



**SENMIAO TECHNOLOGY**

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## **Senmiao Technology Reports Fiscal 2024 Third Quarter Financial Results**

**CHENGDU, China, February 12, 2024** -- 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 third quarter ended December 31, 2023.

### **Fiscal 2024 Third Quarter Financial and Operating Highlights**

- Total revenues of \$1.6 million compared to \$1.7 million in the prior-year period, primarily due to decreased revenues from online ride-hailing platform services, which was partially offset by increased revenues from the automobile rental business.
- Loss from operations narrowed to \$1.1 million, from \$1.3 million in the prior-year period.
- Net loss was \$0.9 million, compared to \$1.0 million in the prior-year period.
- From October 23, 2020, the date Senmiao launched its online ride-hailing platform, to December 31, 2023, more than 35.4 million rides were completed (including orders completed on the platform operated by Senmiao and on partner platforms), with fares paid by riders totaling \$114.0 million. As of February 9, 2024, Senmiao has operations in 26 cities in China, including Chengdu, Changsha and Guangzhou.

### **Management Commentary**

Xi Wen, Chairman, Chief Executive Officer and President of Senmiao, stated, "We were pleased to see continued strength in our automobile rental business, which enabled us to achieve a significant gross margin increase and improved bottom-line results for the fiscal 2024 third quarter. While the online ride-hailing platform services business recorded decreased revenues due to increased competition and compliance checks in a couple of our key markets, we are optimistic about our ability to grow the number of completed orders and improving overall operating efficiency through our recently announced [partnership with Anhui Lianma Technology Co., Ltd.](#), a company with extensive experience in online ride-hailing platform operation in multiple cities in China. We more than doubled gross profit during the period as a result of increased revenue contributions from the automobile leasing business, and our ongoing cost-cutting initiatives have resulted in a 24.0% decrease in SG&A expenses, all of which led to a significantly improved bottom line. As we look to continue improving our operating and financial performance, we also continue to seek and assess business opportunities that will serve as catalysts for Senmiao's business growth."



## Financial Review

### *Revenues*

Total revenues were \$1.6 million for the fiscal third quarter ended December 31, 2023, compared to \$1.7 million in the prior-year period. During the quarter ended December 31, 2023, the automobile rental business generated operating lease revenues of \$1.0 million, a 27.0% increase from \$0.8 million in the prior-year period, primarily due to increased average utilization of automobiles under operating lease growing from 42.9% to 80.6%. The online ride-hailing platform services business generated revenues of \$0.5 million, compared to \$0.8 million in the prior-year period. The decrease was mainly due to fewer completed orders as a result of increased competition and compliance checks conducted by our platform partner Gaode in Chengdu, one of Senmiao's major markets, during the period.

### *Cost of Revenues*

Cost of revenues decreased 22.9% to \$1.2 million for the fiscal third quarter ended December 31, 2023, from approximately \$1.6 million in the prior-year period, primarily due to a \$0.2 million decrease in maintenance and insurance expense related to the automobile rental business as Senmiao used more NEVs during the period, and a \$0.1 million decrease in direct expense and technical service fees for the online ride-hailing platform services business as a result of fewer completed orders.

### *Gross Profit*

Gross profit was \$0.4 million for the fiscal third quarter ended December 31, 2023, an increase of 128.5% from \$0.2 million in the prior-year period, primarily due to increased gross profit from Senmiao's automobile rental business, partially offset by decreased gross profit from online ride-hailing platform services and other services.

### *Selling, General and Administrative Expenses*

Selling, general and administrative expenses decreased 24.0% to \$1.1 million for the fiscal third quarter ended December 31, 2023, from \$1.4 million in the prior-year period, which was mainly attributable to the Company's ongoing cost control efforts and initiatives to streamline its operations, which resulted in a \$0.2 million decrease in salary and employee benefit expenses and a \$0.2 million decrease in office rental and insurance charges.

### *Loss from Operations*

Loss from operations for the fiscal third quarter ended December 31, 2023, narrowed to \$1.1 million, from loss from operations of \$1.3 million in the prior-year period. This was primarily due to decreased cost of revenues.



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### *Net Loss*

Net loss for the fiscal third quarter ended December 31, 2023, was \$0.9 million, compared to \$1.0 million in the prior-year period.

### *Loss per Share*

Loss per diluted share for the fiscal third quarter ended December 31, 2023, was approximately \$0.10 based on a weighted average number of basic and diluted common stock of 9.4 million, compared to loss per diluted share of approximately \$0.13 based on a weighted average number of basic and diluted common stock of 7.7 million in the prior-year period.

