地平线

Horizon Robotics

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

(Stock code: 9660)

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

The board (the "**Board**") of directors (the "**Directors**") of Horizon Robotics (the "**Company**") is pleased to announce the unaudited interim consolidated results of the Company for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025. These interim results have been extracted from the unaudited interim financial statements of the Company and have been reviewed by the audit committee (the "**Audit Committee**") of the Board.

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

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the Six Months Ended June 30,		
	2026	2025	Change (%)
	(RMB in thousands, except for percentages)		
Revenue from contracts with customers from continuing operations	**2,054,984**	1,546,067[Note]	32.9
Gross profit from continuing operations	**1,356,137**	1,020,424[Note]	32.9
Operating loss from continuing operations	**(1,671,504)**	(1,504,276)[Note]	11.1
Profit/(Loss) for the period	**3,783,907**	(5,232,979)	–
Non-IFRS Financial Measures*:			
Adjusted operating loss from continuing operations	**(1,275,610)**	(1,051,137)	21.4
Adjusted net loss	**(1,671,232)**	(1,332,500)	25.4

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

Note Following the deconsolidation of D-Robotics effective on March 31, 2026, the related deconsolidation gain and D-Robotics' operating results are reported in profit/(loss) from discontinued operations. The comparative figures for the six months ended June 30, 2025 were re-presented to conform with the Reporting Period's presentation.

BUSINESS REVIEW AND OUTLOOK

Business Review for the Reporting Period

Although overall industry volumes were under pressure, intelligent vehicle penetration continued to climb against the trend. During the Reporting Period, China's passenger vehicle market exhibited a trend of weakening domestic demand but a continued rise in intelligence penetration. According to the CPCA[1], domestic passenger vehicle retail sales fell by 20.2% year-on-year in the first half of 2026. However, the pace of automotive transformation towards intelligence stayed unabated. During the Reporting Period, the overall penetration rate of intelligent assisted driving among China's passenger vehicles reached 76.1%, representing a further improvement of 8.5 percentage points from the full-year 2025 level. Among them, Chinese domestic brands have played a pivotal role, with their intelligent assisted driving penetration rate reaching 73.4%, a substantial increase of 11.9 percentage points within the half-year, making it the core force driving the growth in overall penetration. Meanwhile, the penetration rate of intelligent assisted driving among joint venture automakers exceeded 80% for the first time. As such, intelligent assisted driving function has become a necessity in China's passenger vehicle market.

Urban NOA is driving the intelligence mix towards the higher end. As the overall penetration rates continued to rise, the focus of industry upgrades is rapidly extending to all-scenario urban assisted driving. During the Reporting Period, the proportion of advanced functions — namely highway and urban navigate on autopilot (NOA) functions, hereinafter referred to as "**AD**" — among total new intelligent vehicle sales continued to climb to 46.8%. Notably, compared to 2025 when the growth in AD penetration rate was mainly driven by highway NOA, urban NOA took the baton in the first half of 2026 and demonstrated even stronger growth momentum — urban NOA accounted for 64.1% of AD during the Reporting Period. The accelerated adoption of urban NOA not only reflected that the market demand was rapidly shifting towards advanced solutions, but also signified a substantial increase in intelligence-related content value per vehicle, creating structural growth opportunities for the Company which possesses a higher computing power platform and all-scenario solution capabilities.

Benefiting from the above trends, the Company's market share continued to expand. During the Reporting Period, the Company seized the industry's shift towards advanced solutions, and achieved new highs in several market share metrics:

– **ADAS share among Chinese domestic brands surpassed 50% for the first time, establishing an overwhelming leading position:** According to third party industry data, in the first half of 2026, the Company's market share of Advanced Driver Assistance Systems (ADAS) solutions market among Chinese domestic brands reached 50.02%, exceeding half for the first time and reaching a record high. During the Reporting Period, the Company's market share was approximately twice that of the second place, establishing an overwhelming leading position in this segment. The ADAS market serves as a pivotal entry point for the Company's scale-up in volume and customer onboarding, and its leading position has laid a solid foundation for the Company to bring advanced solutions to a wider range of customers.

[1] CPCA represents Passenger Car Market Information Joint Committee of the China Automobile Dealers Association.

– **Market share of urban NOA computing platform rose to second place, a rapid breakthrough in advanced segment:** According to third-party industry data, during the Reporting Period, the Company's computing platform featuring urban NOA functions experienced an increase from 17.9% in 2025 to 22.8% in its market share in the Chinese domestic brand passenger vehicle market, climbing from third to second place. It is currently second only to a US technology company, with the two together accounting for over 60% of the market, further highlighting the concentration among leading players. In the fastest-growing advanced segment, the Company, as a challenger on the offensive, has achieved a double leap in both market share and ranking, demonstrating strong upward momentum.

– **Overall intelligent assisted driving computing platform share remained firmly in first place:** According to third-party industry data, the Company's intelligent assisted driving computing platform accounted for 31.9% of the total market share of Chinese domestic brands, ranking first in the industry, which continued to consolidate the Company's position as a leader in China's intelligent assisted driving computing field.

The Company drives intelligent upgrade of joint-venture automakers by anchoring its ecosystem-empowerment positioning, opening up growth room in the JV market. Over the past 24 months, the market share of joint venture automakers has gradually stabilized at approximately 35%, with mass market brands accounting for the vast majority. As the demand for intelligent upgrades among joint venture automakers became increasingly pressing, the Company has worked closely with numerous leading global tier-one suppliers and partners such as Bosch, Denso, Carizon, neueHCT and Astemo, to extensively serve the core supply chain systems of joint venture automakers. During the Reporting Period, the Company achieved substantive mass production breakthroughs within the China joint ventures of two world-leading automakers, further solidifying its position as the "go-to partner for intelligent transformation" in China and expanding development opportunities for the joint venture brand market:

– **Volkswagen:** During the Reporting Period, Carizon, the joint venture between the Company and Volkswagen's CARIAD Estonia AS ("**CARIAD**"), brought into mass production of a full-scenario advanced driver assistance solution built on the Company's Journey 6 series SoCs and core intellectual property, which will further support urban NOA features. The solution will be integrated into seven new electric vehicles from Volkswagen Group's three joint ventures in China, and is planned to be gradually expanded to a wider range of CEA product matrix from 2027, further expanding the depth and breadth of the cooperation.

