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**LEAPMOTOR**  
**ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD.**  
**浙江零跑科技股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 9863)**

**ANNOUNCEMENT ON THE UNAUDITED FINANCIAL RESULTS  
FOR THE THIRD QUARTER OF 2023**

This announcement is made on a voluntary basis by the board of directors (the “**Board**”) of Zhejiang Leapmotor Technology Co., Ltd. (the “**Company**” or “**Leapmotor**”, and its subsidiaries, the “**Group**”). The Company is pleased to announce the unaudited financial results of the Group for the three months ended 30 September 2023 (“**Q3 2023**”).

**KEY HIGHLIGHTS FOR Q3 2023**

Quarterly total revenue reached RMB5,655.5 million

Quarterly deliveries reached 44,325 units

**OPERATIONAL HIGHLIGHTS FOR Q3 2023**

- Total deliveries of vehicles were 44,325 units in Q3 2023, representing an increase of 24.5% from 35,608 units in the same period of 2022.
- Deliveries of the T03 were 8,622 units in Q3 2023, representing a decrease of 51.5% from 17,790 units in the same period of 2022.
- Deliveries of the C11 were 27,378 units (including extended-range electric vehicles (“**EREVs**”)) in Q3 2023, representing an increase of 58.6% from 17,257 units in the same period of 2022.
- Deliveries of the C01 were 8,325 units (including EREVs) in Q3 2023, representing an increase of 1,384.0% from 561 units in the same period of 2022.

## FINANCIAL HIGHLIGHTS FOR Q3 2023

- Revenue was RMB5,655.5 million for Q3 2023, representing an increase of 31.9% from the same period of 2022, and an increase of 29.4% from the second quarter of 2023 (“**Q2 2023**”).
- Gross margin was 1.2% for Q3 2023, representing a continuous improvement as compared with (8.9%) for the same period of 2022 and (5.2%) for Q2 2023.
- Loss attributable to the equity holders of the Company was RMB985.7 million for Q3 2023, compared with RMB1,339.9 million for the same period of 2022 and RMB1,143.1 million for Q2 2023. Excluding the share-based payment as part of employee benefit expenses, the adjusted net loss (non-IFRS) was RMB789.2 million for Q3 2023, compared with RMB1,155.4 million for the same period of 2022 and RMB972.2 million for Q2 2023.
- Net cash generated from operating activities was RMB1,400.5 million for Q3 2023, compared with RMB(169.1) million for the same period of 2022 and RMB2,762.4 million for Q2 2023.

### *Note:*

These financial highlights are based on the unaudited financial information of the Group and such information has not been audited or reviewed by the Group’s auditors.

## MESSAGE FROM MR. ZHU JIANGMING, THE FOUNDER, CHAIRPERSON OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

In the last third quarter, we achieved encouraging results in terms of research and development (“**R&D**”) and innovation as well as manufacturing, demonstrating the excellent value and capabilities of Leapmotor. During this quarter, we maintained a good momentum and delivered a total of 44,325 units of new energy passenger vehicles (“**NEVs**”), representing a year-on-year increase of 24.5% and reaching a new high for Leapmotor’s single-quarter deliveries. At the same time, we achieved the goal of making a turnaround in gross margin ahead of schedule in Q3 2023, with a quarterly gross margin of 1.2%, which means we are one step closer to the Company’s goal of achieving profitability.

In July, we announced the industry’s first centralized integrated electrical/electronic architecture – “Four Leaf Clover”, which is the first integration of the four domains of cockpit, ADAS, power and body, providing users with continuous-update and sense-free over-the-air (OTA) and a more premium experience with smart electric vehicles. All upcoming mass-produced new models will be equipped with this latest technology.

In early September, we made our LEAP3.0 technology architecture, the latest achievement of our full-suite R&D, and the C10, our first global model developed based on this architecture, debut at the IAA MOBILITY 2023 in Munich, embarking on its journey of innovation from product globalization towards technology globalization. With the launch of the C10, we are going to release five new models with global standards in the coming two years. We believe more cutting-edge technology and more intelligent products will reveal the brand value of Leapmotor to the world, and we look forward to sharing the technological future with our partners.

In late September, we announced the super extended-range versions of the C01 and C11 under Leapmotor, the synergies of which accelerated the implementation of the dual-model strategy of “battery electric + extended-range”. In addition, the C01 is based on Leapmotor’s proprietary CTC (cell-to-chassis) smart integrated chassis structure, which meticulously merges the battery skeleton structure with the chassis body structure. With the application of “big chassis” technology on the integration of the wire-controlled chassis, EIC and the traditional chassis structure, as well as the excellent chassis tuning, the C01 won the “2023 China 10 BEST Chassis” award from CATARC.

In a highly competitive market environment, Leapmotor delivered excellent results for Q3 2023 through continuous innovation and improvement of product quality. Based on the current order volume, our deliveries in the fourth quarter are expected to record a new high. We believe that our healthy profitability will support the Company to further develop its proprietary technology, accelerate its pace for innovation and development, and provide users with better products and services.

## **UNAUDITED FINANCIAL RESULTS FOR Q3 2023**

### **Revenue**

- Revenue was RMB5,655.5 million for Q3 2023, representing an increase of 31.9% from RMB4,287.8 million for the same period of 2022 and an increase of 29.4% from RMB4,370.6 million for Q2 2023. The year-on-year increase was mainly attributable to the increase in sales volume and the increase in average selling price brought by the structure improvement in models for sale; the quarter-over-quarter growth was mainly attributable to the increase in sales volume.

