# WeRide Inc Third Quarter 2025
# Earnings Call Transcript

Monday, November 24, 2025 / 8:00 AM U.S. Eastern Time

## PARTICIPANTS

**Company Speakers:**
Tony Han - Founder, Chairman, and Chief Executive Officer
Jennifer Li - Chief Financial Officer and Head of International

**Analysts:**
Tim Hsiao - Morgan Stanley
Alex Yao – JP Morgan
Ming-Hsun Lee -- BofA
Liping Zhao - CICC
Paul Gong -- UBS

## PRESENTATION

---

**Operator**

Good morning and good evening, ladies and gentlemen. Thank you for standing by and welcome to WeRide's third 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 and Head of International, 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 and announcements on the website of the Hong Kong Stock Exchange 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 and the Hong Kong Stock Exchange.

With that, I'll now turn the call over to the company's founder, chairman and CEO, Dr. Tony Han. Please go ahead, sir.

---

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

Thank you. Hello everyone, thank you for joining us today. I'd like to begin by highlighting some of the key milestones we achieved this past quarter.

Q3 was a period of extraordinary progress for WeRide. Most notably, we made history in Abu Dhabi by securing the world's first city-level, fully driverless robotaxi commercial permit outside the United States, and we have already started the driverless operation through Uber, which I will detail in the slides that follow. With our recent expansion into Belgium and our inaugural driverless robotaxi license in Switzerland, WeRide has become the only company with autonomous driving permits for eight countries. As of October, we have deployed L4 fleets in 11 countries and more than 30 cities, with over 1,600 L4 autonomous vehicles in operation worldwide. Now, let's take a look at our third quarter accomplishments.

Let's turn into Abu Dhabi slides. As mentioned earlier, WeRide has been officially approved to provide fully driverless commercial robotaxi service in the UAE's capital, Abu Dhabi. This landmark authorization removes the requirements for in-car safety officer and demonstrates the regulator's strong confidence in our technology. Following this approval, WeRide and Uber jointly launched the region's first fully driverless fare-charging robotaxi service this week, starting from Yas Island and with a citywide rollout underway.

Our commercial operation in Abu Dhabi began last December. Our service now covers roughly 50% of the city's core area. In a 12-hour shift, a single vehicle can complete up to 20 trips per day. I think this is quite exciting progress. In the midterm, we aim to extend our service hours to 24/7, increase vehicle utilization to more than 25 trips per day, and improve human to vehicle ratio to 1:10. These numbers will lead us to healthy and profitable unit economics. We believe Abu Dhabi will set a global benchmark for large-scale and commercially viable robotaxi operation. So I just want to emphasize, this kind of breakthrough is exciting. We worked so hard for a whole year to achieve this full driverless robotaxi operation in Abu Dhabi. This makes it the first city outside of the United States with a city-wide robotaxi service. Furthermore, this service is provided through the Uber platform. With all these factors combined, this achievement is unparalleled, and we are so excited that we are making history.

Now let's talk about our current operation in Dubai. In September, we secured a self-driving vehicle trial permit from Dubai's Roads and Transport Authority and have begun road testing. Our goal is to launch supervised trial on Uber this year and transition to fully driverless commercial operation in the year of 2026. I mean, next year we are going to provide driverless robotaxi service in Dubai.

Next page please. Now we are going to talk about our current operation in Saudi Arabia. In Riyadh, we began offering robotaxi rides through Uber in October, making our robotaxi service the first and only publicly accessible robotaxi service in the Kingdom. With our great momentum in the three largest cities in the Middle East—Riyadh, Abu Dhabi, and Dubai—our regional fleet now exceeds 100 robotaxis. The launch of driverless operation in Abu Dhabi is paving the way to scale the fleet to more than 500

vehicles by next year and to tens of thousands by 2030. So we are very excited, confident, proud and optimistic about our fully driverless robotaxi operation in the Middle East.

