



Leading Technology Platform For B2B Auto eInsurance & Services

Investor Presentation

December 2024

Cautionary Statement Concerning Forward Looking Statements

This document contains forward-looking statements regarding SunCar Technology Group Inc., a Cayman Islands exempted company, NASDAQ Ticker Symbol: SDA (the “Company”). We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance, including: our financial performance and projections; our growth in revenue and earnings; and our business prospects and opportunities. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminologies such as “may,” “should,” “expects,” “anticipates,” “contemplates,” “estimates,” “believes,” “plans,” “projected,” “predicts,” “potential,” or “hopes” or the negative of these or similar terms. In evaluating these forward-looking statements, you should consider various factors, including: our ability to change the direction of the Company; our ability to keep pace with new technology and changing market needs; and the competitive environment of our business. These and other factors may cause our actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking events discussed in this document and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. We are not obligated to publicly update or revise any forward-looking statement, whether as a result of uncertainties and assumptions, the forward-looking events discussed in this document and other statements made from time to time by us or our representatives might not occur, except as required by the applicable law, regulations and rules.

Company Profile



SunCar Overview



Business Built to Sustain Strong Growth Driven by its Unique Technology Platform

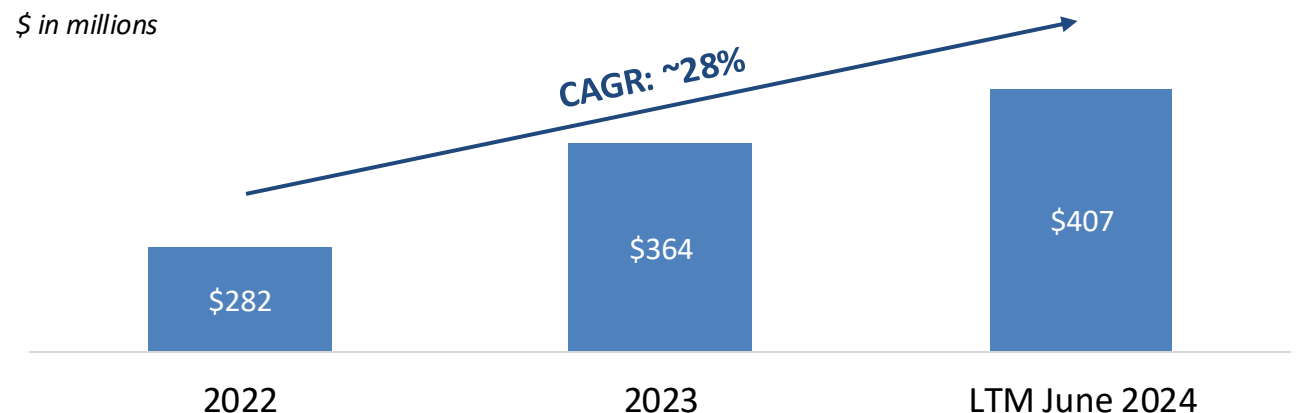
Company Highlights

- Founded in 2007, SunCar connects insurers, auto manufacturers, auto service providers and consumers through an integrated data platform
- Auto insurance and services in China are highly manual and require time consuming approval and execution processes. SunCar's cloud-based technology creates efficiencies and automates this process
- The Company's unified data platform integrates 18+ auto manufacturers, 48,000 auto services vendors⁽¹⁾ and 85+ insurance companies across 2,700 cities in China, creating sustainable growth & inherent competitive barriers
- China has emerged as the largest and fastest growing auto market in the world with over \$120B GMV for Auto Insurance and over \$20B addressable market for Auto Services in China⁽²⁾⁽³⁾
- 60,000+ sales partners and 18+ auto manufacturers (including Tesla, NIO and Li Auto) will continue to drive long-term growth in the eInsurance segment
- 1,400+ enterprise customers⁽¹⁾ and strong customer retention metrics drive stability & consistency in the Auto Services segment

Key Financial Metrics⁽¹⁾

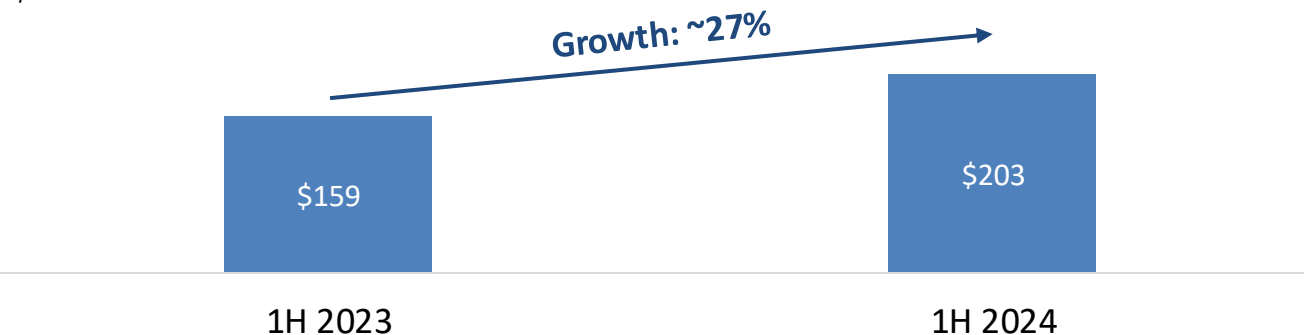
Total Revenue

\$ in millions



Total Revenue of 1H 2024

\$ in millions



Note: Historical financials based on public filings

(1) LTM metrics as of June 2024

(2) GlobalData – Based on Auto Insurance gross written premiums

(3) Estimated based on 100M total cars in China by 2026E that are in need of service with a \$200 average annual value per end customer

SunCar at a Glance



Leveraging Technology to Facilitate Digital Auto eInsurance & Auto Services for Enterprise Customers



1,400+

Enterprise Clients & Partners in China
with Marquee Customer Base



\$407M

LTM Total Revenue with Increasing
Adjusted EBITDA



~5M

Auto eInsurance Transactions
completed LTM



~21M

Transactions Completed LTM
on Highly-integrated Auto Services
Platform



18

Partnerships with
Auto-Manufacturers across
eInsurance and Auto Services Platform



~28%

LTM
Revenue Growth



65,000+

Sales Partner Network Selling
eInsurance Through SunCar's Platform



95%+

Customer Retention⁽¹⁾ Across Blue Chip
Chinese Companies

Note: Historical financials including LTM metrics based on public filings from the period ending June 30, 2024

(1) Retention measured across the last two fiscal years

SunCar Solves Key Challenges in China's Auto Sector



China's Auto Services and Insurance Sectors have not Digitalized in Step with Other Industries in China



Auto Market Trends

The Number of Registered Cars in China⁽¹⁾ has Grown...



