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Mobvoi Inc.
出門問問有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2438)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2025.

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2025, the Group's revenue was RMB178.9 million, representing a year-on-year increase of 10.0%. Riding a clear profitability trajectory, the Group's loss narrowed significantly, with the loss for the period of RMB2.9 million, representing a year-on-year decrease of 99.5%. The adjusted net loss (non-GAAP measure) was RMB1.4 million, representing a year-on-year decrease of 97.5%, nearing breakeven.

	Six months ended June 30,		% of change
	2025 RMB'000	2024 RMB'000	
Revenue	178,914	162,670	10.0%
Gross profit	106,296	105,306	0.9%
Loss for the period	(2,898)	(578,756)	(99.5%)
Non-GAAP measure:			
Adjusted net loss	<u>(1,408)</u>	<u>(55,855)</u>	<u>(97.5%)</u>

RESULT REVIEW AND STRATEGIC OUTLOOK

In the first half of 2025, amid profound transformations and complex challenges in the global digital economy, we achieved steady performance growth and significant improvement in profitability through forward-looking strategic layout and steadfast execution, laying a solid foundation for the Company's sustainable development.

For the six months ended June 30, 2025, the Group's revenue was RMB178.9 million, representing a year-on-year increase of 10.0%.

Among which, our revenue from AI software business was RMB80.6 million, representing a year-on-year decrease of 21.7%. As a pure software business sector, AIGC business experienced the intensified global industrial competition and rising customers acquisition costs in the first half of the year. Guided by our core philosophy of profitability and sustainable and healthy development, the Group proactively implemented reasonable control on market deployment strategies and customers acquisition costs, which kept the revenue decline in AIGC business within acceptable parameters and ensured a steady improvement in gross profit margin of this business sector. Looking forward the second half of the year, we will continue to closely monitor the market competition and business profitability, adjusting strategies flexibly in response to the market environment, ensuring optimal returns on overall resource and driving the sustained positive development of AIGC business.

During the Reporting Period, our revenue from AI smart hardware business was RMB98.3 million, representing a year-on-year increase of 64.8%. In the first half of the year, the Group increased its strategic market investment and brand investment on our new product "TicNote", while simultaneously optimized its product category inventory structure, which led to short-term fluctuations in the gross profit margin of this business sector. With the gradual completion of inventory realignment, gross profit is expected to enter a stabilization trend.

	Six months ended June 30,		
	2025	2024	% of change
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	178,914	162,670	10.0%
AI Software solutions (AI software)	80,640	103,025	(21.7%)
Smart Devices and Other Accessories (AI hardware)	98,274	59,645	64.8%
Gross profit	106,296	105,306	0.9%
Loss for the period	(2,898)	(578,756)	(99.5%)
Non-GAAP measure:			
Adjusted net loss	<u>(1,408)</u>	<u>(55,855)</u>	<u>(97.5%)</u>

During the Reporting Period, the Group's loss narrowed significantly, with the loss for the period of RMB2.9 million, representing a year-on-year decrease of 99.5%, primarily due to the absence of changes in the carrying amount of contingently redeemable preferred shares and ordinary shares in the first half of 2025.

The adjusted net loss (non-GAAP measure) was RMB1.4 million, representing a year-on-year decrease of 97.5%, nearing breakeven. Benefiting from the Group's active promotion of its "organizational AI-ization" transformation, the Group deeply integrated AI Agent into core business processes and operational management systems, establishing an efficient, flexible, and self-evolving "AI-native workflow". Concurrently, operational efficiency was effectively enhanced through measures such as continuous optimization of resource allocation and proactive cost control.

This performance not only reflects the market's recognition of the Group's products and services, but also demonstrates the results of our continued dedication and breakthroughs in core strategies. The Group persists in exploring the new paradigms for next-generation human-computer interaction, consistently achieving key milestones on the path toward AGI evolution.

Scenario-specific AI Agent officially launched: "TicNote" attracts wide attention in global market

In April 2025, we launched "TicNote", the world's first Agentic AI hardware-software integrated product, marking a concrete milestone in the Group's AI Agent technology layout.



Leveraging its built-in AI Agent software, "Shadow AI", TicNote creates a path of "memorable AI records + proactive insights + autonomous analysis + collaborative creation" for users. It is suitable for scenarios such as meetings, telephone communication, roadshows, corporate research, business conferences, academic lectures, doctor consultations, classroom learning and interview discussions, making it a reliable portable AI thinking partner for users.

