

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



## Horizon Robotics

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

### (1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025; AND (2) INSIDE INFORMATION

The board (the “**Board**”) of directors (the “**Directors**”) of Horizon Robotics (the “**Company**”) is pleased to announce the audited annual consolidated results of the Company for the year ended December 31, 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024. These annual results have been extracted from the audited financial statements of the Company and have been reviewed by the audit committee (the “**Audit Committee**”) of the Board.

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

#### FINANCIAL PERFORMANCE HIGHLIGHTS

|                                       | For the Year Ended<br>December 31,                |             |            |
|---------------------------------------|---|-------------|------------|
|                                       | 2025  | 2024        | Change (%) |
|                                       | <i>(RMB in thousands, except for percentages)</i> |             |            |
| Revenue from contracts with customers | 3,758,268   | 2,383,554   | 57.7       |
| Gross profit                          | 2,425,680   | 1,841,354   | 31.7       |
| Operating loss                        | (3,338,791)                                       | (2,144,240) | 55.7       |
| <b>(Loss)/Profit for the year</b>     | <b>(10,469,366)</b>                               | 2,346,508   | (546.2)    |
| Non-IFRS Financial Measures:          |   |             |            |
| <b>Adjusted operating loss</b>        | <b>(2,372,323)</b>                                | (1,495,179) | 58.7       |
| <b>Adjusted net loss</b>              | <b>(2,811,776)</b>                                | (1,681,155) | 67.3       |

Note:

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

## **BUSINESS REVIEW AND OUTLOOK**

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

According to industry data, the intelligent transformation of China's passenger vehicle market achieved a significant breakthrough in 2025. The market penetration rate of passenger vehicles equipped with intelligent assisted driving functions reached a record high of 67.6%. Notably, within the segment of new intelligent vehicle sales, the proportion of advanced features – namely highway and urban navigate on autopilot (NOA) functions – rose rapidly from 21.6% in 2024 to 42.6% in 2025. It represents a near-doubling year-over-year increase in penetration rate. Consequently, for every three passenger vehicles sold in the Chinese market in 2025, two were equipped with intelligent assisted driving capabilities, with nearly one already featuring an advanced NOA solution. This not only confirms that Chinese consumers' acceptance of intelligent assisted driving solutions has crossed an inflection point, but also highlights the accelerated shift toward advanced NOA solutions is becoming a new engine for growth.

Chinese domestic brands and the Company have played a pivotal role in the process of accelerating the upscale shift in intelligent assisted driving systems. In 2025, 61.8% of new intelligent vehicle sales from Chinese brands featured NOA functions, significantly outperforming the 13.1% recorded by joint venture brands. Of particular note, in the sub RMB200,000 price segment – the largest volume bracket which accounts for 65% of total passenger vehicle sales – witnessed the penetration of advanced NOA features surged from 5% at the beginning of the year to over 50% by year-end. Within this most dynamically transforming mainstream passenger vehicle market, the Company secured a 44.2% market share, ranking first in the industry. This exponential growth signals that Chinese market has achieved equitable access to basic intelligent driving capabilities, and has also advanced into a new era of “equitable access to NOA solutions”. The NOA driving experience, once exclusive to the luxury segment, are becoming a standard feature for the mass market.

Against this backdrop, the Company as a key driver in the democratization of advanced NOA solutions, achieved the following significant milestones during the Reporting Period:

- **Solidifying Market Leadership:** For the full year of 2025, the Company maintained its dominant position in the basic Advanced Driver Assistance Systems (ADAS) solutions market among Chinese domestic brands, securing the top place with an overwhelming 47.7% market share. In the burgeoning advanced NOA segment, with a 14.4% market share, the Company, alongside a leading Chinese technology enterprise with a 15.2% market share and a U.S. technology company, formed the top tier of the market. The market share of the above three enterprises (CR3) reached 89% in aggregate, shaping a “one superpower, two strong players” market landscape. In the mainstream passenger vehicle market under the RMB200,000 price segment, as mentioned above, the advanced NOA solutions of the Company achieved a 44.2% market share, ranking first, which has significantly propelled the upward popularization of China's intelligent driving industry.

- Nearly 5-Fold Leap in NOA-enabled Hardware Shipments, Sustaining High-Quality Growth by Both Volume and ASP Expansion: During the Reporting Period, total shipments of the Company's automotive-grade Journey<sup>®</sup> series processing hardware reached 4.01 million units, representing a year-over-year increase of 38.8%. Of which, the shipment proportion of processing hardware supporting NOA functions has climbed to 45%, with shipment volume reaching 4.8 times compared to the same period in 2024. This structural shift significantly optimized the Company's product mix in 2025, driving an increase of over 75% in average dollar content per vehicle, further sustaining the growth momentum of simultaneous rise in both volume and price. Furthermore, it is worth emphasizing that over 95% of the total shipments during the Reporting Period were delivered through our ecosystem partners. This underscores the Company's technological edge and established ecosystem leadership.
- HSD Brings Urban NOA to the Mainstream, Emerging as a Decisive Purchase Driver: In November 2025, the Company's all-scenario urban assisted driving solution, Horizon SuperDrive ("HSD"), officially entered into mass production, making it the first mass-production large-scale intelligent driving model based on a one-segment end-to-end technology in China. Pioneering its deployment in the mainstream passenger vehicle market priced at around RMB150,000, the Company delivered over 22,000 units in just over one month, successfully democratizing the urban NOA driving experience for the broader public. According to industry data, HSD has become a decisive factor influencing consumers' vehicle purchase decisions: models equipped with HSD, despite the higher selling price, accounted for 83% of the total sales for the relevant vehicle models. This forms a stark contrast to industry norms. Additionally, during the 2026 Chinese New Year holiday, the AD mileage rate among HSD users reached as high as 41%. According to public data, this proportion significantly outperformed the general performance of the existing mainstream intelligent assisted driving systems in the market, representing HSD's high user stickiness and superior user experience. During the Reporting Period, HSD has secured design wins from 10 OEM brands for a cumulative over 20 vehicle models, reflecting robust commercial momentum.
- Empowering Global Expansion of Domestic Brands, Consolidating Local Presence of JV Brands, and Driving Smart Transformation of Overseas Brands. By 2025, the Company has cumulatively secured nominations for over 40 export models from 11 automakers, comprehensively covering the mainstream models of the top five Chinese automobile exporters, with cumulative export nominations reaching 2 million units over the lifecycle, thereby establishing itself as a pivotal force in empowering the global expansion of domestic auto brands. Regarding joint venture brands, since the Company established a joint venture with CARIAD (a software company of Volkswagen Group), our technological empowerment has effectively driven the intelligence upgrading of JV models in the Chinese market. The Company has successfully secured nominations for over 35 models from 9 JV brands in China. Notably, models from brands outside the Volkswagen Group accounted for over 60%, demonstrating the widespread trust among joint-venture brands in the Company. Furthermore, during the Reporting Period, the Company successfully secured model nominations towards overseas markets from 3 global automakers through 2 international Tier-1 suppliers, with the shipment of nominations reaching 10 million units over the lifecycle, further solidifying our strategic layout in accelerating the smart transformation of overseas brands.