The Middle East is not our only operational region, and I want to talk about our progress in East Asia and Europe. First, in Singapore, together with Grab, we received approval from the Land Transport Authority for both robotaxi and robobus to conduct testing in Punggol district. We plan to increase our AV test volume by four times by the end of this year. We are also integrating our technology into Grab's fleet management and routing systems, so that in the future we can provide driverless robotaxi through Grab in Singapore, just like what we have done in Abu Dhabi with Uber. All of these efforts will lay the groundwork for commercial service in the next phase.

And then let's talk about Switzerland. In Europe, the expansion in Switzerland continues to lead our robotaxi deployment. We received the country's first driverless robotaxi license, enabling our autonomous operation in the Furttal region. A fully driverless public service is expected to be launched in the first half of 2026.

And now let's talk about China. In our home market, we continue to expand and innovate. As we scale our commercial fleets, we also launched a 24/7 driverless commercial service in Huangpu district of Guangzhou, which covers an area of 150 square kilometers. As of October, we have deployed more than 300 robotaxis in Guangzhou and over 100 in Beijing. For all of these services, you can hail a driverless robotaxi in these regions through our WeRide Go app.

User value is kept very close to our heart, and we recently introduced China's first free Pick-Up and Drop-Off feature for robotaxi service. We call this the PU/DO service, which allows our system to intelligently recommend optimal boarding locations. This greatly improved both operational flexibility and user experience, which is well captured by our operational data. In November, each robotaxi completed up to 25 daily trips in Guangzhou and 23 in Beijing with promotional incentives, which is clear evidence of accelerated adoption.

Next, let's talk about our other applications. First, robobus. Our robobus obtained Belgium's first Level 4 test permit and we launched our operation in Leuven, making Belgium the 11th country covered by our service. In Guangzhou, after serving more than 1 million passengers since 2021, we received an order for an additional 100 mid-sized robobuses. This is a very exciting achievement. In Hong Kong, we established a partnership with Kwoon Chung Bus Holdings to deploy more than 500 Level 4 vehicles over the next three years.

And for our L2+ solution, WeRide and Bosch achieved a major milestone in November with the start of production of "WePilot 3.0"—a one-stage end-to-end system. The WePilot 3.0 will debut with the refreshed Chery EXEED ES and ET models, and existing owners will receive OTA upgrades. With this exceptional end-to-end system, WePilot has also been selected as the major ADAS system provider by Guangzhou Automotive Group (GAC) for several of their mass market passenger car models. This is very exciting progress, demonstrating that WeRide is capable of not only developing Level 4 robotaxi but also of developing Level 2+ systems for mass-production cars.

The next page summarizes our global footprints. WeRide's strategy prioritized a balanced development in the global market. I want to explain this slide a little bit. In these 11 countries, we have different levels

of operation. As shown in the legend, some are in testing phase and some are in driverless operation phase. So you see our multi-product offering has maximized the value of our strategy, making us the only company whose technology is available in the 11 countries shown here. So we actually have a wide spectrum of applications and services available for the global market.

Next, let me discuss the backbone of our technology. This is called the WeRide One Universal platform. Starting from supporting L4 applications alone in the early days, WeRide One has gradually grown into a more powerful platform that empowers the full spectrum from L2 to L4, while continuously breeding new tools and systems.

One of the most prominent is our world model—WeRide GENESIS. GENESIS is a new platform that allows autonomous vehicles to be tested in a digital twin of the real world, safely, efficiently, and at a large scale. It features the data loop, algorithm loop, and the simulation validation loop that are essential for scalable autonomy. This is our world model, seamlessly integrated with our end-to-end system, giving us a unique technological advantage. It can be integrated into an end-to-end ADAS system, and our L4 system can leverage on the data we collected from our L2 systems. We call it a double flywheel. We leverage data from our L2+ mass-production car data to improve our robotaxi. In turn, our robotaxi data with redundancy can help boost the performance of our ADAS system. I want to emphasize that in this world, there's only one company, WeRide, that can do so.

On one hand, our large-scale robotaxi fleet makes Weride a leader in robotaxi service. This allows us to capture all the characteristics and data of driverless operation. At the same time, WeRide supplies WePilot 3.0, a very advanced ADAS system. We can leverage the massive and diverse data from these mass-production car, which are collected across all kinds of scenario, to help us continuously improve the performance of robotaxi. We believe that we can combine the benefits of L4 and L2+. This hybrid architecture enhances adaptability, reliability, safety, and transparency—ultimately enabling robust commercial deployment. We look forward to sharing more about this advantage soon.

