

ECARX

Investor Day

May 9, 2023

Investor Day agenda

- 01 Welcome**
Karolis Stravinskas, Investor Relations
- 02 Business overview**
Ziyu Shen, Chairman and Chief Executive Officer
- 03 Strategy**
Peter Cirino, Chief Operating Officer
- 04 Product roadmap**
John Marcus, President, International
- Break*
- 05 Strategic partnerships & customer testimonials**
Peter Cirino, Chief Operating Officer
- 06 Financials, milestones & outlook**
Ramesh Narasimhan, Chief Financial Officer
- 07 Q&A**
Executive Team
- 08 Tech demonstrations**

Disclaimers

Forward-looking statements

This release contains statements that are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management's beliefs and expectations as well as on assumptions made by and data currently available to management, appear in a number of places throughout this document and include statements regarding, amongst other things, results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. The use of words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "preliminary," "forecast," "objective," "plan," or "target," and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties that could cause actual results to differ materially, including, but not limited to statements regarding our intentions, beliefs or current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance, and the markets in which we operate.

For a discussion of these and other risks and uncertainties that could cause actual results to differ materially from those expressed in any forward-looking statement, see ECARX's filings with the U.S. Securities and Exchange Commission. ECARX undertakes no obligation to update or revise and forward-looking statements to reflect subsequent events or circumstances, except as required by applicable law.

Translation of results into U.S. dollars

This announcement contains translations of certain Renminbi (RMB) amounts into U.S. dollars (US\$) at a specified rate solely for the convenience of the reader. Unless otherwise noted, the translation of RMB into US\$ has been made at RMB6.8972 to US\$1.00, the noon buying rate in effect on December 30, 2022 as set forth in the H.10 Statistical Release of The Board of Governors of the Federal Reserve System. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, or at all.

Non-GAAP financial measure

Adjusted EBITDA

The Company uses adjusted EBITDA (non-GAAP) in evaluating its operating results and for financial and operational decision-making purposes. Adjusted EBITDA (non-GAAP) is defined as net loss excluding interest

income, interest expense, income tax expenses, depreciation of property and equipment, amortization of intangible assets, and share-based compensation expenses.

Adjusted EBITDA (non-GAAP) should not be considered in isolation or construed as alternatives to net loss or any other measures of performance or as indicators of the Company's operating performance. Investors are encouraged to compare the Company's historical adjusted EBITDA (non-GAAP) to the most directly comparable GAAP measure, net loss. Adjusted EBITDA (non-GAAP) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data. The Company encourages investors and others to review the financial information in its entirety and not rely on a single financial measure.

Growth at Constant Currency

The Company provides revenue growth rates at constant currency, which exclude the impact of foreign currency translation, in order to facilitate a comparison of its current revenue performance to its past revenue performance. To calculate revenue growth rates in constant currency, the Company converts actual net sales from local currency to U.S. dollars using constant foreign currency exchange rates in the current and prior period.

Free Cash Flow

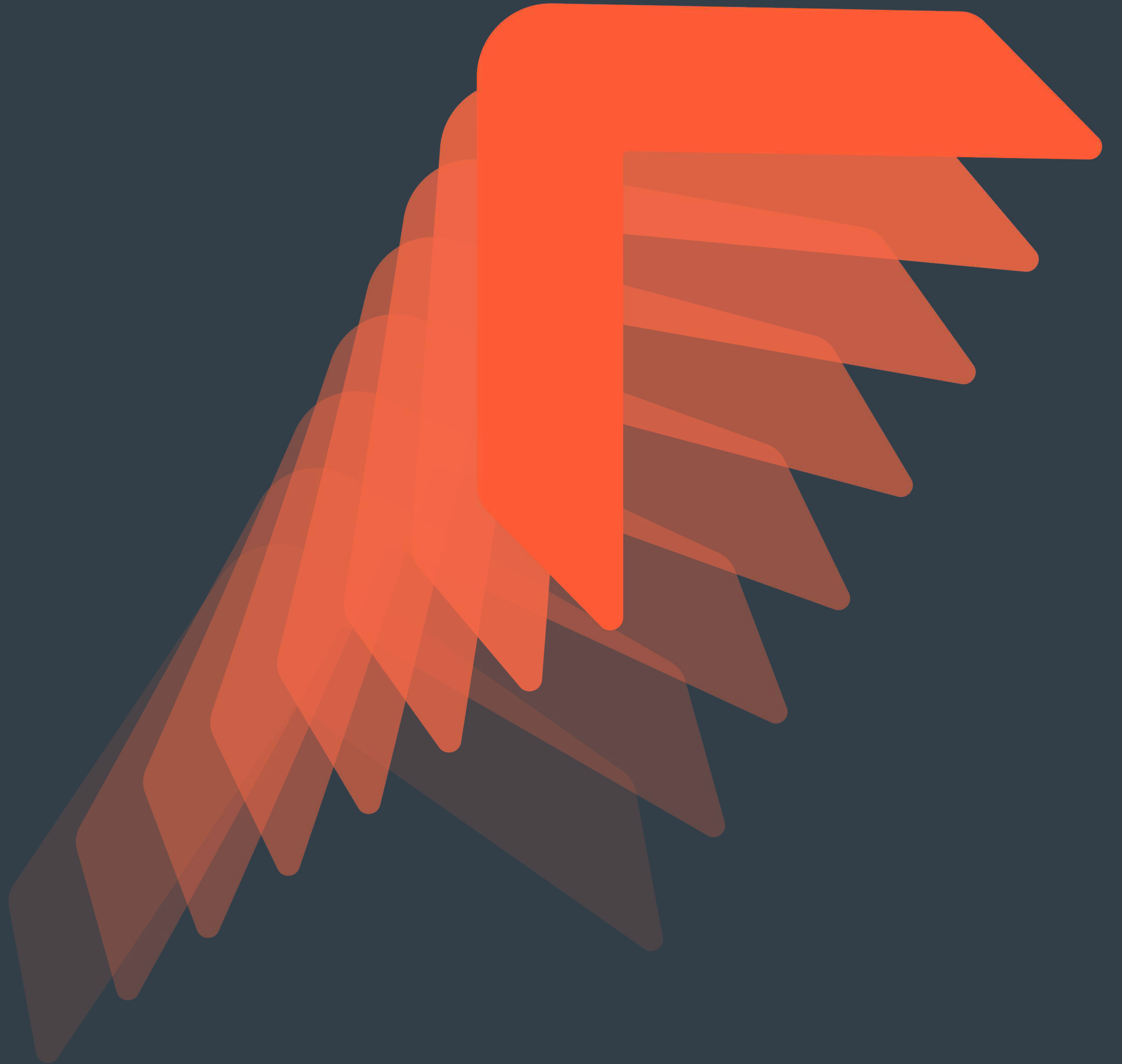
Free cash flow (non-GAAP) is used by the Company to evaluate its cash generation ability. Free cash flow is defined as net cash provided by operating activities after adjusting for working capital movements and capital expenditures. Management believe that free cash flow is a useful metric for investors to assess the Company's financial performance because it measures the amount of cash generated after taking into account the investments made in the business. This measure enables management to assess the Company's ability to fund future growth initiatives, make strategic acquisitions, and return value to shareholders.

The Company presents these non-GAAP financial measure because they are used by management to evaluate the Company's operating performance and formulate business plans. The Company believes that these non-GAAP measure helps identify underlying trends in its business that could otherwise be distorted. The Company also believes that the use of the non-GAAP measure facilitates investors' assessment of its operating performance.



Business overview

Ziyu Shen, Chairman and
Chief Executive Officer



In the same way the **telephone** has **evolved** into a **handheld computer**, the vehicle of the future will become a **computer on wheels**.

Our history

We founded ECARX in 2017 with a vision and ambition to create a technology portfolio that will **transform vehicles** into **seamlessly integrated** information, communications, and **transportation devices**.