### **Cost of Sales and Gross Margin**

- Cost of sales was RMB5,588.2 million for Q3 2023, representing an increase of 19.6% from RMB4,671.6 million for the same period of 2022 and an increase of 21.5% from RMB4,599.7 million for Q2 2023. The year-on-year increase was mainly attributable to the increase in sales volume and the improvement in the structure of models for sale; the quarter-over-quarter growth was mainly attributable to the increase in sales volume.
- Gross margin was 1.2% for Q3 2023, compared with (8.9%) and (5.2%) for the same period of 2022 and for Q2 2023, respectively. The year-on-year increase was mainly attributable to the increase in average selling price brought by the structure improvement in models for sale and the continuous cost reduction; the quarter-over-quarter growth was mainly attributable to the continuous cost reduction.

## **Operating Expenses**

- R&D expenses were RMB474.0 million for Q3 2023, representing an increase of 17.3% from RMB404.0 million for the same period of 2022 and an increase of 15.4% from RMB410.8 million for Q2 2023. The year-on-year and quarter-over-quarter increases were mainly attributable to the increases in R&D investment and the number of R&D personnel.
- Selling expenses were RMB441.3 million for Q3 2023, representing an increase of 13.1% from RMB390.4 million for the same period of 2022 and an increase of 3.3% from RMB427.3 million for Q2 2023. The year-on-year increase was mainly attributable to brand building, expansion of sale channels and the increase in the number of employees; the quarter-over-quarter increase was mainly attributable to the increased investment in advertising and promotion for the launch of the C01 Extended Range.
- Administrative expenses were RMB210.7 million for Q3 2023, representing a decrease of 3.5% from RMB218.4 million for the same period of 2022 and a decrease of 1.9% from RMB214.8 million for Q2 2023.

## **Operating Loss**

- Operating loss was RMB1,025.4 million for Q3 2023, compared with RMB1,361.4 million for the same period of 2022 and RMB1,174.0 million for Q2 2023.

## **Loss Attributable to Equity Holders of the Company**

- Loss attributable to equity holders of the Company was RMB985.7 million for Q3 2023, compared with RMB1,339.9 million for the same period of 2022 and RMB1,143.1 million for Q2 2023. Excluding the share-based payment as part of employee benefit expenses, the adjusted net loss (non-IFRS) was RMB789.2 million for Q3 2023, compared with RMB1,155.4 million for the same period of 2022 and RMB972.2 million for Q2 2023.

## **Cash Position, Net Cash Generated from Operating Activities and Free Cash Flow**

- Balance of cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss and bank time deposits was RMB11,629.6 million as of 30 September 2023.
- Net cash generated from operating activities was RMB1,400.5 million for Q3 2023, compared with RMB(169.1) million for the same period of 2022 and RMB2,762.4 million for Q2 2023.
- Free cash flow was RMB1,018.0 million for Q3 2023, compared with RMB(507.1) million for the same period of 2022 and RMB2,502.8 million for Q2 2023.

## ABOUT LEAPMOTOR

Leapmotor is an NEV company based in China that possesses full-suite R&D capabilities in NEV's core technologies. The Company researches and develops, manufactures and sells NEVs, and at the same time researches and develops and manufactures EIC core components and provides vehicle internet solutions based on cloud computing. With an aim to maximize user value, it strives to provide products and services which deliver superior experience beyond expectation. Leapmotor launched the "dual-model layout of battery electric + extended-range" in 2023. It has currently mass-produced three electric vehicles, including smart BEV T03, best-in-class smart electric SUV C11 and deluxe smart electric sedan C01, and super extended-range versions of the C11 and C01 for sale. In September this year, Leapmotor made its first global model C10 and brand new technology debut at IAA MOBILITY 2023 in Munich, embarking on its journey of globalization. As an icon of China's emerging NEV manufacturers, Leapmotor is opening up more possibilities for future travel with continuous efforts in technological innovation.

**The Company's shareholders and potential investors should note that this announcement is based on unaudited operational and financial information of the Group and such information has not been audited or reviewed by Group's auditors. Such information does not constitute, represent or indicate the full picture of the Group's total revenue or financial performance and the information contained in this announcement may be subject to change and adjustment.**

**This announcement includes forward-looking statements, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate. These forward-looking statements can be identified by terminology such as "will," "expect," "anticipate," "aim," "future," "intend," "plan," "believe," "estimate," "could," and similar statements. These forward-looking statements are based on some assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All information provided in this announcement is as of the date of this announcement, and the Company does not accept any responsibility or obligation to update any of the forward-looking statements, except as required under applicable laws.**

**The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Zhejiang Leapmotor Technology Co., Ltd.**  
**Mr. Zhu Jiangming**  
*Founder, Chairperson of the Board and  
Chief Executive Officer*

Hong Kong, 16 October 2023

*As at the date of this announcement, the Board comprises Mr. Zhu Jiangming, Mr. Wu Baojun and Mr. Cao Li as executive Directors; Mr. Jin Yufeng as a non-executive Director; and Mr. Fu Yuwu, Dr. Huang Wenli and Ms. Drina C Yue as independent non-executive Directors.*