# WeRide Inc. First Quarter 2026 Earnings Call Transcript

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## PARTICIPANTS

**Company Speakers:**

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

**Analysts:**

Stanley Wang – Morgan Stanley
Ming Hsun Lee – BofA
Purdy Ho – Huatai Securities
Kai Xiao – CICC
Xinyu Fang – UBS
Tianyu Lu – CITIC
Mai Liu – HSBC

## 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 2026 Earnings Conference Call. Please note that today's event is being recorded. At this time, all participants are in listen-only mode.

For today's call, management will use English as the main language. A third-party interpreter will provide simultaneous Chinese interpretation. The Company will be hosting a question-and-answer session after management's prepared remarks. If you wish to listen to management's original statements or ask a question during the question-and-answer session, please make sure you are dialed in to the English language line. Please note that the Chinese interpretation is for convenience purposes only. In the case of any discrepancy, management's statements in their original language will prevail.

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. The Company's unaudited financial and operating results were released earlier today via newswire and can be found on the Company's IR website.

With that, we will now begin with the Company's video presentation.

(video playing)

Now, I would like to pass the floor 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 and thank you for joining us today. We started 2026 with strong momentum as a global leader in autonomous driving. In the first quarter, the total revenue of WeRide reached RMB114 million, 58% up year over year.

These results are driven by our accelerating robotaxi deployment, growth across our broader

autonomous driving business, and the great success of our L2++ ADAS solution. By the end of April, our global robotaxi fleet grew to around 1,300 vehicles, representing one of the largest robotaxi fleets globally.

At the same time, our Level 4 autonomous driving fleet, including robovan and robobus, has grown to around 2,800 units. They have been deployed to or tested in 12 countries and over 40 cities worldwide.

We believe the steady and significant progress this quarter reflects not only the maturity of our technology but also the growing operational experience for thousands level fleet in multiple cities.

First of all, I want to point out that we have made a major technical breakthrough through GENESIS, our closed loop world model based simulation engine, which boosted our model evolution pace by several folds.

We can now train AI model for autonomous driving with synthesized corner cases, which may be very rare or even imaginary. With a compact AI model leveraged on our GENESIS, we have achieved four consecutive championships in China Urban Intelligence Driving Competition.

This is unprecedented. The best previous record is held by Huawei ADAS System which got two consecutive championships. Today many companies talk about world model and simulation platforms, but WeRide is one of very few companies that have publicly demonstrated footage of a highly realistic autonomous driving world model at scale.

We have already released GENESIS demonstration video on YouTube, where viewers can check the model's ability to reconstruct and simulate visually realistic driving environments strictly following physical laws as well.

GENESIS can generate holistic virtual driving environment consistent to the desired locations including traffic flows, pedestrians, weather conditions and the complex interactions between vehicles and the surrounding objects.

More importantly, we can edit this environment components to simulate highly challenging scenarios such as aggressive driving behavior, dense traffic, extreme weather on euro road conditions and many other long tail corner cases that are very difficult and extremely expensive to replicate in the real world.

By leveraging on synthetic data and large-scale simulation, GENESIS improves training and validation efficiency by thousands of times compared to traditional road testing.

It also significantly reduces the crucial dependence on large-scale testing fleet and accelerates deployment process in new operational regions globally. GENESIS is not just a capability, it is a unified simulation and AI training platform supporting applications from L2 ADAS to L4 robotaxi and it is very same tech stack that makes us the only company in the world to have already achieved the scaled commercialization of both L4 and the mass production L2 vehicles.

The newly developed GENESIS now has paved the way of WeRide to the physical AI world. With GENESIS, the ADAS system developed by WeRide is comparable to the performance of FSD 14.3 in California.

You know I personally own two Teslas, and I drive with FSD 14.3 every day. I look forward to entering a global urban intelligence driving competition directly facing FSD 14.3 from Tesla. Hope one day we can meet in US or Europe and give our consumers a head-to-head comparison.

