



**WeRide Inc First Quarter 2025  
Earnings Call Transcript**

Wednesday, May 21, 2025 / 7:00 AM U.S. Eastern Time

## PARTICIPANTS

### Company Speakers:

Tony Han - Founder, Chairman, and Chief Executive Officer

Jennifer Li - Chief Financial Officer

### Analysts:

Tim Hsiao - Morgan Stanley

Liping Zhao - CICC

Joel Ying – Nomura

Yawen Tan – BNP Paribas

Tiankuang Hu – China Securities

Leo You - CLSA

## PRESENTATION

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### Operator

Good morning and good evening, ladies and gentlemen. Thank you for standing by and welcome to WeRide's first quarter 2025 earnings conference call. At this time, all participants are in the listen-only mode.

The company will be hosting a question and answer session after management's prepared remarks. Please note that today's event is being recorded. The company's unaudited financial and operating results were released by the newswire earlier today and are currently available online.

Joining us today are WeRide's founder, chairman and CEO, Dr. Tony Han, and CFO, Ms. Jennifer Li.

Before we continue, I would like to refer you to the safe harbor statement in the company's earnings press release, which also applies to this call as today's call will include forward-looking statements, including WeRide's strategies and future plans. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. The company's actual results could differ materially from those stated or implied by these forward-looking statements as a result of various important factors and please refer to the risk factors section of the company's Form 20-F filed with the SEC for a

full disclosure of these risk factors. The company does not assume any obligation to update any forward-looking statements except as required under applicable law.

Please note that all numbers stated in management's prepared remarks are in RMB terms and we will discuss non-IFRS measures today, which are more thoroughly explained and reconciled to the most comparable measures reported in the company's earnings release and filings with the SEC. With that, I'll now turn the call over to the company's founder, chairman and CEO, Dr. Tony Han. Please go ahead, sir.

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**Tony Han (Founder, Chairman and CEO)**

Hello everyone. Thank you for joining us today.

I am excited to give you an update on our last quarter. We have reached a number of new milestones as we continued our global expansion and also cemented deeper collaboration with key partners such as Uber. Specifically with Uber, we have committed to providing robotaxi services in 15 additional cities internationally, and accepted a commitment for an additional US\$100 million in equity investment on the heels of their initial investment at our IPO. Other notable milestones included launching the first driverless robotaxi testing in Abu Dhabi, the first of its kind in the Middle East. In China, we rolled out the country's first autonomous mobility service in the central area of Guangzhou, the number three city in China. While some of this will be reflected in our near-term financial results, others lay the foundation for robust growth in the quarters to come.

First, let's quickly discuss our latest Uber announcement. This expanded partnership and the incremental US\$100 million investment is a testament to our shared commitment to autonomous mobility and the confidence in our operational and technological excellence. We began our partnership with Uber in the Middle East and continue to scale our operations there. As a reminder, we first launched Abu Dhabi in December of last year and have recently announced plans to expand in Dubai. There has also been mentions of expansion to a third city recently in the press, so look out for more information there. We are excited by our progress in the region and the opportunity that it presents.

In addition to the Middle East, we expect to scale and expand our robotaxi presence to other geographies such as Europe, with a particular focus on markets where we have already deployed some of our other autonomous mobility products, such as our autonomous buses. We believe having multiple autonomous mobility products widens our TAM, and also makes dialogues with stakeholders such as regulators more substantive.

We continued to expand our autonomous mobility operations in China and Abroad. As alluded to earlier, we launched fully driverless robotaxi testing in Abu Dhabi. This means that we will be the first company to have robotaxis running without safety drivers. At the same time, we also expanded our operational service to include new destinations such as Al Maryah Island and Al Reem Island, covering a range of vibrant areas in the city. Through this, you can see in action our phased approach to operational expansion. This phased approach allows us to ensure a high quality of service, while ensuring that we meet all regulatory and safety standards. To date, we have a leading safety track record in the commercial delivery of our services.

In China, we expanded our robotaxi services in Beijing and Guangzhou. In Beijing, we added routes between the sub center of the city, Beijing Yizhuang and Beijing South Railway Station, spanning over 600 square kilometers. In Guangzhou, we launched China's first 24/7 autonomous ride-hailing network and added 8 routes in the city center, connecting landmarks and transport hubs such as the airport, Guangzhou South Railway Station, Canton Tower, and Canton Fair Complex. These routes cover more than 250 kilometers of public roads in a densely populated urban area with very busy traffic. Going forward, our robotaxi services in China will be integrated into Tencent Smart Transportation Mini Program on WeChat, to serve a wider user base in China.

