



Pony AI Inc.

Fourth Quarter and Full Year 2025 Earnings Conference Call

Operator

Ladies and gentlemen, thank you for standing by, and welcome to Pony AI Inc.'s fourth quarter and full year 2025 earnings conference call. At this time, all participants are in listen-only mode. After the management's prepared remarks, there will be a question-and-answer session. As a reminder, today's conference call is being recorded and a webcast replay will be available on the company's Investor Relations website at ir.pony.ai under the News and Events section.

I will now turn the call over to your host, George Shao, Head of Capital Markets and Investor Relations at Pony.ai. Please go ahead, George.

George Shao

Thank you, operator, and hello everyone. We appreciate you joining us today for Pony.ai's fourth quarter and full year 2025 earnings call. Earlier today, we issued a press release with our financial and operating results, which is available on our IR website. An earnings presentation, which we will refer to during this conference call, can also be accessed and downloaded on our IR website.

Joining me on today's call are, Dr. James Peng, Chairman of the Board and CEO, Dr. Tiancheng Lou, CTO, and Dr. Leo Wang, CFO of the company. They will provide prepared remarks followed by a Q&A session.

Before we begin, please refer to the Safe Harbor Statement in our earnings release, which applies to this call as we'll be making forward-looking statements. Please also note that we will discuss non-GAAP measures today, which are more thoroughly explained and reconciled to the most comparable measures reported under GAAP in our earnings release available on our Investor Relations website and filings with the SEC and the Hong Kong Stock Exchange.

I will now hand it over to our Chairman and CEO, Dr. James Peng. Please go ahead.

Dr. James Peng

Thank you, George. Hello everyone, thank you for joining our earnings call.

2025 is an amazing year for us. This was defined by multiple remarkable milestones. First, our top-line growth significantly accelerated. Looking at Q4 last year, our Robotaxi revenues surged by 160% YoY and fare-charging revenues skyrocketed by over 500%. Second, since our Gen-7 Robotaxis' debut last April, we've moved straight into mass production and commercial deployment. Our fleet has now surpassed 1,400 units. Third, we're expanding our footprint, launching services in new cities in both China and globally. This has massively broadened our reach. In fact, we've now crossed the one-million user mark in China alone. Fourth, we've proven our business model actually works. We achieved UE breakeven in both Guangzhou and Shenzhen, and we will replicate this success into more markets.

Looking ahead at 2026, it will definitely be a year of hyper-growth for Pony. We're riding a perfect wave of industry momentum, built on five pillars: fully-driverless technology, policy support, mass production, large-

scale operation, and ecosystem maturity. Last year, we used China's tier-one cities as a strategic blueprint to deploy Gen-7 Robotaxis. From official debut to mass production, regulatory validation, and rigorous testing, we achieved commercially fully-driverless operations within just six months. Last quarter, we set our Robotaxi fleet target to over 3,000 units for this year. Boosted by the financial fire powder from our successful HK IPO, and also with the Toyota bZ4X Gen-7 model already in SOP, we now have greater visibility and are confident in exceeding this target. Our excellent Virtual Driver is the key to support this confidence. Proven mastery of highly complex urban scenarios and a superior safety record have earned deep trust from policymakers and partners, driving rapid user adoption. This directly translates into positive UE. Since we hit the UE breakeven in Shenzhen last month, growth momentum continues with this March seeing peak daily revenue of RMB394 per vehicle and daily orders at 25 per vehicle. We will certainly replicate this success globally. By year-end, we plan to deploy Robotaxis in over 20 global cities. As the go-to partner, we've forged strategic alliances with industry leaders like Tencent and Uber. Together, we will propel global expansion, powering accelerated top-line growth and more than tripling our Robotaxi revenues for 2026.

Let me elaborate how we will drive this hyper-growth. We are executing dual-engine strategy. That means we are all-in on both China and global markets. Our proven business model in China gives us a solid foundation to replicate the success internationally, and we're already seeing great results that positions us for our next growth phase.

In China, we have earned a clear leadership across tier-one cities, scaling further and pushing deeper into busy downtown areas. Take Shenzhen for example, our Robotaxis satisfy surging demand in traffic hubs like Nanshan (南山) and Baoan (宝安) during Chinese New Year. The paid orders in the first two months this year alone have already surpassed that of the whole year of 2025 in Shenzhen. We also entered University Town (大学城) in Guangzhou, the busiest campus zone in Southern China. This sets the stage for more launches in multiple cities across the Greater Bay Area. In March, we also entered Hangzhou (杭州) and Changsha (长沙), two thriving top tier-two cities. This is just the start and we will have more cities to follow soon.