In summary, Q3 was a quarter of exceptional execution. We expand our global leadership, and we translated technology innovation into commercial reality.

With that, I will hand the call over to our CFO, Jennifer, to discuss our financial performance.

---

**Jennifer Li (CFO and Head of International)**

Thank you, Tony. Hello, everyone. Before we dive into the third quarter financials, I want to highlight that all figures are in RMB, and comparisons are year-over-year unless otherwise stated.

Now let's discuss our third quarter financial performance.
We delivered total revenue of RMB 171 million, with a year-over-year growth of 144%, driven by our continued fleet expansion and increase in service penetration. The revenue growth also reflects the significant milestone we have achieved during this quarter, supported by our advanced technology, robust deployment, and operational capabilities.

Our revenue came from both product revenue and service revenue. Product revenue delivered strong growth of 428% to RMB 79 million in this quarter, an encouraging result driven by the increased sales of our robotaxis and robobuses. Service revenue grew 67% to RMB 92 million in Q3, supported by an increase of RMB 29 million from intelligent data service and an increase of RMB 8 million from autonomous driving-related operational and technical services. Service revenue has surpassed product revenue in this quarter, demonstrating a continual growth momentum and healthy business structure.

Among our product lines, what really stood out in Q3, same as the last two quarters, was our robotaxi business. Robotaxi revenue increased 761% year-over-year to RMB 35 million in Q3, accounting for 21% of total revenue in this quarter.

With our new federal permits in the UAE, we are the first and only robotaxi company that have begun fully driverless robotaxi operation in the UAE. Removing in-car safety officer is a critical milestone from a financial perspective, which will enable our robotaxi service to achieve unit economics breakeven.

The quality of our growth is also compelling. Group-level gross profit increased 1,124% to RMB 56 million for the third quarter, with a group-level gross margin of 33%, demonstrating our industry-leading gross margin as our business continues to grow. We aim to keep delivering business value along with our globalization strategy.

Operating expenses decreased 51% to RMB 436 million, with R&D expenses accounting for 73% of the total operating expenses.

To break down further, R&D expenses increased by 24% to RMB 316 million in the third quarter of 2025 compared to the same period of 2024. Excluding share-based compensation, R&D expenses grew 39% to RMB 288 million as we further strengthened our global data compliance and advanced R&D efforts for our pre-installed robotaxi. The increase in R&D expenses was primarily due to an increase of RMB 31 million in service fees for R&D projects, an increase of RMB 21 million in personnel-related expenses from headcount increase and an increase of RMB 23 million in material consumption and depreciation and amortization expenses.

Administrative expenses decreased by 84% to RMB 100 million in the third quarter of 2025 compared to the same period of 2024. Excluding share-based compensation, administrative expenses increased by 23% to RMB 74 million. The increase was primarily due to an increase of RMB 6 million in professional services fees mainly related to legal compliance service and an increase of RMB 4 million in personnel costs as we continue building necessary supporting functions to grow our business.

Selling expenses increased 23% to RMB 19 million in the third quarter of 2025 compared to the same period of 2024. Excluding share-based compensation, selling expenses increased by 36% to RMB 19 million, which was well below the sales increase.

Our commitment to R&D is the backbone of our strategy. We will continue to direct our resources there to pioneer industry innovation and keep building our competitive advantage. Alongside this, we will strategically grow our global team, with a clear focus on region that has an accelerating adoption of Level 4 solutions. This ensures that we have world-class talents needed to support our business expansion.

Our net loss narrowed by 71% to RMB 307 million in the third quarter of 2025. On a non-IFRS basis, adjusted net loss increased 15% to RMB 276 million, largely due to ongoing R&D investment and broader operational support required for expansion of our business.

As of September 30, 2025, we had RMB 4.5 billion in cash and cash equivalents and time deposits, RMB 926 million in investments in wealth management products and RMB 18 million in restricted cash. We had short-term bank borrowings of RMB 245 million. Our current liquidity reserves along with the proceeds from our recent Hong Kong dual primary listing in November, have enabled us with a resilient position for our R&D-focused strategy and our globalization deployment progress.

