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Beijing Fourth Paradigm Technology Co., Ltd.
北京第四範式智能技術股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6682)

BUSINESS PERFORMANCE FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2025

This announcement is made by Beijing Fourth Paradigm Technology Co., Ltd. (the "**Company**" or "**Fourth Paradigm**", together with its subsidiaries, collectively the "**Group**") on a voluntary basis.

BUSINESS REVIEW AND OUTLOOK

Unlocking the Potential of Computing Power to Accelerate the Boom of the Application-End Market

At this moment, we are standing at a critical juncture in human development - fully accelerating towards the arrival of AGI. As the "oil" of the new era, unlocking the value of artificial intelligence (AI) is entirely dependent on an even more fundamental capability - computing power. In today's environment, where the global technology competitive landscape is being profoundly reshaped, developing domestic computing power is no longer an option but rather the core foundation of a company's competitiveness in commercial competition. According to forecasts from IDC and other institutions, China's AI computing power is unleashing a trillion-RMB incremental market space, and this is just within the field of computing power itself. Capitalizing on this strategic synergy, we have invested in and hold over 9% of the shares of Sunrise, a leading domestic GPU manufacturer, and have made a strategic investment in another leading domestic GPU manufacturer, Iluvatar CoreX, through a fund invested by the Company. The broader vision beyond computing power itself is that as industries complete the transition from "cloud adoption" to "computing power adoption", a vast AI application market will emerge.

Currently, a critical yet generally overlooked "gap" exists between computing power, models, and applications: namely, how to achieve deep, efficient and stable collaboration and adaptation between domestic computing power and domestic large models, thereby truly and losslessly translating the hardware's computational potential into tangible business value and efficiency improvements for enterprises. The absence of this adaption layer has become a critical bottleneck hindering the widespread adoption of AI applications.

To address this fundamental industry gap, the Company launched ModelHub XC and its underlying core AI engine framework, EngineX, during the Period. They are designed to thoroughly bridge the performance pathway from underlying domestic computing power to upper-layer domestic large models, thereby maximizing the release of their integrated value. Coupled with the end-to-end AI technology chain capabilities of the other platforms, the 4ParadigmSage AI Platform is positioned to become the core operating system for the vast AI application market, unlocking substantial growth potential for the Company's business performance.

"AI+" Empowers All Industries, Marking the Dawn of the "AI as Software" Era

In August 2025, the State Council issued the opinion on the "AI+" Initiative, aiming to drive the extensive and deep integration of AI with all industries and fields, fostering a revolutionary leap in productivity.

In the era of "AI+", AI is the new software. Facing the traditionally fragmented software market landscape, the Company leverages its comprehensive agent + world model capability to eliminate unnecessary complexity and redundancy within enterprises business processes and software architectures. This enables a unified "AI brain" to drive operational, production and decision-making processes for the future enterprise. We are committed to evolving the 4ParadigmSage AI Platform into the core engine for developing new quality productive forces across all industries, positioning it at the forefront of the ten-trillion-RMB AI software market.

"Phancy AI" Unlocks Industry Constraints and Breaks Barriers in the Smart Device Sector

The Company's newly launched Phancy smart consumer electronics business this year is built on an open approach to technical collaboration. It is dedicated to enabling clients to easily create smart terminals with powerful AI capabilities through the Phancy AI smart module, facilitating the evolution of consumer electronics to true consumer products. In the near future, consumers could be wearing watches from luxury automotive brands like Lamborghini and Maserati, smart glasses from entertainment celebrities' personal brands, and AI-powered toys from top-tier IPs. We believe this transformation will bring more brand choices, more personalized consumer experiences, and more diversified device forms to the entire consumer electronics industry. It will enable numerous non-traditional consumer electronics brands and IP owners to participate in this market, unlocking a trillion-RMB incremental market space for the industry. Looking ahead to the next few quarters, the Company's collaborations with diverse brand owners will progressively materialize.

FINANCIAL AND OPERATIONAL PERFORMANCE

In the first three quarters of 2025, being the nine months ended September 30, 2025 (the "**Period**"), the Company benefited from the continuously rising demand for the implementation of enterprise AI transformation. The Company's business has demonstrated a strong and accelerating growth trajectory, with total revenue reaching RMB4,402.0 million, representing a year-on-year increase of 36.8%, far exceeding the growth rate of the same period last year. Gross profit was RMB1,621.0 million, representing a year-on-year increase of 20.1%, marking a notable acceleration compared to the previous year's growth rate. Gross profit margin was 36.8%, remaining generally stable during the Period. During the Period, the Company's business grew rapidly, while its cost and expense structure continued to be optimized, achieving its first-ever quarterly profit.

