

Uxin Limited Announces Successful Validation of Superstore Business Model, Significant Reduction in Losses, and Target of Achieving Overall Profitability by 2024

BEIJING, Nov. 28, 2023 /PRNewswire/ -- Uxin Limited ("Uxin" or the "Company") (Nasdaq: UXIN), China's leading used car retailer, today announced its financial results for the first and second quarters of fiscal year 2024.

Despite challenging economic conditions and a competitive used car market in China, Uxin achieved robust growth from the first to the second quarter of fiscal year 2024. The Company's retail transaction volume for the second quarter reached 2,287 units, a 35.6% sequential increase from the first quarter, significantly outpacing the industry's 5% sequential transaction volume growth. Additionally, the Company's flagship Changfeng superstore, a joint venture with the Hefei local government, commenced its trial operations. Encompassing a vast area of 450,000 square meters, the Changfeng superstore features the world's most advanced used car reconditioning factory and the largest warehouse-style used car retail superstore, with a capacity to showcase up to 10,000 vehicles. This flagship store is expected to drive sustained business growth for Uxin in the coming years.

Over the past two years, Uxin's superstore business model has proven successful. The Company has effectively maintained the turnover days of its inventory below 45, while expanding its gross margin to 6.2% in the second quarter from 1.3% in the same period last year. In the second quarter, the Company also narrowed its overall adjusted EBITDA loss by almost half year-over-year, with the Xi'an superstore achieving positive EBITDA in September. Alongside significant improvements in profitability, Uxin's customer net promoter score (NPS) has maintained around 60, leading the industry for seven consecutive quarters.

Mr. Kun Dai, Founder, Chairman, and CEO of Uxin, outlined the Company's roadmap to overall profitability in the earning press release. He highlighted that the Xi'an superstore, relocated and upgraded in December 2022, achieved positive EBITDA in September 2023 after 10 months of operation. The Changfeng superstore in Hefei City, which began trial operations in September 2023, is expected to reach positive EBITDA by March 2024 or earlier. Leveraging the scalable profitability of its superstores, combined with Uxin's ongoing efforts in cost control and optimization, the Company targets to achieve overall adjusted EBITDA profitability by September 2024 or earlier.

Mr. Feng Lin, CFO of Uxin, expressed confidence in the Company's trajectory towards high-quality, sustainable development. He emphasized the Company's strong financial position as a cornerstone for future business growth and profitability objectives. In September 2023, Uxin entered into an equity investment agreement with the investment platform of the local government of Hefei City. As part of this agreement, the Hefei government platform will invest up to RMB1.5 billion in Uxin's Hefei subsidiary over the next decade, with an initial tranche of approximately RMB150 million essentially completed. In addition, the Company has successfully made arrangements with its investors to finalize the delivery of approximately USD30 million from previous financing transactions by the end of this year.

About Uxin

Uxin is China's leading used car retailer, pioneering industry transformation with advanced production, new retail experiences, and digital empowerment. We offer high-quality and value-for-money vehicles as well as superior after-sales services through a reliable, one-stop, and hassle-free transaction experience. Under our omni-channel strategy, we are able to leverage our pioneering online platform to serve customers nationwide and establish market leadership in selected regions through offline inspection and reconditioning centers. Leveraging our extensive industry data and continuous technology innovation throughout more than ten years of operation, we have established strong used car management and operation capabilities. We are committed to upholding our customer-centric approach and driving the healthy development of the used car industry.

Safe Harbor Statement

This press release contains statements that may constitute "forward-looking" statements which are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "aims," "future," "intends," "plans," "believes," "estimates," "likely to," and similar statements. Statements that are not historical facts, including statements about Uxin's beliefs, plans, and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the risk and uncertainties as to the timing of the entry into definitive agreements or consummation of the transactions; the risk that certain closing conditions of the transactions may not be satisfied on a timely basis, or at all; impact of the COVID-19 pandemic; Uxin's goal and strategies; its expansion plans and successful completion of certain financing transactions; its future business development, financial condition and results of operations; Uxin's expectations

regarding demand for, and market acceptance of, its services; its ability to provide differentiated and superior customer experience, maintain and enhance customer trust in its platform, and assess and mitigate various risks, including credit; its expectations regarding maintaining and expanding its relationships with business partners, including financing partners; trends and competition in China's used car e-commerce industry; the laws and regulations relating to Uxin's industry; the general economic and business conditions; and assumptions underlying or related to any of the foregoing.

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