Our fully driverless robotaxi commercial permit in Abu Dhabi is not just a local milestone, it is a scalable blueprint for the global industry. It demonstrates a viable path for city-level full driverless operation outside the U.S., along with the potential for profitable unit economics in major international markets.

Our strategy is to scale this model globally. We have the complete package: the technology, the operational experience, a proven safety record, and regulatory trust. In the next five years, we will achieve large-scale L4 deployments, creating a sustainable business and delivering tremendous value of autonomous driving to the shareholders.

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

---

**Operator**

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

The first question comes from the line of Tim Hsiao from Morgan Stanley. Please go ahead, sir.

---

**Tim Hisao (Morgan Stanley)**

Hi, Tony and Jennifer. Thanks for taking my question. This is Tim from Morgan Stanley.

Congratulations on the strong results and continuous expansion on robotaxi operation globally. I have two questions. The first question: we noticed that WeRide officially started commercial deployment of driverless robotaxi in Abu Dhabi, UAE. In addition to the volume upside to WeRide's fleet sales, as Tony just mentioned, how should we quantify the revenue opportunities of the vehicle sales, service charge, and profit sharing in the long run? That's my first question.

---

**Jennifer Li (CFO and Head of International)**

Okay. Thank you, Tim. That's a great question. I'll take the first one.

So for the benefit of all listeners, I'd like to briefly elaborate on our robotaxi business model. In China, we mainly own and operate vehicles by ourselves on our own ride-hailing platform, WeRide Go. After the UE gets to the breakeven point in the next few years in China, we will gradually engage third-party asset owners and pass the vehicle ownership to them. And for now, we pretty much own all the vehicles by ourselves.

International market is different. From day one, we collaborate with platform partners such as Uber, Grab, SBB, TXAI, and we generate revenue from three streams. The first one is revenue share from the ride fare, and second one is the annual licensing, and third is the sales of the vehicles. So vehicle sales is considered product revenue. WeRide can scale up the robotaxi fleet much quicker using an asset-light business model, as the robotaxi operation fleet doesn't sit on our own balance sheet. We usually just sell this to our partners directly. And the revenue share and annual licensing are the recurring service revenue over the whole lifespan of the vehicle, which tends to be five to seven years. In particular, revenue share will become a significant multiplier, following the expansion of the fleet size. We'll take Middle East as an example. A robotaxi operating at a human-level utilization—meaning it can complete 25 orders per day—can generate an annual GMV of over USD $90,000. If WeRide takes 30% of the revenue share, that will give us USD $30,000 per car per year as revenue share. If we can take 70% of the revenue share, that will give us USD $60,000 per car per year.

So if we are moving this one step closer to the goal and to see what we have already. Let's say in Abu Dhabi, right now we have a significant presence with nearly 100 robotaxis in Abu Dhabi. Now we already cover 50% of the city core area. And the commercial model is based on integration with platforms like Uber. Right now, we're charging at the same price level as Uber X and Uber Comfort. In fact, if you go on the Uber app to hail a normal ride-hailing car in part of the city, no matter what you pick—UberX, Uber Comfort, or the autonomous option—you can get a WeRide vehicle. And this demonstrates that our service is competitive with mainstream ride-hailing from day one on the pricing level.

And on the unit economics side, the most critical metric is utilization. Right now, we already achieved a daily average of 12 orders per vehicle in a 12-hour shift. Sometimes on the good days, we can get to more than 20 orders per vehicle per day for a 12-hour shift. This indicates strong user preference and stickiness. So for your information, for 12 orders per vehicle per day, we can already get to the breakeven threshold in this market. So there's huge profitability potential. Based on our current driverless cost structure and the plan to extend the service hours to 24 hours next year, we project that average daily order can reach 25 per vehicle per day. And this level of utilization will lead to a very strong profitability potential next year. So while the specific percentage of revenue share is confidential between different partners, this approach fosters a sustainable, win-win partnership within the ecosystem. Thank you.