– **Toyota:** During the Reporting Period, the Company's Journey 6B SoC made its global debut in mass production on GAC Toyota models, marking the official launch of the Company's first mass production project on a Toyota joint venture model in China. This solution fully validated the product's adaptability and quality stability under the stringent systems of Japanese automakers, promoting the penetration of intelligent assisted driving functions into a wider range of joint venture models and laying a solid foundation for the Company's continued expansion of its joint venture customer base.

The export market is booming, the Company's overseas expansion is accelerating, and demand for advanced solutions is emerging. During the Reporting Period, China's automobile exports maintained their strong growth momentum. According to the China Association of Automobile Manufacturers (CAAM), automobile exports in the first half of 2026 increased by 65.3% year-on-year, reaching a record high and thus providing ample room for one of the Company's internationalization strategies — expanding overseas alongside Chinese automakers. Notably, China's passenger vehicle exports are highly concentrated — the combined share of the top six exporting automakers (CR6) exceeded 70% in the first half of 2026. Through a series of ecosystem partners, the Company has achieved model coverage across all six of these leading export automakers. To date, the Company has cumulatively secured nominations for over 60 export models, a number of which are equipped with hardware platforms capable of advanced intelligent driving, fully demonstrating the Company's competitive advantage in the overseas markets.

Adhering to the "ARM+Android" business model and accelerating expansion beyond automotive. The Company has consistently pursued its "ARM+Android" open business model. By licensing core underlying technologies to customers and ecosystem partners, the Company supports its customers' independent development at the hardware, algorithm, software, and even system levels, fostering shared growth together with its ecosystem partners. The value of this model is not only reflected in the automotive field but has also made positive progress in the broader robotics/physical AI field. During the Reporting Period, the Company has, through partners, exported technologies to a diverse range of edge computing platforms, including embodied intelligence, unmanned logistics vehicles, home intelligent agents and electric two-wheelers, further broadening the application scope of the Company's underlying technologies. For example, through its material associate, D-Robotics, the Company has empowered over 100 downstream robot categories, serving over 400 customers and covering more than half of the embodied intelligence companies in China.

Revenue growth and gross margin remained at high levels; the Company sustained saturated R&D investment while operating leverage gradually emerged. For the first half of 2026, the Company recorded revenue of RMB2,055.0 million, representing a year-on-year increase of 32.9%. The comprehensive gross margin reached 66.0%, which was in line with the same period of last year. Benefiting from robust revenue growth and a relatively high gross margin, the Company reported gross profit of RMB1,356.1 million during the Reporting Period, representing a year-on-year increase of 32.9%. We firmly believe that the Company's AI foundation model is the core technological foundation supporting the future performance of HSD, the path towards L3 and L4 capabilities, and the further empowerment of a wide range of industries. Therefore, the Company continued to make saturated investments in these core technologies during the Reporting Period. Meanwhile, the Company also focused on the steady improvement of operating efficiency — operating expenses increased by 23.3% year-on-year during the Reporting Period, which was lower than that of revenue and gross profit, thus operating leverage gradually emerged. In summary, the Company recorded an adjusted operating loss of RMB1,275.6 million during the Reporting Period.

Products and Solutions

Despite a 20.2% year-on-year decline in domestic passenger vehicle retail sales in the first half of 2026, driven by continued market share growth, the shipments of the Company's Journey series SoCs increased by 12.1% against the market trend to 2.218 million units, driving revenue from products and solutions to RMB925.6 million, representing a year-on-year increase of 14.8%. As of the end of the Reporting Period, the Company has cumulatively secured design wins for nearly 500 models. In the advanced NOA sector, the Company, as a later entrant, has rapidly risen to a leading position, cumulatively securing design wins for nearly 130 models, demonstrating strong growth momentum. These substantial pipelines of design wins lay a solid foundation for the Company's continued revenue growth in the future.

During the Reporting Period, the Company officially launched Horizon SuperDrive (HSD) V2.0, an all-scenario intelligent driving solution. Powered by model upgrades integrating world models and end-to-end reinforcement learning, this version delivers comprehensive enhancements across the board — including the intelligent driving experience, driving and parking capabilities, all-dimensional hazard avoidance, and personalized interaction — thereby achieving an all-round leap in underlying driving capabilities. Following its rollout, HSD V2.0 was well-received by end-users. The proportion of active HSD users exceeded 88%. Indicating that high-performing intelligent driving products are gaining recognition from end consumers and translating into high-frequency usage in daily travel.

License and Services

The Company is committed to building an "ARM+Android" open platform model, licensing core underlying technologies to numerous world-class automotive customers and supporting customers with in-house R&D capabilities to conduct independent development. During the Reporting Period, revenue from the Company's license and services amounted to RMB1,129.4 million, representing a year-on-year increase of 52.7%. In addition to the joint venture Carizon, one of the largest global automotive part groups continued to adopt the Company's algorithms and software as well as related services, and remained among the Company's top five customers, further demonstrating the stickiness and ecosystem value of the Company's licensing model. Beyond automotive, the Company also served the broader robotics/physical AI sector through licensing partners, achieving positive progress.

