March 23, 2026

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

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Lotus Technology Inc (NASDAQ: LOT)

LOT: Back to the Future? Initiating coverage of a prestige auto brand poised for a return to the global stage.

We have applied a 1.2x multiple to our 2027E revenue projection to reflect the company's position as a premium luxury EV manufacturer to arrive at our 12-month target valuation of $1.80. The company's recent PHEV launch could provide upside to this target.

Current Price (03/20/26)	$1.08
Valuation:	**$1.80**

OUTLOOK

Lotus Technology is a premium, luxury EV brand that benefits from its strategic relationship with Zhejiang Geely. The company's 2026 PHEV rollout will be key to its ambitious turnaround plan.

The luxury EV market is highly competitive, but Lotus's heritage of high-performance engineering distinctive design and globally recognized branding, helps it stand out in a crowded field.

The company faces several execution and broader industry-related risks, but the full consolidation of Lotus UK could streamline operations, improve brand integration and ultimately boost margins.

SUMMARY DATA

52-Week High	**$2.75**
52-Week Low	**$1.00**
One-Year Return (%)	**-51%**
Beta	**0.42**
Average Daily Volume (sh)	**141,498**
Shares Outstanding (mil)	**648**
Market Capitalization ($mil)	**$699**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**88%**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Avg.**
Type of Stock	**Small Cap Value**
Industry	**Autos/EVs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	173 A	225 A	255 A	272 A	924 A
2025	93 A	126 A	137 A	154 E	510 E
2026	113 E	140 E	150 E	169 E	571 E
2027	197 E	211 E	208 E	257 E	873 E

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$0.47 A	-$0.30 A	-$0.30 A	-$0.66 A	-$1.72 A
2025	-$0.28 A	-$0.20 A	-$0.10 A	-$0.16 E	-$0.82 E
2026	-$0.14 E	-$0.14 E	-$0.14 E	-$0.14 E	-$0.56 E
2027	-$0.13 E	-$0.11 E	-$0.12 E	-$0.11 E	-$0.47 E

Quarterly estimates may not sum to equal annual estimates due to rounding

KEY POINTS

➢ Lotus Technology (NASDAQ: LOT) is engaged in designing, developing, and selling luxury electric vehicles under the Lotus brand. The company also sells luxury sports cars under the Lotus label, which are designed and developed by Lotus UK (a related entity). Lotus Technology is the exclusive global distributor of Lotus UK sports cars and the companies are expected to be consolidated into one operating entity in 2026. The company's principal markets for its EVs are in the EU and China while the traditional ICE-powered sports cars are also sold throughout North America. We believe further expansion in G-7 countries and the MENA region could be part of the company's next growth initiatives. The company's initial goal of being a pure battery-electric vehicle (BEV) manufacturer has shifted in response to consumer demand, and the company launched its first plug-in hybrid electric vehicle (PHEV) in March 2026.

➢ Demand for electric vehicles (EVs) remains robust in China and Europe. Despite intense competition in the Chinese market, EVs now account for more than 60% of all vehicles sold in China, and the 12.9 million EVs sold in China in 2025 accounted for 62% of all EVs sold globally. The reduction of subsidies and domestic economic challenges are expected to limit growth of the auto market in the near term in China, but EV sales as a percentage of all sales are expected to continue to grow. China remains the dominant EV market around the globe and exports of vehicles from China are expected to have a greater impact on global trade in the coming years. Europe is the second-largest market for EVs, as supportive government policy and strong emission-reduction goals continue to drive adoption.

➢ While the company is focused on the two largest EV markets, China and the EU, it is also important to note that the Lotus EVs are targeting the luxury/premium market, as the base models start around RMB 550,000 (approximately $75,000), and with additional features, the price can top RMB 1,000,000 ($140,000). Since the average EV in China costs roughly $25,000, with budget models having starting prices around $10,000, it is clear that Lotus operates at or near the top of the EV market in terms of price. Given that Lotus is targeting the luxury market with a premium vehicle priced well above market competitors, it will be important for investors to focus on global demand for luxury EVs and specifically on how the Lotus brand compares to other luxury brands at the high end of the auto market.

➢ The key to the Lotus growth story will be if the company can find a way to leverage the strong brand recognition to build a sustainable EV business in multiple markets and possibly at a variety of price points. We view the company's introduction of a new high-performance plug-in hybrid in 2026 with extended range to be a key step in this evolution. The company’s sports car division (Lotus UK) is expected to be combined with the existing EV business in 2026 as the result of a restructuring. Unifying all Lotus products under one roof is expected to improve efficiency and long-term planning at Lotus.

➢ The company's margins are low relative to traditional auto OEMs and relative to leading EV OEMs. Margin improvement, coupled with improved capacity utilization, will be a key to the long-term success of Lotus. Several of the company’s most successful peers (namely Ferrari and Lamborghini) generate some of the highest profit margins in the industry which offers investors a window into the possible upside if management can deliver vehicles that the market demands.

➢ Lotus Technology’s September 2025 balance sheet continues to show significant financial stress, high leverage, low liquidity and a perpetual reliance on continued financing. While the company has made some strides toward improving its financial position, the company is likely to remain reliant on Geely for financial support for the foreseeable future. Geely’s past success resurrecting brands like Volvo gives us confidence that Lotus will be a part of Geely’s long-term product roadmap.

➢ The company has a complex ownership structure, and frankly, the company has struggled to find a position in the global auto market over the past two years. EV demand has been concentrated at the low end of the market, and premium EV offerings like those from Lotus have struggled to find a customer base that values premium features and the best qualities of an EV. New competition for legacy brands like Lotus has emerged in China as domestic suppliers, which have loyal customer bases, have moved upmarket rapidly.

➢ The company is taking a bit of a gamble by introducing PHEV models in a market that is increasingly shifting away from plug-in hybrids toward full battery EVs. However, management believes that its customers are demanding better range at a lower price and the new PHEV models are one way to achieve that goal. There is clearly demand among enthusiasts for vehicles from the Lotus line-up that can leverage today's best technology, and we would encourage the company to consider resurrecting classic Lotus vehicles and integrating new technologies into the platform in the back half of the decade.

➢ We are establishing a 12-month target valuation of $1.80/share (67% above the current price) for Lotus based on our assumption of improved margins, resumption of growth in China and European markets, better competitive positioning in new markets, and strong consumer acceptance of the company's new PHEV models.

OVERVIEW

Source: Lotus Technology

Lotus Technology, through its various subsidiaries, is a luxury vehicle manufacturer that develops and markets premium vehicles under the Lotus brand nameplate. The company released its first fully electric vehicle, a luxury SUV called the Eletre, in 2022, and followed it with the Emeya sedan in 2023. The company manufactures its lifestyle models (Emeya and Eletre) under a contract manufacturing agreement with Geely Holding (the founder of Geely, Li Shufu, holds a controlling interest in Lotus Technology through various investment partnerships). The company has an existing relationship to distribute Lotus sports cars produced by Lotus UK. Lotus Technology expects to complete the acquisition of Lotus UK in 2026 which will bring all of the Lotus vehicles under the Lotus Technology banner.

The company has over 200 stores or dealerships worldwide, with 70 in Europe, 54 in China, and nearly 50 in North America. The majority of the company's 2025 reported deliveries to date are to China (46%) and Europe (34%). While the company delivered more than 12,000 vehicles in 2024 (up from roughly 7,000 units in 2023), sales have dipped sharply in 2025, with units down more than 40% through the first nine months of the year. We will discuss some of the reasons for these results in our review of the company's financial condition.

The company's product lines are broken down into "lifestyle models" and "sports cars". The lifestyle models are the Eletre (a premium battery-electric SUV) and the Emeya (a premium battery-electric sedan). The company's sports cars are the Emira (a two-door, two-seat internal combustion engine car) and the Evija (a limited-production, battery-electric hypercar), both manufactured by Lotus UK but distributed by Lotus Technology. We will discuss the company's plans to unify its operations later in this report. In the first week of March, the company introduced its first PHEV, which will be marketed as the Eletre For Me in China.

