabilities represent the obligations arising from the preferential rights granted to our pre-[**REDACTED**] investors in connection with our previous successive financing rounds. The redemption liabilities are initially measured at fair value and subsequently measured at amortized cost. For details, see Note 23 to the Accountant's Report in Appendix I to this document.

Borrowings

Our borrowings consist of a bank loan, amounting to nil, nil, RMB40.0 million and RMB40.1 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of April 30, 2026, we did not have any banking facilities that were unutilized and unrestricted.

Indebtedness Statement

Except as discussed above, as of April 30, 2026, being the indebtedness statement date, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing.

Our Directors confirm that (i) there has not been any material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date, and (ii) during the Track Record Period and up to the date of this document, we did not have any material default on our indebtedness or breach of covenant.

RESEARCH AND DEVELOPMENT EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our research and development expenses primarily consisted of research and development computing resources, employee benefit expenses, and other expenses. We did not capitalize any internal development costs or purchase any intangible assets to support our R&D activities during the Track Record Period. The following table sets forth our annual and total research and development expenditure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Research and development expenses	10,841	64,475	209,176
Adjustments:			
Add: intangible assets acquired from third parties and capitalized[1]	–	–	–
Less: amortization expense of capitalized intangible assets included in research and development expenditure[1]	–	–	–
Annual research and development expenditure	**10,841**	**64,475**	**209,176**
Total research and development expenditure for the three financial years prior to the [REDACTED]			**284,492**

Note:

(1) Represents the additions of intangible assets related to R&D activities during the year, less the amortization expense of such assets recognized in the consolidated statements of profit or loss for the same year.

The following table sets forth our annual and total operating expenditure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Selling and marketing expenses	110	6,392	83,743
General and administrative expenses	1,219	9,094	21,843
Research and development expenses	10,841	64,475	209,176
Adjustments:			
Add: intangible assets acquired from third parties and capitalized	–	–	–
Less: amortization expense of capitalized intangible assets included in research and development expenditure	–	–	–
Annual total operating expenditure	**12,170**	**79,961**	**314,762**
Total operating expenditure for the three financial years prior to the [REDACTED]			**406,893**

The following table sets forth our annual research and development expenditure ratio and total research and development expenditure ratio for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
Annual research and development expenditure ratio(1)	89.1%	80.6%	66.5%
Total research and development expenditure for the three financial years prior to the [**REDACTED**](2)			**69.9%**

Notes:

(1) Calculated by dividing annual research and development expenditure by annual total operating expenditure.

(2) Calculated by dividing total research and development expenditure for the three financial years prior to the [**REDACTED**] by total operating expenditure for the three financial years prior to the [**REDACTED**].

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, and up to the Latest Practicable Date, we did not have any material contingent liabilities or guarantees.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

During the Track Record Period, our capital expenditures were primarily related to payments for purchase of property, plant and equipment, which amounted to RMB28 thousand, RMB651 thousand and RMB758 thousand in 2023, 2024 and 2025, respectively. There were no material capital expenditures contracted for as at the end of each of the Track Record Period that were not recognized as liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

KEY FINANCIAL INDICATORS

The following table sets forth our selected financial indicators for the periods and as of the dates indicated.

	As of/For the Period from August 29 to December 31,	As of/For the Year Ended December 31,	
	2023	2024	2025
Growth Indicators			
Revenue growth(1)	N/A	122,333.3%	653.2%
Profitability and Efficiency Indicators			
Gross margin(2)	83.3%	39.4%	(24.0)%
R&D ratio(3)	N/A	877.7%	378.1%
Liquidity Indicator			
Current ratio(4)	2.2	2.0	1.7

Notes:

(1) Revenue growth equals the difference between revenue for the current year and revenue for the previous period/year, divided by revenue for the previous period/year.

(2) Gross margin equals gross profit/(loss) divided by revenue for the respective period/year.

(3) R&D ratio equals research and development expenses divided by revenue for the respective period/year. The R&D ratio for 2023 is not presented as the revenue recognized in 2023 was nominal during our initial stage of commercialization.

(4) Current ratio is calculated by dividing total current assets by total current liabilities as of the end of the respective period/year.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our material related party transactions primarily included services purchased from related parties and public cloud-based services provided to related parties. For further details about our material related party transactions, see Note 31 to the Accountant's Report included in Appendix I to this document.

Our Directors are of the view that each of the material related party transactions set out in Note 31 to the Accountant's Report included 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 material 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.

FINANCIAL RISKS

Our activities expose us to a variety of financial risks, including interest rate risk, foreign exchange risk, credit risk, and liquidity risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance. For further details regarding our financial risk management objectives and policies, see Note 3 in the Accountant's Report.

DIVIDENDS AND DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant.

Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated net [**REDACTED**] from the [**REDACTED**] and other financial resources available to us, including cash and cash equivalents and time deposits, we have sufficient working capital to cover at least 125% of our group's costs, including research and development costs, selling and distribution expenses, administrative expenses, and other operating costs, for the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures (including payments for purchase of property, plant and equipment and intangible assets), and (iii) payments of lease liabilities. Our historical monthly average cash burn rate was RMB81.5 thousand, RMB4.0 million and RMB14.8 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents of RMB171.5 million and time deposits of RMB100.0 million as of December 31, 2025. We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] after deducting the [**REDACTED**] expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] is exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the indicative [**REDACTED**] in this document.

Assuming an expected average future monthly cash burn of RMB[**REDACTED**] million, taking into account (i) net cash used in operating activities, (ii) capital expenditures (including payments for the purchase of property, plant and equipment and intangible assets), and (iii) payments of lease liabilities, representing approximately [**REDACTED**] times our average monthly cash burn for the twelve months ended December 31, 2025, and based on the following principal assumptions: (i) we will continue to expand our headcount, particularly our R&D personnel, in line with our planned business scale-up, technology roadmap and operational needs, (ii) our capital expenditures and payments of lease liabilities relating to computing resources will be incurred in accordance with our business expansion plan and commercialization roadmap, and (iii) part of the expected increase in future R&D costs and operating expenditures will be offset by cash inflows generated from sales of our Specialist Technology Products, we estimate that our cash and cash equivalents and time deposits as of May 31, 2026 (based on our management account) will be able to maintain our financial viability for approximately [**REDACTED**] months or, if we take into account [**REDACTED**]% of the estimated net [**REDACTED**] from the [**REDACTED**] (namely, the portion allocated for our working capital and other general purposes and based on the low-end of the indicative [**REDACTED**]), approximately [**REDACTED**] months or, if we take into account [**REDACTED**]% of the estimated net [**REDACTED**] (based on the low-end of the indicative [**REDACTED**]) from the [**REDACTED**], for approximately [**REDACTED**] months. Our Directors and our management will continue to monitor our working capital, cash flows, and our business development status.

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**]. The estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million), accounting for approximately [**REDACTED**]% of our gross [**REDACTED**] from the [**REDACTED**]. The estimated total [**REDACTED**] expenses consist of (i) [**REDACTED**] expenses (including but not limited to [**REDACTED**] and fees) of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), and (ii) [**REDACTED**] expenses of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), and other fees and expenses of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million). Approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) of the estimated [**REDACTED**] expenses is directly attributable to the [**REDACTED**] and will be accounted for as a deduction from equity upon completion of the [**REDACTED**]. Approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) is expected to be charged in profit or loss before or upon completion of the [**REDACTED**]. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The [**REDACTED**] expenses above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements as set out in "Appendix I — Accountant's Report" to this document, and up to the date of this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.