地平线

Horizon Robotics

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

(Stock code: 9660)

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

The board (the "**Board**") of directors (the "**Directors**") of Horizon Robotics (the "**Company**") is pleased to announce the unaudited interim consolidated results of the Company for the six months ended June 30, 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024. These interim results have been extracted from the unaudited interim 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 Six Months Ended June 30,		
	2025	2024	Change (%)
	(RMB in thousands, except for percentages)		
Revenue from contracts with customers	**1,566,756**	934,599	67.6%
Gross profit	**1,023,972**	738,738	38.6%
Operating loss	**(1,592,102)**	(1,105,418)	44.0%
Loss for the period	**(5,232,979)**	(5,098,105)	2.6%
Non-IFRS Financial Measures:			
Adjusted operating loss	**(1,111,261)**	(823,980)	34.9%
Adjusted net loss	**(1,332,500)**	(803,941)	65.7%

Note:

Please refer to section headed "Non-IFRS Measures" in this interim results announcement for more details.

BUSINESS REVIEW AND OUTLOOK

Business Review for the Reporting Period

According to industry data, Chinese domestic brands demonstrated robust sales growth in the first half of 2025, securing more than 63% market share in China's passenger vehicle market. Concurrently, the penetration rate of intelligent assisted driving vehicles among these brands increased from 51% at year-end 2024 to 59% in the first half of this year. As a result of these combined factors, the Company experienced a more than doubling shipment volumes.

Notably, vehicles equipped with advanced intelligent assisted driving features – namely, highway and urban navigate on autopilot (NOA) features – now account for a significant portion of intelligent vehicle sales, increasing from 20% at the end of 2024 to 32% in the first half of 2025. This means that, out of every ten new passenger vehicles sold in China, more than six are equipped with intelligent assisted driving features, and more than two of these possess advanced functions. We believe that enhanced user experience, more stringent regulatory frameworks, and the ongoing democratization of intelligent assisted driving technology will drive a higher dollar content per vehicle and reshape the value chain. This transformation brings a higher dollar-content-per-vehicle for the Company, and partners throughout the industry ecosystem.

Against this backdrop, during the Reporting Period, the Company achieved several significant milestones, through doubled shipment volumes and substantially increased content value per vehicle:

– **Maintaining Market Leading Position:** In the first half of 2025, the Company continued to secure the top market share in both ADAS solutions (45.8%) and overall intelligent assisted driving solutions (32.4%) among Chinese OEMs, further strengthening our leadership in China.

– **Doubling Delivery Volumes, with Highway NOA Solutions as the Growth Engine:** Fueled by the industry-wide movement to democratize intelligent driving, and by consumers' increasing acceptance of advanced driving automation functions, the Company shipped 1.98 million units automotive-grade processing hardware during the Reporting Period, more than doubling year-on-year. In particular, the shipments of highway NOA-capable processing hardware reached 0.98 million units – accounting for 49.5% of total shipments and representing a sixfold increase over the prior year. This growth was primarily driven by our latest Journey 6 series products, establishing it as the main catalyst for our business expansion.

– **Record-High Nominations and a Robust Pipeline:** By the end of 2024, the Company's cumulative number of nominations exceeded 310. As the end of the Reporting Period, we have cumulatively secured nearly 400 new model nominations, including over 100 nominations with highway NOA functions and above. More than 15 models equipped with our advanced intelligent assisted driving solutions entered mass production in the first half of 2025.

- **Overseas Expansion Beginning to Materialize:** Through close collaboration with global partners and leveraging our next-generation ADAS solution Horizon Mono based on Journey 6B processing hardware, the Company has secured design-wins from two Japanese OEMs for markets outside China, we expect these nominated models will bring us a total delivery volume contribution of over 7.5mn units throughout their lifecycle. Furthermore, joint ventures by overseas automakers in China are now upgrading intelligent assisted driving features for their existing vehicle models. Including Volkswagen and Japan's largest automotive group, a total of 9 joint venture automakers in China have nominated our solutions for 30 vehicle models. Some of these models will begin mass production by the end of this year. This demonstrates that following our partnership with Volkswagen, we have successfully expanded our international product footprint and enhanced our global brand influence.