~109M Cars in 2012

~329M Cars in 2023

China is the largest car market in the world followed by US

Almost No Digitalization in Auto Services & Insurance

Historically, the high profitability of the Chinese auto sector has led the market to resist digitalization



Auto Insurance Sector

- Overall \$120B+ market in total GMV⁽²⁾
- Lack of nationwide digital auto insurance solution

End-Customer Pain Points



Long Wait Times /Inconvenience



Opaque Pricing

Insurance Company Pain Points



Low Margins in B2C Model



High Customer Acquisition Costs

Auto Manufacturer Pain Points



Unable-to effectively Bundle Insurance



Zero Post-Sales Monetization



Auto Services Sector

- B2B auto services market in China is estimated to be ~\$20B by 2026E⁽³⁾
- Lack of nationwide technology platform for auto services (e.g. AAA, Yelp, or Jiffy Lube)

End-Customer Pain Points



B2C Vendors (e.g., Didi etc.) Do Not Offer Extensive Car Services



No Digital Service Provider

Auto Service Provider Pain Points



Fragmented Market with Local & Non-Digital Providers



High Customer Acquisition Costs

Auto Manufacturer Pain Points



Limited Contact with Customer Post-Sales



Dealership Model Under Pressure

(1) CEIC Data: China Number of Registered Vehicles

(2) GlobalData – Based on Auto Insurance gross written premiums

(3) See “B2B Auto Services Market in China” slide for details on B2B auto service market estimate

Unique Value Proposition for Enterprise Customers & Partners



SunCar's Technology & Data Integrations with Enterprise Customers & Partners Creates Significant Barriers to Entry

SunCar Tech Platform



✓ Leading cloud-based platform to streamline and digitalize enterprise Auto eInsurance & Services in China



48,000+ Auto Services Vendors

Multi-Tenant Cloud Platform

Nation-wide Coverage

Marquee Enterprise Customers & Partners

Auto Manufacturers



Insurance



Banking, Internet Apps and Others



SunCar's Value Proposition

- Incremental revenue by bundling insurance with car sales
- Direct app-integrations drive customer satisfaction & margins
- Post-sale monetization from insurance renewal & auto services

- Incremental revenue that supplements the traditional B2C go-to-market for insurance companies
- Facilitate digital connection to auto manufacturers
- Increases customer satisfaction and LTV through loyalty programs

- Direct integration with customer's apps ensures benefits of digital Auto Services accrue to the customer
- Increases customer satisfaction and LTV through loyalty programs

Note: Non-financial metrics as of June 2024

Investment Highlights



SunCar is one of the largest nationwide digital providers of customized auto insurance and auto services in China delivering 5M+ insurance contracts⁽¹⁾ & 21M+ Auto Service transactions⁽¹⁾



A pioneer in digitalizing the auto insurance and auto services industry in China by integrating various ecosystem participants under one unified data platform creating a significant competitive barrier



18+ auto manufacturer partnerships and 1,400+ enterprise customers drive strong revenue visibility for both auto insurance and auto services segments, respectively



Significant opportunity to gain market share in a multibillion-dollar addressable market given enterprise customer base and technology integrations with 85+ insurance companies across China



Demonstrated strong financial performance with \$407M⁽¹⁾ top-line revenue and low capex business model allowing significant opportunity for profitable growth



Attractive valuation upside based on EV / revenue multiple and growth-adjusted revenue multiple

Note: Historical financials and non-financial metrics based on public filings from the period ending June 30, 2024

(1) LTM metrics as of June 2024

Experienced and Innovative Management Team



Mr. Zaichang Ye
Co-Founder, Chairman & CEO

- 24 years of Management & Entrepreneurship experience
- 16 years of Auto Services experience
- Serial entrepreneur with multiple successful exits



Ms. Saiye Gu
Co-Founder, COO



Mr. Zhunfu Lei
Co-Founder, CTO



Mr. Bohong Du
Co-Founder, CFO



Mr. Breaux Walker
GM, North America



Ms. Jennifer Jiang
Director, IR

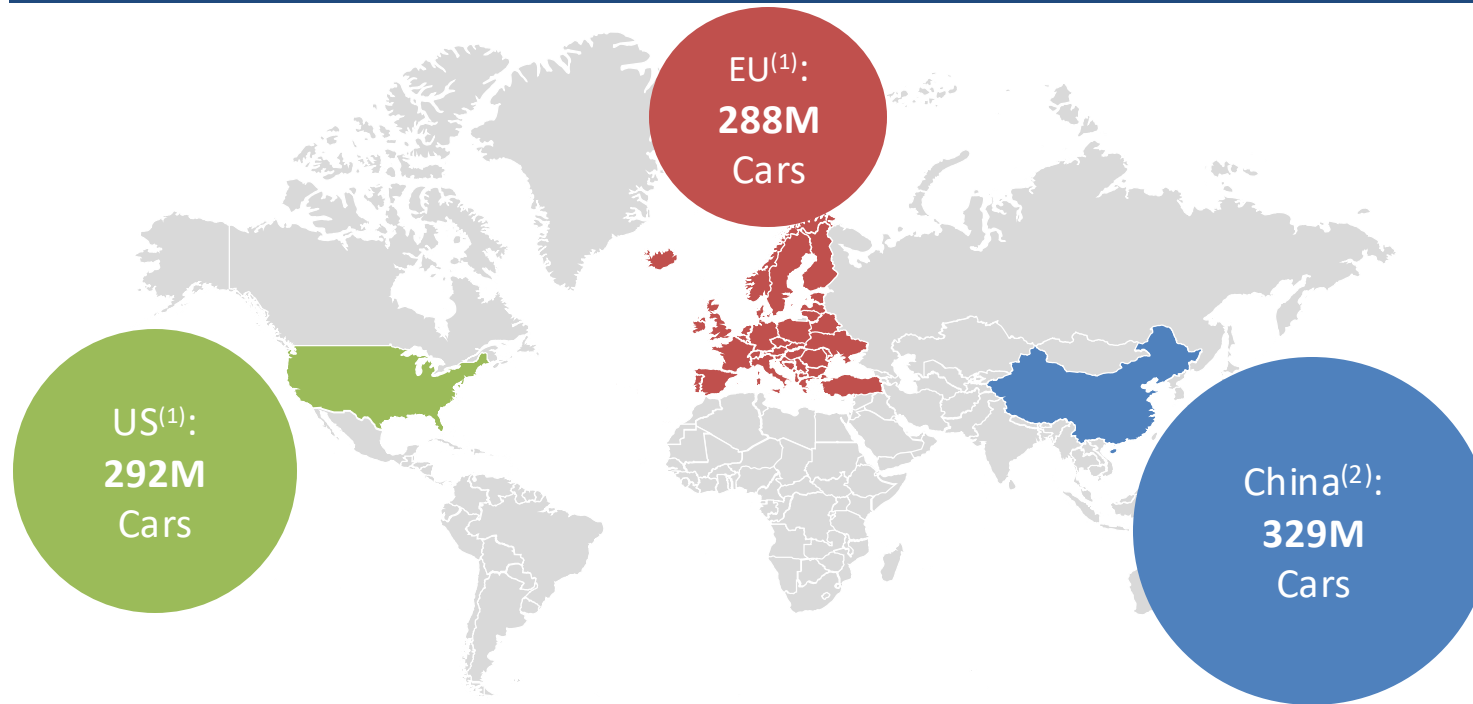
SunCar's management has unique experience in digitalizing China's auto insurance and services industries

