Axera Semiconductor Co., Ltd.
愛芯元智半導體股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 600)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

	For the Six Months Ended June 30,	
	2026	2025
	RMB in thousand	
Revenue	**402,315**	142,762
Gross profit	**116,680**	28,579
Loss for the period	**(687,998)**	(562,379)
Loss attributable to equity shareholders of the Company	**(582,099)**	(536,459)
Non-IFRS Measure:[Note]		
Adjusted loss for the period	**(540,048)**	(319,241)

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

The Board is pleased to present the unaudited consolidated interim results of the Group for the six months ended June 30, 2026, together with the comparative figures for the corresponding period in 2025.

Business Review and Outlook

Business Review

In the first half of 2026, the artificial intelligence industry evolved from cloud-based large models into the realm of physical AI, with computing architecture being restructured towards a hybrid system of "cloud-edge-on-device collaboration". We have observed a bidirectional evolution trend in large AI models. On the one hand, they continue to evolve towards ultra-large foundation models in accordance with the Scaling Law, expanding the upper limit of their capabilities. On the other hand, by leveraging technologies such as model distillation and Mixture-of-Experts (MoE) architectures to enhance the performance of lightweight models, coupled with the continuous improvement of edge and on-device hardware computing power, algorithm capabilities and hardware capacity are gradually converging, accelerating the large-scale deployment of large AI models at the edge and on-device levels.

On the application side, with the rapid emergence of various Agents such as OpenClaw, edge and on-device products are evolving from simple passive question-and-answer systems into intelligent agents featuring autonomous planning, multimodal perception and closed-loop execution capabilities, thereby driving explosive growth in demand for both cloud and local inference computing power. Meanwhile, AI-related technologies continue to iterate rapidly, supported by sustained capital investment and policy incentives. The industry is moving swiftly from the proof-of-concept stage to large-scale commercialization. Penetration rates of embodied intelligence, intelligent driving and other applications continue to rise, further driving demand for high-performance, low-latency and highly reliable computing power. Overall, AI computing power is rapidly extending from the "cloud" into the "physical world", and demand for AI inference computing power is experiencing explosive growth, driving a manifold expansion of the Company's potential market.

During the Reporting Period, as a leading provider of AI system-on-chip (SoC) in the industry, the Company continued to iterate its core IPs, including the Axera Neutron NPU and Axera Proton AI-ISP. The Company's product matrix covers computing power ranging from fractions of a TOPS to over 1,000 TOPS. With the accelerated penetration of physical AI, we effectively captured industry development opportunities through our tiered computing power matrix, achieving rapid growth across all three core business segments.

1) Edge AI Business

During the Reporting Period, the Company's revenue from edge AI business increased by 251.9% year-on-year. As large models accelerate their penetration from the "cloud" to the "edge" and "on-device", the market demand for local offline AI inference computing power is experiencing explosive growth. The Company has established a tiered computing power matrix spanning from tens of TOPS to over one thousand TOPS, capable of addressing a wide range of edge AI inference needs. With the emergence of Agents such as OpenClaw and Hermes Agent, and the increased sensitivity of both enterprises and individual users to data privacy and information security, the Agent Box (智能體盒子), a new hardware form, has officially established itself as a market necessity during the Reporting Period. The Company proactively launched the AX Clawbox (龍蝦盒子) series, precisely positioned itself at the entry point, and quickly deployed them to leading customers in the fields of smart home and smart office.

Furthermore, a large number of existing devices are in urgent need of supplementary large model inference computing power, and the Company's AX8850 series SoCs complied with this upgrade trend. This product adopts a standardized interface design, allowing downstream customers to quickly upgrade existing devices to AI without redesigning the entire hardware, through a "plug-and-play" approach. With its extremely high engineering flexibility, the Company has achieved mass deployment of solutions in vertical segments such as smart education and intelligent industry, rapidly expanding the ecosystem of standardized computing cards.

In the embodied intelligence sector, as the number of parameters in large embodied models continues to grow, the requirements for real-time interaction are becoming increasingly stringent, and the demand for inference computing power is constantly rising. The Company's embodied intelligence brain controller serves as a high-performance control core designed for embodied intelligence scenarios, featuring substantial computing power and memory bandwidth, with open compatibility for advanced algorithms including world models and VLA, and has already been adopted by the Dexmal Apex. In addition, the Company also provides chip solutions for visual perception, motion control, data collection and other scenarios. At present, the Company is steadily advancing customer adoption, motion control and data collection and working with industry partners to accelerate the large-scale commercialization of embodied intelligence.

Overall, the Company has made forward-looking long-term R&D investments in standardized modules, open-source ecosystem communities, and full-stack solutions, seizing the opportunities of intelligent upgrades in the existing market and explosive growth in emerging markets. It assists ecosystem partners in the industry in achieving the commercialization loop of products with minimal time-to-market, opening up continuous growth space for the edge computing product line.