For the first six months of 2025, we recorded the revenue of RMB1,566.8 million, reflecting a year-on-year growth of 67.6%, and a gross margin of 65.4%. After excluding cloud expenses associated with model training, our operational efficiency would have steadily improved. However, the transition toward advanced intelligent assisted driving solutions is anticipated to emerge as the mega trend during the forthcoming period, creating growing demand for cloud services from advanced algorithms and software. We are advancing the development of our full-scenario urban-NOA solution, Horizon SuperDrive (HSD), and firmly believe that HSD could serve as the technological foundation for future robotaxi operating companies. Consequently, we have strategically increased our research and development expenditure on cloud-related services, resulting in an adjusted operating loss of RMB1,111.3 million. We are convinced that these investments will empower the Company to harness the profound structural shifts in the intelligent assisted driving market and translate them into substantial growth opportunities, and further enables the Company to accelerate its transformation into fundamental infrastructure for the entire industry in the coming era of intelligent driving.

Products and Solutions

- The increased proportion of deliveries for the Company's highway-NOA capable processing hardware has driven higher dollar content per-vehicle. Together with the doubling of total shipments during the reporting period, our automotive products and solutions revenue reached RMB777.8 million, a year-on-year increase of 250.0%, with over 80% contributed by solutions that support highway NOA features. This robust growth demonstrates the Company's ability to capture this megatrend, and reflects our sustainable growth driven by both volume and ASP.

- The Company is actively developing Horizon SuperDrive (HSD), a solution designed to handle more complex driving scenarios, deliver human-like driving experiences, and enable seamless nationwide deployment. HSD has already been nominated by multiple OEMs for more than ten models, with mass production scheduled for the second half of 2025.

License and Services

Leveraging world-class algorithmic capabilities, the Company has established itself as a pioneer in advanced intelligent assisted driving algorithms, driving transformation through software-defined vehicles. During the Reporting Period, we licensed algorithms and software, and provided design and technical services to over 30 automakers and eco-system partners, helping customers shorten product development cycles and reduce upfront development costs. Licensing and services revenue reached RMB738.5 million, representing a year-on-year increase of 6.9% and maintaining steady.

Recent Developments After the Reporting Period

– In August 2025, cumulative shipments of the Journey series processing hardware surpassed 10 million units, making Horizon the first intelligent driving technology company in China to achieve this milestone and setting a new industry benchmark.

– On the product front, the Journey 6B processing hardware has been successfully powered up. With highly integrated design, Journey 6B doubles the performance of integrated front-view ADAS systems, while significantly reduces system cost, power consumption, and size. This not only facilitates the widespread adoption of intelligent assisted driving technology but also helps customers achieve greater efficiency and cost savings. The Journey 6 series processing hardware now offers a comprehensive portfolio covering high, medium, and low processing capacities, serving both mainstream and premium markets and providing a solid foundation for our future revenue growth.

Business Outlook

Intelligent assisted driving has become an industry consensus. As the penetration of advanced features such as urban assisted driving continues to rise and cost structures improve, we anticipate that the price range for models equipped with urban assisted driving solutions will further decrease to the RMB150,000 segment. This will accelerate the adoption of intelligent assisted driving, creating substantial incremental opportunities and potential for Horizon's HSD solutions.

Advancements in technology, the leadership of overseas industry pioneers, regulatory support, and the participation of new market entrants are all opening new possibilities for the robotaxi industry. We believe there is a clear path for intelligent assisted driving technologies evolving from L2 to L4. With our world-class algorithm capabilities and cutting-edge processing hardware, we anticipate establishing partnerships with several operating companies of robotaxi during the second half of this year, providing technological infrastructure and helping them build core competitiveness.