Ziyu Shen



Eric Li

Highly experienced leadership team

Senior management



Ziyu Shen
Chairman and Chief Executive Officer

GM, T-Mobile



Peter Cirino
Chief Operating Officer

APTIV, A123 Systems, TE Connectivity



Ramesh Narasimhan
Chief Financial Officer

Al-Futtaim, Nissan, Ford



Andrew Winterton
General Counsel

Clyde & Co, EasyJet, DiDi

Core technical leadership



Kelvin Du
President, China

Pateo, DBG, IMI



John Marcus
President, International

Valeo, Luxoft, JoyNext



Brook Zhang
Head of China Product Development

Geely Auto, Zeekr, Bosch



Richard Sun
General Manager, Digital Cockpit Product Line

Nokia, Nuance

We've made significant progress since our founding

~1,500

Global employees

1,200

Global engineers

10

Global operation centers

+5.0M

Vehicles equipped with
our technology

12

OEM customers

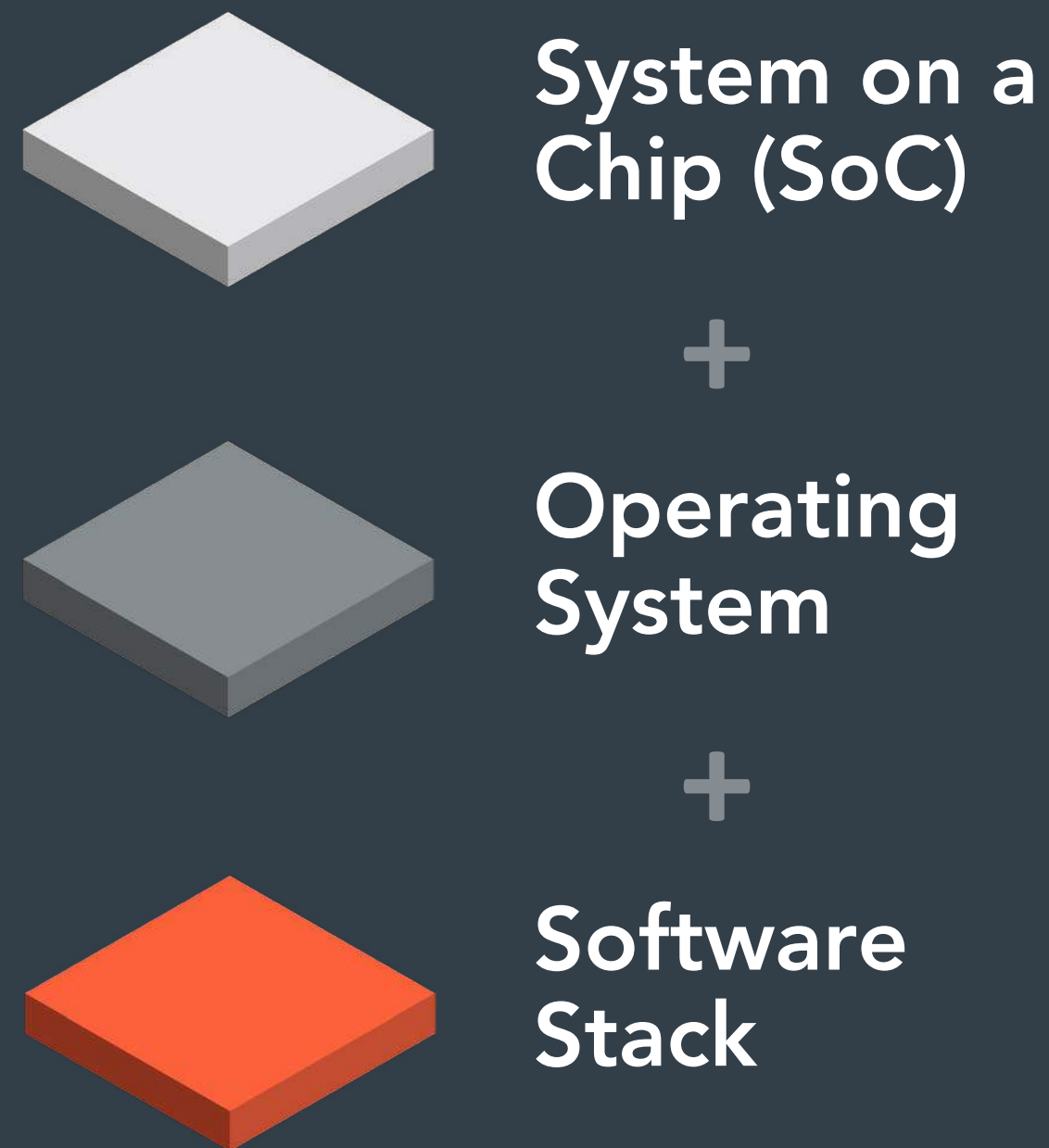
\$516M

FY 2022 revenue

Note: Data points correct as of April 30, 2023

Evolution of our core technologies

Core technologies



Central computing platform



*For illustrative purposes only –
can be customized per OEM

Three industry trends are powering new auto mobility solutions

01

Industry shift towards electric, connected, automated vehicles

02

The rise of the software-defined vehicle

03

All new platforms required for product development



01 Industry shift towards electric, connected, automated vehicles



Software contributors

- ADAS and AD
- Infotainment, connectivity, security
- Operating system and middleware
- A.I. & Machine Learning



Hardware contributors

- Electronic hardware
- Sensors
- Infotainment & interior
- Power electronics

2022 TAM:

~\$270B

2030 TAM:

~\$470B

Source: McKinsey Centre for Future Mobility. Addressable market defined as relevant automotive software and E/E hardware

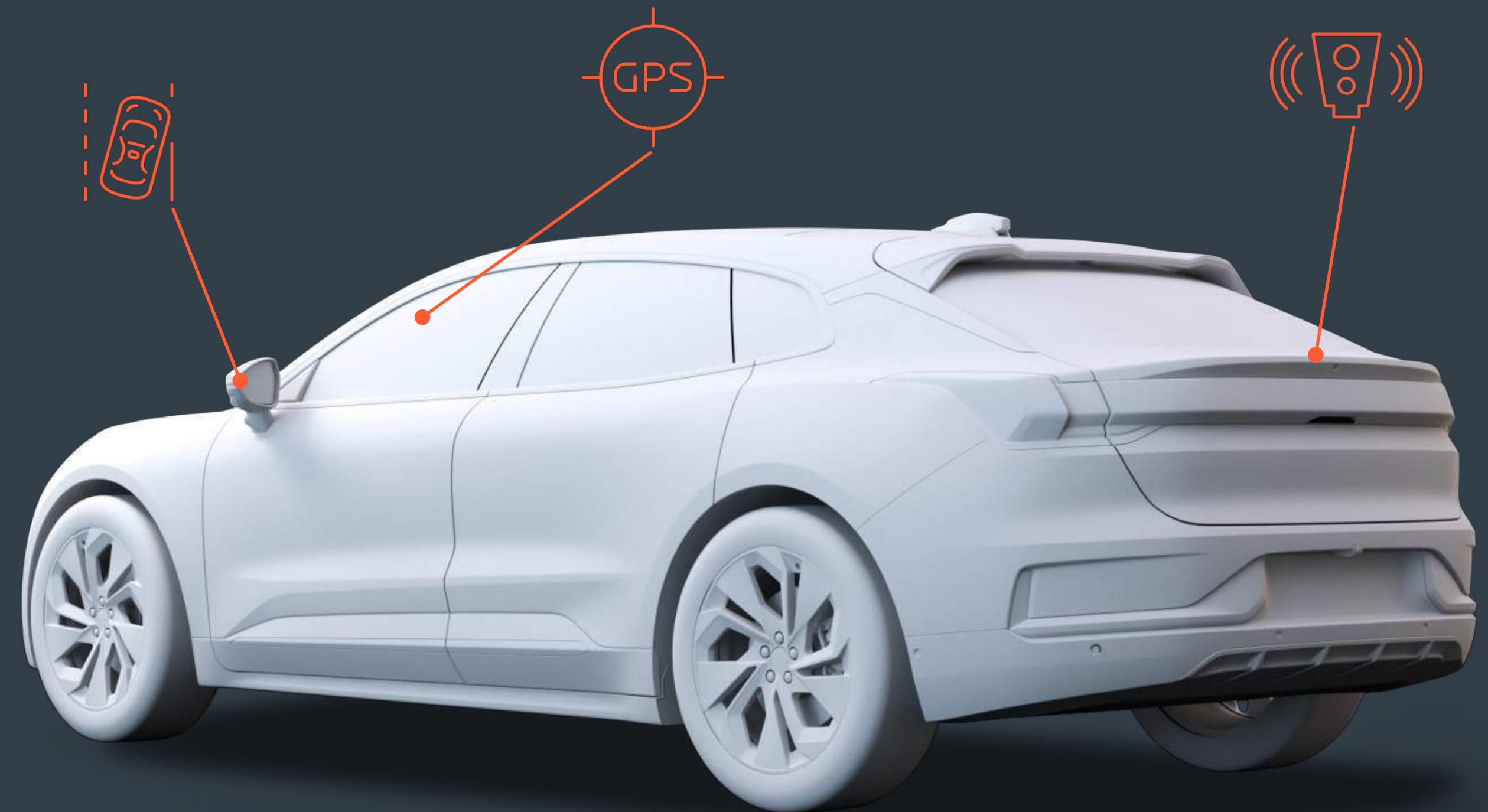
02 Rise of the software-defined vehicle

Cars are no longer simple analog devices – with **digital cockpits** bringing more in-vehicle technology, greater connectivity and advanced functionality

The landscape of automotive software and **E/E markets** is highly correlated to the level of vehicle autonomy

Demand for ADAS and AD in vehicles is **growing significantly**

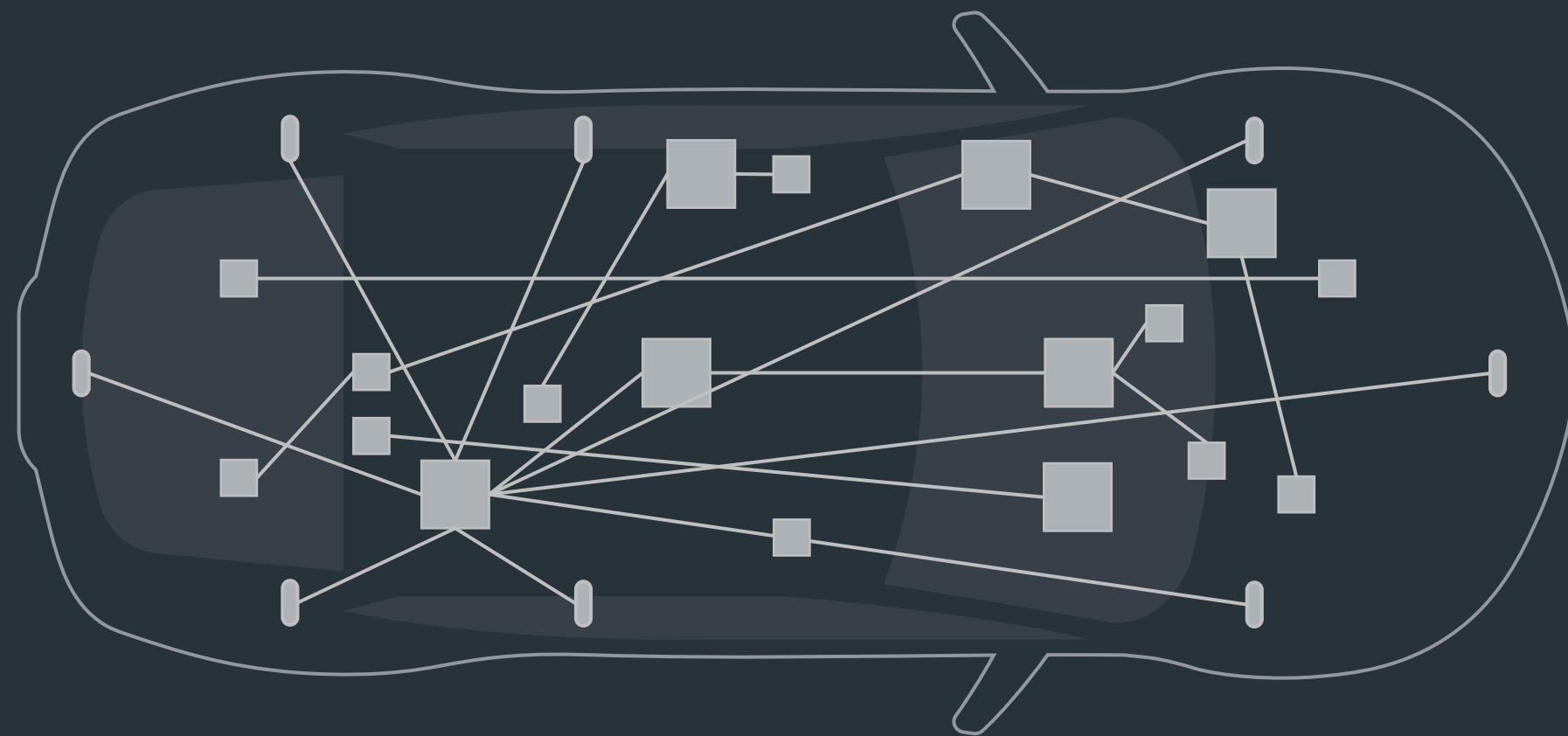
As vehicles move to higher-level autonomous functions (L3-L4), there becomes a **greater need for central computing** platforms



