

## Viomi Technology Co., Ltd Reports Fourth Quarter and Full Year 2022 Unaudited Financial Results

***Fourth quarter gross margin increased to 23.0% from 19.8% quarter-over-quarter.***

***Full-year gross margin improved to 22.8% from 22.6% year-over-year.***

GUANGZHOU, China, March 27, 2023 /PRNewswire/ -- Viomi Technology Co., Ltd ("Viomi" or the "Company") (NASDAQ: VIOT), a leading IoT @ Home technology company in China, today announced its unaudited financial results for the fourth quarter and full year ended December 31, 2022.

### Fourth Quarter 2022 Financial and Operating Highlights

- **Net revenues** were RMB910.5 million (US\$132.0 million), compared to RMB1,332.8 million for the fourth quarter of 2021.
- **Gross margin** was 23.0%.
- **Number of cumulative household users** reached approximately 7.7 million, compared to approximately 7.4 million as of the end of the third quarter of 2022 and approximately 6.6 million as of the end of the fourth quarter of 2021.
- **Percentage of household users with at least two connected products** reached 22.5%, compared to 22.3% as of the end of the third quarter of 2022 and 21.5% as of the end of the fourth quarter of 2021.

### Full Year 2022 Financial and Operating Highlights

- **Net revenues** were RMB3,232.7 million (US\$468.7 million), compared to RMB5,303.8 million for 2021.
- **Gross margin** increased to 22.8% from 22.6% for 2021.

Mr. Xiaoping Chen, Founder and CEO of Viomi, commented, "Due to the adverse impact of the COVID-19 pandemic and macro headwinds, we experienced a year-over-year decline in revenues in the fourth quarter of 2022 and our business scale was greatly affected by external factors and strategic adjustments throughout 2022. Nevertheless, our gross margin increased by 3.2% quarter-over-quarter in the fourth quarter of 2022, benefiting from our product portfolio optimization efforts. Our full-year gross margin in 2022 also kept stable as compared with 2021 despite fluctuations throughout the year. To adapt to the uncertainties in the macro environment of 2022, we implemented optimization measures across our business as we strove to improve our operating results and positioned ourselves to thrive in the post-pandemic era.

"First, to strengthen our product portfolio, we leveraged our competitive advantages and continued to enhance our core product categories with upgraded functionalities. Equipped with industry-leading technology, our AI water purification products, Viomi's longest-standing category, achieved a 6% year-over-year sales growth in the fourth quarter despite various challenges. Going forward, we will strengthen our efforts to optimize distribution channels, hone our existing technological advantages, and further deepen the market penetration of our products. We will also expand our footprint overseas with products such as air conditioners, washing machines and refrigerators to accelerate the recovery of our business scale.

"Furthermore, to improve our operational efficiency, we implemented more disciplined cost control measures during 2022. As a result, both selling and marketing expenses and research and development expenses decreased in the fourth quarter of 2022 compared with the prior year period. In particular, selling and marketing expenses as the proportion of net revenues narrowed compared with that in the second quarter of 2022 on a similar revenue scale. We will continue to optimize costs, streamline organizational structure and improve operational efficiency to boost profitability," Mr. Chen commented.

"While refining our business operations, we remained firmly committed to bringing more useful and user-friendly, whole-house intelligent solutions to consumers and continuously improving the intelligent experience of our products. In October 2022, we hosted the virtual 2022 Fall Software Launching Event, 'AI: Helpful 2.0'. This online event focused on software upgrades and product iteration across four dimensions, including healthcare, energy conservation and environmental protection, proactive intelligence, and natural interaction, further improving our one-stop IoT home solutions from the software side. In November 2022, Viomi's one-stop IoT home solution platform, HomeMap app, was awarded the Precision Science and Technology Award by the Ministry of Science and Technology of China and the National Office for Science and Technology Awards of China. Furthermore, during the year, we received approvals to establish both our Doctoral Workstation of Guangdong Province and our Foshan Enterprise Postdoctoral Workstation, which will facilitate talent cultivation and project incubation of Viomi. As a leading technology brand, Viomi will continue to devote resources to research and development and focus on technological innovation, driving progress industry-wide."