The product attracted immediate attention upon its overseas debut, and swiftly ignited widespread discussion across technology community and social media and attracted significant attention at the World Artificial Intelligence Conference (WAIC) after its domestic launch. After its release, global sales volume quickly surpassed 10,000 units, securing top rankings regarding the sales volume of related categories on e-commerce platforms like Tmall and JD.com.

With TicNote as the starting point, the Group is gradually building an Agentic AI ecosystem centered around “Shadow AI”. We continue to enhance the capabilities of AI Agent by improving our technical capabilities while diversifying our product offerings, such as new categories like treadmill series TicSports, smart watch series TicNote Watch and smart headphone series TicNote Pods.

Concurrently, we continue to iterate the AIGC product matrix and integrate these functions into Agentic AI ecosystem products. Collectively, they form a powerful toolkit that serves as a “CoPilot” for both individuals and enterprises, enabling a seamless end-to-end process from information capture and intelligent processing to content creation, which materializing AI Agent competencies across increasingly diversified scenarios.

Organizational AI-ization: AI Agent application significantly improves efficiency and effectiveness

Beyond consumer-facing applications, the Group is also actively promoting the AI-ization process within our organization. We firmly believe that AI is not merely a product, but a pivotal force for organizational restructuring. In the past six months, we deeply integrated AI Agent into core business processes and operational management systems, establishing an efficient, flexible, and self-evolving “AI-native workflow”.

While maintaining a streamlined and efficient staff team, we have significantly improved the per capita output efficiency. During the Reporting Period, revenue per capita was approximately RMB978,000, representing an 80% year-on-year increase from RMB542,000 in the same period of 2024. This “organizational AI-ization” transformation provides a systematic solution for the Company to reconcile the tension between external market complexities and internal growth demands.

The exploration of “organizational AI-ization” goes beyond the cost reduction and efficiency improvement, it serves as an important fulcrum for building the AI-native organizational competitive edge and maintaining industry leadership.

Strategic resilience across cycles: hardware-software integration drives business model optimization

In the first half of 2025, the Group achieved steady growth in performance and a significant narrowing of loss, demonstrating the continuous optimization of its business model and the fundamental improvement in its profitability structure.

This achievement is attributed to our long-term commitment to its integrated hardware-software strategies and the accumulation of full-stack AI capabilities. Since the launch of the first smart watch TicWatch in 2015, we have been exploring the integration of AI human-computer interaction technology with hardware and launched the general-purpose large model “Sequence Monkey” in 2023, establishing the AIGC matrix encompassing products such as AI voiceover, digital human and short video generation.

Our integrated hardware-software capabilities enable us to consistently launch market-competitive Agentic AI products while expanding our To SMB (Small and Medium-sized Businesses) and To PC (Personal Consumer) businesses, driving the evolution of our business model from “product sales” to “service + platform”.

With the support of global strategic partners such as Google, Qualcomm and NVIDIA, we have built a future-ready full-stack ecosystem. This system advantage is a key support for us to enable resilience across market cycles and achieve our financial goals.

Review and outlook: the evolutionary path toward AGI

Since 2012, when we became one of China’s earliest AI companies dedicated to voice assistant, we have gone through an exploration path that is regarded as “multiple pivots” by outsiders — from a series of intelligent hardware products such as TicWatch smart watch, TicMirror rearview mirror and TicHome smart speaker, to the shift toward software in 2019 with the launch of AIGC matrix content tools such as the “Moyin Workshop”.

Looking ahead to the second half of 2025, the Group will further intensify research and development investment in core technologies of AI Agent, and expand the product forms and application scenarios of Agentic AI, so as to create a more personalized, secure and real-time intelligent experience, making the “AI thinking partner” truly ubiquitous.

Facing the increasingly fierce competition in the AI industry, we deeply understand that the true moat comes from over a decade of unwavering commitment to software and hardware integration, the accumulation of full-stack technologies, and the relentless pursuit of user value. We will continue to remain user-centric and drive progress through innovation, create long-term value for Shareholders, contribute AI capabilities to society, and embrace the boundless possibilities of the AI era alongside you all.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Financial Results

Revenue

	Six months ended June 30,		% of change
	2025 RMB'000	2024 RMB'000	
Disaggregated by major products or service lines			
AI Software solutions (AI software)	80,640	103,025	(21.7%)
Smart Devices and Other Accessories (AI hardware)	98,274	59,645	64.8%
	<u>178,914</u>	<u>162,670</u>	<u>10.0%</u>

The Group's revenue increased from RMB162.7 million for the six months ended June 30, 2024 to RMB178.9 million for the six months ended June 30, 2025. Revenue from AI software solutions (AI software) decreased from RMB103.0 million for the six months ended June 30, 2024 to RMB80.6 million for the six months ended June 30, 2025, primarily due to the Company's strategic prioritization of profitability and long-term sustainable development, and proactive control over the market expansion and customer acquisition costs of AIGC software business, thereby recording a decline in revenue within a controllable range. Revenue from Smart Device and Other Accessories (AI hardware) increased from RMB59.6 million for the six months ended June 30, 2024 to RMB98.3 million for the six months ended June 30, 2025, primarily due to the Company's increased strategic market investment during the Reporting Period and simultaneous optimization of its product category inventory structure.