Recent Developments After the Reporting Period

Deepening capital cooperation with Volkswagen Group and expanding business collaboration to L3/L4. On August 3, 2026, the Company completed the closing of all matters under the amendment to the convertible loan agreement. Accordingly, CARIAD converted its shares ahead of schedule, becoming a significant strategic shareholder with a total shareholding of 9.9% in the Company, and voluntarily locked up its shares for 12 months, demonstrating its long-term confidence in the value of the Company; the Company redeemed at a discount the portion of CARIAD's conversion rights exceeding 9.9% of the total share capital, reducing dilution to all shareholders by an amount equivalent to approximately 4.9% of the pre-closing share capital. At the business level, the joint venture Carizon will leverage the Company's advanced AI foundation model capabilities to independently develop and accelerate the building of Volkswagen Group's unified AI driving solution for China, comprehensively enabling the deployment of L3/L4 capabilities. The above cooperations further demonstrated the flexibility and vitality of the Company's "ARM+Android" open business model and marked a further deepening of the two parties' cooperation towards strengthened capital ties and deeper joint technology development.

Journey 6B is scaling up rapidly, and the global roll-out of entry-level intelligent assisted driving is entering a harvest period. Following the Reporting Period, the Company's Journey 6B SoC, targeting entry-level intelligent assisted driving scenarios, continued to secure large-scale design wins. In particular, Bosch's next-generation multi-functional camera platform and the neueHCT high-performance integrated front-view unit, both built on Journey 6B, have secured large-scale mass-production design wins, with the total order volume exceeding 10 million units. Mass production is expected to commence as early as the third quarter of 2026, followed by production by multiple domestic and international automotive customers. Leading global tier-one suppliers such as Denso and AUMOVIO have also chosen Journey 6B as the development platform for their intelligent assisted driving solutions. To date, Journey 6B had secured mass-production design wins with over 25 mainstream automakers worldwide, with the lifecycle volume exceeding 20 million units, becoming the core computing power platform for mass-market intelligent assisted driving. Journey 6B not only accelerated the adoption of intelligent assisted driving in entry-level models, but also laid a unified hardware and software foundation for users to upgrade to advanced NOA functions, fostering ecosystem stickiness. These developments demonstrate that the Company is accelerating its integration into the global automotive industry supply chain, with its global-scale deliveries progressing steadily.

Business Outlook

Capturing the structural opportunities in full-vehicle intelligence solutions, the Company expects to further increase its market share over the next 12 months. Looking ahead, the Company remains optimistic about the prospects of the advanced NOA market. With the accelerated adoption of urban NOA, the Company is committed to becoming a proactive driver of this structural upgrade. Leveraging its full-stack hardware and software capabilities, leading ecosystem advantages, and flexible business models, the Company is expected to continuously expand its market share, including the direct market share generated by its proprietary products and the enabled market share created by empowering partners through technology licensing. In addition, the cockpit-driving integrated full-vehicle intelligence solution released by the Company deeply coordinates in-cabin and intelligent assisted driving capabilities on a single full-vehicle intelligence base, which is expected to further enhance vehicle-level intelligence and optimise the system cost structure, while is also expected to enter mass production in the fourth quarter of 2026.

Seizing the opportunities from the autonomous driving regulations, with pilot projects to be launched during the year. With the official release of China's mandatory national standards for intelligent connected vehicles, the policy and standard foundation for the industry to move towards higher levels of autonomous driving are increasingly well-established. The Company has achieved commercial monetization by licensing its AI foundation model to external parties through the "ARM+Android" business model, empowering customers to develop L3/L4 autonomous driving systems. Looking ahead, the Company plans to launch a L4 Robotaxi pilot project in 2026 in partnership with a leading retail-technology and supply-chain giant, aiming at further validating and expanding the application potential of the Company's underlying technology in advanced autonomous driving scenarios.

The development of the Company's next-generation strategic SoC, Journey 7, is currently progressing smoothly. The product is primarily targeted at L3 and L4 scenarios. At the architectural level, Journey 7 achieves multiple technological breakthroughs: in addition to a significant increase in computing power over the previous generation, it features native optimization for the on-device deployment of the Company's next-generation, larger-parameter HSD intelligent driving model and KKClaw™ intelligent cockpit agentic model, so as to enhance the product's adaptability and operating efficiency in real-world application scenarios. As at the date of this announcement, the development of Journey 7 is proceeding on schedule, and the tape-out of the SoC is expected to be completed in early second quarter of 2027.

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:

	Six months ended June 30,	
	2026	2025
	(in thousands of RMB)	
Continuing operations		
Revenue from contracts with customers	**2,054,984**	1,546,067
Cost of sales	**(698,847)**	(525,643)
Gross profit	**1,356,137**	1,020,424
Research and development expenses	**(2,754,997)**	(2,259,525)
Administrative expenses	**(327,667)**	(277,380)
Selling and marketing expenses	**(354,496)**	(250,715)
Net impairment losses on financial assets	**(77,012)**	(14,770)
Other income	**175,069**	216,702
Other gains — net	**311,462**	60,988
Operating loss	**(1,671,504)**	(1,504,276)
Add back:		
Share-based payments	**395,894**	452,663
Non-recurring capital-raising expenses	**–**	476
Adjusted operating loss from continuing operations (non-IFRS measure)	**(1,275,610)**	(1,051,137)
Operating loss	**(1,671,504)**	(1,504,276)
Finance income	**170,678**	170,382
Finance costs	**(4,517)**	(3,557)
Net Finance income	**166,161**	166,825
Share of results of investments accounted for using the equity method	**(2,074,286)**	(400,123)
Fair value changes of financial liabilities	**5,240,607**	(3,363,773)