Mr. Chen concluded, "The market potential for whole-house intelligence is tremendous. and Viomi has already completed the layout of the 'one-stop IoT home' solution. As we progress through 2023, we will maintain sufficient financial reserves and strictly control costs to provide strong support for our brand development and product upgrades. Meanwhile, we will steadily expand our business domestically and introduce new product categories in overseas markets as we seek to accelerate the recovery of our profitability and achieve healthy and sustainable growth."

### Fourth Quarter 2022 Financial Results

#### REVENUE

Net revenues were RMB910.5 million (US\$132.0 million), compared to RMB1,332.8 million for the fourth quarter of 2021. The decline was mainly due

to a decrease in revenues from IoT@Home portfolio and small appliances and others.

- *IoT @ Home portfolio.* Revenues from IoT @ Home portfolio decreased by 48.1% to RMB359.2 million (US\$52.1 million) from RMB692.0 million for the fourth quarter of 2021. The decline was primarily due to SKU adjustments for smart kitchen products.
- *Home water solutions.* Revenues from home water solutions increased by 6.0% to RMB279.2 million (US\$40.5 million) from RMB263.3 million for the fourth quarter of 2021. The increase was primarily driven by an increase in revenues from larger flux water purifiers as a result of the product portfolio adjustment within this category.
- *Consumables.* Revenues from consumables decreased by 3.5% to RMB116.2 million (US\$16.8 million) from RMB120.4 million for the fourth quarter of 2021.
- *Small appliances and others.* Revenues from small appliances and others decreased by 39.3% to RMB155.9 million (US\$22.6 million) from RMB257.1 million for the fourth quarter of 2021, primarily due to the continued product portfolio adjustment within this category.

## **GROSS PROFIT**

Gross profit was RMB209.7 million (US\$30.4 million), compared to RMB341.5 million for the fourth quarter of 2021. Gross margin was 23.0%, compared to 25.6% for the fourth quarter of 2021. The decline was primarily due to a decrease in the selling price of certain clean-up products as a result of product portfolio adjustments.

## **OPERATING EXPENSES**

Total operating expenses decreased by 19.4% to RMB274.7 million (US\$39.8 million) from RMB340.7 million for the fourth quarter of 2021, primarily due to a decrease in selling and marketing expenses, partially offset by an increase in general and administrative expenses.

*Research and development expenses* decreased by 23.6% to RMB74.7 million (US\$10.8 million) from RMB97.8 million for the fourth quarter of 2021, mainly due to a decrease in research and development experts and related salaries, as well as the Company's continued efforts in R&D efficiency improvement.

*Selling and marketing expenses* decreased by 29.7% to RMB151.1 million (US\$21.9 million) from RMB214.8 million for the fourth quarter of 2021, mainly due to a decrease in logistics and marketing expenses.

*General and administrative expenses* increased by 74.5% to RMB48.9 million (US\$7.1 million), compared to RMB28.0 million for the fourth quarter of 2021, primarily due to an increase in the estimated allowance for accounts and notes receivables from a third party client recognized in the same period.

## **LOSS/INCOME FROM OPERATIONS**

Loss from operations was RMB59.3 million (US\$8.6 million), compared to income from operations of RMB9.1 million for the fourth quarter of 2021.

Non-GAAP operating loss<sup>[1]</sup> was RMB54.5 million (US\$7.9 million), compared to non-GAAP operating income of RMB19.9 million for the fourth quarter of 2021.

## **NET LOSS/INCOME**

Net loss attributable to ordinary shareholders of the Company was RMB106.3 million (US\$15.4 million), compared to net income attributable to ordinary shareholders of the Company of RMB22.7 million for the fourth quarter of 2021. The difference between loss from operations and net loss in 2022 was mainly due to an increase in the valuation allowance of deferred tax asset provided, which caused an increase in income tax expenses.

Non-GAAP net loss attributable to ordinary shareholders<sup>[2]</sup> of the Company was RMB101.6 million (US\$14.7 million), compared to non-GAAP net income attributable to ordinary shareholders of the Company of RMB33.5 million for the fourth quarter of 2021.

