

**SENMIAO TECHNOLOGY**

N A S D A Q : A I H S

Senmiao Technology Reports Fiscal 2024 First Quarter Financial Results

CHENGDU, China, August 14, 2023 -- Senmiao Technology Limited ("Senmiao") (Nasdaq: AIHS), a financing and servicing company focused on the online ride-hailing industry in China, as well as an operator of its own online ride-hailing platform, today announced financial results for its fiscal 2024 first quarter ended June 30, 2023.

Fiscal 2024 First Quarter Financial and Operating Highlights

- Total revenues of \$2.1 million, compared to \$2.3 million in the prior-year period, primarily due to lower revenues from online ride-hailing platform services as a result of increased competition.
- From October 23, 2020, the date Senmiao launched its online ride-hailing platform, to June 30, 2023, approximately 31.9 million rides were completed (including orders completed on the platform operated by Senmiao and on partner platforms), with fares paid by riders totaling \$103.1 million. As of August 14, 2023, Senmiao has operations in 26 cities in China, including Chengdu, Changsha and Guangzhou.
- Loss from operations narrowed to \$0.8 million, from \$1.4 million in the prior-year period.
- Net loss was \$0.4 million, compared to net income of \$0.2 million in the prior-year period, primarily due to a \$1.3 million decrease in change in fair value of derivative liabilities.

Management Commentary

Xi Wen, Chairman, Chief Executive Officer and President of Senmiao, stated, "We were pleased to have achieved stable revenues for the first quarter of fiscal year 2024 ended June 30, 2023, despite increased competition in the online ride-hailing market in the major cities in which we operate. As a result of our strategic decision to utilize more NEVs, we successfully lowered cost of services, and were able to improve gross profit by 26.5% to \$0.6 million. Our ongoing efforts to streamline our operations resulted in a 35.2% decrease in SG&A expenses from the prior-year period, which is critical as we work toward achieving sustainable profitability. While our online ride-hailing platform services business has been impacted by mounting competition in the near term, we remain optimistic about our ability to capture additional market share as travelling and commuting continue to recover in our core markets. This line of business complements our other major line of business, such as automobile rentals, and we continue to see a good amount of interest from drivers who want to lease their vehicles from Senmiao. As of June 30, 2023, we have helped facilitate nearly 32 million rides in 26 cities where we operate in China, and we will continue to pursue opportunities to expand our business through local partnerships, both in terms of scope and geography."

Financial Review

*Revenues*

Total revenues were \$2.1 million for the fiscal first quarter ended June 30, 2023, compared to \$2.3 million in the prior-year period. During the quarter ended June 30, 2023, the automobile rental business generated operating lease revenues of \$1.1 million, compared to \$0.9 million in the prior-year period, primarily due to the increased average utilization of the rented automobiles from 60.7% to 79.8%. The online ride-hailing platform services business generated revenues of \$0.9 million, compared to \$1.2 million in the prior-year period, mainly due to increased market competition during the period.

Cost of Revenues

Cost of revenues decreased 19.6% to \$1.5 million for the fiscal first quarter ended June 30, 2023, from \$1.9 million in the prior-year period, primarily due to decreased costs of automobiles under operating leases, decreased maintenance and insurance expense related to the automobile rental business as Senmiao used more NEVs during the period, as well as decreased direct expense and technical service fees for the online ride-hailing platform services business as a result of fewer completed orders, and decreased costs of automobile sold during the period.

Gross Profit

Gross profit was \$0.6 million for the quarter ended June 30, 2023, an increase of 26.5% from \$0.5 million in the prior-year period. The increase was primarily due to increased gross profit from Senmiao's automobile rental business, partially offset by decreased gross profit from online ride-hailing platform services.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased 35.2% to \$1.2 million for the fiscal first quarter ended June 30, 2023, from \$1.9 million in the prior-year period. The decrease was mainly attributable to the Company's continuous control on costs and ongoing initiatives to streamline its operations, which resulted in a \$0.3 million decrease in salary and employee benefit expenses, decreased office expenditures and marketing expenses for the online ride-hailing platform, and other expense reductions.