---

**Tim Hisao (Morgan Stanley)**

Thank you so much for sharing all the details. My second question is also related to WeRide's global business. So looking forward, in addition to operations in Abu Dhabi and Switzerland, which we just announced, which markets could step up as a key volume driver for WeRide? And does WeRide need to accelerate R&D and sales spending more aggressively in 2026 to finance the company's robust overseas expansion? That's my second question. Thank you.

---

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

Okay. I'll take the question. So besides Abu Dhabi and Switzerland, which markets would step up as key volume driver? First of all, in the Mideast, we have two major cities in the UAE, Dubai and Abu Dhabi. Currently, we have already got the permits and we are doing extensive road testing. The UAE is definitely a country that we pay a lot of attention to. It's a very important market. And there's also Saudi Arabia. So these major countries in the Midle East are all key potential countries for us.

Europe and other developed countries in Asia, like Japan, Singapore, and Korea, are all potential markets that can help us drive volume up. Tim, you just asked a very good question. I have been thinking about this for years: what are our target markets, and which markets can we make our service and products highly profitable? I think based on testing and operation in Abu Dhabi, we have developed a successful framework we call the Abu Dhabi model. Together with Uber, we found the unit economics to be strong, giving us a very promising projection that we will soon, in this region, make a very profitable service. This Abu Dhabi model actually creates a roadmap for other cities.

Together with Uber, we will try to replicate this model to similar cities. Also, this is a good combination of our current technology, strategy, and strategic partnerships. We intend to adapt this model to Singapore by forming alliance with Grab, who is a very important strategic partner in Singapore and potentially across East Asia. Meanwhile, in China, we are focused on developing a taxi service through our own application.

And about expansion, although we are increasing R&D investment to build stronger technology platforms and actively recruiting top talents, we expect related expenditure growth to be moderate because we want to adopt an asset light model to strike a balance between scaling and investment. One of our mid-term goals is to reach profitability, maintain a strong market share, and also to innovate. So we have to strike a balance between investment, expenditure and development. Given our current progress, I'm very optimistic because I have already seen the success in Abu Dhabi. Our next step is to identify all the places where we can easily copy the Abu Dhabi model. And by leveraging the strengths from these potential markets, we want to achieve profitability in the near future.

---

**Tim Hisao (Morgan Stanley)**

Well, thank you so much, Tony, for sharing those great insights and for the conversation, and looking forward to more exciting projects. Thank you.

---

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

Thank you for the excellent questions, Tim.

---

**Operator**

The next questions will come from Alex Yao from JP Morgan. Please go ahead.

---

**Alex Yao (JP Morgan)**

Hello, and good evening, management team. Thank you for taking my question. I have two questions. Number one, what is your take on the robotaxi business in China? How do you envision economics to change in the future for China and for international market respectively?

The second question is how quickly can the driverless milestone of Abu Dhabi operation be replicated in other markets? What can we expect for your fleet expansion plan globally and what are the catalysts or hurdles for your plan? Thank you.

---

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

Okay. Let me try to answer these questions one by one.

So first question, if I remember clearly, is: what do we think about China market, what's our plan for China market and our thoughts on the economics of China market. So first of all, I have spoken a lot about the global market including the Middle East, Asia, Europe. But what about China? Our headquarter is located in China. China is definitely a major market and we also definitely think China is one of the most important markets we are targeting.

Okay, now let me elaborate about the pros and cons to put resources in China market and what's our strategies. So first of all, China is a unique market with the largest user base and dynamic economics. And also it is a great test ground. It has been both our technology proving ground and an ideal operation sandbox for our very innovative ideas. But of course, that doesn't mean we treat it as a lab. When we launch a robotaxi operation or trial operation, we keep safety as our top priority. But still, with all kinds of scenarios, all kinds of different climates, different weather conditions, China is a vast country. And we actually tested so many different methods, different algorithms. So that part, actually China is unique and a very big market.

