OVERVIEW

We are a Europe-centric, innovation-driven e-mobility company, focusing on providing e-bike products that promote a healthy and sustainable lifestyle. As a key player in the e-mobility industry, we transform the European e-bike landscape by elevating consumers' everyday mobility and offering versatile e-bikes to a broad consumer base. We prioritize product design and development, focusing on creating contemporary and sleek e-bikes with compelling aesthetic appeal that distinguish our brand. Our agile development process and access to a vast engineering talent pool enable us to swiftly integrate the latest technological innovations. Leveraging our global product development network and supply chain, alongside localized branding, production and sales channels, we achieved strong efficiency while maintaining product localization. This approach enables us to tailor each model according to the specific terrain and consumer requirements of various European regions. Our products include a comprehensive range of e-bikes, encompassing City, Hybrid and Cargo categories, complemented by accessories and services. This diversified portfolio addresses a wide spectrum of application scenarios throughout Europe, including urban commuting, off-road ventures, family hauling and load-carrying.

Europe, characterized by its vibrant cycling culture, has been the largest e-bike market globally since the early 2000s, according to Frost & Sullivan. In 2025, the European Commission released its first progress report on the European Declaration on Cycling, demonstrating strong momentum across the continent in enhancing cycling infrastructure and implementing supportive policies. Across Europe, cycling functions as a lifestyle and leisure pursuit — integral to daily routines, fitness and community life — driving demand for stylish, high-quality e-bikes that enhance the overall riding experience. As a new force reshaping the e-bike industry in Europe founded only in 2021, we have quickly established ourselves as a key player. According to Frost & Sullivan, we were the fastest e-bike company in Europe to become a company at scale since our inception. In addition, we were the fastest-growing e-bike brand in the Benelux region during 2022 to 2024 in terms of e-bike sales volume. We also ranked among the top five e-bike brands in the Benelux region in 2024 in the urban commuting segment in terms of sales volume. Notably, our CGO800S model has achieved considerable success, with sales surpassing 50,000 units within four years of its launch, and the model has been honored with the German Design Award. In 2025, we were recognized by the Erasmus Centre for Entrepreneurship as a Top 250 High-Growth Firm in the Netherlands, standing out as one of the youngest and the sole e-bike company on the list.

We were one of the first e-bike companies in Europe to introduce models integrating torque sensor, hub motor and belt drive, raising the bar for quality and performance in the industry. A torque sensor facilitates precise power management through the collection of real-time riding data, a hub motor ensures a smooth and easy ride and a belt drive system offers a low-maintenance, durable and quieter alternative to traditional chains. This integrated solution enhances the overall rider experience by reducing maintenance requirements and increasing the lifespan of e-bikes, while enabling greater design flexibility and a lightweight structural configuration, supporting sleek, stylish and aesthetic product design and reinforcing our ability to deliver differentiated and well-balanced e-bike offerings. Backed by end-to-end design, development and engineering capabilities, our product matrix spans urban, trekking and cargo models, positioning us as one of the few brands in Europe with full-range coverage. We maintain a rapid pace of innovation and, through a consumer-focused approach, translate market insights into products that align with evolving travel habits, resonating strongly with cyclists across the continent. Complementing the physical products, our in-house team is skilled at developing apps that integrate intelligent connectivity features for smarter riding. Our IoT functionality offers real-time GPS tracking, mileage and calorie statistics, carbon emission reduction estimates, anti-theft protection and battery status monitoring, delivering an enhanced experience for today's tech-savvy cyclists.

TENWAYS designs, engineers, produces and markets e-bikes under a single, coherent brand. We adopt a consumer-focused approach that prioritizes high quality products distinguished by sleek, contemporary design, compelling aesthetic appeal and premium value, setting our brand apart in the European market. Our versatile product offerings are specifically tailored to address diverse application scenarios, thereby ensuring top-tier consumer satisfaction. By implementing digital and advertising strategies including collaborating with KOLs and sports clubs, alongside offline efforts such as hosting test ride events and developing regional service networks, we effectively expanded our brand's visibility and influence, fostering an engaged and vibrant rider community. As a result, according to Cision Media Share of Voice data, for the nine months ended September 30, 2025, we ranked among the top two e-bike brands in Europe by social media mention volume. Our ongoing marketing initiatives, including targeted advertising and strategic endorsements, are designed to reach a wider consumer base, which will further broaden and deepen our brand appeal, contributing to a more robust market position.

We have built an integrated omnichannel ecosystem that unifies online and offline sales channels. Our self-operated online direct-to-consumer (DTC) store provides riders with real-time product information, personalized recommendations and easy ordering. Post-purchase, our mobile app and website provide real-time after-sales assistance and access to accessories and services. This robust online presence directly facilitated the rapid build-out of our European retail footprint. Since 2022, our experienced local sales team, well-versed in regional markets, has swiftly expanded our reach to more than 1,400 offline retail stores run by our distributors in 29 European countries. Our sales infrastructure is further empowered by a proprietary customer relationship management (CRM) system that automates sales tasks and provides analytics and reporting. This tightly integrated ecosystem increases customer engagement, accelerates online-offline conversions and drives sustainable, organic growth.

We manage a worldwide sourcing and production network structured to deliver compliant, high-quality and cost-effective fulfillment of e-bikes. We collaborate with recognized suppliers globally who are enthusiastic about delivering their high-quality, cutting-edge components, thanks to our rapid product innovation, fast-track commercialization and supply chain integration capabilities. Anchored in Europe, we work closely with EU OEM partners to align production with core markets and meet regulatory requirements, while emphasizing sustainability, traceability and supply chain transparency. We place strong emphasis on quality control management and our robust relationships with suppliers and OEM partners further enhance our ability to maintain product quality, cost discipline, strong efficiency and on-time delivery. Through these efforts, we strive to generate value for all upstream and downstream participants across the European e-bike value chain.