03

All new platforms required for product development:
Evolution of E/E architecture creates demand

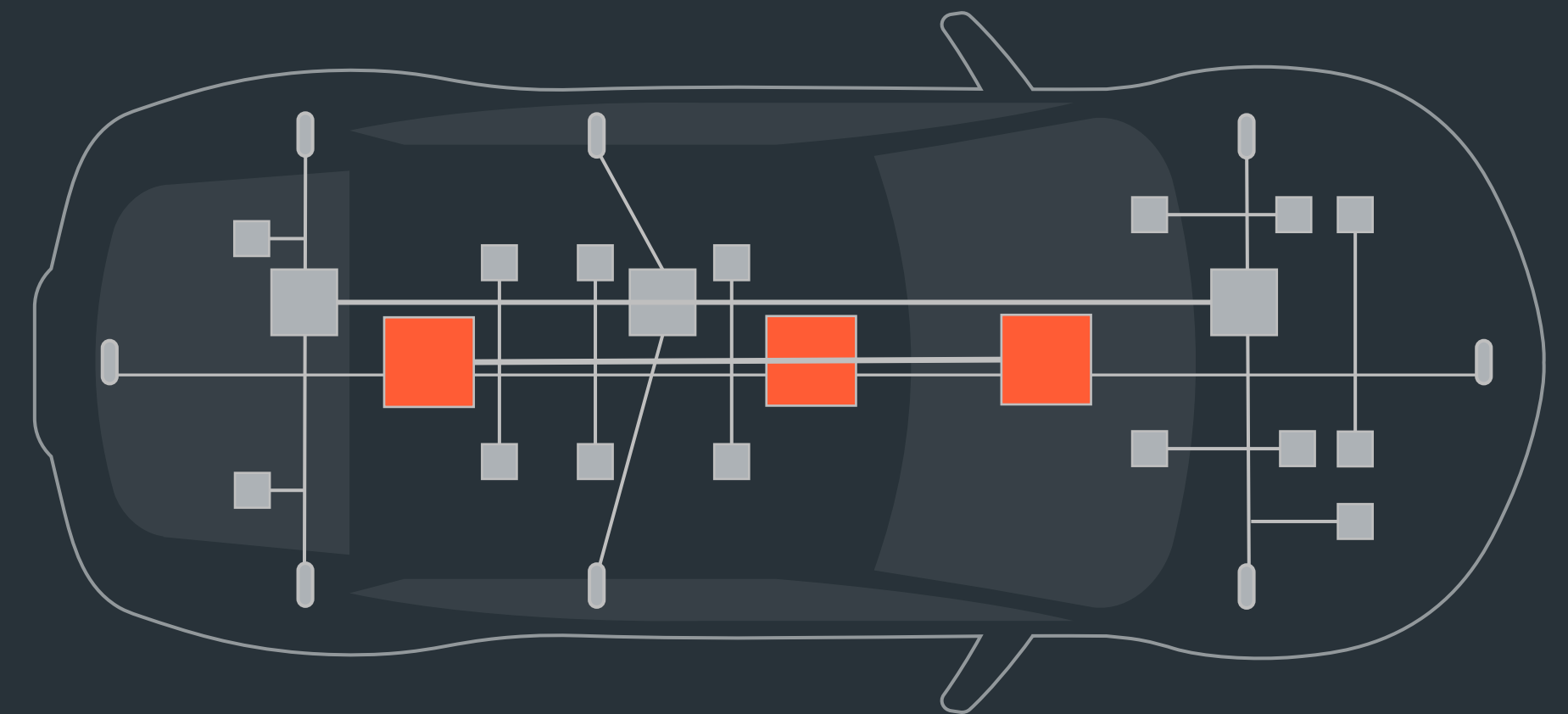
Legacy



Distributed



Future



More centralized

ECARX is ideally positioned in the rapidly evolving EV market

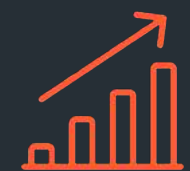
Large and growing TAM of \$470B by 2030

Differentiated full-stack technology to simplify and expedite
OEM product development timelines

Clear path for acceleration – diversified customer base of 12 OEMs
and 21 vehicle brands and deployed in more than 5 million vehicles

Clear growth strategy in place...

Our objectives



Double digit revenue growth



Adjusted EBITDA profitability



Strong free cash flow generation



Disciplined capital allocation

How we will achieve them

1

Expanding revenue streams by partnering with global **OEMs to meet their evolving needs**

2

Increasing average revenue per car through our **innovative product portfolio**

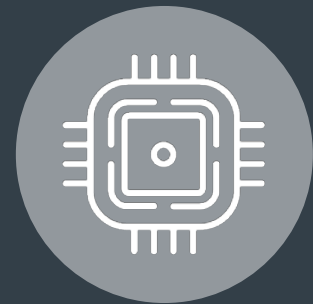
3

Continuing to invest in R&D to drive towards industry imperative of **central compute platforms**

4

Accelerating **collaborations with cutting-edge partners** across the globe

... Powered by a clear product roadmap to capture \$470B TAM



01

Fulfilling unmet SoC need in the EV market

Antora 1000 & Antora 1000 Pro

Intelligent cockpit computing platform



02

Pushing the boundaries of driver experience

Makalu

The most powerful intelligent cockpit platform today



03

Powering the evolution of ADAS and software-defined vehicles

Super Brain

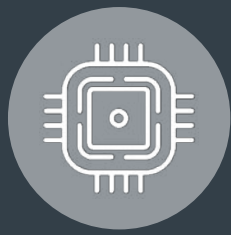
Central computing platform

Cloudpeak

Cross-domain system software

2030 TAM opportunity:

\$470B



01 Fulfilling unmet SoC need in the EV market

Bringing efficiency & computing power – with automotive DNA built in

Providing certified functional safety and information security

Helping OEMs extend their hardware replacement cycle

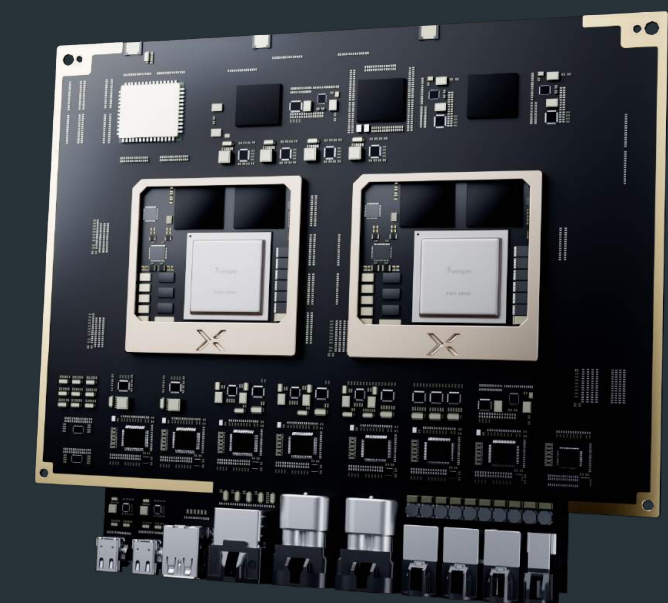
OUR SOLUTIONS

Antora 1000 & Antora 1000 Pro

Intelligent cockpit computing platform



Antora 1000



Antora 1000 Pro

OUR PARTNERS

HaleyTek MEIZU siengine

Supported by **Cloudpeak**, our cross-domain system software



02 Pushing the boundaries of driver experience

Enabling real-time
immersive 3D renderings
and effects

Supporting large scale
AAA games and extensive
gaming ecosystems

Giving customers power
to further customize their
driver experience

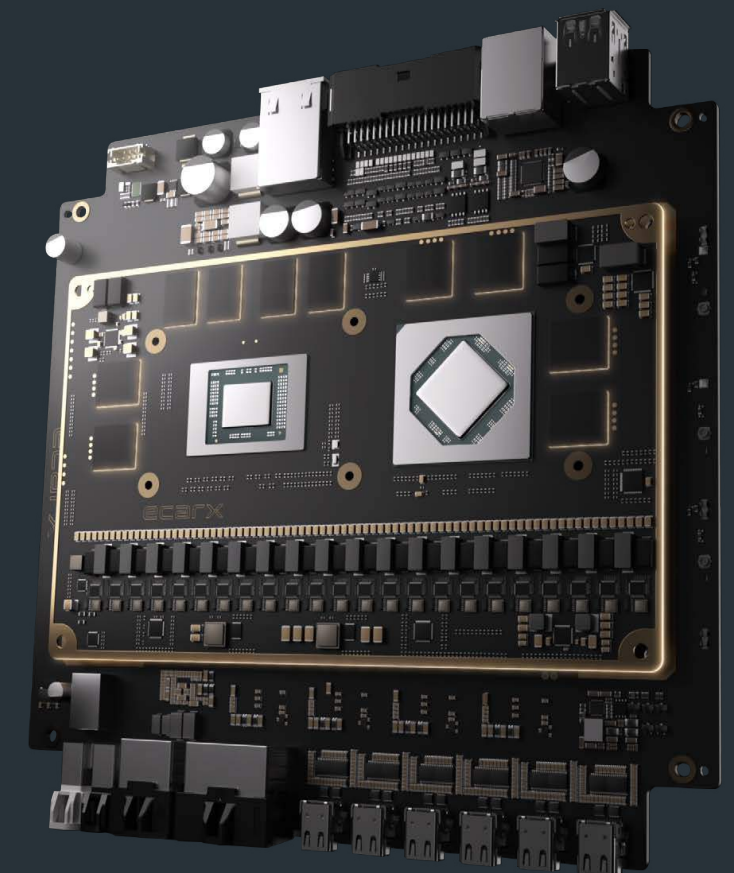
OUR SOLUTIONS

Makalu

The most powerful intelligent cockpit
platform today enabling real-time 3D
environment rendering with desktop
level processing performance