2) Smart Vehicle Solutions

During the Reporting Period, the Company's revenue from smart vehicle business increased by 252.1% year-on-year, and the shipment of smart vehicle SoCs was around 420 thousand units. In the first half of 2026, the Company secured 24 new mass-production vehicle model design wins, As of the end of June 2026, the Company had established formal cooperation with 25 OEM brands, including 7 international brands (including sino-foreign joint ventures). By precisely seizing opportunities presented by the implementation of mandatory standards and the overseas expansion of the industry chain, the Company has rapidly risen to the forefront of intelligent driving chips in China. With the successive release and advancement of mandatory national standards such as the "Technical Requirements and Testing Methods for Advanced Emergency Braking (AEB) Systems of Light-Duty Vehicles" (《輕型汽車自動緊急制動系統技術要求及試驗方法》) and the "Intelligent and Connected Vehicle — Safety Requirements of Combined Driver Assistance System" (《智能網聯汽車組合駕駛輔助系統安全要求》), the Company precisely seized the window of opportunity for introduction of vehicle models before the implementation of these mandatory standards. The Company established deep partnerships with several leading OEMs and renowned Tier-1 suppliers from both international and domestic markets, achieving continuous design wins and mass production for new vehicle models in the first half of 2026, driving a leapfrog growth in intelligent vehicle SoC shipments. In terms of advanced intelligent driving, the Company's smart vehicle SoC M97, designed for advanced driver assistance systems, was successfully brought up upon wafer return in February 2026, and completed engineering sample delivery in the first half of 2026. Currently, several leading automotive OEM have officially initiated solution evaluation and selection processes. The Company's second smart vehicle SoC M95, designed for advanced driver assistance systems, was successfully brought up in July 2026. In addition, the Company's first intelligent cockpit large-model computing acceleration chip has also been taped out.

3) On-device Computing Products

During the Reporting Period, the Company's revenue from on-device computing business increased by 169.5% year-on-year, while sales volume of on-device computing products grew by more than 100% year-on-year, among which the sales volume of the "Night Vision" series increased by more than 200%, resulting in a significant increase in market share. With the continued popularization of intelligent scenarios such as downstream industrial automation, smart cities, smart agriculture and smart homes, demand for full-color video imaging in various low-light scenarios continues to increase. At the same time, the rigid demand for high-quality image and video data acquisition across application scenarios continues to expand. Coupled with growing demand for on-device AI computing power, these trends have driven explosive growth in the Company's "Night Vision" series products. During the Reporting Period, sales volume of the Company's latest-generation high-computing-power visual perception SoC AX615 series, grew rapidly, thanks to the outstanding "Night Vision" video performance and integrated NPU with high computing power supporting various on-device AI applications. Meanwhile, sales of the Company's previous-generation high-computing-power "Night Vision" visual perception SoC AX620Q and AX630C series, continued to grow steadily. In addition, rising upstream costs also drove the industry's product structure to upgrade towards high-end and intelligent products. During the Reporting Period, the Company's on-device computing products achieved both volume and price increases, with sales volume and market share steadily growing.

In the first half of 2026, we recorded revenue of RMB402.3 million, representing a year-on-year increase of 181.8%. All three business lines achieved significant growth, and the gross profit margin improved significantly, reaching 29%. The Research and development expenses was RMB516.4 million. In the first half of 2026, several of the Company's advanced process SoCs completed the tape-out, laying a solid foundation for revenue growth in the coming years. The Company adheres to its independent R&D approach, continuously improving R&D efficiency while maintaining the pace of core IP iteration. Leveraging solid technological accumulation, the Company constantly expands its business boundaries, driving steady revenue growth across multiple growth engines.

Products and Solutions

Edge AI Products: Leveraging its continuously evolving proprietary NPU, the Company has established a tiered computing power matrix spanning from tens to over one thousand TOPS. The AX8850 general-purpose edge computing SoC provides enhanced computing power for various edge and on-device equipment and achieved substantial shipment growth during the Reporting Period owing to its excellent energy efficiency and operational stability. The Company's next-generation high-performance AI chip has been taped out, delivering a significant leap in inference capability. Building on this platform, the Company launched the Yuanxi series high-computing-power accelerator cards, supporting high-performance inference of full-scale large models and ultra-long-context processing, while maintaining full compatibility with mainstream large-model ecosystems. Benefiting from the strengths of the Axera Neutron NPU in multi-precision scheduling, memory access efficiency and full-model compatibility, the solution utilizes large memory capacity and high bandwidth to support large-model weights and massive datasets. It efficiently supports long-context inference, high-definition image and video analysis, AI-generated video comics and other Token-intensive applications, significantly reducing the industry's reliance on cloud computing resources. By improving computing power utilization, reducing Token inference costs and supporting elastic scaling, the Company is expected to establish sustainable competitive advantages and accelerate the large-scale application of the Token economy across a wide range of industries.

In the embodied intelligence sector, the Company's products leverage their core perception and computing capabilities to empower both the "brain" and the "eyes" of robots. The Company's embodied intelligence brain controller offers industry-leading computing power and bandwidth, while its open development framework supports custom operator development and provides native compatibility with advanced algorithms such as world models and VLA. At the visual level, the AX8910 has achieved large-scale deployment in leading stereo-camera products, while the Company's proprietary depth-sensing algorithms enable accurate recognition of transparent, pure-white, highly reflective and other complex materials. The AX8850 series supports multiple sensors and can both facilitate intelligent upgrades of robots and full-process data collection. The Company's product portfolio provides comprehensive coverage across the entire embodied intelligence value chain, from decision-making to perception.

Smart Vehicle Solutions: The M55H automotive chip continues stable mass production, achieving large-scale delivery for multiple best-selling passenger vehicles. The first mass-produced vehicle model equipped with the flagship M57 platform chip was officially launched in March 2026. With its high level of integration, ultra-low power consumption and comprehensive functional safety and information security certifications, the M57 has secured design wins for standard-equipped vehicle models from several leading domestic OEMs, resulting in rapidly increasing shipments. The M57 has also been adopted by several international Tier-1 suppliers as a standardized smart driving platform and incorporated into their global supply chain systems, while designated projects with overseas automotive OEM are progressing steadily, laying a solid foundation for further expansion of market share. In addition, our smart vehicle SoC M97, designed for ADAS, was successfully brought up upon wafer return in February 2026, with engineering samples delivered in the first half of the year. Several leading automotive OEM have already initiated the selection of solutions. The Company's second smart vehicle SoC M95 designed for advanced driver assistance systems, was successfully brought up upon wafer return in July 2026. The Company's first intelligent cockpit large-model computing acceleration chip has also been taped out. As a result, the Company has established a comprehensive in-vehicle computing matrix covering "basic smart driving, advanced smart driving and intelligent cockpits", fully addressing the requirements of all scenarios across low, mid-to-high-end smart driving as well as large cockpit models.