Auto Insurance and Services Markets in China

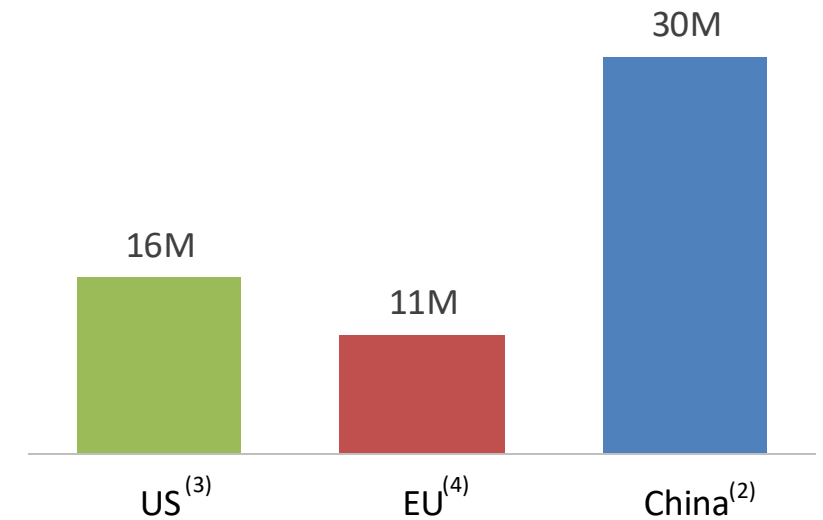


China is the Largest and Fastest Growing Car Market

Registered Cars by Country (2023)



Estimated New Cars Sold in 2023



China now has the largest auto market in the world



In 2023, the Chinese market grew ~2x faster than the US market and ~3x faster than the European market in terms of new car sales

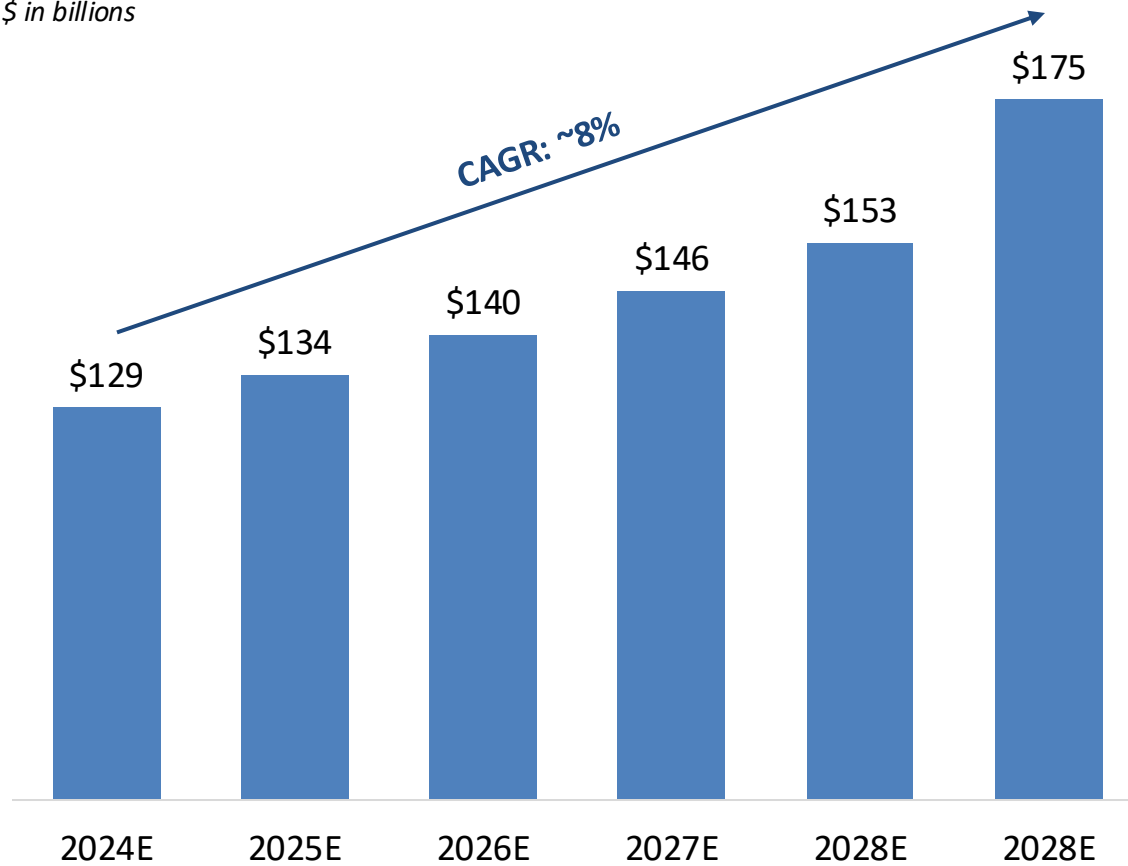
(1) Hedges & Company – Estimated
(2) CEIC Data: China Number of Registered Vehicles
(3) Wall Street Journal – Estimated
(4) ACEA – Estimated