Loss from Operations

Loss from operations for the fiscal first quarter ended June 30, 2023 decreased to \$0.8 million, compared to loss from operations of \$1.4 million in the prior-year period. This was primarily due to the increased gross profit and \$0.5 million decrease in total operating expenses.

Net Loss (Income)



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Net loss for the fiscal first quarter ended June 30, 2023, was \$0.4 million, compared to net income of \$0.2 million in the prior-year period, primarily due to a \$1.3 million decrease in change in fair value of derivative liabilities.

Loss (Earnings) per Share

Loss per diluted share for the fiscal first quarter ended June 30, 2023, was approximately \$0.05 based on a weighted average number of basic and diluted common stock of 7.9 million, compared to earnings per diluted share of approximately \$0.05 based on a weighted average number of basic and diluted common stock of 6.3 million in the prior-year period.

Financial Position

As of June 30, 2023, Senmiao had cash and cash equivalents of \$1.2 million, compared to \$1.6 million as of March 31, 2023. Total stockholders' equity was \$3.5 million as of June 30, 2023, compared to \$4.4 million as of March 31, 2023.

Additional information regarding Senmiao's results of operations for this quarterly period can be found in Senmiao's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, to be filed with the Securities and Exchange Commission on the date of this earnings release.

About Senmiao Technology Limited

Headquartered in Chengdu, Sichuan Province, Senmiao provides automobile transaction and related services including sales of automobiles, facilitation and services for automobile purchases and financing, management, operating leases, guarantees and other automobile transaction services, as well as operates its own ride-hailing platform aimed principally at the growing online ride-hailing market in Senmiao's areas of operation in China. For more information about Senmiao, please visit: <http://www.senmiaotech.com>. Senmiao routinely provides important updates on its website.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements (including those relating to the operation of Senmiao's ride-hailing platform) are subject to significant risks, uncertainties and assumptions, including those detailed from time to time in the Senmiao's filings with the SEC, and represent Senmiao's views only as of the date they are made and should not be relied upon as representing Senmiao's views as of any subsequent date. Senmiao undertakes no obligation to publicly revise any forward-looking statements to reflect changes in events or circumstances.

For more information, please contact:



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SENMIAO TECHNOLOGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. dollars, except for the number of shares)

| | June 30, 2023 | March 31, 2023 |
|---|--------------------------|---------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,173,795 | \$ 1,610,090 |
| Accounts receivable | 126,760 | 158,435 |
| Accounts receivable, a related party | 4,551 | 6,312 |
| Inventories | — | 6,678 |
| Finance lease receivables, current portion | 136,296 | 146,114 |
| Prepayment, other receivables and other assets, net | 1,375,122 | 1,438,243 |
| Prepayments - a related party | 147,312 | — |
| Due from related parties, net, current portion, | 1,830,943 | 1,488,914 |
| Total current assets | 4,794,779 | 4,854,786 |
| Property and equipment, net | 3,229,848 | 3,343,457 |
| Other assets | | |
| Operating lease right-of-use assets, net | 106,638 | 121,672 |
| Operating lease right-of-use assets, net, related parties | 395,624 | 92,916 |
| Financing lease right-of-use assets, net | 530,796 | 623,714 |
| Intangible assets, net | 717,954 | 774,324 |
| Finance lease receivables, non-current | 92,497 | 71,133 |
| Due from a related party, net, non-current | 3,035,085 | 3,640,206 |
| Other non-current assets | 637,127 | 716,407 |
| Total other assets | 5,515,721 | 6,040,372 |
| Total assets | \$ 13,540,348 | \$ 14,238,615 |
| LIABILITIES, MEZZANINE EQUITY AND EQUITY | | |
| Current liabilities | | |
| Borrowings from a financial institution | \$ 2,733 | \$ 8,813 |
| Accounts payable | 273,685 | 183,645 |
| Advances from customers | 171,273 | 148,188 |
| Accrued expenses and other liabilities | 3,597,397 | 3,377,507 |
| Due to a related party | — | 8,667 |
| Operating lease liabilities | 31,029 | 60,878 |
| Operating lease liabilities - related parties | 296,508 | 143,462 |
| Financing lease liabilities | 231,110 | 264,052 |
| Derivative liabilities | 197,609 | 501,782 |
| Current liabilities - discontinued operations | 462,016 | 487,829 |
| Total current liabilities | 5,263,360 | 5,184,823 |