We also continued to expand our other autonomous mobility businesses. Our robobus has entered downtown Guangzhou, one of the most complex urban environments. This development follows our launch of the first robobus BRT route in the city last year. Robobus has now become an integral part of the daily life of Guangzhou citizens, who can easily hop on the driverless shuttle in the main districts, by simply tapping their city pass. It stands as a paradigm of the future mobility that we envision, where autonomous vehicles are fully integrated with the local transportation system, enabling safe and seamlessly movement for the communities.

We are also making headway in the international markets, bringing our products to Switzerland, Spain and France. In March, our robobus was granted an operation permit by France, making WeRide the first and to date, the only autonomous driving company whose products have received operational approvals in 5 countries, including China, the UAE, Singapore, France and the US.

Technology and safety are the cornerstone of our success. Our autonomous mobility products all operate atop what we call WeRide One, an autonomous driving technology platform designed to handle a broad spectrum of operational environments from complex urban settings, to full-day functionality and varying weather conditions. Its proven adaptability in a range of real-world applications provides a fundamental tech advantage over our peers.

The high level of universality of WeRide One has recently demonstrated once again through our robovan W5, which secured Guangzhou's first group of driverless testing permits for logistic equipment, in less than three months after the product launch.

The powerful adaptability of WeRide One is further demonstrated by our real-world operations across a broad geographic area. The initial deployment of our AV fleets in a new city can be completed in just a couple of weeks, enabling rapid adoption for our partners.

We believe safety is the best test of autonomous driving technology. In over 2,000 days of operations, our safety record remaining industry-leading. While we have iterated multiple times, we have not had any accident attributed to the failure of our autonomous driving systems. Our commitment to safety and transparency is key to earning the confidence of both regulators and partners.

We also leverage our core autonomous mobility knowhow in our ADAS business. In April this year, we announced a partnership with QNX, a division of BlackBerry, to work together to enhance the safety and reliability of our ADAS solution. By integrating QNX OS for Safety into our ADAS system WePilot, WeRide is helping OEMs and Tier-1 companies fast-track the future of intelligent vehicles.

I will now handover the call to our CFO, Jennifer Li, to discuss our financial results in more detail. Jennifer, please go ahead.

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**Jennifer Li (CFO)**

Thank you, Tony. Hello, everyone. Before we get into the financials, please note that all amounts are in RMB and all comparisons are on year-over-year basis, unless otherwise stated.

Now let's discuss our first quarter financial performance. Total revenue for the first quarter of 2025 increased 1.8% to 72.4 million, primarily driven by the growth in product revenue, which was partially offset by a slight decline in our service revenue.

Robotaxi has been one of the core drivers of our business. Following our achieving record-high robotaxi revenue for the financial year of 2024, We continue with this momentum in the first quarter this year with robotaxi revenue of 16.1 million. Robotaxi's contribution in group revenue reaches 22.3%, rising from 11.9% of the same period of 2024.

Product revenue delivered strong growth, increasing by 46.7% to 9.5 million for the first quarter. This encouraging growth was primarily driven by a substantial increase in the sales of robotaxis and robosweepers, which are introduced into new international markets with expanded operations.

Service revenue slightly decreased 2.7% to 62.9 million, primarily due to a reduction of 33.5 million in revenue from ADAS research and development services, as the customized R&D projects for certain clients had been completed in 2024. This decline was partially offset by an increase of 29.8 million in revenue from intelligent data services and an increase of 1.9 million in revenue from operational and technical support services, as technical support engagements increased in this quarter, along with the transition into the operation phase of certain projects.

We recorded a group level gross margin of 35.0%, representing a gross margin for product of 49.9%, and a gross margin for service of 32.8%, respectively. This reflects a sustaining improvement of our business structure, in line with our robotaxi business expansion and globalized commercialization. We are building a sustainable business model by engaging trusted partners and localizing deployment. It helps us sustain a healthy gross profit level.