Figure 1: The Eletre

Source: Company SEC filings

The Eletre, a full-size, luxury BEV, was revamped in 2025 and now comes in 6 trim packages: 600 (Base, GT, GT SE, and Sport SE) and 900 (Sport and Sport Carbon). The model numbers 600 and 900 loosely align with the horsepower outputs of the 450 kW (612 bhp) and 675 kW (918 bhp) dual-motor power systems. The Eletre is a full battery-electric vehicle powered by a 112 kWh battery pack, and the company claims that with a rapid charger, it can charge from 10% to 80% in roughly 20 minutes.

The Eletre 600 offers a range of up to 600 km (370 miles), but real-world testers have reported a range of 370-440 km (200-270 miles) per charge, depending on driving style. The performance model, Eletre 900, has a 675 KW system producing roughly 900 hp and is capable of going from 0 to 100 KM/H in under 3 seconds, which is comparable to many performance sports cars.

We recognize that for all practical considerations, the Eletre is not for sale in the US (outside of a few models sold as technical exceptions for the Eletre Carbon which is priced at $229,000+), so quoting its price in US dollars is a bit of a flawed exercise, but we believe it is the easiest way for investors to understand where this vehicle sits in the luxury market. The Eletre is priced at around $75-80k and the Eletre 900 at roughly $145,000.

Various auto publications compare the Lotus Eletre to the following SUVs

- Lucid Gravity ($80 - $95k)
- Tesla Model X and X Plaid ($100k - $115k)
- Porsche Macan Electric ($80k - $115k)
- BMW iX – ($90k - $112k)

It is worth noting that these price comparisons are not apples-to-apples, as they are prices in the US market where the Eletre is not for sale. We believe that, in China, due to various import duties on imported vehicles, the Eletre is in line with the cost of these models. The consensus among buyers and reviewers of the Eletre is that it is a well-equipped, eye-catching vehicle that does not handle quite as well as its sportscar predecessors, but that is to be expected in a larger, heavier vehicle (though some handling issues appear to have been addressed in the PHEV model). The vehicle is viewed as a relative value in the luxury market in China, compared to imports that often incur costly import duties, but may be considered an expensive heritage brand when compared to emerging Chinese luxury brands**.**

Figure 2: The Emeya

Source: Company SEC filings

The company's Emeya is a full-size sedan that also offers six trim packages like the Eletre – Emeya 600 (Base, GT, GT SE, and Sport SE) and 900 (Sport and Sport Carbon). Like the Eletre, the Emeya is built on Lotus' dedicated 800-volt architecture today with a 102 kWh battery pack capable of charging from 10% to 80% in roughly 20 minutes.

The Emeya is priced slightly lower than the Eletre, ranging from roughly $75-$82k in China to $105k in the EU, and can approach $200k for the most expensive 900 Carbon Sport.

The most direct comparable vehicles for the Emeya are the electric performance sedans from premium luxury car manufacturers like:

- Porsche Taycan: ~$100K– $200K
- Tesla Model S and Model S Plaid: ~$80,000 – $100,000
- Audi RS e-Tron: ~$170K
- BMW i7: ~$105K – $165K

Together, the Emeya and Eletre represent what Lotus calls its lifestyle vehicles and accounted for 72% of all vehicle deliveries in the first nine months of 2025, or roughly 3,320 vehicles.

Sportscars

Lotus Technology currently has a distribution agreement with Lotus Cars Limited (the Lotus UK sports car manufacturing division), making Lotus Technology the exclusive global distributor for Lotus sports cars. As part of this agreement, existing Lotus UK stores and dealers were transferred to Lotus Technology, resulting in the company having over 200 stores and dealers around the globe. The distribution agreement covers the Emira (a traditional internal combustion engine sports car) and the Evija (a limited edition BEV hypercar).

As we've noted, Lotus Technology is in the process of acquiring Lotus UK, with the closing expected in 2026. See our description of this transaction and our overview of the company's One Lotus strategy below.

Figure 3: The Emira

Source: https://www.lotuscars.com/en-US/emira

If you have seen a recent Lotus on the streets of your neighborhood in the U.S., it was most likely an Emira, which is believed to be the company's final internal combustion engine vehicle (though we think this may be an ongoing debate within Lotus). Drivers value the Emira as an "affordable" supercar alternative, priced generally between $95k and $120k, with engine outputs of 360-400 horsepower from a 2.0 turbo inline-four cylinder engine or a supercharged V6. Several leading auto publications have indicated that the power steering, exceptional handling, and drivability make this sports car a unique value in the field. The Emira is set to get a facelift in 2027 and will likely remain part of the Lotus line-up through the end of the decade. In our opinion, the vehicle's styling enables it to truly stand out even in a crowded field of luxury sports cars.

Figure 4: The Evija

Source: https://www.lotuscars.com/en-US/evija

The Evija is an extremely limited-edition hypercar built for a narrow market of high-net-worth individuals seeking a unique performance vehicle or private collectors. The price of the Evija ranges from $2.3 to $3 million, and the company has indicated production will be limited to 130 units. The Evija is one of the world's first BEV hypercars, with four electric motors generating roughly 2,000 hp and a 0-120 mph time of less than six seconds. While the vehicle is technically not considered "street legal" in the US due to a lack of crash testing, it may be imported and driven under special "show and display" rules for rare or technically important vehicles.

New Vehicle pipeline:

Eletre PHEV

The company held a major technical launch event in China in the first week of March 2026 for its Eletre PHEV. Early reviewers seem to be impressed with the approach by Lotus which delivers effectively a full EV experience with the range extender benefits of a 2.0 liter, four-cylinder turbo engine. The combined output of the gas and electric systems is just over 950bhp and the company claims that it can go from 0-100km/h in 3.3 seconds.

As was speculated before the launch, the company confirmed that it will operate at 900 volts and that it is a new "Geely platform" which we believe it shares with the Zeekr 9X Hyper. Like the Zeekr 9x when the Eletre PHEV is connected to the newest chargers, it can recharge from 20% to 80% in about nine minutes.

The most common criticism of PHEVs is that the EV portion of the car is insufficient and the vehicles are generally powered by the conventional combustion engine but Lotus appears to have flipped this model giving the car the feel and range of a capable EV with the range-extending capacity of a traditional engine.

If the new Lotus PHEV can deliver a significantly extended range with rapid charging and the superior performance and styling that drivers have come to expect, Lotus could have a dynamic new product in its line-up.

The Eletre For Me, as it is being marketed in China, began online orders on March 10th and priced at RMB 528,000 for the base model and RMB 588,000 for the SE model though there are some early-order pricing incentives. Final pricing and the official full launch of the vehicle is expected to occur by the end of March 2026. The company could bring this Eletre PHEV to the European market later this year and other international markets after that.

The shift to PHEV models by Lotus counters current trends in some markets, where BEVs continue to gain popularity, but we believe that, within a specific subsegment of the luxury market, the added range and rapid charging of the new PHEV models from Lotus could prove a popular option.

HISTORY

Lotus was founded in 1952 by Colin Chapman, a UK engineer and inventor. The company's cars quickly became popular among driving enthusiasts for their lightweight bodies, high-performance engines, and excellent handling. Lotus joined the Formula 1 racing circuit in 1962 and won 7 seven Constructors' titles and 6 Driver's championships over the next 16 years.

After Mr. Chapman's death in 1982, the company passed through several auto groups, including GM in the US, A.C.B.N. in Italy, and Proton (the state-owned automaker in Malaysia).