Now turn to overseas markets, our presence in Europe, the Middle East, East Asia, and Southeast Asia now covers a population of 100 million. We're aiming for nearly half of our 20-city target to come from overseas by the end of this year. Recently, we teamed up with Uber and Verne, which is a Rimac group company to enter Croatia, working together to launch Europe's first commercial fare-charging Robotaxi service. In the Middle East, we rolled out our first fare-charging service with Mowasalat Karwa in Doha, and we're gearing up for fully-driverless operations after approval later this month in Dubai, UAE. In Singapore, we have launched public debut of autonomous driving services with ComfortDelGro. We are confident overseas revenues will grow rapidly in 2026.

Ecosystem maturity is a critical pillar in executing our dual-engine strategy. Our successful business model makes us a go-to partner. Partners are now actually lining up to join our "joint deployment model." Essentially, it's a model that they will fund vehicles and we can share success together. This will empower us to achieve fleet acceleration, reduced cost and capital efficiency. We've got a robust pipeline of new partners ready to jump on board.

Toyota is the first to adopt our joint deployment model. Their bZ4X Gen-7 Robotaxis will account for a significant portion of our 3,000-vehicle target in 2026 and we have already secured 1,000 units. As a long-standing strategic partner, our collaboration with Toyota extends far beyond manufacturing. Together, we will commercially deploy Robotaxi to drive market penetration.

By leveraging our OEM partners' mature supply chain and extensive after-sales service networks, our enhanced partnerships with both Beijing Auto and Guangzhou Auto further reduce our vehicle cost. In addition, we will jointly deploy Robotaxi vehicles into more overseas markets.

To reach a broader user base, we also partnered with Tencent by integrating with WeChat Mobility to unlock access to hundreds of millions of users to call our Robotaxi services. We're also deepening strategic partnerships with OnTime Mobility in Guangzhou and ATBB in Beijing to accelerate adoption of our joint deployment model.

Overseas, our global partnership with Uber enables us to access users across multiple continents, starting from Europe. Our regional alliances strengthen our market penetration, with partnerships established with ride-hailing platform Bolt and also auto manufacturer Stellantis.

Now let me turn to Robotruck. Over the past few years, we've made huge technological leaps by using our proven L4 tech stack. It has been translating into commercial breakthroughs.

We're now covering major logistics routes connecting industrial hubs, ports, and consumption centers across China. To seize the opportunity, we introduced our Gen-4 Robotruck in 2025, reducing the ADK BOM costs by 70%. We target mass production of Gen-4 Robotruck and deployments this year.

In 2025, we have deployed fully-driverless Robotrucks at Jiangmen Port (江门港) in Guangdong Province and tested 1+N driverless platooning in extreme weather conditions in Northwest China. With this proven tech, we will deploy Robotrucks in more ports and mine haulage scenarios.

Lastly, our Licensing and Applications business delivered a robust growth. Last year autonomous domain controllers (ADC) sales actually reached sixfold to the level of 2024. We have also expanded our application scenarios to low speed delivery, robosweepers, logistics, and humanoid robotics. Strong customer demand and growing market recognition of our technology will continue to drive growth.

In summary, we have hit a major inflection point. As we've validated business model through 2025 achievements such as fleet expansion, new city launches, and UE breakeven, 2026 is posed as a year of hyper-growth. We are super confident to triple our Robotaxi revenues, grow fleet to over 3,000 vehicles and deploy Robotaxis in more than 20 global cities. Powered by our dual-engine strategy, we are speeding toward "Autonomous Mobility Everywhere." I firmly believe every effort we make today will not only reshape the future of human mobility but also drive a revolution in transportation. This will be a revolution where safety, efficiency, and accessibility redefine how the world connects, commutes, and thrives.

With that, I'll hand it over to our CTO, Dr. Tiancheng Lou, who will go over our technology strategies. Tiancheng, please go ahead.

Dr. Tiancheng Lou

Thank you, James. Hello everyone! This is Tiancheng.

Looking back at our journey in 2025, it was a landmark year. We proved the commercial viability of autonomous mobility, achieving positive unit economics in Guangzhou and Shenzhen. Today, our fleet size has surpassed 1,400, a large growth throughout the year.

Robotaxi is the first true commercial application of physical AI, validated by real-world operations and user adoption. Our L4-native tech architecture, built on years of R&D, has earned the trust of policymakers and established our first-mover advantage to capture multi-year growth.