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SENMIAO TECHNOLOGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Expressed in U.S. dollars, except for the number of shares)

| | June 30, 2023 | March 31, 2023 |
|--|--------------------------|---------------------------|
| | (Unaudited) | |
| Other liabilities | | |
| Operating lease liabilities, non-current | 69,680 | 83,485 |
| Operating lease liabilities, non-current - related parties | 235,772 | 42,247 |
| Financing lease liabilities, non-current | 308,484 | 388,064 |
| Deferred tax liability | 40,658 | 42,930 |
| Total other liabilities | 654,594 | 556,726 |
| Total liabilities | 5,917,954 | 5,741,549 |
| Commitments and contingencies (note 19) | | |
| Mezzanine Equity | | |
| Series A convertible preferred stock (par value \$1,000 per share, 5,000 shares authorized; 1,141 and 1,641 shares issued and outstanding at June 30, 2023 and March 31, 2023, respectively) | 242,447 | 269,386 |
| Stockholders' equity | | |
| Common stock (par value \$0.0001 per share, 500,000,000 shares authorized; 7,993,040 and 7,743,040 shares issued and outstanding at June 30, 2023 and March 31, 2023, respectively) | 798 | 773 |
| Additional paid-in capital | 43,382,748 | 43,355,834 |
| Accumulated deficit | (38,143,122) | (37,715,294) |
| Accumulated other comprehensive loss | (1,743,236) | (1,247,099) |
| Total Senmiao Technology Limited stockholders' equity | 3,497,188 | 4,394,214 |
| Non-controlling interests | 3,882,759 | 3,833,466 |
| Total equity | 7,379,947 | 8,227,680 |
| Total liabilities, mezzanine equity and equity | \$ 13,540,348 | \$ 14,238,615 |

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SENMIAO TECHNOLOGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in U.S. dollars, except for the number of shares)

| | For the Three Months Ended June 30 | |
|---|---|--------------------|
| | 2023 | 2022 |
| | (Unaudited) | (Unaudited) |
| Revenues | | |
| Revenues | \$ 2,080,966 | \$ 2,126,336 |
| Revenues, a related party | 13,748 | 215,460 |
| Total revenues | 2,094,714 | 2,341,796 |
| Cost of revenues | | |
| Cost of revenues | (1,302,595) | (1,835,474) |
| Cost of revenues, a related party | (210,179) | (46,342) |
| Total cost of revenues | (1,512,774) | (1,881,816) |
| Gross profit | 581,940 | 459,980 |
| Operating expenses | | |
| Selling, general and administrative expenses | (1,243,289) | (1,919,347) |
| Recovery of (allowance for) credit losses | (127,073) | 21,857 |
| Impairments of inventories | — | (3,085) |
| Total operating expenses | (1,370,362) | (1,900,575) |
| Loss from operations | (788,422) | (1,440,595) |
| Other income (expense) | | |
| Other income, net | 72,149 | 63,153 |
| Interest expense | (525) | — |
| Interest expense on finance leases | (8,722) | (7,148) |
| Change in fair value of derivative liabilities | 304,173 | 1,628,510 |
| Total other income, net | 367,075 | 1,684,515 |
| Income (loss) before income taxes | (421,347) | 243,920 |
| Income tax expense | — | — |
| Net income (loss) | (421,347) | 243,920 |
| Net loss (income) attributable to non-controlling interests from operations | (6,481) | 88,933 |
| Net income (loss) attributable to the Company's stockholders | \$ (427,828) | \$ 332,853 |
| Net income (loss) | \$ (421,347) | \$ 243,920 |