In 2017, Zhejiang Geely Holding Group Co., Ltd., the parent company of publicly traded Geely Holding Group (HKSE – 0175.HK), bought a 51% controlling interest in Lotus and Etika Automotive (a related party to Proton) acquired the remaining 49%. At the time, Geely's goal was to shift Lotus from a low-volume sports car brand into a global EV brand. As part of an effort to refocus Lotus around EVs, Lotus was effectively split into two entities:

1. Lotus Cars – a UK-based sports car manufacturer producing traditional internal combustion engine sports models like the Emira and an engineering consulting division.

2. Lotus Technology – The EV arm of Lotus focused on lifestyle brands like the Eletre SUV and the Emeya.

Lotus Technology (the EV arm of Lotus) went public via a SPAC in early 2024, with Geely and Geely's founder, Li Shufu, still holding a majority of the outstanding equity. Lotus Technology began trading under the ticker LOT on the NASDAQ.

At this point, Lotus Technology and Lotus UK were separate businesses, but the distribution agreement and common ownership meant their interests were closely aligned. In 2025, Geely and Etika exercised put options, requiring Lotus Technology (LOT) to repurchase their stakes (51% and 49%, respectively) in Lotus UK.

As a result of these moves, following the closing of the transaction in 2026, Lotus Technology will own 100% of Lotus UK, bringing the engineering consulting business, sports car and EV business under one public company (LOT). We will adjust our models to reflect this change when the transaction closes.

At the end of 2024, the company had nearly 2,000 full-time employees, including more than half who worked in the company's R&D division, and we believe that, after some downsizing at Lotus UK, the UK business has another 750 employees.

GEELY RELATIONSHIP

For investors new to the Lotus story, it may be worth reviewing where Lotus sits within the larger Geely organization. Zhejiang Geely Holding Group is a private company at the top of the ecosystem. Zhejiang Geely Holding has about a 40% stake in Geely Automobile Holdings, the publicly traded division of the company (HKSE 0175.HK) that holds most of the company's Asian brands and regional operations with a market capitalization of roughly $25 billion. Geely cracked the top 10 of global automakers in 2025 based on units shipped and it has stated that it intends to be a Top 5 manufacturer by 2030.

Companies operated under the publicly traded entity include:

1. **Geely Auto** – one of the largest Chinese auto manufacturers (competing with BYD for the title of largest volume producer in China). Geely sold roughly 3 million units in 2025 company-wide (roughly 2.45 million Geely-branded units), with more than half of these sales being BEV or PHEV vehicles. The company's top-selling model is the Galaxy Xingyuan, an all-electric vehicle with a starting price of just over $10,000.
2. **Lynk & Co.** – a premium brand originally formed as a joint venture with Volvo, which has recently been placed under the company's Zeekr brand. Lynk reportedly delivered over 350,000 units in 2025.
3. **Zeekr** – a luxury, performance EV brand with over 200k deliveries in 2025. Zeekr continues to see impressive growth in the Chinese market. One trend for investors to note is the increasing popularity of Chinese luxury brands among Chinese consumers over foreign premium brands like BMW or Mercedes, as Chinese brands are believed to offer superior value.
4. The company also holds minority interests in **Proton** (Malaysia), Renault Korea, and Renault Brazil.

Zhejiang Geely Holding (the private, group parent company) also holds various stakes in several global brands, including:

1. **Volvo ($8 billion market cap)**
2. **Polestar ($1.5 billion market cap)**
3. **Smart Automobile**
4. **Cao Cao** – ride-hailing/robo taxis
5. **London Electric Vehicle Company** (LEVC)
6. **Lotus Technology**

Increasingly, Geely is leveraging the strengths of its portfolio companies across platforms into different brands.

As we've noted previously, the Eletre PHEV shares systems that are also deployed on Zeekr models. We believe that, following the acquisition of Lotus UK by Lotus Technology, there will likely be greater emphasis on bringing some of the high-end R&D developed at Lotus UK to more Geely brands. Establishing brand independence in the Chinese market will be important, despite the desire to share technology when appropriate, because some consumers already view Lotus as simply an "expensive Geely," as one consumer put it.

Geely appears to be in the midst of simplifying its complex corporate structure, as several minority interests have been consolidated (Zeekr is now 100% owned, and Cao Cao acquired Zhejiang Geely Business Travel and the StarRides service). The Lotus Technology acquisition of Lotus UK appears to align with this new philosophy.

We would note that, among all Geely's holdings, Lotus appears to be one of the smaller operations, shipping below 10,000 units in 2025 (Based on our estimates. Full sales figures for 2025 will be released in April 2026). While the average selling price of Lotus vehicles is significantly higher than that of the company's other divisions, the total contribution to the Geely ecosystem is significantly lower than that of

most of the companies listed above. We believe that Geely views its interest in Lotus as a cornerstone investment in a premium brand, much as other major automakers own premium brands.

Figure 5: Luxury Automakers owned by other Auto Manufacturers

- Volkswagen owns Porsche, Lamborghini, Bentley
- BMW owns Rolls-Royce
- Stellantis owns Maserati, Alfa Romeo
- Tata Motors owns Jaguar and Land Rover

Source: Zacks Small Cap Research

As part of the Lotus strategy to develop cars with an "asset-light" business model within the Geely ecosystem, the company entered into a 10-year manufacturing agreement with Geely Holding. Lotus designs and develops its models, identifies and negotiates with key suppliers, and ensures that all products meet Lotus standards.

Geely Holding orders and inspects raw materials and parts, manages production planning and quality control. Lotus works with a Geely Holding electric vehicle manufacturing facility in Wuhan, China, covering over 1 million square meters and capable of producing over 150,000 vehicles annually. Wuhan is a major automotive manufacturing hub with a large network of more than 2,000 auto-related suppliers.

Figure 6: Lotus Facility in Wuhan

Source: https://www.youtube.com/watch?v=rFQyuaXvc7Y

The incredible growth of the Chinese auto manufacturing industry has been the main focus of discussion among many industry executives and observers over the past decade but 2025 may prove to be the watershed moment for the Chinese automakers. Based on information compiled from a variety of financial reports and industry sources, it appears that three Chinese automakers – BYD, SAIC and Geely – finished 2025 among the top 10 global manufacturers based on units sold.[1] Geely has recorded strong growth, particularly during the last four years, as its entry-level vehicles have become very popular in the domestic market. Less than a decade ago Geely first sold one million vehicles in a year and in 2025 the consolidated group sold more than 4 million units. Geely's impressive growth gives credence to its plans to become a top 5 global auto manufacturer by 2030.

Figure 7: Lotus Assembly Line

Source: https://www.youtube.com/watch?v=rFQyuaXvc7Y

We believe that the goodwill associated with the Lotus brand and the opportunity to leverage its technology within the Geely ecosystem indicate that Lotus will remain an independent part of the Geely portfolio for a long time.

ONE LOTUS STRATEGY

The company has begun laying out the framework for its "One Lotus" strategy, which will be implemented as part of integrating Lotus UK into Lotus Technology's framework and building a single, unified global brand for Lotus. By combining Lotus Technology's lifestyle vehicles – Eletre and Emeya – with the legacy sports cars – principally the internal combustion-powered Emira – and the engineering consulting business, the combined company hopes to reduce organizational friction and build a consistent lineup of luxury and high-performance vehicles.

Following the closing of the transaction for Lotus Technology to acquire Lotus UK, the company believes it can strengthen the brand by establishing a single identity in the eyes of the buying public, dealerships, industry observers, and potential partners. The combination of the companies is also aimed at maximizing the value of the Lotus brand, which may have been somewhat diluted by multiple companies operating simultaneously under the name Lotus but with vastly different product lines and go-to-market strategies.

The management team has indicated that it believes the consolidated operations will result in faster decision-making on important issues, such as long-term strategy, target markets, and models to focus on. We imagine that some of this desire for unified governance stems from Geely's experience with other brands that have benefited from more streamlined operations.