But China is also not that balanced, in terms of development. It has tier-one cities on par with Paris and New York. There are also tier-four cities, which are still in earlier stages of development. So we believe profitability in tier-one cities can be achieved with a combination of three elements. Number one, city level driverless permit. Number two, average daily order of high double-digits. That means what we try to achieve in the Middle East should be achieved in China too—more than 20 orders per day. Number three, a relatively healthy price. Although these days, the taxi fare in China is still relatively low, but we expect to see the fare to grow a little bit. So it's still relatively healthy. So with these three factors, we believe we still need to expand our market in China, mainly in tier-one cities.

So far we have deployed, as I mentioned before, 300 robotaxis in Guangzhou and more than 100 robotaxis in Beijing with areas of 150 kilometers in each city. And we are continuing to expand that. Also we have implemented free PU/DO, I mean, Pick-Up and Drop-Off features, which helps us to improve

the user experience. And I think, we aim to provide better robotaxi service than traditional taxi service driven by human driver. Therefore, we can get more orders and provide better user experience, which will lead to more frequent usage.

And we expect the unit economics of all of these markets will improve over time. We also want to leverage what we have learned in China and use it as our competitive advantage in the global market. Therefore, I think we still treat China as one of the most important markets and we will keep on investing and injecting resources in this market.

Okay, the second question is about how quickly we can copy the Abu Dhabi model to the rest of the world. First of all, thanks for asking this question. We believe we have found a model in Abu Dhabi that resembles the “Matthew Effect”. WeRide is a unique first mover because we just got a city level driverless permit. Abu Dhabi is so far the only place outside of the United States where you can get a citywide driverless permit and operate through Uber. This makes the service more ubiquitous and widely available.

Therefore, I think we can quickly copy this model to similar markets like Dubai in the UAE, Riyadh in Saudi Arabia, and Singapore with Grab’s support. And I believe the regulatory condition and all of the other factors are quite similar in these regions. We also want to emphasize how Europe is a very important market and we are trying to see whether we can copy this model to Europe too.

And about the catalysts and hurdles, catalyst is actually the “Matthew Effect”, which makes other countries more inclined to allow our operation and give us permits. The hurdle is still the regulatory issue. We want to make sure we leverage our current successful experience to get more driverless permits, so that we can deploy the service. That's all I want to say about this question.

---

**Operator**

Next question comes from Ming-Hsun Lee of Bank of America. Your line is now open.

---

**Ming-Hsun Lee (BofA)**

Hello, dear management team. I have two questions as well. So first question: we are seeing more OEMs and ride-hailing companies announcing plans to enter the robotaxi business. What are WeRide's key advantages, and how should we think about the competitive landscapes in the future? That's my first question**.**

---

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

Okay. So I think these days, because of the increasing discussion and the increasing maturity of robotaxi, you see so many car OEMs and ride-hailing platforms start to talk about robotaxi or start to announce their robotaxi strategies. One thing I want to mention is that robotaxi is not easy. It takes many years of efforts, technological accumulation, regulatory exploration. That's why there are only a few mature

robotaxi companies in the world. If you count the mature robotaxi companies who offer driverless operation to the public, I think you can count at most three or four globally—so not many. So the emergence of a few mature players should not be the only trigger for announcing your strategy. More importantly, you need to show whether you have enough technological accumulation and enough experience to launch robotaxi.

WeRide's competitive advantage stems from several areas. First of all, technology. Our ability to massively deploy both L4 and L2+ mass-production vehicles help us to gather data more efficiently and make our algorithm more generalizable, which in turn strengthens our technology. Second, our capability for fast iteration. For car OEMs, they usually have a relatively small ADAS system development team. The requirements for L2+ FSD or L2+ ADAS system are far from those for L4. L4 is a driverless operation whereas L2 is just like an assistant driving system. For the L2 system, you don't need to take the final responsibility, but for L4 system, you have to take the responsibility, necessitating redundancy.

Over the past nine years, we have accumulated a lot of experience, that's why we can roll out our robotaxi service. And I haven't seen any other car OEMs or ride-hailing platforms able to do so. So that is one of our advantages. The last thing I want to emphasize is the core of WeRide—the AI technology. WeRide, since day one, has been an AI company. We have hired many top talents and set up our company for the fast iteration of AI algorithms. I don't think traditional car OEMs or traditional ride-hailing platforms are capable of this kind of fast iteration. So let's wait and see. But so far, I haven't seen any major car OEMs or ride-hailing platforms company successfully rolled out any driverless robotaxi service to public. That's my answer to these two questions.