	Six months ended June 30,	
	2026	2025
	(in thousands of RMB)	
Profit/(Loss) before income tax from continuing operations	**1,660,978**	(5,101,347)
Income tax expense	**(45,806)**	(4,159)
Profit/(Loss) for the period from continuing operations	**1,615,172**	(5,105,506)
Discontinued operations		
Profit/(Loss) from discontinued operations (attributable to equity holders of the Company)	**2,168,735**	(127,473)
Profit/(Loss) for the period	**3,783,907**	(5,232,979)
Add back:		
Share-based payments[(a)]	**434,262**	493,273
Non-recurring capital-raising expenses	**–**	476
Fair value changes of preferred shares and other financial liabilities[(b)]	**(3,110,647)**	3,406,730
Gain on deconsolidation of D-Robotics	**(2,778,754)**	–
Adjusted net loss (non-IFRS measure)	**(1,671,232)**	(1,332,500)

Notes:

(a) Including share-based payments under the Group's share incentive plans (including share-based payments to associates' and joint ventures' employees), and share of share-based payments under associates' and joint ventures' share incentive plans.

(b) Including the Group's fair value changes of financial liabilities, and share of fair value changes of preferred shares and other financial liabilities of associates and joint ventures.

Continuing operations

Revenues. Revenues increased by 32.9% year-on-year to RMB2,055.0 million for the six months ended June 30, 2026. The following table sets forth our revenues by revenue source for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,			
	2026		2025	
	Amount	**% of total revenues**	Amount	% of total revenues
	(in thousands of RMB, except for percentages)			
Product solutions	**925,627**	**45.0%**	806,574	52.2%
License and services	**1,129,357**	**55.0%**	739,493	47.8%
Total revenues	**2,054,984**	**100%**	1,546,067	100%

The growth in revenues was driven by:

- Revenues from product solutions increased by 14.8% year-on-year to RMB925.6 million for the six months ended June 30, 2026. The steady revenue growth was underpinned by an increase in both the total delivery volume and average selling price compared to the first half of last year. Aside from the solid revenue increase in ADAS product solution, commencement of mass deployment of our full-scenario urban NOA solution (HSD) had outlined a robust growth trajectory for the advanced NOA solutions and accelerated our solutions gaining perceptual experience among broader user base in large-scale real scenarios.

- Revenues from license and services increased by 52.7% year-on-year to RMB1,129.4 million for the six months ended June 30, 2026, driven by our licensing of underlying technologies — comprising our Brain Processing Unit (BPU), AI foundation models and various toolchains — to a broad customer base. Such growth is underpinned by our distinctive business model, which is similar to the "ARM+Android" approach of licensing foundational technologies to a wide range of clients across the ecosystem. Moreover, our cooperation with global automotive part customers has been smoothly carried out on schedule, contributing to majority of the service revenue growth year-on-year.

Cost of Sales. Cost of sales was RMB698.8 million for the six months ended June 30, 2026, increased by 33.0% year-on-year. By revenue source, cost of product solutions increased by 31.3%, and cost of license and services increased by 43.0%, respectively. By nature, cost of inventories sold increased by 30.7%, and cost of employee benefit increased by 70.5%, respectively. Labor costs were primarily in relation to our services rendered to customers, to facilitate deployment of our solutions and technologies into their vehicles or other products, with a year-on-year growth in strong correlation to our service revenue surge.

Gross Profit and Gross Profit Margin. Gross profit was RMB1,356.1 million for the six months ended June 30, 2026, which increased by 32.9% year-on-year. Gross profit margin remained healthy and resilient at 66.0% for the six months ended June 30, 2026, unchanged from the same period in 2025. The higher revenue contribution from the higher-margin license and services business resulted in the stability of the blended gross profit margin, despite a year-on-year narrowed down gross profit margin for product solution revenue.

The following table sets forth our gross profit and gross profit margin by line of business for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	(in thousands of RMB, except for percentages)			
Product solutions	**335,272**	**36.2%**	356,808	44.2%
License and services	**1,020,865**	**90.4%**	663,616	89.7%
Total	**1,356,137**	**66.0%**	1,020,424	66.0%

– These fluctuations in gross profit and gross profit margin are primarily the results of:

- Gross profit for product solutions decreased by 6.0% year-on-year to RMB335.3 million for the six months ended June 30, 2026, and gross profit margin narrowed down eight percentage points year-on-year. We supplied autonomous driving domain controllers and other integrated product device units to facilitate certain customers' rapid adoption of our HSD and other solutions, with only a nominal markup on related non-core components and manufacturing costs. Excluding this impact, our adjusted gross margin of product solution revenue was at 48.1% for the six months ended June 30, 2026, approximately three percentage points higher than the comparably adjusted gross margin at 45.2% for the corresponding period in 2025.

- Gross profit for license and services increased by 53.8% year-on-year to RMB1,020.9 million for the six months ended June 30, 2026. Gross profit margin for license and services kept steady high at 90.4%, up from 89.7% for the corresponding period in 2025, demonstrating the scalability of licensing and service arrangements in our open business model catering to both the vendor-supplied and self-developed needs of customers. The increase in gross profit margin was primarily attributable to the accumulated experience in solving complex technical problems. The continuously improving delivery efficiency and relatively larger revenue portion from service contracts slightly drove up gross profit margin, although licensing arrangements accounted for most of the revenues in the first half of both 2026 and 2025.

Research and Development Expenses. Research and development expenses increased by 21.9% year-on-year to RMB2,755.0 million for the six months ended June 30, 2026. To continuously iterate and deliver intelligent driving solutions with more stunning performance and strengthen our fundamental technological advantages, our investment in R&D resources, in particular the cloud-related service fees, primarily resulted in the year-on-year expense increase, slightly offset by a decrease in expenses of share-based payments to R&D employees.

Administrative Expenses. Administrative expenses increased by 18.1% year-on-year to RMB327.7 million for the six months ended June 30, 2026, mainly due to an increase in administrative employee benefit expenses and other miscellaneous expenses.