We also believe that tapping into Lotus UK's high-performance engineering capabilities is one of the primary drivers of this combination. By bringing the things that make a Lotus, well, a Lotus – responsive

handling, dynamic styling, and affordable luxury – across the entire lineup, it should help eliminate the public's perception that there are two Lotus brands – a UK version and a Chinese version.

In general, product development cycles are shorter in the Chinese auto sector, as companies have been quicker to respond to market demand. The pace of innovation in the Chinese market, coupled with Lotus UK's Research and Development talent, should be beneficial as the company redesigns the Emira and possibly launches a second PHEV in 2027.

Margins at Lotus Technologies have been below industry averages in large part because the company has failed to gain efficiencies while operating two distinct operations. By consolidating its supply chain, streamlining operations, simplifying financial reporting, and unifying R&D– for EVs and sports cars – the company should be able to reduce its overall cost structure. Additionally, the company should be able to better control input costs for components such as batteries and onboard semiconductors, which is expected to yield margin improvements.

We believe that the key milestones to look for to gauge the success of the One Lotus strategy will be

- improved profitability and margins
- increased competitive positioning against peers in the luxury sports car and EV markets
- leveraging the Lotus heritage to deliver inspiring new products across the ICE and EV product lineups

LOTUS UK ACQUISITION

As we've discussed above, a key aspect of the "One Lotus" strategy is the acquisition of Lotus Advance Technologies Sdn Bhd (Lotus UK) by Lotus Technology Inc. (Lotus Tech), which is now expected to close in 2026. While there remain several unknowns related to this transaction, we can review what the companies have publicly disclosed or what has been published in various media outlets.

As a result of Lotus UK hitting certain delivery goals in 2024 (namely, Lotus UK selling over 5,000 vehicles in 2024), the current majority holders of Lotus UK – Geely and Etika – were able to exercise a put option that the companies held to require Lotus Technology to buy back the 51% interest in Lotus UK owned by Geely and the 49% interest in Lotus UK owned by Etika which will result in Lotus Technology owning 100% of the Lotus UK. This deal is structured as a non-cash transaction in which Lotus Tech will issue shares to Geely and Etika. According to Lotus Group International filings in the UK, the transaction is to be structured such that Lotus UK will be valued at 1.15 times 2024 revenue (plus cash, less debt) of Lotus Group International Limited (LGIL), based on LGIL's 2024 revenues.

LGIL's 2024 revenues were GBP 388.1 million (roughly $489 million), cash held at 12/31/24 was GBP 10.5 million and total debt was GBP 503 million. Based on the formula presented for the acquisition

Revenue:	GBP 388.1 million
Multiplier:	x 1.15.
Price:	GBP 446.3 million
Plus Cash:	GBP 10. 5 million
Adjusted Price	GBP 456.8 million
Less Debt:	GBP 503 million
Final adjusted price (negative)	

Since the adjusted price after adding cash and subtracting debt is negative, we believe it is possible that this transaction would not require shares to be issued to Geely and Etika to complete this transaction. We anticipate that these questions will be answered upon completion of the acquisition.

As we've noted, this seems to fit with Geely's streamlining process, which is designed to bring all of the Lotus brands under the Lotus Technology umbrella, now including the Chinese EV operations, the UK-based sports car manufacturing, and the Lotus Engineering consulting business.

In August, various news outlets reported that Lotus UK was cutting about 550 jobs, or about 40% of its staff, from its UK Headquarters as a result of "changes in global policies including tariffs." [2]

It does not appear as though this impacts the valuation based on information that the company has posted, but we will await the final terms when the transaction is completed.

COMPETITIVE LANDSCAPE

The global automobile market is remarkably competitive, with several factors influencing buyers' decisions, including price, brand reputation/reliability, safety features, dealer networks, service options, vehicle design, technology, and total cost of ownership.

The company's two current lifestyle vehicles – the Eletre and the Emeya – are sold primarily in China and European markets today, so we will focus on the competition in these markets for luxury EVs.

Chinese Luxury Vehicle Market

We have used the standard price of RMB 500,000 (over $70,000) as the definition of a true luxury vehicle in the Chinese market. The first thing that is apparent when applying this constraint is that, despite the enormous size of the Chinese auto market – total units over 34 million, more than double the size of the US auto market – the overwhelming majority of the units sold in China are lower-priced economy models. In fact, according to sales reports released by various auto publications focused on China, the luxury auto market accounts for somewhere between 3-4% of all vehicles sold in the country. By comparison, roughly 7% of all vehicles sold in the US are considered luxury models.

The Xiaomi SU7 Ultra was introduced in February 2025 and quickly moved to the front of the line, accounting for significant portion of all luxury sales in China in the first half of 2025. The SU7 Ultra is a high-performance vehicle that has delivered record-setting performance at tracks around the world including the fastest lap at Nuremberg for a 4-door production EV. The impressive performance of the Xiaomi SU7 Ultra, priced at about RMB 529,000 (roughly $75,000), has made it very popular in China despite Xiaomi's recent entry into the car market. Xiaomi, principally a consumer electronics and cell phone manufacturer, has reshaped its image in the past year, launching its first vehicle in 2024 and delivering over 400,000 vehicles in 2025. Xiaomi is working with regulators around the world to complete technical validation of the SU7 Ultra, and we think the company could bring this production model to the EU in 2027, making it a formidable competitor to all existing luxury brands. However, it is worth noting that despite the success of the SU7 Ultra, Xiaomi may be focused on shifting down market as their latest refresh of the SU7 just released last week is priced at just RMB 220,000. Xiaomi's rapid success in the Chinese market and the power of the brand in China will make it a formidable player in the Chinese market.

The Li Mega is a sharp contrast to the Xiaomi SU7 Ultra, a luxury "multi-purpose vehicle" (MPV) popular for its futuristic design (it has been compared to a bullet train), rapid charging capabilities, and luxurious interior. Li has successfully marketed the Mega as "moving home" or a living room and initial sales were very impressive. Li has faced significant challenges over the past 8 months, as a large recall of the Mega and intense competition from new entrants like Huawei have resulted in Li missing 2025 delivery targets. Recently, Li announced that it was closing some retail locations in an effort to improve its operating efficiency.

The Nio ET9 was launched in 2025 as Nio's most expensive sedan, and while the vehicle entered the market with a splash, sales have slowed significantly, and Nio has been averaging only about 100 ET9 shipments per month over the last five months.

We believe that while several of these vehicles have had shipment boosts from new launches and the rapid model year update cycle in China makes it difficult for any company to remain dominant.

In the luxury electric SUV market in China the competition for the Lotus Eletre is principally legacy European models like the Porsche Macan EV, BMW IX, Mercedes EQS SUV and the Tesla Model X.

The Porsche Macan, BMW IX, and Mercedes EQS SUV are all well-regarded electric luxury SUVs, and we are encouraged by the fact that the Lotus Eletre is performing well relative to these brands. The introduction of a PHEV with extended range could improve the company's position relative to other luxury SUV manufacturers. However, we would note that there is a trend in China to favor domestic luxury brands over foreign legacy brands, and this shift is worth monitoring, as it could have long-term impacts on the company's ability to compete in the Chinese market.

Ultimately, there are more luxury sedans in the market competing with the Emeya than luxury SUVs are competing with Eletre, and we think the PHEV Eletre For Me will likely be the growth drivers for Lotus in the near term.

COMPETITIVE ADVANTAGE

When evaluating the competitive advantage of Lotus Technology relative to larger, more diversified, and better-capitalized auto manufacturers, it can be difficult to see a clear advantage at first blush. However, a combination of factors does offer Lotus some strategic competitive advantage.