[1] "Non-GAAP operating loss" is defined as loss from operation excluding share-based compensation expenses. See "Use of Non-GAAP Measures" and "Reconciliation of GAAP and Non-GAAP Results" included in this press release.

[2] "Non-GAAP net loss attributable to ordinary shareholders of the Company" is defined as net loss attributable to ordinary shareholders of the Company excluding share-based compensation expenses. See "Use of Non-GAAP Measures" and "Reconciliation of GAAP and Non-GAAP Results" included in this press release.

## **BALANCE SHEET**

As of December 31, 2022, the Company had cash and cash equivalents of RMB737.1 million (US\$106.9 million), restricted cash of RMB76.1 million

(US\$11.0 million), short-term deposits of RMB171.5 million (US\$24.9 million) and short-term investments of RMB197.1 million (US\$28.6 million), compared to RMB587.0 million, RMB35.8 million, nil and RMB828.9 million, respectively, as of December 31, 2021.

## **Full Year 2022 Financial Results**

### **REVENUE**

Net revenues were RMB3,232.7 million (US\$468.7 million), compared to RMB5,303.8 million for 2021.

- *IoT @ Home portfolio*. Revenues from IoT @ Home portfolio decreased by 52.4% to RMB1,619.9 million (US\$234.9 million) from RMB3,401.0 million for 2021.
- *Home water solutions*. Revenues from home water solutions decreased by 8.3% to RMB681.1 million (US\$98.7 million) from RMB742.9 million for 2021.
- *Consumables*. Revenues from consumables decreased by 2.4% to RMB358.4 million (US\$52.0 million) from RMB367.0 million for 2021.
- *Small appliances and others*. Revenues from small appliances and others decreased by 27.7% to RMB573.3 million (US\$83.1 million) from RMB792.9 million for 2021.

### **GROSS PROFIT**

Gross profit was RMB737.1 million (US\$106.9 million), compared to RMB1,198.1 million for 2021. Gross margin improved to 22.8% from 22.6% for 2021.

### **OPERATING EXPENSES**

Total operating expenses decreased by 10.7% to RMB1,036.5 million (US\$150.3 million) from RMB1,160.5 million for 2021.

*Research and development expenses* decreased by 3.8% to RMB300.0 million (US\$43.5 million) from RMB311.8 million for 2021.

*Selling and marketing expenses* decreased by 18.1% to RMB614.9 million (US\$89.2 million) from RMB751.0 million for 2021.

*General and administrative expenses* increased by 24.5% to RMB121.7 million (US\$17.6 million), compared to RMB97.7 million for 2021.

### **LOSS/INCOME FROM OPERATIONS**

Loss from operations was RMB277.3 million (US\$40.2 million), compared to income from operations of RMB64.7 million for 2021.

Non-GAAP operating loss was RMB257.8 million (US\$37.4 million), compared to non-GAAP operating income of RMB112.1 million for 2021.

### **NET LOSS/INCOME**

Net loss attributable to ordinary shareholders of the Company was RMB275.5 million (US\$39.9 million), compared to net income attributable to ordinary shareholders of the Company of RMB88.6 million for 2021.

Non-GAAP net loss attributable to ordinary shareholders of the Company was RMB256.0 million (US\$37.1 million), compared to non-GAAP net income attributable to ordinary shareholders of the Company of RMB136.0 million for 2021.

### **Conference Call**

The Company's management will host a conference call at 8:00 a.m. Eastern Time on Monday, March 27, 2023 (8:00 p.m. Beijing/Hong Kong time on March 27, 2023) to discuss financial results and answer questions from investors and analysts. Listeners may access the call by dialing:

|                             |                 |
|-----------------------------|-----------------|
| United States (toll free):  | +1 888-346-8982 |
| International:              | +1 412-902-4272 |
| Hong Kong, SAR (toll free): | 800-905-945     |
| Hong Kong, SAR:             | +852 3018-4992  |
| Mainland China (toll free): | 400-120-1203    |
| Conference ID:              | 1826420         |

A telephone replay will be available one hour after the call until April 3, 2023 by dialing:

|                |                 |
|----------------|-----------------|
| United States: | +1 877-344-7529 |
|----------------|-----------------|

International: +1 412-317-0088  
Replay Access Code: 1826420

Additionally, a live and archived webcast of the conference call will be available at <http://ir.viomi.com>.