In 2025, the Company recorded revenue of RMB3,758 million, representing a year-over-year increase of 57.7%. The comprehensive gross margin reached 64.5%. The automotive business contributed 94.6% of our total revenue, while achieving an even higher gross margin of 67.2%. We firmly believe that HSD serves not only as our near-term growth engine, but also as the technological foundation towards L4 and Robotaxi applications. Its underlying AI foundation model is poised to further empower broader industries, including robotics, in the future. Thus we have strategically increased our R&D expenses in these areas, especially cloud-related services, resulting in an adjusted operating loss of RMB2,372 million for the Reporting Period. The successful mass production and strong market reception of HSD have already demonstrated the effectiveness of our R&D investments. We believe that sustained, high-intensity investment will further refine our in-vehicle foundation models and deepen our competitive moat. Ultimately, our goal is to transform HSD into an accessible standard feature for all mass-market consumers, and provide them safety, convenience, and comfort of intelligent driving in their daily journeys.

## **Products and Solutions**

Fuelled by robust growth in shipment volume and a significant increase in dollar content per vehicle, revenue from our products and solutions more than doubled to RMB1,622 million, representing a year-over-year growth of 144.2%. Consequently its contribution to total revenue rose to 43.2%, a marked increase from 27.9% in 2024, highlighting the structural optimization of our revenue streams as we have entered a mass production cycle of advanced NOA solutions. As a result, while processing hardware enabling advanced NOA solutions accounted for 45% of total delivery volume, they contributed over 80% of Products and Solutions revenue.

During the Reporting Period, the Company secured over 110 additional design wins, covering a wide range of vehicle models from leading domestic brands and joint venture brands. Among these, our most cutting-edge all-scenario intelligent driving solution, HSD, accounted for over 20 new design wins. This trend confirms that urban NOA feature is becoming an essential for next-generation vehicle models, and we are firmly positioned at the epicenter of this transformation.

## **License and Services**

Underpinned by our world-class algorithmic capabilities, outstanding ecological influence in the automotive-grade chip sector in China, flexible business models, and the highly acclaimed mass-production performance of HSD, our algorithm and software stack has become a highly regarded foundational model in the intelligent assisted driving sector, driving licensing adoption among a broader range of OEMs and ecosystem partners. During the Reporting Period, revenue from our License and Services business reached RMB1,935 million, representing a year-over-year increase of 17.4% and accounting for 51.4% of total revenue. Beyond our partnership with CARIZON, one of the largest global automotive part groups commenced licensing our algorithms and software during the Reporting Period, becoming one of our top five customers in 2025.

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

In January 2026, the industry's first urban NOA solution based on our single Journey 6M processing hardware officially entered mass production. Leveraging deep software-hardware co-optimization, this solution significantly reduces complexity and total cost, establishing a robust foundation for more scalable adoption. We are now collaborating with a broad ecosystem partners to further expand the reach of urban NOA solution from the RMB150,000 mass-market segment down to the RMB100,000 entry-level vehicle segment, making advanced driving technology truly within reach for all.

The first vehicle model developed in collaboration with CARIZON has recently entered mass production. We anticipate an additional 6 new models to commence mass production in 2026. This milestone marks a significant transition. Since establishing CARIZON with CARIAD (the software company of Volkswagen Group) in November 2023, and following two years of dedicated development, our strategic partnership has successfully transitioned from the R&D phase into full-scale mass production and delivery phase.

## **BUSINESS OUTLOOK**

Currently, automakers are competing to pursue differentiated innovation and cost-efficiency, while facing the backdrop of elevated raw material costs this year. The Group’s product strategy does not rely solely on reducing the costs of existing technologies, rather, it is committed to providing customers with system-level solutions that deliver both an exceptional user experience and cost advantages through foundational technological innovation and systematic cost-efficiency optimization. This year, we will launch a new generation of cockpit-driving fusion Agentic CAR SoC and Agentic CAR OS at an appropriate time, deliver a seamlessly collaborative cockpit-driving function experience, provide ample computing power, and significantly lower the system-level software and hardware costs. We believe that the intelligence agent solution of cockpit-driving fusion is expected to become a standard configuration for the next stage of intelligent vehicles.

The Company has officially introduced its next-generation computing architecture, the “Riemann Architecture” BPU and intends to launch the Journey 7 processing hardware – our next-generation computing platform featuring enhanced computational capacity – in due course. The aggregate computing power and core performance metrics of this platform are designed to benchmark against the next-generation hardware offerings of the pioneering global automaker in autonomous driving. Consequently, this will facilitate the in-vehicle deployment of intelligent driving software powered by larger-scale AI models.