Inclusion in the Geely Ecosystem – it is clear that Geely's support and its position as part of the Geely family of vehicles are shaping the company's strategic vision and product lineup. Lotus Technology is leveraging deeper R&D infrastructure within the Geely family, improving supply chain efficiency, and gaining access to greater capital than it would likely have as an independent company. We also believe that Lotus is a keystone brand in Geely's vision, and this should benefit the company as Geely strives to grow into one of the world's largest automakers. If Geely can make Lotus its version of what Porsche or Lamborghini is for Volkswagen, the prospects are very bright for Lotus.

A Truly Global Automaker – In the first nine months of 2025, roughly 46% of Lotus's deliveries were to the Chinese market, this is largely due to what we believe were temporary global trade challenges. Lotus has a strong heritage brand and an existing global distribution network that should enable it to balance its deliveries around the globe over the next few years.

Performance-based Heritage - Lotus has a long and well-respected history as a sports car designer, and we think that if the company can successfully blend its EV technology and designs with the performance aspects that fans of Lotus remember fondly, it can capture a segment of the market that has eluded many other brands. Alternatively, if the company elects to continue producing ICE vehicles, it could still become the "British Porsche" (as some have called Lotus) if it recaptures some design magic and invests in improved customer support.

While it is difficult to claim that a small luxury EV/sports car manufacturer whose deliveries have fallen 40% year over year in the first nine months of 2025 has a single competitive advantage against some of the largest companies in the world, we believe that you can argue that a premium brand residing within the Geely ecosystem and a relatively strong position in the Chinese auto market is poised to remain competitive.

INDUSTRY / LUXURY SPENDING OUTLOOK

While the company broadly operates in the EV markets, it is worth noting that the EV market accounted for 20.7 million vehicles sold in 2025 yet we forecast Lotus sold fewer than 5,000 EVs in 2025 (the company will release final 2025 sales figures in April), representing a 0.02% share of the total EV market.

The global EV market saw sales grow roughly 20% in 2025 to 20.7 million units, but that growth masked some fairly significant changes occurring beneath the surface. China saw EV sales grow another 17%+ in 2025 to 12.9 million units, and more than half of all new cars sold in China are electric. Intense price competition among various companies at the lower end of the market has benefited consumers but negatively impacted margins for auto OEMs.

European EV sales jumped 30% in 2025 as incentives and infrastructure build-out have crossed critical thresholds around the region. In the Netherlands, Finland, Iceland, Sweden, and Denmark, EVs accounted for more than half of all new car sales in 2025, while in Norway, EVs accounted for an astounding 97% of all new cars sold last year.

US EV sales were the outlier due to tax incentive expirations and Tesla backlash, leading total EV sales to fall 2-4% to 1.3 million. While the US market is large, we do not believe it will be a focus for Lotus's new EV or PHEV models, given the difficult US operating environment for EV manufacturers and limits on Chinese autos that prevent them from entering the US market (though Geely has hinted at trying to crack the US market in 2027).

Within the global luxury vehicle market (including ICE, BEV, and PHEV segments), most experts are forecasting continued growth in 2026 with growth in the high single digits as the global economy continues to do well for high-income earners, adoption rates of EVs continue to increase, and the premium SUV market remains strong. In the premium market, the US remains the largest market overall, but China and India are projected to have the greatest growth potential.

BEV & PHEV Shifts: The luxury market has been slower to embrace the shift to electric, but the consensus is that this was driven by range concerns with many early all-electric models. At the price points of many luxury SUVs, buyers want the vehicles to handle all driving needs, which means increased range is required. The luxury SUV manufacturers, in particular, seem to have heard this message, and several luxury and ultraluxury models (including the Lamborghini Urus SE) are now offering PHEV versions.

Luxury SUVs Drive Demand: Luxury SUVs from companies like BMW, Mercedes, Volkswagen (Audi/Porsche), Lexus, and Volvo are seeing steady volume gains. Additionally, ultra-luxury vehicles from Lamborghini and Ferrari have entered the market and continue to outperform.

Recent news in the industry seems to point to additional weakness for legacy brands in China and perhaps a general slowdown in the luxury EV market that should be monitored. Aston Martin, which is an ultraluxury heritage brand similar to Lotus that has struggled navigating a challenging trade environment, recently announced that it would be cutting up to 20% of its workforce as sales in 2025 came in below expectations with particular weakness in China. Also, Lucid recently announced that it was lowering its projected deliveries for 2026 to between 25,000 and 27,000 vehicles which is nearly a 20% decline from previous estimates. Lucid also announced that it would be cutting roughly 12% of its workforce as a result of the challenging operating backdrop.

Consumer Demand for Luxury Goods: Global demand for luxury goods is projected to grow slightly above the average rate of economic expansion through the end of the decade, largely driven by increased spending by aspirational consumers, particularly young consumers, in Asia. Beyond mature markets like Japan and South Korea, we expect rapid growth among the newly affluent in India, China,

Indonesia, Singapore, and Thailand to drive demand for brands like Lotus if the company can appeal to consumers who value legacy, performance, and new technology.

THE PATH TO GROWTH FOR LOTUS

PHEV – Lotus is bucking the trend in broader EV markets with its decision to add a plug-in hybrid model to its lineup, as BEV models are more popular at the entry and mid-market price points. However, as we've seen from other luxury brands like Lexus, Porsche, BMW, and Mercedes-Benz, plug-in hybrids have become increasingly popular in the luxury market because they enable automakers to deliver efficiency gains through electrification while also maintaining the high-performance characteristics that customers have come to expect in luxury vehicles.

The key features in this vehicle that can differentiate it in a crowded luxury SUV market will be:

- Combined hybrid driving range of more than 600 miles (1,000 KMs)
- Ultra-fast charging due to the 900-volt electrical architecture
- More than 900 HP
- Lotus branding, styling, and handling.

The company has positioned the Eletre For Me as an SUV capable of delivering a sports car experience which is the way that many premium SUV manufacturers pitch their luxury SUVs. A buyer seeking a sports car experience often elects to simply purchase a sports car and it's unclear who the natural buyer of high-performance SUV is, as the market is fairly small. The success of the Lamborghini Urus which targets young affluent drivers (mainly in China/Hong Kong and North America) could provide a roadmap for Lotus to offer sports car handling to buyers seeking a daily driver (at a price point that would be about 1/3rd of the Lamborghini Urus).

It is clear that there is demand for luxury SUVs, and if Lotus can meet buyers' wish lists with a high-performance, competitively priced luxury SUV, we think the company could have a quick recovery.

Margin Recovery – The company should see margin recovery in 2026 and beyond as sales of the Emira normalize after trade tensions earlier in the year and the new PHEV model enters the market. On the company's last conference call, it noted that it expects normalized gross margins to return to the high single digits. While margins in this range would still be below industry averages, we think that if margins begin to improve, it will signal to investors that the company has turned a corner in its recovery.

We would note that premium luxury brands tend to generate outsized profit margins despite relatively small revenue contributions. For example, Lamborghini accounted for less than 6% of Audi's total sales in Q1 2025 but still generated over 40% of the group's operating profit, driven by the Lamborghini Urus (the company's SUV). Ferrari (NYSE: RACE) generates gross margins that approach an astounding 50% which indicates to us that if the company can build the right luxury car for the market, the margin growth potential is significant.

If it appears that Lotus can start trending toward this level of profitability on its vehicles, investor sentiment will shift sharply.

International Growth – While Lotus has ample opportunity to grow its operations in its core markets of China and Europe, we believe the Lotus brand has significant potential to expand into markets beyond its current footprint. The company recently mentioned that Brazil was an attractive market (perhaps driven by Geely's entry via a partnership with Renault), and the strength of demand for several Chinese brands in Brazil suggests this could be a good market for Lotus products. Over the next 3-5 years, we expect Lotus to expand further in Asia and the Middle East while evaluating the opportunities in North America beyond the sports cars currently sold here.