On-device Computing Products: Sales volume and market share of the "Night Vision" high-computing-power visual series products (including the AX615 series, AX620Q series and AX630C series) increased significantly. Our product portfolio now comprehensively covers mainstream application scenarios such as long-term continuous power supply, solar-powered/battery-powered, 4G/Wi-Fi, multi-camera, and AOV (Always-On-Video), catering to customers' diverse, serialized and intelligent needs. The next-generation "Night Vision" high-computing-power visual SoC continues to advance in technologies such as visual processing performance under complex lighting scenarios and multi-physical-state perception, driving a comprehensive upgrade of AI vision products and accelerating their commercial deployment in fields such as embodied robots and industrial vision.

Business Outlook

Edge AI Inference: Leveraging the tiered computing power matrix, by seizing the explosive opportunities presented by the Token Economy and AI inference demand and strategically positioning itself at the core nodes of large model deployment: edge private clouds, edge servers and edge terminals, the Company is able to precisely address Token Economy optimization requirements across different tiers. Small and medium-sized enterprises and consumers can achieve intelligent upgrades through lightweight hardware solutions, significantly reducing the costs of daily AI applications, while large enterprises can leverage the Company's high-computing-power product portfolio to establish localized inference systems and address the challenge of rapidly escalating cloud computing costs under high-concurrency workloads. The Company's next-generation chip series will continue to enhance computing power specifications, comprehensively supporting the core nodes of large model deployment and meeting the requirements for long-context processing and efficient Token generation and real-time robot perception and decision-making. At the same time, the Company will provide compatible software frameworks to improve industry-specific solutions and cultivate the upstream and downstream industry ecosystem. In addition, the Company established a wholly-owned subsidiary, Ningbo Axera Computing Technology Co., Ltd., in July 2026, with a strategic focus on delivering leading AI inference solutions. Through the comprehensive delivery of standardized reference solutions, including computing accelerator cards, it aims to empower a broad range of AI application scenarios, capitalize on industry adoption and volume ramp-up opportunities, help customers rapidly achieve commercialization loop, and continuously promote the full-domain deployment of the Company's products across AI large-model inference, AI Agents and embodied intelligence.

Smart Vehicles: In the basic driver-assistance market, the Company's products and solutions have been widely validated. We will seize the opportunity presented by regulatory implementation to accelerate customer onboarding and shipment growth while continuously increasing our market share. In terms of advanced driver-assistance, we will capitalize on market demand for high computing power and high bandwidth, seize the demand for third-party chip suppliers driven by the trend of OEMs developing proprietary algorithms, accelerate the adoption of the M97 and M95 by leading customers, with a view to further increasing the revenue contribution from mid-to-high-end products.

On-device Computing: As the core of the physical AI perception layer, visual processing SoCs are required to perform functions such as low-light noise reduction, color restoration and dynamic range adjustment in complex real-world physical scenarios, while combining multiple physical sensing signals to transform various individual raw signals into stable and feature-complete perceptual information, serving as "super eyes" that provide reliable physical-world perception inputs for downstream applications. The Company will further solidify its core "Night Vision" video technologies, continuously enhance on-device AI computing power, combine multispectral perception and multi-sensor fusion technologies to build a product and solution system covering multiple levels and differentiated market demands, develop fusion perception products at the core of physical AI to promote the comprehensive commercial deployment of physical AI, and achieve sustained high growth in both market share and revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

The following table sets forth the comparative figures for the six months ended June 30, 2026 and 2025:

	For the Six Months Ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**402,315**	142,762
Cost of sales	**(285,635)**	(114,183)
Gross profit	**116,680**	28,579
Other income	**11,502**	17,119
Other net (losses)/gains	**(48,030)**	1,160
Sales and marketing expenses	**(61,087)**	(36,186)
General and administrative expenses	**(141,940)**	(102,714)
Research and development expenses	**(516,449)**	(285,362)
Reversal of expected credit losses on financial assets	**197**	4,625
Loss from operations	**(639,127)**	(372,779)
Changes in the carrying amount of redemption liabilities	**(63,264)**	(183,059)
Other finance costs	**(13,192)**	(8,139)
Finance costs	**(76,456)**	(191,198)
Finance income	**27,585**	1,598
Net financial costs	**(48,871)**	(189,600)
Loss before taxation	**(687,998)**	(562,379)
Income tax	**—**	—
Loss for the period	**(687,998)**	(562,379)
Loss attributable to equity shareholders of the Company	**(582,099)**	(536,459)
Adjusted loss for the period (non-IFRS measure)	**(540,048)**	(319,241)

FINANCIAL REVIEW

Revenue

Our revenue increased by 181.8% from RMB142.8 million for the six months ended June 30, 2025 to RMB402.3 million for the six months ended June 30, 2026, with the proportion of revenue from emerging businesses in smart vehicles and edge AI inference rising from 11.3% for the six months ended June 30, 2025 to 14.1% for the six months ended June 30, 2026. The following table sets forth our revenue breakdown by product and service type for the six months ended June 30, 2025 and 2026.