Now, turning into our operating expenses, we recorded a rise of 14.2% for the first quarter, amounting to 463.5 million. The increase was driven by a 48.4% rise in personnel-related expenses compared to the same period of 2024. We remain highly cost conscious and disciplined. The increase of operating expenses is mainly driven by our incremental R&D efforts. In this important phase of development, we prioritize strategic investments in talent acquisition and retention, to drive our technological advancement. Combining with our expansion of selling and marketing activities, we aim to solidify our leading position by laying a sustainable foundation.

To further break down, R&D expenses represent 70.3% of operating expenses. This line item increased by 17.3% to 325.7 million compared to the same period of 2024. Excluding share-based compensation, R&D expenses increased by 54.0% to 278.0 million.

Administrative expense increased by 5.2% to 123.9 million compared to the same period of 2024. Excluding SBC, administrative expense increased by 105.8% to 73.9 million.

Selling expense increased by 32.4% to 13.9 million compared to the same period of 2024. Excluding SBC, selling expense were up 66.7% in the first quarter.

Our net loss decreased by 17.7% to 385.1 million in the first quarter of 2025. On a non-IFRS basis, the net loss increased by 108.2% to 294.6 million, which was mainly contributed to our continuous investment in R&D.

As of March 31, 2025, we held a total capital reserve of 6.2 billion, including 4.4 billion in cash, cash equivalent, and time deposits, 14.7 million in restricted cash, and 1.7 billion in financial assets measured at fair value through profit and loss. We believe that our strong cash capital position will continue to support our ongoing R&D initiatives and facilitate the expansion of our growing global business.

As a separate note, our Board has recently authorized a share repurchase program, under which the Company may repurchase up to US\$100 million of its Class A ordinary shares over the next 12 months. It indicates a vote of confidence in our business fundamentals, growth trajectory, and long-term outlook.

In conclusion, we feel encouraged by our financial performance of the first quarter. As we continue to scale our operations, with additional deployments underway in international markets, we are confident to build on this success, and to turn global opportunity into long-term value for our stakeholders.

With that, operator, we're now ready to take some questions.

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### **Operator**

Thank you. We will now begin the question-and-answer session. (Operator Instructions).

We will now take our first question from the line of Tim Hsiao from Morgan Stanley. Please ask your question, Tim.

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### **Tim Hsiao (Morgan Stanley)**

Hi. Thanks for taking my question. Just Tim from Morgan Stanley. I have two questions and those are related to collaboration with Uber. So the first question we noticed that Tony briefly touched on the collaboration with Uber at the beginning of the call. Just wanted to quickly follow up on why WeRide and Uber decided to expand this partnership. It'd be great if you can share more colors on the deal with us.

That's my first question. Thank you.

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### **Tony Han (Founder, Chairman and CEO)**

Okay. I will take this question. Thank you, Tim, for this question. So first of all, I think our expanded partnership with Uber builds on a proven model. This model is demonstrated by our successful integration of WeRide robotaxis into Uber's app in Abu Dhabi. Under this collaboration, WeRide delivers our tried-and-tested autonomous driving product, while Uber will manage fleet operations and customer access via its platform. Together, we are also announced a joint robotaxi launch in Dubai, where we're currently finalizing mapping and expect to begin operations soon.

So I want to talk about this strong collaboration. We have committed to deploying services across 15 major global cities within the next five years, this is a significant milestone for scalable autonomous mobility. And I think this partnership combines WeRide's world-class autonomous driving technology and international expertise with Uber's unparalleled marketplace reach and operational excellence. And also, I want to re-emphasize as a testament of this alignment. Uber is already our shareholder and will invest an additional US\$100 million in WeRide over the next six months. To my best knowledge, this ranks among Uber's largest investments in non-affiliated autonomous driving companies.

Besides, you know, beyond the technology, I think mission is very important. Our shared mission is to make autonomous mobility affordable and accessible world widely. WeRide operates in over 30 cities across 10 countries, with our R&D, testing, and commercial deployments. When entering new markets, you know, we are not just solving the mobility challenges, we want to invest in local ecosystems by creating jobs in fleet management, maintenance, and customer support. So we have a community-oriented approach to ensure sustainable growth, and I think we share this kind of mission with Uber.

We also believe that by leveraging both companies' leadership in our respective fields, we can accelerate the global adoption of autonomous mobility services. So in terms of technology, mission, and approach, and the shared value, I think Uber and WeRide are well aligned, and we are very excited for the next five years and 15 cities globally.