China's Auto Insurance Industry

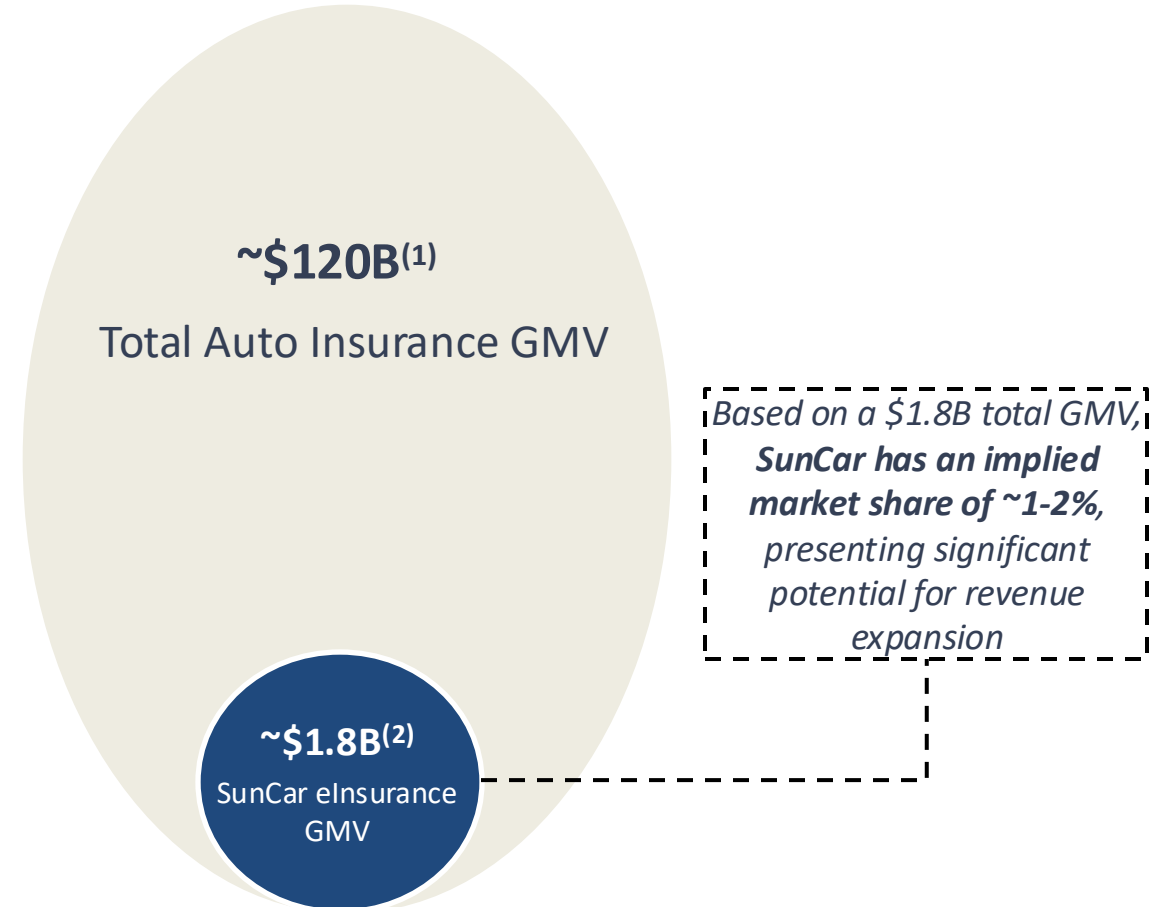


Projected Growth in China's Auto Insurance Industry⁽¹⁾

\$ in billions



SunCar's Market Penetration

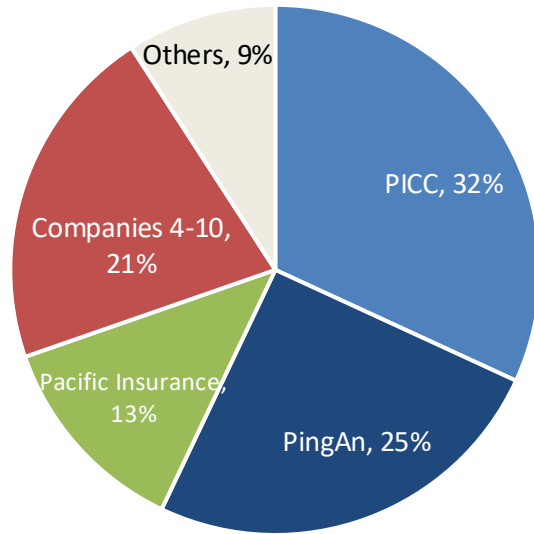


Note: Non-financial metrics as of June 2024

(1) GlobalData – Based on Auto Insurance gross written premiums

(2) Based on SunCar total GMV in the last-twelve-month (LTM) as of June 2024

Market Share by Insurance Company⁽¹⁾



Top-10 Market Share: ~91%

Commentary

- ✓ SunCar's platform is integrated with 85+ insurance companies' systems, including connections into the top 10 Insurers
- ✓ Technology integrations with top Insurance companies enable access to market-leading eInsurance quotes for end customers in < 2 minutes

Extensive Cooperation with the Largest Insurance Companies



65,000+ Sales Partners & 18 Manufacturers

Network of partners selling eInsurance through SunCar platform

2 Minutes

Average time to purchase Auto eInsurance with SunCar

85+ (including top-10)

Connected Insurance companies

Note: Non-financial metrics as of June 2024

(1) Shisanjing Consulting

B2B Auto Services Market in China



Auto Services TAM

# of Total Cars in China 2026E ⁽¹⁾	~400M
% of Car Owners Receiving Car Services ⁽¹⁾	25%
Total Auto Services End Customers in China	~ 100M
Average Annual Value per Eligible End Customer	~\$200
Total Addressable Market (2026E)	~\$20B
SunCar's Current Auto Services Revenue⁽²⁾	\$224M
Implied Market Share Based on Current Revenue⁽²⁾	~1%

Auto Services TAM Sensitivity

		% of Cars Receiving Car Services		
		20%	25%	30%
Average Annual Value / End Customer	\$150	\$12B	\$15B	\$18B
	200	16B	20B	24B
	250	20B	25B	30B

Commentary

- Potential upside as the percentage of car owners receiving car services through SunCar's platform significantly increases
- Opportunity to expand given entrenched relationships and experience with some of the largest banking and insurance clients in China

(1) Management guidance

(2) Implied market share calculated as SunCar's Current revenue on an LTM basis ending June 2024 divided by total addressable market in 2026E