	For the Six Months Ended June 30,			
	2026		2025	
	RMB	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)			
On-device computing products	**341,003**	**84.8**	126,513	88.6
Edge AI products	**27,688**	**6.9**	7,869	5.5
Smart vehicle solutions	**29,086**	**7.2**	8,260	5.8
Others	**4,538**	**1.1**	120	0.1
Total	**402,315**	**100.0**	142,762	100.0

Our revenue from on-device computing products increased by 169.5% from RMB126.5 million for the six months ended June 30, 2025 to RMB341.0 million for the six months ended June 30, 2026, primarily due to the continued improvement in industry conditions during the first half of 2026. Amid the ongoing adoption of intelligent technologies in smart cities, smart agriculture, and smart home applications, and rising upstream costs pushing the industry toward higher-end, more intelligent products, the Company's on-device computing products achieve simultaneous growth in volume and price, with sales volume and market share rising significantly.

Our revenue from edge AI products increased by 251.9% from RMB7.9 million for the six months ended June 30, 2025 to RMB27.7 million for the six months ended June 30, 2026 primarily due to the explosive growth of the market demand for local offline AI inference computing power, as a result of the accelerated penetration of large AI models from the cloud to edge and on-device. Our 8850 series products possess unique advantages in addressing this market demand, as they achieve a strong balance among "power consumption, computing power, and privacy security". Leveraging the core strength, customers can efficiently deploy advanced artificial intelligence capabilities in application scenarios such as edge inference.

Our revenue from smart vehicle solutions significantly increased by 252.1% from RMB8.3 million for the six months ended June 30, 2025 to RMB29.1 million for the six months ended June 30, 2026 primarily due to the in-depth partnerships with several leading OEMs and internationally renowned Tier-1 suppliers, achieving centralized SOP and mass production for designated vehicle models in the first half of 2026, driving a significant increase in smart vehicle sales.

Cost of sales

Our cost of sales increased by 150.2% from RMB114.2 million for the six months ended June 30, 2025 to RMB285.6 million for the six months ended June 30, 2026, primarily due to higher sales volume across our major product categories, which resulted in increased procurement of raw materials and outsourced processing services.

Gross profit and gross profit margin

Our gross profit increased by 308.3% from RMB28.6 million for the six months ended June 30, 2025 to RMB116.7 million for the six months ended June 30, 2026. Our gross profit margin increased from 20.0% for the six months ended June 30, 2025 to 29.0% for the six months ended June 30, 2026, primarily due to the Company's optimization of the product structure, forward-looking capacity planning and lean supply chain management. The Company was able to maintain stable deliveries to customers amid strong market demand that exceeded supply during the first half of the year. Coupled with increased sales, the Company achieved economies of scale, which drove increases in overall gross profit margin.

Other income

Our other income decreased by 32.8% from RMB17.1 million for the six months ended June 30, 2025 to RMB11.5 million for the six months ended June 30, 2026, primarily due to a decrease in government grants.

Other net gains/losses

Our other net gains were RMB1.2 million for the six months ended June 30, 2025, compared to the other net losses of RMB48.0 million for the six months ended June 30, 2026 primarily due to the depreciation of USD against RMB during the first half of the year resulting in foreign exchange losses on the Group's USD deposits.

Research and development expenses

Our research and development expenses increased by 81.0% from RMB285.4 million for the six months ended June 30, 2025 to RMB516.4 million for the six months ended June 30, 2026, primarily due to an increase in research and development expenses incurred for the Company's investment in new chip models for smart vehicle solutions and edge AI products.

General and administrative expenses

Our general and administrative expenses increased by 38.2% from RMB102.7 million for the six months ended June 30, 2025 to RMB141.9 million for the six months ended June 30, 2026, primarily due to an increase in employee compensation expenses, which mainly reflected the equity-settled share-based payment for our employees as well as an increase in headcount of our general and administrative personnel.

Sales and marketing expenses

Our sales and marketing expenses increased by 68.8% from RMB36.2 million for the six months ended June 30, 2025 to RMB61.1 million for the six months ended June 30, 2026, primarily due to an increase in sales personnel to expand sales channels, as well as higher marketing and promotional expenses incurred to enhance brand awareness and influence.

Net finance costs

Our net finance costs decreased by 74.2% from RMB189.6 million for the six months ended June 30, 2025 to RMB48.9 million for the six months ended June 30, 2026, primarily due to the decrease in the changes in carrying amount of redemption liabilities as the redemption rights were terminated upon Listing, with no subsequent reinstatement under any circumstances.

Loss for the period

As a result of the foregoing, our loss for the six months ended June 30, 2026 was RMB688.0 million (for six months ended June 30, 2025: RMB562.4 million).

Non-IFRS measure

We define adjusted loss for the period (non-IFRS measure) as loss for the period adjusted by adding back (i) changes in the carrying amount of redemption liabilities, representing the carrying amounts changes of the redemption rights granted by us, which is non-cash in nature and will be reclassified to equity after the termination of the investors' redemption rights, (ii) equity-settled share-based payment, which was non-cash in nature and represented the employee benefit expenses incurred in connection with our award to management and key employees, and (iii) listing expenses, which represented expenses in relation to the Global Offering.