### **About Viomi Technology**

Viomi's mission is to redefine the future home via the concept of IoT @ Home.

Viomi has developed a unique IoT @ Home platform consisting of an ecosystem of innovative IoT-enabled smart home products, together with a suite of complementary consumable products and value-added businesses. This platform provides an attractive entry point into the consumer home, enabling consumers to intelligently interact with a broad portfolio of IoT products in an intuitive and human-like manner to make daily life more convenient, efficient and enjoyable, while allowing Viomi to grow its household user base and capture various additional scenario-driven consumption events in the home environment.

For more information, please visit: <http://ir.viomi.com>.

### **Use of Non-GAAP Measures**

The Company uses non-GAAP operating income, non-GAAP net income, non-GAAP net income attributable to ordinary shareholders of the Company, non-GAAP basic and diluted net income per ordinary share and non-GAAP basic and diluted net income per American depositary share ("ADS"), which are non-GAAP financial measures, in evaluating its operating results and for financial and operational decision-making purposes. Non-GAAP operating income is income from operations excluding share-based compensation expenses. Non-GAAP net income is net income excluding share-based compensation expenses. Non-GAAP net income attributable to ordinary shareholders of the Company is net income attributable to ordinary shareholders excluding share-based compensation expenses. Non-GAAP basic and diluted net income per ordinary share is non-GAAP net income attributable to ordinary shareholders divided by weighted average number of ordinary shares used in the calculation of non-GAAP basic and diluted net income per ordinary share. Non-GAAP basic and diluted net income per ADS is non-GAAP net income attributable to ordinary shareholders divided by weighted average number of ADS used in the calculation of non-GAAP basic and diluted net income per ADS. The non-GAAP adjustments do not have any tax impact as share-based compensation expenses are non-deductible for income tax purpose.

The Company believes that non-GAAP financial measures help identify underlying trends in its business by excluding the impact of share-based compensation expenses, which are non-cash charges, and these measures provide useful information about the Company's operating results, enhance the overall understanding of the Company's past performance and future prospects and allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making.

Non-GAAP financial measures should not be considered in isolation or construed as alternative to income from operations, net income, or any other measure of performance or as an indicator of the Company's operating performance. Investors are encouraged to review the historical non-GAAP financial measures to the most directly comparable GAAP measures. Non-GAAP financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data. We encourage investors and others to review its financial information in its entirety and not rely on a single financial measure. Reconciliations of the Company's non-GAAP financial measures to the most directly comparable GAAP measures are included at the end of this press release.

### **Exchange Rate**

The Company's business is primarily conducted in China and the significant majority of revenues generated are denominated in Renminbi ("RMB"). This announcement contains currency conversions of RMB amounts into U.S. dollars ("US\$") solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to US\$ are made at a rate of RMB6.8972 to US\$1.00, the effective noon buying rate for December 30, 2022 as set forth in the H.10 statistical release of the Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on for December 30, 2022, or at any other rate.

### **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under 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," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Among other things, the business outlook and quotations from management in this announcement, as well as Viomi's strategic and operational plans, contain forward-looking statements. Viomi may also make written or oral forward-looking statements in its periodic reports to the United States Securities and Exchange Commission (the "SEC"), in its annual

report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to Fourth parties. Statements that are not historical facts, including statements about the Company's beliefs 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 Company's growth strategies; the cooperation with Xiaomi, the recognition of the Company's brand; trends and competition in global IoT-enabled smart home market; development and commercialization of new products, services and technologies; governmental policies and relevant regulatory environment relating to the Company's industry and/or aspects of the business operations and general economic conditions in China and around the globe, and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in the Company's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and the Company undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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**VIOMI TECHNOLOGY CO., LTD**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(All amounts in thousands, except shares, ADS, per share and per ADS data)

|  | <b>As of December 31,</b> | <b>As of December 31,</b> |             |
|--|---------------------------|---------------------------|-------------|
|  | <b>2021</b>               | <b>2022</b>               | <b>2022</b> |
|  | RMB                       | RMB                       | US\$        |