As I highlighted in previous quarters, world models are now the widely recognized tech path, a domain where we hold a firm leading position with Pony World model. But technology is only the foundation. The key to success is who can deliver reliable driverless Robotaxi services at scale. I'll walk you through how our technology drove commercial results in 2025 across three dimensions: scale, efficiency, and user experience.

First, scale.

Through strong execution on mass production, we surpassed our 2025 fleet target, and this momentum positions us to reach over 3,000 units by the end of 2026. Since mid-2025, we began mass production of two Gen-7 models with Guangzhou Auto and Beijing Auto, both now ramping up to full capacity. In February this year, the bZ4X Gen-7 Robotaxi, co-developed with Toyota, rolled off the production line. The strong generalization of our autonomous driving stack enables us to efficiently adapt across different vehicle platforms. This multi-OEM network enables rapid scaling while strengthening local partnerships and broadening our Robotaxi vehicle offerings.

This scale is backed by a comprehensive ODD that validates our technology's ability to generalize across diverse urban environments. Today, our fully-driverless fleet operates 24/7 in many cities across the globe, serving the public during peak rush hours and severe weather conditions. Achieving this requires rigorous engineering validation, and the breadth of our fleet deployment and ODD reflects the maturity and robustness of our autonomous driving stack.

Our overseas expansion further validates this generalization capability. In Croatia, we are operating across a large area of central Zagreb, the capital's urban core, handling complex, urban traffic rather than limited, low-complexity routes. Such ability to deploy in demanding environments from day one demonstrates both the robustness of our technology and the commercial potential of our global expansion. This gives us strong confidence in reaching our target of more than 20 cities worldwide.

Second, efficiency.

We've established a clear cost advantage, driving a two-fold improvements. On hardware, our optimized design in Gen-7 Robotaxis effectively lowers BOM costs through more cost-effective components. On operation, our safety record creates significant leverage, drastically reducing insurance fees and improving remote assistant efficiency. All of these enable us to scale with positive unit economics.

Beyond that, our tech is building a powerful operational moat. We have developed a highly-generalized AI driving capability to build comprehensive and scalable operational workflows. This deep know-how makes us the go-to partner across the mobility ecosystem. It perfectly positions us to execute our joint deployment model, allowing us to scale fleet much faster with better capital efficiency.

Third, user experience.

Our technology enables Robotaxi to serve consistently in high-value, high-difficulty scenarios, exactly in high-frequency ride-hailing hotspots where demand peaks and users are willing to pay a premium. This differentiates our service, supports our price strategy, and directly drives UE improvement.

For example in Shenzhen, our 24/7 driverless Robotaxi covers high-traffic urban zones such as Nanshan High-Tech Area (南山科技园) to fulfill daily commuting needs. During rush hours, our AI Virtual Driver navigates not only major main roads but also narrow streets where commuters actually need to be picked up and dropped off, providing convenient PUDO coverage that truly addresses real-world commuting needs.

In Beijing, during a heavy snowstorm in early March, getting a ride becomes a major pain point for users, such as long waiting-time and limited availability. Despite the extreme conditions, snow-covered sensors, reduced visibility, and unpredictable road condition, all demanding significantly higher driving capabilities, our Robotaxi fleet continued operations throughout the snowstorm, capturing substantial order volume growth during that period.

Beyond handling extreme conditions, we have significantly improved ride comfort. Our Gen-7 Robotaxi delivers smoother acceleration, braking, and cornering, significantly reducing motion sickness, a pain point that users care about most.

This underscores a fundamental point: technology leadership is not just an engineering milestone, it is the core engine of our commercial success. Outstanding user experience earns user preference and repeats usage organically, without reliance on discounts.

Beyond our Robotaxi business, our proven L4 technology enables us to capture commercial opportunities across the broader autonomous driving industry.

Our platform's generalization enables 80% of tech stack shared between Robotruck and Robotaxi. We have achieved true full-scenario, all-weather, and 24/7 operational capabilities. Our operations now span from complex highway segments to unique scenarios like port logistics, with accumulated mileage exceeding 70 million kilometers.

We also unlock synergy for the Licensing and Applications segment, through leveraging our advanced autonomous driving domain-controller design. Capitalizing on the rapid growth trend in low-speed delivery, robosweeper, logistics, and robotics, we effectively fulfill our customers' demand on robustness.