Cost of sales

Our cost of sales primarily consists of cost of inventories, fulfilment related expenses and staff costs. The increase in cost of sales was mainly due to the higher revenue contribution from Smart Devices and Other Accessories.

Gross profit and gross profit margin

Our gross profit increased by 0.9% from RMB105.3 million for the six months ended June 30, 2024 to RMB106.3 million for the six months ended June 30, 2025. Our gross profit margins were 64.7% and 59.4% for the six months ended June 30, 2024 and for the six months ended June 30, 2025, respectively, the decrease in gross profit margin was mainly due to the increased revenue contribution from Smart Devices and Other Accessories.

Other income and loss, net

The Company's other income and loss, net primarily include interest income from bank wealth management products and deposits, government subsidies and foreign exchange gains and losses. In the first half of 2025, the Company's other income and loss, net increased by RMB13.23 million compared to the same period last year, primarily due to the fact that financial assets measured at fair value through profit or loss incurred fair value losses in the same period last year, while there was no such impact during the Reporting Period; meanwhile, foreign exchange losses occurred in the same period last year, while foreign exchange gains were realized during the period due to the appreciation of the GBP; and the year-on-year increase in bank wealth management and interest income in the first half of 2025.

Research and development expenses

Research and development expenses decreased from RMB55.8 million for the six months ended June 30, 2024 to RMB38.0 million for the six months ended June 30, 2025, of which salaries decreased from RMB46.4 million for the six months ended June 30, 2024 to RMB21.4 million for the six months ended June 30, 2025, and direct expenses (including cloud service fees and data expenses) increased from RMB5.9 million for the six months ended June 30, 2024 to RMB12.4 million for the six months ended June 30, 2025. Benefiting from the Group's active promotion of its "organizational AI-ization" transformation, the Group has deeply integrated AI Agent into core business processes and operational management systems, establishing an efficient, flexible, and self-evolving "AI-native workflow", significantly enhancing research and development efficiency.

Selling and marketing expenses

Selling and marketing expenses decreased from RMB91.3 million for the six months ended June 30, 2024 to RMB68.9 million for the six months ended June 30, 2025, which was mainly attributable to differences in revenue mix and reduced service fees related to AIGC Software Solutions.

Administrative expenses

Administrative expenses decreased from RMB55.9 million for the six months ended June 30, 2024 to RMB13.1 million for the six months ended June 30, 2025. This was mainly attributable to the absence of listing expense in 2025 upon completion of the Global Offering during the first half of 2024, and reduction in salary-related expenditure.

Non-GAAP measures

To supplement our consolidated financial statements which are presented in accordance with GAAP, we also use adjusted net loss (non-GAAP measure) as additional financial measure, which are not required by, or presented in accordance with, GAAP. We believe that this non-GAAP measure facilitates comparisons of operating performance from period to period and company to company and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net loss (non-GAAP measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-GAAP measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under GAAP.

We define “adjusted net loss” (non-GAAP measure) as loss for the period from continuing operations excluding changes in the carrying amount of contingently redeemable preferred shares and ordinary shares, share-based compensation and listing expenses. We have made adjustments to the following items consistently during the Reporting Period:

- Changes in the carrying amount of contingently redeemable preferred shares and ordinary shares, which are affected primarily by the changes in the redemption price of the preferred shares and ordinary shares. For the six months ended June 30, 2025, there were no such changes as our contingently redeemable preferred shares and ordinary shares have been automatically converted into equity upon completion of the Listing in 2024;
- Share-based compensation, which represents the non-cash employee benefit expense incurred. It relates to the share rewards we offered to our employees under the Share Option Scheme, and the Restricted Share Unit Scheme which is a non-cash expense; and
- Listing expenses relating to the Global Offering.