We experienced steady growth during the Track Record Period. Our revenue increased by 26.2% from €48.0 million in 2023 to €60.6 million in 2024, and by 3.1% from €52.6 million in the nine months ended September 30, 2024 to €54.2 million in the nine months ended September 30, 2025. Our gross profit margin increased from 25.8% in 2023 to 30.4% in 2024, and further to 31.5% and 31.8% in the nine months ended September 30, 2024 and 2025, respectively.

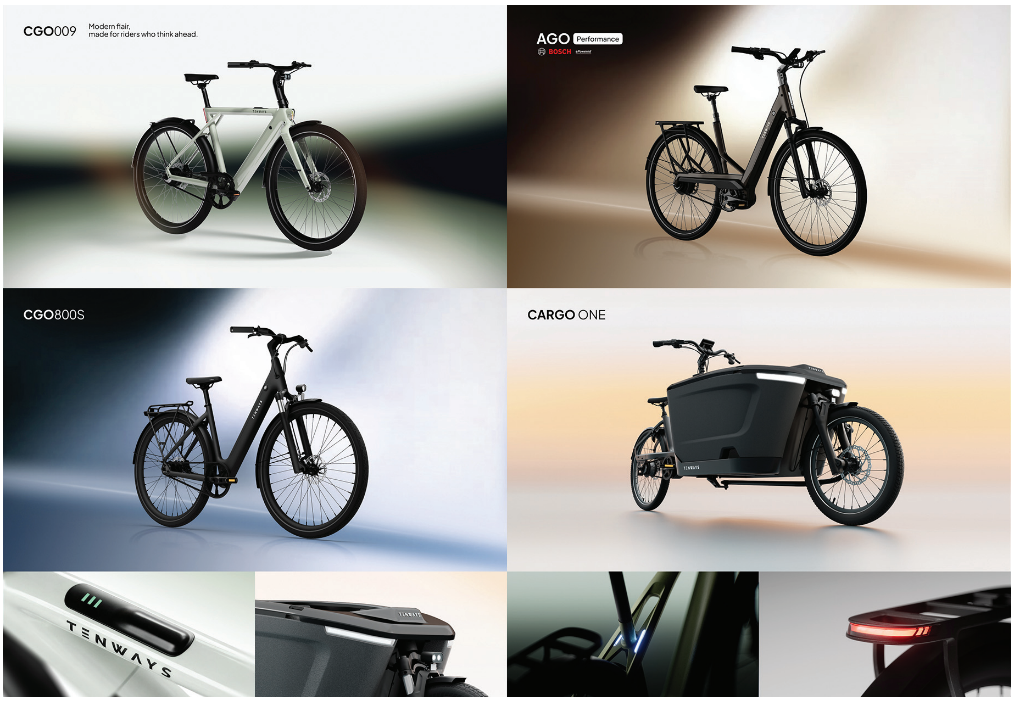
Our E-Bike Products

We offer three categories of TENWAYS e-bikes — City, Hybrid and Cargo — each designed to address specific consumer needs and use cases.

- **City E-Bikes**: the City E-Bikes, our inaugural and best-selling product category, comprise two sub-series, the Lightweight Series, which emphasizes simplicity, reduced weight and agile handling for efficient urban mobility, and the Smart Series, which emphasizes rider comfort, intuitive controls and advanced IoT connectivity for reliable, low-maintenance everyday commuting.
- **Hybrid E-Bikes**: combining features suited for both trekking and mountain biking, the Hybrid E-Bikes are engineered for versatility across paved and mixed terrains, allowing riders to tackle light off-road adventures and easy mountain trails.

- **Cargo E-Bikes**: the Cargo E-Bikes are designed primarily to provide secure and comfortable urban transportation, offering the necessary capacity and stability for routine family mobility and substantial cargo requirements.

The following images illustrate certain details of our e-bike products:



OUR STRENGTHS

A contemporary brand reshaping Europe's e-mobility landscape through innovation

Anchored in Europe's cycling heartlands, we have emerged as a rapidly growing contemporary force reshaping the e-bike landscape of the region. Europe, characterized by its vibrant cycling culture, has been the largest e-bike market globally since the early 2000s. In 2025, the European Commission released its first progress report on the European Declaration on Cycling, demonstrating strong momentum across the continent in enhancing cycling infrastructure and implementing supportive policies. Across Europe, cycling functions as a lifestyle and leisure pursuit — integral to daily routines, fitness and community life — driving demand for stylish, high-quality e-bikes that enhance the overall riding experience. Founded only in 2021, we quickly established ourselves as a key player and were the fastest e-bike company in Europe to become a company at scale since our inception, according to Frost & Sullivan.

Since our founding, we have focused on rider-centric localization and end-to-end operational control, translating market insights into adoption at scale. Our market share expanded rapidly in the Benelux region, supported by clear product-market fit and an agile go-to-market strategy. The Netherlands — often regarded as Europe's "cycling kingdom" and a core Benelux market with deeply rooted cycling culture and extensive infrastructure, has been a key focus market for us. According to Frost & Sullivan, in 2024, we ranked among the top five e-bike brands in Benelux in the urban commuting segment by sales volume. In addition, we were the fastest-growing e-bike brand in the Benelux region during 2022 to 2024 in terms of e-bike sales volume. Thanks to high sales, stylish design and strong product quality, we have built a virtuous cycle in the Benelux region — greater on-road visibility encourages consumer and distributor willingness to engage, while positive word-of-mouth combined with a robust service network converts this interest into incremental sales. In Germany, we are deepening market penetration through technology and partnerships, including collaboration with BOSCH to introduce new models.