Today, we are seeing our technology leadership translate into real global commercial scale. Let me walk you through the key operational and commercialization milestones we have achieved this quarter.

First in China, our robotaxi business continues to make strong progress in scale, operational efficiency and commercialization depth. By the end of April, our domestic robotaxi fleet expanded to about 1,000 vehicles, while our service area in Guangzhou increased by 97% compared to the end of 2025, including additional downtown districts.

On the demand side, average daily orders per vehicle domestically exceeded 17 trips during Q1,

with peak periods reaching 28 trips per vehicle. Registered robotaxi users also almost doubled year-over-year.

We believe these metrics continue to demonstrate growing user adoption and improving unit economics as robotaxi commercialization scales. In this quarter, we also continue to deepen our partner ecosystem.

In April, we extended our collaboration with Lenovo in autonomous driving computing platforms with a joint target to deploy 200,000 autonomous driving vehicles globally over the next five years. Together with Geely Farizon, we plan to deliver 2,000 upgraded purpose-built Robotaxi GXR in 2026.

We believe these partnerships further strengthen our manufacturing scalability and deployment capability globally.

Now turning into international markets, we continue to see strong momentum in both new market launches and the commercialization progress.

In Singapore, we launched the country's first public autonomous driving service together with Grab. Since the initial deployment in the second half of last year, the fleet has built a trustworthy operational track record in a highly regulated international market.

In the Mid East, we have launched fully driverless commercial robotaxi operation in Dubai, together with Uber and Dubai's RTA. This is the city's first fully driverless commercial robotaxi service. Meanwhile, Abu Dhabi service coverage expanded to around 70% of the city's core area. Across the Mid East, together with Uber, we remain on track to deploy at least 1,200 robotaxis across Abu Dhabi, Dubai and Riyadh by 2027.

In Europe, we entered Slovakia in March, our fourth European market, and continued progressing toward fully driverless commercial operation in Zurich.

Overall, we continue to believe WeRide remains the most globally deployed autonomous driving

company today, with deployments across 12 countries and permits in eight markets.

This global footprint not only diversifies our revenue, but also demonstrates operational and regulatory capabilities that are hard for borrowers to replicate. It also keeps us on track toward our long-term vision of deploying tens of thousands of robotaxis globally by 2030.

Beyond robotaxi, our ADAS business is also seeing growing commercial traction. Our current version of ADAS system, WRD 3.0, has been adopted by nearly 30 vehicle models including vehicles from leading OEMs such as GAC and Chery.

In April, GAC Aion launched pre-sales for the Aion N60, the first mass production vehicle with WeRide solution. Leveraging the generalization capability of GENESIS, our WRD 3.0 solution now supports three major chip platforms, NVIDIA DRIVE, Qualcomm Snapdragon, and the SiEngine StarLight.

We believe this level of multi-chip compatibility is crucial because it enables faster mass production, greater cost optimization and broader OEM adoption. At the same time, we continue expanding internationally with partners including Tiggo, Lepas, Omoda, and JAECOO, bringing WeRide-powered ADAS solution to consumers globally.

Finally, for robobus, we also continue to make progress globally. We are collaborating with the Geneva public transport operator TPG on autonomous bus deployment. Meanwhile, we are preparing for the robobus operation with Renault at the Roland Garros French Open for the third consecutive year.

To summarize, the first quarter of 2026 was about substantiating technology leadership of WeRide into commercial scalability through growing robotaxi operations, expansion into new international market, growing deployment pipelines and continued unrivaled winning momentum in ADAS.

We believe we are executing well with our global strategy, and we continue to see a clear path toward long-term growth. With that, let me turn the call over to our CFO Jennifer Li for a deeper view of the financial results this quarter. Thank you.

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

Thank you, Tony. Hello, everyone. Before we dive into the financials, I want to highlight that all figures are in RMB. Comparisons are year-over-year unless stated otherwise, and we will discuss non-IFRS measures today, which are more fully explained and reconciled to the most comparable measures reported in the company's earnings release and filing with the SEC and Hong Kong Stock Exchange.