Selling and Marketing Expenses. Selling and marketing expenses increased by 41.4% year-on-year to RMB354.5 million for the six months ended June 30, 2026, primarily driven by increases in (i) business development and sales oriented technical service fees, pertaining to pre-sales spending relating to prototype product and capability presentation and customer relationship maintenance, and (ii) marketing, conference, brand and product advertising expenses, reflecting our increased promotion and marketing efforts.

Net Impairment Losses on Financial Assets. We recorded net impairment losses on financial assets of RMB77.0 million for the six months ended June 30, 2026, increased by 421.4% year-on-year. We strategically offered preferential credit terms to certain pioneer key customers who welcomed our solutions and technical adaption services at early stage of our product launch from the end of prior year, causing an average longer aging composition of our trade receivable balance and correspondingly an increase in expected credit loss allowance recorded for the six months ended June 30, 2026.

Other Income. Other income decreased to RMB175.1 million by 19.2% for the six months ended June 30, 2026, fluctuated with the frequency and timeline with regard to the achievement of acceptance checking points and amounts of subsidy related projects.

Other Gains — Net. Other gains — net increased to a gain of RMB311.5 million for the six months ended June 30, 2026, driven by (i) fair value gains in financial assets at fair value through profit or loss, and (ii) net foreign exchange gains for the appreciation of foreign currency net assets driven by foreign exchange rate fluctuations.

Net Finance Income. Net finance income stayed flat at RMB166.2 million for the six months ended June 30, 2026, compared to RMB166.8 million for the first half in 2025.

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 RMB2,074.3 million for the six months ended June 30, 2026, compared to RMB400.1 million for the corresponding period in 2025. This remarkable increase in loss was primarily attributable to our shared loss of D-Robotics following its deconsolidation effective on March 31, 2026, which was mainly driven by the fair value change of its preferred shares in the second quarter in 2026.

Fair Value Changes of Financial Liabilities. We recorded gains on fair value changes of financial liabilities of RMB5,240.6 million for the six months ended June 30, 2026, primarily due to the fair value change of our convertible loan issued to CARIAD in relation to our stock price fluctuations.

Discontinued operations

Profit/(Loss) from Discontinued Operations. Following the signing of certain decontrolling documents on March 31, 2026 (the "**Deconsolidation Date**"), the Company has no power to unilaterally govern the financial and operation policies of D-Robotics due to the loss of power to cast the majority of votes at the general meeting of D-Robotics, D-Robotics was deconsolidated from the Company and classified as discontinued operations. After the Deconsolidation, D-Robotics was reclassified as an associate and the Company subsequently accounts for the investment in D-Robotics using equity method as the Company retains as its largest shareholder and is assessed to have significant influence in D-Robotics.

During the six months ended June 30, 2026, the Group recorded a profit of approximately RMB2,168.7 million from the discontinued operation, consisting of (i) a one-off gain of approximately RMB2,778.7 million, reflecting the difference of the Group's share of D-Robotics' fair market value and the share of D-Robotics' net liabilities at the Deconsolidation Date, and (ii) a net loss from D-Robotics of approximately RMB610.0 million for the period from January 1, 2026 to the Deconsolidation Date. Loss of approximately RMB127.5 million was recorded for the operation result of D-Robotics for the comparable period in 2025.

Profit/(Loss) for the period. Profit for the period was RMB3,783.9 million for the six months ended June 30, 2026, as compared to the loss of RMB5,233.0 million for the six months ended June 30, 2025. The reversal from a loss position to a net profit was primarily due to the fair value changes of financial liabilities in the comparative periods.

Share-based Payments. Share-based payments decreased by 12.0% year-on-year to RMB434.3 million for the six months ended June 30, 2026, primarily due to less expenses recognized for previously granted but unvested incentive shares, coupled with relatively fewer incentive shares granted compared to the same period in 2025.

Non-recurring capital-raising expenses. We had no non-recurring capital-raising expenses for the six months ended June 30, 2026, as compared to expenses of RMB0.5 million for the six months ended June 30, 2025 in connection with our top-up issuance capital raising.

Gain on deconsolidation of D-Robotics. A one-off gain of RMB2,778.7 million in relation to the deconsolidation of D-Robotics was recognized for the six months ended June 30, 2026, which was determined as the excess of the fair value of our retained investment in D-Robotics over the share of carrying amount of net liabilities of D-Robotics. No such one-off gain was recorded for the six months ended June 30, 2025.

Adjusted Operating Loss from Continuing Operations (non-IFRS measure). Our adjusted operating loss from continuing operations (non-IFRS measure), by adding back share-based payments and non-recurring capital-raising expenses (if any), was RMB1,275.6 million for the six months ended June 30, 2026, as compared to RMB1,051.1 million for the six months ended June 30, 2025.

Adjusted Net Loss (non-IFRS measure). Our adjusted net loss (non-IFRS measure), by adding back share-based payments, non-recurring capital-raising expenses (if any), fair value changes of preferred shares and other financial liabilities, and gain on deconsolidation of D-Robotics to loss for the period, was RMB1,671.2 million for the six months ended June 30, 2026, as compared to RMB1,332.5 million for the six months ended June 30, 2025.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we use adjusted operating loss from continuing operations and adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with IFRS. We define adjusted operating loss from continuing operations 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 profit/(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, (iii) fair value changes on preferred shares and other financial liabilities, which are non-cash items, and (iv) gain on deconsolidation of D-Robotics, which is a non-recurring event and it is not part of the Group's ordinary operations. All preferred shares and other financial liabilities will be reclassified to equity upon conversion, and no longer measured at fair value going forward once converted.