The following table sets out a reconciliation of our non-GAAP financial measure for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Loss for the period	(2,898)	(578,756)
Adjusted for:		
Changes in the carrying amount of contingently redeemable preferred shares and ordinary shares	—	480,455
Share-based compensation	1,490	13,487
Listing expenses	—	28,959
	<u> </u>	<u> </u>
Adjusted net loss (non-GAAP measure)	<u>(1,408)</u>	<u>(55,855)</u>

Liquidity and financial resources

We have historically funded our cash requirements principally from capital contribution from shareholders and bank borrowings. As at June 30, 2025, the Group had cash and cash equivalents amounting to approximately RMB254.0 million (December 31, 2024: approximately RMB156.5 million).

Financial assets

The financial assets measured at fair value through profit or loss are the wealth management products purchased by the Company. As of December 31, 2024, their fair value was RMB65.3 million, and the wealth management products were disposed of during the Reporting Period. Financial assets measured at fair value through other comprehensive income primarily consist of the Company's investments in unlisted equity securities and deposit certificates. The decrease in the balance as at June 30, 2025 as compared to that as at the end of 2024 was primarily due to the maturity of the deposit certificates held at the end of the previous year.

Capital structure

The Company's capital comprises ordinary shares and reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations, bank facilities, and net proceeds from the initial public offering of the Company.

Bank loan

As at June 30, 2025 and December 31, 2024, the Group had outstanding bank loans of RMB41.0 million and RMB20.0 million, respectively, which were denominated in RMB. They were unsecured, bore interest at a fixed rate and were repayable within one year.

Gearing ratio

As at June 30, 2025, gearing ratio of the Group (total liabilities/total assets) was 36.3%, a decrease from the Group's gearing ratio of 42.1% as at December 31, 2024.

Net current assets

The Group recorded net current assets of approximately RMB268.5 million as at June 30, 2025, a decrease of approximately 13.3% from approximately RMB309.6 million as at December 31, 2024. The current ratio, calculated as current assets divided by current liabilities, was approximately 2.6 as at June 30, 2025 (December 31, 2024: approximately 2.5).

Contingent liabilities

As at June 30, 2025, the Group did not have any material contingent liabilities.

Human Resources

As at June 30, 2025, the Group had a total of 183 full-time employees (December 31, 2024: 222) in the Mainland China and Hong Kong, China. For the six months ended June 30, 2025, the total staff costs, including the directors' emoluments, amounted to RMB41.9 million.

The Group's emolument policies are formulated based on the performance and experience of employees and in line with the salary trends in the Mainland China and Hong Kong, China. Other employee benefits include annual bonuses, insurance and medical coverage and share options. The fair value of share options granted to employees is recognized as an employee cost with a corresponding increase in share-based payment reserve. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based payment reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognized in the share-based payment reserve until either the option is exercised (when it is included in the amount recognized in share capital and share premium for the shares issued) or the option expires (when it is released directly to retained profits).

In terms of employee training, the Group has integrated a comprehensive approach tailored to development needs. This includes an ongoing commitment to new employee onboarding, deepening the cultivation of core workplace competencies, reinforcing our internal training team's capabilities, and vigorously supporting pivotal talent development programs. Additionally, the Group organizes professional and vocational training sessions to broaden the skill sets of its employees and enhance their overall competency.

Financial Risks

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to represent low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account the remaining lease term and the period covered by the rental deposits.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, EUR, TWD, GBP, HKD, SGD and AUD. During the six months ended June 30, 2025, the Group did not purchase any derivative instruments for hedging purposes.

OTHER INFORMATION

Interim Dividend

After due consideration of the long-term interests of the Shareholders and the Company, the Board does not recommend the payment of any interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB Nil).

Corporate Governance

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed below, the Company has been in compliance with all applicable code provisions under the CG Code during the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the code provisions under the CG Code.

Pursuant to code provision C.2.1 in the CG Code, the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual. Dr. Li Zhifei is serving as the chairman of the Board as well as the chief executive officer of our Company. As Dr. Li Zhifei has been managing our Group's business and overall strategic planning for several years, our Directors consider that vesting the roles of chairman of the board and chief executive officer in Dr. Li Zhifei is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures implemented by the Group, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman of the board and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of the board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at June 30, 2025, the Company did not hold any treasury shares.

Compliance with Model Code of Listing Rules

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. Having made specific enquiry with all Directors, each Director has confirmed his/her compliance with the Model Code during the Reporting Period.

Subsequent Events

There were no significant events after June 30, 2025 and up to the date of this announcement that would have a material impact on the operating and financial performance of the Group.

Review of the Interim Results

The unaudited consolidated results of the Group for the six months ended June 30, 2025 have not been reviewed by the external auditor but have been reviewed by the Company's Audit Committee, comprising three independent non-executive Directors, namely Mr. Chen Yilyu (chairman of the Audit Committee), Prof. Lu Yuanzhu and Mr. Yang Zhe.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at <https://www.chumenwenwen.com/>.