The Company targets the third quarter of this year to collaborate with ecosystem partners in facilitating the pilot operations of Robotaxis in designated domestic cities, leveraging the foundation model underlying our HSD solution. Through such synergistic collaborations, we aim to accumulate L4-level autonomous driving experience on real-world open urban roads, thereby laying the groundwork for the subsequent technological evolution of our foundation models and the commercial deployment of Robotaxis, and ultimately establishing the Company as a mass-production technology solution provider for L4-level passenger vehicles and Robotaxi operators.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

|  | <b>Year ended December 31,</b> |             |
|--|--------------------------------|-------------|
|  | <b>2025</b>                    | <b>2024</b> |
|  | <i>(in thousands of RMB)</i>   |             |
| Revenue from contracts with customers                                  | <b>3,758,268</b>               | 2,383,554   |
| Cost of sales  | <b>(1,332,588)</b>             | (542,200)   |
| <b>Gross profit</b>  | <b>2,425,680</b>               | 1,841,354   |
| Research and development expenses                                      | <b>(5,153,708)</b>             | (3,156,055) |
| Administrative expenses  | <b>(725,964)</b>               | (637,615)   |
| Selling and marketing expenses   | <b>(631,924)</b>               | (409,853)   |
| Net impairment losses on financial assets                              | <b>(9,575)</b>                 | (51,249)    |
| Other income   | <b>335,183</b>                 | 195,875     |
| Net other gains  | <b>421,517</b>                 | 73,303      |
| <b>Operating loss</b>  | <b>(3,338,791)</b>             | (2,144,240) |
| <i>Add back:</i>   |                                |             |
| Share-based payments   | <b>965,773</b>                 | 562,923     |
| Non-recurring capital raising expenses                                 | <b>695</b>                     | 86,138      |
| <b>Adjusted operating loss (non-IFRS measure)</b>                      | <b>(2,372,323)</b>             | (1,495,179) |
| Operating loss   | <b>(3,338,791)</b>             | (2,144,240) |
| Finance income   | <b>403,938</b>                 | 383,231     |
| Finance costs  | <b>(14,089)</b>                | (7,413)     |
| Net finance income   | <b>389,849</b>                 | 375,818     |
| Share of results of investments accounted for using the equity method  | <b>(853,054)</b>               | (557,287)   |
| Fair value changes of preferred shares and other financial liabilities | <b>(6,664,051)</b>             | 4,676,724   |
| <b>(Loss)/Profit before income tax</b>                                 | <b>(10,466,047)</b>            | 2,351,015   |
| Income tax expense   | <b>(3,319)</b>                 | (4,507)     |
| <b>(Loss)/Profit for the year</b>                                      | <b>(10,469,366)</b>            | 2,346,508   |
| <i>Add back:</i>   |                                |             |
| Share-based payments   | <b>992,844</b>                 | 562,923     |
| Non-recurring capital raising expenses                                 | <b>695</b>                     | 86,138      |
| Fair value changes of preferred shares and other financial liabilities | <b>6,664,051</b>               | (4,676,724) |
| <b>Adjusted net loss (non-IFRS measure)</b>                            | <b>(2,811,776)</b>             | (1,681,155) |

**Revenues.** Revenues increased by 57.7% year-on-year to RMB3,758.3 million for the year ended December 31, 2025. The following table sets forth our revenues by revenue source for the years ended December 31, 2025 and 2024:

|                          | <b>Year ended December 31,</b>                       |                            |               |                            |
|--------------------------|--|----------------------------|---------------|----------------------------|
|                          | <b>2025</b>  |                            | <b>2024</b>   |                            |
|                          | <b>Amount</b>  | <b>% of total revenues</b> | <b>Amount</b> | <b>% of total revenues</b> |
|                          | <i>(in thousands of RMB, except for percentages)</i> |                            |               |                            |
| Automotive solutions     |  |                            |               |                            |
| Product solutions        | <b>1,622,274</b>                                     | <b>43.2%</b>               | 664,237       | 27.9%                      |
| License and services     | <b>1,934,913</b>                                     | <b>51.4%</b>               | 1,647,466     | 69.1%                      |
| Subtotal                 | <b>3,557,187</b>                                     | <b>94.6%</b>               | 2,311,703     | 97.0%                      |
| Non-Automotive solutions | <b>201,081</b>                                       | <b>5.4%</b>                | 71,851        | 3.0%                       |
| <b>Total revenues</b>    | <b>3,758,268</b>                                     | <b>100%</b>                | 2,383,554     | 100%                       |

Revenues from automotive solutions increased by 53.9% year-on-year to RMB3,557.2 million for the year ended December 31, 2025. This growth was driven by:

- Revenues from product solutions increased by 144.2% year-on-year to RMB1,622.3 million for the year ended December 31, 2025. Driven by customers' strong recognition and demand for our product solutions powered by our Journey<sup>®</sup> 6 series processing hardware, including the successful mass production and deployment of our full-scenario urban NOA solution (HSD) in the final quarter of 2025, delivery volume of our highway and urban NOA-capable product solutions increased to almost five fold. This rapid growth in deliveries of advanced NOA solutions drove a 38.8% increase in total automotive-graded shipments, while also lifting average selling price by more than 75% compared to 2024.
- Revenues from license and services increased by 17.4% year-on-year to RMB1,934.9 million for the year ended December 31, 2025, primarily due to the revenue growth from more IP licensing arrangements. As a result of our continued pursuit of a holistic approach integrating hardware and software, and increased R&D investments of intelligent assisted driving technologies, we have greatly enriched our portfolio of technologies, that can be flexibly selected and seamlessly integrated into customers own products. In particular, more tier-one supplier customers obtained our IP licenses in 2025, primarily contributing to the overall license and service revenue growth.

Revenues from non-automotive solutions increased by 179.9% year-on-year to RMB201.1 million for the year ended December 31, 2025. Our non-automotive business primarily provides processing hardware and robot developer kits to a wide range of non-automotive customers and developers. The year-on-year revenue increase mainly comprised of an increase in non-automotive processing hardware and peripheral devices by RMB94.0 million.

**Cost of Sales.** Cost of sales was RMB1,332.6 million for the year ended December 31, 2025, which increased by 145.8% year-on-year. By revenue source, cost of product solutions increased by 198.3%, and cost of license and services decreased by 19.5%, respectively. By nature, cost of inventories sold increased by 165.9% which was basically in line with the growth trend of product solutions revenue, and cost of employee benefit decreased by 26.8% which demonstrated our efforts in standardizing the delivery process and solution configuration, as well as streamlining the delivery resource requirements, considering that our automotive license and services revenue kept growing year-on-year.