### *Financial Position*

As of December 31, 2023, Senmiao had cash and cash equivalents of \$1.1 million, compared to \$1.6 million as of March 31, 2023. Total stockholders' equity was \$2.2 million as of December 31, 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 December 31, 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.*



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

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,064,822	\$ 1,610,090
Restricted cash	2,375	-
Accounts receivable	50,820	158,435
Accounts receivable, a related party	5,493	6,312
Inventories	-	6,678
Finance lease receivables, current portion	150,394	146,114
Prepayments, other receivables and other assets, net	1,256,431	1,438,243
Due from related parties, net, current portion	2,512,079	1,488,914
<b>Total current assets</b>	<b>5,042,414</b>	<b>4,854,786</b>
<b>Property and equipment, net</b>	<b>2,959,653</b>	<b>3,343,457</b>
<b>Other assets</b>		
Operating lease right-of-use assets, net	90,982	121,672
Operating lease right-of-use assets, net, related parties	325,101	92,916
Financing lease right-of-use assets, net	421,645	623,714
Intangible assets, net	636,017	774,324
Finance lease receivable, non-current	86,184	71,133
Due from a related party, net, non-current	1,922,441	3,640,206
Other non-current assets	650,713	716,407
<b>Total other assets</b>	<b>4,133,083</b>	<b>6,040,372</b>
<b>Total assets</b>	<b>\$ 12,135,150</b>	<b>\$ 14,238,615</b>
<b>LIABILITIES, MEZZANIE EQUITY AND EQUITY</b>		
<b>Current liabilities</b>		
Borrowings from a financial institution, current	\$ 144,871	\$ 8,813
Accounts payable	165,839	183,645
Advances from customers	139,732	148,188
Accrued expenses and other liabilities	3,846,364	3,377,507
Due to a related party	386	8,667
Operating lease liabilities	33,840	60,878
Operating lease liabilities - related parties	319,323	143,462
Financing lease liabilities	204,069	264,052
Derivative liabilities	91,755	501,782
Current liabilities - discontinued operations	471,868	487,829
<b>Total current liabilities</b>	<b>5,418,047</b>	<b>5,184,823</b>

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

	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
	<u>(Unaudited)</u>	
<b>Other liabilities</b>		
Borrowings from a financial institution, non-current	108,653	-
Operating lease liabilities, non-current	51,568	83,485
Operating lease liabilities, non-current - related parties	161,375	42,247
Financing lease liabilities, non-current	253,872	388,064
Deferred tax liability	41,525	42,930
<b>Total other liabilities</b>	<b><u>616,993</u></b>	<b><u>556,726</u></b>
<b>Total liabilities</b>	<b><u>6,035,040</u></b>	<b><u>5,741,549</u></b>
<b>Commitments and contingencies (Note 19)</b>		
<b>Mezzanine Equity</b>		
Series A convertible preferred stock (par value \$1,000 per share, 5,000 shares authorized; 991 and 1,641 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively)	234,364	269,386
<b>Stockholders' equity</b>		
Common stock (par value \$0.0001 per share, 500,000,000 shares authorized; 9,568,040 and 7,743,040 shares issued and outstanding at December 31, 2023 and March 31, 2023, respectively)	956	773
Additional paid-in capital	43,834,973	43,355,834
Accumulated deficit	(40,003,077)	(37,715,294)
Accumulated other comprehensive loss	(1,593,976)	(1,247,099)
<b>Total Senmiao Technology Limited stockholders' equity</b>	<b><u>2,238,876</u></b>	<b><u>4,394,214</u></b>
Non-controlling interests	3,626,870	3,833,466
<b>Total equity</b>	<b><u>5,865,746</u></b>	<b><u>8,227,680</u></b>
<b>Total liabilities, mezzanine equity and equity</b>	<b><u>\$ 12,135,150</u></b>	<b><u>\$ 14,238,615</u></b>

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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 December 31,		For the Nine Months Ended December 31,	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
<b>Revenues</b>				
Revenues	\$ 1,611,277	\$ 1,710,172	\$ 5,510,795	\$ 6,000,597
Revenues, a related party	7,133	30,748	29,280	323,321
<b>Total revenues</b>	<u>1,618,410</u>	<u>1,740,920</u>	<u>5,540,075</u>	<u>6,323,918</u>
<b>Cost of revenues</b>				
Cost of revenues	(1,119,869)	(1,372,916)	(3,693,139)	(5,038,614)
Cost of revenues, a related party	(80,973)	(185,254)	(473,317)	(333,756)
<b>Total cost of revenues</b>	<u>(1,200,842)</u>	<u>(1,558,170)</u>	<u>(4,166,456)</u>	<u>(5,372,370)</u>
<b>Gross profit</b>	<u>417,568</u>	<u>182,750</u>	<u>1,373,619</u>	<u>951,548</u>
<b>Operating expenses</b>				
Selling, general and administrative expenses	(1,052,975)	(1,385,580)	(3,398,997)	(4,832,658)
Provision for credit losses	-	(126,546)	(680,396)	(470,982)
Impairments of inventories	-	-	-	(3,085)
Stock-based compensation	(444,300)	-	(444,300)	-
<b>Total operating expenses</b>	<u>(1,497,275)</u>	<u>(1,512,126)</u>	<u>(4,523,693)</u>	<u>(5,306,725)</u>
<b>Loss from operations</b>	<u>(1,079,707)</u>	<u>(1,329,376)</u>	<u>(3,150,074)</u>	<u>(4,355,177)</u>
<b>Other income (expense)</b>				
Other income, net	154,234	320,151	251,037	807,276
Interest expense	(7,852)	(6,975)	(10,610)	(6,975)
Interest expense on finance leases	(6,791)	(626)	(23,107)	(8,927)
Change in fair value of derivative liabilities	46,188	30,557	410,027	1,641,650
<b>Total other income, net</b>	<u>185,779</u>	<u>343,107</u>	<u>627,347</u>	<u>2,433,024</u>
<b>Loss before income taxes</b>	<u>(893,928)</u>	<u>(986,269)</u>	<u>(2,522,727)</u>	<u>(1,922,153)</u>
Income tax expense	-	-	-	-
<b>Net Loss</b>	<u>(893,928)</u>	<u>(986,269)</u>	<u>(2,522,727)</u>	<u>(1,922,153)</u>
Net loss (income) attributable to non-controlling interests from operations	(40,070)	14,928	234,944	200,175
<b>Net loss attributable to the Company's stockholders</b>	<u>\$ (933,998)</u>	<u>\$ (971,341)</u>	<u>\$ (2,287,783)</u>	<u>\$ (1,721,978)</u>
<b>Net loss</b>	\$ (893,928)	\$ (986,269)	\$ (2,522,727)	\$ (1,922,153)