We are an innovation-driven, contemporary e-mobility brand that resonates strongly with consumers. Our dedication to innovation shapes every aspect of our operation, from products and sales channels to our supply chain and beyond. This enables us to execute with precision and efficiency, ensuring the delivery of high-quality and consumer-focused e-bikes that offer outstanding user experience. Our products are further distinguished by sleek, contemporary design and compelling aesthetic appeal, setting the TENWAYS brand apart in the European market. Our strong brand image is amplified by collaborations with leading KOLs and sports clubs. In 2025, through social media matrix placements and organic traffic exposure, we achieved approximately 300 million impressions. In addition, we organized an 18-week pop-up shop tour across 15 European cities, drawing over 27 million total impressions and enabling more than 1,000 test rides. These initiatives consistently expand our brand reach, strengthen community engagement and cultivate advocacy across our rider base. In 2025, our recognition by the Erasmus Centre for Entrepreneurship as a Top 250 High-Growth Firm in the Netherlands — where we were one of the youngest and the sole e-bike company on the list — further underscores our growth trajectory and momentum as a contemporary force reshaping Europe's e-mobility landscape.

Industry-changing capabilities anchored by robust product development and pioneering technology adoption

As a late-entrant new force, we are distinguished by industry-changing capabilities anchored by robust product development and first-in-industry technology adoption. We bring a challenger mindset to e-bike engineering and were one of the first in Europe to introduce models integrating torque sensor, hub motor and belt drive into a unified solution. A torque sensor facilitates precise power management through the collection of real-time riding data, a hub motor ensures a smooth and easy ride and a belt drive system offers a low-maintenance, durable and quieter alternative to traditional chains. Together, this integrated system reduces mechanical complexity and maintenance needs while enabling greater design flexibility and lightweight structural configuration, supporting sleek, stylish and aesthetic product design. Notably, founded only in 2021, our product matrix has achieved full-range coverage, spanning urban, trekking and cargo models, supported by our end-to-end design, development and engineering capabilities.

Our product development is defined by high-velocity and rapid iteration. During the Track Record Period, new e-bike models accounted for approximately 30–60% of our product portfolio by model count in each year/period, enabled by a streamlined end-to-end process from market insights to engineering validation and commercialization. We leverage a deep understanding of evolving travel habits, lifestyle shifts and micromobility trends to bring refreshed, feature-rich models to market at pace. Our concept-to-launch cycle averages approximately 12 months, which is notably shorter than the industry average in Europe of 24 months. Our responsiveness is reinforced by tightly coupled cross-functional feedback loops between sales and product development, enabling data-driven prioritization and fast engineering turnarounds. For instance, the CGO600 Pro model was introduced promptly after the CGO600 in direct response to insights from our sales team regarding the demand for removable batteries. As a result, the CGO600 Pro model quickly emerged as one of our top-selling products, with its product design subsequently recognized by the 2024 Red Dot Design Award.

Our robust product development capabilities are evidenced by our proficiency in delivering products that address a wide range of application scenarios and use cases across Europe. For flat-terrain urban commuting scenarios, we launched the City E-Bikes, distinguished by their high quality, stylish design, lightweight structure and ease of maintenance, establishing notable competitiveness in the segment. For hilly and mountainous environments, we introduced the Hybrid E-Bikes with mid-drive motors and transmission systems to effectively tackle challenging terrains and enhance the user experience. We also built deep collaborations with high-quality European suppliers, including BOSCH, to introduce new models targeting mid- to premium-segment demand. In addition, our Cargo E-Bikes are designed for family hauling and load carrying scenarios, incorporating advanced features such as detachable front carts and customizable design options. Complementing the physical products, our in-house team is skilled at developing apps that integrate intelligent connectivity features for smarter riding. Our IoT functionality offers real-time GPS tracking, mileage and calorie statistics, carbon emission reduction estimates, anti-theft protection and battery status monitoring, delivering an enhanced experience for today's tech-savvy cyclists. By combining high quality, premium value, stylish design, versatile offerings and smart riding features, we consistently align engineering decisions with rider needs while maintaining top-tier consumer satisfaction.

An integrated online-and-offline omnichannel sales, marketing and after-sales ecosystem elevating the overall consumer experience

We have built an integrated omnichannel sales and marketing ecosystem that unifies online and offline touchpoints to convert demand efficiently and deliver a consistent, high-quality consumer journey. Our self-operated online DTC store offers real-time product information, personalized recommendations and instant access to our full product catalog, enabling consumers to explore and purchase within minutes. Post-purchase, our mobile app and website serve as digital service platforms within a comprehensive and layered after-sales framework, providing real-time support, service coordination and issue handling across markets, thereby ensuring service continuity, timely response and consumer satisfaction. Offline, we maintain an extensive brick-and-mortar presence through more than 1,400 retail stores in 29 European countries. The offline channel has historically served as the primary avenue for e-bike sales within Europe. Over the years, we have cultivated strong partnerships and established robust relationships with renowned distributors and major national retail chains in the region, which facilitated deep market penetration and enhanced the scalability of our sales model. Reflecting the strength of these distributor relationships, we achieved a joint fifth-place ranking in the 2025 dealer satisfaction survey conducted by BOVAG Fietsbedrijven (RODI Fiets), notwithstanding being a new entrant to the European market. Our sales infrastructure is further empowered by a proprietary CRM system that automates sales tasks and provides analytics and reporting, enabling standardized sales execution and improved pipeline visibility.

Our strong online presence directly facilitated the rapid build-out of our European retail footprint. Recognizing that many local consumers prefer purchasing e-bikes in neighborhood retail stores, our experienced sales team, well-versed in regional markets, effectively leveraged digital marketing exposure and rapidly scaled our offline presence across Europe, with continued expansion underway. Purposeful cross-traffic mechanisms — such as online referrals to physical test-rides, in-store guidance to exclusive digital content and digital real-time assistance — drive higher engagement and accelerate conversion across channels.

Our marketing initiatives reinforce this integrated approach. Online, we execute targeted digital campaigns to build our social media presence and collaborate with KOLs such as Olympic champion Suzanne Schulting from 2022 to 2024 and Pamela Reif in 2023, as well as sports clubs such as Borussia Dortmund (BVB). Offline, building on our established online presence, we deepen local penetration through collaboration with retail stores to enhance in-store displays, organizing test ride events and developing regional service networks, cultivating a loyal rider community. Together, these tightly integrated online and offline channels increase consumer engagement, improve conversion efficiency and underpin organic growth. In the European e-bike market, as traditional players primarily rely on offline channels, while new entrants focus largely on online channels, our comprehensive online-offline integration represents a competitive advantage.