The 2025 interim report of the Company will be published on the website of the Stock Exchange and the website of the Company in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2025 — unaudited

(Expressed in Renminbi (“RMB”))

		Six months ended June 30,	
	<i>Note</i>	2025	2024
		RMB’000	RMB’000
Revenue	3	178,914	162,670
Cost of sales		<u>(72,618)</u>	<u>(57,364)</u>
Gross profit	3	106,296	105,306
Other income and loss, net		12,531	(694)
Research and development expenses		(38,045)	(55,814)
Selling and marketing expenses		(68,879)	(91,291)
Administrative expenses		(13,087)	(55,881)
(Impairment losses)/reversal of impairment losses on trade receivables		<u>(653)</u>	<u>255</u>
Loss from operations		(1,837)	(98,119)
Finance costs	4(a)	(1,061)	(171)
Changes in the carrying amount of contingently redeemable preferred shares and ordinary shares	14	<u>—</u>	<u>(480,455)</u>
Loss before taxation	4	(2,898)	(578,745)
Income tax	5	<u>—</u>	<u>(11)</u>
Loss for the period		<u>(2,898)</u>	<u>(578,756)</u>

		Six months ended June 30,	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Other comprehensive income for the period (after tax):			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements		(7,618)	(3,206)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in the fair value of financial assets measured at fair value through other comprehensive income		791	(375)
Exchange differences on translation of financial statements of overseas subsidiaries		2,548	(2,047)
Other comprehensive income for the period		(4,279)	(5,628)
Total comprehensive income for the period attributable to equity shareholders of the Company		(7,177)	(584,384)
Loss per share	6		
Basic and diluted (<i>RMB</i>)		(0.00)	(0.55)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2025 — unaudited

(Expressed in RMB)

		At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
	Note		
Non-current assets			
Property, plant and equipment		29,358	2,607
Right-of-use assets		5,894	7,885
Intangible assets		5,678	5,199
		<u>40,930</u>	<u>15,691</u>
Current assets			
Inventories	7	68,090	66,874
Trade receivables	8	44,791	48,292
Prepayments, deposits and other receivables	9	35,110	48,821
Financial assets measured at fair value through profit or loss		—	65,319
Financial assets measured at fair value through other comprehensive income		28,930	122,400
Time and restricted deposits		1,356	1,313
Cash and cash equivalents	10	253,956	156,535
		<u>432,233</u>	<u>509,554</u>

		At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
	Note		
Current liabilities			
Trade payables	11	20,232	33,659
Other payables and accruals	12	38,730	67,719
Contract liabilities		47,388	61,238
Bank loans	13	40,971	20,000
Lease liabilities		4,261	4,540
Contingently redeemable preferred shares and ordinary shares	14	—	—
Current taxation		—	10
Warranty provisions		12,167	12,795
		<u>163,749</u>	<u>199,961</u>
Net current assets		<u>268,484</u>	<u>309,593</u>
Total assets less current liabilities		<u>309,414</u>	<u>325,284</u>
Non-current liabilities			
Lease liabilities		2,275	4,656
Other non-current liabilities		5,912	16,330
		<u>8,187</u>	<u>20,986</u>
NET ASSETS		<u>301,227</u>	<u>304,298</u>
CAPITAL AND RESERVES			
Share capital		507	501
Reserves		300,720	303,797
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u>301,227</u>	<u>304,298</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 Basis of preparation

Mobvoi Inc. (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands on August 31, 2012. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on April 24, 2024 (the “**Listing**”). The Company is an investment holding company. The Company and its subsidiaries, (together, the “**Group**”) are principally engaged in rendering of Artificial Intelligence (“**AI**”) software solutions and sale of smart devices and other accessories to enterprise and individual customers.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorized for issue on August 21, 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB.

The financial information relating to the financial year ended December 31, 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 Changes in accounting policies

The Group has applied the following amendment to IFRS Accounting Standards issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability*

The development does not have a material effect on how the Group's results and financial position for the current period have been prepared or presented. The Group had not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are providing Artificial Intelligence (“AI”) Software Solutions and sale of Smart Devices and Other Accessories. AI Software Solutions mainly include making use of AI technologies to assist users in content generation and innovative full-stack AI solutions to enterprise customers. Smart Devices and Other Accessories include the sale of smart devices. Further details regarding the Group's principal activities are disclosed in Note 3(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines:		
AI Software Solutions (AI software)	80,640	103,025
Smart Devices and Other Accessories (AI hardware)	98,274	59,645
	178,914	162,670

(b) Segment reporting

The Group manages its businesses by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- **AI Software Solutions:** this segment includes the use of AI technologies to assist users to generate content and innovative full-stack AI-based solutions primarily to enterprise customers; and
- **Smart Devices and Other Accessories:** this segment includes the sale of smart devices.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the periods ended June 30, 2025 and 2024 is set out below.