Looking ahead, the Company will remain committed to innovation and open collaboration, pursuing a holistic approach integrating hardware and software, and increasing investment in intelligent assisted driving software. We will continue to expand our global footprint, deepen partnerships with leading international automakers and partners, and further develop the global intelligent assisted driving ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

The following table sets forth the comparative figures for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
	(in thousands of RMB)	
Revenue from contracts with customers	**1,566,756**	934,599
Cost of sales	**(542,784)**	(195,861)
Gross profit	**1,023,972**	738,738
Research and development expenses	**(2,300,002)**	(1,419,656)
Administrative expenses	**(307,157)**	(243,144)
Selling and marketing expenses	**(272,106)**	(198,421)
Net impairment losses on financial assets	**(14,770)**	(53,237)
Other income	**216,725**	34,109
Other gains – net	**61,236**	36,193
Operating loss	**(1,592,102)**	(1,105,418)
Add back:		
Share-based payments	**480,365**	240,600
Non-recurring capital-raising expenses	**476**	40,838
Adjusted operating loss (non-IFRS measure)	**(1,111,261)**	(823,980)
Operating loss	**(1,592,102)**	(1,105,418)
Finance income	**173,833**	214,552
Finance costs	**(3,708)**	(3,789)
Finance income – net	**170,125**	210,763
Share of results of investments accounted for using the equity method	**(400,123)**	(181,633)
Fair value changes of preferred shares and other financial liabilities	**(3,406,730)**	(4,012,726)
Loss before income tax	**(5,228,830)**	(5,089,014)
Income tax expense	**(4,149)**	(9,091)
Loss for the period	**(5,232,979)**	(5,098,105)
Add back:		
Share-based payments	**493,273**	240,600
Non-recurring capital-raising expenses	**476**	40,838
Fair value changes of preferred shares and other financial liabilities	**3,406,730**	4,012,726
Adjusted net loss (non-IFRS measure)	**(1,332,500)**	(803,941)

Revenues. Revenues increased by 67.6% year-on-year to RMB1,566.8 million for the six months ended June 30, 2025. The following table sets forth our revenues by revenue source for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,			
	2025		2024	
	Amount	**% of total revenues**	Amount	% of total revenues
	(in thousands of RMB, except for percentages)			
Automotive solutions				
Product solutions	**777,848**	**49.7%**	222,264	23.8%
License and services	**738,484**	**47.1%**	690,830	73.9%
Subtotal	**1,516,332**	**96.8%**	913,094	97.7%
Non-Automotive solutions	**50,424**	**3.2%**	21,505	2.3%
Total revenues	**1,566,756**	**100%**	934,599	100%

Revenues from automotive solutions increased by 66.1% year-on-year to RMB1,516.3 million for the six months ended June 30, 2025. This growth was driven by:

- Revenues from product solutions increased by 250.0% year-on-year to RMB777.8 million for the six months ended June 30, 2025. This growth is mainly driven by a more than doubling of delivery volumes compared to the first half of last year, and also a higher average selling price primarily contributed by the rapidly growing shipments of product solutions embedded on our Journey 6 processing hardware. The Company continued attaining the customer's recognition and demand for our product in the industrial tide of intelligent assisted driving democratization and the accelerating adoption of advanced intelligent assisted driving functions.

- Revenues from license and services increased by 6.9% year-on-year to RMB738.5 million for the six months ended June 30, 2025, we maintained our IP licensing business steady as clients increasingly integrate our IP into their software stacks. As compared to the same period of last year, more undergoing and accomplished service projects generated additional revenue, in line with the growth of the Company's cumulative number of model nominations and corresponding technical cooperation implemented to accelerate the intelligent assisted driving features.