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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)

	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive (loss) income</b>				
Foreign currency translation adjustment	172,393	328,208	(318,529)	(1,177,365)
<b>Comprehensive loss</b>	(721,535)	(658,061)	(2,841,256)	(3,099,518)
less: Total comprehensive loss (income) attributable to non-controlling interests	27,449	(75,611)	(206,596)	(159,302)
Total comprehensive loss attributable to stockholders	<u>\$ (748,984)</u>	<u>\$ (582,450)</u>	<u>\$ (2,634,660)</u>	<u>\$ (2,940,216)</u>
Weighted average number of common stock				
Basic and diluted	9,443,312	7,689,406	8,460,676	7,016,860
Net loss per share – basic and diluted	<u>\$ (0.10)</u>	<u>\$ (0.13)</u>	<u>\$ (0.27)</u>	<u>\$ (0.25)</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)

	<b>For the Nine Months Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (2,522,727)	\$ (1,922,153)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	702,555	873,480
Stock-based compensation	444,300	-
Amortization of right-of-use assets	322,904	579,209
Amortization of intangible assets	129,531	128,538
Provision for credit losses	680,396	470,982
Impairments of inventories	-	3,085
Gain on disposal of equipment	(31,705)	(596,564)
Change in fair value of derivative liabilities	(410,027)	(1,641,650)
Change in operating assets and liabilities		
Accounts receivable	43,720	177,273
Accounts receivable, a related party	608	(9,876)
Inventories	64,257	322,689
Finance lease receivables	133,988	187,695
Prepayments, other receivables and other assets	17,146	1,115,661
Accounts payable	192,279	48,108
Advances from customers	(3,577)	10,048
Accrued expenses and other liabilities	595,871	639,657
Operating lease liabilities	(53,776)	(37,872)
Operating lease liabilities - related parties	(50,994)	(99,023)
<b>Net Cash Provided by Operating Activities</b>	<b>254,749</b>	<b>249,287</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(643,376)	(1,213,996)
Cash received from disposal of property and equipment	102,172	1,527,550
Purchases of intangible assets	-	(26,408)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(541,204)</b>	<b>287,146</b>
<b>Cash Flows from Financing Activities:</b>		
Borrowings from a financial institution	242,943	-
Repayments from a related party	321,229	359,383
Loans to related parties and affiliates	(587,307)	-
Repayments of borrowings from a financial institution	-	(111,615)
Principal payments of finance lease liabilities	(171,388)	(349,140)
<b>Net Cash Used in Financing Activities</b>	<b>(194,523)</b>	<b>(101,372)</b>

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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)

	<b>For the Nine Months Ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(61,915)	(82,673)
Net increase (decrease) in cash, cash equivalents and restricted cash	(542,893)	352,388
Cash, cash equivalents and restricted cash, beginning of the period	1,610,090	1,185,221
Cash, cash equivalents and restricted cash, end of the period	<u>1,067,197</u>	<u>1,537,609</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest expense	\$ 10,610	\$ 6,975
Cash paid for income tax	\$ -	\$ -
<b>Non-cash Transaction in Investing and Financing Activities</b>		
Settlement of accounts payable by a related party	86,658	-
Recognition of right-of-use assets and lease liabilities	\$ -	\$ 917,786
Recognition of right-of-use assets and lease liabilities, related parties	\$ 349,532	\$ 118,030
Termination of right-of use assets and lease liabilities	\$ —	\$ 54,546
Termination of right-of use assets and lease liabilities, related parties	\$ —	\$ 252,939
Cashless exercise of November 2021 Investor warrants into common stock	\$ —	\$ 1,533