

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## Horizon Robotics

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)  
(Stock code: 9660)

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024 AND PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The board (the “**Board**”) of directors (the “**Directors**”) of Horizon Robotics (the “**Company**”) is pleased to announce the audited annual consolidated results of the Company for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023. These annual results have been extracted from the audited financial statements of the Company and have been reviewed by the audit committee (the “**Audit Committee**”) of the Board.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group (as defined under the “General Information” heading in the “Notes to the Financial Information” section).

## FINANCIAL PERFORMANCE HIGHLIGHTS

	For the Year Ended December 31,		
	2024	2023	Change (%)
	<i>(RMB in thousands, except for percentages)</i>		
Revenue from contracts with customers	2,383,554	1,551,607	53.6
Gross profit	1,841,354	1,094,310	68.3
Operating loss	(2,144,240)	(2,030,522)	5.6
<b>Profit/(Loss) for the year</b>	<b>2,346,508</b>	<b>(6,739,053)</b>	<b>(134.8)</b>
Non-IFRS Financial Measures:			
<b>Adjusted operating loss</b>	<b>(1,495,179)</b>	<b>(1,686,991)</b>	<b>(11.4)</b>
<b>Adjusted net loss</b>	<b>(1,681,155)</b>	<b>(1,635,168)</b>	<b>2.8</b>

Note:

Please refer to section headed “Non-IFRS Measures” in this annual results announcement for more details.

## **BUSINESS REVIEW AND OUTLOOK**

### **Business Review for the Reporting Period**

In 2024, we solidified our position as a leading advanced driver assistance systems (ADAS) and autonomous driving (AD) solutions provider for passenger vehicles, achieving significant milestones:

- **Dominant ADAS market share:** By the end of 2024, we captured over 40% of the Chinese OEM ADAS market, reinforcing our market leadership and underscoring the widespread adoption of ADAS solutions.
- **Strong AD business momentum:** Amid accelerating AD adoption, we ranked the 2nd among independent third-party AD solution providers in China with increasing market shares, solidifying our competitive edge and positioning us to lead the rapidly expanding sector.
- **Record high delivery volume and design-wins:** Delivery volumes of our product solutions have reached approximately 2.9 million in 2024, and our accumulative delivery of product solutions has reached approximately 7.7 million. In 2024, we achieved design-wins for over 100 car models, increasing our cumulative total design-wins to more than 310 car models as of December 31, 2024.

We recorded revenue of RMB2,383.6 million in 2024, marking a 53.6% growth year-on-year. We had gross profit of RMB1,841.4 million, representing a 68.3% year-on-year growth. At the same time, we have steadily enhanced our R&D and operational efficiency, narrowing our adjusted operating loss by RMB191.8 million compared to last year. We believe such strong financial performance demonstrates our ability to continue our growth and effectively execute our business strategies in a fast evolving environment.

### **Products and Solutions**

- **Horizon Mono:** In 2024, we secured the highest market share in the Chinese OEM ADAS market. In addition, we formed a strategic partnership with a leading global tier-one based on next generation Horizon Mono designs, which marked a pivotal step in our globalization.
- **Horizon SuperDrive (HSD):** In 2024, we unveiled our next-generation full-scenario AD solution, HSD. Our HSD solution is designed to achieve smooth and human-like autonomous driving in all urban, highway and parking scenarios, featuring groundbreaking innovations.
- **In 2024, we introduced the Journey 6 series processing hardware, designed to power our ADAS and AD solutions. We started our production of Journey 6 processing hardware in February 2025. Our intelligent driving solutions powered by the Journey 6 series processing hardware are widely welcomed by the market upon launch. By the end of 2024, we have partnered with over 20 OEM brands for adoption, spanning leading Chinese OEMs, global automotive giants, top-tier EV brands, and their affiliate joint ventures.**

## **License and Services**

Building on our leadership in ADAS and AD solutions, we empower Chinese and global partners through scalable IP licensing and one-stop shop development services, underpinned by our flexible, customer-centric business model. We enable OEMs and tier-ones to accelerate innovation cycles while reducing upfront R&D costs.

In 2024, we supported customers worldwide through our licensing and services, streamlining their path to production-ready autonomous driving. We had licensing and service revenue of RMB1,647.5 million in 2024, representing a 70.9% growth year-over-year.

## **RECENT DEVELOPMENTS AFTER THE REPORTING PERIOD**

### **Pioneering Partnership in Intelligent Driving**

Since early 2025, OEMs have begun integrating AD technology into entry-level vehicle models, making advanced driving capabilities accessible to a broader market. Our latest AD solution for high-way NOA, powered by the cutting edge Journey 6E and Journey 6M processing hardware, has become the choice of all these OEMs to deliver scalable, high-performance AD tailored for mass-market adoption. These partnerships highlight our capacity to deliver on the stringent safety, efficiency, and performance standards set by the world's leading EV manufacturers.