OUR PARTNERS

AMD



Supported by **Cloudpeak**, our cross-domain system software



03 Powering the evolution of ADAS and software-defined vehicles

Improving performance
and efficiency of ADAS

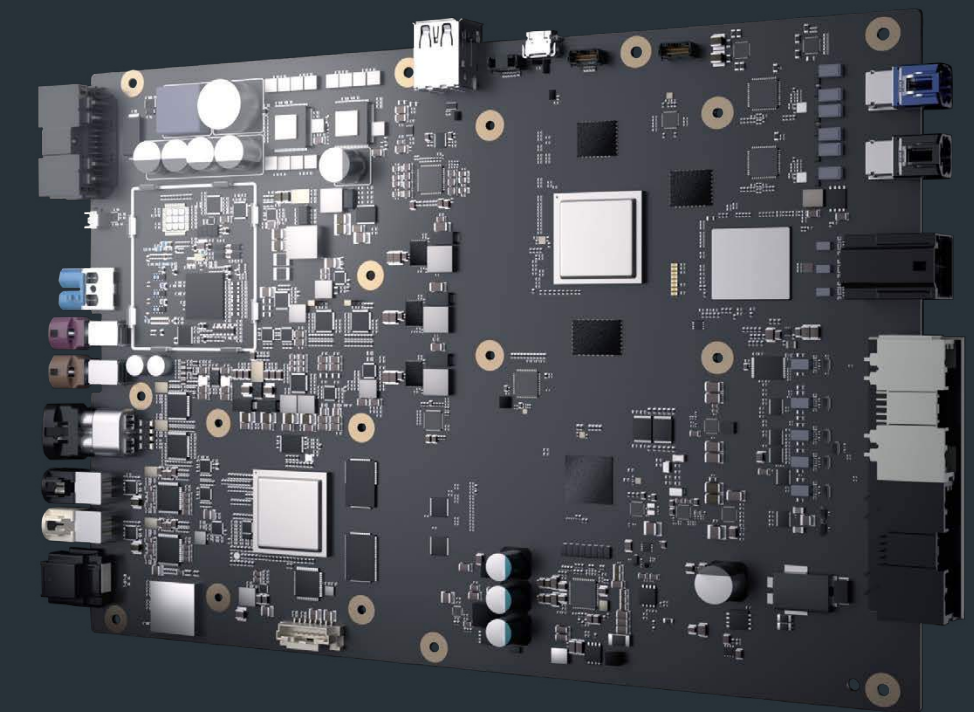
Integrating ADAS with
digital cockpit for
seamless experience

Reducing vehicle costs
significantly for ADAS-
enabled cars

OUR SOLUTIONS

Super Brain

Central computing platform that
combines digital cockpit system and
ADAS controller into one product



OUR PARTNERS



JICA Intelligent



Supported by **Cloudpeak**, our cross-domain system software

Where we are today

12

Automotive OEM
customers

8

Tier 1 automotive
suppliers

5

New product
announcements

21

Vehicle brands

+5.0M

Vehicles equipped
with our technology

9

Strategic
partnerships

Note: Data points correct as of April 30, 2023

We are the architect of a partner ecosystem for innovation

We work with category-leaders...

...to customize products for top OEMs



Our blueprint to success

**Vertical tech
stack**

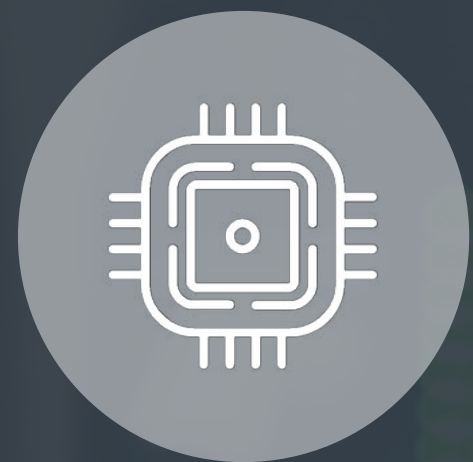
**Proven
products**

**Accelerated
product roadmap**

**Broad technology
eco-system**

**Leader in the
leading market**

**Presence in Asia,
North America
and Europe**



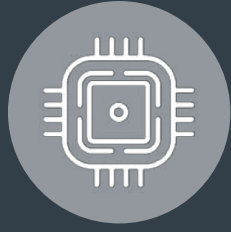
01

Flagship Offering

Fulfilling unmet
SoC demand

Antora 1000 &
Antora 1000 Pro



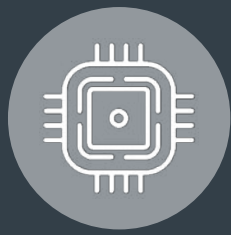


01 Fulfilling unmet SoC demand in EV

Antora Series

Intelligent cockpit
computing platform,
increasing the
overall computing
power of the car





01 Antora 1000

Key product features

- Powerful 7nm, auto-focused SoC
- Reduced production difficulty, with pins decreased by 40%
- Enables longer cycles between OEM hardware updates

Groundbreaking LPDDR5

+50%

Data transmission
rate

+50%

Data transmission
bandwidth

-10%

Power consumption

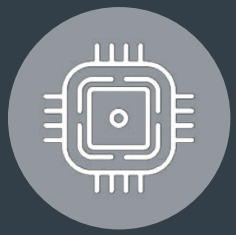
Increases overall
computing power

Lower power consumption

Reduce development
cycle by 20%



**FAW Hongqi, Geely, Lynk & Co vehicles
powered by Antora 1000** to be massed
produced in 2023



01 Antora 1000 Pro

Key product features

- Flagship SoC SE1000 – industry-leading 7nm processor
- Powerful 200K DMIPS computing power
- 1.8 TFLOPS graphics rendering capability
- Inter-module video stream latency lowered by 51% than other mass-produced flagship platforms

Increases overall
computing power

Lower power consumption

Seamless integration into
a single platform



Lynk & Co 08 powered by Antora 1000 Pro
to be launched in 2023



02

Next- Generation Intelligence

Pushing the
boundaries of
driver experience

Makalu

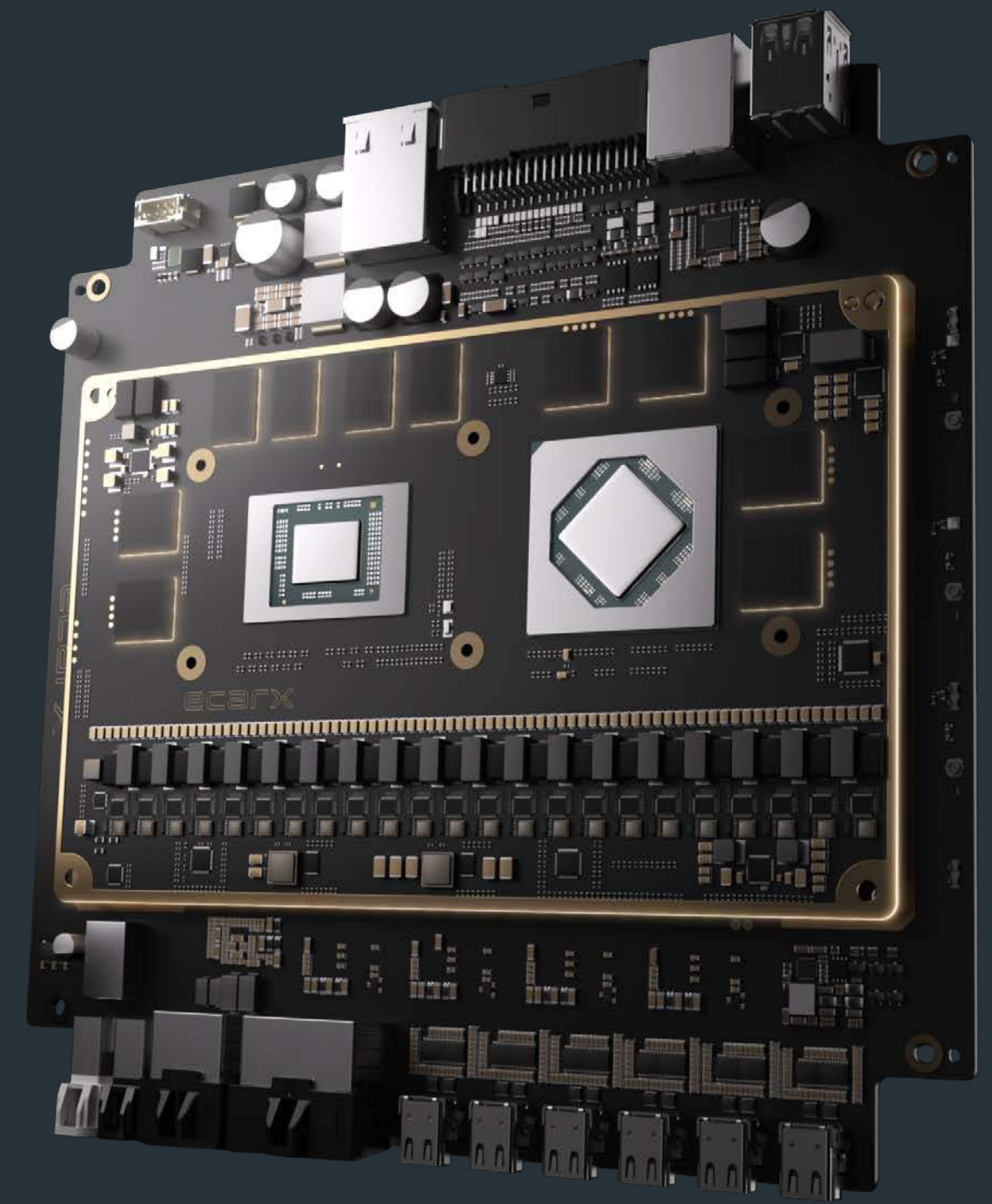




02 Pushing the boundaries of driver experience

Makalu

Our next-generation,
immersive intelligent cockpit
computing platform powering
the future of 3D in vehicles





02 Makalu

Key product features

- Advanced 7nm process meeting AEC – Q100 G2
- 394K DMIPS and graphic rendering capability at 10.1T FLOPS
- GPU: 28 computing units, 1,792 stream processors
- Based on AMD Zen 2 APU
- DDR memory up to 32GB
- Storage of 1TB NVMe M.2 SSD
- 4K@120Hz / 8K@60Hz display