Cost of Sales. Cost of sales was RMB542.8 million for the six months ended June 30, 2025, which increased by 177.1% year-on-year. By revenue source, cost of Automotive product solutions increased by 226.7%, and cost of Automotive license and services increased by 56.0%, respectively. By nature, cost of inventories sold increased by 185.4%, and cost of employee benefit increased by 83.5%, respectively.

Gross Profit and Gross Profit Margin. Gross profit was RMB1,024.0 million for the six months ended June 30, 2025, which increased by 38.6% year-on-year. Gross profit margin decreased to 65.4% for the six months ended June 30, 2025 from 79.0% for the six months ended June 30, 2024. This margin fluctuation was primarily driven by changes in the revenue mix, specifically the notably rising proportion of Automotive product solution revenue along with our rapidly growing delivery volume. Despite a year-on-year higher gross profit margin for Automotive product solution revenue, the smaller revenue portion from the higher-margin license and services business resulted in the decrease in blended gross profit margin. 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 six months ended June 30, 2025 and 2024:

	Six months ended June 30,			
	2025		2024	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	(in thousands of RMB, except for percentages)			
Automotive solutions				
Product solutions	**354,745**	**45.6%**	92,745	41.7%
License and services	**662,607**	**89.7%**	642,188	93.0%
Total	**1,017,352**	**67.1%**	734,933	80.5%

– Gross profit for automotive solutions increased by 38.4% year-on-year to RMB1,017.4 million for the six months ended June 30, 2025, and gross profit margin of automotive solutions decreased to 67.1% from 80.5% for the corresponding period in 2024. These fluctuations are primarily the results of:

- Gross profit for product solutions increased by 282.5% year-on-year to RMB354.7 million for the six months ended June 30, 2025, and gross profit margin increased to 45.6% from 41.7% for the corresponding period in 2024. The increase in both gross profit and gross profit margin were primarily driven by the growth in our delivery volume, reflecting strong customer demand and industry growth, as well as the higher average selling price along with the rapidly growing shipments of product solutions embedded on our latest generation of processing hardware.

- Gross profit for license and services increased by 3.2% year-on-year to RMB662.6 million for the six months ended June 30, 2025, and gross profit margin decreased to 89.7% from 93.0% for the corresponding period in 2024. The slight decrease in gross profit margin were primarily attributable to the heavier manpower participating in technical service projects for deployment of our more advanced solutions embedded on the latest generation of processing hardware, as compared to those services rendered in the corresponding period in last year, primarily for existing solutions at that time with less employee benefit expenses incurred.

– Gross profit for non-automotive solutions increased by 74.0% year-on-year to RMB6.6 million for the six months ended June 30, 2025, and gross profit margin decreased to 13.1% from 17.7% for the six months ended June 30, 2024.

Research and Development Expenses. Research and development expenses increased by 62.0% year-on-year to RMB2,300.0 million for the six months ended June 30, 2025, primarily due to the increases of (i) cloud service fees and other technical service procurement, and (ii) R&D related labor expenses, particularly share based compensation for R&D personnel.

Administrative Expenses. Administrative expenses increased by 26.3% year-on-year to RMB307.2 million for the six months ended June 30, 2025, comprising of (i) an increase in administrative employee benefit expenses, primarily for share-based compensation, and (ii) a decrease in service fees to external professional vendors.

Selling and Marketing Expenses. Selling and marketing expenses increased by 37.1% year-on-year to RMB272.1 million for the six months ended June 30, 2025, primarily driven by increases in (i) selling and marketing employee benefit expenses, including share-based compensation, and (ii) marketing, conference, brand and product advertising expenses, reflecting our increased promotion and marketing efforts.

Net Impairment Losses on Financial Assets. We recorded net impairment losses on financial assets of RMB14.8 million for the six months ended June 30, 2025, decreased by 72.3% year-on-year, primarily due to the decrease in expected credit loss allowance for trade and other receivables, contributed by our efforts on improving collectability management.