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**Tim Hsiao (Morgan Stanley)**

Great. Thank you very much for sharing the all the details, Tony. And just another quick follow up on the collaboration. So according to the announcement also what you just shared out of the 15 cities in probably others, the potential global markets. Which regions or market would be the main focus to WeRide for the robotaxi rollout? And in the following quarters, any cycles or milestones investors should monitor? Yeah, that's my second question. Thank you.

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**Tony Han (Founder, Chairman and CEO)**

About the regions of focus currently, you know, we are focusing on markets mainly in Europe and the Middle East. We are going to take a phased approach. So basically, we are not going to roll out like a robotaxi service in one night in 15 cities simultaneously. Basically, we want to add cities one by one. So new cities will come online each year, maybe probably three new cities every year. It's just a rough estimate. And we're following a pattern of regulatory approval, and then testing, and then commercial operation, and then scale deployment. So there are four stages. As what these four stages have been

approved in our current deployment in Abu Dhabi. And I think soon it will also be approved in Dubai. And cities will be chosen based on favorable policies, guidelines, and the initiatives of autonomous driving. And also, we look forward to really maximize social value, and also want to create value for our long-term stakeholders.

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**Tim Hsiao (Morgan Stanley)**

Great. That's super helpful. Thanks for the additional colors. Thank you, Tony and team.

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**Operator**

Thank you, our next question comes from the line of Liping Zhao from CICC. Please go ahead.

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**Liping Zhao (CICC)**

Good evening, Tony and Jennifer. Congrats for the strong robotaxi revenue in this quarter. I got two questions here. First, could you share with us your robotaxi economics? How should we consider the cost structure as you scale? And second, could you please share more about your recent roll out at Guangzhou City Center? When should we expect you to start providing robotaxi service in the whole city? Thank you.

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**Jennifer Li (CFO)**

I will take the first question, Tony will take the second. And for the first question on the robotaxi economic, let's just take a look at the numbers. In the conventional ride-hailing, drivers take home roughly 60% of each fare - that's 6 out of every 10. Robotaxis revolutionize this model by reducing the driver cost to nearly nothing. Yes, we still have vehicle expenses for robotaxis which is slightly higher than traditional taxi, but eliminating that 60% cost changes everything about the business model.

And cost optimization has been one of our key focuses and we are making cautious continued progress of it. First, let's talk about vehicle cost. Leveraging on the booming and very mature EV supply chain in China, we have access to components of high quality and competitive pricing. Second, we have also built in-depth collaboration with global OEMs such as Renault and Nissan. And thirdly, we adopt a modularized design of our sensors, which enables 90% shared components across different autonomous driving products. We also converted to the most cost-effective semi-solid radar a few years ago. So, leveraging all of those, our autonomous vehicles are quite cost competitive.

For instance, the cost of our sensor suite has reduced by more than 70% over the past five years. And going forward, with the more integrated design and increasing adoption of redundant drive-by-wire systems, we anticipate another 20% to 30% headroom for future cost reduction for the next generation of robotaxi.

And today, we operate one of the world largest AV fleets globally - over 1,200 vehicles, with more than 500 dedicated robotaxis. All of our vehicles use the standardized tech as well as similar sensors, the same computing platform. This will give us tremendous buying power and make the maintenance so much simpler in the long run. Our OEM partnerships help us keep optimizing every part of the supply chain.

In short, compared to the traditional taxi and ride-hailing services, robotaxi is expected to be 50% or more cost-effective in developed markets. We're doing testing and operation of AV in 10 countries already. We're seeing on the ground confirms a very critical pain point: many markets are facing very severe driver shortages. Also, there is a growing challenge in hiring and the retention of the drivers. This is exactly where our solution makes the difference. By working hand-in-hand with our local partners, we're not just deploying technology; we're solving real transportation crises caused by the labor shortage.

That's all for the first question Liping. Tony, I will leave you for the second question on the Guangzhou plan.

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**Tony Han (Founder, Chairman and CEO)**

I believe the second question is about — like want to discuss a little bit about our recent rollout in Guangzhou City Center, and then also, you know, want some details about our robotaxi service.

So first of all, I want to say last week, we launched China's first 24/7 autonomous ride-hailing network covering the core areas of Guangzhou. As I mentioned, Guangzhou is the number three city in China, and our expanded robotaxi service which was actually eight pilot operation routes in the city center — connecting landmarks and transport hubs such as the airport, Guangzhou South Railway Station, Canton Tower, and the Canton Fair Complex. If you are familiar with Guangzhou, you know, they are all the most busiest and also the most important places and hubs. And probably if you come to Guangzhou, you will visit these places.