Looking ahead to 2026, we will increase our investment in R&D and AI talent to accelerate our competitive position. Specifically, we are focused on advancing our PonyWorld model to further strengthen our autonomous driving capabilities, reducing BOM costs through continued hardware-software optimization, and improving operational efficiency to lower per-vehicle operating costs. These investments are designed to fuel faster commercialization, expanding our Robotaxi operations to more than 20 cities globally by year-end and delivering faster revenue growth. We will over triple Robotaxis revenues than 2025. As we've demonstrated already, technology leadership directly drives commercial performance, and these investments will further widen our advantage.

This concludes my prepared remarks. I will now pass the call over to our CFO, Dr. Leo Wang, for a closer look at our financial results. Leo, please go ahead.

Dr. Leo Wang

Thank you, Tiancheng. Hello everyone, this is Leo.

I will focus on year-over-year comparisons for the fourth quarter unless otherwise noted. For full year 2025 and fourth quarter detailed financials, please refer to our earnings release.

2025 marked the inaugural year of large-scale commercialization for our Robotaxi operations. Robotaxi segment continues to act as the core growth engine for the group, delivering exceptional topline growth. In the fourth quarter, Robotaxi revenues surged 160% to US\$6.7 million. For the full year 2025, Robotaxi revenues reached US\$16.6 million, growing more than doubled at 129%.

This remarkable acceleration was primarily driven by our fare-charging service, which we saw Q4 fare-charging revenues skyrocketed by 501%, with a full-year growth rate of nearly 400%.

More importantly, within just four months of Gen-7 robotaxi launch, we are thrilled to see consecutive UE turned positive in both Guangzhou and Shenzhen — two of the most valuable cities in China. This milestone was built on 2 unique pillars that are exceptionally difficult to replicate from others: first our clear cost advantages in both vehicle and Robotaxi operations; second, our exceptional AI driving capabilities. Being capable of navigating highly complex urban environments 24/7, we deliver a consistent, reliable, and high-quality service, which helped us to capture the robust user demands.

With the foundation of positive UE, and as vehicle density improves, we are seeing a clear network effect: Improving fleet density, shortens wait times, boosts utilization rates, and drives the number of orders per vehicle. This in turn enhances overall passenger experience and further stimulates ride-hailing demand. Specifically, year-to-date of 2026, our users have nearly tripled YoY and reached one million. In February, we successfully delivered unit economics positive in Shenzhen, with an impressive average daily orders of 23 and RMB338 average daily net revenue, on a per vehicle basis. As a matter of fact, this strong upward trend is continuing right now. In March, we hit a new daily peak of RMB394 net revenue and 25 orders per vehicle. More excitingly, our paid orders in the first two months of 2026 in Shenzhen have already surpassed the entire order volumes for the full year of 2025.

Looking ahead, we remain highly confident in the growth trajectory of our Robotaxi business. As James mentioned, our dual-engine strategy will drive rapid expansion into more than 20 cities in China and overseas. We are confident that our robotaxi revenues will at least triple this year. Simultaneously, we are enhancing our revenue quality by adding high-margin, recurring revenue streams through Robotaxi joint deployment with our partners, such as OnTime Mobility. This model will lower the capex requirement on initial fleet deployment from our end, and can also give us leverage to expand faster and more efficiently into new regions.

From a technology perspective, as Tiancheng mentioned, our advanced AI driver capabilities directly empower a premium user experience, providing safe, reliable, smooth, and efficient rides for passengers. This superior experience strengthens our pricing power and deepens user mindshare, which can further boost topline growth.

On the cost side, we have proactively secured procurement for critical vehicle components and hardware, including high-demand memory modules. Therefore, we expect minimal impact from supply chain pricing fluctuations. Meanwhile, with greater fleet scale, continuous tech reiteration, and deepening OEMs' collaboration, we have high confidence in continuously reducing our vehicle BOM cost, and further improving operation efficiency.

Together, the high gross margin profile of the Robotaxi segment is fundamentally elevating our revenue quality and actively contributing to the group's future profitability.

Now let's move on to Robotruck. By leveraging our proven Robotaxi stack, our next-gen Robotruck achieves a 70% cost reduction. Furthermore, our transition to EV trucks will continue to drive down per-kilometer operating costs.

Looking ahead to 2026, our shared expertise in Robotaxi will accelerate our Robotruck mass production, enabling us to begin deployments within 2026. As we aggressively deepen our route coverage across major logistics corridors and expand into more scenarios such as dedicated lines and port operations, we expect to see accelerated growth in revenues beginning in the second half of this year. With lower structural costs,

continuous tech breakthroughs towards driverless operations, we are perfectly positioned to capture the freight market's immense value.