**Gross Profit and Gross Profit Margin.** Gross profit was RMB2,425.7 million in 2025, which increased by 31.7% year-on-year. Gross profit margin decreased to 64.5% in 2025, from 77.3% in 2024. This margin fluctuation was primarily driven by changes in the revenue mix, specifically the notably rising proportion of automotive product solutions revenue along with our rapidly growing average selling price and delivery volume. The smaller revenue portion from the higher-margin license and services business and a lower gross profit margin of automotive product solutions revenue, together 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 years ended December 31, 2025 and 2024:

|                      | <b>Year ended December 31,</b>                       |                            |                         |                            |
|----------------------|--|----------------------------|-------------------------|----------------------------|
|                      | <b>2025</b>  |                            | <b>2024</b>             |                            |
|                      | <b>Gross profit</b>                                  | <b>Gross profit margin</b> | <b>Gross profit</b>     | <b>Gross profit margin</b> |
|                      | <i>(in thousands of RMB, except for percentages)</i> |                            |                         |                            |
| Automotive solutions |  |                            |                         |                            |
| Product solutions    | <b>559,898</b>                                       | <b>34.5%</b>               | 308,059                 | 46.4%                      |
| License and services | <b>1,829,426</b>                                     | <b>94.5%</b>               | 1,516,480               | 92.0%                      |
| <b>Total</b>         | <b><u>2,389,324</u></b>                              | <b><u>67.2%</u></b>        | <b><u>1,824,539</u></b> | <b><u>78.9%</u></b>        |

- Gross profit for automotive solutions increased by 31.0% year-on-year to RMB2,389.3 million for the year ended December 31, 2025, and gross profit margin of automotive solutions decreased to 67.2% from 78.9% in the previous year. These changes are primarily the results of:
  - Gross profit for product solutions increased by 81.8% year-on-year to RMB559.9 million for the year ended December 31, 2025, and gross profit margin decreased to 34.5% from 46.4% in the year of 2024. To facilitate the rapid vehicle integration of our HSD solution and other intelligent assisted driving solutions for certain customers in 2025, we supplied autonomous driving domain controllers and other integrated product device units – incorporating our processing hardware, on-board electronic components, as well as other requested chip-related peripherals and structural parts, as needed. Given that supplying domain controllers and other integrated product device units is neither our core business nor part of our future strategic focus, we applied only a nominal markup on these non-core components and manufacturing costs. Excluding this impact, our adjusted gross margin was at 42.5%. The remaining fluctuation in gross margin was primarily due to our strategic decision to offer more competitive prices of existing product solutions throughout the year of 2025.

- Gross profit for license and services increased by 20.6% year-on-year to RMB1,829.4 million for the year ended December 31, 2025, and gross profit margin increased to 94.5% from 92.0% in the previous year. These increases in both gross profit and gross profit margin were primarily attributable to the growth and expanding contribution of revenue from licenses granted, with higher margin as compared to the services rendered to customers.
- Gross profit for non-automotive solutions increased by 116.2% year-on-year to RMB36.4 million for the year ended December 31, 2025, and gross profit margin decreased to 18.1% from 23.4% last year. Substantially all of the non-automotive revenues were generated from delivery of product solutions in both years, and therefore the overall gross margin fluctuation reflected a faster increased inventory cost as compared to the product solutions revenue growth on an annual basis. The rapid increase in non-automotive product solutions revenue resulted in a declined proportion of revenue from the higher-margin license and service arrangements, which also led to an overall lower gross margin in non-automotive business.

**Research and Development Expenses.** Research and development expenses increased by 63.3% year-on-year to RMB5,153.7 million for the year ended December 31, 2025, primarily due to increases of (i) cloud service fees and other technical service procurement to advance our development of full-scenario urban-NOA solution HSD, and also ADAS solutions powered by our Journey® 6 processing hardware, (ii) R&D related labor expenses, mainly share-based compensation to R&D personnel, and (iii) Tape-out fees for processing hardware and consumable material costs. Notwithstanding our strategically continuous investment in R&D resources, research and development expenses as a percentage of revenue kept steady, and were 137.1% and 132.4% for the years ended December 31, 2025 and 2024, respectively.

**Administrative Expenses.** Administrative expenses increased by 13.9% year-on-year to RMB726.0 million for the year ended December 31, 2025, primarily due to (i) increases in administrative employee related share-based compensation expenses, and (ii) a decrease in service fees to external professional vendors. As our revenue continues to grow and we increasingly focus on administrative efficiency, our administrative expenses as a percentage of total revenue decreased from 26.8% in 2024 to 19.3% in 2025.

**Selling and Marketing Expenses.** Selling and marketing expenses increased by 54.2% year-on-year to RMB631.9 million for the year ended December 31, 2025, primarily driven by increases in (i) marketing, conference, brand and product advertising expenses, reflecting our increased promotion and marketing efforts, and (ii) selling and marketing employee benefit expenses, including share-based compensation. Our selling and marketing expenses as a percentage of total revenue decreased from 17.2% in 2024 to 16.8% in 2025.

**Net Impairment Losses on Financial Assets.** We recorded net impairment losses on financial assets of RMB9.6 million for the year ended December 31, 2025, decreased by 81.3% 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 RMB335.2 million in 2025, driven by financial subsidies correlated to key R&D milestone accomplishments and other precondition fulfillments.

**Net other gains.** Net other gains increased significantly to a gain of RMB421.5 million in 2025, driven by (i) fair value gains in financial assets at fair value through profit or loss, and (ii) gains in wealth management product.

**Net finance income.** Net finance income increased to RMB389.8 million in 2025. This increase was contributed by interest income gained from our deposit in bank.

**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 RMB853.1 million for 2025, compared to RMB557.3 million for the previous year. This increase in loss was primarily attributable to our increased shared loss of CARIZON and Horizon Continental Technology Pte. Ltd. (“HCT”), as they were still in ramping up stage with increased R&D expenses.

**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 RMB6,664.1 million in 2025, versus gains on fair value changes of preferred shares and other financial liabilities of RMB4,676.7 million in 2024. The fair value loss in 2025 comprised of (i) primarily the incremental fair value of the convertible loan, in line with our rising market capitalization, and (ii) increase in fair value of preferred shares issued by D-Robotics. While the fair value gain in 2024 was attributable to a downward adjustment in the fair value of the preferred share liability, for the decline in the actual conversion price upon IPO, compared to previously measured value of such preferred shares.

**(Loss)/Profit for the Year.** Loss for the year was RMB10,469.4 million in 2025, as compared to profit for the year of RMB2,346.5 million in 2024.

**Share-based Payments.** Share-based payments increased by 76.4% year-on-year to RMB992.8 million for the year ended December 31, 2025, primarily due to (i) rise in the grant-date fair value of awards, and (ii) the additional grants of incentive shares under our ESOP.