Technology-Enabled Auto Insurance



China's Leading Digital Auto Insurance Platform



Online Auto eInsurance Platform



Online Quotation and CRM System



No Underwriting Risk or Loss Exposure



Direct Connection to Car Insurance Database

System Features



Highly Integrated



Highly Secure



Cloud Based



High Accuracy

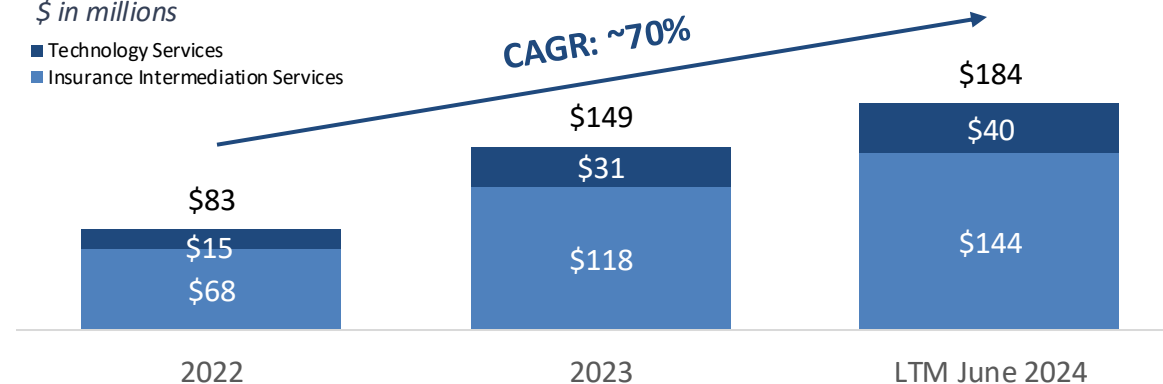


Hassle Free

Total Auto eInsurance Revenue

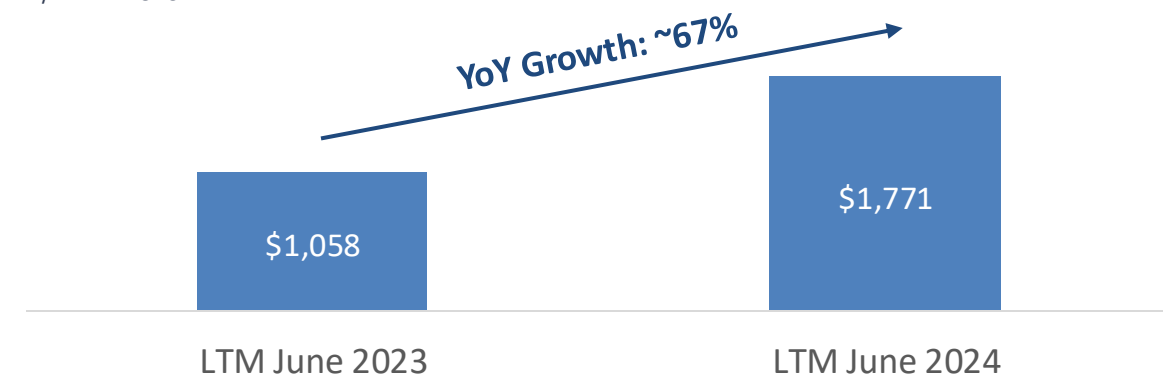
\$ in millions

■ Technology Services
■ Insurance Intermediation Services



Strong eInsurance GMV Growth

\$ in millions



Note: Historical financials based on public filings

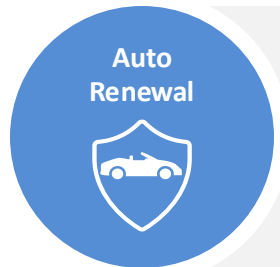
Auto eInsurance Revenue Drivers



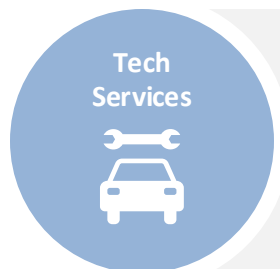
A High Growth Segment Offering eInsurance through Manufacturer Partnerships



- Direct integration into the digital services or customer apps (e.g., Tesla, NIO & Li Auto)
- Material increase in insurance attach-rates through app-level integration



- 65K+ partners allow unique access to customers with no incremental sales spend or customer acquisition costs
- Manufacturer app integrations allow ongoing monetization from insurance renewal & auto services



- SunCar seamlessly connects insurance & auto services, powered by robust data, mobile and cloud capabilities
- Key customers include insurance companies and gas vehicle dealers in China



Note: Historical financials based on public filings

(1) EV, Auto Insurance Renewal and Technology Services revenue CAGRs are from 2022 to LTM June 2024

(2) CEIC Data: China Number of Registered Vehicles

Customer Case Studies



EV OEM Sales Partners Overview		EV Company 1	EV Company 2
<ul style="list-style-type: none"> Generate incremental revenue through sale of insurance during new car purchase Increased owner connectivity improves post-sales experience Additional post-sales monetization through sale of insurance renewal and auto services 	Sales Partner Description	Top 3 Global EV Provider ⁽¹⁾	Top 10 Chinese EV Provider ⁽¹⁾
	Service Overview	Auto eInsurance for EVs	Auto eInsurance for EVs
Select EV Manufacturing Sales Partners	Land	Relationship Started in 2024	Relationship Started in 2021
	Expand	\$0.5m GMV to \$50m GMV in 9 mos.	~100k cars insured (2023)
	SunCar GMV / Revenue Growth	100x GMV Growth in 9 Months	~200%
	Value Proposition	App Level Integration	App Level Integration

Note: Non-financial metrics as of June 2024

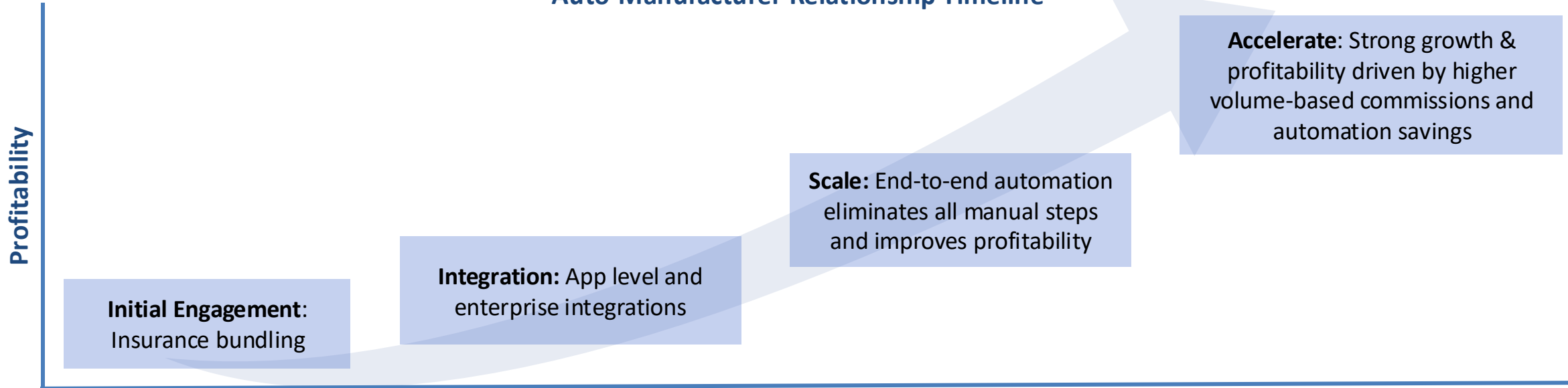
(1) Autovista Research

eInsurance Business Model Supports Long-term Profitability



SunCar's Technology Partnerships with Auto Manufacturers Create a Competitive Moat

Auto-Manufacturer Relationship Timeline



Commentary

- Given the strong gross profit margins of the eInsurance business, overall business profitability would increase as insurance revenue grows
- Significant revenue upside given volume-based incentives from insurance companies as SunCar's insurance market share grows rapidly
- SunCar does not own insurance sales offices and hence no incremental cost-overhead of insurance services
- ~40% of the total insurance transactions from new car sales and ~60% from policy renewals