	Six months ended June 30, 2025		
	AI Software Solutions	Smart Devices and Other Accessories	Total
	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition			
Point in time	29,356	98,274	127,630
Over time	51,284	—	51,284
Revenue from external customers and reportable segment revenue	<u>80,640</u>	<u>98,274</u>	<u>178,914</u>
Reportable segment gross profit	<u>77,668</u>	<u>28,628</u>	<u>106,296</u>

Six months ended June 30, 2024			
	AI Software Solutions RMB'000	Smart Devices and Other Accessories RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition			
Point in time	22,696	59,645	82,341
Over time	<u>80,329</u>	<u>—</u>	<u>80,329</u>
Revenue from external customers and reportable segment revenue	<u>103,025</u>	<u>59,645</u>	<u>162,670</u>
Reportable segment gross profit	<u>86,395</u>	<u>18,911</u>	<u>105,306</u>

(i) *Reconciliations of reportable segment results*

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Reportable segment adjusted gross profit	106,296	105,306
Other income and loss, net	12,531	(694)
Research and development expenses	(38,045)	(55,814)
Selling and marketing expenses	(68,879)	(91,291)
Administrative expenses	(13,087)	(55,881)
(Impairment losses)/reversal of impairment losses on trade receivables	(653)	255
Finance costs	(1,061)	(171)
Changes in the carrying amount of contingently redeemable preferred shares and ordinary shares	<u>—</u>	<u>(480,455)</u>
Loss before taxation	<u>(2,898)</u>	<u>(578,745)</u>

(ii) *Geographic information*

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Revenue from external customers	
	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Mainland China	76,373	91,935
Germany	18,775	9,848
United Kingdom	17,901	12,297
Other countries or regions	65,865	48,590
	178,914	162,670

4 Loss before taxation

(a) *Finance costs*

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Interest on bank loans	925	71
Interest on lease liabilities	136	100
	1,061	171

(b) Staff costs

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	40,439	67,502
Equity-settled share-based payment expenses	1,490	13,487
	41,929	80,989

(c) Other items

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Depreciation charge		
— property, plant and equipment	690	721
— right-of-use assets	1,991	3,217
Amortization cost of intangible assets	1,725	1,579
Impairment losses/(reversal of impairment losses)		
— trade receivables	653	(255)
Listing expenses	—	28,959
(Decrease)/increase in warranty	(628)	61

5 Income tax

- (a)** Taxation in the consolidated statements of profit or loss and other comprehensive income represent:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Current tax		
Provision for the period	—	11

Notes:

- (i) Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise (“**the HNTe**”) is entitled to a preferential tax rate of 15% provided it continues to meet HNTe qualification standards on an annual basis.

Beijing Yushanzhi Information Technology Company Limited, Wenwen Smart Information Technology Company Limited and Shanghai Mobvoi Information Technology Company Limited qualify as an HNTe and is entitled for a preferential tax rate of 15% from 2023 to 2025. Mobvoi Information Technology Company Limited qualifies as an HNTe and is entitled for a preferential tax rate of 15% from 2024 to 2026. In addition to the preferential PRC Corporate Income Tax rate, these subsidiaries are also entitled to an additional tax deduction allowance calculated at 100% of their qualified research and development costs incurred in corresponding period, other subsidiaries are entitled to an additional tax deductible allowance calculated at 100% of qualified research and development costs incurred from October 1, 2022.

All other PRC subsidiaries of the Group are subject to the statutory enterprise income tax rate of 25%.

- (ii) The Company was incorporated in the Cayman Islands, and it is tax exempted under the tax laws of the Cayman Islands.
- (iii) The provision for Hong Kong Profits Tax for the Reporting Period is calculated at 16.5% of the estimated assessable profits for the period, except for one subsidiary of the Group which is under the two-tiered profits tax rate regime, i.e. the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.
- (iv) Mobvoi US, LLC is a Washington corporation that is subject to U.S. corporate income tax on its taxable income at a rate of up to 24.53% for the Reporting Period.
- (v) Mobvoi Taiwan Corporation is a Taipei corporation that is subject to corporate income tax of Taiwan on its taxable income at a rate of up to 20% for the Reporting Period.