**Assets**

**Current assets**

|  |         |         |         |
|--|---------|---------|---------|
| Cash and cash equivalents  | 586,955 | 737,139 | 106,875 |
| Restricted cash  | 35,831  | 76,070  | 11,029  |
| Short-term deposits  | -       | 171,541 | 24,871  |
| Short-term investments   | 828,867 | 197,058 | 28,571  |
| Accounts and notes receivable from third parties<br>(net of allowance of RMB34,385 and RMB87,563,<br>as of December 31, 2021 and December 31, 2022,<br>respectively) | 302,336 | 241,652 | 35,036  |
| Accounts receivable from a related party (net of<br>allowance of RMB368 and RMB272 as of<br>December 31, 2021 and December 31, 2022,<br>respectively)                | 320,939 | 360,497 | 52,267  |

|   |                  |                  |                |
|---|------------------|------------------|----------------|
| Other receivables from related parties (net of allowance of RMB104 and RMB19 as of December 31, 2021 and December 31, 2022, respectively) | 88,367           | 25,021           | 3,628          |
| Inventories   | 576,351          | 502,291          | 72,825         |
| Prepaid expenses and other current assets   | 156,127          | 271,761          | 39,402         |
| Long-term deposits-current portion  | 50,000           | -                | -              |
| <b>Total current assets</b>   | <b>2,945,773</b> | <b>2,583,030</b> | <b>374,504</b> |
| <b>Non-current assets</b>   |                  |                  |                |
| Prepaid expenses and other non-current assets   | 27,321           | 22,856           | 3,314          |
| Property, plant and equipment, net  | 145,993          | 236,432          | 34,279         |
| Deferred tax assets   | 35,304           | 12,660           | 1,836          |
| Intangible assets, net  | 12,176           | 13,671           | 1,982          |
| Right-of-use assets, net  | 18,425           | 14,649           | 2,124          |
| Land use rights, net  | 61,722           | 60,449           | 8,764          |
| Long-term deposits-non-current portion  | 30,000           | 30,000           | 4,350          |
| <b>Total non-current assets</b>   | <b>330,941</b>   | <b>390,717</b>   | <b>56,649</b>  |
| <b>Total assets</b>   | <b>3,276,714</b> | <b>2,973,747</b> | <b>431,153</b> |
| <b>Liabilities and shareholders' equity</b>   |                  |                  |                |
| <b>Current liabilities</b>  |                  |                  |                |
| Accounts and notes payable  | 1,069,108        | 932,347          | 135,178        |
| Advances from customers   | 99,632           | 118,369          | 17,162         |
| Amount due to related parties   | 5,415            | 11,548           | 1,674          |
| Accrued expenses and other liabilities  | 365,718          | 308,609          | 44,743         |
| Income tax payables   | 43,343           | 16,674           | 2,418          |
| Lease liabilities due within one year   | 11,312           | 7,233            | 1,049          |
| Long-term borrowing due within one year   | -                | 20,215           | 2,931          |
| <b>Total current liabilities</b>  | <b>1,594,528</b> | <b>1,414,995</b> | <b>205,155</b> |
| <b>Non-current liabilities</b>  |                  |                  |                |
| Accrued expenses and other liabilities  | 7,558            | 8,245            | 1,196          |
| Long-term borrowing   | 16,105           | 114,552          | 16,608         |
| Lease liabilities   | 7,596            | 6,792            | 985            |
| <b>Total non-current liabilities</b>  | <b>31,259</b>    | <b>129,589</b>   | <b>18,789</b>  |
| <b>Total liabilities</b>  | <b>1,625,787</b> | <b>1,544,584</b> | <b>223,944</b> |

