



## SunCar Technology Reports First Quarter 2025 Results

May 19, 2025

NEW YORK, May 19, 2025 /PRNewswire/ -- SunCar Technology Group Inc. (the "Company" or "SunCar") (NASDAQ: SDA), an innovative leader in cloud-based, software-focused B2B auto eInsurance and auto services in China, today reported first quarter 2025 financial results for the quarter ended March 31, 2025.

### First Quarter 2025 Highlights

- Revenue for first quarter 2025 increased 20% to \$102.6 million, compared to \$85.6 million in first quarter 2024.
- **BYD:** Expanding our multi-year BYD partnership, including expanded cooperation with 50 dealerships in East China to create a differentiated insurance solution
- **Leapmotor:** Completed differentiated SAAS insurance solution for Leapmotor dealers
- **Tesla:** Extended service platform to include insurance policy benefit features
- **Xiaomi and Zeekr:** Launched cloud-based customer service systems
- **CCB:** Landed a landmark designated driver contract with China's 2<sup>nd</sup> largest bank
- **PICC:** Signed major Designated Driver contracts across 13 provincial branches
- The Company has initiated full-year 2025 revenue guidance of \$521 million to \$539 million, reflecting forecasted revenue growth of 18% to 22%.

### Management Commentary

"We carried strong momentum into the first quarter, building on a record 2024 and benefitting from growing relationships with our EV partners in the insurance segment and multiple Fortune 100 customer wins in auto services" said Zaichang Ye, Chairman and CEO of SunCar.

Mr. Ye continued, "We delivered revenue growth of 20% from the first quarter of 2024. SunCar's insurance platform is accelerating its traction within our auto partners as we expand our SAAS product suite to add more features. Our continued investment in AI and product innovation positions us well for sustained growth for the remainder of 2025.

Additionally, we are delighted to announce our growing partnership with BYD where we continue to strengthen a multi-year collaboration by providing their dealers with market-leading insurance solutions."

### BYD Partnership

- SunCar has partnered with 50 major BYD dealerships in the East China region to provide comprehensive insurance agency services for BYD's premium EV brands: Yangwang, Tengshi, and Fangchengbao.
- By integrating our dealership platforms, SunCar and BYD provide higher-quality service and one-stop insurance solutions for new vehicle sales.

### eInsurance Review

- Partnered with Leapmotor's dealerships to build a SAAS solution that enables dealers to sell auto insurance independently, a new revenue model for dealers
- Integrated Tesla's service packages into the Xuanbei platform, linking policy benefits directly to auto insurance purchases, creating a seamless, closed-loop customer journey.
- Launched cloud-based customer service systems for Xiaomi and Zeekr, significantly improving pre-sales conversion and satisfaction while demonstrating the scalability of SunCar's service model.
- Secured a dealership-model partnership with Zhongyou Putai, expanding SunCar's insurance footprint by adding 20 new stores in the first quarter.
- Established a strategic collaboration with China Continent Insurance, integrating SunCar's capabilities into their broader industrial ecosystem to drive innovation in customer engagement, risk analytics, and digital enablement.

### Auto Services Review

- Closed a landmark agreement with China Construction Bank (CCB) in April 2025. This inaugural project is projected to generate RMB 60 million over the next 18 months and marks the entry of SunCar's Designated Driver service into a top-tier financial institution.
- Awarded "Designated Driver service" projects with PICC across 13 provincial branches, including Beijing, Shanghai, Zhejiang, and Fujian, marking a significant nationwide expansion under total corporate agreements.
- Deepened strategic alignment with Ping An across multiple service categories:
  - Providing Ping An Sichuan designated-driver services through a new contract
  - Formed a national partnership with Ping An HQ to deliver airport lounge services across China, supporting high-end policyholders.
  - Secured car care and beauty service contracts with Ping An branches in Beijing, Zhejiang, Xinjiang, and other regions.
- Won a key service project with CPIC Zhejiang, reinforcing SunCar's reputation for standardized and scalable B2B solutions.
- Advanced integrated "auto insurance + vehicle services" offerings through deeper collaboration with China Continent Insurance in Zhejiang, Beijing, and Gansu, leveraging new retail channels.

### First Quarter 2025 Financial Results

- Revenue increased by 20% to \$102.6 million for the three months ended March 31, 2025, compared to \$85.6 million for the same period in 2024.
- Auto eInsurance revenue increased by 37% to \$45.9 million, compared to \$33.5 million in the prior-year period, driven by a higher volume of insurance policies sold.
- Technology Services revenue increased by 41% to \$10.7 million, up from \$7.5 million in the first quarter of 2024.
- Auto Services revenue rose 3% to \$46.0 million, compared to \$44.6 million for the same period last year.
- Operating costs and expenses increased to \$105.5 million for the first quarter of 2025, from \$90.1 million in the first quarter of 2024.
- Integrated service costs rose to \$48.4 million, from \$44.5 million in the prior-year quarter.
- Promotional service expenses increased to \$44.7 million, from \$35.4 million in Q1 2024, reflecting continued investments to drive market expansion.
- Selling expenses rose to \$6.1 million, compared to \$5.0 million in the prior-year period, primarily due to increased marketing and distribution efforts.
- General and administrative expenses increased to \$5.4 million, from \$4.6 million in Q1 2024.