A global supply chain combined with strong production partnerships ensuring quality, efficiency and operational reliability

We manage a comprehensive sourcing and production network structured to deliver compliant, high-quality and cost-effective fulfillment of e-bikes, underpinned by robust relationships with component and accessory suppliers and OEM partners. For procurement, we collaborate with global suppliers who are enthusiastic about delivering their high-quality, cutting-edge components, thanks to our rapid product innovation, fast-track commercialization and supply chain integration capabilities. We work with established e-bike component suppliers on a global scale to secure high-quality components and materials, while our centralized procurement model enables robust end-to-end control, facilitating price negotiations and delivery coordination. Our sourcing team, averaging more than ten years of industry experience, has a profound understanding of supply chain management. This understanding is translated into execution through rigorous and continuously evolving supply chain management frameworks encompassing partner selection and onboarding processes, clearly defined quality and delivery standards, regular KPI evaluations and comprehensive compliance requirements in line with industry standards.

With our operations anchored in Europe, we adopt an EU-focused production model by collaborating with OEM partners on the continent, strategically aligning production with core markets to ensure timely delivery and consistent quality, while emphasizing sustainability, traceability and supply chain transparency. Furthermore, we are strategically expanding our production capacity through the establishment of the JV Factory, thereby further strengthening the vertical integration of our supply chain. We uphold stringent quality control standards across all locations worldwide, with European facilities emphasizing oversight of the production process and Asian sites focusing on component-level quality management. This is further reinforced by monthly alignment between sales and production, as well as disciplined inventory management. Through this integrated approach to procurement, production and quality control management, we support coordinated product localization for European terrain and requirements, ensure cost-effectiveness and robust quality, enhance operational efficiency and strive to generate value for all upstream and downstream participants across the European e-bike value chain.

Digital-centric, intelligent IT platforms driving sustained operational excellence

We drive operational efficiency with a digital-first, intelligent IT stack that standardizes core workflows, improves data visibility and accelerates decision-making.

- ***Customer Relationship Management (CRM) system***. We operate a proprietary CRM system designed primarily to support internal sales management and execution. The system enables us to oversee sales team activities, including visit planning, activity tracking and performance monitoring, while also assisting sales personnel in managing their daily workflows more efficiently. Through standardized processes and centralized reporting, the CRM system enhances operational discipline, improves visibility into sales activities and supports more effective internal management.
- ***B2B digital portal.*** We operate a proprietary B2B digital portal designed to streamline interactions with distributors and trade partners, replacing traditional email-based communications. This portal facilitates order placement, after-sales parts procurement and account management, enabling real-time updates on order status, component availability and policy-compliant pricing and terms.
- ***Enterprise Resource Planning (ERP) system***. We operate a proprietary ERP system that serves as the core platform for managing our end-to-end business operations across both the sales cycle and the procurement cycle. The system integrates key processes including order management, procurement, approvals, information processing and financial accounting into a unified workflow, aligning business flows, information flows and financial flows within a single system. Through built-in process controls and automation, the ERP system enhances operational efficiency, strengthens internal controls and supports standardized execution.
- ***Digital tools and analytics***. We deploy digital tools and analytics to support internal operations and management across functions including customer service, sales operations, inventory coordination and technology support. These tools enhance data visibility, enable monitoring of sales activities and inventory status, and facilitate timely identification of overstocked or understocked situations to support responsive operational adjustments. In addition, we utilize an internal digital knowledge assistant to support system understanding and internal information access, thereby strengthening operational efficiency and management decision making.

An experienced management team with comprehensive industry knowledge and international perspective

Our experienced management team consists of talent brought in from elite academic institutions and leading industry firms. They possess extensive industry experience and in-depth knowledge spanning the entire e-mobility value chain. In addition to deep local market insights, our management team brings strong international experience, with the majority of the team having international professional backgrounds and based in Europe. This combination of international perspective and on-the-ground market understanding supports effective decision-making and execution across our core markets.

Mr. LIANG, the Chairman, CEO and founder of our company, possesses extensive expertise in engineering and management. Drawing from his direct leadership experience within the mobility industry, he has demonstrated a proven track record and deep market understanding that are integral to our ongoing growth. Mr. Amir Fazeli, the General Manager for Europe of our company, brings more than 20 years of international management expertise throughout Europe. His background encompasses senior leadership positions within global consumer brands as well as extensive experience in multi-market operations management. His international commercial expertise and strong industry background further strengthen our leadership bench. Mr. Kai Cheng, the CFO of our company, brings deep insights in financing, operations and strategic planning, gained through his experience with leading private equity fund and investment bank institutions.

We also benefit from the strategic support of our strong and dedicated shareholder base, whose long-term orientation and industry expertise reinforce our governance, strengthen our resource allocation and enable sustained investment in technology, product quality and market expansion. Together, our leadership capabilities and institutional support position us to execute effectively on our strategic priorities and capture long-term growth opportunities.

OUR STRATEGIES

Advance product innovation and cutting-edge technology to expand price tiers and use-case coverage

We are committed to accelerating product innovation to meet a broader range of consumer use cases and price tiers, thereby expanding our addressable market while preserving our cost-performance discipline and design ethos. Our strategy includes launching new series within existing product categories and introducing new product categories. In partnership with BOSCH, we plan to introduce new models designed to meet higher-performance needs in the mid-to-premium market. In parallel, our focus will remain on advancing consumer-level features through refinements in aesthetics, structural design and quality appeal, including innovations in paint processes and materials. These initiatives will serve to further differentiate our product portfolio and elevate the rider experience across all segments.