We believe that the non-IFRS financial measures help identify underlying trends in our business and enhance the overall understanding of the Company's past performance and future prospects. We also believe that the non-IFRS financial measures allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making. The non-IFRS financial measures are not presented in accordance with IFRS and may be different from non-IFRS methods of accounting and reporting used by other companies. The non-IFRS financial measures have limitations as analytical tools and when assessing the Company's operating performance, investors should not consider them in isolation, or as a substitute for net loss or other consolidated statements of comprehensive loss data prepared in accordance with IFRS. We encourage investors and others to review its financial information in its entirety and not rely on a single financial measure.

Liquidity and Source of Funding

During the six months ended June 30, 2026, we funded our cash requirements principally through cash generated from our operations. Our cash and cash equivalents decreased by 26.4% from RMB20.2 billion as of December 31, 2025 to RMB14.9 billion as of June 30, 2026.

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets as of June 30, 2026.

Material Acquisitions and Disposals

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures during the six months ended June 30, 2026.

Charge on Assets

The Group did not have any pledge or charge on assets as of June 30, 2026.

Future Plans for Material Investments or Capital Asset

The Group did not have detailed future plans for material investments or capital assets as of June 30, 2026.

Gearing Ratio

As of June 30, 2026, the Company's gearing ratio (equal to total liabilities divided by total assets, in percentage) was 39.8% (December 31, 2025: 58.7%).

Foreign Exchange Risk Exposure

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. Our functional currency outside mainland China is USD whereas the functional currency of the subsidiaries operating in mainland China is RMB. We manage our foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible.

Contingent Liabilities

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

Capital Commitment

As of June 30, 2026, capital commitment of the Company was RMB534.9 million (December 31, 2025: RMB528.6 million), mainly related to capital expenditure on intangible assets, property, plant and equipment.

As of June 30, 2026, commitments in respect of associates and joint ventures were RMB974.1 million (December 31, 2025: RMB1,359.9 million).

Employees and Remuneration

As of June 30, 2026, the Company had a total of 2,052 full-time employees (December 31, 2025: 2,215[Note]). The total employee remuneration expenses for the six months ended June 30, 2026, including share-based compensation expenses, were RMB1,399.4 million, as compared to RMB1,460.4 million[Note] for the six months ended June 30, 2025.

Note The comparative information as of December 31, 2025 and for the six months ended June 30, 2025 includes, respectively, the headcount and employee remuneration expenses of D-Robotics.

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

The Company is committed to maintaining and promoting stringent corporate governance standards. The Company aims to achieve high standards of corporate governance which are crucial to the Company's development and safeguard the interests of the shareholders (the "**Shareholders**") of the Company. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board of Directors to all Shareholders.

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 code provision C.2.1 of Part 2 of the Corporate Governance Code, pursuant to which, 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.

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, Dr. Katherine Rong XIN and Dr. Ya-Qin Zhang. The chairman of the Audit Committee is Dr. Jun Pu, who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited consolidated financial statements for the six months ended June 30, 2026 with the management of the Company, and agreed with the accounting treatment adopted by the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

Auditor

The auditor of the Company, PricewaterhouseCoopers, has reviewed the Group's unaudited financial statements for the six months ended June 30, 2026 in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

OTHER INFORMATION

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

During the Reporting Period, the Company repurchased a total of 80,161,800 Class B ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$485.2 million. Particulars of the Shares Repurchased are as follows:

Month/Year	Number of Shares Repurchased	Price Paid per Share Highest	Price Paid per Share Lowest	Aggregate Consideration
		(HK$)	*(HK$)*	*(HK$)*
April 2026	13,682,400	7.30	6.96	96,288,665.34
May 2026	66,479,400	6.33	5.25	388,950,131.46
Total	**80,161,800**			**485,238,796.80**

Save as disclosed above, 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). On June 4, 2026, as a result of the abovementioned repurchase of Class B ordinary shares, 2,137,977 Class A ordinary shares and 9,484,751 Class A ordinary shares held by String Theory Robotics Limited and Everest Robotics Limited, respectively, were converted to Class B ordinary shares of the Company on a one-to-one ratio in accordance with the requirements under the Listing Rules. For further details, please refer to the next day disclosure return of the Company dated June 4, 2026.

As of June 30, 2026, the Company held all the Shares Repurchased as 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

On July 22, 2026, the Company entered into an amendment agreement with CARIAD in relation to the convertible loan agreement dated November 17, 2022 (as amended on October 11, 2024) (the "**CLA**"), pursuant to which the Company early repaid the convertible loan and redeemed the conversion rights held by CARIAD under the CLA. In consideration thereof, the Company agreed to: (i) pay CARIAD approximately US$398.9 million in cash; and (ii) issue 1,301,763,486 Class B ordinary shares of the Company to CARIAD. The aforementioned cash payment and issuance of Class B ordinary shares of the Company were completed on August 3, 2026. Further, on July 22, 2026, the Company also proposed to issue US$450 million zero-coupon convertible bonds due on or around July 27, 2027 (the "**Bonds**"), convertible into Class B ordinary shares of the Company at an initial conversion price of HK$5.55 per share (subject to adjustments as set out in terms and conditions governing the Bonds). The Bonds were issued on July 29, 2026. The accounting treatment and related financial impact remain under assessment. For further details, please refer to the announcements of the Company dated July 22, 2026, July 23, 2026, July 29, 2026 and August 3, 2026.

Save as disclosed above, there were no significant events that might affect the Company since June 30, 2026 and up to date of this announcement.