---

**Ming-Hsun Lee (BofA)**

Sorry. One more question from me. So following the last question, do you think the amount of data and the development of AI models have given OEMs certain edge to enter and to compete in the robotaxi industry? Is it possible to evolve from L2 to L4?

---

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

Very good question. So first of all, I want us to think about one thing—who is the best L2+ or ADAS system company in this world? In China, I think we can name a few. But if you look at their strategy, they are doing L2+ ADAS System. When it comes to robotaxi, they always try to tackle this problem or approach this project directly from L4 level.

Why is there no L3 strategy? Where are their L3 strategy? They all skipped L3. Why is that? Because if you directly grow L2+ to L3 and then to L4, they found it very, very difficult, just like climbing a cliff. Instead, you may directly solve the problem by applying your experience to address L4 system challenges. That is just like what we have already done for the past eight to nine years. The technology has been there. We have used deep learning algorithms based on large language model and lots of data. But all of these, I want to say, is based on our past eight to nine years of experience. Currently, it is true that car OEMs can leverage the cutting-edge large language model stuff, but there are lots of infrastructures that are relevant, like data simulation and the cloud computing platform. All of these, I

don't think the car OEMs have enough accumulation. It will still take them many years to really roll out a simulation platform, to roll out the protocol, to roll out the pipeline, to test the driverless robotaxi.

One thing I want to emphasize is that having a pretty good ADAS system allows a car to drive for 100 miles without takeover. However, it is far from rolling out a driverless robotaxi. To roll out a driverless robotaxi, you have to be capable of making the car drive by itself for more than 10,000 miles. This represents a difference of magnitude in difficulty. It's just like from swimming in a swimming pool to crossing the English Channel; the challenges are that different. So I'm not going to say it's absolutely not possible to gradually grow from L2+ to L4, but it will take a long, long time. Before that, I think a tier-one robotaxi company, like WeRide, will have already captured the global market and have already been very profitable. So the time left for these major car OEMs to gradually grow from L2+ to L4 is very, very limited.

Any other questions?

---

**Operator**

We will now take the next questions from Liping Zhao from CICC. Your line is now open.

---

**Liping Zhao (CICC)**

Good evening, Tony and Jennifer. Thanks for taking my questions. So first, I want to follow the previous technical question. And this question is for Tony, because you are quite confident in maintaining the leadership in the industry. What tools and technology approaches help you stay ahead of the curve? Could you please share more color from a technical perspective? And then I'll have a follow-up.

---

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

Okay. So first of all, just as I have discussed, there's only one company in the world, to my best knowledge, that is capable of doing robotaxi, have already achieved open-to-public driverless operation, and at the same time, supplies ADAS system to mass-production car company, that's WeRide.

We call this our Dual Flywheel strategy. We collect data, including all kinds of corner cases, through our robotaxi fleet and use that to facilitate our L2+ development. At the same time, we can also leverage what we have collected from the L2+ system, like AI drive based on navigation, to make our L4 system more stable and more generalizable. And by combining these two sources of data and problem domains, we are gradually evolving into a super platform that are capable of building and running robotaxi. At the same time, our ability to operate with limited hardware, limited reliance on HD maps or navigation maps allow us to deploy across the whole global market. So these two parts actually leverage on each other, enabling us to improve and to iterate our algorithms at a speed that cannot be achieved by single-strategy companies. So that's one of our advantages.

Another thing is globalization. Since we have deployed the fleets in the global market, we can collect the data from heterogeneous sources all over the world. We can have data collected from very dry climates in the Middle East, humid and tropical areas in Singapore, and very cold areas in Japan and China. I can't imagine any other company having such wide spectrum of operational environments. With all of this data and a group of talented engineers, we actually evolve rapidly.

The other thing I want to emphasize is our GENESIS platform. It's actually based on a physical AI model with extensive real-world considerations, and it seamlessly integrates with our end-to-end system. This kind of simulation platform give us significant development advantage. The combination of all of this algorithm and data creates “Matthew Effect” here. We have many driverless permits across many countries worldwide and we collaborate with many car OEMs. We have heterogeneous data collected from different countries and various level of autonomy. By combining it all, I think we can achieve an accelerated development pace that is much faster than our competitors’. That's my answer to your question.