CHALLENGES AND OPPORTUNITIES IN THE CHINESE MARKET

As we've noted, the Chinese auto market is likely to experience little to no growth in 2026 due to the tapering of EV subsidies, trade frictions worldwide, and flat domestic demand. Within the broader auto market in China, Lotus operates in the luxury segment, which is a very small subsegment (3-4% of total vehicle sales).

Despite being under Geely's control for nearly a decade, Lotus is still viewed in China as a luxury European brand and is often grouped with other European luxury brands like BMW, Mercedes-Benz, Porsche, and Audi.

Many of these European brands have been struggling to maintain market share in China over the past 12 months, which has led to price cuts (10% or more) across different models. While these are the published discounts, consumers in China report that the discounts being offered are significantly higher than this rate, and this is reportedly impacting several dealerships tied to European luxury brands. This prolonged period of margin pressure has led several dealerships (particularly in second- and third-tier cities) to close. It is unclear what the long-term impact of these dealers leaving the market may be on the luxury car market in China, but we think it could positively affect demand for Lotus vehicles, though it is too early to tell.

There has been a shift in consumer preferences in recent years, as the quality of vehicles from domestic manufacturers has improved, enabling brands like BYD, Nio, and Xiaomi to increase their market share in the luxury market. This shift has made it more difficult for traditional European luxury brands to maintain their competitive positioning. We think that Lotus sits in an interesting spot as a premium European heritage brand that has demonstrated competency in building EVs, thanks in large part to its position within the ecosystem of a Chinese company (Geely). At this point, it is unclear whether, in the long run, Lotus will be more closely aligned with luxury European brands and thus at risk of being replaced by Chinese alternatives, or whether the company, like Volvo, will be viewed as a legacy brand with strong Chinese ties.

CAPITAL STRUCTURE

One challenge for investors evaluating Lotus Technology is navigating the company's complex capital structure and the limited number of shares in the public float. For our analysis today, we are considering only the ownership structure as of 12/31/24, but we will update this information have the 2025 financial statements have been published.

Figure 8: Holders of Lotus Technology Shares

	Ordinary Shares	% of Beneficial Ownership
Lotus Advanced Technology Limited Partnership	186,648,945	27.60%
Etika	156,236,329	23.10%
Lotus Technology International Investment Limited	108,740,886	16.10%
Meritz	50,000,000	7.40%
Lotus Group International Limited	47,995,443	7.10%
HUBEI CHANGJIANG JINGKAI AUTOMOBILE INDUSTRY INVESTMENT FUND PARTNERSHIP	44,997,886	6.60%
Total	594,619,489	87.90%

Source: Company filings

With nearly 90% of the outstanding shares held by institutions and related parties, the company's limited float has made it difficult to gauge market demand for its shares accurately.

As we discussed above, we believe that it is possible that the company will not have to issue any shares related to the acquisition of Lotus UK based on our calculations but we will confirm this upon the completion of the transaction.

RECENT NEWS

➢ In late December, the company announced that ECARX Holdings Inc. (NASDAQ: ECX), a mobility technology provider and another Geely-affiliated company, was investing $23 million via a private placement at $1.37 for 16.8 million newly issued shares. ECARX has strong relationships with several Geely entities, including Volvo, Polestar, and Lotus, but has recently begun expanding its operations into new markets with Volkswagen as it seeks to diversify its customer base. The expectation is that ECARX's computing platforms and software will also continue to be deployed across various Lotus products.

➢ In August 2025, Lotus entered into a securities purchase agreement with ATW Partners to issue and sell convertible notes for up to $300 million of principal that may be convertible into ordinary shares of the Company. The initial investment was just $10 million, but additional closings could occur if certain conditions were met.

➢ The company held a large event for investors, analysts, and auto media members on March 4th, 2026, in Shanghai to officially launch the new Eletre For Me, PHEV model. As part of this roll-out, the company introduced LTS – Lotus Tuned Specification – an engineering and tuning standard that will be used to ensure consistent performance across key systems.

RECENT FINANCIAL RESULTS

In the company's most recent quarterly results, it delivered about 1,800 vehicles to distributors, down 35% versus the year-ago period but up 28% sequentially. The impact of US tariffs on UK production, and destocking related to a model upgrade, drove much of the year-over-year decline. Revenue for the third quarter was $137 million, down 46% year-on-year, but up 10% sequentially. Since revenues were down more than units, it implies that the revenue mix shifted toward lower-cost units, and we believe that is the case, as lifestyle vehicles accounted for 77% of all deliveries.

The company noted that, as the US–UK tariff issues were resolved with UK vehicles securing a 10% tariff rate, the US sports car market began a gradual recovery in the 3rd quarter, and this will likely help the average price per delivery increase.

The company's management team noted on its third-quarter conference call that it intends to enter the Brazilian market, which is a relatively large auto market where consumers have shown a preference for electric luxury SUVs. Additionally, the company indicated that it believes PHEV models could prove popular in countries like Italy, Spain, and Saudi Arabia, where demand for PHEVs has been above the industry average.

Management also noted that gross margins are expected to improve in 2026 with the introduction of the PHEV model, which will reduce overall unit costs, the better sell-through of the revamped BEV lineup, and the integration of Lotus UK and its higher consulting margins.

The company reported a significant operating loss of more than $94 million in the third quarter of 2025.

The company's balance sheet as reported at 9/30/25, remains weak as liquidity continues to be constrained ($65 million of unrestricted cash on hand) and leverage remains very high. While this is fairly typical for early-stage EV startups, the Lotus legacy business also appears to have fairly high leverage. Despite our forecast for margin improvement in 2026 and 2027, the company is expected to continue to have large losses and its ability to continue as a going concern will likely be dependent on Geely's willingness to financially support the company.

MANAGEMENT

Qingfeng Feng – CEO – Mr. Qingfeng Feng has been the CEO of Lotus Technology since the company's founding. Mr. Feng joined Geely in 1999 and has held various positions across the firm's operating divisions, including sales, manufacturing, supply chain management, and R&D. Mr. Feng served as the CTO and VP at Geely Holding Group, where he managed R&D systems and product strategic planning.

Daxue Wang – CFO – Mr. Wang joined Lotus Technology as the CFO from Radar Auto (a Geely subsidiary focused on producing Electric Pickup Trucks), where he served in a similar role. Prior to that, Mr. Wang held several executive positions in industrial and investment firms.

VALUATION

Valuing Lotus Technology is a challenging exercise because the company is in the midst of major transition to unify the brand under one corporate umbrella. It is important for investors to note that at this time we have not built our model to reflect the combined operations of Lotus UK and Lotus Technology though we do anticipate this combination occurring in 2026 and we will adjust our models accordingly after the business combination. Valuations in the auto industry vary widely from the relatively low multiples assigned to the traditional auto majors, to the extremely high valuations assigned to Tesla (which is no longer valued or viewed as a pure auto company) and high-margin specialty companies like Ferrari.

For our analysis, we are using a sum of the parts valuation which values the revenues of the Lotus EV business (both the existing BEV and new PHEV sales) as an emerging global luxury option and the company's current interest in Lotus UK as a premier, if struggling, legacy luxury brand with a global presence similar to Aston Martin Lagonda (LSE – AML.L).

The key to unlocking value for Lotus Technology and its shareholders will be to demonstrate that 2025-2026 represents the trough of this cycle, a successful launch of the PHEV models, a return to growth in 2027 and significant margin improvement. While we do not see a scenario where Lotus can achieve the premium valuation assigned to a luxury peer like Ferrari (trading at more than 7 times 2026 revenues), if the company can begin to demonstrate margin stabilization, establish itself as a leading luxury EV player and reestablish its sports car business as a growth engine we think investors will begin to assign a premium to the valuation of Lotus instead of discounting it relative to its peers.