**Non-recurring capital-raising expenses.** We had non-recurring capital-raising expenses of RMB0.7 million in 2025 in connection with our top-up issuance capital raising consummated in June and October, as compared to expenses of RMB86.1 million in relation to our HK IPO and global offering incurred in 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 RMB2,372.3 million in 2025, as compared to RMB1,495.2 million in 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 year, was RMB2,811.8 million in 2025, as compared to RMB1,681.2 million in 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 year ended December 31, 2025, we funded our cash requirements principally through cash generated from capital raising and our operations. Our cash and cash equivalents increased by 31.3% from RMB15.4 billion as of December 31, 2024 to RMB20.2 billion as of December 31, 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 December 31, 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 year ended December 31, 2025.

## **Charge on Assets**

The Group did not have any pledge or charge on assets as of December 31, 2025.

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

The Group did not have detailed future plans for material investments or capital assets as of December 31, 2025.

## **Gearing Ratio**

As of December 31, 2025, the Company's gearing ratio (equals total liabilities divided by total assets, in percentage) was 58.7% (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 December 31, 2025.

## **Capital Commitment**

As of December 31, 2025, capital commitment of the Company was RMB528.6 million (December 31, 2024: RMB161.8 million), mainly related to capital expenditure on intangible assets, property, plant and equipment.

As of December 31, 2025, commitments in respect of associates and joint ventures was RMB1,359.9 million (December 31, 2024: RMB1,513.5 million).

## **Employees and Remuneration**

As of December 31, 2025, the Company had a total of 2,215 full-time employees (December 31, 2024: 2,078). The total employee remuneration expenses for the year ended December 31, 2025, including share-based compensation expenses, were RMB2,917.7 million, as compared to RMB2,447.5 million for the year ended December 31, 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 following:

- Pursuant to Code Provision C.2.1 of part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Kai Yu currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.
- 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 audited consolidated financial statements for the year ended December 31, 2025 with the management of the Company. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, risk management and internal control with senior management of the Company.

## **Auditor's Procedures Performed on this Results Announcement**

The figures in respect of the Group's consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of financial position and the related notes thereto in this results announcement of the Group for the year ended December 31, 2025 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

## **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 December 31, 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 and Inside Information

During the Reporting Period, D-Robotics was a subsidiary of the Company. Taking into account that (1) since the listing of the Company, due to the continuous financing of D-Robotics, the Company's holdings of D-Robotics' issued share capital have been passively diluted from nearly 70% at the time of the Company's listing to approximately 40%; and (2) D-GUA Brother LP, the employee stock ownership platform of D-Robotics, currently intends to terminate the acting-in-concert agreement entered into with Horizon Together Holding Ltd. ("**Horizon Together**"), a wholly owned subsidiary of the Company, while the Company's founders currently intend to withdraw the power of attorney granted to Horizon Together in relation to the appointment of the board members of D-Robotics. Based on the requirements of IFRS, upon the signing of the above documents, the Company will no longer have control over D-Robotics, and consequently, D-Robotics will no longer be accounted for as a subsidiary of the Company ("**Deconsolidation**"). However, the Company will retain its status as the largest shareholder and account for D-Robotics as an associate of the Company.

Following the Deconsolidation due to the Company's loss of control over D-Robotics, D-Robotics is no longer a connected subsidiary of the Company and will continue to constitute a connected person of the Company as an associate of Dr. Kai Yu, an executive director of the Company. The Company will continue to provide product solutions and R&D services to D-Robotics to facilitate its development. Accordingly, each of the continuing connected transactions between the Company and D-Robotics will continue to be conducted in compliance with the relevant framework agreements and the requirements of Chapter 14A of the Listing Rules.

Based on the following factors, the Company believes that the Deconsolidation due to the loss of control over D-Robotics is not expected to have any material adverse effect on the Group's investment, finance and operation.

### ***(1) Enabling the Company to focus on its business model and optimize resource allocation***

It will enable the Company to further refine its existing business model, consolidate R&D resources, and concentrate its efforts on the research and development of BPU chip computing architectures and foundation models for physical AI, while capitalizing on smart vehicles as the currently largest commercial application scenario.

Following the Deconsolidation, D-Robotics will serve as one of the in-depth partners in the robotics industry within the Company's ecosystem. Leveraging the underlying technological foundation provided by the Company, D-Robotics will develop a range of dedicated processing hardware and software systems to empower a multitude of robotics enterprises across diverse industries – markets characterized by highly fragmented use cases and the absence of a closed-loop commercialization. The Deconsolidation not only maximizes the Company's industry and customer coverage but also significantly alleviates the customization development and delivery burdens, which are associated with handling a vast customer base across fragmented scenarios.

**(2) *Aligning with the development needs of D-Robotics, beneficial for facilitating future independent financing and enhancing the flexibility and influence of its management; as the largest single shareholder, the Company continuing to enjoy economic rights and interests and participate in decision-making***

Given the divergent development cycles between automotive intelligence and the robotics industry, the Company believes that the commercialization of the robotics industry, particularly in the realm of embodied intelligence, remains in its early exploration stage. Since D-Robotics was registered as a subsidiary of the Company in September 2023, its management and team have demonstrated the ability to effectively implement business development strategies and achieve business objectives in research and development, business expansion, supply chain management, operation, capital layout and other areas. In the face of a dynamic and ever-changing robotics market, the management of D-Robotics needs greater flexibility and influence in deploying its operational and development strategies, in order to maintain its leading position in the industry. D-Robotics also needs continuous external financing to support its future R&D and business development.

Following the Deconsolidation, the Company does not intend to proactively reduce its shareholding percentage in D-Robotics and will continue to support its capital operations, remaining entitled to enjoy economic rights and interests and participate in decision-making as the largest single shareholder.

**(3) *Beneficial for the Company to optimize its financial performance***

Since the gross margin of D-Robotics is significantly lower than that of the Company's main business, the Deconsolidation will further improve the Company's overall gross margin. In addition, the deconsolidation of certain R&D expenses of D-Robotics from the financial statements accompanying the Deconsolidation will be beneficial for optimizing the Company's future adjusted net profit performance. Consequently, following the Deconsolidation, the Company, as the largest shareholder of D-Robotics, will continue to benefit from D-Robotics' growth while also optimizing its key financial performance such as gross margin and operating expenses.