Thirdly, our licensing and applications also delivered impressive growth in 2025. We're seeing strong clients' demand from our Autonomous Domain Controller (ADC) product, with ADC volume grew to six times the level of 2024. Looking ahead, we are seeing a solid order pipeline from existing customers, and are actively expanding into new use cases.

On the overall profitability front, we achieved a historic financial milestone in the fourth quarter by achieving a first-ever quarterly GAAP level net profit. This historic pivot to profitability was primarily driven by the gains from our strategic equity investments, which strengthen our broader ecosystem positioning and unlock business synergies.

In 2025, our expenses were slightly widened. This was a deliberate front-loaded investment to accelerate Gen-7 mass production, expand into new cities, and strengthen our tech stack. Such investments are already starting to drive strong topline growth. In the era of AI, we anticipate continuous investments into AI technology and talents to help us secure a long-term competitive edge. Beyond technology benefits, our joint deployment model will also be a powerful lever for capex efficiency. By collaborating with partners to share the initial investment, we are able to scale our fleet rapidly while maintaining a lean balance sheet. Looking ahead, we expect revenue growth to outpace the growth of operating expenses, as we capitalize on fleet scale and capture the virtuous cycle of positive UE.

Finally, we closed the year with a highly robust balance sheet, with substantial cash reserves of over US\$1.5 billion, following our successful Hong Kong IPO. This solid capital position gives us the firepower to invest decisively into R&D, SG&A, and go-to-market capabilities. We are confident that these stepped-up investments will accelerate our pace of large-scale commercialization and deliver faster revenue growth in 2026.

Looking ahead, we are crystal clear on our strategic priorities — tripling our Robotaxi revenues, expanding our fleet target to over 3,000 vehicles, and deploying Robotaxis to more than 20 cities globally by 2026. We have ample dry powder to support these initiatives, and we will drive progress through our dual-engine growth strategy. Combined with our joint fleet deployment model that optimizes capital efficiency, we are well positioned to accelerate these targets and turn our operational momentum into sustained, profitable, and long-term growth for our shareholders.

Q&A

Ming Hsun Lee from BofA

Thank you management to give the opportunity for me to ask a question. My only question is that your target of over 3,000 Robotaxi fleet by the end of 2026, can you share your production ramp-up and deployment plan? Now that you have achieved UE breakeven in Shenzhen and Guangzhou, what do you think about future UE trajectory?

Dr. James Peng

This is James. I'll take this one. In my opinion, hitting UE breakeven is a huge win for the whole industry, not just for us. It proves our tech works in the real world. It also shows that Robotaxi is not just feasible, but profitable at scale. Right after UE breakeven in Guangzhou, we did it again in Shenzhen. This shows that our model is actually replicable. We achieved this breakeven by focusing on service value, not discounting.

What we have seen is that in the regulatory front, currently we do see a policy tailwind to support the whole industry. In China, there is a coordinated efforts between central and local governments to bring Robotaxi services to many cities. and in our existing markets of tier-1 cities, I have seen more licenses were issued to facilitate a larger fleet. Globally, many countries learn from the progress in China and the U.S. to clear policy hurdles and come up with regulations to support the accelerated deployment. This regulatory momentum gives us confidence to replicate our current success into more markets both in China and globally.

Therefore, to capture this opportunity, two things we are focusing on this year: one is ramping up production and the other is launching robotaxis into many more markets.

On the Fleet Ramp-up: Over the last two months, we've been focusing on producing the Toyota bZ4X. And then we also continuously produce more vehicles with more Beijing Auto and Guangzhou Auto. With all three vehicles, we're confident we'll hit over 3,000 units by year-end.

In terms of Expansion Plan: first, we're pushing deeper into downtown hubs; secondly, we are also expanding into new cities such as Hangzhou, Changsha, and many cities across the Greater Bay Area. Thirdly, in terms of UE, since fares in China is relatively low compare with many of the global markets, and in China we already deliver positive UE and we are continuing to improving the UE, we expect better earnings in our existing market and definitely a lot better margins overseas. We plan to expand into at least 20 cities, which can give us a stronger first-mover advantage. Our joint deployment model will also lower our Capex expenditure, which can helps us to accelerate fleet growth and at least triple our Robotaxi revenue this year.

With that, back to the operator.

Tim Hsiao from Morgan Stanley

Hi, management. Thank you for taking my question. I just have a follow-up question about Pony's latest operational footprint based on the dual-engine strategy management just mentioned. So regarding Pony's expansion strategy to enter over 20 cities this year, could you share details about which cities you plan to enter, and what's the split between China and overseas markets? Separately, With geopolitical tensions in the Middle East, are you seeing any challenges or headwinds to your operation?