- Research and development expenses grew to \$0.9 million, up from \$0.6 million, reflecting continued investment in product development and technology enhancement.
- Operating loss narrowed to \$3.0 million for the first quarter of 2025, compared to a loss of \$4.5 million in the prior-year period.
- Adjusted EBITDA, a non-GAAP metric that excludes certain non-recurring and non-cash items, is helpful in evaluating our operational performance alongside GAAP metrics. Adjusted EBITDA for the first quarter of 2025 was negative \$1.3 million, compared to negative \$3.1 million in the first quarter of 2024.

\* *Adjusted EBITDA*

We believe that Adjusted EBITDA, as defined below, is useful in evaluating our operational performance distinct and apart from certain expenses that may not be indicative of our recurring core business operating results and non-operational expenses. Adjusted EBITDA is defined as Net loss adjusted for depreciation and amortization, financial expenses, net, investment income, other non-recurring income, net, income tax benefit, share-based compensation and non-recurring expenses related to capital raises.

Net loss Margin is defined as net loss divided by total revenues, and Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by total revenues.

The following table reconciles Net loss to Adjusted EBITDA for the three months ended March 31, 2024 and 2025.

	For the three months ended March 31,	
	2024	2025
	(In thousands)	
Net loss	\$ (4,987)	\$ (3,647)
Depreciation	1,105	1,272
Financial expenses, net	1,170	1,029
Investment income	(192)	(122)
Other non-recurring income, net	(337)	(134)
Income tax benefit	(199)	(84)
Share-based compensation <sup>(1)</sup>	374	370
Transaction fees <sup>(2)</sup>	-	15
<b>Adjusted EBITDA</b>	<b>\$ (3,066)</b>	<b>\$ (1,301)</b>
<b>Net loss Margin</b>	<b>(5.8) %</b>	<b>(3.6) %</b>
<b>Adjusted EBITDA Margin</b>	<b>(3.6) %</b>	<b>(1.3) %</b>

(1) Non-cash expense related to compensation costs for equity classified awards by the subsidiary.

(2) Includes non-recurring transaction related fees and expenses associated with the Company's capital raises.

## 2025 Outlook

The Company has initiated full year 2025 revenue guidance of \$521 million to \$539 million, reflecting forecasted revenue growth of 18% to 22%. This growth reflects continued demand across the business as many partnerships are in early stages of development.

## About SunCar Technology Group Inc.

Founded in 2007, SunCar is transforming the customer journey for auto services and auto insurance in China, the largest passenger vehicle market in the world. SunCar develops and operates cloud-based platforms that seamlessly connect drivers with a wide range of auto services and insurance coverage options through a nationwide network of sales partners. As a result, SunCar has established itself as the leader in China in the auto eInsurance market for electric vehicles and the B2B auto services market. The Company's intelligent cloud platform empowers its enterprise customers to access, manage, and optimize their auto eInsurance and auto service offerings. Through SunCar, drivers gain access to a wide variety of high-quality services from tens of thousands of independent providers, all from a single application. For more information, please visit: <https://suncartech.com>.

## Forward-Looking Statements

This press release contains information about the Company's view of its future expectations, plans, and prospects that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with its ability to raise additional funding, its ability to maintain and grow its business, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. For a detailed discussion of these risks, please refer to the Company's Annual Report on Form 20-F and other filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date of this press release, and the Company undertakes no obligation to update or revise these statements, except as required by law.

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**SUNCAR TECHNOLOGY GROUP INC<sup>[1]</sup>**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

As of	As of
December 31,	March 31,
2024	2025

**ASSETS****Current assets**

Cash	\$	26,865	\$	39,222
Restricted cash		2,647		2,597
Short-term investments		20,985		21,231
Accounts receivable, net		75,605		83,689
Prepaid expenses and other current assets, net		70,171		80,427
<b>Total current assets</b>		<b>196,273</b>		<b>227,166</b>

**Non-current assets**

Long-term investment		274		276
Property, software and equipment, net		27,664		26,548
Deferred tax assets, net		10,453		10,657
Other non-current assets		11,458		11,525
Right-of-use assets		606		509
<b>Total non-current assets</b>		<b>50,455</b>		<b>49,515</b>