**VIOMI TECHNOLOGY CO., LTD**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)**

(All amounts in thousands, except shares, ADS, per share and per ADS data)

| <b>As of December 31,</b> | <b>As of December 31,</b> |             |
|---------------------------|---------------------------|-------------|
| <b>2021</b>               | <b>2022</b>               | <b>2022</b> |
| RMB                       | RMB                       | US\$        |

**Shareholders' equity**

Class A Ordinary Shares (US\$0.00001 par value;

4,800,000,000 shares authorized; 105,516,779  
and 104,539,463 shares issued and outstanding as  
of December 31, 2021 and December 31, 2022,

respectively)

Class B Ordinary Shares (US\$0.00001 par value;

150,000,000 shares authorized; 103,214,547 and  
102,854,550 shares issued and outstanding as of

December 31, 2021 and December 31, 2022,

respectively)

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|                                      |           |           |          |
|--------------------------------------|-----------|-----------|----------|
| Treasury stock                       | (66,668)  | (74,703)  | (10,831) |
| Additional paid-in capital           | 1,337,281 | 1,357,397 | 196,804  |
| Retained earnings                    | 449,900   | 174,385   | 25,283   |
| Accumulated other comprehensive loss | (73,120)  | (24,335)  | (3,528)  |

**Total equity attributable to shareholders of the  
Company**

1,647,405 1,432,756 207,730

Non-controlling interests

3,522 (3,593) (521)

**Total shareholders' equity**

1,650,927 1,429,163 207,209

**Total liabilities and shareholders' equity**

3,276,714 2,973,747 431,153

**VIOMI TECHNOLOGY CO., LTD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF**  
**COMPREHENSIVE INCOME**

(All amounts in thousands, except shares, ADS, per share and per ADS data)

|                                      | Three Months Ended |           |           | Twelve Months Ended |             |           |
|--------------------------------------|--------------------|-----------|-----------|---------------------|-------------|-----------|
|                                      | December           | December  | December  | December            | December    | December  |
|                                      | 31, 2021           | 31, 2022  | 31, 2022  | 31, 2021            | 31, 2022    | 31, 2022  |
|                                      | RMB                | RMB       | US\$      | RMB                 | RMB         | US\$      |
| <b>Net revenues:</b>                 |                    |           |           |                     |             |           |
| A related party                      | 549,518            | 514,570   | 74,606    | 2,295,569           | 1,403,354   | 203,467   |
| Third parties                        | 783,295            | 395,979   | 57,412    | 3,008,266           | 1,829,377   | 265,235   |
| <b>Total net revenues</b>            | 1,332,813          | 910,549   | 132,018   | 5,303,835           | 3,232,731   | 468,702   |
| Cost of revenues                     | (991,327)          | (700,881) | (101,618) | (4,105,767)         | (2,495,638) | (361,834) |
| <b>Gross profit</b>                  | 341,486            | 209,668   | 30,400    | 1,198,068           | 737,093     | 106,868   |
| <b>Operating expenses</b>            |                    |           |           |                     |             |           |
| Research and development expenses    | (97,796)           | (74,677)  | (10,827)  | (311,786)           | (299,950)   | (43,489)  |
| Selling and marketing expenses       | (214,846)          | (151,064) | (21,902)  | (751,011)           | (614,889)   | (89,151)  |
| General and administrative expenses  | (28,040)           | (48,924)  | (7,093)   | (97,730)            | (121,702)   | (17,645)  |
| <b>Total operating expenses</b>      | (340,682)          | (274,665) | (39,822)  | (1,160,527)         | (1,036,541) | (150,285) |
| Other income, net                    | 8,268              | 5,713     | 828       | 27,128              | 22,135      | 3,209     |
| <b>Income (loss) from operations</b> | 9,072              | (59,284)  | (8,594)   | 64,669              | (277,313)   | (40,208)  |