We believe that the 2025 should mark the low for revenue in this cycle for Lotus with a rebound in 2026 for both the EV business and the sports car business. The strength of market acceptance of the new PHEV models in China, Europe and new markets, will likely determine if the company is able to achieve our margin targets for 2026 and 2027.

We think the new Eletre For Me PHEV could be marketed as a Lamborghini Urus alternative at a price point that could be closer to a Porsche Cayenne. The vehicle clearly has the performance characteristics of a premium sports car while offering the comfort of a luxury SUV but connecting with the small pool of

buyers that are seeking these two vehicle profiles in a single daily driver has been challenging for most automakers.

In the sports car division, we think Lotus would be well served by perhaps recommitting to maintaining ICE vehicles into the future. Or if the transition to a fully electric sports car future is the path that the company chooses it will have to deliver many of the features of the Evija hypercar in a lightweight model that can be priced for a larger consumer market.

As a heritage luxury brand inside of a large, growing auto family like Geely, Lotus offers a great deal of value to Geely and we think the company will continue to be given financial support to achieve a turnaround similar to what has happened at Volvo.

We have applied a 1.2x multiple to our 2027E EV revenue projection to reflect the company's position as a premium luxury EV manufacturer and a multiple of 0.5x to our 2027 sports car revenue which is roughly in line with the valuations assigned to luxury Chinese EVs and legacy companies like Aston Martin. Given the significant debt on the balance sheet we feel that enterprise value to revenues may be a more prudent measure and we believe a consolidated EV/Revenue of 3.0 may be appropriate. The average of our revenue multiple and EV/Revenue calculations produces a 12 month price target valuation of $1.80/share. We believe that if the company's PHEV proves to be more successful than currently forecast or if margins rebound quicker than anticipated this target could prove conservative.

RISKS

Lotus Technology is facing several operational, regulatory, and financial risks, including but not limited to:

➢The automotive market is highly competitive, and many of the company's competitors have significantly greater resources (both financial and human talent) than the company.

➢ While the company's relationship with Geely enables its asset-light model, these R&D, procurement, manufacturing, and engineering agreements put the company at risk if Geely reallocates resources away from Lotus. Additionally, the relationship with Geely could prevent Lotus from partnering with other auto companies in the industry.

➢ While the Lotus brand has been around for more than 70 years, the current operations, particularly in China, are relatively new, and market acceptance of the company's products outside of China is still uncertain.

➢ The company has incurred significant losses since its inception, and there remains a great deal of uncertainty around the company's profit margins after the acquisition of Lotus UK. If the company cannot improve its cash flow, its ability to continue as a going concern will be at risk.

➢ The company disclosed a material weakness in UK subsidiary's accounting practices in 2023 and while remediation efforts were undertaken in 2024, the addition of new staff delayed the implementation of controls designed to address the previous deficiency and the complete remediation could not be completed before the end of the 2024 fiscal year.

➢ At the end of 2025, the company announced that it was changing auditors from KPMG Huazhen to Grant Thornton Zhitong. While the change in auditor does not inherently signal any greater risk, and Grant Thornton has been auditing Geely for more than a decade, any late auditor change carries risk for investors.

1 https://carnewschina.com/2026/02/26/three-chinese-automakers-enter-global-top-10-as-2025-sales-rankings-finalized/

2 https://www.roadandtrack.com/news/a65922177/lotus-to-cut-40-percent-of-hethel-staff-amid-tariff-pressure/

PROJECTED INCOME STATEMENT

Lotus Technology Inc.

3/23/26

(USD in 000's; December Year-End)	2023A	2024A	Mar 1Q25A	June 2Q25A	Sept 3Q25A	Dec 4Q25E	2025E	Mar 1Q26E	June 2Q26E	Sept 3Q26E	Dec 4Q26E	2026E	Mar 1Q27E	June 2Q27E	Sept 3Q27E	Dec 4Q27E	2027E
Sales	**679,008**	**924,349**	92,823	125,503	137,432	153,858	**509,616**	112,654	139,652	149,929	168,538	**570,773**	197,209	211,185	207,671	257,098	**873,163**
% change (yoy)		**36%**	-46%	-44%	-46%	-43%	**-45%**	21%	11%	9%	10%	**12%**	75%	51%	39%	53%	**53%**
Cost of Revenues	576,827	894,723	81,674	118,786	126,556	141,242	468,258	102,290	125,547	133,437	148,313	509,587	172,557	183,731	179,220	220,590	756,099
Gross Profit	102,181	29,626	11,149	6,717	10,876	12,616	41,358	10,364	14,105	16,492	20,225	61,186	24,651	27,454	28,451	36,508	117,064
% change (yoy)		-71%	-63%	-67%	33%		40%					48%					91%
Gross Profit Margin	**15.0%**	**3.2%**	**12.0%**	**5.4%**	**7.9%**	**8.2%**	**8.1%**	**9.2%**	**10.1%**	**11.0%**	**12.0%**	**10.7%**	**12.5%**	**13.0%**	**13.7%**	**14.2%**	**13.4%**
Operating Expenses:																	
Research and Development	368,729	274,801	48,602	43,703	37,501	35,626	165,432	34,913	33,168	34,826	35,523	138,430	34,812	33,072	34,725	35,420	138,029
Sales and marketing	328,935	322,310	39,584	39,411	37,669	36,916	153,580	38,392	44,151	46,359	48,677	177,579	41,375	35,996	37,796	39,686	154,853
General and Administrative	144,533	227,475	30,664	84,196	29,311	29,897	174,068	30,196	30,498	30,803	31,111	122,609	31,422	31,737	32,054	32,374	127,587
Government Grants	(4,077)	(8,638)	(4,706)	(160)	(85)	-	(4,951)	-	-	-	-	-	-	-	-	-	-
	838,120	815,948	114,144	167,150	104,396	102,439	488,129	103,502	107,817	111,988	115,310	438,617	107,610	100,804	104,575	107,480	420,469
% of Sales	123.4%	88.3%	123.0%	133.2%	76.0%	66.6%	95.8%	91.9%	77.2%	74.7%	68.4%	76.8%	54.6%	47.7%	50.4%	41.8%	48.2%
Operating Income (Loss)	**(735,939)**	**(786,322)**	**(102,995)**	**(160,433)**	**(93,520)**	**(89,822)**	**(446,770)**	**(93,138)**	**(93,712)**	**(95,496)**	**(95,086)**	**(377,431)**	**(82,959)**	**(73,350)**	**(76,124)**	**(70,972)**	**(303,405)**
Impairment of long-lived assets	-	-	-	(51,504)	(142)	-	(51,646)	-	-	-	-	-	-	-	-	-	-
Interest Expenses	(10,200)	(58,218)	(34,268)	627	(7,398)	(7,842)	(48,881)	(8,469)	(8,808)	(9,160)	(9,893)	(36,331)	(10,685)	(11,112)	(11,556)	(12,481)	(45,834)
Interest Income	9,204	22,289	6,666	6,491	7,417	7,046	27,620	7,328	7,181	6,894	7,446	28,849	7,744	7,589	7,285	7,868	30,485
Investment Income (losses), net	(1,162)	14,232	4,640	4,760	1,645	0	11,045	0	0	0	0	0	0	0	0	0	0
Foreign currency exchange (losses) gains, net	42	(11,664)	13,847	26,678	(12,081)	(9,061)	19,383	5,600	5,488	5,268	5,690	22,046	5,306	5,200	4,992	5,391	20,889
Changes in fair values of liabilities	(10,039)	(285,423)	(69,671)	1,587	39,376	0	(28,708)	0	0	0	0	-	0	0	0	0	-
Loss before Income Taxes	**(749,142)**	**(1,105,277)**	**(182,193)**	**(171,794)**	**(64,703)**	**(99,679)**	**(518,369)**	**(88,679)**	**(89,851)**	**(92,493)**	**(91,843)**	**(362,866)**	**(80,594)**	**(71,674)**	**(75,404)**	**(70,194)**	**(297,865)**
Loss (income) attributable to non-controlling interests	(8,254)	(2,364)	(2)	0	0	0	(2)	0	0	0	0	-	0	0	0	0	-
Accretion of Redeembal Convertible Preferred Shares	(15,121)	(2,979)															
Share of results of equity method investments	-			4,486	930												
Income tax (expense)/credit	(1,113)	(2,012)	(632)	(14,411)	(1,642)	(1,970)	(18,655)	(2,065)	(2,024)	(1,943)	(2,098)	(8,130)	(2,065)	(2,024)	(1,943)	(2,098)	(8,130)
Net Income (Loss) attributable to CBAK	**(757,122)**	**(1,107,904)**	**(182,823)**	**(181,719)**	**(65,415)**	**(101,649)**	**(537,026)**	**(90,744)**	**(91,874)**	**(94,436)**	**(93,941)**	**(370,996)**	**(82,659)**	**(73,698)**	**(77,346)**	**(72,292)**	**(305,995)**
EPS reported	**(1.60)**	**(1.72)**	**(0.28)**	**(0.28)**	**(0.10)**	**(0.16)**	**(0.82)**	**(0.14)**	**(0.14)**	**(0.14)**	**(0.14)**	**(0.57)**	**(0.13)**	**(0.11)**	**(0.12)**	**(0.11)**	**(0.47)**
Diluted Shares (weighted average)	**474622**	**645227**	659330	659341	647706	649001	**653845**	650299	651600	652903	654209	**652253**	655517	656828	658142	659458	**657486**
Margins:																	
Gross Margin	**15.0%**	**3.2%**	12.0%	5.4%	7.9%	8.2%	**8.1%**	9.2%	10.1%	11.0%	12.0%	**10.7%**	12.5%	13.0%	13.7%	14.2%	**13.4%**