During the Period, the Company's core product line, the 4ParadigmSage AI Platform, experienced rapid growth, with segment revenue reaching RMB3,692.0 million, a year-on-year increase of 70.1%, driving a second acceleration in the Company's performance. According to a report by International Data Corporation ("**IDC**"), Fourth Paradigm has maintained the top market share position in China's machine learning platform market for seven consecutive years.

The robust growth trajectory of the 4ParadigmSage AI Platform business is inextricably linked to our long-term commitment to exploring and consolidating full-stack AI technologies and functional modules on the platform. During the Period, R&D expenses amounted to RMB1,489.0 million, representing a year-on-year increase of 8.4%. The R&D expense ratio was 33.8%, a year-on-year decrease of 8.9 percentage points. This demonstrates a significant enhancement in the output efficiency of R&D investment while maintaining our continuous technological leadership.

During the Period, as corporate clients have grown increasingly urgent in their demand for executable, tangible business-value-driven AI applications, the Company captured a significant number of new business opportunities and acquired new clients across key industries such as energy, manufacturing, finance and retail. During the Period, the number of our lighthouse users was 103, representing a year-on-year increase of 5, while the average revenue contribution from lighthouse users was RMB25.49 million, representing a year-on-year increase of 71.4%.

PERFORMANCE BY BUSINESS SEGMENTS

4ParadigmSage AI Platform (4ParadigmSage)

During the Period, the 4ParadigmSage AI Platform business generated revenue of RMB3,692.0 million, representing a year-on-year increase of 70.1%. Revenue from the 4ParadigmSage AI Platform business accounted for 83.9% of the Group's total revenue.

We are committed to building the 4ParadigmSage AI Platform into the core productivity infrastructure for the enterprise AI era, providing enterprise clients with comprehensive, high-efficiency and cost-effective AI digital transformation infrastructure and software development toolchains, from the underlying computing power platform and AIOS operating system with enterprise-grade features to the top-level full software suite. During the Period, the Company introduced several major technological innovations aimed at accelerating the pervasive integration and implementation of AI across all business functions.

The Company adheres to a software-hardware co-development strategy. On September 22, 2025, the Company launched ModelHub XC and the AI engine EngineX, which, centering on "model architecture adaptation", achieves high-performance compatibility with domestic computing power. EngineX supports batch adaptation of multiple architectures and models through a unified engine layer, elevating the adaptation level to the algorithmic architecture level, (e.g. Transformer, Diffusion, and CNN), enabling a "one-time adaptation, plug-and-play for multiple models" paradigm. ModelHub XC also labels each model with compatible domestic chip brands, simplifying the selection process for developers. The platform currently supports the following IT innovation and computing power: Huawei Ascend, Cambricon, Iluvatar CoreX, Kunlunxin, Metax, and Sunrise. At present, Fourth Paradigm has completed the full adaptation of a large wind tunnel computational model on the Sunrise S2 chip, achieving production-grade performance. This milestone marks a significant step forward in securing autonomous computing capabilities for critical vertical domains. In the next six months, the number of adapted and certified models will be progressively updated to thousands level, within a year, it will reach to hundreds of thousands level. This update rate will continue to be maintained and will cover all major IT innovation and computing power in the market.

In terms of hardware, the Company launched the "Virtual VRAM" virtual video memory expansion card, which can expand single-card video memory to 256GB (equivalent to ten RTX 4090 cards), breaking through VRAM limitations without requiring hardware replacement and supporting large-scale AI tasks.

In terms of cloud-native scheduling, Fourth Paradigm, leveraging the GPU dynamic scheduling capabilities of Kubernetes v1.34, has achieved integrated, fine-grained scheduling of computing power and memory. The open-source project HAMi-Core, deeply adapted with DRA, introduced a GPU dynamic resource driver, advancing cloud-native computing power management and significantly lowering the barrier to use.

SHIFT Intelligent Solutions (4Paradigm SHIFT)

During the Period, revenue from the SHIFT Intelligent Solutions business amounted to RMB602.0 million, representing a year-on-year decrease of 12.5%.

Revenue from the SHIFT Intelligent Solutions business accounted for 13.7% of the Group's total revenue. This business is an extension of the "4ParadigmSage AI Platform" business at the solution end. Its exploration and development are fundamentally aimed at supporting the growth of the "4ParadigmSage AI Platform" business.