(b) Pillar Two income taxes

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

6 Loss per share

(a) *Basic and diluted loss per share*

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB2,898,000 (six months ended June 30, 2024: RMB578,756,000) and the weighted average of 1,536,327,000 ordinary shares (six months ended June 30, 2024: 1,057,551,000 ordinary shares) in issue or deemed to be in issue during the interim period, calculated as follows:

During the six months ended June 30, 2024, notwithstanding that most of the issued ordinary shares are classified as puttable financial instruments and the Company's obligation to redeem those ordinary shares give rise to a financial liability until the ninth amended and restated memorandum and articles of association of the Company becomes effective on the date of Listing, the calculation of weighted average number of ordinary shares was determined based on all issued ordinary shares (including those that give rise to a financial liability) as all of these ordinary shares are of the same class having the same rights to receive dividends.

Weighted average number of ordinary shares

	Six months ended June 30,	
	2025	2024
	<i>No. of shares</i>	<i>No. of shares</i>
	<i>'000</i>	<i>'000</i>
Issued ordinary shares at January 1,	1,521,381	626,458
Effect of conversion of contingently redeemable preferred shares to ordinary shares	—	397,555
Effect of ordinary shares issued by initial public offering and over-allotment option	—	33,538
Effect of share options exercised	14,946	—
Weighted average number of ordinary shares at June 30,	<u>1,536,327</u>	<u>1,057,551</u>

For the six months ended June 30, 2025 and 2024, the contingently redeemable preferred shares, share options issued under the Company's share option scheme and award shares issued under the Company's restricted share units scheme were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2025 and 2024 are the same as basic loss per share for the respective periods.

(b) Adjusted basic and diluted loss per share

The changes in the carrying amount of the financial liability arising from the Company's obligation to redeem those ordinary shares classified as puttable financial instruments is recognized in profit or loss. Consistent with treating all issued ordinary shares (including those that give rise to a financial liability) as outstanding and included in the calculation of weighted average number of ordinary shares above, the following additional information is provided to adjust for the changes in the carrying amount of the above-mentioned financial liability in arriving at the "adjusted loss attributable to ordinary equity shareholders of the Company":

	Six months ended June 30, 2024 RMB'000
Loss attributable to ordinary equity shareholders of the Company	(578,756)
Changes in the carrying amount of contingently redeemable ordinary shares	<u>260,074</u>
Adjusted loss attributable to ordinary equity shareholders of the Company	<u><u>(318,682)</u></u>
	Six months ended June 30, 2024
Basic and diluted loss per share excluding changes in the carrying amount of contingently redeemable ordinary shares (RMB)	<u><u>(0.30)</u></u>

The denominators used in the calculation of adjusted basic and diluted loss per share for the period ended June 30, 2024 are the same as those detailed in the calculation of basic and diluted loss per share.

7 Inventories

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Finished goods	85,187	91,115
Raw materials	3,867	4,121
	<u>89,054</u>	<u>95,236</u>
Less: write down of inventories	<u>(20,964)</u>	<u>(28,362)</u>
	<u><u>68,090</u></u>	<u><u>66,874</u></u>
	Six months ended June 30, 2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	63,553	32,139
Write down of inventories	<u>3,565</u>	<u>1,305</u>
	<u><u>67,118</u></u>	<u><u>33,444</u></u>

8 Trade receivables

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Amounts due from third parties	57,312	60,184
Less: loss allowance	<u>(12,521)</u>	<u>(11,892)</u>
Trade receivables, net	<u><u>44,791</u></u>	<u><u>48,292</u></u>

All of the trade receivables are expected to be recovered or recognized as expense within one year.

Aging analysis

As at the end of each Reporting Period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Within 90 days	42,377	47,796
90–360 days	2,414	496
	44,791	48,292

Trade receivables are generally due within 90 days from the invoice date.

9 Prepayments, deposits and other receivables

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Prepayments for:		
— Commissioned processing fee and inventory	2,736	1,299
— Service fees	9,016	9,840
	11,752	11,139
Deductible input VAT	10,084	14,312
Refundable VAT for export sales	6,604	14,258
Deposits	3,090	3,333
Due from a related party	3,471	4,971
Others	163	862
	23,412	37,736
Less: loss allowance	(54)	(54)
	23,358	37,682
	35,110	48,821

10 Cash and cash equivalents

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Cash at bank	64,253	19,936
Time deposits and highly liquid investments with initial terms within three months (<i>Note (i)</i>)	<u>189,703</u>	<u>136,599</u>
	<u>253,956</u>	<u>156,535</u>

Note:

- (i) As at June 30, 2025 and December 31, 2024, time deposits and highly liquid investments with initial terms within three months represented bank deposits with original maturities within three months and redeemable on maturity.