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

The following table reconciles our adjusted loss for the period (non-IFRS measure) for the period presented in accordance with IFRS Accounting Standards, which is loss for the period:

	For the Six Months Ended June 30,			
	2026		2025	
		% of revenue		*% of revenue*
	(RMB in thousands, except for percentages)			
Reconciliation of loss for the period to adjusted loss (non-IFRS measure)				
Loss for the period	**(687,998)**	**(171.0)**	(562,379)	(393.9)
Add:				
Changes in the carrying amount of redemption liabilities	**63,264**	**15.7**	183,059	128.2
Equity-settled share-based payment	**70,623**	**17.6**	39,444	27.6
Listing expenses	**14,063**	**3.5**	20,635	14.5
Adjusted loss for the period (non-IFRS measure)	**(540,048)**	**(134.2)**	(319,241)	(223.6)

Liquidity and capital resources

For the six months ended June 30, 2026, we funded our cash requirements principally through proceeds from the Global Offering, sales of our products, capital contributions from equity holders and bank borrowings. Our deemed cash position, which includes cash and cash equivalents, time deposits, and financial assets at FVPL, increased by 130.1% from RMB946.1 million as of December 31, 2025 to RMB2,177.4 million as of June 30, 2026.

Pledge of assets

As of June 30, 2026, our total secured bank borrowings amounted to RMB129.2 million and were pledged by the RMB26,000,000 paid-in-capital of Zhejiang Huatu.

Gearing ratio

As of June 30, 2026, our gearing ratio (equals total liabilities divided by total assets, in percentage) was 33.2%, as compared to 233.6% as of December 31, 2025.

Foreign exchange risk exposure

We are exposed to currency risk primarily through cash balances of the proceeds from the Global Offering that are denominated in USD. Such foreign currency funds have not yet been fully utilized for future procurement payments, and fluctuations in exchange rates may affect our financial position as reported in our functional currency. As the Company intends to use these funds for future U.S. dollar-denominated procurement expenditures, the impact of exchange rate fluctuations on such cash balances is expected to be naturally offset by corresponding changes in procurement costs and is therefore not expected to have a material net effect on operating results. Accordingly, the Company manages this risk primarily through ongoing monitoring of exchange rate movements in conjunction with its planned use of funds. During the Reporting Period, exchange rate fluctuations did not have a material impact on our operations.

Contingent liabilities

The Group had no material contingent liabilities as of June 30, 2026.

Dividend

No dividends were paid or declared by the Company or any of its subsidiaries during each of the reporting period.

Capital expenditure

During the Reporting Period, our capital expenditure was RMB248.1 million, as compared to RMB21.2 million for the six months ended June 30, 2025, mainly related to our payment for the purchase of property, plant and equipment and intangible assets.

Capital commitment

As of June 30, 2026, our capital commitment was RMB7.8 million, as compared to RMB96.0 million as of December 31, 2025, mainly related to capital expenditure on intangible assets, property, plant and equipment.

Employees and remuneration

As of June 30, 2026, the Group had a total of 724 full-time employees. The total employee remuneration expenses for the six months ended June 30, 2026, including equity-settled share-based payment, were RMB344.1 million, as compared to RMB294.1 million for the six months ended June 30, 2025.

Our employees' remuneration mainly comprises salaries, bonuses, social security contributions, equity-settled share-based payment 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 established the Restricted Share Incentive Scheme and further established the H Share Award Scheme and H Share Option Scheme on June 26, 2026 to incentivize our employees, details of which are set out in the Prospectus and the circular dated June 4, 2026.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	Note	**Six months ended June 30,** **2026** *RMB'000*	2025 *RMB'000*
Revenue	4	**402,315**	142,762
Cost of sales		**(285,635)**	(114,183)
Gross profit		**116,680**	28,579
Other income		**11,502**	17,119
Other net (losses)/gains		**(48,030)**	1,160
Sales and marketing expenses		**(61,087)**	(36,186)
General and administrative expenses		**(141,940)**	(102,714)
Research and development expenses		**(516,449)**	(285,362)
Reversal of expected credit losses on financial assets	5(c)	**197**	4,625
Loss from operations		**(639,127)**	(372,779)
Changes in the carrying amount of redemption liabilities	5(a)	**(63,264)**	(183,059)
Other finance costs		**(13,192)**	(8,139)
Finance costs		**(76,456)**	(191,198)
Finance income	5(a)	**27,585**	1,598
Net financial costs	5(a)	**(48,871)**	(189,600)
Loss before taxation	5	**(687,998)**	(562,379)
Income tax		**—**	—
Loss for the period		**(687,998)**	(562,379)
Attributable to:			
Equity shareholders of the Company		**(582,099)**	(536,459)
Non-controlling interests		**(105,899)**	(25,920)
Loss for the period		**(687,998)**	(562,379)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2026

	Note	**Six months ended June 30,** **2026** ***RMB'000***	2025 *RMB'000*
Loss for the period		**(687,998)**	(562,379)
Other comprehensive income for the period (after tax)			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign subsidiaries		**47**	73
Items that cannot be reclassified subsequently to profit or loss:			
Changes in fair value of financial assets measured at fair value through other comprehensive income ("**FVOCI**"), net of income tax		**747**	—
Other comprehensive income for the period		**794**	73
Total comprehensive income for the period		**(687,204)**	(562,306)
Attributable to:			
Equity shareholders of the Company		**(581,305)**	(536,386)
Non-controlling interests		**(105,899)**	(25,920)
Total comprehensive income for the period		**(687,204)**	(562,306)
Loss per share			
Basic and diluted loss per share (RMB)	6	**(1.22)**	(1.62)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the six months ended June 30, 2026