And when we first kicked off commercial robotaxi service back in the year of 2019, we started in Guangzhou. You know, this is a mega city with very busy traffic, and the population is at least 20 million. To date, we have been providing autonomous mobility service to the local citizens for more than 2,000 days. I'm quite confident and quite proud of this achievement. The expansion of this service is a very important milestone in the industry.

For the first time, robotaxi is allowed in the central area of such a big city. That's not easy, actually. It incorporates some of the most complicated scenarios we have ever seen, including various road types and traffic conditions, as well as very subtle interactions with a wide range of road users, like passenger cars, engineering cars, pedestrians, cyclists, three wheelers. You have to handle all of this. So it is a big challenge to our technology, but I think we've solved all these issues quite well. And also, being allowed to operate in central Guangzhou underscores our confidence in safety record and robust technology.

And we will strive to maintain a high standard of service. And we will also be very careful. We will expand progressively, and the responsibly in accordance with the requirements of local authorities. I think that's all I want to say about this question.

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**Liping Zhao (CICC)**

Okay. That's very helpful. Thank you.

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**Operator**

Thank you. Our next question comes from the line of Joel Ying from Nomura. Please ask your question, Joel.

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**Joel Ying (Nomura)**

Thank you for taking my question. This is Joel from Nomura, and I have two questions. For the first one, what's the implication of the recent launch of driver testing in Abu Dhabi? Is there any operation plan as the next step?

And my second question is, since we see some aggressive OEMs also plan to enter into a robotaxi business, so what's our company's view on it? Are they comparative compared to level four players, given they have more driving data? And what is our edge on this? Thank you.

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**Jennifer Li (CFO)**

I'll take the first question. We're very excited about the driverless testing in Abu Dhabi. To my knowledge, this is the first of this kind in the Middle East. And it's also the first time that robotaxi without safety driver on public road is allowed outside China and U.S. WeRide is a veteran in the Middle East. We started the robotaxi trial in UAE as early as 2021. The desert climate of the country, including high temperatures and a sandy environment, created all these special challenges to autonomous vehicles. Nevertheless, our robotaxi fleet delivers a high level of reliability and safety during the initial two-year public operation. Building on this confidence, WeRide secured the first national autonomous driving permit in the UAE in 2023, which also remains the only national permit in the world as of today.

Last year, our local operation entered into a new chapter as we joined forces with Uber. It also allows us to provide local citizens with better services and accessibility. So the driverless testing marks a major milestone as they begin driverless testing. This is a significant leap forward in our journey in Middle East. We are also particularly excited to have received approval to expand our service area, to include Abu Dhabi's Al Maryah Island and Al Reem communities. Both islands are the most dynamic urban center in Abu Dhabi. We're very excited to bring the cutting-edge transportation solution to those places. So now, Tony, I'll leave it to the next question. Thank you.

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**Tony Han (Founder, Chairman and CEO)**

This question is really deep. And I really appreciate this question.

So the question is our competition against major car OEMs for robotaxi service, and my view and our edge. First of all, I want to say, the competition is ubiquitous. You know, if you are afraid of competition, you are not eligible to be a leading company. WeRide is the first mover and the leading company in the autonomous industry. So we welcome competition. As long as the winner can bring the best quality of service, the most reliable robotaxi service to ordinary people and citizens, that would be great enough.

But we are confident with WeRide because, first of all, I think, our proven record has already shown the superiority of our technology and also the reliability of our technology. And over the past seven years, we have been closely working with some major car OEMs. Major car OEMs help us to build the reliable vehicle platforms for robotaxi service. And I want to say OEMs actually play a very important part in the whole ecosystem. We did learn a lot from them.

Having all these said, I want to emphasize the difference between the ADAS system and the robotaxi system. ADAS system stands for Advanced Driver Assistance System, so the major components who are responsible for driving the car is the person. L4 robotaxi is for autonomous driving vehicles. They are two different things, two different species. Mistakenly using ADAS for robotaxi is just like mistakenly using an L2 system for L3 system. It will lead to very tragic accidents. I think some accidents we have already experienced.