### **Urban NOA in High-Traffic Environments**

HSD is capable of navigating the bustling downtown areas of China's first-tier cities. The solution's maturity is evident in its assertive, human-like driving style, seamless decision-making, smooth obstacle avoidance with minimal driver intervention, and performance on par with seasoned human drivers in scenarios such as unprotected U-turns and complex pedestrian interactions. HSD was honored with the iF Design Award for its HMI design, celebrated for its intuitive interface, lifelike visuals, and minimalist aesthetic that prioritizes clarity and user engagement.

## **BUSINESS OUTLOOK**

Beginning in 2025, our next generation ADAS and AD solutions, supported by the Journey 6 series processing hardware, will power an expanded lineup of vehicle modes. We expect our cumulative shipments of Journey series processing hardware to exceed 10 million units in 2025, establishing ourselves as the first autonomous driving technology company to achieve this milestone in China.

We expect HSD keeps scaling up to tackle more complex driving scenarios with human-like experience and scaling out to enable seamless nationwide deployment. Built on our proprietary processing hardware, HSD has been nominated by multiple leading OEM brands for integration into their strategic models, with mass production on track to begin in the third quarter of 2025.

Smart vehicle transformation is a mega trend that has been reshaping the global automotive industry. We anticipate 2025 will mark a pivotal inflection point for the intelligent driving industry, as technological breakthroughs, regulatory tailwinds, and consumer readiness converge to unlock mass-market adoption of autonomous mobility. We remain committed to democratizing intelligent driving with our ADAS and AD technologies. With HSD now entering mass production, we are uniquely positioned to lead this transformative era – pioneering excellence, and making intelligent driving accessible to all.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

The following table sets forth the comparative figures for the years ended December 31, 2024 and 2023:

	<u>Year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<i>(in thousands of RMB)</i>	
Revenue from contracts with customers	<b>2,383,554</b>	1,551,607
Cost of sales	<b>(542,200)</b>	(457,297)
<b>Gross profit</b>	<b><u>1,841,354</u></b>	<u>1,094,310</u>
Research and development expenses	<b>(3,156,055)</b>	(2,366,255)
Administrative expenses	<b>(637,615)</b>	(443,366)
Selling and marketing expenses	<b>(409,853)</b>	(327,249)
Net impairment losses on financial assets	<b>(51,249)</b>	(20,793)
Other income	<b>195,875</b>	66,222
Other gains/(losses) – net	<b>73,303</b>	(33,391)
<b>Operating loss</b>	<b><u>(2,144,240)</u></b>	<u>(2,030,522)</u>
<i>Add back:</i>		
Share-based payments	<b>562,923</b>	341,751
Listing expenses	<b>86,138</b>	1,780
<b>Adjusted operating loss (non-IFRS measure)</b>	<b><u>(1,495,179)</u></b>	<u>(1,686,991)</u>
Operating loss	<b>(2,144,240)</b>	(2,030,522)
Finance income	<b>383,231</b>	167,473
Finance costs	<b>(7,413)</b>	(8,651)
Finance income – net	<b>375,818</b>	158,822
Share of results of investments accounted for using the equity method	<b>(557,287)</b>	(112,074)
Fair value changes of preferred shares and other financial liabilities	<b>4,676,724</b>	(4,760,354)
<b>Profit/(Loss) before income tax</b>	<b><u>2,351,015</u></b>	<u>(6,744,128)</u>
Income tax (expense)/benefit	<b>(4,507)</b>	5,075
<b>Profit/(Loss) for the year</b>	<b><u><u>2,346,508</u></u></b>	<u><u>(6,739,053)</u></u>
<i>Add back:</i>		
Share-based payments	<b>562,923</b>	341,751
Listing expenses	<b>86,138</b>	1,780
Fair value changes of preferred shares and other financial liabilities	<b>(4,676,724)</b>	4,760,354
<b>Adjusted net loss (non-IFRS measure)</b>	<b><u><u>(1,681,155)</u></u></b>	<u><u>(1,635,168)</u></u>

**Revenues.** Revenues increased by 53.6% year-on-year to RMB2,383.6 million for the year ended December 31, 2024. The following table sets forth our revenues by revenue source for the years ended December 31, 2024 and 2023:

	<b>Year ended December 31,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>% of total revenues</b>	<b>Amount</b>	<b>% of total revenues</b>
	<i>(in thousands of RMB, except for percentages)</i>			
Automotive solutions				
Product solutions	<b>664,237</b>	<b>27.9%</b>	506,386	32.7%
License and services	<b>1,647,466</b>	<b>69.1%</b>	963,978	62.1%
Subtotal	<b>2,311,703</b>	<b>97.0%</b>	1,470,364	94.8%
Non-Automotive solutions	<b>71,851</b>	<b>3.0%</b>	81,243	5.2%
<b>Total revenues</b>	<b>2,383,554</b>	<b>100%</b>	<b>1,551,607</b>	<b>100%</b>