Now let's discuss our first-quarter financial performance. We delivered total revenue of RMB114 million in the first quarter, representing an increase of 58%. Product revenue increased 116% to RMB20 million, mainly driven by increased deployment of robotaxi and other L4 vehicles.

Service revenue increased 49% to RMB94 million. This revenue growth mirrors the solid commercial progress we made in this quarter, together with our proven track record in execution and deployment. Considering the seasonal impact of Chinese New Year and Ramadan in the Middle East, our business performance surpassed our original internal targets.

Group-level gross profit increased 56% to RMB40 million in the first quarter, with a Group level gross margin of approximately 35%. We maintain top-line expansion without sacrificing margin discipline, underscoring the inherent profitability of our autonomous driving business at this further scale. This was also supported by the increased exposure of our ex-China market, where we continue to see a structural, stronger margin profile as we expand into new additional international territories.

Operating expenses were at RMB469 million, with R&D expense accounting for 77% of the total operating expense. Our operating expenses are stable in absolute dollar amount compared to the same period in 2025.

To break down further, R&D expense increased by 12% to RMB363 million in Q1 2026. Excluding share-based compensation, R&D expense grew 16% to RMB322 million. This consistent

investment in R&D underpins our technology roadmap and ensures we stay at the forefront of autonomous driving innovation.

Administrative expenses decreased by 33% to RMB83 million in the first quarter. Excluding share-based compensation, administrative expense decreased by 17% to RMB61 million. The decrease was primarily driven by lower professional services fee, mainly related to audit and legal compliance services and partially offset by increased personnel costs for the expansion of our team as for our growing business.

Selling expense increased by 63% to RMB23 million in Q1 2026. Excluding share-based compensation, selling expense increased by 81% to RMB22 million, the increase corresponding to ongoing expansion for our business, underscoring our commitment to support growth appropriately.

Our net loss kept stable at RMB389 million in the first quarter. On a non-IFRS basis, the net loss increased slightly by 11% to RMB326 million in the first quarter. The slight uptick was largely driven by ongoing R&D expanding, and as we continue to invest ahead of scale in our long-term technology leadership. As of March 31, 2026, we had total capital reserve of RMB6.22 billion, comprising RMB6.18 billion in cash and cash equivalents and time deposits, RMB29 million in investment and wealth management products and RMB18 million in restricted cash.

We maintain short-term bank loans of RMB294 million to support daily operations. We have well-positioned our capital base to match our cash deployment needs, with headroom to support ongoing growth and strategic initiatives. Under the US dollar 100 million share repurchase program authorized by our Board of Directors on March 23, 2026, we have repurchased approximately 24.4 million Class A ordinary shares, including in the form of American depository shares, as of market close on May 12th for a total consideration of approximately 61.4 million in US dollars. This reflects our firm belief in the company’s long-term value and growth potential.

Moving forward, we will proceed with confidence and a well-defined focus. By the end of 2026, we remain on track to deploy 2,600 robotaxis worldwide, marking the first milestone in our journey towards hundreds of thousands by 2030.

As we continue to scale, our approach is to enter new regions and cities, which has proven effective and replicable. Supported by strong technological leadership, operational know-how and increasingly robust global rollout, we are prepared to lead the next phase of autonomous driving.

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

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**Q&A Session**

**Operator**

(Operator Instructions) Stanley Wang from Morgan Stanley.

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**Stanley Wang (Morgan Stanley)**

Thank you, Tony and Jennifer. This is Stanley from Morgan Stanley. I have two questions. The first one is on your robotaxi expansion. Are you on track to meet your expansion roadmap in 2026 and could you update us on the latest expansion progress in China, the Middle East and the rest of the world?