Dr. James Peng

This is James. I'll take this question.

Strategically we're definitely using our success in China as a blueprint for global expansion. Because our technology and the business model are proven. We can replicate quickly, broadly, in the global markets. In fact, we expect nearly half of the 20 cities we're targeting in 2026 to be overseas, spanning Asia, Europe, and the Middle East.

In terms of go-to market strategy, we're teaming up with industry leaders to improve our joint deployments model, which can greatly reduce our Capex expenditures. This helps us scale efficiently while at the same time, building strong local networks. We've already launched in Zagreb, Doha, Dubai, and Singapore, partnering with global giants like Uber, Bolt, and Stellantis. One example is that together with Uber and Vern, we actually have launched the first commercial robotaxi services in Europe.

Looking ahead, we're certainly exploring more European cities and also doubling-down in Asia, such as South Korea and Singapore.

Regarding your last point of your question, our efforts in the Middle East, first and foremost, this region remains to be our high priority. So far we haven't seen any material impact to our business from the current geopolitical tensions. We are still charging along with our efforts in the GCC region. We expect to roll out fare-charging service with Mowasalat in Doha, Qatar, and we are also getting ready for fully-driverless operations in Dubai after the approval later this month.

Now I'll get back to the operator.

Leo You from CLSA

Thanks for taking my questions. Your world model and autonomous driving stack are now operating in multiple cities across different countries. So could you please tell us more how does the technology generalize to new environments, and what role does the world model play in accelerating this expansion plan?

Dr. Tiancheng Lou

I'll take this one.

First and foremost, the key insight is that, driving is about interaction and negotiation with dynamic agents around you. There is no difference whether you're in Guangzhou, Shenzhen, or Zagreb. Different cities and countries are essentially different combinations of similar scenarios — what varies is the probability distribution, not the fundamental nature of the challenges. Some example corner cases are: reckless lane change without checking mirrors, a fallen bicycle in the road — these corner cases occur everywhere.

Our technology has already been validated in the most demanding conditions — operating at scale across all peak hours, all weather, in the dense urban cores of China's major cities. This means that when we enter a city like Zagreb, we are not starting from scratch. We are deploying a system that has already mastered a superset of the scenarios cities it will encounter. This is why we can operate directly in Zagreb's urban core, which carries significant commercial value.

Regarding second part of your question, our world model plays an important role in accelerating this process. It enables us to model the interaction and negotiation dynamics between our vehicle and surrounding agents, and to generate large-scale simulated scenarios that reflect the specific traffic patterns of a new market. By reinforcement learning within these simulated environments, our system continuously improves its driving policy, allowing us to validate and fine-tune efficiently without needing to collect massive amounts of data in each new city.

The enablers for reaching 20 cities are clear. Our multi-OEM network provides locally suitable vehicle platforms. Our operational playbook — from remote assistance to fleet management — is highly standardized and replicable. Our technology's broad ODD coverage means we can operate in complex urban environments, not just limited, low-difficulty routes.

Together, these give us strong confidence in achieving our target of deploying Robotaxi services in more than 20 cities worldwide by year-end 2026.

Okay, I'll get back to the operator.

Xinyu Fang from UBS

Hello. Thank you for taking my question, and congrats to the solid results. My question is about the joint deployment model. For vehicles, how do you plan to add this year? Can you elaborate a bit more on how you will apply the joint deployment model? And how we should think about the benefit of this model for the company and your value chain partners? Thank you.

Dr. Leo Wang

This is Leo. I'll take this question.

So as you can see that we have hit critical milestone of UE breakeven in Guangzhou and Shenzhen, after that we have been seeing a lineup of partners in the whole ecosystems that wants to join the robotaxi market and we are their go-to choice. In this joint deployment model, our partners fund the vehicles capex, and start to tap into the whole Robotaxi value chain, for example ground operation, vehicle maintenance, and charging. We considered this is a win-win situation for both of us: our partner get growing revenue from deployed vehicles, and we essentially in asset light model to expand our fleet rapidly. In this year, we expect nearly half of our new vehicles are coming through this model, which is led by Toyota. Not only we improve our capital efficiency in our expansion through this model, but also it will create additional revenue streams through recurring income in forms of revenue sharing or AI driver license fee. This revenue stream combined with our self-owned fleet fare-charging revenues will help us to achieve more than triple robotaxi revenues in 2026.

Beyond current lineup of partners such as Toyota, OnTime Mobility, and ATBB, we actually expect even more partners will jump on board this year.