Digitalized Platform for Auto Services



Strong Momentum and Market Share Expansion in Auto Services



Full-Service Coverage

Select Maintenance Services



Carwash



Oil Change



Car Overhaul



Tire Repair

Transportation Services



Flight Pickup



Driver Service



Road Assistance



Courtesy Car

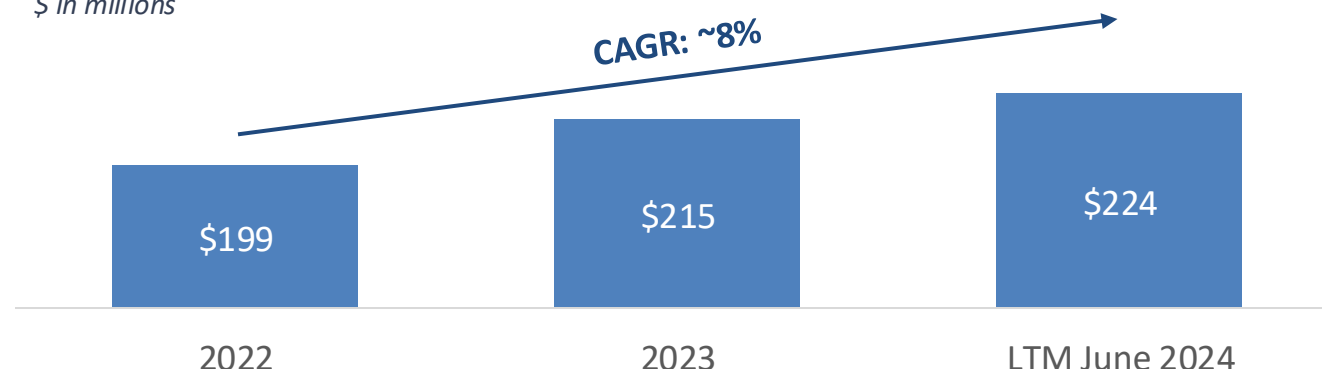
Offering the full spectrum of Auto Services to Enterprise Clients

- 300+ types of services similar to AAA + Jiffy Lube + Yelp + Uber
- Auto Services market in China continues to grow and is returning to pre-pandemic levels of growth

Key Financial Metrics

Auto Services Business Revenue⁽¹⁾

\$ in millions



Strong Auto Services Transaction Growth from 2022 to 2023

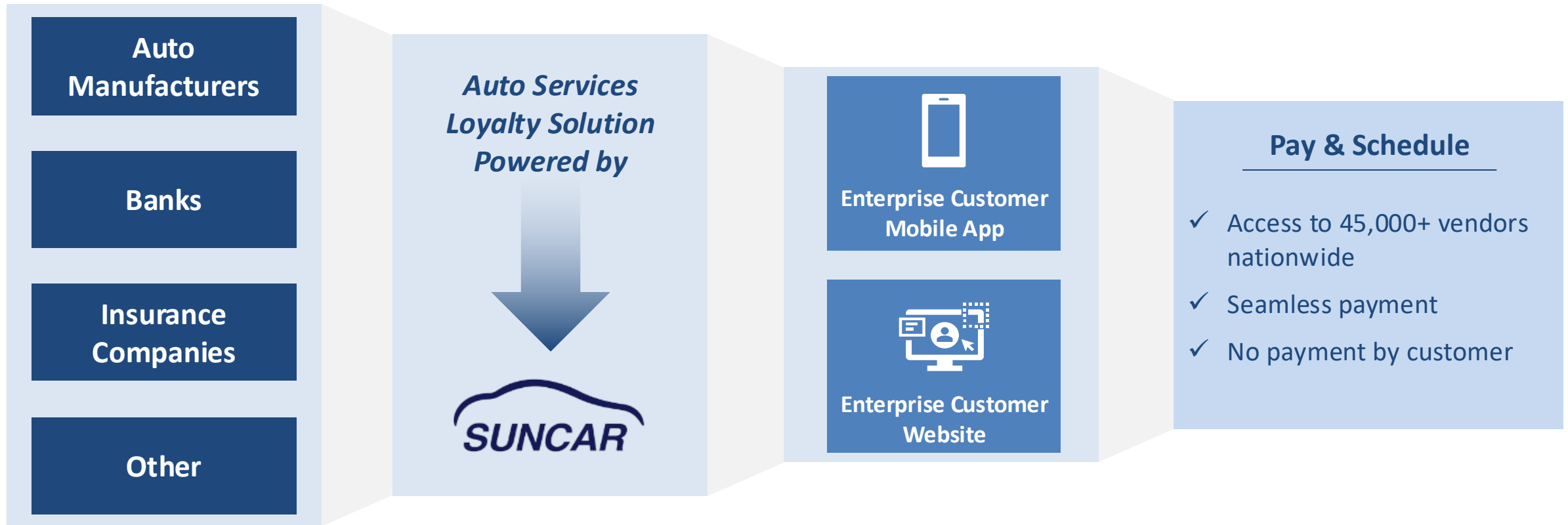
transactions in millions



Note: Non-financial metrics as of June 2024

(1) Revenue and revenue CAGR based on USD revenue for period of 2022 to LTM 1H 2024