And my second question is on WeRide's overseas business with the company's core advantage being its possession of overseas operating licenses in eight countries and in light of the global expansion of players like Waymo and Zoox, and also the accelerating regulatory approvals. How do you view the key growth drivers, profitability path and timeline for tangible contributions from your overseas operations in 2026 to 2027? Thank you.

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

I will take the first question and then I will let Jennifer to answer the second question about the profitability. The first question is whether we are on track with our robotaxi expansion. I think overall, we are very optimistic and confident in our global robotaxi expansion, and we have been making the steady progress all the time. I will share some numbers. By the end of April, our global robotaxi fleet reached approximately 1,300 vehicles. That is, to my best knowledge, one of the largest robotaxi fleets globally.

In China, our robotaxi fleet has grown to approximately 1,000 vehicles, with a solid demand, healthy daily order volume and a growing user base. Our average daily order per vehicle exceeded 17 trips during the first quarter. That is an amazing number.

Our overseas robotaxi fleet has expanded to approximately 300 vehicles across multiple markets. In the Middle East, we recently launched a full driverless commercial operation in Dubai on the Uber platform. Today, if you really want to hail a full driverless robotaxi, to my best knowledge - I look at all our competitors outside of US and China - the only way is through Uber hailing WeRide's robotaxi in Abu Dhabi or Dubai. That's our current stage.

I know regional tensions create some short-term softness in utilization, but we remain very confident. More important, we remain firmly committed to the Middle East, and our long-term investment and operational presence are well received by local governments. We remain on track toward our commitment to deploy 1,200 vehicles across Dubai, Abu Dhabi, Riyadh as additional driverless ODD to be added.

In Europe, we are expanding our footprint. In Switzerland, we obtained the region's first driverless commercial permit and continue progressing toward public operations in Zurich. We also recently launched our national autonomous driving program in Slovakia, making our entry into another new European market. More broadly, we believe WeRide has established a meaningful advantage, first mover advantage through years of global expansion.

Overall, I think this global operation and regulatory footprint are becoming increasing important differentiators as autonomous driving commercialization accelerates worldwide.

That concludes my answer to your question, our global roadmap and our plan. About profitability, would you pick up the question, Jennifer?

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

Yeah, I'll answer the second one. Just now, Tony also mentioned WeRide's core advantage is

having operating licenses in eight countries. Actually, now comparing the total number of robotaxi deployed and driverless permit hold by any autonomous driving company outside China and the US, WeRide ranks first, among all companies.

We are very encouraged by the momentum of our international expansion so far. And as we can recall from the last earnings release, international revenue already account for approximately one-third of the total group revenue last year, and our Middle East subsidiary was already profitable at net level.

Tony just walked through our key developments in some of the regions of China this year, and we will announce some more exciting announcements in robotaxi deployments in due course.

This year, we expect international revenue to grow even faster and contribute an even larger share of group revenue supported by the positive unit economics. And maybe I would also elaborate a little bit more about our city selection criteria here.

Now, people always ask us, you guys already have a presence in like 40 cities. Do you want to expand to more cities or focus on the current ones? Our strategy is to focus on scale in existing city as well as entering additional cities.

And there are more selective criteria. We really consider whether the market has the potential to support scalable and commercially attractive operations over long term.

Especially on the monetization potential side, we pay close attention to the overall gross booking opportunities, as well as the gross bookings per mile, because both scale and unit price matter significantly for long-term robotaxi unit economics.

Besides, we focus heavily on whether there's a realistic path to scale. For all the cities we are currently deploying, we do see potentials for each city to deploy thousands of autonomous driving vehicles.

Another thing to mention here, Europe remains to be a key focus for us this year. We will share

our exciting news in more deployment in more cities in Europe, hopefully soon. That concludes my answer for this question.

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**Operator**

(Operator Instructions) Ming Hsun Lee, Bank of America.

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**Ming Hsun Lee (BofA)**

Hi, Tony and Jennifer. Thank you for giving me the opportunity to raise a question. I also have two questions. The first one, how do the recent report about China halting a new self-driving approvals impact WeRide?