Our technology roadmap focuses on the advancement of next-generation core systems, with particular attention to the e-drive systems comprising power battery, drive motor and electronic control systems. Specifically, we aim to pioneer the adoption of the next-generation semi-solid state battery platform, engineered to reduce weight, extend range and improve energy density. Alongside reinforcing the development of these core systems, we intend to further improve intelligent features such as enhanced power assistance and anti-theft capabilities. Our engineering practice will continue to emphasize sustainability by incorporating lightweight materials, anti-corrosion techniques, recyclable materials and environmentally responsible manufacturing methods. We will continue to collaborate with leading industry partners to accelerate commercialization cycles across targeted price tiers and use cases.

Expand and strengthen brand presence by consistently fostering consumer engagement and optimizing sales and marketing channels

We are committed to expanding and strengthening our brand influence through consistent consumer engagement. To accomplish this objective, we plan to implement advanced marketing strategies, targeted advertising and strategic endorsements to reach a broader consumer base. While our current online marketing strategy effectively engages riders in the digital era and our offline collaborations with retail stores focus on established traditional cycling demand, we aim to broaden our appeal to diverse age groups, additional use cases and less penetrated markets. Our plans include advertising in local newspapers and radio stations, as well as partnering with community events, sports games and market fairs to connect with audience through their preferred media channels. Additionally, we intend to expand our collaborations with both national and local sports clubs and teams to engage potential customers interested in our products.

We plan to broaden and deepen our sales channels by maintaining commitment to an integrated omnichannel strategy. Our initiatives include entering new sales verticals, strengthening our presence in current markets and deepening relationships with incumbent distributors by offering consistent commercial terms, superior service standards and seasonal promotions. We aim to continue expanding our presence across independent stores and retail chains. In parallel, we plan to evaluate opportunities to acquire equity stakes in European retail chains as part of our ongoing efforts to broaden our sales channel. We intend to pursue disciplined geographic expansion into additional European countries, with the goal of opening 3,000 new stores by 2030. Our primary focus will be on Germany and the Benelux region, followed by the United Kingdom and France. We will also evaluate targeted expansion opportunities in the United States, as well as possible selective entry into other markets, subject to regulatory, supply chain and local service readiness.

Promote vertical integration across supply chain and production to enhance control, synchronization and margins

We aim to advance vertical integration across our supply chain by reinforcing end-to-end oversight, aligning production processes and optimizing margins. Central to this initiative is the continued establishment of joint venture production partnerships, which provide increased production capacity, enhanced control over key production stages and closer coordination among engineering, sourcing and production teams. In parallel, we intend to establish production capacity for e-drive systems — comprising the power battery, drive motor and electronic control systems — to support a more integrated powertrain solution for our e-bikes. This architecture is designed to improve energy efficiency, provide more precise performance tuning and streamline system diagnostics, thereby increasing product reliability and extending service life. Through these initiatives, we expect to strengthen quality control, support scalable capacity expansion and improve overall cost efficiency.

To strengthen fulfillment resilience, we aim to optimize our global supply chain layout through coordinated operations in Europe and Asia, thereby achieving an optimal balance between lead times and cost and quality considerations. Altogether, these measures are designed to improve control over critical processes, enhance cost-effectiveness and foster a more reliable, scalable operating cadence across our targeted markets and regions.

Reinvent and upgrade the value-creation model to drive sustainable, recurring revenue growth

We aim to broaden and strengthen our revenue streams by growing our usage-based and service-oriented offerings alongside our core product sales. Leveraging our omnichannel sales network and growing brand recognition, we intend to launch an e-bike leasing program to broaden demographic reach, lower upfront adoption barriers and build a steady subscription income stream. In addition, building upon our ongoing communication with riders and insights into their needs, we expect to introduce IoT-enabled subscription services featuring enhanced anti-theft functions, real-time data analytics and alerts and predictive maintenance features, with tiered premium options to increase long-term revenue potential. Complementing these initiatives, we plan to introduce an optional extended warranty offering beyond the standard warranty period to provide greater security for consumers, enhance product residual value and generate another recurring revenue stream. To underpin these offerings at scale, we remain committed to investing in digital tools and risk management systems that enhance operational efficiency and consumer experience. Altogether, these initiatives are designed to grow our recurring and service revenues, improve unit economics through higher lifetime value and create a stronger, more resilient earnings base across different market cycles.

Enhance IT platforms and integrate AI-empowered solutions to continue advancing operational excellence

Building on our digital-centric IT architecture, including our proprietary CRM system, B2B digital portal and ERP system, we are committed to continuously upgrading our platforms to support scalable growth and operational excellence. We plan to leverage advanced analytics and adopt AI capabilities within our digital infrastructure to further streamline channel operations and enable data-driven decision-making across our organization. On sales and marketing, by integrating sophisticated automation and machine learning tools, we aim to refine demand forecasting and strengthen after-sales support, thereby deepening engagement with both consumers and distribution partners. On supply and production, we plan to deploy AI-empowered process optimization across logistics, production planning and inventory management, thereby enhancing responsiveness and agility throughout our supply network. The adoption of predictive analytics and real-time monitoring will enable us to proactively identify and mitigate operational risks and optimize resource allocation. These ongoing enhancements will unify data across all operational touchpoints and functions, empowering our teams with actionable insights and reinforcing our commitment to operational excellence as we continue to scale.

Pursue selective acquisitions and investments to accelerate market entry, capabilities and price-tier coverage

We intend to pursue selective acquisitions and investments to catalyze growth, with an emphasis on potential targets that strengthen brand and design capabilities, expand and deepen distribution channels and enhance product-related technological capabilities. Specifically, we seek opportunities that enable the development of a multi-brand portfolio to complement and strengthen our existing TENWAYS brand, provide access to new geographic markets through established platforms or add differentiated product, design or technology capabilities that enhance our overall offering. By leveraging the market presence and operating experience of target companies, we aim to accelerate brand rollout, expand retail coverage and unlock cross-selling potential across our product portfolio. In addition, we may invest selectively in retail chain distributors to deepen offline channel penetration and extend coverage into additional markets or regions. Following each transaction, we will focus on post-transaction integration to improve alignment, coordination and value capture across the expanded business, supporting more effective execution and long-term growth.