Other Income. Other income increased significantly to RMB216.7 million for the six months ended June 30, 2025, driven by key R&D milestone accomplishments and other precondition fulfillments required by financial subsidy projects.

Other Gains – Net. Other gains – net increased to a gain of RMB61.2 million for the six months ended June 30, 2025, driven by (i) gains in wealth management product, and (ii) fair value gains in financial assets at fair value through profit or loss.

Finance Income – Net. Finance income – net decreased to RMB170.1 million for the six months ended June 30, 2025. This decrease was driven by less interest income from bank deposits as we kept our deposit amount relatively stable and invested more in wealth management product against the recent backdrop of interest rate cuts.

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 RMB400.1 million for the six months ended June 30, 2025, compared to RMB181.6 million for the corresponding period in 2024. This increase in loss was primarily attributable to our increased shared loss of CARIZON, which is still in its ramping up stage with increased R&D expenses for the six months ended June 30, 2025.

Fair Value Changes of Preferred Shares and Other Financial Liabilities. We recorded losses on fair value changes of preferred shares and other financial liabilities of RMB3,406.7 million for the six months ended June 30, 2025, primarily for the fair value change of our convertible loan issued to CARIAD in relation to our stock price fluctuations. While a loss of RMB4,012.7 million was recorded for the corresponding period in 2024, mainly pertained to the fair value change of our preferred shares then-existing, which were eventually converted into ordinary shares upon the completion of our public listing.

Loss for the period. Loss for the period was RMB5,233.0 million for the six months ended June 30, 2025, as compared to the loss of RMB5,098.1 million for the six months ended June 30, 2024.

Share-based Payments. Share-based payments increased by 105.0% year-on-year to RMB493.3 million for the six months ended June 30, 2025, primarily due to the additional grants of incentive shares under our share incentive schemes as well as higher grant date incentive value for these shares along with our stock price soars.

Non-recurring capital-raising expenses. We had non-recurring capital-raising expenses of RMB0.5 million for the six months ended June 30, 2025 in connection with our top-up issuance capital raising consummated in June, as compared to expenses of RMB40.8 million in relation to our HK IPO and global offering incurred during the six months ended June 30, 2024.

Adjusted Operating Loss (non-IFRS measure). Our adjusted operating loss (non-IFRS measure), by adding back share-based payments and non-recurring capital-raising expenses, was RMB1,111.3 million for the six months ended June 30, 2025, as compared to RMB824.0 million for the six months ended June 30, 2024.

Adjusted Net Loss (non-IFRS measure). Our adjusted net loss (non-IFRS measure), by adding back share-based payments, non-recurring capital-raising expenses and fair value changes of preferred shares and other financial liabilities to loss for the period, was RMB1,332.5 million for the six months ended June 30, 2025, as compared to RMB803.9 million for the six months ended June 30, 2024.

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) non-recurring capital-raising expenses, which relate to our Hong Kong IPO and global offering, and top-up placing. 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) non-recurring capital-raising expenses, which relate to our Hong Kong IPO and global offering, and top-up placing, and (iii) fair value changes on preferred shares and other financial liabilities, which are non-cash items. All preferred shares and other financial liabilities will be 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 six months ended June 30, 2025, we funded our cash requirements principally through cash generated from capital raising and our operations. Our cash and cash equivalents increased by 4.5% from RMB15.4 billion as of December 31, 2024 to RMB16.1 billion as of June 30, 2025.

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets as of June 30, 2025.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures during the six months ended June 30, 2025.

Charge on Assets

The Group did not have any pledge or charge on assets as of June 30, 2025.

Future Plans for Material Investments or Capital Asset

The Group did not have detailed future plans for material investments or capital assets as of June 30, 2025.

Gearing Ratio

As of June 30, 2025, the Company's gearing ratio (equals total liabilities divided by total assets, in percentage) was 51.2% (December 31, 2024: 41.5%).