And second question is about the technology difference. There has been a consistent and industry-wide debate over the LiDAR and the HD Map approach that Waymo adopts and the camera-only solution by Tesla. What is WeRide's view?

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

I will take them one by one. I did take some notes. The first question, I think everybody has already heard of the recent halt on new self-driving approvals.

We all noticed the accident of Baidu in Wuhan, and we have seen the reports. First of all, we view this as more of a short-term regulatory adjustment rather than structural change to the industry.

We have been in discussion with the central government and local government and careful investigation. If you check our record, WeRide has a very good safety and operational record, and both central government and local government give us very strong support.

And through our discussion, we were assured that the central government and local government's support to the autonomous driving remains very, very strong. That is what we have learned. And we talked with the local regulators, legislators, and officials.

This remains very supportive. It is a short-term adjustment. They basically halted the new approvals for the added autonomous driving vehicles, but current autonomous driving vehicles remain actively operational for WeRide, and our orders are increasing as I have already mentioned.

As autonomous driving moves from early pilots toward larger-scale commercialization, I think it is natural for regulators to place great focus on safety, and we really think this is a very responsible attitude. This is definitely a very responsible action, and we fully support this.

From our perspective, this is ultimately positive for the long-term development for the industry. A company with a very good safety record should be rewarded. A company with lousy safety record should be punished. just think about airlines—it's the same. Airlines with good safety record remain in the market. Airlines without a good safety record got eliminated.

The regulatory framework should favor companies with proven technology, operational experience and a strong safety record. We also expect regulation over time to become more differentiated based on factors such as safety performance, operational track record and technical capability.

For WeRide specifically, we remain confident because we have accumulated meaningful real-world operational experience, both in China and internationally. We operate and test across more than 40 cities in 12 countries. Who else has such achievement?

Overall, we view this necessary step for the industry and believe it will ultimately lead to a more sustainable competitive landscape. We don't want a company with lousy safety record to ramp around in the market. That's not safe to the public, not safe to our community.

So we are very confident that companies with very good safety record like WeRide have a higher moat, and WeRide will continue as a leading player, a first mover to keep our very good safety record and keep our reliable operation. We try every effort we possibly can to maintain this very good record.

The second question is about the long-term debate on LiDAR versus HD Map, and the approach of Waymo versus Tesla.

My view is simple. I spent many years in Missouri, more than 12 years. Missouri has been long called a “show me” state. To me, I don’t want to argue about the approach. I want to see the results.

For L4 level robotaxi, today, I think everybody have already seen that Waymo has quite thousands of robotaxis safely operating in many cities in the United States. There are all kinds of claimers, but I just want to say for L4 level robotaxi, it’s a driverless autonomous driving vehicle, and safety is very important.

If we can use HD map as an actual layer of information, why not? We have long adopted multi-sensor redundancy-oriented technology paths. We believe that camera and LiDAR combined together build a strong, robust autonomous driving system.

And this approach actually is broadly aligned with the direction adopted by leading global robotaxi players like Waymo. At the same time, we are closely watching the progress of vision-only based on the map-light approach, including Tesla’s recent approach.

I have to say FSD 14.3 make a very good progress, and we admire Tesla’s achievement. However, it is still not robotaxi, not driverless. But we took a similar approach, as I mentioned at the opening remarks.

Our ADAS system based on one-stage end-to-end world model has achieved four consecutive championships in China. Basically, we beat all other ADAS system solutions.

I think the only competitor we haven’t had a direct face-to-face matching is Tesla FSD 14.3, and as I mentioned, we look forward to head-to-head comparison and giving our consumers the best experience.

So with that said, I just want to emphasize, we are very, very aware of the advantage of camera-

only solution based on foundation model and world model, and we are pretty good at it. That's why I think I'm currently the best suitable CEO to answer this question.