Dividend

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Restated)
Continuing operations			
Revenue from contracts with customers	**4**	**2,054,984**	1,546,067
Cost of sales		**(698,847)**	(525,643)
Gross profit		**1,356,137**	1,020,424
Research and development expenses		**(2,754,997)**	(2,259,525)
Administrative expenses		**(327,667)**	(277,380)
Selling and marketing expenses		**(354,496)**	(250,715)
Net impairment losses on financial assets		**(77,012)**	(14,770)
Other income		**175,069**	216,702
Other gains – net		**311,462**	60,988
Operating loss		**(1,671,504)**	(1,504,276)
Finance income		**170,678**	170,382
Finance costs		**(4,517)**	(3,557)
Net finance income		**166,161**	166,825
Share of results of investments accounted for using the equity method		**(2,074,286)**	(400,123)
Fair value changes of financial liabilities		**5,240,607**	(3,363,773)
Profit/(Loss) before income tax from continuing operations		**1,660,978**	(5,101,347)
Income tax expense	**5**	**(45,806)**	(4,159)
Profit/(Loss) for the period from continuing operations		**1,615,172**	(5,105,506)
Discontinued operations			
Profit/(Loss) from discontinued operations (attributable to equity holders of the Company)		**2,168,735**	(127,473)
Profit/(Loss) for the period		**3,783,907**	(5,232,979)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

		Six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Restated)
Profit/(Loss) is attributable to:			
Owners of Horizon Robotics		**3,784,345**	(5,232,879)
Non-controlling interests		**(438)**	(100)
Profit/(Loss) attributable to owners of Horizon Robotics arises from:			
Continuing operations		**1,615,191**	(5,104,994)
Discontinued operations		**2,169,154**	(127,885)
Earnings/(Loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company (expressed in RMB per share)**:**			
Basic earnings/(loss) per share	**6**	**0.12**	(0.41)
Diluted loss per share	**6**	**(0.23)**	(0.41)
Earnings/(Loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company (expressed in RMB per share)**:**			
Basic earnings/(loss) per share	**6**	**0.27**	(0.42)
Diluted loss per share	**6**	**(0.09)**	(0.42)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Restated)
Profit/(Loss) for the period		**3,783,907**	(5,232,979)
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
Currency translation differences of continuing operations		**(155,123)**	(9,775)
Currency translation differences of discontinued operations		**13,993**	955
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss of continuing operations		**(6,845)**	8,885
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss of discontinued operations		**(44,095)**	32,050
Other comprehensive (loss)/income for the period, net of nil tax		**(192,070)**	32,115
Total comprehensive income/(loss) for the period		**3,591,837**	(5,200,864)
Total comprehensive income/(loss) for the period is attributable to:			
Owners of Horizon Robotics		**3,592,295**	(5,200,787)
Non-controlling interests		**(458)**	(77)
Total comprehensive income/(loss) for the period attributable to owners of Horizon Robotics arises from:			
Continuing operations		**1,453,225**	(5,105,884)
Discontinued operations		**2,139,070**	(94,903)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of June 30, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,282,102**	1,052,700
Right-of-use assets		**227,959**	177,353
Deferred tax assets		**68,427**	105,613
Intangible assets		**249,335**	239,109
Investments accounted for using the equity method		**1,636,661**	1,297,284
Financial assets at fair value through profit or loss		**4,111,145**	3,502,634
Restricted cash		**2,808**	5,379
Prepayments and other non-current assets	7	**283,733**	112,914
Total non-current assets		**7,862,170**	6,492,986
Current assets			
Inventories		**1,317,518**	1,069,224
Prepayments and other current assets		**550,725**	456,174
Trade receivables	7	**2,430,118**	1,760,048
Financial assets at fair value through other comprehensive income		**–**	5,000
Term deposits		**180,698**	636,922
Restricted cash		**5,204**	2,712
Cash and cash equivalents		**14,866,064**	20,188,070
Total current assets		**19,350,327**	24,118,150
Total assets		**27,212,497**	30,611,136

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	As of June 30, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**86,915**	42,659
Borrowings		**571,002**	507,998
Deferred tax liabilities		**4,405**	16
Other non-current liabilities		**441,902**	545,058
Total non-current liabilities		**1,104,224**	1,095,731
Current liabilities			
Trade payables	**8**	**172,559**	234,391
Contract liabilities		**230,355**	265,565
Borrowings		**790,910**	20,000
Lease liabilities		**80,708**	74,669
Employee benefit obligations		**366,829**	458,663
Accruals and other payables		**1,134,864**	914,655
Preferred shares and other financial liabilities at FVPL		**6,947,118**	14,907,698
Total current liabilities		**9,723,343**	16,875,641
Total liabilities		**10,827,567**	17,971,372
Net current assets		**9,626,984**	7,242,509
Net assets		**16,384,930**	12,639,764
EQUITY			
Equity attributable to owners of Horizon Robotics			
Share capital		**245**	242
Share premium		**46,202,840**	45,704,716
Treasury stock		**(498,494)**	(73,124)
Other reserves		**91,009**	268,599
Accumulated losses		**(29,410,469)**	(33,261,189)
		16,385,131	12,639,244
Non-controlling interests		**(201)**	520
Total equity		**16,384,930**	12,639,764

NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended June 30, 2026 ("Interim Financial Information") has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. The Interim Financial Information is presented in Renminbi ("RMB"), unless otherwise stated.

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2025, which have been prepared in accordance with International Financial Reporting Standards, as set out in the 2025 annual report of the Group (the "2025 Financial Statements").

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2025, as described in the 2025 Financial Statements.

3 SEGMENT INFORMATION

With the deconsolidation of D-Robotics effective from March 31, 2026, D-Robotics' operations were classified as discontinued operations and no longer included in the note for segment information for the six months ended June 30, 2026. Accordingly, comparative segment information for the six months ended June 30, 2025 has been represented to conform with the current period's presentation.

Prior to the deconsolidation of D-Robotics, the Group has two reporting segments: automotive solutions and non-automotive solutions. Following the deconsolidation of D-Robotics, the chief operating decision maker ("CODM") reviews consolidated results as a whole for resource allocation and performance assessment and the Group has only one reportable segment. The comparative segment information has been reclassified.