11 Trade payables

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Trade payables due to a related party	2,830	—
Trade payables due to third parties	<u>17,402</u>	<u>33,659</u>
	<u>20,232</u>	<u>33,659</u>

As at the end of each Reporting Period, the aging analysis of trade payables, based on the invoice date, is as follows:

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Within one year or on demand	<u>20,232</u>	<u>33,659</u>

12 Other payables and accruals

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Payables for services	2,920	2,010
Payables for advertising	2,213	2,262
Payables for research and development related costs	1,959	19,192
Others	282	1,176
	<hr/>	<hr/>
Financial liabilities measured at amortized cost	7,374	24,640
Payroll and welfare payable	3,732	12,635
Other tax payables	27,624	30,444
	<hr/>	<hr/>
	38,730	67,719
	<hr/> <hr/>	<hr/> <hr/>

13 Bank loans

At June 30, 2025, the bank loans were unsecured and repayable within one year.

During the six months ended June 30, 2025, the Group borrowed RMB40,971,000 from banks, comprising RMB20,971,000 at an interest rate of 1.95% per annum and RMB20,000,000 at an interest rate of 1.80% per annum.

14 Contingently redeemable preferred shares and ordinary shares

The Group and the Company

The movement of the contingently redeemable preferred shares and ordinary shares during the period ended December 31, 2024 is set out as below:

	2024 RMB'000
The Group and the Company	
At January 1	4,353,833
Changes in the carrying amount of financial liabilities	480,455
Extinguishment of contingently redeemable ordinary shares of the Company upon the Listing	(2,158,590)
Conversion of contingently redeemable preferred shares into ordinary shares of the Company upon the Listing	(2,689,306)
Effect of foreign exchange rate changes	13,608
	<hr/>
At December 31	<hr/> <hr/>

The contractual obligation for the Company to repurchase the ordinary and preferred shares has been terminated upon the ninth amended and restated memorandum and articles of association of the Company becoming effective on the date on which the Company's shares are listed on the Stock Exchange.

The carrying amount of the financial liabilities arising from the Company's contingent redemption obligation were reclassified to share capital, share premium and capital reserve within equity.

15 Dividends

The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June, 2025 (six months ended 30 June, 2024: RMBNil).

DEFINITION

“AGI”	artificial general intelligence
“AI”	artificial intelligence
“AIGC”	AI-generated content, meaning leveraging artificial intelligence to automate content generation and to generate personalized content according to user-inputted keywords or requirements
“Audit Committee”	the audit committee of the Board
“Board”	board of directors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“CG Code”	the Corporate Governance Code as set out in Appendix C3 to the Listing Rules
“Company”	Mobvoi Inc. (出門問問有限公司), an exempted company with limited liability incorporated in the Cayman Islands on August 31, 2012, the Shares of which were listed on the Main Board of the Stock Exchange (stock code: 2438)
“Director(s)”	the director(s) of the Company
“Global Offering”	has the meaning ascribed thereto in the prospectus of the Company dated April 16, 2024
“Group”, “our”, “we” or “us”	the Company and our subsidiaries from time to time or, where the context so requires, in respect of the period before the Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Date”	April 24, 2024, being the date on which dealings in the Shares first commenced on the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“PRC” or “China”	the People’s Republic of China, for the purposes of this interim report only, excluding Hong Kong, the Macau Special Administrative Region of PRC and Taiwan
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by our Company on October 19, 2015, the principal terms of which are set out in the section headed “Statutory and General Information — D. Share Incentive Schemes — 1. Pre-IPO Share Option Scheme” in Appendix IV in the prospectus of the Company
“prospectus”	the prospectus of the Company dated April 16, 2024
“Reporting Period”	six months ended June 30, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of nominal value of US\$0.0000479889 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Smart Devices and Other Accessories”	comprise hardware-software smart devices such as AI smart watches and AI smart treadmills that are integrated with AI modules, IoT, voice AI interaction technologies and software apps, and other accessories
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”

has the meaning ascribed thereto in section 15 of the Companies Ordinance

“%”

per cent

By order of the Board

Mobvoi Inc.

Dr. Li Zhifei

Chief Executive Officer, Chairman and Executive Director

Hong Kong, August 21, 2025

As at the date of this announcement, the Board of the Company comprises Dr. Li Zhifei and Ms. Li Yuanyuan as executive Directors; and Mr. Chen Yilyu, Prof. Lu Yuanzhu and Mr. Yang Zhe as independent non-executive Directors.