And we really consider very complicated traffic scenarios in cities like Madrid in Europe. We have already spent a lot of time solving all possible corner cases in Madrid because we have to be prepared to deploy autonomous vehicles in a busy European city like Madrid.

Historically, a city like Zurich and Madrid would require significant localization and testing resources. But with our GENESIS model, we believe we can really combine the HD Map approach with the map-light version.

One of WeRide's strengths is flexibility across different architectures, and we can make a perfect marriage between this LiDAR-based HD Map solution with camera-based and map-light solution. But overall, I just want to emphasize, to have a reliable and safe robotaxi deployment at current stage, we do need to rely on HD Map. Gradually, we may use map-light approach to accommodate emergency road construction and keep the freshness of map.

But overall, we have to cherry-pick the advantage of camera-based, map-light solution based on world model like Tesla's approach into L4 system. That's our approach.

And I think currently, the only company capable of doing this in the world is WeRide because of our ADAS progress and our L4 level deployment operational experience. That concludes my answer. Thank you.

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**Ming Hsun Lee (BofA)**

Thank you, Tony. That's all my questions.

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**Operator**

(Operator Instructions) Purdy Ho, Huatai Securities.

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**Purdy Ho (Huatai Securities)**

Hello, Tony and Jennifer. Thank you for taking my question. I got two questions for you guys. First of all, like we're seeing more and more Level 2 companies announcing plans to enter Level 4 market. What's your view on this?

And then can you give us more details on your multi-chip platform compatibility for Level 2? How do you achieve this chip's diversity?

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

Thank you for these two questions. I think these questions are more like technical questions so I'll answer both. First question is about our view on so-called L2 company or ADAS company, although they themselves don't want to call themselves as L2 company, planning to enter L4 market.

I still want to emphasize, there's only one company, to my best knowledge, doing L4 level robotaxi and L2++ ADAS system at the same time.

I believe there's a standard, that is for a company to claim themselves as a robotaxi company or L4 level autonomous driving company, they have to have 100 driverless robotaxi fleet open to public, operating for more than half a year without any significant or serious accidents.

Then they can claim to be a robotaxi company. For ADAS company, they have to deploy their system to mass production cars.

Three or four years ago, we had developed some ADAS solution in our lab, but we cannot call ourselves ADAS company because we haven't deployed our system to mass production cars.

But now we can because we have deployed our ADAS system to close to 30 types of vehicles, and several of them are selling by tens of thousands units every month,

With all of that, I believe there is still a significant gap between advanced driver assistance

system, i.e. ADAS system, and the true L4 robotaxi driverless system. The challenge is fundamentally about system robustness, operation capability, and scalability.

There are some numbers I want to share with you. Most of the ADAS system today, according to our test, mile per critical intervention, if you measure in kilometers, although it's called MPCI, mile per critical intervention, lots of competitors in China, they aim to reach 1,000 kilometers of MPCI.

But for L4 level autonomous driving, you can see numbers from WeRide, from Waymo, the mileage per critical intervention is at above 1 million kilometers level. Three magnitude of difference.

So while some companies claimed they can boost their MPCI by a factor of 10 every year, that's still three years away. But boosting MPCI10 times every year is a formidable task, a mission impossible.

So basically, all I'm saying is you need to operate for half a year before you know the difficulties about L4. It's great to have ambitious goal, but the concrete path to achieve this ambitious goal is the key. From our past experience, it takes many years to really make your fleet available and reliable for driverless operation.

So have a driverless fleet of at least 100 cars, make it available to the market, operate for half a year and see what happens.
You see some companies quit the market because of some accidents. You all know the names, so I don't want to mention them anymore.

Second question is about our multi-chip platform. That is something I'd love to answer. I think the secret sauce is our GENESIS model. Our GENESIS model creates AI model that can trim to a chip set of different complexity.

And so far, we have already rolled out our system based on NVIDIA's Thor X, Dual Thor X, Orin X, Orin Y, and also we rolled out GAC N60 based on Qualcomm 8650. We are also going to roll out a system based on SiEngine's chipset.