	Note	**As at June 30, 2026** *RMB'000*	As at December 31, 2025 *RMB'000*
Non-current Assets			
Property, plant and equipment		**61,201**	54,737
Right-of-use assets		**14,242**	11,044
Intangible assets		**944,045**	819,921
Goodwill		**908,170**	908,170
Financial assets at FVOCI		**10,942**	14,942
Prepayments and other receivables		**11,003**	24,171
		1,949,603	1,832,985
Current Assets			
Financial assets at fair value through profit or loss ("**FVPL**")		**206,579**	608,325
Inventories		**729,176**	328,498
Trade receivables	7	**142,283**	166,851
Prepayments and other receivables		**729,642**	325,766
Cash and cash equivalents		**1,970,812**	337,775
		3,778,492	1,767,215
Current Liabilities			
Trade and bill payables	8	**185,638**	158,528
Other payables and accruals		**133,813**	154,938
Bank loans		**198,861**	328,317
Contract liabilities		**10,050**	11,786
Lease liabilities		**7,386**	4,516
Financial instruments issued to investors	10	**466,866**	7,091,304
		1,002,614	7,749,389
Net Current Assets/(Liabilities)		**2,775,878**	(5,982,174)
Total Assets Less Current Liabilities		**4,725,481**	(4,149,189)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

For the six months ended June 30, 2026

	Note	**As at June 30, 2026** *RMB'000*	As at December 31, 2025 *RMB'000*
Non-current Liabilities			
Bank loans		**889,988**	652,798
Lease liabilities		**6,111**	6,029
Deferred tax liabilities		**162**	162
		896,261	658,989
Net Assets/(Liabilities)		**3,829,220**	(4,808,178)
Capital and Reserves			
Share capital	9	**588,937**	482,845
Reserves		**2,905,122**	(5,732,083)
Total equity/(deficit) attributable to equity shareholders of the Company		**3,494,059**	(5,249,238)
Non-controlling interests		**335,161**	441,060
Total equity/(deficit)		**3,829,220**	(4,808,178)

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended June 30, 2026

1 GENERAL INFORMATION

Axera Semiconductor Co., Ltd. (the "**Company**") (愛芯元智半導體股份有限公司), formerly known as Axera Semiconductor (Ningbo) Co., Ltd. (愛芯元智半導體 (寧波) 有限公司), was incorporated in the People's Republic of China (the "**PRC**") on April 20, 2020 as a limited liability company and was converted into a joint stock company on March 8, 2024. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on February 10, 2026 (the "**Listing**").

During the Reporting Period, the Company and its subsidiaries (together, the "**Group**") were principally engaged in the design, development and sales of semiconductor products and provision of related services for AI inference SoCs, delivering cutting-edge perception and computing platforms for edge and endpoint AI applications.

2 Basis of preparation

The interim financial information of the Company as at and for the six months ended June 30, 2026 comprises the Group. The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" adopted by the International Accounting Standards Board ("**IASB**").

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

3 Changes in accounting policies

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the sales of on-device computing products, edge AI inference products and smart vehicle products and provision of related services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products/services is as follows:

	Six months ended June 30, 2026 *RMB'000*	2025 *RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Recognized at a point in time		
Disaggregated by major products/services		
— Products	**396,946**	142,642
— Technical services and others	**5,369**	120
	402,315	142,762

(b) Segment reporting

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Group has determined that it only has one operating segment which is the sales of semiconductor products and provision of related service.

Accordingly, no reportable segment information is presented.

(c) Geographical information

(i) Revenue from external customers

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Chinese mainland	**386,143**	127,048
Others	**16,172**	15,714
	402,315	142,762

All the non-current assets of the Group are located in the Chinese mainland.

5 Loss before taxation

Loss before taxation is arrived at after (credit)/charging:

(a) Net finance costs

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**(27,585)**	(1,598)
Changes in the carrying amount of redemption liabilities	**63,264**	183,059
Interest expense on bank loans	**12,869**	7,808
Interest expense on payables for purchase of software	**—**	131
Interest expense on lease liabilities	**323**	200
	48,871	189,600

(b) Staff costs

	Six months ended June 30, **2026** *RMB'000*	2025 *RMB'000*
Salaries, wages and other benefits	**254,577**	238,013
Contributions to defined contribution retirement plans (Note(i))	**18,903**	16,624
Equity-settled share-based payment expense	**70,623**	39,444
	344,103	294,081

Note:

(i) The employees of the subsidiaries of the Group established in the Chinese mainland participate in a defined contribution scheme managed by the local municipal governments, whereby these companies are required to contribute to the scheme at certain rates of the employees' salaries as agreed by the local municipal governments. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salaries level in the Chinese mainland, from the above mentioned retirement scheme at their normal retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Six months ended June 30, **2026** *RMB'000*	2025 *RMB'000*
Cost of inventories sold	**285,635**	114,183
Depreciation charges:		
— property, plant and equipment	**10,585**	4,186
— right-of-use assets	**4,218**	5,228
Amortization cost of intangible assets	**116,654**	50,855
Expense relating to short-term leases	**845**	801
Research and development expenses (Note(i))	**516,449**	285,362
Reversal of expected credit losses on financial assets — trade receivables and other receivables	**(197)**	(4,625)
Listing expenses	**14,063**	20,635

Note:

(i) During the six months ended June 30, 2026 and 2025, research and development expenses include staff costs, depreciation expenses, and amortization expenses of RMB323,385,000 and RMB254,031,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

6 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting periods of six months ended June 30, 2026 and 2025.