**TOTAL ASSETS**

<b>\$</b>	<b>246,728</b>	<b>\$</b>	<b>276,681</b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY****Current liabilities**

Short-term loan	\$	83,597	\$	84,363
Accounts payable		56,812		66,933
Deferred revenue		2,421		3,534
Tax payable		1,361		1,337
Accrued expenses and other current liabilities		5,792		5,320
Amount due to related parties, current		6,238		6,292
Operating lease liability, current		544		427
<b>Total current liabilities</b>		<b>156,765</b>		<b>168,206</b>

**Non-current liabilities**

Operating lease liability-non-current		21		17
Amount due to a related party, non-current		22,761		17,897
Warrant liabilities		947		947
<b>Total non-current liabilities</b>		<b>23,729</b>		<b>18,861</b>

**Total liabilities**

<b>\$</b>	<b>180,494</b>	<b>\$</b>	<b>187,067</b>
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**Commitments and contingencies (Note 17)****Shareholders' equity**

Class A Ordinary shares (par value of US\$0.0001 per share; 400,000,000 Class A Ordinary shares authorized as of December 31, 2024 and March 31, 2025, respectively; 51,845,493 and 51,645,493 Class A Ordinary shares issued and outstanding as of December 31, 2024, respectively; 58,988,351 and 55,983,284 Class A Ordinary shares issued and outstanding as of March 31, 2025, respectively)

\$	5	\$	6
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Class B Ordinary shares (par value of US\$0.0001 per share; 100,000,000 Class B December 31, 2024 and March 31, 2025, respectively; 46,659,565 and 46,659,565 Class B Ordinary shares issued and outstanding as of December 31, 2024 and March 31, 2025, respectively)

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Additional paid in capital		208,701		236,560
Accumulated deficit		(195,387)		(198,789)
Accumulated other comprehensive loss		(1,432)		(2,966)

**Total SUNCAR TECHNOLOGY GROUP INC's shareholders' equity**

	<b>11,892</b>		<b>34,816</b>
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Non-controlling interests		54,342		54,798
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<b>Total shareholders' equity</b>		<b>66,234</b>		<b>89,614</b>
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**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>\$</b>	<b>246,728</b>	<b>\$</b>	<b>276,681</b>
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[1] The financial statements shall be read in connection with the financial statement footnotes that are contained in the Company's interim report for the first quarter ended March 31, 2025 on Form 6-K to be furnished voluntarily by the Company on or around the date of this release, which form an integral part of the financial statements.

**SUNCAR TECHNOLOGY GROUP INC****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

For the three months ended

March 31,

<u>2024</u>	<u>2025</u>
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Revenues		
Auto insurance service	\$ 33,473	\$ 45,927
Technology service	7,538	10,665
Auto service	44,576	46,003
<b>Total revenues</b>	<b>85,587</b>	<b>102,595</b>
Operating cost and expenses		
Integrated service cost	(44,488)	(48,422)
Promotional service expenses	(35,422)	(44,725)
Selling expenses	(4,983)	(6,063)
General and administrative expenses	(4,633)	(5,420)
Research and development expenses	(606)	(923)
<b>Total operating costs and expenses</b>	<b>(90,132)</b>	<b>(105,553)</b>
<b>Operating loss</b>	<b>(4,545)</b>	<b>(2,958)</b>
Other expenses		
Financial expenses, net	(1,170)	(1,029)
Investment income	192	122
Other income, net	337	134
<b>Total other expenses, net</b>	<b>(641)</b>	<b>(773)</b>
Loss before income tax expense	(5,186)	(3,731)
Income tax benefit	199	84
<b>Net loss</b>	<b>(4,987)</b>	<b>(3,647)</b>
Less: Net loss attributable to non-controlling interests	(1,720)	(245)
<b>Net loss attributable to the Company's ordinary shareholders</b>	<b>(3,267)</b>	<b>(3,402)</b>
Net loss per ordinary share		
Basic and diluted	\$ (0.04)	\$ (0.03)
Weighted average shares outstanding used in calculating basic and diluted loss per share		
Basic and diluted	89,505,058	102,432,043
Other comprehensive loss		
Foreign currency translation difference	(845)	(1,203)
<b>Total other comprehensive loss</b>	<b>(845)</b>	<b>(1,203)</b>
<b>Total comprehensive loss</b>	<b>(5,832)</b>	<b>(4,850)</b>
Less: total comprehensive (loss) income attributable to non-controlling interest	(2,625)	86
<b>Total comprehensive loss attributable to the SUNCAR TECHNOLOGY GROUP INC's shareholders</b>	<b>\$ (3,207)</b>	<b>\$ (4,936)</b>