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 June 30, 2025.

Capital Commitment

As of June 30, 2025, capital commitment of the Company was RMB191.1 million (December 31, 2024: RMB161.8 million), mainly related to capital expenditure on intangible assets, property, plant and equipment.

As of June 30, 2025, commitments in respect of associates and joint ventures was RMB1,501.0 million (December 31, 2024: RMB1,513.5 million).

Employees and Remuneration

As of June 30, 2025, the Company had a total of 2,177 full-time employees (December 31, 2024: 2,078). The total employee remuneration expenses for the six months ended June 30, 2025, including share-based compensation expenses, were RMB1,460.4 million, as compared to RMB1,118.2 million for the six months ended June 30, 2024.

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

During the Reporting Period, we have complied with all of the applicable code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") set forth in Appendix C1 to the Rules the ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), save for the followings:

- 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.

- Pursuant to Code Provision C.5.3 of part 2 of the Corporate Governance Code, a notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend; for all other board meetings, reasonable notice should be given. Due to the practical scheduling issues and with no objections from any Director, a shorter reasonable notice was given to the Directors for a regular Board meeting held in the Reporting Period.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (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 during the Reporting Period. No incident of non-compliance of the Model Code was noted by the Company during the Reporting Period.

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 unaudited consolidated financial statements for the six months ended June 30, 2025 with the management of the Company and agreed with the accounting treatment adopted by the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

Auditor

The auditor of the Company, PricewaterhouseCoopers, has reviewed the Group's unaudited financial statements for the six months ended June 30, 2025 in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

OTHER INFORMATION

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange or sold any treasury Shares (as defined under the Listing Rules).

As of June 30, 2025, 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

During June and July, 2025, the Company's subsidiary, D-Robotics, which operates our non-automotive business, entered into share purchase agreements to issue a total of 249,736,023 series B preferred shares to certain investors for an aggregated cash consideration of US$119.1 million. From July to the date of this interim results announcement, D-Robotics has received cash consideration amounting to US$83.1 million. In July, 2025, D-Robotics issued 53,460,836 class A ordinary shares to D-GUA Brother LP, the employee stock ownership platform of D-Robotics. The Company will continue to control D-Robotics following its series B financing and class A ordinary share issuance. The transactions contemplated under the agreements do not constitute any notifiable transactions or connected transactions of the Company under the Listing Rules.

Save as disclosed above, there were no significant events that might affect the Company since June 30, 2025 and up to date of this announcement.

Dividend

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2025.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Six months ended June 30,	
		2025	**2024**
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Revenue from contracts with customers	**4**	**1,566,756**	934,599
Cost of sales		**(542,784)**	(195,861)
Gross profit		**1,023,972**	738,738
Research and development expenses		**(2,300,002)**	(1,419,656)
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Finance income		**173,833**	214,552
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Finance income – net		**170,125**	210,763
Share of results of investments accounted for using the equity method		**(400,123)**	(181,633)
Fair value changes of preferred shares and other financial liabilities		**(3,406,730)**	(4,012,726)
Loss before income tax		**(5,228,830)**	(5,089,014)
Income tax expense	**5**	**(4,149)**	(9,091)
Loss for the period		**(5,232,979)**	(5,098,105)
Loss is attributable to:			
Owners of Horizon Robotics		**(5,232,879)**	(5,098,088)
Non-controlling interests		**(100)**	(17)
Loss per share for loss attributable to the ordinary equity holders of the Company (expressed in RMB per share)**:**			
Basic loss per share	**6**	**(0.42)**	(1.81)
Diluted loss per share	**6**	**(0.42)**	(1.81)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Six months ended June 30,	
		2025	**2024**
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Loss for the period		**(5,232,979)**	(5,098,105)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Currency translation differences		**(8,820)**	(208,038)
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss		**40,935**	(85,118)
Other comprehensive income/(loss) for the period, net of nil tax		**32,115**	(293,156)
Total comprehensive loss for the period		**(5,200,864)**	(5,391,261)
Total comprehensive loss for the period is attributable to:			
Owners of Horizon Robotics		**(5,200,787)**	(5,391,244)
Non-controlling interests		**(77)**	(17)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**900,037**	773,972
Right-of-use assets		**215,187**	211,517
Deferred tax assets		**103,701**	106,911
Intangible assets		**278,462**	320,251
Investments accounted for using the equity method		**894,200**	1,038,161
Financial assets at fair value through profit or loss		**1,769,960**	629,638
Restricted cash		**8,135**	8,141
Prepayments and other non-current assets	**7**	**64,634**	94,803
Total non-current assets		**4,234,316**	3,183,394
Current assets			
Inventories		**791,509**	585,414
Prepayments and other current assets		**1,091,520**	533,589
Trade receivables	**7**	**1,092,859**	678,770
Financial assets at fair value through profit or loss		**108,144**	–
Financial assets at fair value through other comprehensive income		**14,857**	26,900
Restricted cash		**18,416**	–
Cash and cash equivalents		**16,069,125**	15,370,925
Total current assets		**19,186,430**	17,195,598
Total assets		**23,420,746**	20,378,992

