

GLOSSARY OF TECHNICAL TERMS AND CONVENTIONS

In this Document, unless the context otherwise requires, certain terms used in connection with our Group and our business are defined as set out below. Such definitions are for the purposes of this Document only and may not correspond to their standard industry meanings or usages.

“3PL”	third-party logistics
“ACR”	automated case-handling mobile robots, which are robots designed to autonomously retrieve only the required cases from the rack and then transport those cases to workstations, using advanced sensors and algorithms
“AMR”	autonomous mobile robots, which are robots designed to navigate environments without human intervention
“AS/RS”	automated storage and retrieval systems, which are automated material-handling systems designed to automate the storage and retrieval of goods using basic machinery like conveyors and cranes
“CAGR”	compound annual growth rate
“ERP”	enterprise resource planning system, integrated software system used to manage and streamline core business processes across functions, including finance, procurement, inventory, manufacturing and human resources
“ESG”	Environmental, Social and Governance
“hook-based technologies”	a case-handling mechanism in which robots use a hook-like structure to engage and lift storage cases directly from shelves, enabling efficient retrieval in densely arranged storage environments
“ISO”	International Organization for Standardization, an independent international organization that develops and publishes international standards
“latent robots”	robots that move beneath shelves or racks, lift them, and transport them to picking stations
“MES”	manufacturing execution system, a software system that facilitates the monitoring, control and optimization of manufacturing processes by tracking production activities, managing workflows and providing real-time operational data
“OEM”	original equipment manufacturer, a manufacturer that produces products and/or components that are marketed and sold under another company’s brand or are used as part of another company’s products

GLOSSARY OF TECHNICAL TERMS AND CONVENTIONS

“order intake”	total value of new contracts or orders secured within a specific period; the amount of order intake presented in this Document includes those from: (i) the initial deployment of our ACR solutions, which we refer to as a “project,” for which master contract(s) are typically executed; and (ii) any subsequent expansions, upgrades or add-ons under the foregoing existing deployment and regular maintenance arrangements. Unless otherwise indicated, such subsequent expansions, upgrades, add-ons or regular maintenance are not treated as new “projects”
“R&D”	research and development
“SKU”	stock keeping unit, a unique identifier assigned to each distinct product or product variant, representing the smallest unit of inventory tracked within a warehouse
“SLAM”	simultaneous localization and mapping, a computational technique used by robots to build a map of an environment while simultaneously determining their location within it which is essential for our solution navigation
“Surface Mount Technology”	a method for assembling electronic components onto circuit boards
“throughput”	the amount of material or items passing through a system
“VAT”	value-added tax, an indirect tax levied on the value added at each stage of production and distribution of goods and services
“WMS”	warehouse management system, a software solution designed to optimize warehouse operations, including inventory tracking, order picking, and shipment coordination, with the aim to improve efficiency and accuracy in the supply chain

As used in this Document, unless otherwise indicated:

- **“Key account (KA) customers”** for a given period refer to customers with cumulative orders exceeding RMB20 million during that period. We consider a cumulative order value of RMB20 million within a given period to be a meaningful and appropriate threshold for defining KA customers. This threshold is determined with reference to several factors, including typical contract sizes, the level of customer engagement and commitment, and prevailing market practices. Based on our historical experience, our largest KA customers frequently reach or exceed this order value within a given period, making it a practical metric to distinguish key accounts from smaller customers. Customers whose cumulative orders exceed RMB20 million typically also demonstrate a deeper level of engagement with our products and services. According to CIC, defining key accounts by reference to a meaningful cumulative order value threshold is consistent with industry practice.
- **“Customer repurchase rate”** is a metric to track and measure our ability to retain customers and increase their purchases over time. Our repurchase rate for a given period is calculated as the total order value in a given period attributable to repurchasing

GLOSSARY OF TECHNICAL TERMS AND CONVENTIONS

customers (as defined below) for the same period, excluding the total value of the first order placed by each new repurchasing customer (as defined below) for such given period, divided by the total order value for all customers in the same period; “repurchasing customers” for a given period refer to customers who (i) had entered into at least one contract with us prior to such period and entered into at least one additional contract with us during such period, or (ii) first entered into contracts with us during such period and placed more than one order within the same period. For the avoidance of doubt, the number of customers used in calculating our “repurchasing customers” and customer repurchase rate refers to the number of customers with whom we directly enter into contracts (as opposed to end-users of our ACR solutions), and includes the numbers of both direct customers and channel partners.

- We divide our markets into “**domestic market**” and “**non-domestic markets**” based on the geographic location of a customer, which in turn is determined by the location of the internal teams responsible for managing such customer.
- The term “**autonomous mobile robots (AMRs)**” is occasionally used in the warehousing automation industry as a competing or alternative solution to ACRs. Certain industry participants apply the term “AMRs” broadly to describe a wide range of mobile robots used in warehouse and storage operations. However, consistent with prevailing market practice and as advised by CIC, the term “AMR,” as used in this Document, is used in a narrower sense to refer specifically to those shelf-based, load-carrying autonomous mobile robots. Under this commonly accepted definition, AMRs are primarily designed to transport loads at the ground level within a warehouse, rather than to perform autonomous case-level picking. Such AMRs are typically used to transport entire shelves (which are fully stocked with all the cases, including both relevant and irrelevant ones) to workstations, where workers manually pick the items. In contrast, ACRs autonomously retrieve the relevant cases from the rack.