Save as disclosed above, there were no significant events that might affect the Company since December 31, 2025 and up to date of this announcement.

**Dividend**

The Board did not recommend the distribution of an annual dividend for the year ended December 31, 2025.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

|   | Notes | Year ended December 31, |                    |
|---|-------|-------------------------|--------------------|
|   |       | 2025                    | 2024               |
|   |       | RMB'000                 | RMB'000            |
| Revenue from contracts with customers   | 4     | 3,758,268               | 2,383,554          |
| Cost of sales   |       | (1,332,588)             | (542,200)          |
| <b>Gross profit</b>   |       | <b>2,425,680</b>        | <b>1,841,354</b>   |
| Research and development expenses   |       | (5,153,708)             | (3,156,055)        |
| Administrative expenses   |       | (725,964)               | (637,615)          |
| Selling and marketing expenses  |       | (631,924)               | (409,853)          |
| Net impairment losses on financial assets   |       | (9,575)                 | (51,249)           |
| Other income  |       | 335,183                 | 195,875            |
| Net other gains   |       | 421,517                 | 73,303             |
| <b>Operating loss</b>   |       | <b>(3,338,791)</b>      | <b>(2,144,240)</b> |
| Finance income  |       | 403,938                 | 383,231            |
| Finance costs   |       | (14,089)                | (7,413)            |
| Net finance income  |       | 389,849                 | 375,818            |
| Share of results of investments accounted for using the equity method   |       | (853,054)               | (557,287)          |
| Fair value changes of preferred shares and other financial liabilities  |       | (6,664,051)             | 4,676,724          |
| <b>(Loss)/Profit before income tax</b>  |       | <b>(10,466,047)</b>     | <b>2,351,015</b>   |
| Income tax expense  | 5     | (3,319)                 | (4,507)            |
| <b>(Loss)/Profit for the year</b>   |       | <b>(10,469,366)</b>     | <b>2,346,508</b>   |
| (Loss)/Profit is attributable to:   |       |                         |                    |
| Owners of Horizon Robotics  |       | (10,469,012)            | 2,346,580          |
| Non-controlling interests   |       | (354)                   | (72)               |
| <b>(Loss)/Earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company</b> |       |                         |                    |
| (expressed in RMB per share):   |       |                         |                    |
| Basic (loss)/earnings per share   | 6     | (0.81)                  | 0.51               |
| Diluted loss per share  | 6     | (0.81)                  | (0.17)             |

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

|   | <u>Year ended December 31,</u> |                       |
|---|--------------------------------|-----------------------|
|   | <u>2025</u>                    | <u>2024</u>           |
| <i>Notes</i>  | <u><i>RMB'000</i></u>          | <u><i>RMB'000</i></u> |
| <b>(Loss)/Profit for the year</b>   | <b>(10,469,366)</b>            | 2,346,508             |
| <b>Other comprehensive loss</b>   |                                |                       |
| <i>Items that will not be reclassified to profit or loss</i>  |                                |                       |
| Currency translation differences  | (85,222)                       | (195,638)             |
| Effects of changes in credit risk for financial liabilities<br>designated as at fair value through profit or loss | <u>90,411</u>                  | <u>(76,226)</u>       |
| <b>Other comprehensive loss for the year, net of nil tax</b>  | <u>5,189</u>                   | <u>(271,864)</u>      |
| <b>Total comprehensive (loss)/income for the year</b>   | <u><b>(10,464,177)</b></u>     | <u>2,074,644</u>      |
| <b>Total comprehensive (loss)/income for the year<br/>is attributable to:</b>                                     |                                |                       |
| Owners of Horizon Robotics  | (10,463,891)                   | 2,074,716             |
| Non-controlling interests   | (286)                          | (72)                  |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|   | As of December 31, |                   |
|---|--------------------|-------------------|
|   | 2025               | 2024              |
| <i>Notes</i>  | <i>RMB'000</i>     | <i>RMB'000</i>    |
| <b>ASSETS</b>   |                    |                   |
| <b>Non-current assets</b>   |                    |                   |
| Property, plant and equipment                                     | 1,052,700          | 773,972           |
| Right-of-use assets   | 177,353            | 211,517           |
| Deferred tax assets   | 105,613            | 106,911           |
| Intangible assets   | 239,109            | 320,251           |
| Investments accounted for using the equity method                 | 1,297,284          | 1,038,161         |
| Financial assets at fair value through profit or loss             | 3,502,634          | 629,638           |
| Restricted cash   | 5,379              | 8,141             |
| Prepayments and other non-current assets                          | 112,914            | 94,803            |
|   | <u>6,492,986</u>   | <u>3,183,394</u>  |
| <b>Total non-current assets</b>                                   |                    |                   |
| <b>Current assets</b>   |                    |                   |
| Inventories   | 1,069,224          | 585,414           |
| Prepayments and other current assets                              | 456,174            | 533,589           |
| Trade receivables   | 7 1,760,048        | 678,770           |
| Financial assets at fair value through other comprehensive income | 5,000              | 26,900            |
| Term deposits   | 636,922            | –                 |
| Restricted cash   | 2,712              | –                 |
| Cash and cash equivalents   | 20,188,070         | 15,370,925        |
|   | <u>24,118,150</u>  | <u>17,195,598</u> |
| <b>Total current assets</b>                                       |                    |                   |
|   | <u>30,611,136</u>  | <u>20,378,992</u> |
| <b>Total assets</b>   |                    |                   |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