OUR PRODUCTS

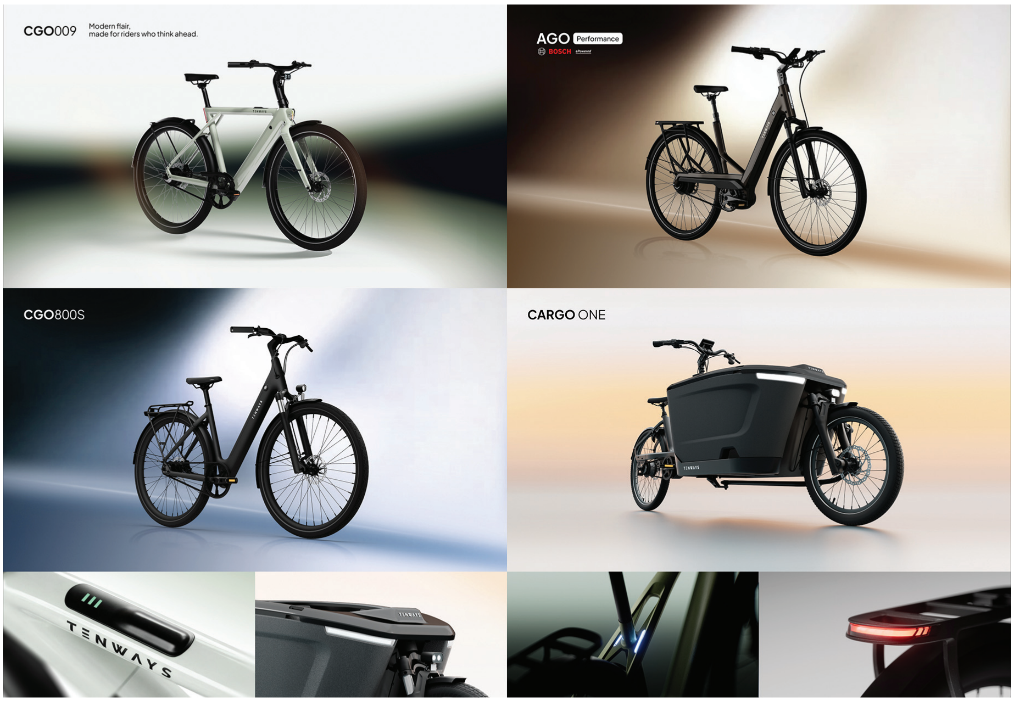
Compared with conventional bicycles, e-bikes provide electric assistance for quicker starts, smoother cruising and improved slope-climbing capabilities. In urban commuting settings, e-bikes allow riders to keep pace with city traffic and reduce travel time. E-bikes also broaden accessibility for users of different ages and fitness levels and support practical everyday mobility needs. Beyond transportation, e-bikes facilitate leisure and recreational riding, fostering community engagement and enhancing rider enjoyment. Our e-bikes are tailored for various application scenarios such as urban commuting, leisure and cargo transportation, and incorporate technologies that enhance performance and digital connectivity. During the Track Record Period, our revenue was primarily derived from the sales of our e-bike products, supplemented by sales of accessories, apparel and other related products and services. The following table sets forth a breakdown of our revenue during the Track Record Period.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
E-Bike products	47,544	99.0	59,179	97.6	51,530	98.0	52,863	97.6
City E-Bikes	41,075	85.5	47,704	78.7	41,234	78.4	41,943	77.5
Hybrid E-Bikes	6,466	13.5	9,777	16.1	8,746	16.6	8,313	15.3
Cargo E-Bikes	3	0.0	1,698	2.8	1,550	3.0	2,607	4.8
Accessories, apparel and other related products and services	484	1.0	1,456	2.4	1,046	2.0	1,327	2.4
Total	**48,028**	**100.0**	**60,635**	**100.0**	**52,576**	**100.0**	**54,190**	**100.0**

TENWAYS E-Bikes

Across Europe, cycling serves as a lifestyle choice and leisure activity, playing an important role in daily routines, personal fitness and community engagement. This has led to increased demand for aesthetic, high-quality e-bikes that elevate the riding experience. We currently offer three categories of TENWAYS e-bikes — City, Hybrid and Cargo — each designed to address specific consumer needs and use cases. The City E-Bikes comprise two series: the Lightweight Series, which emphasizes simplicity, reduced weight and agile handling for efficient urban mobility; and the Smart Series, in addition to standard Bluetooth app connectivity available across all models, is equipped with built-in IoT connectivity, allowing the e-bike to remain continuously online without requiring smartphone connection. The Hybrid E-Bikes, combining trekking and MTB-oriented features to support both paved and light off-road riding, provide versatile options for fitness, leisure and commuting. Launched in 2024 as part of our ongoing product development initiatives and portfolio diversification, the Cargo E-Bikes are utility-oriented models with strengthened frames and integrated cargo configurations suitable for family transportation and urban logistics. According to Frost & Sullivan, Cargo E-Bikes are increasingly viewed by households as an alternative to owning a second vehicle.

In general, our e-bikes are distinguished by several key features: frame geometry and materials designed for optimal performance and durability; wheel and tire size tailored for various terrains and riding conditions; drivetrain and assistance systems engineered for smooth power delivery and efficiency; battery capacity and range that ensure long-lasting performance and extended travel distances; braking technology that provides reliable stopping power and safety; integrated connectivity featuring anti-theft, real-time tracking and other functions; and lighting that provides both effective illumination and engaging ambient effects for riders. The following images illustrate certain details of our e-bike products:



City E-Bikes

City E-Bikes, our inaugural and best-selling product category, are designed for urban commuting with an emphasis on reliability, low maintenance and consistent ride performance. Most City E-Bike models feature a torque sensor that facilitates precise power management through the collection of real-time riding data, a hub motor that ensures a smooth and easy ride and a belt drive system that offers a low-maintenance, durable and quieter alternative to traditional chains. As of September 30, 2025, City E-Bikes comprised two series.