One of the most powerful
smart cockpit platforms

Supports multiple
4K displays

Supports a high-end 3D
immersive environment



Central Computing Platform

Powering the
evolution of ADAS
and software-
defined vehicles

Super Brain

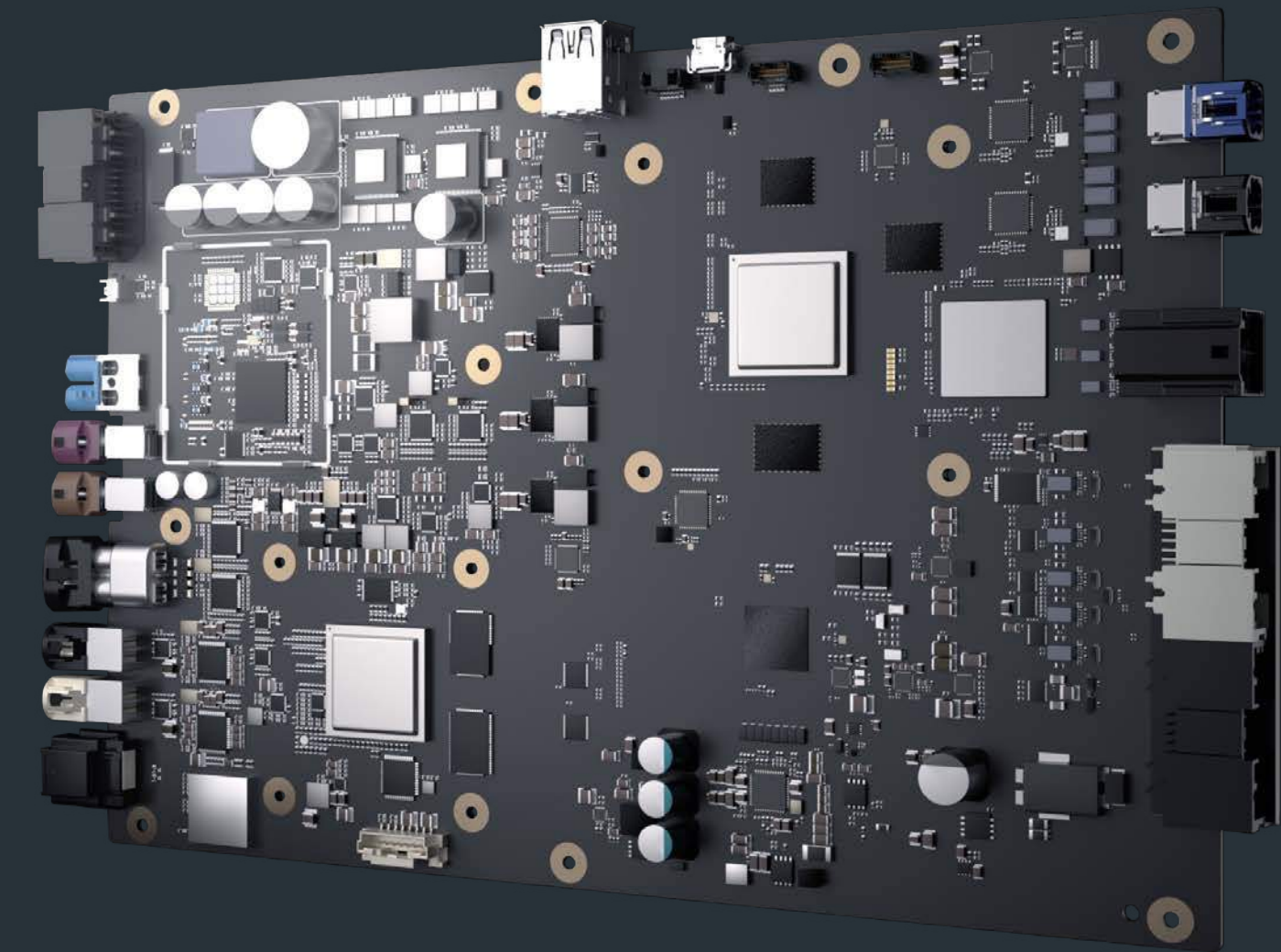




03 Powering the evolution of ADAS and software-defined vehicles

Super Brain

Our “all-in-one” solution that integrates the cockpit, driving, and vehicle control with our full-stack hardware and software technologies to bring AI performance to its full potential





03 Super Brain

Key product features (Antora + ADAS)

- Total CPU power is 132K DIMPS
- GPU is 900G FLOPS
- NPU is 61 TOPS
- Inter-core data sharing is facilitated by dual PCIe 3.0 channels, and enjoys a latency of less than 5ms
- Provide leading autopilot experience thanks to 12 cameras, 5 radars, 12 ultrasonic and optionally one lidar.

Seamless integration of all sensors, processing and UX into a single platform

Lowers vehicle cost significantly through



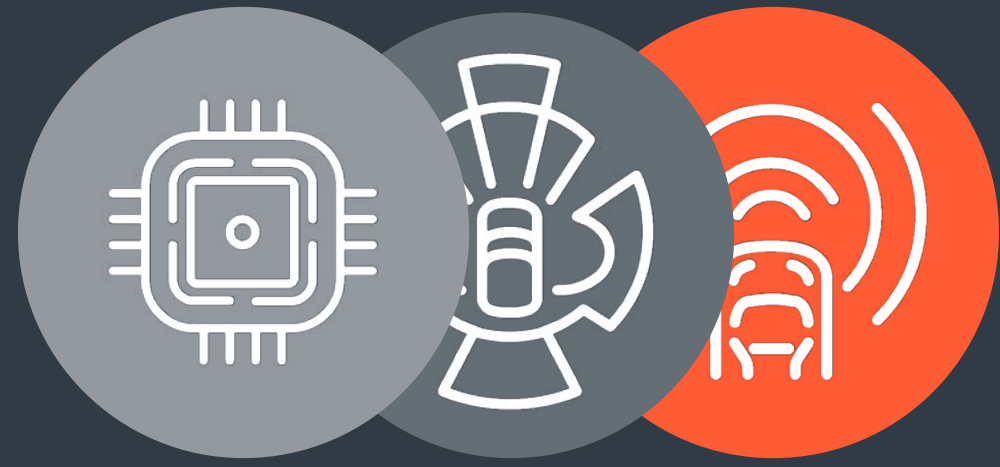
20% cost vs. distributed controllers



15% software licensing costs



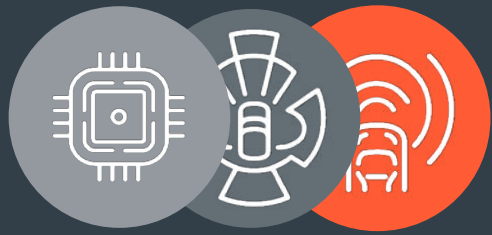
5% wiring harness required



Extreme Performance

Supporting across
all themes

Cloudpeak



Supporting across all themes

Cloudpeak

Our cross-domain system built by our global R&D teams

Function safety certified to meet automotive standard

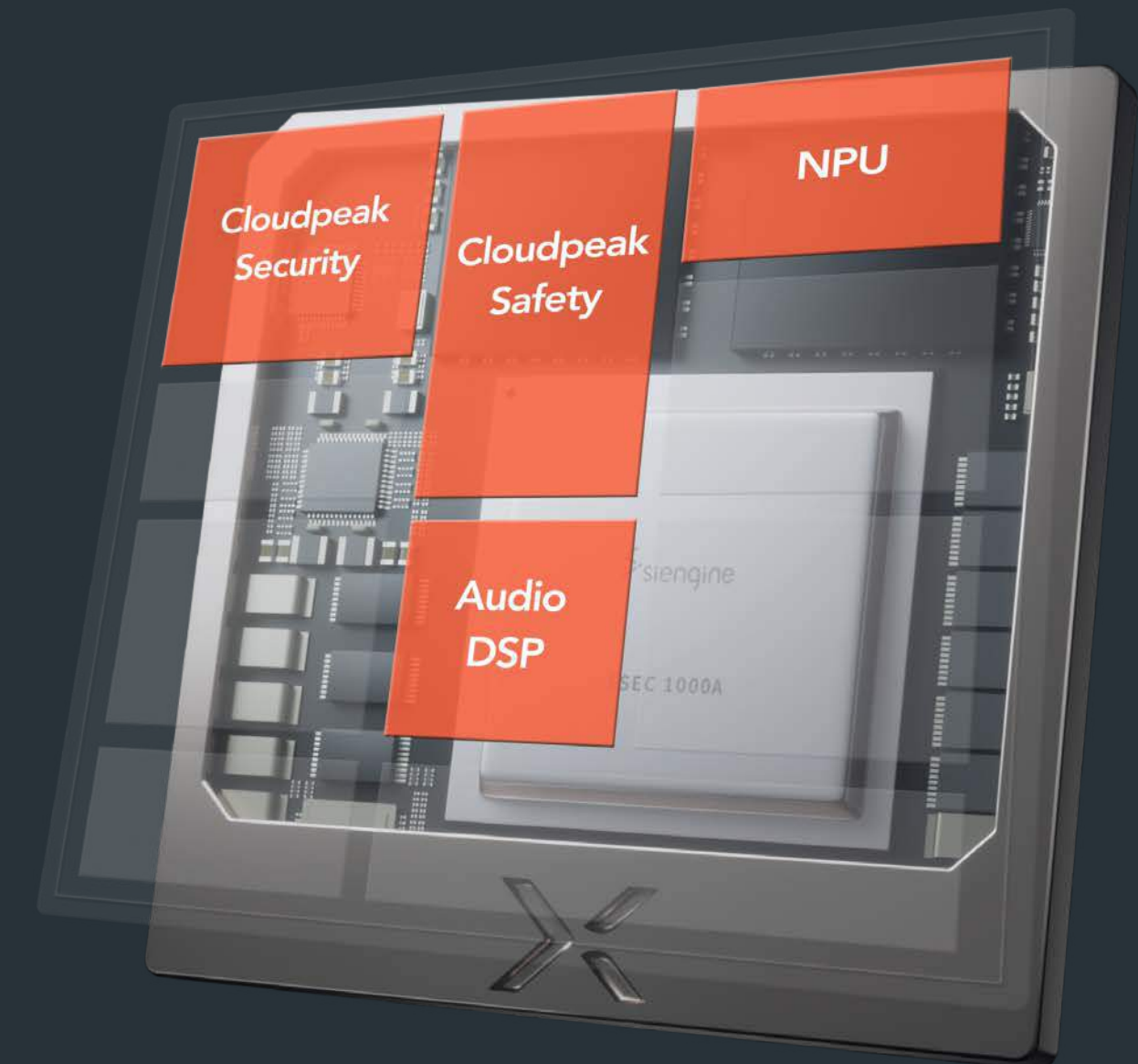
67% more efficient virtualization performance

Meets highest standards of security around the globe

Supports 3D sound field, nearly 20 functions available

Efficient deployment of AI algorithms on NPU / DSP

Support multiple ecosystems to meet demand in each region



ECARX customer base expansion

We aim to become the world's top automotive-tech company



We will achieve this by:

- 1. Serving non-Geely OEMs –** supplying non-Geely OEMs for the China market (both domestic and global OEM brands), and
- 2. Serving top 5 global OEMs –** building new relationship with world's largest OEMs.