Revenues from automotive solutions increased by 57.2% year-on-year to RMB2,311.7 million for the year ended December 31, 2024. This growth was driven by:

- Revenues from product solutions increased by 31.2% year-on-year to RMB664.2 million for the year ended December 31, 2024. This growth is mainly driven by increased delivery volumes throughout the year, which reflects strong customer recognition, rising demand for our products, and subsequent gains in market share.
- Revenues from license and services increased by 70.9% year-on-year to RMB1,647.5 million for the year ended December 31, 2024, primarily as a result of the smart vehicle industry's accelerating shift toward intelligence, which has driven broader adoption and technological advancement of ADAS and AD solutions. This trend has spurred significant demand from OEMs and tier-one suppliers for our algorithms, software development tools and customized technical services.

**Cost of Sales.** Cost of sales was RMB542.2 million for the year ended December 31, 2024, which increased by 18.6% year-on-year. By revenue source, cost of product solutions increased by 27.1%, and cost of license and services increased by 23.0%, respectively. By nature, cost of inventories sold increased by 23.8%, and cost of employee benefit decreased by 13.1%, respectively.

**Gross Profit and Gross Profit Margin.** Gross profit was RMB1,841.4 million in 2024, which increased by 68.3% year-on-year. Gross profit margin increased to 77.3% in 2024, from 70.5% in 2023. This margin improvement was primarily driven by changes in the revenue mix, specifically the rising proportion of higher-margin license and services revenue. Our license and services typically have higher gross profit margin compared to our product solutions because our license and services incur lower cost of inventories sold as compared to our product solutions.

The following table sets forth our gross profit and gross profit margin by line of business of our automotive solutions for the years ended December 31, 2024 and 2023:

	Year ended December 31,			
	2024		2023	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(in thousands of RMB, except for percentages)</i>			
Automotive solutions				
Product solutions	308,059	46.4%	226,226	44.7%
License and services	1,516,480	92.0%	857,486	89.0%
Total	<u>1,824,539</u>	<u>78.9%</u>	<u>1,083,712</u>	<u>73.7%</u>

- Gross profit for automotive solutions increased by 68.4% year-on-year to RMB1,824.5 million for the year ended December 31, 2024, and gross profit margin of automotive solutions increased to 78.9% from 73.7% in the previous year. These increases are primarily the results of:
  - Gross profit for product solutions increased by 36.2% year-on-year to RMB308.1 million for the year ended December 31, 2024, and gross profit margin increased to 46.4% from 44.7% in the previous year. The increase in gross profit was primarily driven by the growth in our delivery volume, reflecting strong customer demand and industry growth.
  - Gross profit for license and services increased by 76.9% year-on-year to RMB1,516.5 million for the year ended December 31, 2024, and gross profit margin increased to 92.0% from 89.0% in the previous year. These increases in both gross profit and gross profit margin were primarily attributable to the growth and expanding contribution of revenue from licenses granted, a higher-margin business line compared to the services rendered to customers.
- Gross profit for non-automotive solutions increased by 58.7% year-on-year to RMB16.8 million for the year ended December 31, 2024, and gross profit margin increased to 23.4% from 13.0% last year.

**Research and Development Expenses.** Research and development expenses increased by 33.4% year-on-year to RMB3,156.1 million for the year ended December 31, 2024, primarily due to increases of (i) our technical service procurement and (ii) R&D related labor expenses, particularly share based compensation for R&D personnel.

**Administrative Expenses.** Administrative expenses increased by 43.8% year-on-year to RMB637.6 million for the year ended December 31, 2024, primarily due to increases in (i) administrative employee benefit expenses, including share-based compensation and (ii) professional service and other consulting fees related to our Hong Kong IPO and global offering.

**Selling and Marketing Expenses.** Selling and marketing expenses increased by 25.2% year-on-year to RMB409.9 million for the year ended December 31, 2024, primarily driven by increases in (i) marketing, conference and travel expenses, reflecting our increased promotion and marketing efforts (ii) selling and marketing employee benefit expenses, including share-based compensation and (iii) customer and market development related professional service fees.

**Net Impairment Losses on Financial Assets.** We recorded net impairment losses on financial assets of RMB51.2 million for the year ended December 31, 2024, primarily due to increases in (i) individually impaired trade receivables and (ii) other expected credit loss allowance for increased trade receivables along with our business growth.

**Other Income.** Other income increased significantly to RMB195.9 million in 2024, driven by financial subsidies correlated to key R&D milestone accomplishments.

**Other Gains/(losses) – Net.** Other gains/(losses) – net increased significantly to a gain of RMB73.3 million in 2024, driven by gains in wealth management product and foreign exchange gains.

**Finance Income – Net.** Finance income – net increased significantly to RMB375.8 million in 2024. This increase was driven by interest income.