During the Period, Fourth Paradigm, through the integration of "AI Agent + Retail Vertical Model + Large Language Model" technologies, established an intelligent retail system targeting five core scenarios, including product recommendation and supply chain management. The AI Agent integrates with specialized vertical models – such as competitor monitoring and demand forecasting – to automate dynamic pricing and personalized promotions, thereby enhancing key indicators such as sales conversion rates and inventory turnover. The solution library comprises modules for intelligent shopping guides and store analytics, among others, driving the retail industry's transition from experience-driven to data-driven operations.

In terms of AI + Energy Storage, the Company has partnered to develop an intelligent upgrade solutions for energy storage power stations. These solutions utilize intelligent liquid cooling technology to ensure stable output throughout the entire lifecycle of batteries and Power Conversion Systems (PCS), thereby extending battery service life. It also employs AI-powered, full-time intelligent temperature control to reduce auxiliary power consumption and control operational costs. Meanwhile, an AI agent platform for intelligent power station operation has been established, providing "real-time monitoring + transaction support" capabilities, which ensures stable equipment operation and maximizes operational value. Looking ahead, leveraging advanced AI technologies and partners' global service experience, the Company will empower high-quality overseas energy storage projects, promote the transformation of the energy structure, and contribute to building a new energy system that is clean, low-carbon, safe, and efficient.

In terms of AI + Stablecoins, the Company continues to collaborate with partners to research and develop an AI Agent-based solution for managing the underlying assets of stablecoins. By integrating AI Agents with vertical world models, this fusion strategy understands financial semantics, identifies interlinkages among market variables (such as inflation expectations, interest rate changes, and investment portfolios), dynamically models and simulates asset price fluctuations, and generates factor decomposition results and portfolio analysis, providing robust safeguards for the security of stablecoin transactions.

As a practitioner of "AI for everyone", the Company continues to pioneer new business domains, extending the benefits of artificial intelligence to a wider range of industries. Our recently launched "Paradigm Net-Motion AI+Sports Strategic Solution", a comprehensive, online-to-offline integrated framework built around three core pillars: "intelligent matching, intelligent operations and intelligent equipment". This comprehensive system addresses three key aspects, including venue matching, skill improvement and auxiliary smart wearable products. Starting with tennis as the initial focus, the Company is establishing a benchmark for "AI+Sports", with plans to expand to badminton, table tennis and other sports in the future. This initiative aims to foster innovation in competitive training and support the digital transformation of public fitness initiatives. By connecting sports data models with wearable devices, the solution creates a full-scenario data loop connecting the "venue end, match-up end, and individual end", enabling multi-terminal collaboration. It provides amateur athletes with scientific training support, equips venues and coaches with data-driven operational tools, and ultimately promotes the inclusive development of mass sports participation.

4ParadigmSageGPT AIGS Services (4Paradigm AIGS)

During the Period, revenue from the 4ParadigmSageGPT AIGS Services business amounted to RMB108.0 million, accounting for 2.4% of the Group's total revenue. Affected by the business expansion pace of the Company's core product, the "4ParadigmSage AI Platform", revenue from the 4ParadigmSageGPT AIGS Services decreased by 70.0% year-on-year.

We continued to iterate and optimize our AIGS CodeX product, a generative AI-based auxiliary programming tool. The product addresses the entire enterprise R&D lifecycle, providing one-stop services that include code autocompletion, annotation generation, code correction, code reconstruction and generation of unit testing. By lowering the barrier to programming and enhancing development efficiency, it helps establish a standardized "application production line", and thus comprehensively improves enterprise organizational efficiency. During the Period, we converted the conventional manual operation and maintenance optimization projects for the existing systems of multiple lighthouse users into subscriptions for AIGS services, which has significantly improved the level of automation in operation and maintenance processes and development efficiency.

The board of directors would like to remind investors that the data and the information contained in this announcement are based on the management accounts of the Group, which have not been reviewed or audited by the auditors of the Company and are for investors' reference only. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Beijing Fourth Paradigm Technology Co., Ltd.
北京第四範式智能技術股份有限公司
Dr. Dai Wenyuan
Chairman and Executive Director

Hong Kong, November 12, 2025

As at the date of this announcement, the executive Directors are Dr. Dai Wenyuan, Mr. Chen Yuqiang and Mr. Yu Zhonghao; the non-executive Directors are Dr. Yang Qiang, Mr. Dou Shuai and Mr. Zhang Jing; the independent non-executive Directors are Mr. Li Jianbin, Mr. Liu Chijin, Ms. Ke Yele and Mr. Liu Zhuzhan; and the employee representative Director is Mr. Chai Yifei.