- 2017
- 2019
- 2020 – 21
- 2023+

Strategic relationships create robust pathways to third party OEMs and international growth



Our recent track record sets us up for further growth acceleration

FY 2022: Strong demand for products helped accelerate revenue to \$516 million

FY 2022: Adjusted EBITDA came in \$62 million better than our projection with a clear pathway to breakeven by end of 2024

FY 2023: Well-positioned to benefit from accelerating industry trends driving ~38% revenue growth

Multiple growth levers position us strongly for the future

Our objectives



Double digit revenue growth



Adjusted EBITDA profitability



Strong free cash flow generation

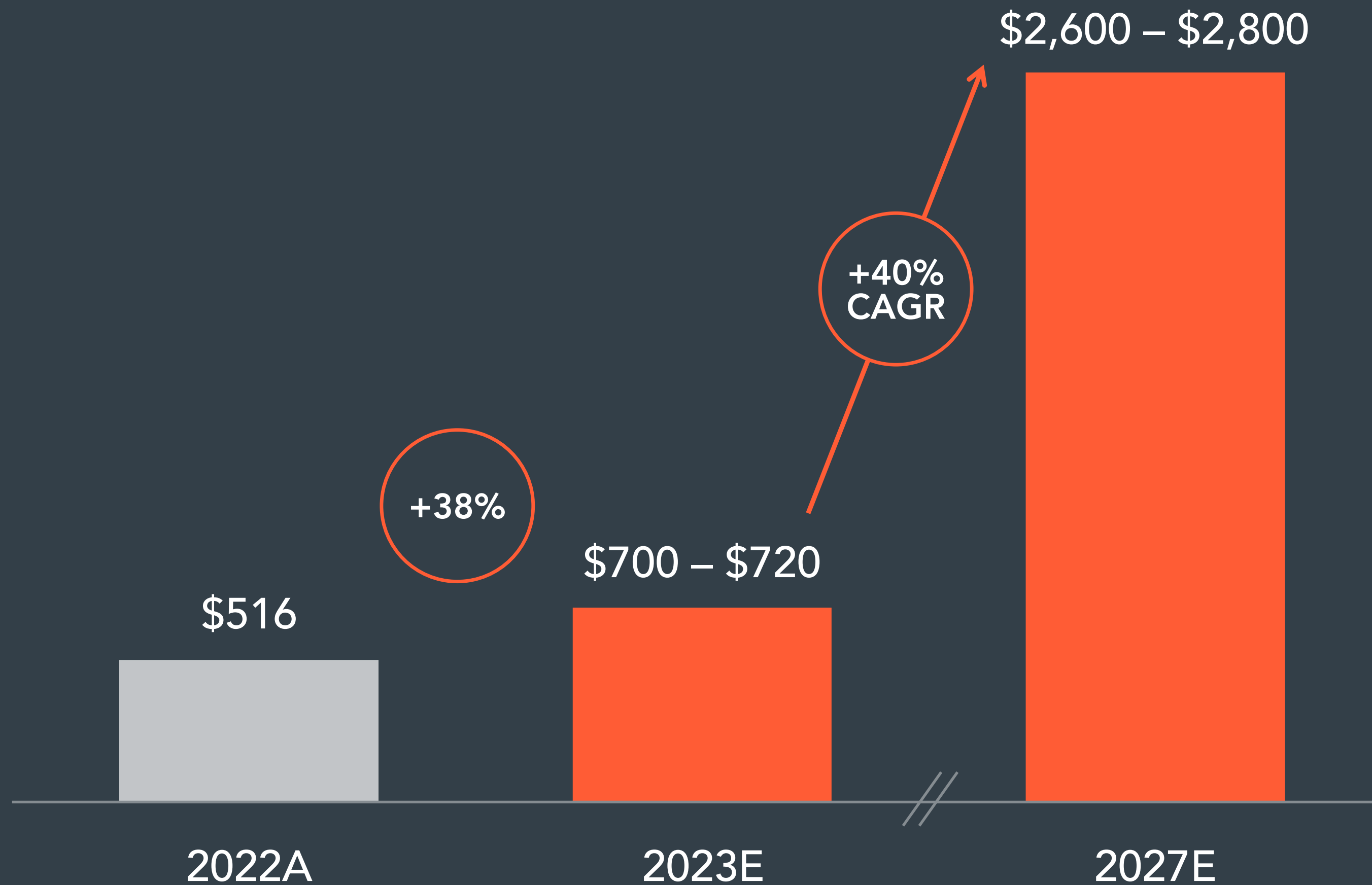


Disciplined capital allocation

How we will achieve them

- 1** Expanding revenue streams by partnering with global OEMs to meet their evolving needs
- 2** Increasing average revenue per car through our innovative product portfolio
- 3** Continuing to invest in R&D to drive towards industry imperative of central compute platforms
- 4** Accelerating collaborations with cutting-edge partners across the globe

Accelerating revenue growth (\$M)



Revenue growth drivers

Expanding EV adoption

Diversification of customer base translating to increased market share

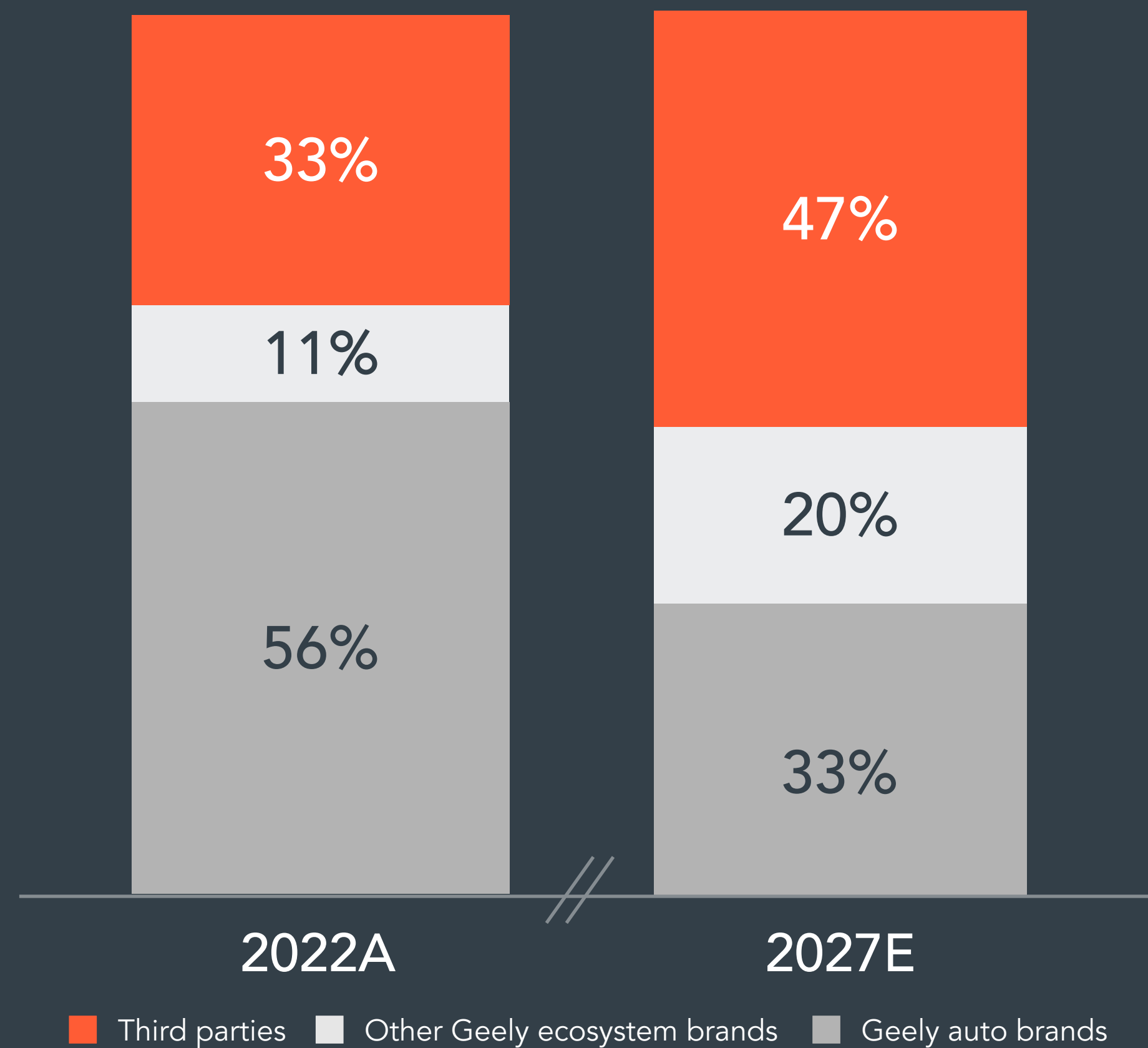
New product development leading to up-sell opportunities to new and existing OEMs

Increased recurring revenue streams improving resiliency

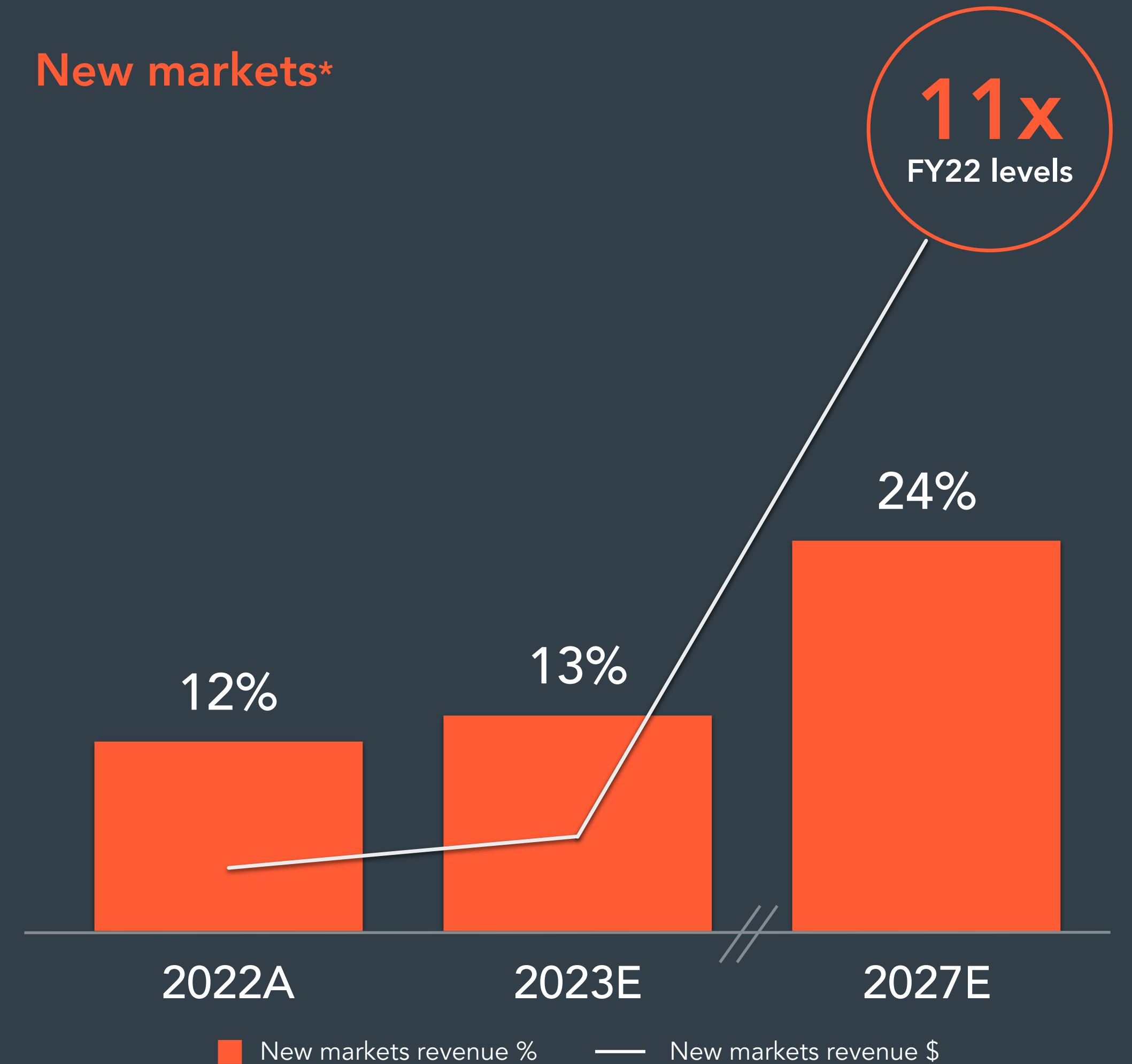
Growth rates at constant currency, based on a rate of RMB6.8571 to US\$1.00 (non-GAAP)