**Share of Results of Investments Accounted for Using the Equity Method.** We recorded share of losses of investments accounted for using the equity method of RMB557.3 million for 2024, compared to RMB112.1 million for the previous year. This increase in loss was primarily attributable to our increased shared loss of CARIZON, which was established in November 2023 and is still in its ramping up stage with increased R&D expenses in 2024.

**Fair Value Changes of Preferred Shares and Other Financial Liabilities.** We recorded gains on fair value changes of preferred shares and other financial liabilities of RMB4,676.7 million in 2024, versus losses on fair value changes of preferred shares and other financial liabilities of RMB4,760.4 million for the previous year. This change was attributable to a downward adjustment in the fair value of the preferred share liability, driven by a decline in the actual conversion price relative to prior preferred share value.

**Profit/(Loss) for the Year.** Profit for the year was RMB2,346.5 million in 2024, as compared to loss for the year of RMB6,739.1 million in 2023.

**Share-based Payments.** Share-based payments increased by 64.7% year-on-year to RMB562.9 million for the year ended December 31, 2024, primarily due to (i) the rise in the fair value per share of the Company's equities at the time of granting share-based awards and (ii) the additional grants of incentive shares under our ESOP.

**Listing Expenses.** We had listing expenses of RMB86.1 million in 2024 in connection with our Hong Kong IPO and global offering, as compared to RMB1.8 million in 2023.

**Adjusted Operating Loss (non-IFRS measure).** Our adjusted operating loss (non-IFRS measure), by adding back share-based payments and listing expenses, was RMB1,495.2 million in 2024, as compared to RMB1,687.0 million in 2023.

**Adjusted Net Loss (non-IFRS measure).** Our adjusted net loss (non-IFRS measure), by adding back share-based payments, listing expenses and fair value changes of preferred shares and other financial liabilities to profit/(loss) for the year, was RMB1,681.2 million in 2024, as compared to RMB1,635.2 million in 2023.

## **Non-IFRS Measures**

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we use adjusted operating loss and adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with IFRS. We define adjusted operating loss as operating loss for the periods adjusted by adding back (i) share-based payments, which are non-cash in nature, and (ii) listing expenses, which relate to our Hong Kong IPO and global offering. We define adjusted net loss as loss for the periods adjusted by adding back (i) share-based payments, which are non-cash in nature, (ii) listing expenses, which relate to our Hong Kong IPO and global offering, and (iii) fair value changes on preferred shares and other financial liabilities, which are non-cash items. All preferred shares and other financial liabilities have been reclassified to equity upon conversion, and no longer measured at fair value going forward once converted.

We believe that the non-IFRS financial measures help identify underlying trends in our business and enhance the overall understanding of the Company's past performance and future prospects. We also believe that the non-IFRS financial measures allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making. The non-IFRS financial measures are not presented in accordance with IFRS and may be different from non-IFRS methods of accounting and reporting used by other companies. The non-IFRS financial measures have limitations as analytical tools and when assessing the Company's operating performance, investors should not consider them in isolation, or as a substitute for net loss or other consolidated statements of comprehensive loss data prepared in accordance with IFRS. We encourage investors and others to review its financial information in its entirety and not rely on a single financial measure.

## **Liquidity and Source of Funding**

During the year ended December 31, 2024, we funded our cash requirements principally through cash generated from our operations. Our cash and cash equivalents increased by 35.3% from RMB 11.4 billion as of December 31, 2023 to RMB 15.4 billion as of December 31, 2024.

## **Significant Investments**

The Group did not make or hold any significant investments as of December 31, 2024.

## **Material Acquisitions and Disposals**

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended December 31, 2024.

## **Pledge of Assets**

The Group did not pledge any group assets as of December 31, 2024.



## **Future Plans for Material Investments or Capital Asset**

The Group did not have detailed future plans for material investments or capital assets as of December 31, 2024.

## **Gearing Ratio**

As of December 31, 2024, the Company's gearing ratio (equals total liabilities divided by total assets, in percentage) was 41.5% (December 31, 2023: 255.4%).

## **Foreign Exchange Risk Exposure**

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. Our functional currency outside mainland China is USD whereas the functional currency of the subsidiaries operating in mainland China is RMB. We manage our foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible.

## **Contingent Liabilities**

The Company had no material contingent liabilities as of December 31, 2024.

## **Capital Commitment**

As of December 31, 2024, capital commitment of the Company was RMB161.8 million (December 31, 2023: RMB72.1 million), mainly related to capital expenditure on intangible assets, property, plant and equipment.

## **Employees and Remuneration**

As of December 31, 2024, the Company had a total of 2,078 full-time employees. The total employee remuneration expenses for the year ended December 31, 2024, including share-based compensation expenses, were RMB2,447.5 million, as compared to RMB2,014.1 million for the year ended December 31, 2023.