(i) Loss attributable to ordinary equity shareholders of the Company

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Loss attributable to all equity shareholders of the Company	**(582,099)**	(536,459)
Allocation of loss for the periods attributable to shares with redemption rights	**89,375**	420,199
Loss attributable to ordinary equity shareholders of the Company	**(492,723)**	(116,260)

(ii) Weighted average number of ordinary shares

	Six months ended June 30,	
	2026	2025
	000'	*000'*
Issued ordinary shares at the beginning of the period	**482,845**	393,981
Effect of ordinary shares issued (Note 9(b)(i))	**82,060**	1,284
Effect of ordinary shares issued with redemption rights	**—**	17,089
Effect of ordinary shares with redemption rights	**(73,376)**	(259,893)
Effect of unvested shares held for employee incentive scheme	**(87,013)**	(80,554)
Weighted average number of ordinary shares at the end of the period	**404,516**	71,907

(b) Diluted loss per share

During the six months ended June 30, 2026 and 2025, share-based awards granted under the Group's employee incentive schemes and ordinary shares with redemption rights were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amounts of diluted loss per share were the same as basic loss per share.

7 Trade receivables

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Gross amount of trade receivables		
— Due from third parties	**148,817**	178,589
— Due from a related party	**2,926**	1,604
Less: loss allowance	**(9,460)**	(13,342)
Trade receivables, net	**142,283**	166,851

All of the trade receivables are expected to be recovered within one year.

Aging analysis

As of the end of each reporting period, the aging analysis of trade receivables based on the date of revenue recognition and net of loss allowance, is as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Within 1 year	**140,208**	164,305
1 year to 2 years	**2,075**	2,546
	142,283	166,851

8 Trade and bill payables

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Trade and bill payables	**185,638**	158,528

All trade and bill payables are expected to be settled within one year or are repayable on demand.

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

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
Within 1 year	**159,052**	136,255
Over 1 year	**26,586**	22,273
	185,638	158,528

9 Capital, reserves and dividends

(a) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during each of the Reporting Period.

(b) Share capital

Issued and fully paid:

	Numbers of ordinary shares *'000*	**Share capital** *RMB'000*
Balance at January 1, 2025	393,981	393,981
Issuance of ordinary shares held for the employee incentive scheme	7,743	7,743
Issuance of financial instruments to investors	81,121	81,121
Balance at December 31, 2025 and January 1, 2026	**482,845**	**482,845**
Issuance of ordinary shares by initial public offering (i)	106,092	106,092
Balance at June 30, 2026	**588,937**	**588,937**

(i) On February 10, 2026, the Company issued 106,091,300 H shares of RMB1.00 each at a price of Hong Kong dollar ("**HK$**") 28.20 per share by way of the Global Offering (including the partial exercise of the Over-allotment Option) (the "**Offering**"). Consequently, the share capital increased by RMB106,092,000, and the corresponding share premium increased by RMB2,460,184,000 (after deduction of issuance cost).

10 Financial instruments issued to investors

(i) In accordance with the special rights termination agreement signed between the Company and the Pre-IPO Investors in June 2025, the redemption rights were terminated upon Listing, with no subsequent reinstatement under any circumstances. Immediately upon the termination, the redemption liability was derecognized and the carrying amount of RMB6,687,702,000 was reclassified to equity on February 10, 2026.

(ii) As at June 30, 2026, the financial instruments issued to investors represent the financial liabilities arising from redemption rights issued to investors of Chongqing Chuangyuan Zhihang Technology Co., Ltd. ("**Chongqing Chuangyuan**"), a non-wholly-owned subsidiary of the Company.

Equity holders of Chongqing Chuangyuan with preferred rights have the right to require the Company to redeem all or part of the equity interests at any time upon occurrence of specified triggering events, including a non-completion of a qualified IPO of Chongqing Chuangyuan by a predetermined date; and the controlling party of the Chongqing Chuangyuan has changed without agreed upon by all parties.

The redemption price is calculated at the issue price plus all declared but unpaid dividends on such equity interests, and accrued interests at a single rate of 6% per annum.

The Company's obligation to redeem the equity interests upon the occurrence of specified events, which are beyond its control, gives rise to a financial liability that is measured at the present value of the redemption price, which represents the settlement that would be triggered by the event with the highest settlement outcome. Subsequent to initial recognition, the financial liability is stated at amortized cost. Changes in the carrying amount of the financial liability arising from remeasurement of the redemption amount are recognized in profit or loss as "Changes in carrying amount of redemption liabilities".

As at June 30, 2026, the equity interests with preferred rights were classified as current liabilities as the equity interests with preferred rights may be converted into ordinary equity interests at the option of the equity holder with preferred rights at any time and the conversion feature does not meet "fixed for fixed" criteria.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Stock Exchange on February 10, 2026. The net proceeds received from the Global Offering (including the partial exercise of the Over-allotment Option), after deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$2,843.7 million at the offer price of HK$28.20 per H Share.

There has been no change in the intended use of the net proceeds as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". The net proceeds will be utilized in the same manner, proportion and expected timeframe as set out in the Prospectus.

Details of the use of proceeds and the expected timeline for utilization of the unutilized net proceeds are set out below:

	Approximate percentage of the total net proceeds	**Net proceeds from the Global Offering** *(HKD' million)*	**Net proceeds utilized during the Reporting Period** *(HKD' million)*	**Net Proceeds unutilized as of June 30, 2026** *(HKD' million)*	**Expected time to utilize the remaining net proceeds in full**(1)
Optimize our existing technology platform	**60.0%**	**1,706.2**	**494.1**	**1,212.1**	By the end of the year ending 2030
(i) Optimize our technology platform and strengthening our platform-based R&D team development	40.0%	1,137.5	295.0	842.5	By the end of the year ending 2030
(ii) Acquire R&D services and expand our product portfolio and application scenarios	20.0%	568.7	199.1	369.6	By the end of the year ending 2030