While diversifying across OEM partners and geographies

Revenue split by OEM

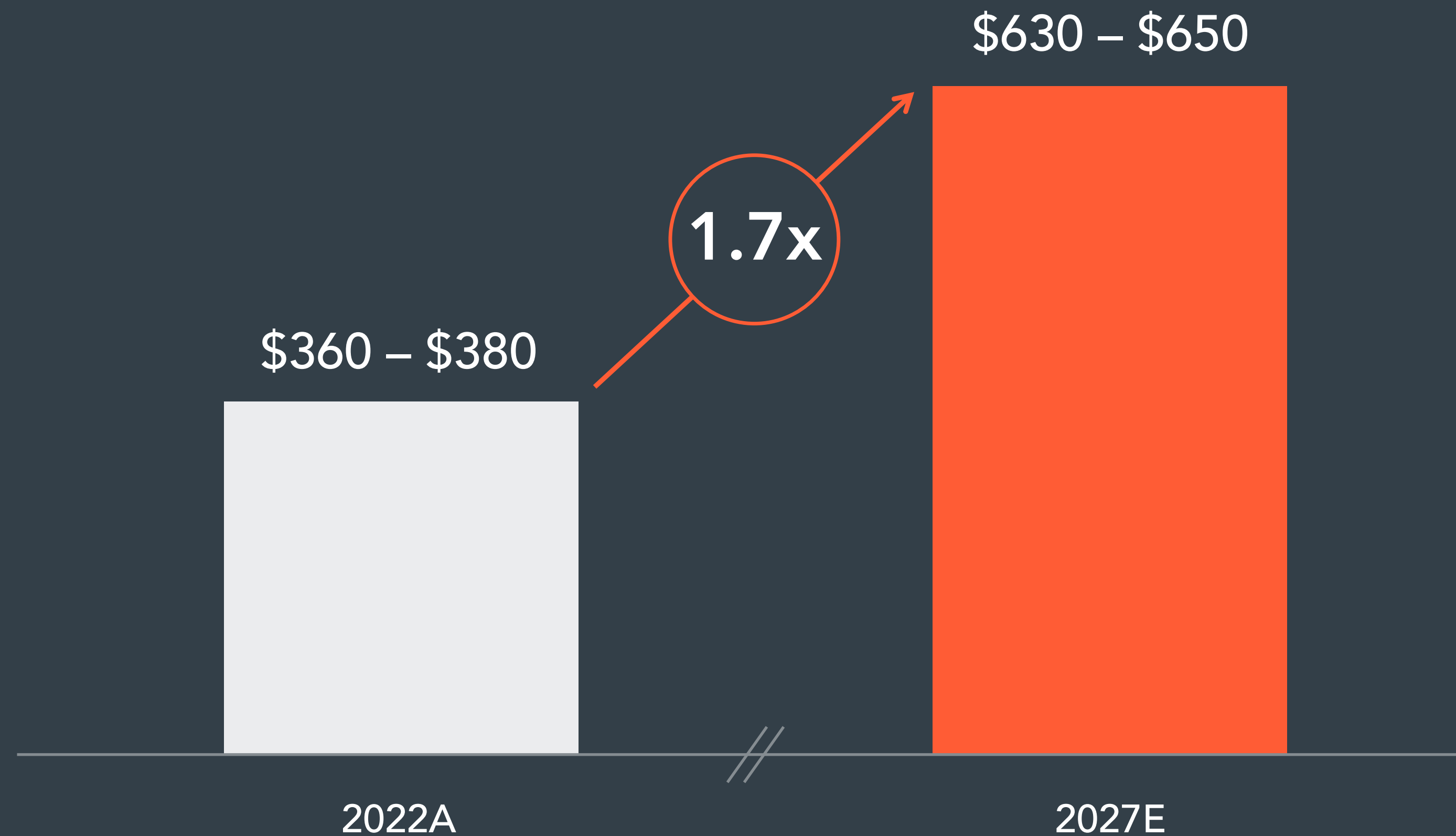


New markets*



*New Markets consists of revenues generated from countries outside of China

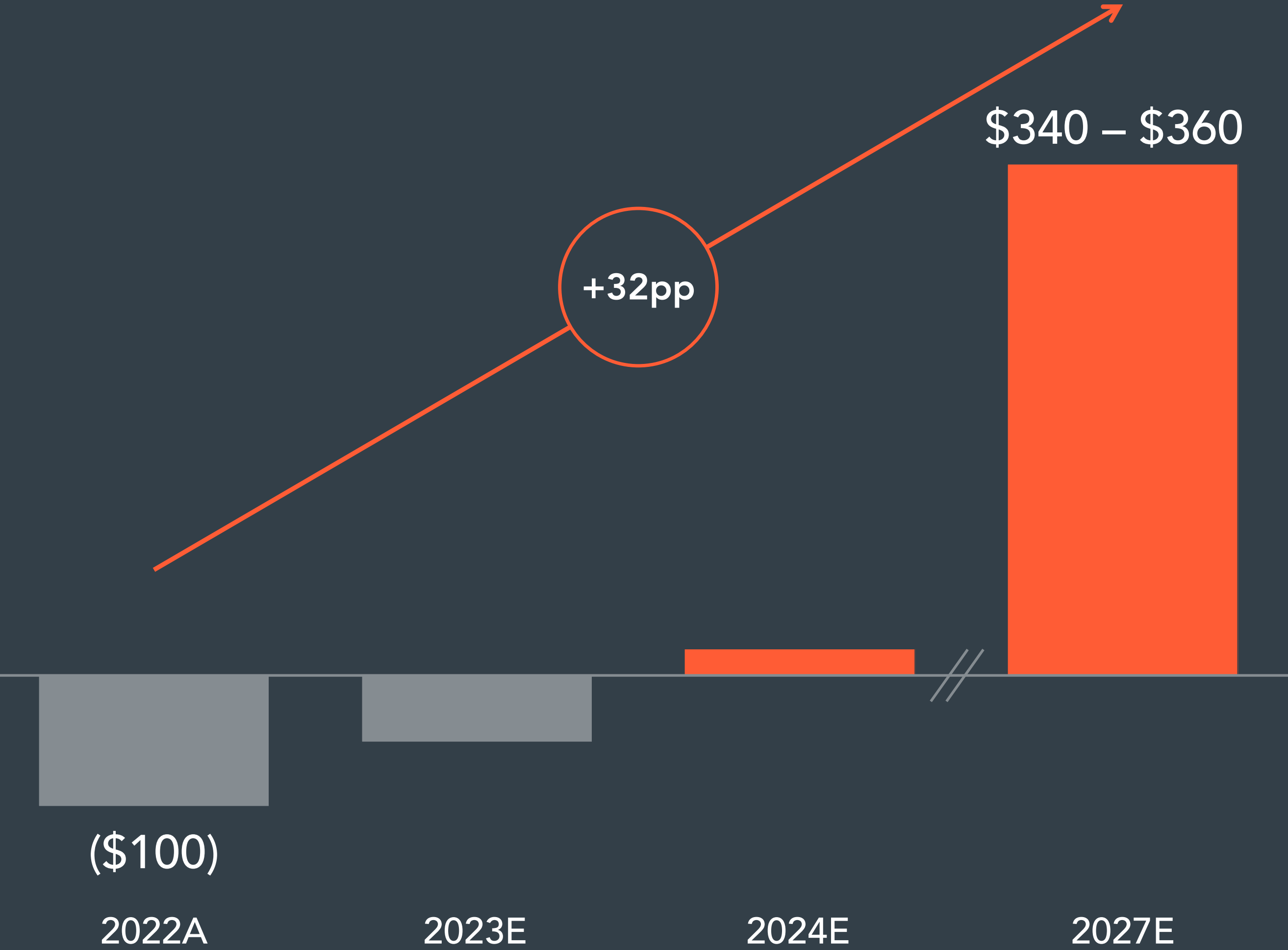
Content per car expected to trend upwards with new product rollouts



Next-gen products to improve our **content per car** more than mitigating industry pricing trends of legacy technology

Growth rates at constant currency, based on a rate of RMB6.8571 to US\$1.00 (non-GAAP)

Pathway to adjusted EBITDA profitability in 2024 (\$M)



Disciplined and strategic capital allocation

Proactive management of operational costs

Positive in 2024

~13% EBITDA margin by 2027

Growth rates at constant currency, based on a rate of RMB6.8571 to US\$1.00 (non-GAAP)

Disciplined and strategic capital allocation strategy

Maintain strong financial profile and maximize long-term growth of cash flow

Invest to support new product development and create partnership ecosystem to drive above market revenue growth