Our employees' remuneration mainly comprises salaries, bonuses, social security contributions and other employee benefits. We participate in housing fund and various employee social security schemes organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We also purchase commercial health insurance for our employees.

We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We have also adopted the 2018 Share Incentive Plan and the Post-IPO Share Incentive Plan.

## **CORPORATE GOVERNANCE**

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and to enhance corporate value and accountability.

### **Compliance with the Code on Corporate Governance Practices**

As the Shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on October 24, 2024 (the “**Listing Date**”), the Corporate Governance Code (the “**Corporate Governance Code**”) set forth in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) is only applicable to the Company since the Listing Date. Since the Listing Date and up to December 31, 2024, we have complied with all of the applicable code provisions of the Corporate Governance Code, save for the following.

Pursuant to Code Provision C.2.1 of part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Kai Yu currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

### **Compliance with the Model Code for Securities Transactions by Directors**

As the Shares were listed on the Stock Exchange on the Listing Date, the provisions regarding compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) is only applicable to the Company since the Listing Date. The Company has adopted the Model Code to regulate all dealings by Directors and relevant employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code since the Listing Date and up to December 31, 2024. No incident of non-compliance of the Model Code was noted by the Company since the Listing Date and up to December 31, 2024.

### **Audit Committee**

The Audit Committee comprises three independent non-executive Directors, namely Dr. Jun Pu (chairman), Dr. Katherine Rong XIN and Dr. Ya-Qin Zhang. The chairman of the Audit Committee is Dr. Jun Pu, who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the audited consolidated financial statements for the year ended December 31, 2024 with the management of the Company. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

## **Auditor**

The financial information contained in this announcement does not constitute the Group's audited financial statements for the year ended December 31, 2024, but represents an extract from the consolidated financial statements for the year ended December 31, 2024 which have been audited by the auditor of the Company, PricewaterhouseCoopers, in accordance with International Standards on Auditing.

## **OTHER INFORMATION**

### **Purchase, Sale or Redemption of the Company's Listed Securities or Sale of Treasury Shares**

During the period from the Listing Date to December 31, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange or sold any treasury Shares (as defined under the Listing Rules). As of December 31, 2024, the Company did not hold any treasury Shares (as defined under the Listing Rules).

### **Material Litigation**

The Company was not involved in any material litigation or arbitration during the Reporting Period which could have a material and adverse effect on our financial condition or results of operations. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement which could have a material and adverse effect on our financial condition or results of operations.

### **Events after the Reporting Period**

On March 11, 2025, the Company's subsidiary, D-Robotics, which operates our non-automotive business, entered into share purchase agreements to issue a total of 109,408,158 series A2 preferred shares to certain investors for an aggregated cash consideration of US\$36.6 million. As of the date of this announcement, D-Robotics has received cash consideration amounting to US\$19.6 million. The Company will continue to control D-Robotics following its series A2 financing. The transactions contemplated under the agreements do not constitute any notifiable transactions or connected transactions of the Company under the Listing Rules.

### **Dividend**

The Board did not recommend the distribution of an annual dividend for the year ended December 31, 2024.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended December 31,	
		2024	2023
		RMB'000	RMB'000
Revenue from contracts with customers	4	2,383,554	1,551,607
Cost of sales		(542,200)	(457,297)
<b>Gross profit</b>		<b>1,841,354</b>	<b>1,094,310</b>
Research and development expenses		(3,156,055)	(2,366,255)
Administrative expenses		(637,615)	(443,366)
Selling and marketing expenses		(409,853)	(327,249)
Net impairment losses on financial assets		(51,249)	(20,793)
Other income		195,875	66,222
Other gains/(losses) – net		73,303	(33,391)
<b>Operating loss</b>		<b>(2,144,240)</b>	<b>(2,030,522)</b>
Finance income		383,231	167,473
Finance costs		(7,413)	(8,651)
Finance income – net		375,818	158,822
Share of results of investments accounted for using the equity method		(557,287)	(112,074)
Fair value changes of preferred shares and other financial liabilities		4,676,724	(4,760,354)
<b>Profit/(Loss) before income tax</b>		<b>2,351,015</b>	<b>(6,744,128)</b>
Income tax (expense)/benefit	5	(4,507)	5,075
<b>Profit/(Loss) for the year</b>		<b>2,346,508</b>	<b>(6,739,053)</b>
Profit/(Loss) is attributable to:			
Owners of Horizon Robotics		2,346,580	(6,739,021)
Non-controlling interests		(72)	(32)
<b>Profit/(Loss) per share for loss attributable to the ordinary equity holders of the Company</b> (expressed in RMB per share):			
Basic profit/(loss) per share	6	0.51	(2.50)
Diluted profit/(loss) per share	6	(0.17)	(2.50)