Source: Zacks SCR, Brian Lantier, Company Filings

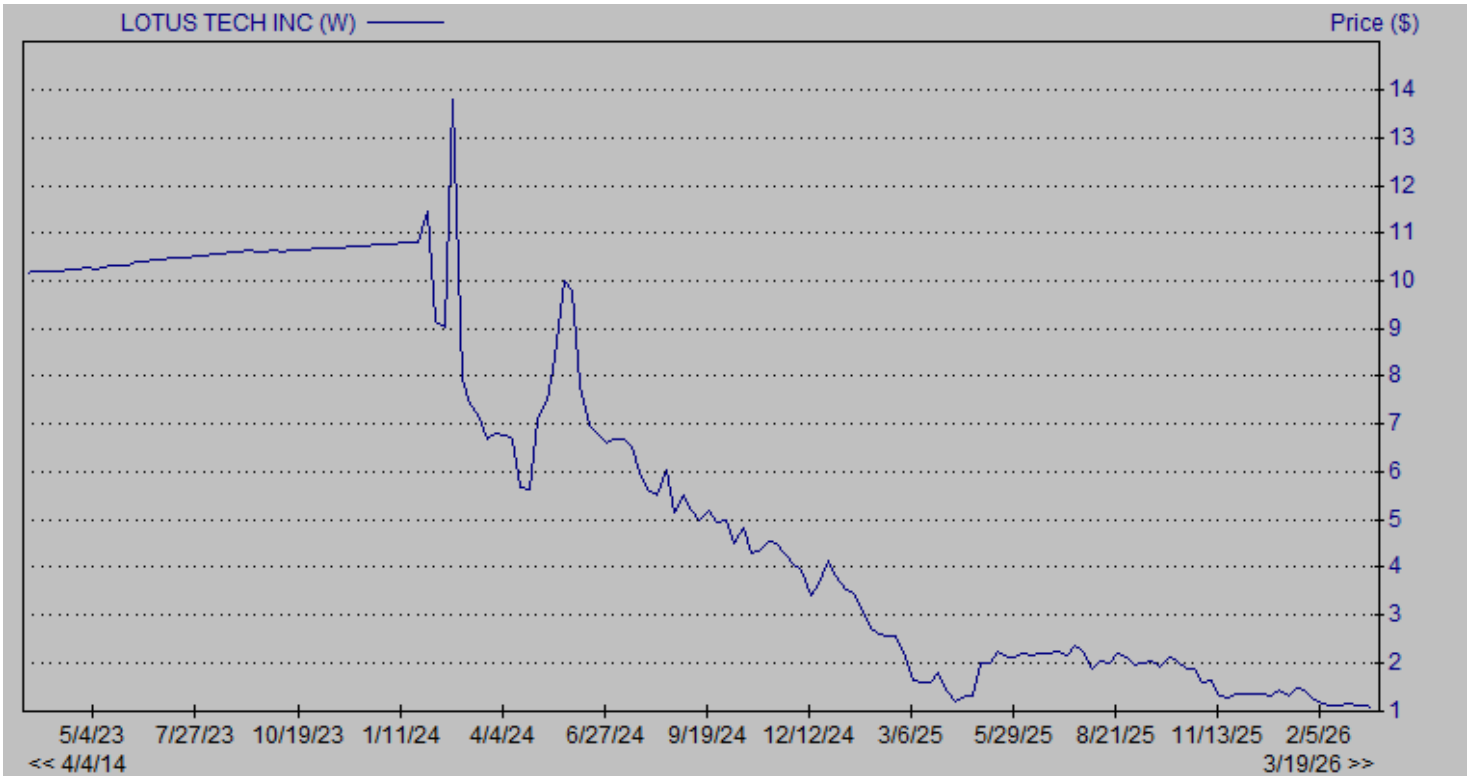
BALANCE SHEET

Lotus Technology Inc.
Balance Sheet in 000s USD
9/30/25

Assets	
Current Assets	
Cash	65,305
Restricted cash	360,703
Accounts receivable, third parties	47,077
Accounts receivable, related parties	90,420
Inventories	116,792
Prepayments and other current assets, third parties	86,647
Prepayments and other current assets, related parties	136,971
Total current assets	**903,915**
Restricted cash	87,016
Investment securities - related parties	2,116
Loan receivable from related party	301,424
Property, equipment and software, net	235,447
Intangible assets	116,479
Operating lease right-of-use assets	125,541
Equity method investments	13,002
Other non-current assets, third parties	72,499
Other non-current assets, related parties	858
Total non-current assets	**954,382**
Total Assets	**1,858,297**
Liabilities	
Current Liabilities	
Short-term borrowings - third parties	490,962
Short-term borrowings - related parties	629,167
Accounts payable - third parties	72,682
Accounts payable - related parties	428,397
Contract liabilities - third parties	25,268
Operating lease liabilities - third parties	13,552
Accrued expenses and other current liabilities -third parties	283,271
Accrued expenses and other current liabilities -related parties	186,943
Convertible note - related parties	124,959
Total current liabilities	**2,255,201**
Non-Current Liabilities	
Long-term borrowings	83,847
Contract liabilities - third parties	7,295
Operating lease liabilities - third parties	62,425
Operating lease liabilities - related parties	3,528
Warrant liabilities	1,034
Exchangeable notes	132,007
Convertible note - third parties	81,439
Convertible note - related parties	76,358
Deferred tax liabilities	1,425
Deferred Income	297,302
Other non-currrent liabilities - third parties	117,395
Other non-currrent liabilities - related parties	1,553
Total Liabilities	**3,120,809**
Shareholder's Equity	
Ordinary shares	7
Additional Paid-in Capital	1,918,892
Treasury Stock	(141,575)
Accumulated other comprehensive income	40,063
Accumulated deficit	(3,072,151)
Non-controlling interest	(7,748)
Shareholder's Equity (Deficiency)	**(1,262,512)**
Total Liabilities & Shareholder's Equity	**1,858,297**

Source: Company filing

HISTORICAL STOCK PRICE



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