Interest income and short-term investment

|   |        |           |          |         |           |          |
|---|--------|-----------|----------|---------|-----------|----------|
| income, net   | 10,442 | 2,045     | 296      | 28,589  | 10,368    | 1,503    |
| Other non-operating income  | 592    | 656       | 95       | 1,372   | 2,487     | 361      |
| <b>Income (loss) before income tax expenses</b>                                   | 20,106 | (56,583)  | (8,203)  | 94,630  | (264,458) | (38,344) |
| Income tax credits (expenses)   | 2,139  | (50,794)  | (7,364)  | (5,739) | (18,174)  | (2,635)  |
| <b>Net income (loss)</b>  | 22,245 | (107,377) | (15,567) | 88,891  | (282,632) | (40,979) |
| Less: Net (loss) income attributable to the non-controlling interest shareholders | (435)  | (1,031)   | (149)    | 286     | (7,114)   | (1,031)  |
| <b>Net income (loss) attributable to ordinary shareholders of the Company</b>     | 22,680 | (106,346) | (15,418) | 88,605  | (275,518) | (39,948) |

**VIOMI TECHNOLOGY CO., LTD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF**  
**COMPREHENSIVE INCOME (CONTINUED)**

(All amounts in thousands, except shares, ADS, per share and per ADS data)

|   | Three Months Ended |             |             | Twelve Months Ended |             |             |
|---|--------------------|-------------|-------------|---------------------|-------------|-------------|
|   | December           | December    | December    | December            | December    | December    |
|   | 31, 2021           | 31, 2022    | 31, 2022    | 31, 2021            | 31, 2022    | 31, 2022    |
|   | RMB                | RMB         | US\$        | RMB                 | RMB         | US\$        |
| <b>Net income (loss) attributable to ordinary shareholders of the Company</b>                 | 22,680             | (106,346)   | (15,418)    | 88,605              | (275,518)   | (39,948)    |
| Other comprehensive (loss) income, net of tax:  |                    |             |             |                     |             |             |
| Foreign currency translation adjustment   | (8,948)            | (8,409)     | (1,219)     | (13,736)            | 48,784      | 7,073       |
| <b>Total comprehensive income (loss) attributable to ordinary shareholders of the Company</b> | 13,732             | (114,755)   | (16,637)    | 74,869              | (226,734)   | (32,875)    |
| <b>Net income (loss) per ADS*</b>   |                    |             |             |                     |             |             |
| -Basic  | 0.32               | (1.54)      | (0.22)      | 1.27                | (3.97)      | (0.58)      |
| -Diluted  | 0.32               | (1.54)      | (0.22)      | 1.20                | (3.97)      | (0.58)      |
| Weighted average number of ADS used in calculating net income (loss) per ADS                  |                    |             |             |                     |             |             |
| -Basic  | 70,106,731         | 69,280,242  | 69,280,242  | 69,850,607          | 69,447,004  | 69,447,004  |
| -Diluted  | 71,931,462         | 69,280,242  | 69,280,242  | 73,578,666          | 69,447,004  | 69,447,004  |
| <b>Net income (loss) per share attributable to ordinary shareholders of the Company</b>       |                    |             |             |                     |             |             |
| -Basic  | 0.11               | (0.51)      | (0.07)      | 0.42                | (1.32)      | (0.19)      |
| -Diluted  | 0.11               | (0.51)      | (0.07)      | 0.40                | (1.32)      | (0.19)      |
| Weighted average number of ordinary shares used in calculating net income (loss) per share    |                    |             |             |                     |             |             |
| -Basic  | 210,320,194        | 207,840,725 | 207,840,725 | 209,551,821         | 208,341,011 | 208,341,011 |
| -Diluted  | 215,794,387        | 207,840,725 | 207,840,725 | 220,735,997         | 208,341,011 | 208,341,011 |



\*Each ADS represents 3 ordinary shares.

(1) Share-based compensation was allocated in operating expenses as follows:

|                                     | Three Months Ended |          |          | Twelve Months Ended |          |          |
|-------------------------------------|--------------------|----------|----------|---------------------|----------|----------|
|                                     | December           | December | December | December            | December | December |
|                                     | 31, 2021           | 31, 2022 | 31, 2022 | 31, 2021            | 31, 2022 | 31, 2022 |
|                                     | RMB                | RMB      | US\$     | RMB                 | RMB      | US\$     |
| General and administrative expenses | 2,140              | 77       | 11       | 9,130               | 4,415    | 640      |
| Research and development expenses   | 7,979              | 5,134    | 744      | 32,609              | 14,645   | 2,123    |
| Selling and marketing expenses      | 662                | (424)    | (61)     | 5,666               | 500      | 72       |