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<i>Notes</i>	<u><i>RMB'000</i></u>	<u><i>RMB'000</i></u>
<b>Profit/(Loss) for the year</b>	<b>2,346,508</b>	(6,739,053)
<b>Other comprehensive loss</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Currency translation differences	(195,638)	(371,859)
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	<u>(76,226)</u>	<u>(457,686)</u>
<b>Other comprehensive loss for the year, net of nil tax</b>	<u>(271,864)</u>	<u>(829,545)</u>
<b>Total comprehensive income/(loss) for the year</b>	<u><b>2,074,644</b></u>	<u>(7,568,598)</u>
<b>Total comprehensive income/(loss) for the year is attributable to:</b>		
Owners of Horizon Robotics	<b>2,074,716</b>	(7,568,566)
Non-controlling interests	(72)	(32)

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,	
	2024	2023
	<i>Notes</i>	<i>RMB'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	773,972	433,261
Right-of-use assets	211,517	217,369
Deferred tax assets	106,911	99,967
Intangible assets	320,251	302,906
Investments accounted for using the equity method	1,038,161	1,107,659
Financial assets at fair value through profit or loss	629,638	80,825
Restricted cash	8,141	8,098
Prepayments and other non-current assets	94,803	85,713
<b>Total non-current assets</b>	<b>3,183,394</b>	<b>2,335,798</b>
<b>Current assets</b>		
Inventories	585,414	790,898
Prepayments and other current assets	533,589	136,729
Trade and note receivables	7 678,770	541,091
Financial assets at fair value through other comprehensive income	26,900	–
Restricted cash	–	709,716
Cash and cash equivalents	15,370,925	11,359,641
<b>Total current assets</b>	<b>17,195,598</b>	<b>13,538,075</b>
<b>Total assets</b>	<b>20,378,992</b>	<b>15,873,873</b>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		As of December 31,	
		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		81,539	112,346
Preferred share and other financial liabilities at FVPL		6,383,299	–
Borrowings		392,605	112,844
Deferred tax liabilities		1,626	–
Other non-current liabilities		327,289	61,954
		<b>7,186,358</b>	<b>287,144</b>
<b>Total non-current liabilities</b>			
<b>Current liabilities</b>			
Trade payables	8	14,552	11,164
Contract liabilities		248,693	24,875
Borrowings		14,667	–
Lease liabilities		71,751	52,010
Employee benefit obligations		416,898	384,042
Accruals and other payables		306,851	540,444
Preferred shares and other financial liabilities at FVPL		204,410	39,239,578
		<b>1,277,822</b>	<b>40,252,113</b>
<b>Total current liabilities</b>			
<b>Total liabilities</b>		<b>8,464,180</b>	<b>40,539,257</b>
<b>Net current assets/(liabilities)</b>		<b>15,917,776</b>	<b>(26,714,038)</b>
<b>Net assets/(liabilities)</b>		<b>11,914,812</b>	<b>(24,665,384)</b>
<b>EQUITY</b>			
<b>Equity/(Deficits) attributable to owners of Horizon Robotics</b>			
Share capital		205	39
Share premium		34,087,735	146,257
Other reserves		616,784	759,842
Accumulated losses		(22,790,718)	(25,571,415)
		<b>11,914,006</b>	<b>(24,665,277)</b>
Non-controlling interests		806	(107)
<b>Total equity/(deficits)</b>		<b>11,914,812</b>	<b>(24,665,384)</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

Horizon Robotics (the “Company”) was incorporated in the Cayman Islands on July 21, 2015, as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in providing automotive solutions for passenger vehicles with proprietary software and hardware. The Group also provides non-automotive solutions to enable device manufacturers to design and manufacture devices and appliances with enhanced levels of intelligence.

The Company completed the initial public offering (the “IPO”) and had its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited on October 24, 2024.

Dr Kai Yu is the ultimate controlling shareholder of the Company as of the date of approval of these consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

### 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of convertible redeemable preferred shares, other financial liabilities at fair value through profit or loss, and financial assets at fair value through profit or loss (“FVPL”).

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the year ended December 31, 2024 are as follows:

<b>Standards and amendments</b>	<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 10 and IAS 28 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined
Amendments to IAS 21 ‘Lack of Exchange ability’	1 January 2025
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the Classification and Measurement of Financial Instruments’	1 January 2026
Annual Improvements – Volume 11 IFRS accounting standards	1 January 2026
IFRS 18, ‘Presentation and Disclosure in Financial Statements’	1 January 2027
IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027

The Group is in the process of assessing potential impact of the above new standards and amendments. According to the preliminary assessment, the above new standards and amendments are not expected to have any significant impact on the financial performance and positions of the Group when they become effective. The Group plans to adopt these new standards and amendments when they become effective.