Auto Services Go-to-Market Strategy

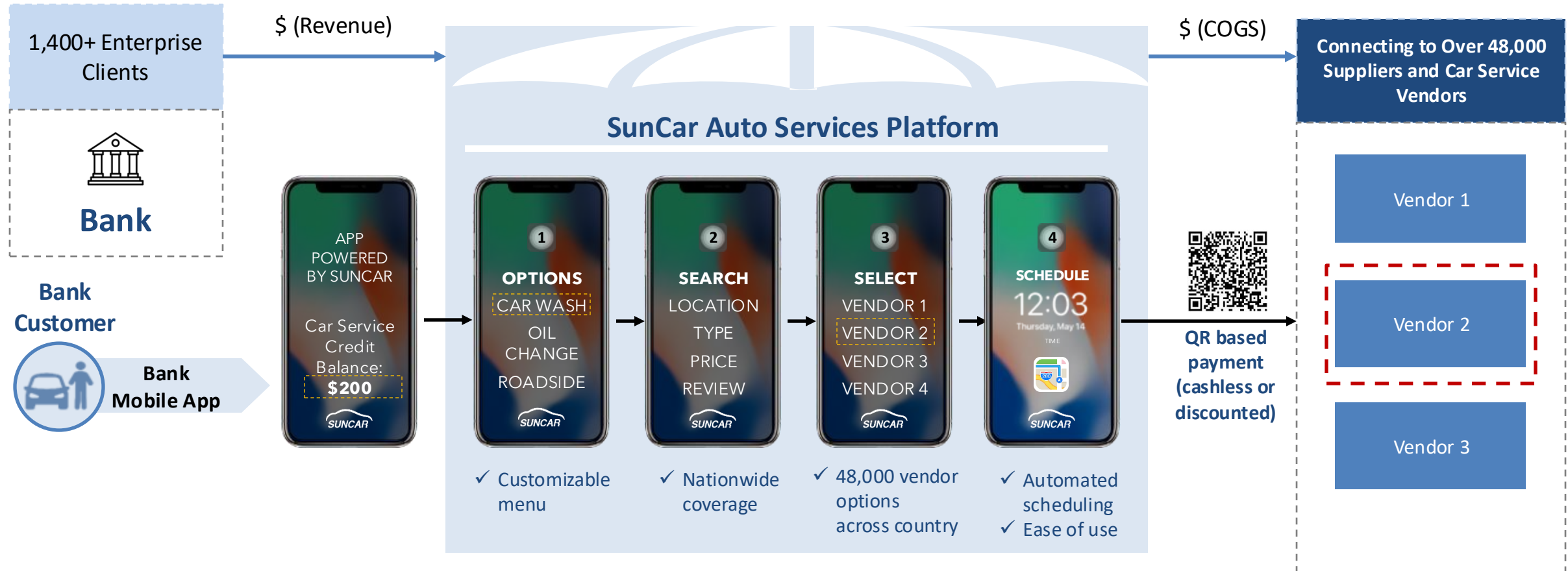


- ✓ 1-5 year contracts with automatic extensions & certain minimums
- ✓ 95%+ customer retention⁽¹⁾ and low revenue concentration across top 5 customers

- ✓ End-customer does not pay for services with direct payments from the enterprise to SunCar
- ✓ Growth driven by expansion with existing customers (~10% of growth in auto services driven by new customers)

(1) Retention measured across the last two fiscal years

SunCar Auto Services Platform – Business Model



~21M Auto Services transactions completed for enterprise customers

Note: Non-financial metrics as of June 2024

Marquee Customers with Significant Land and Expand Opportunities



SunCar's nationwide network has created a significant opportunity to land and expand within our existing large enterprise customer base



>300 Insurance Companies



>900 Banks



>200 EVs, Other Services

Note: Non-financial metrics as of June 2024

Financial Summary



Historical Profit & Loss



(\$ in millions)	FY2021	FY2022	FY2023	LTM June 24
Revenue				
Auto Services	\$188	\$199	\$215	\$224
Auto eInsurance Business	61	83	149	184
<i>Insurance Intermediation Service</i>	57	68	118	144
<i>Technology services</i>	5	15	31	40
Total Revenue	\$249	\$282	\$364	\$407
<i>Revenue YoY Growth %</i>	4%	13%	29%	28%
Operating costs and expenses				
Integrated service cost	(\$157)	(\$167)	(\$210)	(\$229)
Promotional service expenses	(55)	(66)	(112)	(134)
Selling expenses	(13)	(16)	(21)	(18)
General and administrative expenses	(10)	(38)	(22)	(59)
Research and development expenses	(4)	(8)	(14)	(42)
Total Operating Costs and Expenses	(\$239)	(\$295)	(\$379)	(\$483)
Operating Profit	\$10	(\$13)	(\$15)	(\$75)
Other income, net	0	2	0	0
Profit before Income Tax	\$11	(\$11)	(\$15)	(\$77)
Income tax expense	(1)	(0)	(3)	(2)
Income from Continuing Operations, net	\$10	(\$11)	(\$18)	(\$79)
Net loss from discontinued operations, net of tax	(28)	(1)	0	0
Net Profit	(\$18)	(\$12)	(\$18)	(\$79)
Foreign currency translation difference	1	(2)	(1)	0
Total Comprehensive Income (loss)	(\$17)	(\$14)	(\$19)	(\$79)

- Strong 1H 2024 performance in-line with historical growth in the business
- Revenue growth fueled by the eInsurance segment and the rapid adoption of EVs in China as well as SunCar's growth in the gas vehicle market
- Technology Services continues to stay strong with growth in line with the Insurance platform
- ~60% of OpEx as variable cost further supports profitable growth as insurance business scales
- Promotional service expenses have recently been increasing with insurance revenues as the Company continues to establish its leadership in digitalizing the market
- The steady increase in R&D expenses reflects the Company's continuing investment in its Auto eInsurance & Services platforms and in future revenue initiatives
- LTM June 2024 operating profit includes significant one-time non-cash stock-based expenses
- SunCar's low CapEx business model combined with the high growth of revenue is expected to drive future margin expansion

Note: The revenue growth rate of LTM June 2024 is compared to the responding period of LTM June 2023

Adjusted EBITDA Reconciliation



(\$ in millions)	FY2022A	FY2023A	1H 2024
Net loss	(\$11.9)	(\$17.6)	(\$60.1)
(+) Depreciation and Amortization	5.1	4.1	1.8
(+) Financial Expenses, Net	3.7	4.4	2.3
(+) Investment Income	(0.4)	(0.5)	(0.3)
(+) Change of Fair Value of Warrant Liabilities	-	0.6	-
(+) Other Non-Recurring Income, Net	(5.1)	(5.0)	(0.7)
(+) Income Tax Expense	0.2	2.6	0.3
(+) Share-Based Compensation ⁽¹⁾	1.6	11.3	62.8
(+) Transaction Fees ⁽²⁾	0.4	1.7	0.1
(+) Net Loss From the Discontinued Operation, Net of Tax	1.0	-	-
Adjusted EBITDA	(\$5.5)	\$1.6	\$6.0

Commentary

- The SunCar team believes Adjusted EBITDA, as shown above, is crucial in evaluating operational performance as certain expenses including Transaction Fees and Share-Based Compensation may not be indicative of recurring, core business operating results
- The Company has achieved positive Adjusted EBITDA for FY2023 and 1H 2024
- Share-Based Compensation in 1H 2024 included one-time large incentives for key employees who have been with the Company for years
 - Most Share-Based Compensation expense is allocated equally across General & Administrative and Research & Development expenses
 - Historically, Share-Based Compensation has been in the low single digit range as a percent of revenue