Focus on supporting organic and inorganic growth, where it accelerates strategy

Longer-term outlook 2024 – 2027

**~40%
CAGR**

Revenue

>30%

Gross margin by 2027

~13%

Adjusted EBITDA margin
by 2027

~\$640

Content per car by 2027

+20M

Vehicles on road by 2027

>\$300M

Free cash flow by 2027

Summary



Continued
focus on
sustainable,
profitable
growth



Diversification
across
geographies,
customers and
suppliers



Continued
investment in
R&D



Disciplined cost
management
and capital
allocation

Appendix

Condensed consolidated balance sheets

	As of December 31		
Millions, otherwise noted	2021	2022	2022
	RMB	RMB	US\$
ASSETS			
Current assets			
Cash	878.0	737.4	106.9
Restricted cash	23.0	41.0	5.9
Accounts receivable – third parties, net	184.6	418.3	60.6
Account receivable – related parties, net	768.7	483.0	70.0
Notes receivable	137.7	145.4	21.1
Inventories	223.3	131.6	19.1
Amounts due from related parties	41.3	911.6	132.2
Prepayments and other current assets	200.1	412.9	59.9
Total current assets	2,456.7	3,281.2	475.7
Non-current assets			
Long-term investments	1,354.0	489.8	71.0
Property and equipment, net	103.2	118.4	17.2
Intangible assets, net	31.0	36.7	5.3
Operating lease right-of-use assets	-	85.3	12.4
Other non-current assets – third parties	19.9	26.0	3.8
Other non-current assets – related parties	1.9	213.7	31.0
Total non-current assets	1,510.0	969.9	140.7
Total assets	3,966.7	4,251.1	616.4

LIABILITIES			
Current liabilities			
Short-term borrowings	932.0	870.0	126.1
Accounts payable – third parties	650.0	1,024.2	148.5
Accounts payable – related parties	111.5	239.9	34.8
Notes payable	127.3	168.4	24.4
Amounts due to related parties	376.9	191.2	27.7
Contract liabilities, current – third parties	2.7	4.7	0.7
Contract liabilities, current – related parties	363.3	316.7	45.9
Operating lease liabilities, current	-	24.2	3.5
Accrued expenses and other current liabilities	459.0	738.6	107.1
Income tax payable	-	21.6	3.1
Total current liabilities	3,022.7	3,599.5	521.8
Non-current liabilities			
Contract liabilities, non-current – third parties	0.3	0.1	0.0
Contract liabilities, non-current – related parties	472.7	282.1	40.9
Convertible notes payable	-	439.9	63.8
Operating lease liabilities, non-current	-	59.5	8.6
Warrant liabilities, non-current	-	16.5	2.4
Other non-current liabilities	16.3	30.7	4.5
Total non-current liabilities	489.3	828.8	120.2
Total liabilities	3,512.0	4,428.3	642.0
Commitments and contingencies	-	-	-

Condensed consolidated balance sheets

	As of December 31		
Millions, otherwise noted	2021	2022	2022
	RMB	RMB	US\$
MEZZANINE EQUITY			
Series Angel Redeemable Convertible Preferred Shares	283.6	-	-
Series A Redeemable Convertible Preferred Shares	1,429.3	-	-
Series A+ Redeemable Convertible Preferred Shares	1,386.7	-	-
Series A++ Redeemable Convertible Preferred Shares	475.4	-	-
Series B Redeemable Convertible Preferred Shares	1,117.30	-	-
Subscription receivable from a Series B Redeemable Convertible Preferred Shareholder	(159.4)	-	-
Redeemable non-controlling interests	30.5	-	-
Total mezzanine equity	4,563.4	-	-
SHAREHOLDERS' DEFICIT			
Ordinary Shares	-	-	-
Class A Ordinary Shares	-	-	-
Class B Ordinary Shares	-	-	-
Treasury Shares, at cost	-	-	-
Additional paid-in capital	-	5,919.7	858.3
Accumulated deficit	(4,109.0)	(5,711.0)	(828.0)
Accumulated other comprehensive income / (loss)	6.0	(385.9)	(56.0)
Total deficit attributable to ordinary shareholders	(4,103.0)	(177.2)	(25.6)
Non-redeemable non-controlling interests	(5.7)	-	-
Total shareholders' deficit	(4,108.7)	(177.2)	(25.6)
Liabilities, mezzanine equity and shareholders' deficit	3,966.70	4,251.1	616.4

Consolidated statements of operations and comprehensive loss

	Year Ended December 31			Three Months Ended December 31		
	2021	2022	2022	2021	2022	2022
Millions, otherwise noted	RMB	RMB	US\$	RMB	RMB	US\$
Revenues						
Sales of goods revenue	1,983.8	2,434.2	352.9	730.1	1,043.90	151.4
Software license revenues	261.3	404.5	58.6	67.9	246.6	35.8
Service revenues	534.0	718.4	104.2	261.9	236.2	34.2
Total revenues	2,779.1	3,557.1	515.7	1,059.9	1,526.7	221.4
Cost of goods sold	(1,749.2)	(1,971.1)	(285.7)	(668.3)	(873.8)	(126.7)
Cost of software licenses	(32.2)	(126.8)	(18.4)	(10.8)	(63.1)	(9.1)
Cost of services	(180.5)	(468.7)	(68.0)	(53.1)	(162.3)	(23.5)
Total cost of revenues	(1,961.9)	(2,566.6)	(372.1)	(732.2)	(1,099.2)	(159.4)
Gross profit	817.2	990.5	143.6	327.6	427.6	62.0
Research and development expenses	(1,209.4)	(1,210.9)	(175.6)	(372.3)	(464.3)	(67.3)
Selling and marketing expenses	(82.8)	(86.6)	(12.6)	(30.2)	(33.5)	(4.9)
General and administrative expenses	(506.9)	(1,180.2)	(171.1)	(171.5)	(613.4)	(88.9)
Other income – related parties	-	22.8	3.3	-	22.8	3.3
Others, net	0.2	(1.9)	(0.3)	(0.2)	(0.1)	(0.0)
Total operating expenses	(1,798.9)	(2,456.8)	(356.2)	(574.2)	(1,088.5)	(157.8)
Loss from operation	(981.7)	(1,466.3)	(212.6)	(246.5)	(660.9)	(95.8)

Interest income	11.8	12.4	1.8	2.6	4.6	0.7
Interest expenses	(131.7)	(51.1)	(7.4)	(1.2)	(17.5)	(2.5)
Loss from equity method investments	(2.5)	(137.4)	(19.9)	(5.1)	(52.7)	(7.6)
Change in fair value of an equity security	-	(16.8)	(2.4)	-	(52.6)	(7.6)
Gains on sales of an equity security	-	59.7	8.7	-	59.7	8.7
Gains on deconsolidation of a subsidiary	10.6	72.0	10.4	-	-	-
Change in fair value of warrant liabilities	(111.3)	(3.2)	(0.5)	-	(3.2)	(0.5)
Government grants	4.5	29.3	4.2	0.0	1.1	0.2
Unrealized exchange (gains) / losses	18.3	(18.2)	(2.6)	5.2	1.7	0.2
Loss before income taxes	(1,182.0)	(1,519.6)	(220.3)	(244.8)	(719.8)	(104.4)
Income tax expenses	(3.4)	(21.6)	(3.1)	(0.1)	(20.0)	(2.9)
Net loss	(1,185.4)	(1,541.2)	(223.5)	(244.9)	(739.8)	(107.3)
Other comprehensive loss:						
Foreign currency translation adjustments, net of nil income taxes	4.6	(391.9)	(56.8)	33.7	97.2	14.1
Comprehensive loss	(1,180.8)	(1,933.1)	(280.3)	(211.2)	(642.6)	(93.2)
Less: Comprehensive loss attributable to non-controlling interests	5.0	1.4	0.2	4.4	-	-
Less: Comprehensive loss attributable to redeemable non-controlling interests	0.8	0.5	0.1	0.8	-	-
Comprehensive loss attributable to ECARX Holdings Inc.	(1,175.0)	(1,931.2)	(280.0)	(206.0)	(642.6)	(93.2)
Loss per ordinary share						
– Basic and diluted loss per share, ordinary shares	(6.02)	(7.92)	(1.15)	-	(1.86)	(0.27)
Weighted average number of ordinary shares used in computing loss per ordinary share						
– Weighted average number of ordinary shares	236,691,093	239,296,386	239,296,386	-	248,341,808	248,341,808

Reconciliation of GAAP and non-GAAP results

The Company uses adjusted EBITDA (non-GAAP) in evaluating its operating results and for financial and operational decision-making purposes. Adjusted EBITDA (non-GAAP) is defined as net loss excluding interest income, interest expense, income tax expenses, depreciation of property and equipment, amortization of intangible assets, and share-based compensation expenses. The Company provides revenue growth rates at constant currency, which exclude the impact of foreign currency translation, in order to facilitate a comparison of its current revenue performance to its past revenue performance.

The Company presents the non-GAAP financial measure because it is used by the management to evaluate the Company's operating performance and formulate business plans. The Company believes that the non-GAAP measure helps identify underlying trends in its business that could otherwise be distorted by the effects of foreign currency translation and certain expenses that are included in net loss. The Company also believes that the use of the non-GAAP measure facilitates investors' assessment of its operating performance. To calculate revenue growth rates in constant currency, the Company converts actual net sales from local currency to U.S. dollars using constant foreign currency exchange rates in the current and prior period.

Adjusted EBITDA (non-GAAP) should not be considered in isolation or construed as alternatives to net loss or any other measures of performance or as indicators of the Company's operating performance. Investors are encouraged to compare the Company's historical adjusted EBITDA (non-GAAP) to the most directly comparable GAAP measure, net loss. Adjusted EBITDA (non-GAAP) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data. The Company encourages investors and others to review the financial information in its entirety and not rely on a single financial measure.

For more information on the non-GAAP financial measure, please see the Company's 20-F filed with the SEC.

	Year Ended December 31			Three Months Ended December 31		
	2021	2022	2022	2021	2022	2022
Millions, otherwise noted	RMB	RMB	US\$	RMB	RMB	US\$
Net Loss	(1,185.4)	(1,541.2)	(223.5)	(244.9)	(739.8)	(107.3)
Interest income	(11.8)	(12.4)	(1.8)	(2.5)	(4.5)	0.7
Interest expense	131.7	51.1	7.4	1.2	17.5	2.5
Income tax expenses	3.4	21.6	3.1	0.1	20.0	2.9
Depreciation of property and equipment	43.1	45.1	6.5	10.9	16.0	2.3
Amortization of intangible assets	21.9	22.6	3.3	5.9	4.0	0.6
EBITDA	(997.1)	(1,413.3)	(204.9)	(229.3)	(686.9)	(99.6)
Share-based compensation expenses	179.9	725.7	105.2	78.3	478.5	69.4
Adjusted EBITDA	(817.2)	(687.6)	(99.7)	(151.0)	(208.4)	(30.2)

Thanks.

Nasdaq : ECX

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