**VIOMI TECHNOLOGY CO., LTD**  
**Reconciliations of GAAP and Non-GAAP Results**

(All amounts in thousands, except shares, ADS, per share and per ADS data)

|  | Three Months Ended |            |            | Twelve Months Ended |              |              |
|--|--------------------|------------|------------|---------------------|--------------|--------------|
|  | December           | December   | December   | December 31,        | December 31, | December 31, |
|  | 31, 2021           | 31, 2022   | 31, 2022   | 2021                | 2022         | 2022         |
|  | RMB                | RMB        | US\$       | RMB                 | RMB          | US\$         |
| Income (loss) from operations  | 9,072              | (59,284)   | (8,594)    | 64,669              | (277,313)    | (40,208)     |
| Share-based compensation expenses  | 10,781             | 4,787      | 694        | 47,405              | 19,560       | 2,835        |
| <b>Non-GAAP operating income (loss)</b>  | 19,853             | (54,497)   | (7,900)    | 112,074             | (257,753)    | (37,373)     |
| Net income (loss)  | 22,245             | (107,377)  | (15,567)   | 88,891              | (282,632)    | (40,979)     |
| Share-based compensation expenses  | 10,781             | 4,787      | 694        | 47,405              | 19,560       | 2,835        |
| <b>Non-GAAP net income (loss)</b>  | 33,026             | (102,590)  | (14,873)   | 136,296             | (263,072)    | (38,144)     |
| Net income (loss) attributable to ordinary shareholders of the Company                 | 22,680             | (106,346)  | (15,418)   | 88,605              | (275,518)    | (39,948)     |
| Share-based compensation expenses  | 10,781             | 4,787      | 694        | 47,405              | 19,560       | 2,835        |
| <b>Non-GAAP net income (loss) attributable to ordinary shareholders of the Company</b> | 33,461             | (101,559)  | (14,724)   | 136,010             | (255,958)    | (37,113)     |
| <b>Non-GAAP net income (loss) per ADS</b>  |                    |            |            |                     |              |              |
| -Basic   | 0.48               | (1.47)     | (0.21)     | 1.95                | (3.69)       | (0.53)       |
| -Diluted   | 0.47               | (1.47)     | (0.21)     | 1.85                | (3.69)       | (0.53)       |
| Weighted average number of ADS used in calculating Non-GAAP net income (loss) per ADS  |                    |            |            |                     |              |              |
| -Basic   | 70,106,731         | 69,280,242 | 69,280,242 | 69,850,607          | 69,447,004   | 69,447,004   |
| -Diluted   | 71,931,462         | 69,280,242 | 69,280,242 | 73,578,666          | 69,447,004   | 69,447,004   |
| <b>Non-GAAP net income (loss) per ordinary share</b>                                   |                    |            |            |                     |              |              |
| -Basic   |                    |            |            |                     |              |              |
| -Diluted   | 0.16               | (0.49)     | (0.07)     | 0.65                | (1.23)       | (0.18)       |
|  | 0.16               | (0.49)     | (0.07)     | 0.62                | (1.23)       | (0.18)       |
| Weighted average number of ordinary shares used in                                     |                    |            |            |                     |              |              |

|  |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| calculating Non-GAAP net income (loss) per share |             |             |             |             |             |             |
| -Basic   | 210,320,194 | 207,840,725 | 207,840,725 | 209,551,821 | 208,341,011 | 208,341,011 |
| -Diluted   | 215,794,387 | 207,840,725 | 207,840,725 | 220,735,997 | 208,341,011 | 208,341,011 |

Note: The non-GAAP adjustments does not have any tax impact as share-based compensation expenses are non-deductible for income tax purpose.

SOURCE Viomi Technology Co., Ltd

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<https://ir.viomi.com/2023-03-27-Viomi-Technology-Co.,-Ltd-Reports-Fourth-Quarter-and-Full-Year-2022-Unaudited-Financial-Results>