I want to emphasize, if you really want to do robotaxi, do L4, you'll really need to spend a lot of time, a lot of energy in simulation platform in robotaxi fleet, sharpen your technology and test for millions of miles. Only having a big user base is not enough. Okay, a big user base only tells you that your car is very good, can produce a very good L2 system, but there is nothing to do, you can do a L4 system. So basically a warrior, a great warrior on the land may be not a so good warrior in a sea warfare. They are totally different.

So today WeRide real world robotaxi operation in multiple locations is actually supported by continuous investment in building and improving our platform. And the safety has been proved. We want to very proudly announce that over the past seven years, we have a very good record. We haven't experienced any autonomous driving system failure. I think that's a very remarkable score. Currently, WeRide is one of very few companies that have brought L4 mobility to the public and we are really confident to maintain a leading position in this industry. Okay. Thank you for this question. That's all I want to say about this question.

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**Operator**

Alright, thank you. Our next question comes from the line of Yawen Tan from BNP Paribas. Please go ahead, Yawen.

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**Yawen Tan (BNP Paribas)**

Hi, this is Yawen from BNP. Thanks for Tony and Jennifer's time. And thanks for opportunities to discuss the exciting industry here. And I have two questions. The first one is, is there any specific plan for further expansion of the fleet size and operation area?

And secondly, what's your view on regulations in different markets? Have we seen there are countries that are accelerating the adoption of L4 technology? Thank you.

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**Jennifer Li (CFO)**

Thank you. I will take the first question for the plan for future expansion. So as robotaxi is penetrating traditional mobility in different regions. We'll remain a balanced strategy between China market and international markets. So in China, we will gradually increase the deployments in selected Tier-1 cities.

Our service was rolled out step-by-step and which is in accordance with this adoption roadmap by the local authority. We have a track record of more than five years public operation in China. And our recent development that entered into the city center in both Beijing and Guangzhou, is natural progress built on the existing momentum. And we'll keep on the momentum, right on the momentum.

And in overseas market, we'll be scaling through strong global partnerships. By working together with mobility and transportation stakeholders worldwide, we'll be able to localize and accelerate our deployment in the international market more effectively.

For example, some of our global partners, including like saying UAE, we have the Integrated Transport Center in Abu Dhabi and the Road and Transport Authority in Dubai that are extremely helpful. And in France, we have Renault, Beti, and Macif as our partner. And in Switzerland, we have the SBB, which is the Swiss National Railway. And we have the Canton of Zurich and Swiss Transit Lab. We are working on multiple projects in Switzerland as well. And in Singapore, we have ComfortDelGro and Chye Thiam Maintenance in Singapore. And we also have, in Germany, we have Bosch as a key partner.

Last but not least, Uber is a key partner with our plan, rolling out commercial robotaxi service in 15 new cities globally. So like I said, if we're talking about the size, the expansion plan, all those cities we're planning to enter typically already have existing ride-hailing and taxi ecosystem that range from a few thousand to tens of thousands of shared mobility vehicles. This is an ideal environment for L4 technology to integrate and to scale up. As part of this partnership, WeRide robotaxi service will be available through Uber's app and Uber will be responsible for the fleet operation.

So as you can see, our global partner strategy is based on our shared execution, risk management and local market insights. We are not entering into the new market alone. We are building a network of trusted global collaborators to accelerate adoption, to shorten the deployment cycle and to meet the regulator's expectations of each region together.

Tony, I'll leave you to the next question on the regulation in different markets.

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**Tony Han (Founder, Chairman and CEO)**

Okay. I'll talk about the regulations of different markets. And actually, there are markets that are favorable to autonomous driving vehicles. And so currently, I want to name a few, like several countries in the Middle East, like UAE and Saudi, and also several countries in Europe. Of course, China is very, very welcome. And China is actually fostering autonomous driving vehicles. These are the major markets we want to deploy.

Actually, for the countries, if they really want to welcome or embrace the autonomous driving vehicle, that's because there are several factors they consider. Number one is the safety. Number two is the cost of labors. So you need to take all of these factors into account. And also, in these regions, for the countries that favor autonomous driving or need autonomous driving or need robotaxi services, I think that represents huge opportunities for first movers like WeRide.

We experienced this kind of increasing interest in AV technology. And this kind of increasing interest can be demonstrated by our expansion and our operation. I just want to name a few, actually.