I'll get back to the operator.

Purdy Ho from Huatai Securities

Thanks for taking my question and congratulation on the results. Regarding the 1,000 Robotaxis already contracted with Toyota, how do you plan deploy these vehicles? Do you expect any further scaling-up or strategic initiatives with Toyota down the road? Thank you.

Dr. James Peng

This is James, I'll take this one.

In terms of Toyota, I considered it as not just a partner; they've actually been with us since 2019 as our largest strategic shareholder. The relationship between us goes way beyond just an auto supplier, it's actually a deep, strategic, long-term collaboration.

In terms of mass production of robotaxi vehicles, we have jointly launched several Robotaxi models on Toyota platforms since 2019. In this year 2026, we're adding 2,000+ new vehicles, and nearly half will be the new Toyota bZ4X Gen-7 vehicles. This model is jointly developed with Toyota Motor Company and GAC Toyota. Mass production is already live on Toyota's assembly lines. There certainly is a great synergy between us. Their manufacturing capability and top-tier platforms blend perfectly with our L4 technology and operational know-how.

So considered our collaboration, besides jointly developing vehicles, Toyota is also the first partner to adopt our joint deployment model, funding the fleet to help us scale capital efficiently. This shows their incredible confidence in Pony. Together, we'll be rolling out commercially starting from China's top tier cities.

With this, I'll get back to the operator.

Yuqian Ding from HSBC

Hi. This is Yuqian from HSBC, I've got two. The first question is about competition dynamic, how do you see the automakers getting into the Robotaxi sector? And the second question is about competitive edges, the market narrative is shifting towards more into scaling, with more entrants getting in, what is Pony's most unique competitive advantage? Thank you.

Dr. James Peng

I'll take the first one. And I'll hand over to Tiancheng for the second part.

Certainly, we have seen that especially lately, there are many announcements about new players already entered or plan to enter the Robotaxi business. Those new entrants including automakers, ride-hailing companies, tech giants or even startups. In general, I think these new entrants to this Robotaxi space validates the long-term potential for our industry. I certainly very much welcome the new players, they can make the whole ecosystem to be even larger. But in reality, L4 especially robotaxi is such a complex system that requires an integrated solution. As I mentioned in my prepared remark, there are five pillars for the robotaxi industry: namely technology, policy, mass production, operation, and partnership. These five pillars are so intertwined that simply throwing resources at them will not accelerate the development process. Over the year, we actually have developed a unique advantage on all aspects of the Robotaxi industry. Regarding details of our competitive moat, I will hand over to Tiancheng to elaborate.

Dr. Tiancheng Lou

Thank you, this is Tiancheng. Technically, I do not think automakers have an advantage in L4 Robotaxi just because they are strong in manufacturing or in L2 systems. The key point is that L2 and L4 are fundamentally different. They are not just two points on the same path. In L2, as MPI increases, the actual risk can increase. Partial automation can create a false sense that the system is "almost good enough," until it fails in a situation where the human is no longer ready to take over. That is why the L2 path does not naturally lead to L4, especially when you are talking about a driverless fleet at scale.

One unique advantage we have at Pony.ai is our long-term investment in a world model and an L4-native Virtual Driver training approach. The reason this matter is that L4 Robotaxi needs to be significantly safer than human drivers, and that cannot be achieved by simply imitating human driving behavior. To reach that level of safety, the system has to keep improving through large-scale trial and error in a virtual environment, which is why a world model is essential. In other words, the key to train an L4 Virtual Driver is building a virtual environment with strong enough sim-to-real capability, especially when it comes to interactions between vehicles. That is also why the L4 approach requires many years of investment in AI, and it does not improve mainly by collecting more real-road data.

The second unique advantage is that we have real Robotaxi fleets in operation, and those fleets continuously help us see where the world model is still different from the real world. The hardest part of L4 is not the first 99% — it is the last 1%, the long tail of rare but safety-critical corner cases. To handle those cases safely, it is not enough to look at one recorded trajectory. What really matters is understanding how other vehicles and pedestrians may behave across many different intentions with the AI driver. This is exactly why the world model is so important: only a world model can give you enough coverage of the full combination space of different intentions in corner cases, and that kind of coverage is what L4 safety ultimately requires. At the same time, only fully driverless Robotaxi data can keep narrowing the gap between the world model and the real world. Real-world Robotaxi operations let us observe and understand the actual behavior patterns of vehicles and pedestrians in those scenarios, while human driving data can not observe the interaction with

Robotaxi. This is also aligned with the fact that new players typically can only start with very small fleets. Regulators understand this logic as well, so they are naturally very cautious about granting permits at the early stage.