---

**Liping Zhao (CICC)**

Thanks, Tony. That's very helpful. And my second question is for Jennifer. The Board of the Company has authorized a $1 million USD share repurchase program in May this year and could you please update what is the status on this program? Thank you.

---

**Jennifer Li (CFO and Head of International)**

Thank you Liping. Regarding the $100 million share repurchase program, which is authorized by the Board in May, no purchase has been initiated to date. The reason is that the proprietary work for our Hong Kong IPO constituted a closed period under the security regulation, during which the trading was restricted.

As a dual-listed company, we are also required to obtain specific shareholder approval to ratify this program. We are currently preparing to call an Extraordinary General Meeting to seek this approval which will allow the program to proceed. Thank you.

---

**Liping Zhao (CICC)**

Thank you, Jennifer.

---

**Jennifer Li (CFO and Head of International)**

Operator. We're ready to take the next question.

---

**Operator**

Our last question comes from Paul Gong from UBS. Please go ahead.

---

**Paul Gong (UBS)**

Thanks for taking my question. Yes, Paul Gong from UBS. I have two questions. The first one is regarding the robotaxi revenue contribution. We have noticed that while this is about seven times year-over-year growth, it seems to have a little bit fluctuation compared to the second quarter. Could you please elaborate more on this?

And my second question is regarding the European strategy. Congratulates for the permits in Switzerland recently. Can you share more on the next step of the company's plan for European expansion? Thank you.

---

**Jennifer Li (CFO and Head of International)**

Okay. I'll take the first question. I think Tony probably want to take the second. So regarding the fluctuation of robotaxi revenue, for the past three quarters, you can see our robotaxi revenue made 22% contribution in the first quarter, 36% and 21% revenue contribution for the subsequent two quarters respectively, which already showcase a very continuous momentum.

The fluctuation was expected, given that our delivery schedule is in tandem with permit upgrades and corresponding expansion of our operating areas. We made a significant step forward by securing the city level driverless operation permit in Abu Dhabi, which will pave the way for accelerated expansion across the Middle East.

Thank you. Now, Tony, you want to take the second one?

---

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

Yes, I will take the second one. The second question is about, since we have already got the driverless robotaxi permit in Switzerland, what's our next step for Europe. So European market is a great market for robotaxi. I think the taxi fare in Europe is high and also most of the countries in Europe are short of labor. And that is a very good scenario and opportunity for robotaxi company to deploy robotaxi service to fill the gap between the shortage of drivers and the increasing demand for taxi. These days we have seen that, especially after the coronavirus, people like to take private transportation if possible. So I think there's an actual growing demand for taxi. So if we can deploy robotaxi as a very cost-effective method, people will love this kind of product.

Having established a presence in Switzerland, we are now considering some other countries. For example we opened an office in Stuttgart and are also exploring opportunities in Paris. So in

the next 12 months, we will solidify our foundation with our trial operation in France, in Belgium and our current operation in Switzerland, while engaging with all the other possible countries. We have formed strategic partnerships with Uber, with Renault, with SBB, STL, etc. And there are a lot of airports in European countries talking to us to explore the possibility of deploying our robobus.

So we want to leverage all of our applications such as robobus and robosweeper to help us enter new countries. In certain European countries, they tend to adopt robobus or robosweeper first before moving to robotaxi adoption. And gradually, we want to go to Switzerland, Belgium, Germany, France, Spain, Norway and more countries. And I want to emphasize that our approach is dynamic. Our expansion depends on the availability of strong local partners, regulatory policies and local labor shortages. But for sure, we will gradually expand to the aforementioned countries and other potential countries across Europe.

---

**Paul Gong (UBS)**

Thank you so much. Very helpful.

---

**Operator**

Thank you. If there are no further questions, I'll conclude the call today. Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.

---

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

Thank you very much. Thank you. Bye.

---

**Jennifer Li (CFO and Head of International)**

Thank you.