In January and May, we rolled out our robotaxi and robobus service in Guangzhou city center successfully. That one I have already mentioned. In February, we received approval to launch our GXR for fully unmanned paid ride-hailing service in Beijing, just only four months after we officially announced the new purpose-built robotaxi GXR.

And in March, we obtained L4 operation permit in France. In April, we partnered Dubai's Road and Transport Authority and Uber to integrate our robotaxi fleet into Dubai's public transportation system. I can't wait for this to come, because in our dream, our mission is to deploy robotaxi all over the world.

In May, we have started further driverless testing in Abu Dhabi. Actually, I'm currently in Abu Dhabi. I just tested, and I think it's fantastic.

We now have deployed in 10 countries across Asia, Middle East, and Europe. From our experience, we understand that regulators are generally supportive towards autonomous driving, but conditioned on we can keep our track record for safety. Overall, we are really optimistic about the future, and we believe WeRide is well positioned to capture the expanding penetration for autonomous driving technology.

That's my answer to this question. Thank you for this question.

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**Operator**

Thank you. We will now take the next question from the line of Tiankuang Hu from China Securities. Please ask your question, Tiankuang.

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**Tiankuang Hu (China Securities)**

My first question is, is there any new product development that you could share, especially robotaxi?

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**Tony Han (Founder, Chairman and CEO)**

Okay. So, new product, last October, we launched a new generation of robotaxi GXR, which is really a purpose-built robotaxi tailored for L4 driverless. We also trimmed it for the deployment in the Middle East. Today, the temperature is like 40 degrees Celsius. You have to have a car that has very powerful AC and a very big battery. We actually upgraded our GXR to make it more suitable. It's a purpose-built robotaxi to make it more suitable for the market of Abu Dhabi and Dubai.

To work on this, we worked closely with Geely Farizon to customize GXR. We spent tons of time and effort on it. Now, our proprietary Sensor Suite 5.6 and our HPC are ready and integrated into GXR, and it's very suitable for the extreme heat weather condition. We also worked on a redundancy system. The whole system, the GXR, is full redundancy, several rounds of redundancy, so that we have a very reliable and stable braking and steering system.

There's another thing I want to mention for the new product. We are going to further upgrade GXR with the computational platform. In the second half of the year, we will build our computational platform by newest NVIDIA's DRIVE Thor Platform, as you have probably noticed.

NVIDIA's next-generation Thor platform is extremely powerful, and the whole computational power in our controller is actually more than 2,000 TOPs.

For the past five years, we also tried to reduce the cost. The cost of our sensor suite has reduced by more than 70%, so we want to do it through innovation and new products. For the next generation of robotaxi, currently under development, I think we look forward to another 20% to 30% cost reduction. Further details, we will review it after the spec is finalized.

There are a lot of new things ongoing. That's the real happiness of working on robotaxi and this AI stuff. New things come every day. We believe that with a powerful and smart brain, the new GXR will not only provide a high level of safety and comfortability, but also our new purpose-built GXR will redefine the robotaxi business. This car is ready for large deployment. I really look forward to seeing the large deployment of GXR in Abu Dhabi and Dubai.

That's my answer to this question.

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**Tiankuang Hu (China Securities)**

Thank you. I have another question. My second question is, what's your view on the growing level of competition in China as more companies are rolling out autonomous driving technology?

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**Tony Han (Founder, Chairman and CEO)**

As I mentioned in my answers in the previous questions, as a leading global company, you have to face all kinds of competition, either globally or inside China, either from a car OEM or from another robotaxi company. My view is that the competition is good. I love the beauty of the free market.

Through trading, through competition, the customers can get the most cost-effective and high-quality products. What's wrong with that? That's a great thing.

But the thing is, are you worried about losing in this competition? I think the past eight years of record have already shown WeRide grew from a 10-people startup to a leading autonomous driving company with more than 2,000 employees. It has already proved that when we have nothing, we only have a few people, a very small firm, we can start to grow. Now, we are in a very advantageous and leading position. We are very confident.

I always mention we have four core pillars that set WeRide apart from the competition. The four pillars, I want to name them one by one. The first is tech competence. Technology is always our foundation. Second, proven business model. We are really looking for large-scale deployment and also deploying in the global market. Third one is the safety and reliability record. Please go ahead and check the record. I believe WeRide has the best safety record all over the world. The fourth pillar is a strong partnership network. If I have time, I want to elaborate on the four pillars.