|  |  | As of December 31, |                   |
|--|--|--------------------|-------------------|
|  |  | 2025               | 2024              |
| Notes  |  | <i>RMB'000</i>     | <i>RMB'000</i>    |
| <b>LIABILITIES</b>                                       |  |                    |                   |
| <b>Non-current liabilities</b>                           |  |                    |                   |
|  | Lease liabilities  | 42,659             | 81,539            |
|  | Preferred share and other financial liabilities at FVPL  | –                  | 6,383,299         |
|  | Borrowings   | 507,998            | 392,605           |
|  | Deferred tax liabilities                                 | 16                 | 1,626             |
|  | Other non-current liabilities                            | 545,058            | 327,289           |
|  | <b>Total non-current liabilities</b>                     | <b>1,095,731</b>   | <b>7,186,358</b>  |
| <b>Current liabilities</b>                               |  |                    |                   |
|  | Trade payables   | 234,391            | 14,552            |
|  | Contract liabilities                                     | 265,565            | 248,693           |
|  | Borrowings   | 20,000             | 14,667            |
|  | Lease liabilities  | 74,669             | 71,751            |
|  | Employee benefit obligations                             | 458,663            | 416,898           |
|  | Accruals and other payables                              | 914,655            | 306,851           |
|  | Preferred shares and other financial liabilities at FVPL | 14,907,698         | 204,410           |
|  | <b>Total current liabilities</b>                         | <b>16,875,641</b>  | <b>1,277,822</b>  |
|  | <b>Total liabilities</b>                                 | <b>17,971,372</b>  | <b>8,464,180</b>  |
|  | <b>Net current assets</b>                                | <b>7,242,509</b>   | <b>15,917,776</b> |
|  | <b>Net assets</b>  | <b>12,639,764</b>  | <b>11,914,812</b> |
| <b>EQUITY</b>  |  |                    |                   |
| <b>Equity attributable to owners of Horizon Robotics</b> |  |                    |                   |
|  | Share capital  | 242                | 205               |
|  | Share premium  | 45,704,716         | 34,087,735        |
|  | Treasury stock   | (73,124)           | –                 |
|  | Other reserves   | 268,599            | 616,784           |
|  | Accumulated losses                                       | (33,261,189)       | (22,790,718)      |
|  |  | <b>12,639,244</b>  | <b>11,914,006</b> |
|  | Non-controlling interests                                | 520                | 806               |
|  | <b>Total equity</b>                                      | <b>12,639,764</b>  | <b>11,914,812</b> |

# NOTES TO THE FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

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

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

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

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

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

## 2 BASIS OF PREPARATION

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

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

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the year ended December 31, 2025 are as follows:

| <b>Standards and amendments</b>  | <b>Effective for accounting periods beginning on or after</b> |
|--|---|
| Amendments to IFRS 9 and IFRS 7, ‘Amendments to the Classification and Measurement of Financial Instruments’ | 1 January 2026  |
| Annual Improvements – Volume 11<br>IFRS accounting standards   | 1 January 2026  |
| IFRS 18, ‘Presentation and Disclosure in Financial Statements’   | 1 January 2027  |
| IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’   | 1 January 2027  |

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

### 3 SEGMENT INFORMATION

The segment information provided to the chief operating decision maker (“CODM”) for the reportable segments for the years ended December 31, 2025 and 2024 is as follows:

|                 | <b>Year ended December 31, 2025</b>     |   |                          |
|-----------------|---|---|--------------------------|
|                 | <b>Automotive solutions<br/>RMB'000</b> | <b>Non-Automotive solutions<br/>RMB'000</b> | <b>Total<br/>RMB'000</b> |
| Segment revenue | 3,557,187                               | 201,081                                     | 3,758,268                |
| Cost of sales   | (1,167,863)                             | (164,725)                                   | (1,332,588)              |
| Gross profit    | <u>2,389,324</u>                        | <u>36,356</u>                               | <u>2,425,680</u>         |

  

|                 | <b>Year ended December 31, 2024</b>     |   |                          |
|-----------------|---|---|--------------------------|
|                 | <b>Automotive solutions<br/>RMB'000</b> | <b>Non-Automotive solutions<br/>RMB'000</b> | <b>Total<br/>RMB'000</b> |
| Segment revenue | 2,311,703                               | 71,851                                      | 2,383,554                |
| Cost of sales   | (487,164)                               | (55,036)                                    | (542,200)                |
| Gross profit    | <u>1,824,539</u>                        | <u>16,815</u>                               | <u>1,841,354</u>         |

As at December 31, 2025 and 2024, substantially all of the non-current assets of the Group were primarily 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).

|                                 | Year ended December 31, |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | 2025<br><i>RMB'000</i>  | 2024<br><i>RMB'000</i>  |
| <b>Automotive solutions</b>     |                         |                         |
| Product solutions               | 1,622,274               | 664,237                 |
| License and services            | 1,934,913               | 1,647,466               |
|                                 | <u>3,557,187</u>        | <u>2,311,703</u>        |
| <b>Non-Automotive solutions</b> | <u>201,081</u>          | <u>71,851</u>           |
| <b>Total Revenue</b>            | <u><u>3,758,268</u></u> | <u><u>2,383,554</u></u> |

|                                 | Year ended December 31, |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | 2025<br><i>RMB'000</i>  | 2024<br><i>RMB'000</i>  |
| <b>Automotive solutions</b>     |                         |                         |
| At a point in time              | 3,419,283               | 2,111,420               |
| Over time                       | 137,904                 | 200,283                 |
|                                 | <u>3,557,187</u>        | <u>2,311,703</u>        |
| <b>Non-Automotive solutions</b> |                         |                         |
| At a point in time              | <u>201,081</u>          | <u>71,851</u>           |
| <b>Total Revenue</b>            | <u><u>3,758,268</u></u> | <u><u>2,383,554</u></u> |

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

The major customers which contributed more than 10% of total revenue of the Group for the years ended December 31, 2025 and 2024 are listed as below:

|   | Year ended December 31, |        |
|---|-------------------------|--------|
|   | 2025                    | 2024   |
| <b>Percentage of revenue from the major customers to the total revenue of the Group</b> |                         |        |
| Customer A  | 18.11%                  | 31.50% |
| Customer B  | 14.58%                  | 2.60%  |
| Customer C  | 12.45%                  | 17.40% |
| Customer D  | 10.87%                  | 0.99%  |

## 5 INCOME TAX EXPENSE

The income tax of the Group during the years ended December 31, 2025 and 2024 are analysed as follows:

|                           | Year ended December 31, |                 |
|---------------------------|-------------------------|-----------------|
|                           | 2025<br>RMB'000         | 2024<br>RMB'000 |
| Current income tax        | (3,631)                 | (9,825)         |
| Deferred income tax       | 312                     | 5,318           |
| <b>Income tax expense</b> | <b>(3,319)</b>          | <b>(4,507)</b>  |