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SENMIAO TECHNOLOGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (CONTINUED)
(Expressed in U.S. dollars, except for the number of shares)

| | For the Three Months Ended June 30 | |
|--|------------------------------------|---------------------|
| | 2023 | 2022 |
| | (Unaudited) | (Unaudited) |
| Other comprehensive loss | | |
| Foreign currency translation adjustment | (453,325) | (785,653) |
| Comprehensive loss | (874,672) | (541,733) |
| less: Total comprehensive income (loss) attributable to noncontrolling interests | 49,293 | (90,748) |
| Total comprehensive loss attributable to stockholders | <u>\$ (923,965)</u> | <u>\$ (450,985)</u> |
| Weighted average number of common stock | | |
| Basic and diluted | <u>7,891,392</u> | <u>6,305,252</u> |
| Net earnings (loss) per share - basic and diluted | <u>\$ (0.05)</u> | <u>\$ 0.05</u> |

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SENMIAO TECHNOLOGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars, except for the number of shares)

| | For the Three Months Ended June 30, | |
|--|--|--------------------|
| | 2023 | 2022 |
| | (Unaudited) | (Unaudited) |
| Cash Flows from Operating Activities: | | |
| Net income (loss) | \$ (421,347) | \$ 243,920 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation of property and equipment | 234,972 | 288,547 |
| Amortization of right-of-use assets | 109,620 | 218,446 |
| Amortization of intangible assets | 34,837 | 45,716 |
| Recovery of (allowance for) credit losses | 127,073 | (21,857) |
| Impairments of inventories | — | 3,085 |
| Gain on disposal of equipment | (22,665) | 9,144 |
| Change in fair value of derivative liabilities | (304,173) | (1,628,510) |
| Change in operating assets and liabilities | | |
| Accounts receivable | 24,083 | 16,836 |
| Accounts receivable, a related party | 1,476 | — |
| Inventories | 6,540 | 47,478 |
| Finance lease receivables | 50,441 | 134,210 |
| Prepayments, other receivables and other assets | (11,895) | 614,373 |
| Prepayment - a related party | (152,317) | — |
| Accounts payable | 103,147 | (11,720) |
| Advances from customers | 31,977 | 16,683 |
| Accrued expenses and other liabilities | 418,687 | 559,610 |
| Operating lease liabilities | (37,238) | (9,137) |
| Operating lease liabilities - related parties | 11,648 | (12,685) |
| Net Cash Provided by Operating Activities | 204,866 | 514,139 |
| Cash Flows from Investing Activities: | | |
| Purchases of property and equipment | (379,658) | (497) |
| Proceeds from sales of equipment | 49,592 | 25,739 |
| Purchases of intangible assets | — | (910) |
| Net Cash Provided by (Used in) Investing Activities | (330,066) | 24,332 |

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SENMIAO TECHNOLOGY LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Expressed in U.S. dollars, except for the number of shares)

| | For the Three Months Ended June 30, | |
|---|--|---------------------|
| | 2023 | 2022 |
| | (Unaudited) | (Unaudited) |
| Cash Flows from Financing Activities: | | |
| Repayments to related parties and affiliates | (160,850) | — |
| Borrowings from related parties and affiliates | — | 349,704 |
| Repayments of borrowings from a financial institution | (5,805) | (46,520) |
| Principal payments of finance lease liabilities | (80,667) | (132,111) |
| Net Cash Provided by (Used in) Financing Activities | (247,322) | 171,073 |
| Effect of exchange rate changes on cash and cash equivalents | (63,773) | (40,427) |
| Net increase (decrease) in cash and cash equivalents | (436,295) | 669,117 |
| Cash and cash equivalents, beginning of the year | 1,610,090 | 1,185,221 |
| Cash and cash equivalents, end of the year | <u>\$ 1,173,795</u> | <u>\$ 1,854,338</u> |
| Supplemental Cash Flow Information | | |
| Cash paid for interest expense | \$ 525 | \$ — |
| Non-cash Transaction in Investing and Financing Activities | | |
| Recognition of right-of-use assets and lease liabilities | \$ 356,859 | \$ 155,329 |
| Recognition of right-of-use assets and lease liabilities, related parties | \$ — | \$ 65,817 |