### 3 SEGMENT INFORMATION

The segment information provided to the chief operating decision maker (“CODM”) for the reportable segments for the years ended December 31, 2024 and 2023 is as follows:

	<b>Year ended December 31, 2024</b>		
	<b>Automotive solutions</b> <i>RMB'000</i>	<b>Non-Automotive solutions</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Segment revenue	2,311,703	71,851	2,383,554
Cost of sales	<u>(487,164)</u>	<u>(55,036)</u>	<u>(542,200)</u>
Gross profit	<u><b>1,824,539</b></u>	<u><b>16,815</b></u>	<u><b>1,841,354</b></u>
	<b>Year ended December 31, 2023</b>		
	<b>Automotive solutions</b> <i>RMB'000</i>	<b>Non-Automotive solutions</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Segment revenue	1,470,364	81,243	1,551,607
Cost of sales	<u>(386,652)</u>	<u>(70,645)</u>	<u>(457,297)</u>
Gross profit	<u><b>1,083,712</b></u>	<u><b>10,598</b></u>	<u><b>1,094,310</b></u>

As at December 31, 2024 and 2023, substantially all of the non-current assets of the Group were located in the mainland China. Therefore, no geographical segments are presented.

### 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue of the Group from contracts with customers is disaggregated by revenue source and by timing of revenue recognition. The table also includes a reconciliation to the segment information (Note 3).

	<b>Year ended December 31,</b>	
	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
<b>Automotive solutions</b>		
Product solutions	664,237	506,386
License and services	<u>1,647,466</u>	<u>963,978</u>
	<b>2,311,703</b>	1,470,364
<b>Non-Automotive solutions</b>	<u>71,851</u>	<u>81,243</u>
<b>Total Revenue</b>	<u><b>2,383,554</b></u>	<u><b>1,551,607</b></u>

	<u>Year ended December 31,</u>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Automotive solutions</b>		
At a point in time	2,111,420	1,271,858
Over time	<u>200,283</u>	<u>198,506</u>
	2,311,703	1,470,364
<b>Non-Automotive solutions</b>		
At a point in time	<u>71,851</u>	<u>81,243</u>
<b>Total Revenue</b>	<u><b>2,383,554</b></u>	<u><b>1,551,607</b></u>

No geographical segment information is presented as the majority of the revenue and operating losses of the Group are derived within mainland China and the majority of the operating assets of the Group are located in the mainland China, which is considered as one geographic location with similar risks and returns.

The major customers which contributed more than 10% of total revenue of the Group for the years ended December 31, 2024 and 2023 are listed as below:

	<u>Year ended December 31,</u>	
	<b>2024</b>	<b>2023</b>
<b>Percentage of revenue from the major customers to the total revenue of the Group</b>		
Customer A	31.50%	40.43%
Customer B	17.40%	2.95%
Customer C	7.93%	12.49%

## 5 INCOME TAX (EXPENSE)/BENEFIT

The income tax of the Group during the years ended December 31, 2024 and 2023 are analysed as follows:

	<u>Year ended December 31,</u>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	(9,825)	(5,976)
Deferred income tax	<u>5,318</u>	<u>11,051</u>
<b>Income tax (expense)/benefit</b>	<u><b>(4,507)</b></u>	<u><b>5,075</b></u>

The income tax on the Group's profit/(loss) before income tax differs from theoretical amount that would arise using the enacted tax rate applicable to losses of the subsidiaries as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit/(loss) before income tax</b>	<b>2,351,015</b>	(6,744,128)
Income tax calculated at PRC statutory income tax rate (25%)	<b>587,754</b>	(1,686,032)
Tax effect of:		
– Effect of different tax rates in other jurisdictions	<b>(1,009,612)</b>	1,227,408
– Preferential income tax rates applicable to subsidiaries	<b>186,497</b>	173,430
– Expense not deductible for tax purposes	<b>88,284</b>	53,424
– Tax losses and other temporary difference not recognized as deferred tax assets	<b>414,837</b>	475,953
– Super deduction for research and development	<b>(263,253)</b>	(249,258)
<b>Income tax expense/(benefit)</b>	<b>4,507</b>	(5,075)

## 6 EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the years ended December 31, 2024 and 2023. Basic earnings/(loss) per ordinary share is computed using the weighted average number of ordinary shares outstanding during the year. Both Class A, Class B ordinary shares and vested RSUs are included in the calculation of the weighted average number of ordinary shares outstanding.

The Group has several categories of dilutive potential ordinary shares: preferred shares issued by the Company, preferred shares issued by D-Robotics, convertible loan, unvested RSUs, and share options. As the Group incurred losses for the year ended December 31, 2023, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2023 are the same as basic loss per share of the respective periods. For the year ended December 31, 2024, share options, unvested RSUs, preferred shares issued by the Company and Class B ordinary shares as if converted from the convertible loan were included in the calculation of diluted earnings per share as their inclusion could have a dilutive effect.