So to summarize, automakers entering the space confirms the size of the opportunity, but L4 Robotaxi is not something you get by extending L2. Pony.ai's unique advantage comes from two things: a world model built for L4, and a real Robotaxi fleet that continuously helps us improve it. Together, they create a closed loop that keeps both the model and the product moving forward.

With that, back to the operator.

Joel Ying from Nomura

Thanks for taking my question. I am Joel from Nomura. Just would like to understand that how do management view the impact of NVIDIA launching their open-source models on for smart driving at L4 during the CES this year. Thank you.

Dr. Tiancheng Lou

This is Tiancheng again. For this question I think the key is to distinguish between a model and a real product. An open-source autonomous driving model can be a good starting point, but it is not the end product. There is still a very big gap between a model and a Robotaxi fleet that is commercially deployed, safety-proven, government-approved, and operating at scale. Closing that gap is exactly where our core advantage lies.

At Pony, our strength comes from years of full-stack, in-house development and real L4 deployment at scale. That includes not just the software or the model, but also the vehicle architecture, sensor and redundancy design, domain controllers, operational systems, validation, and the commercialization capabilities needed to run an actual Robotaxi service. For example, sensor customization and redundancy design directly affect safety, manufacturability, and BOM cost. Our OEM partnerships are also very different from a plug-and-play approach. That gives us better system integration, higher reliability, and lower overall system costs.

So, we view progress from NVIDIA helps move the ecosystem forward. At the same time, we believe the real barrier to entry remains very high.

And of course, NVIDIA is also an important partner of ours on the domain controller, and we maintain a strong collaborative relationship.

With this. Back to the operator.

Tianyu Lu from CITIC Securities

Hi this is Tianyu from CITIC Securities. Thank you for taking my question and congratulations on rapid growth on robotaxi service. I have a question. How you plan to allocate your Hong Kong IPO proceeds? Given your accelerated deployment targets, do you expect any upward revisions to the 2026 cost and expenditures?

Dr. Leo Wang

This is Leo, I'll take this one. As I mentioned earlier, we have ample cash reserve: USD1.5 billion as of 31 December 2025, which is driven by Hong Kong IPO proceeds of more than USD800 million. This secures long-term capital to fuel multi-year growth.

Our 2025 achievements in terms of Gen 7 production, deployment, and UE breakeven made us clear an industry leader. Looking forward, we look for accelerated topline growth to widen our leading position, and also push the whole industry towards the next stage. Hence, we need to strategically increase our investments.

We've significantly scaled up the number of Robotaxis operating across China's tier-one cities, especially in Shenzhen and Guangzhou. We've also recently entered into new cities such as Hangzhou, Changsha, and internationally in Croatia and plan to deploy in more than 20 cities by year end. To support this multi-market expansion, we will invest in business development, operations, and marketing.

As we scale our Robotaxi deployment, we are expanding our Robotaxi fleet through joint deployment models as well as investments in self-owned vehicles. We will also recruit AI talents and invest in AI infrastructures to further improve our Virtual Driver capability. This allows us to consistently meet the public's high expectations for safety, reliability, and quality, to offer a trusted Robotaxi services.

As James mentioned, it's a critical period to expand market share, which we think it requires necessary investments to solidify our technological and operational moats. We believe the strategic increase in investments is a value-driven trade-off to secure long-term market leadership. We believe with disciplined capital allocation and also the benefits from joint deployment model, it will be paid off with much faster growth, city expansion, fleet size; and I believe that will also lead the whole industry to a much advanced phase.

Kai Xiao from CICC

Thank you, this is Kai from CICC. I have one question regarding the current raw materials inflation such as memories impact on your production plan and cost items?

Dr. Leo Wang

Yes. This is Leo. Again, I'll take this question. Thank you for asking this important question. As I mentioned in the earlier speech, the impact on both vehicles and ADK BOM costs is very limited. We think this resilience is driven by our proactive supply chain strategy and inventory synergies with our ADC domain controller business. Through this approach, we actually have secured our memory supply even before the market went into price inflation and shortages, so we are very confident that we can fully support this year's Robotaxi production targets of over 3,000.

Thanks to these supply chain measures and our continuous scaling, we remain on track to achieve a 20% reduction in ADK BOM costs for 2026, compared to 2025 levels. We will carry out an ongoing hardware-software optimization will also further reduce our overall BOM costs down the road.