With our current GENESIS-based approach, we can build up world model, and support different platforms. And this gives us a great competitive advantage.

And again, to my best knowledge, we haven't seen any other company supporting such a wide spectrum of chipsets for ADAS solution as well as for robotaxi solution. That's my answer to these two questions. Thank you.

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**Operator**

(Operator Instructions) Kai Xiao, CICC.

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**Kai Xiao (CICC)**

Thank you, Tony and Jennifer. This is Kai from CICC. I also have a question on the multi-chip platform strategy you mentioned. Can you share why this strategy is important for your L2++ ADAS business?

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

Okay. Basically, the main reason is that different OEMs have different hardware preferences. Some OEMs want extremely cost-effective chipsets. Some others want very high-TOPS computational platform.

And they have different supply chain requirements. Basically, a flexible multi-chip architecture allows us to support a broader range of vehicle platforms without redesigning system every time.

But the secret sauce is really our GENESIS model because it can help us to tune a spectrum of AI and onboard AI model, accommodating different TOPS requirements like 8650 200 TOPS, Thor U 700 TOPS, Thor X 1,000 TOPS, Orin X 250 TOPS. We are able to adjust.

More importantly, multi-chip vendor flexibility enables faster mass production and great cost optimization. Different chip platforms offer different cost and supply chain advantages.

And if an ADAS company or autonomous driving software company can supply a spectrum of solutions based on the different chipsets, the car OEM tends to work with them more closely.

We believe this flexibility also helps us secure more production of more vehicle type. And we also look forward to deploying all these systems for the overseas market. One thing I want to bring all the investors' attention—this year, you'll see the export of Chinese automobile product to the rest of the world growing, but most of them don't have a very good ADAS system, and we actually have already secured more than ten vehicle models to supply ADAS system for them.

So maybe next year, you will see some overseas models. You can maybe drive a car with WeRide ADAS system in Mideast Asia, Southeast Asia, even in some countries in Europe. Please stay tuned. Thank you.

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**Operator**

(Operator Instructions) Xinyu Fang, UBS.

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**Xinyu Fang (UBS)**

Hi, thank you for taking my question. I have one question about the strategic balance and prioritization between China and international business.

As we know, as Po mentioned, there has been news about tightening scrutiny for autonomous driving permits domestically, and WeRide has been making steady advancement in international markets with better UE.

Could management please share your thoughts on the balance and priority of domestic and overseas operation lately. Thank you.

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

Okay, I'll take your question. We see both China and international markets as strategically

important for WeRide. Of course, in nearer to medium term, certain international market offers a clearer and faster path to commercially attractive robotaxi economics, thanks to the favorable pricing, partnership, and friendly, favorable regulations, and demonstrating sustainable profitability early on is critical for our industry, where healthy cash flow enables self-sustained growth. And in local market, that's actually very important. We think it's very important to get into this, we call it the Matthew effect type of like self-sustained growth.

So WeRide, we started building a significant international mode starting in 2021 ahead of most of the peers, and we have since then gained a very hard-to-replicate expertise in global deployment, in regulation, localization, homologation and fleet operation.

Meanwhile, China remains to be a key long-term market due to the size, the ecosystem, infrastructure, and after all, it's our home. And we continue to maintain a very strong presence here as well.

So overall, we see a powerful flywheel effect at the scale across more cities and more countries, and we have more data and more validation to improve the performance and to improve the regulatory trust. This accelerates the permits, audits, expansion and commercialization. So both are very important for us.

Of course, we are very pleased to say we see a huge potential that international revenue will grow rapidly this year, and we are very on track to achieve our all-year revenue target this year. That's all, Xinyu.

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**Xinyu Fang (UBS)**

Thank you.

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**Operator**

(Operator Instructions) Tianyu Lu, CITIC.