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Basic earnings/(loss) per share:		
Profit/(loss) attributable to equity holder of the Company (RMB'000)	<b>2,346,580</b>	(6,739,021)
Weighted average number of ordinary shares outstanding (in "000")	<b>4,576,138</b>	2,700,123
Basic earnings/(loss) per share (expressed in RMB per share)	<b>0.51</b>	(2.50)
Diluted loss per share:		
Profit/(loss) attributable to equity holder of the Company (RMB'000)	<b>2,346,580</b>	(6,739,021)
Adjustment for fair value change of the Company's redeemable convertible preferred shares and other financial liabilities through profit or loss	<b>(4,686,938)</b>	–
Net loss attributable to the equity holders of the Company	<b>(2,340,358)</b>	(6,739,021)
Weighted average number of shares (in "000"):		
Weighted average number of ordinary shares outstanding	<b>4,576,138</b>	2,700,123
Adjustment for preferred shares issued by the Company	<b>6,345,552</b>	–
Adjustment for convertible loan of the Company	<b>2,011,075</b>	–
Adjustment for share options and unvested RSU	<b>480,052</b>	–
Weighted average number of ordinary shares used as the denominator in calculating diluted loss per share (in "000")	<b>13,412,817</b>	2,700,123
Diluted loss per share (expressed in RMB per share)	<b>(0.17)</b>	(2.50)

7 **TRADE AND NOTE RECEIVABLES**

	<b>As at December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current:</b>		
Trade receivables		
Third party debtors	<u>26,303</u>	–
Total trade receivables, gross	<b>26,303</b>	–
Less: Credit loss allowance	<u>(1,473)</u>	–
<b>Total non-current trade receivables, net</b>	<u><b>24,830</b></u>	–
<b>Current:</b>		
Note receivables	–	3,434
Trade receivables		
Third party debtors	<b>704,819</b>	504,820
Related parties	<u><b>66,647</b></u>	<u>76,190</u>
Total trade and note receivables, gross	<b>771,466</b>	584,444
Less: Credit loss allowance	<u><b>(92,696)</b></u>	<u>(43,353)</u>
<b>Total current trade and note receivables, net</b>	<u><b>678,770</b></u>	<u>541,091</u>
<b>Total trade and note receivables, net</b>	<u><b>703,600</b></u>	<u>541,091</u>

The aging analysis of trade and note receivables based on revenue recognition date is as follows:

	<b>As at December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Up to 3 months	<b>355,571</b>	361,866
3 to 6 months	<b>166,861</b>	89,163
6 to 9 months	<b>123,491</b>	61,020
9 to 12 months	<b>27,127</b>	10,097
Over 12 months	<u><b>124,719</b></u>	<u>62,298</u>
<b>Total</b>	<u><b>797,769</b></u>	<u>584,444</u>

## 8 TRADE PAYABLES

Trade payables primarily include payables for inventories.

The aging analysis of the trade payables based on purchase date were as follows:

	As at December 31,	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Up to 3 months	13,670	10,647
3 to 6 months	458	–
6 months to 1 year	112	262
1 to 2 years	60	12
Over 2 years	252	243
<b>Total trade payables</b>	<b>14,552</b>	<b>11,164</b>

## 9 DIVIDENDS

No dividend has been paid or declared by the Company during the years ended December 31, 2024 and 2023.

## PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.horizon.auto>). The annual report for the Reporting Period will be made available for review on the same websites and dispatched to the Shareholders (if requested) in due course.

## PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing memorandum and articles of association (the “**Memorandum and Articles of Association**”) of the Company and to adopt an amended and restated memorandum and articles of association of the Company (the “**Proposed Amendments**”) in order to, among others, (i) enhance flexibility to the Company in relation to the conduct of general meetings (including providing or updating regulations in respect of conducting shareholders’ meetings by way of hybrid meetings or electronic meetings) and the adoption of electronic communication and electronic signature, etc.; (ii) bring the Memorandum and Articles of Association in line with among others, the latest regulatory requirements under the Listing Rules in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers, the latest regulatory requirements in relation to the Corporate Governance Code and applicable laws of the Cayman Islands; and (iii) incorporate certain housekeeping amendments.

The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting, and will become effective upon the approval by the Shareholders at the annual general meeting. A circular of the annual general meeting containing, among other matters, details of the Proposed Amendments, together with a notice of the annual general meeting will be despatched to the Shareholders (if requested) in due course.

By order of the Board  
**Horizon Robotics**  
**Dr. Kai Yu**  
*Chairman and Executive Director*

Hong Kong, March 21, 2025

*As of the date of this announcement, the board of directors of the Company comprises (i) Dr. Kai Yu, Dr. Chang Huang, Ms. Feiwen Tao and Dr. Liming Chen as executive directors; (ii) Mr. Liang Li, Mr. Qin Liu, Dr. André Stoffels and Dr. Juehui Zhang as non-executive directors; and (iii) Dr. Jun Pu, Mr. Yingqiu Wu, Dr. Katherine Rong XIN and Dr. Ya-Qin Zhang as independent non-executive directors.*