**SUNCAR TECHNOLOGY GROUP INC**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

	Class A Ordinary Shares		Class B Ordinary Shares		Treasury shares		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Suncar Technology Group Inc's shareholders' equity	Non-controlling interests	Total shareholders' equity
	Share	Amount	Share	Amount	Share	Amount						
<b>Balance as of December 31, 2023</b>	40,076,493	\$ 4,496,285,565	5	(200,000)	\$ -	144,160	\$ (126,724)	\$ (1,367)	\$ 16,078	\$ 51,912	\$ 67,990	
Net loss	-	-	-	-	-	-	(3,267)	-	(3,267)	(1,720)	(4,987)	
Share-based compensation	-	-	-	-	-	-	-	-	-	374	374	
Foreign currency translation	-	-	-	-	-	-	-	60	60	(905)	(845)	
<b>Balance as of March 31, 2024</b>	40,076,493	\$ 4,496,285,565	5	(200,000)	\$ -	144,160	\$ (129,991)	\$ (1,307)	\$ 12,871	\$ 49,661	\$ 62,532	
<b>Balance as of December 31, 2024</b>	51,845,493	\$ 5,466,595,565	5	(200,000)	-	208,701	(195,387)	(1,432)	11,892	54,342	66,234	
Net loss	-	-	-	-	-	-	(3,402)	-	(3,402)	(245)	(3,647)	

Share-based compensation	-	-	-	-	-	-	-	-	-	-	370	370
Issuance of ordinary shares, net of offering costs	7,142,858	1	-	-	-	-	41,630	-	-	41,631	-	41,631
Shares repurchase	-	-	-	-	(2,805,067)	-	(13,771)	-	-	(13,771)	-	(13,771)
Foreign currency translation	-	-	-	-	-	-	-	-	(1,534)	(1,534)	331	(1,203)
<b>Balance as of March 31, 2025</b>	<u>58,988,351</u>	<u>\$ 6,466,659,565</u>	<u>\$ 5,300,067</u>	<u>\$ -</u>	<u>236,560</u>	<u>\$ (198,789)</u>	<u>\$ (2,966)</u>	<u>\$ 34,816</u>	<u>\$ 54,798</u>	<u>\$ 89,614</u>		

**SUNCAR TECHNOLOGY GROUP INC**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In U.S. Dollar thousands, except for share and per share data, or otherwise noted)

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2025</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (4,987)	\$ (3,647)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Provision for credit losses	1,291	1,130
Depreciation	1,105	1,272
Amortization of right-of-use assets	200	231
Share-based compensation of subsidiary	374	370
Loss on disposal of property, software and equipment	-	3
Deferred income tax benefit	(312)	(142)
Financing expense related to issuance of GEM Warrants	151	149
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable	115	(8,754)
Prepaid expenses and other current assets	(27,437)	(9,980)
Accounts payable	21,823	9,766
Deferred revenue	4,906	1,097
Accrued expenses and other current liabilities	(1,385)	(504)
Tax payable	-	(33)
Operating lease liabilities	(217)	(157)
Amount due to related parties	73	(66)
<b>Total net cash used in operating activities</b>	<u>(4,300)</u>	<u>(9,265)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, software and equipment	(168)	(17)
Proceeds from disposal of property, software and equipment	-	1
Purchase of short-term investment	(21,059)	(122)
Proceeds from the redemption of short-term investment	21,362	-
Purchase of other non-current assets	(4,211)	-
<b>Total net cash used in investing activities</b>	<u>(4,076)</u>	<u>(138)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loan	26,417	29,535
Repayments of short-term loan	(27,127)	(29,260)
Repayments of payables to a related party	-	(4,998)
Shares repurchase	-	(13,771)
Proceeds from issuance of ordinary shares, net of issuance cost	-	41,631
<b>Total net cash (used in) provided by financing activities</b>	<u>(710)</u>	<u>23,137</u>
Effect of exchange rate changes	(464)	(1,427)
Net change in cash and restricted cash	(9,550)	12,307
<b>Cash and restricted cash, beginning of the period</b>	<u>\$ 33,595</u>	<u>\$ 29,512</u>
<b>Cash and restricted cash, end of the period</b>	<u>\$ 24,045</u>	<u>\$ 41,819</u>
<b>Reconciliation of cash and restricted cash to the unaudited condensed consolidated balance sheets:</b>		
Cash	\$ 21,396	\$ 39,222
Restricted cash	\$ 2,649	\$ 2,597
Total cash and restricted cash	<u>\$ 24,045</u>	<u>\$ 41,819</u>
<b>Supplemental disclosures of cash flow information:</b>		
Income tax paid	\$ 112	\$ 91
Interest expense paid	\$ 953	\$ 869

**Supplemental disclosures of non-cash flow information:**

Obtaining right-of-use assets in exchange for operating lease liabilities	\$	63	\$	33
Prepaid financing expense related to issuance of GEM Warrants	\$	1,291	\$	685

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