First of all, technology, over the past eight years, we built up WeRide universal platform that can be deployed to use for robotaxi, robobus, robosweeper, robovan, and ADAS System. At the same time, you get data from all over these five branches. Basically, you are five times more efficient in collecting data, collecting common cases. Five times more efficient in improving your idea. You are deploying large-scale, not only in robotaxi fleet, but also in robovan, in robosweeper. That's a grand vision from WeRide. I think no other company has such a grand vision. I think no other company has achieved concrete steps for such a great grand vision.

About proven business, look at our operation. I think I'm quite proud. At every step, we have created a repeatable, scalable, and monetizable business model across multiple verticals, including mobility, logistics, and sanitation. That proves our autonomous solution can address a variety of real-world challenges. We operate in 30 cities across 10 countries. That means the business model is approved not only in a time frame, but also globally.

Third pillar, safety and reliable records. I want to read you something about some records. Our L4 autonomous vehicle has undergone successful tests and commercial deployment in diverse and extreme environments, including urban villages in China, such as congested and unpredictable road environments in downtown Guangzhou. And in a very northern part of China, Heihe, that is like 30 Celsius degrees below zero in winter, and also in Abu Dhabi, the high heat, where I'm currently sitting in the office, 40 degrees Celsius. We show that we can still operate safely.

Last one, very strong partnership. We emphasize many times our collaboration with Uber, with all different local authorities in Switzerland, France, Singapore, UAE, and Japan. And we also have multiple partners in Singapore, like Resort World Sentosa for the robobus operation. So I won't be able to name them. This is a very long list. And also for ADAS system, we work with the top one Tier-1 supplier, Bosch.

So with all of these, I think for a competition, we are confident. And I think that's also the value of WeRide. Okay.

That's my answer to this question.

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**Tiankuang Hu (China Securities)**

Okay. Thanks a lot. Very clear.

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**Operator**

Thank you. Our next question comes from Leo You from CLSA. Please ask your question, Leo.

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**Leo You (CLSA)**

Hi. Good evening, management. Thank you for the opportunity. I want to ask about the use of cash. We are quite excited about the share repurchase program. Would you please share more about your thoughts behind rolling out the program now, and how would you strike a balance between the shareholder returns and investing in technology and products?

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**Jennifer Li (CFO)**

I'll take this question. Thank you, Leo. The Board has authorized a share repurchase of 100 million US dollars, which reflects their strong confidence in the company's solid foundation, and leading position in the autonomous driving industry and compiling long-term growth trajectory.

And the proposed raise structure can be made from time to time in the form of compliant transactions. We think this initiative can allow us to opportunistically buy back shares when we see the opportunity, which also demonstrating our commitment to deliver value to the shareholder while maintaining financial flexibility for future growth.

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**Leo You (CLSA)**

Okay. Thank you, Jennifer. And I have another question on the financial part. So can you share more about the growth drivers behind the product revenue and service revenue in the first quarter, and how do you see the trend of the revenue line growth?

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**Jennifer Li (CFO)**

Yeah. At this stage, our growth momentum for the first quarter, is primarily attributed to the growth of the robotaxi business and our global expansion.

At this stage, given all the revenue for different product lines is still relatively small, we think we'll just like focusing on the product itself instead of like breaking down, because the product and service mix changes every quarter. And sometimes when we deliver like a mega project for one quarter, the product revenue can significantly increase. While on a different quarter, the service revenue can be the dominant factor for the quarter.

And then if we're talking about the robotaxi service, robotaxi is our core business from day one. And the revenue contribution for robotaxi business has a significant increase of 10.4% year on year, which marking up like 22% of the total revenue of this quarter.

This is based on our knowledge. And it's also the largest published, announced robotaxi revenue among the peers. And on the margin level, we're still at a very healthy level as the gross margin is around 35%.

**Operator**

Thank you. There are no further questions, I'd like to hand the conference back to our management for closing remarks.

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**Tony Han (Founder, Chairman and CEO)**

Ok, everyone, thank you again for your participation. I'd also like to take this opportunity to thank our partners and our employees. I have to say none of the progress is possible without their support and hard work. We look forward to speaking with everyone again on our next call. Goodbye!

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**Operator**

Thank you for your participation in today's conference. This does conclude the program. You may now disconnect your lines.