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Notes	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**74,333**	81,539
Preferred share and other financial liabilities at FVPL		**9,699,903**	6,383,299
Borrowings		**438,551**	392,605
Deferred tax liabilities		**5**	1,626
Other non-current liabilities		**208,863**	327,289
Total non-current liabilities		**10,421,655**	7,186,358
Current liabilities			
Trade payables	8	**87,953**	14,552
Contract liabilities		**46,305**	248,693
Borrowings		**10,000**	14,667
Lease liabilities		**84,439**	71,751
Employee benefit obligations		**322,757**	416,898
Accruals and other payables		**467,743**	306,851
Preferred shares and other financial liabilities at FVPL		**556,101**	204,410
Total current liabilities		**1,575,298**	1,277,822
Total liabilities		**11,996,953**	8,464,180
Net current assets		**17,611,132**	15,917,776
Net assets		**11,423,793**	11,914,812
EQUITY			
Equity attributable to owners of Horizon Robotics			
Share capital		**228**	205
Share premium		**39,457,564**	34,087,735
Treasury stock		**(73,124)**	–
Other reserves		**61,993**	616,784
Accumulated losses		**(28,023,597)**	(22,790,718)
Equity attributable to owners of Horizon Robotics		**11,423,064**	11,914,006
Non-controlling interests		**729**	806
Total equity		**11,423,793**	11,914,812

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.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended June 30, 2025 ("Interim Financial Information") has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. The Interim Financial Information is presented in Renminbi ("RMB"), unless otherwise stated.

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards, as set out in the 2024 annual report of the Group (the "2024 Financial Statements").

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2024, as described in the 2024 Financial Statements.

3 SEGMENT INFORMATION

The segment information provided to the chief operating decision maker ("CODM") for the reportable segments for the six months ended June 30, 2025 and 2024 is as follows:

	Six months ended June 30, 2025		
	Automotive solutions *RMB'000*	**Non-Automotive solutions** *RMB'000*	**Total** *RMB'000*
Segment revenue	**1,516,332**	**50,424**	**1,566,756**
Cost of sales	**(498,980)**	**(43,804)**	**(542,784)**
Gross profit	**1,017,352**	**6,620**	**1,023,972**

	Six months ended June 30, 2024		
	Automotive solutions *RMB'000*	**Non-Automotive solutions** *RMB'000*	**Total** *RMB'000*
Segment revenue	913,094	21,505	934,599
Cost of sales	(178,161)	(17,700)	(195,861)
Gross profit	734,933	3,805	738,738

As at June 30, 2025 and 2024, 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).