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

|  | Year ended December 31, |                 |
|--|-------------------------|-----------------|
|  | 2025<br>RMB'000         | 2024<br>RMB'000 |
| <b>Total comprehensive (loss)/income for<br/>the year is attributable to:</b>        | <b>(10,466,047)</b>     | 2,351,015       |
| Income tax calculated at PRC statutory income tax rate (25%)                         | (2,616,512)             | 587,754         |
| Tax effect of:   |                         |                 |
| – Effect of different tax rates in other jurisdictions                               | 1,842,261               | (1,009,612)     |
| – Preferential income tax rates applicable to subsidiaries                           | 335,974                 | 186,497         |
| – Expense not deductible for tax purposes  | 159,606                 | 88,284          |
| – Tax losses and other temporary difference not recognized<br>as deferred tax assets | 491,241                 | 414,837         |
| – Super deduction for research and development                                       | (209,251)               | (263,253)       |
| <b>Income tax expense</b>  | <b>3,319</b>            | <b>4,507</b>    |

## 6 (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the years ended December 31, 2025 and 2024. Basic (loss)/earnings per ordinary share is computed using the weighted average number of ordinary shares outstanding during the year. Both Class A, Class B ordinary shares and vested RSUs are included in the calculation of the weighted average number of ordinary shares outstanding.

The Group has several categories of dilutive potential ordinary shares: preferred shares issued by the Company, preferred shares issued by D-Robotics, convertible loan, unvested RSUs, and share options. As the Group incurred losses for the years ended December 31, 2025, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2025 are the same as basic loss per share of the respective year. For the year ended December 31, 2024, share options, unvested RSUs, preferred shares issued by the Company and Class B ordinary shares as if converted from the convertible loan were included in the calculation of diluted earnings per share as their inclusion could have a dilutive effect.

|  | <b>Year ended December 31,</b> |                      |
|--|--------------------------------|----------------------|
|  | <b>2025</b>                    | <b>2024</b>          |
| Basic (loss)/earnings per share:   |                                |                      |
| (Loss)/profit attributable to equity holder of the Company (RMB'000)   | <b>(10,469,012)</b>            | 2,346,580            |
| Weighted average number of ordinary shares outstanding (in "000")  | <b>12,923,911</b>              | 4,576,138            |
| Basic (loss)/earnings per share (expressed in RMB per share)   | <b><u>(0.81)</u></b>           | <b><u>0.51</u></b>   |
| Diluted loss per share:  |                                |                      |
| (Loss)/profit attributable to equity holder of the Company (RMB'000)   | <b>(10,469,012)</b>            | 2,346,580            |
| Adjustment for fair value change of the Company's redeemable convertible preferred shares and other financial liabilities through profit or loss | -                              | (4,686,938)          |
| Net loss attributable to the equity holders of the Company   | <b>(10,469,012)</b>            | (2,340,358)          |
| Weighted average number of shares (in "000"):  |                                |                      |
| Weighted average number of ordinary shares outstanding   | <b>12,923,911</b>              | 4,576,138            |
| Adjustment for preferred shares issued by the Company  | -                              | 6,345,552            |
| Adjustment for convertible loan of the Company   | -                              | 2,011,075            |
| Adjustment for share options and unvested RSU  | -                              | 480,052              |
| Weighted average number of ordinary shares used as the denominator in calculating diluted loss per share (in "000")                              | <b>12,923,911</b>              | 13,412,817           |
| Diluted loss per share (expressed in RMB per share)  | <b><u>(0.81)</u></b>           | <b><u>(0.17)</u></b> |

7 **TRADE RECEIVABLES**

|   | <b>As at December 31,</b> |                 |
|---|---------------------------|-----------------|
|   | <b>2025</b>               | <b>2024</b>     |
|   | <b>RMB'000</b>            | <b>RMB'000</b>  |
| <b>Non-current:</b>                             |                           |                 |
| Trade receivables                               |                           |                 |
| Third party debtors                             | <u>8,412</u>              | <u>26,303</u>   |
| Total trade receivables, gross                  | <b>8,412</b>              | 26,303          |
| Less: Credit loss allowance                     | <u>(648)</u>              | <u>(1,473)</u>  |
| <b>Total non-current trade receivables, net</b> | <u><b>7,764</b></u>       | <u>24,830</u>   |
| <b>Current:</b>                                 |                           |                 |
| Trade receivables                               |                           |                 |
| Third party debtors                             | 1,757,787                 | 704,819         |
| Related parties                                 | <u>104,354</u>            | <u>66,647</u>   |
| Total trade receivables, gross                  | <b>1,862,141</b>          | 771,466         |
| Less: Credit loss allowance                     | <u>(102,093)</u>          | <u>(92,696)</u> |
| <b>Total current trade receivables, net</b>     | <u><b>1,760,048</b></u>   | <u>678,770</u>  |
| <b>Total trade receivables, net</b>             | <u><b>1,767,812</b></u>   | <u>703,600</u>  |

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

|                | <b>As at December 31,</b> |                |
|----------------|---------------------------|----------------|
|                | <b>2025</b>               | <b>2024</b>    |
|                | <b>RMB'000</b>            | <b>RMB'000</b> |
| Up to 3 months | 1,513,625                 | 355,571        |
| 3 to 6 months  | 129,814                   | 166,861        |
| 6 to 9 months  | 75,264                    | 123,491        |
| 9 to 12 months | 26,316                    | 27,127         |
| Over 12 months | <u>125,534</u>            | <u>124,719</u> |
| <b>Total</b>   | <u><b>1,870,553</b></u>   | <u>797,769</u> |

## 8 TRADE PAYABLES

Trade payables primarily include payables for inventories.

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

|                             | As at December 31,     |                        |
|-----------------------------|------------------------|------------------------|
|                             | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
| Up to 3 months              | 178,817                | 13,670                 |
| 3 to 6 months               | 10,560                 | 458                    |
| 6 months to 1 year          | 44,279                 | 112                    |
| 1 to 2 years                | 423                    | 60                     |
| Over 2 years                | 312                    | 252                    |
| <b>Total trade payables</b> | <b>234,391</b>         | <b>14,552</b>          |

## 9 DIVIDENDS

No dividend has been paid or declared by the Company during the years ended December 31, 2025 and 2024.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

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

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

Hong Kong, March 19, 2026

*As of the date of this announcement, the board of directors of the Company 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.*