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering *(HKD' million)*	Net proceeds utilized during the Reporting Period *(HKD' million)*	Net Proceeds unutilized as of June 30, 2026 *(HKD' million)*	Expected time to utilize the remaining net proceeds in full[(1)]
Investment in R&D projects	**15.0%**	**426.6**	**127.1**	**299.5**	By the end of the year ending 2030
(i) Explore applications of emerging technologies	10.0%	284.4	116.5	167.9	By the end of the year ending 2030
(ii) Upgrade our R&D infrastructure and equipment	5.0%	142.2	10.6	131.6	By the end of the year ending 2030
Sales expansion	**5.0%**	**142.2**	**22.6**	**119.6**	By the end of the year ending 2030
Equity investments or acquisitions aimed at further integrating upstream and downstream industry resources	**10.0%**	**284.4**	**—**	**284.4**	By the end of the year ending 2030
(i) strategic investments in key upstream and downstream targets	5.0%	142.2	—	142.2	By the end of the year ending 2030
(ii) acquisitions of highly complementary or synergistic businesses	5.0%	142.2	—	142.2	By the end of the year ending 2030
Working capital and other general corporate purposes	**10.0%**	**284.3**	**39.9**	**244.4**	By the end of the year ending 2030
Total	**100.0%**	**2,843.7**	**683.7**	**2,160.0**	

Note:

(1) The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition.

EVENTS AFTER THE REPORTING PERIOD

There were no other significant events that may affect the Group since the end of the Reporting Period and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures, to enhance transparency of the work of the Board, and to strengthen accountability to all the Shareholders.

The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with the principles and all the applicable code provisions as set out in Part 2 of the CG Code throughout the six months ended June 30, 2026.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its Directors and the relevant employees who would likely possess inside information of the Company.

Specific enquiry has been made to all the Directors who have confirmed that they have complied with the Model Code during the six months ended June 30, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the six months ended June 30, 2026 (including the sale of any treasury shares (as defined under the Listing Rules)). The Company did not have any treasury shares as at June 30, 2026.

AUDIT COMMITTEE

The Audit Committee consists of two independent non-executive Directors, namely Ms. TAN Ren and Dr. WANG Xin, and one non-executive Director, namely Mr. ZHOU Siyuan. Ms. TAN Ren, being the chairperson of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee and the Company's management have considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to risk management, internal control and financial reporting, including the review of the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2026.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.axera-tech.com). The interim report of the Company for the six months ended June 30, 2026 will be made available for review on the above websites in due course.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement (unless otherwise indicated), the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and the Taiwan Region
"Company", "our Company" or "the Company"	Axera Semiconductor Co., Ltd. (愛芯元智半導體股份有限公司) (previously known as Axera Semiconductor (Ningbo) Co., Ltd. (愛芯元智半導體（寧波）有限公司), Axera Semiconductor (Shanghai) Co., Ltd. (愛芯元智半導體（上海）有限公司) and Shanghai Zhiaixin Semiconductor Technology Co., Ltd. (上海智砹芯半導體科技有限公司)), a limited liability company established in the PRC on April 20, 2020, and converted into a joint stock company with limited liability on March 8, 2024
"Director(s)"	the director(s) of our Company
"Global Offering"	the offer of H Shares for subscription as described in the Prospectus

"Group", "our Group", "the Group", "we", "us" or "our"	our Company and its subsidiaries, or our Company and any one or more of its subsidiaries, as the context may require
"H Share(s)"	shares in the share capital of our Company with a nominal value of RMB1.0 each, which are subscribed for and traded in HK dollars and are listed on the Stock Exchange
"H Share Award Scheme"	H share award scheme adopted by the Company on June 26, 2026
"H Share Option Scheme"	H share option scheme adopted by the Company on June 26, 2026
"H Shareholder(s)"	holder(s) of H Share(s)
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars", "HKD" or "HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"IFRS"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee
"Listing"	the listing of our H Shares on the Main Board of the Stock Exchange on February 10, 2026
"Listing Date"	February 10, 2026, being the date on which dealings in our H Shares first commence on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Over-allotment Option"	the option granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (each for itself and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 15,737,200 additional H Shares, representing approximately 15% of the Offer Shares initially being offered under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any (as defined in the Prospectus)

"Prospectus"	the prospectus in relation to the Global Offering issued by the Company dated January 30, 2026
"Reporting Period"	the six months ended June 30, 2026
"Restricted Share Incentive Scheme"	the restricted share incentive scheme adopted by our Company on April 27, 2020, and further amended on May 13, 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.0 each, comprising the Unlisted Shares (prior to Listing) and H Shares (upon Listing)
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules
"United States", "U.S." or "US"	the United States of America, its territories, its possessions, and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"U.S. dollars", "US dollars", "USD" or "US$"	United States dollars, the lawful currency of the United States
"VLA"	Vision Language Action
"Zhejiang Huatu"	Zhejiang Huatu Weixin Technology Co., Ltd. (浙江華圖微芯技術有限公司), a limited liability company established in the PRC on October 31, 2014, which is a non-wholly owned subsidiary of our Company
"%"	per cent

By order of the Board
Axera Semiconductor Co., Ltd.
愛芯元智半導體股份有限公司
Dr. QIU Xiaoxin
Chairperson of the Board and Executive Director

Hong Kong, August 9, 2026

As at the date of this announcement, the Board comprises Dr. QIU Xiaoxin, Mr. SUN Weifeng, Mr. SHI Xiaoye and Mr. WANG Yuan as executive Directors, Mr. ZHOU Siyuan, Mr. GU Kaining, Ms. BAI Ting and Mr. WANG Chen as non-executive Directors, and Ms. TAN Ren, Mr. LI Jun, Dr. WANG Xin and Prof. CHEN Xin as independent non-executive Directors.