	Six months ended June 30,	
	2025 *RMB'000*	**2024** *RMB'000*
Automotive solutions		
Product solutions	**777,848**	222,264
License and services	**738,484**	690,830
	1,516,332	913,094
Non-Automotive solutions	**50,424**	21,505
Total Revenue	**1,566,756**	934,599

	Six months ended June 30,	
	2025	**2024**
	RMB'000	*RMB'000*
Automotive solutions		
At a point in time	**1,438,257**	846,820
Over time	**78,075**	66,274
	1,516,332	913,094
Non-Automotive solutions		
At a point in time	**50,424**	21,505
Total Revenue	**1,566,756**	934,599

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 six months ended June 30, 2025 and 2024 are listed as below:

	Six months ended June 30,	
	2025	**2024**
Percentage of revenue from the major customers to the total revenue of the Group		
Customer A	**19.70%**	3.27%
Customer B	**12.76%**	3.59%
Customer C	**11.16%**	37.62%
Customer D	**7.83%**	10.46%
Customer E	**1.03%**	22.85%

5 INCOME TAX EXPENSE

The income tax of the Group during the six months ended June 30, 2025 and 2024 are analysed as follows:

	Six months ended June 30,	
	2025	**2024**
	RMB'000	*RMB'000*
Current income tax	**(2,560)**	(9,772)
Deferred income tax	**(1,589)**	681
Income tax expense	**(4,149)**	(9,091)

6 LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the six months ended June 30, 2025 and 2024. Basic loss per ordinary share is computed using the weighted average number of ordinary shares outstanding during the period. 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 six months ended June 30, 2025 and 2024, 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 six months ended June 30, 2025 and 2024 are the same as basic loss per share of the respective periods.

	Six months ended June 30,	
	2025	**2024**
Loss attributable to equity holder of the Company (RMB'000)	**(5,232,879)**	(5,098,088)
Weighted average number of ordinary shares in issue – basic and diluted (in "000")	**12,313,356**	2,813,597
Loss per share (expressed in RMB per share) - basic and diluted	**(0.42)**	(1.81)

7 TRADE RECEIVABLES

	As of June 30,	**As of December 31,**
	2025	**2024**
	RMB'000	*RMB'000*
Non-current:		
Trade receivables		
Third party debtors	**16,827**	26,303
Total trade receivables, gross	**16,827**	26,303
Less: Credit loss allowance	**(677)**	(1,473)
Total non-current trade receivables, net	**16,150**	24,830
Current:		
Trade receivables		
Third party debtors	**1,119,736**	704,819
Related parties	**74,875**	66,647
Total trade receivables, gross	**1,194,611**	771,466
Less: Credit loss allowance	**(101,752)**	(92,696)
Total current trade receivables, net	**1,092,859**	678,770
Total trade receivables, net	**1,109,009**	703,600

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

	As of June 30, 2025	**As of December 31, 2024**
	RMB'000	*RMB'000*
Up to 3 months	**847,100**	355,571
3 to 6 months	**78,967**	166,861
6 to 9 months	**61,669**	123,491
9 to 12 months	**107,810**	27,127
Over 12 months	**115,892**	124,719
Total	**1,211,438**	797,769

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 of June 30, 2025	**As of December 31, 2024**
	RMB'000	*RMB'000*
Up to 3 months	**48,908**	13,670
3 to 6 months	**30,732**	458
6 months to 1 year	**7,896**	112
1 to 2 years	**150**	60
Over 2 years	**267**	252
Total trade payables	**87,953**	14,552

9 DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended June 30, 2025 and 2024.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.horizon.auto). The interim 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.

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

Hong Kong, August 27, 2025

As of the date of this announcement, the Board comprises (i) Dr. Kai Yu, Dr. Chang Huang, Dr. Jian Xu and Dr. Liming Chen as executive Directors; (ii) Mr. Liang Li, Mr. Qin Liu, Dr. André Stoffels and Mr. Jianjun 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.