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**Tianyu Lu (CITIC)**

Hi, Tony and Jennifer, this is Tianyu from CITIC Securities, and I have two questions. The first one is, what's Uber's current shareholding and how should investors think about the relationship between WeRide and Uber? And secondly, could you share your automatic model across different markets? Thank you very much.

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

All right, thank you, Tianyu. Uber is a strategic shareholder and a key partner for WeRide. Based on their latest public filing, they hold over 5% of WeRide, which we view as a strong endorsement of WeRide's technology and our solid deployment and commercialization strategy.

Operationally, we're already deploying robotaxis with Uber in more cities outside the US than any of the AV players out there, which reflects both the depth of our relationship and our ability to execute at scale. We expect to enter more cities with Uber this year. And we remain to be a trusted partner as they build up their global AV strategy.

Of course, at the same time, our go-to-market approach is diversified. We work with partners that best fit each other in each market. In China, we opened our own App to build the brand awareness and operational capabilities. You can hail our robotaxi on WeRide Go and from the AMap, as well as the Tencent Mini Program. In Southeast Asia, we partner with Grab, and in Europe, we collaborate with local platforms, operators, and PTOs, including SPB in Zurich, TPG in Geneva, and ELEVATE in Slovakia, et cetera.

All of this will accelerate our deployment and the permit process. Overall, we see strong alignment with the platforms like Uber in scaling our robotaxi globally. And of course, we continue to take flexible approach in working with multiple platforms to ensure that we execute very effectively across different markets.

Thank you. And the second one is about our asset-light business model for robotaxi. I think the time is running out so I'll try to frame my answer short. Outside China, we've already implemented an asset-light business model in all markets. It's a mature and proven structure for WeRide.

I'll just give you an example. In some cases, robotaxis are purchased by the ride hailing platform or local customers. In some other cases, they're owned by third-party fleet owners. We have already executed in both models successfully.

The asset-light model means WeRide will focus on providing the tag and operation while leveraging the local capital to scale more efficiently.

And in China right now, the priority is to continue improving the unit economic and, of course, operational efficiency with a larger ODD so that the revenue share will become sizable enough for it to become appealing to a third party as an owner to participate.

So over long term, we also expect China to move into the same direction. As utilization continues to strengthen, the model should naturally transition towards a more asset-light structure. Thank you.

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**Operator**

(Operator Instructions) Mai Liu, HSBC.

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**Mai Liu (HSBC)**

Hi. Thanks management for taking my questions. This is Mai from HSBC. I will only have one question. What's the trajectory for robotaxi vehicle cost reduction? Thanks.

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

Okay, I'll take this one. Thank you, Mai. Cost reduction, of course, always remains one of our key focus areas. And we continue to see meaningful progress.

There are three main drivers. The first one is the hardware and the system integration. With our latest platform and our purpose-built vehicle like GXR, we are moving towards like the pre-integrated and very standard solution. And every year, the BOM costs continue to drop.

The second is scale and supply chain optimization. Now, we are moving to a few thousand unit deployment. As we can see, we are able to do better cost efficiency across different components and manufacturing.

And the last one is on the operational efficiency. We already see that there's a strong efficiency improvement as fleet scales and utilization increases. For example, in the last quarter, we already announced that our remote safety officer ratio has already improved to 1:40 from previously as a 1:10 to 1:20, now it's already 1:40.

And internationally, we are following the same trend. Of course it's not 1:40 yet, but we're moving into the same direction. We believe all of this are very important because remote operation efficiency has a very meaningful impact over per vehicle TCO and the overall unit economic.

Additionally, when we enter new markets, there might be some upfront costs like homologation and localization costs, which sometimes temporarily increase the per-vehicle cost in early stage. However, as deployment scales within each market, those costs are amortized, and the overall impact will become very limited and manageable.

So this cost reduction is a combination of hardware as well as operational efficiency. Thank you, Mai.

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**Operator**

Thank you. Due to time restraints, I will conclude the call today. Thank you for participation in today's conference. This concludes the program. You may now disconnect.