Note: Historical financials based on public filings

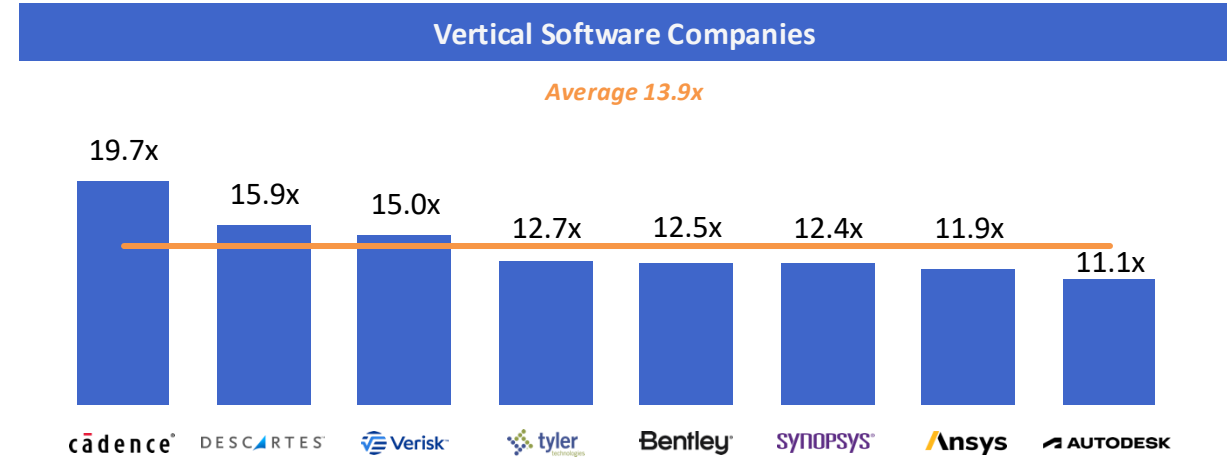
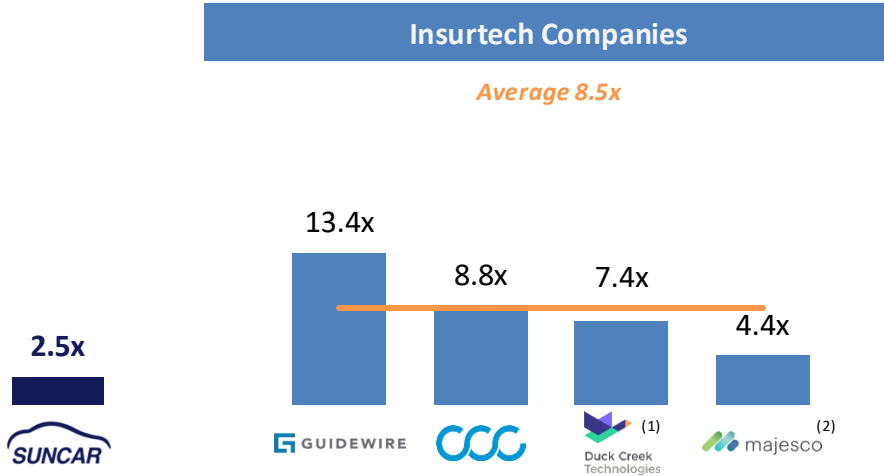
(1) Non-cash expense related to compensation costs for equity classified awards (both for the subsidiary and the Group)

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

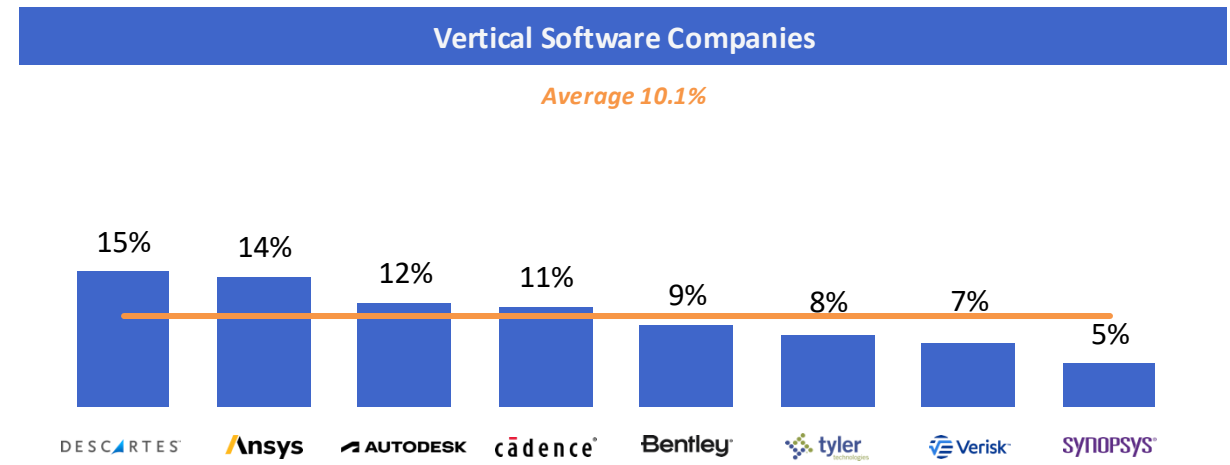
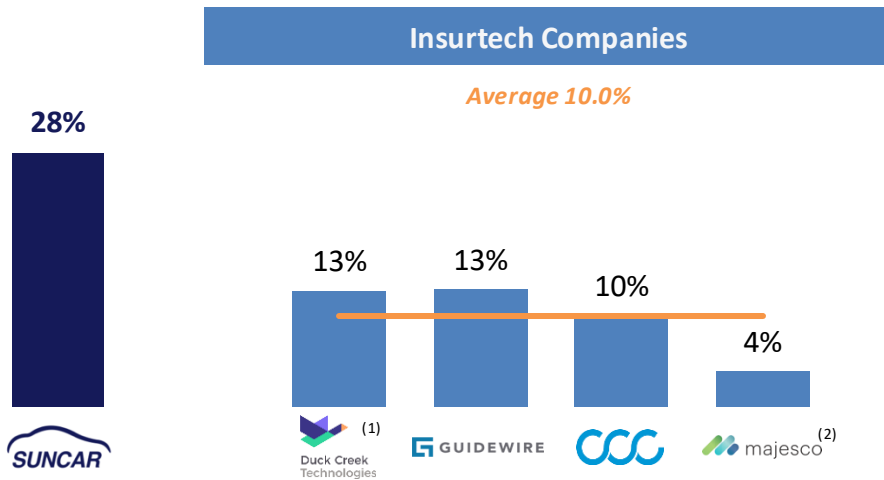
Valuation & Growth Benchmarking



EV / LTM Revenue



LTM Revenue Growth Rate⁽³⁾⁽⁴⁾



Note: Capital IQ, data as of 12/16/2024. Enterprise value calculations exclude minority interest and operating leases.

- (1) Data as of 3/29/2023 before Duck Creek went private
- (2) Data as of 9/21/2020 before Majesco went private
- (3) Company group growth rates based on LTM as of most recent filing
- (4) SunCar LTM growth rate as of 6/30/2024

Strategic Roadmap



SunCar is Well Positioned to Capitalize on an Expanding Market & Grow into a Leading B2B Vertical Technology Business

SunCar Today

Full-Service Platform

Connecting insurers, auto manufacturers, auto service providers and consumers through an integrated data platform

Innovative eInsurance Product

Pioneer in the digitalization of the insurance ecosystem under one unified application

A Growing & Opportunistic Business

Leading company poised to capitalize on its favorable position to drive additional growth and profitability

SunCar's Next Phase

- Increasing cross-sell across Auto eInsurance and Services
- App level integration allows bundling of insurance and auto services nationwide
- Expanding market share in a \$120B⁽¹⁾ high margin, insurance industry
- Higher volume significantly increases both top-line commissions from insurance companies and bottom-line profitability
- Deliver long-term earnings & shareholder value to investors
- Higher insurance mix increases profitability (both gross profit & adjusted EBITDA)

(1) GlobalData – Based on Auto Insurance gross written premiums