As at June 30, 2026 and December 31, 2025, substantially all of the non-current assets of the Group were located in the mainland China. Therefore, no geographical segments are presented.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue of the Group from contracts with customers is disaggregated by revenue source and by timing of revenue recognition.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Product solutions	**925,627**	806,574
License and services	**1,129,357**	739,493
Total Revenue	**2,054,984**	1,546,067

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
At a point in time	**2,020,254**	1,466,983
Over time	**34,730**	79,084
Total Revenue	**2,054,984**	1,546,067

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

The major customers which contributed more than 10% of total revenue of the Group for the six months ended June 30, 2026 and 2025 are listed as below:

	Six months ended June 30,	
	2026	2025
Percentage of revenue from the major customers to the total revenue of the Group		
Customer A	**23.60%**	–
Customer B	**10.23%**	19.96%
Customer C	**8.14%**	11.31%
Customer D	**4.02%**	12.93%

5 INCOME TAX EXPENSE

The income tax of the Group during the six months ended June 30, 2026 and 2025 are analysed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Current income tax	**(4,219)**	(2,560)
Deferred income tax	**(41,629)**	(1,589)
Income tax expense	**(45,848)**	(4,149)
Income tax expense is attributable to:		
Profit/(Loss) from continuing operations	**(45,806)**	(4,159)
Profit/(Loss) from discontinued operations	**(42)**	10

6 EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the six months ended June 30, 2026 and 2025. Basic earnings/(loss) per ordinary share is computed using the weighted average number of ordinary shares outstanding during the period. Both Class A, Class B ordinary shares and vested RSUs are included in the calculation of the weighted average number of ordinary shares outstanding.

The Group has several categories of dilutive potential ordinary shares: preferred shares issued by D-Robotics, convertible loan, unvested RSUs, and share options. As the Group incurred losses for the six months ended June 30, 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 six months ended June 30, 2025 are the same as basic loss per share of the respective period. For the six months ended June 30, 2026, share options, unvested RSUs 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.

	Six months ended June 30,	
	2026	2025
Basic earnings/(loss) per share:		
Profit/(Loss) attributable to equity holder of the Company (RMB'000)		
Profit/(Loss) from continuing operations	**1,615,191**	(5,104,994)
Profit/(Loss) from discontinued operations	**2,169,154**	(127,885)
Weighted average number of ordinary shares outstanding	**14,054,233**	12,313,356
Basic earnings/(loss) per share arising from		
Continuing operations	**0.12**	(0.41)
Discontinued operations	**0.15**	(0.01)
Basic earnings/(loss) per share (expressed in RMB per share)	**0.27**	(0.42)
Diluted loss per share:		
Profit/(Loss) from continuing operations attributable to equity holders of the Company	**1,615,191**	(5,104,994)
Adjustment for fair value change of the Company's financial liabilities through profit or loss	**(5,240,607)**	–
Profit/(Loss) from discontinued operations	**2,169,154**	(127,885)
Profit/(loss) attributable to equity holders of the Company in calculating diluted loss per share	**(1,456,262)**	(5,232,879)
Weighted average number of shares (in "000"):		
Weighted average number of ordinary shares outstanding	**14,054,233**	12,313,356
Adjustment for convertible loan of the Company	**1,310,570**	–
Adjustment for share options and unvested RSUs	**483,830**	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share (in "000")	**15,848,633**	12,313,356
Diluted earnings/(loss) per share arising from		
Continuing operations	**(0.23)**	(0.41)
Discontinued operations	**0.14**	(0.01)
Diluted loss per share (expressed in RMB per share)	**(0.09)**	(0.42)

7 TRADE RECEIVABLES

	As of June 30, 2026 *RMB'000*	As of December 31, 2025 *RMB'000*
Non-current:		
Trade receivables		
Third party debtors	**8,579**	8,412
Total trade receivables, gross	**8,579**	8,412
Less: Credit loss allowance	**(591)**	(648)
Total non-current trade receivables, net	**7,988**	7,764
Current:		
Trade receivables		
Third party debtors	**2,474,633**	1,757,787
Related parties	**133,217**	104,354
Total trade receivables, gross	**2,607,850**	1,862,141
Less: Credit loss allowance	**(177,732)**	(102,093)
Total current trade receivables, net	**2,430,118**	1,760,048
Total trade receivables, net	**2,438,106**	1,767,812

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

	As of June 30, 2026 *RMB'000*	As of December 31, 2025 *RMB'000*
Up to 3 months	**1,085,426**	1,513,625
3 to 6 months	**416,748**	129,814
6 to 9 months	**859,890**	75,264
9 to 12 months	**71,826**	26,316
Over 12 months	**182,539**	125,534
Total	**2,616,429**	1,870,553

8 TRADE PAYABLES

Trade payables primarily include payables for inventories.

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

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
Up to 3 months	**101,131**	178,817
3 to 6 months	**18,425**	10,560
6 months to 1 year	**40,201**	44,279
1 to 2 years	**12,452**	423
Over 2 years	**350**	312
Total trade payables	**172,559**	234,391

9 DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended June 30, 2026 and 2025.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

Hong Kong, August 31, 2026

As of the date of this announcement, the Board comprises (i) Dr. Kai Yu, Dr. Chang Huang, Dr. Jian Xu and Dr. Liming Chen as executive Directors; (ii) Mr. Liang Li, Mr. Qin Liu, Dr. André Stoffels and Mr. Jianjun Zhang as non-executive Directors; and (iii) Dr. Jun Pu, Mr. Yingqiu Wu, Dr. Katherine Rong XIN and Dr. Ya-Qin Zhang as independent non-executive Directors.