Lightweight Series

CGO600 (including CGO600/CGO600 Pro/CGO600 Plus) is a lightweight, efficient model that features a sleek design and an easy-to-ride platform, making it well-suited for short-to-medium city journeys. These models deliver responsive motor assistance for frequent stop-and-go urban traffic while maintaining stable and confident handling, ensuring ride comfort and agility for daily commuting needs. Notably, CGO600 Pro was recognized with the 2024 Red Dot Design Award, a prestigious international design award, for its high-quality, innovative and sleek design.

CGO800 (including CGO800S/CGO800 Plus) features a step-through frame for easy access. The geometry supports an upright riding position, and the motor assistance delivers smooth power at standard urban speeds, making it ideal for riders seeking accessibility and comfort on longer journeys. Reflecting these design strengths, CGO800S received the 2024 German Design Award, an official design award in Germany focusing on unique design trends and excellent design quality in product design, communications design and architecture.

Smart Series

CGO009 is a single-speed city e-bike designed for integrated, app-enabled functionality. Featuring a 250W rear hub motor and a streamlined frame, this model is built for ease of use, minimal routine maintenance and app-enabled IoT connectivity. With its Dutch-inspired design and long-leg geometry tailored to local ergonomic needs, the CGO009 was developed specifically for the Netherlands market and has received international design recognition, including the 2026 German Design Award.

The following sets forth the key features of our best-selling City E-Bikes.

Model	Key Specifications	Primary Positioning	Recommended Retail Price (€ per unit)	Illustrations
City E-Bikes (lightweight series)				
CGO600 Pro	• 360 Wh removable battery • Sporty geometry • 100km/charge maximum range • 16–17 kg net weight	Lightweight tuning for smooth and comfortable urban commuting	€1,799	
CGO800S	• 460.8 Wh removable battery • Front suspension fork • 100km/charge maximum range • 19 kg net weight	Step-through upright geometry for accessible and comfortable urban rides	€1,899	
City E-bikes (smart series)				
CGO009	• 374 Wh removable battery • TENWAYS C9 motor • 85km/charge maximum range • 21 kg net weight	Single-speed design with smart connectivity for streamlined, low-maintenance riding	€2,199	

Hybrid E-Bikes

Our Hybrid E-Bikes are engineered for versatility, combining features suited for both trekking and mountain biking. They deliver consistent performance across paved and mixed terrains, allowing riders to tackle light off-road adventures and easy mountain trails. Equipped with mid-drive motors for consistent assistance on slopes and when carrying loads, Hybrid E-Bikes offer a balanced solution for fitness, leisure and daily commuting. As of September 30, 2025, we offered three Hybrid E-Bike models: AGO Air, AGO X and AGO T.

AGO Air is designed to provide lightweight, versatile mobility suited for daily commuting and weekend excursions, with an emphasis on easy handling and user-friendly operation.

AGO X serves as a durable, all-around model capable of traversing light off-road segments, delivering stable handling and responsive power performance.

AGO T offers premium urban comfort, featuring smooth and natural pedaling experience, low-maintenance belt-drive and stepless-shifting system, ideal for steady, extended rides across varied city terrains.

The following sets forth the key features of our Hybrid E-Bikes.

Model	Key Specifications	Primary Positioning	Recommended Retail Price (€ per unit)	Illustrations
AGO AIR	• 560 Wh removable battery • 9-speed drivetrain • 100km/charge maximum range • 24.85 kg net weight	Urban commuting and weekend excursions	€2,199	
AGO X	• 504 Wh removable battery • 10-speed drivetrain • 100km/charge maximum range • 27 kg net weight	All-rounder for urban commuting and light off-road riding	€2,399	
AGO T	• 504 Wh removable battery • Carbon belt drive • Stepless-shifting hub • 100km/charge maximum range • 30 kg net weight	Premium model for urban riding across varied terrains	€2,699	

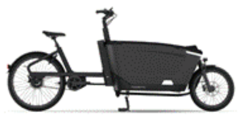
Cargo E-Bikes

Our Cargo E-Bikes are designed primarily to provide secure and comfortable urban transportation, offering the necessary capacity and stability for routine family mobility and substantial cargo requirements. Each model is equipped with mid-drive systems, low-maintenance belt drives and stepless shifting mechanisms for smooth, predictable power to support reliable hill-climbing capability and consistent performance across varied weather conditions. As of September 30, 2025, we offered two Cargo E-Bike models: Cargo One and Longtail Duo.

Cargo One is our flagship family e-bike, featuring an extra-large front cargo box, EV-style sidelights and versatile cargo functions that deliver ample capacity and comfort for school runs, errands and urban logistics.

Longtail Duo is a smart, space-efficient family hauler featuring an extended rear carrier and app-enabled IoT connectivity. It is designed to facilitate the transportation of children or cargo with ease while maintaining a stable and comfortable riding experience.

The following summarizes the key features of our Cargo E-Bikes.

Model	Key Specifications	Primary Positioning	Recommended Retail Price (€ per unit)	Illustrations
Cargo One	• 960 Wh removable battery • Extra-large cargo box • EV-style sidelights • 90km/charge maximum range	Flagship, high-capacity family cargo model	€4,999	
Longtail Duo	• 720 Wh removable battery • Extra long rear carrier • 100km/charge maximum range	Efficient family hauler with smart connectivity	€3,499	

The following table sets forth a breakdown of sales volume and average selling prices of e-bikes by category.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]
	(unit)	*(€)*	*(unit)*	*(€)*	*(unit)*	*(€)*	*(unit)*	*(€)*
City E-Bikes	34,862	1,178	40,610	1,175	34,892	1,182	36,660	1,144
Hybrid E-Bikes	4,013	1,611	6,391	1,530	5,703	1,534	5,878	1,414
Cargo E-Bikes[2]	1	3,000	560	3,032	510	3,039	1,156	2,255
Total	**38,876**		**47,561**		**41,105**		**43,694**	

Notes:

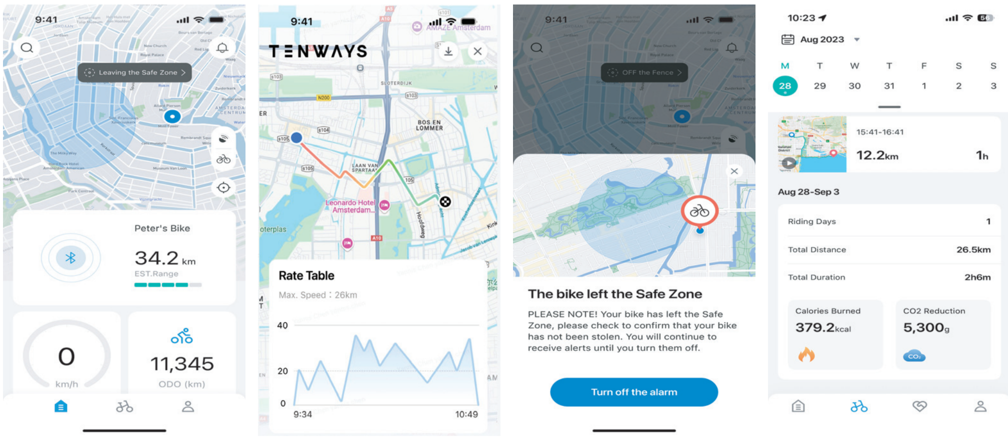
(1) Average selling price per unit is calculated by dividing the revenue by sales volume for each product category. Such calculated average selling prices are lower than the recommended retail price ranges because we sell to our distributors at the manufacturer selling prices which are lower than the recommended retail prices.

(2) The average selling price of Cargo E-Bikes is relatively lower for the nine months ending September 30, 2025, primarily due to a shift in product mix. We launched Cargo Longtail Duo in 2025, which had a lower selling price than Cargo One.

Accessories, Apparel and Other Related Products and Services

In addition to e-bikes, we offer a range of cycling accessories, apparel and related products, including child seats, helmets, locks, power banks and batteries. Set forth below are examples of our accessories, apparel and related products.

We provide the Smart Connect subscription service via our proprietary TENWAYS App, which enables users to remotely control and monitor selected models of TENWAYS e-bikes in real time. The subscription offers anti-theft and real-time tracking functions. Users can view the live location of their e-bikes and receive notifications via the TENWAYS App if movement is detected when the e-bike is unattended. In addition, the TENWAYS App provides ride-related data and analytics, such as mileage tracking, estimated calorie consumption and usage statistics. As of the Latest Practicable Date, Smart Connect was available for the CGO009 and Longtail Duo models offered for sale, each of which included a 12-month complimentary subscription from activation, after which a paid subscription is required for continued access. Set below are illustrations of key functions of Smart Connect:



In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, revenue generated from accessories, apparel and other related products and services amounted to €484 thousand, €1.5 million, €1.0 million and €1.3 million, respectively, representing 1.0%, 2.4%, 2.0% and 2.4% of our total revenue for the respective periods.

BRANDING AND MARKETING

We design, develop, engineer and market e-bike products under a single, coherent brand, TENWAYS. Our omni channel marketing strategy is designed to support and accelerate our sales and distribution model by integrating online and offline channels to drive brand awareness, generate demand and facilitate conversion through both direct and distributor-led sales channels. This integrated approach differentiates us from many European competitors that have historically relied primarily on offline marketing. From our branding and sales center in Europe, we produce localized, multilingual content and maintain market-specific owned digital channels and local marketing partnerships. According to Cision Media Share of Voice data, for the nine months ended September 30, 2025, we ranked among the top two e-bike brands in Europe by social media mention volume.

Our sales and marketing organization operates through a structured and integrated marketing communication plan. We conduct continuous market research, analyze online channel performance and maintain regular dialogue with distributors to track consumer preferences and refine messaging. We complement our digital marketing with trade marketing programs that support retail expansion and enhance the in-store experience through standardized store materials and merchandising toolkits. Marketing content is tailored to diverse consumer demographics across our core markets, with messaging focused on riding experience, riding ease, local service, versatility and reliability — key attributes that support purchase decision-making across various sales channels.

Our marketing execution spans targeted online advertising, social media platforms and influencer partnerships, as well as offline initiatives including industry exhibitions, pop-up events and city tours. In 2025, influencer collaborations generated 41.7 million impressions across 543 partnerships, primarily in Germany and the Netherlands. We maintain long-term sponsorship arrangements, including a multi-year partnership with Borussia Dortmund that strengthens brand visibility across core markets. In 2023, we also engaged in a brand ambassador collaboration with Pamela Reif. We support distributor-led sales by expanding test-ride access and facilitating consumer interaction with our products through offline retail stores. In 2025, we conducted an 18-week, 15-city EU City Tour across the Netherlands, Belgium and Germany, and participated in the Eurobike Exhibition. Going forward, we intend to continue participating in industry events and conducting localized product launch activations to strengthen online-offline conversion and support the continued expansion of our sales and distribution network.

SALES AND DISTRIBUTION

Overview

We have a multi-channel sales and distribution network covering both distributor and direct sales. We partner with distributors who sell our products primarily through their offline retail stores, including independent stores and retail chains. In addition, we offer direct sales to consumers and corporate customers, such as bike leasing companies, primarily via our online DTC store. The following table sets forth a breakdown of our revenue by sales channel.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
Sales to distributors	27,893	58.1	43,799	72.2	38,457	73.1	38,931	71.8
Sales to independent stores	16,639	34.7	28,197	46.5	24,320	46.2	29,425	54.3
Sales to retail chains	11,254	23.4	15,602	25.7	14,137	26.9	9,506	17.5
Direct sales	20,135	41.9	16,836	27.8	14,119	26.9	15,259	28.2
Total	**48,028**	**100.0**	**60,635**	**100.0**	**52,576**	**100.0**	**54,190**	**100.0**

During the Track Record Period, we sold our products in 34 countries and regions across Europe, North America, Oceania and others. The following table sets forth a breakdown of our revenue by geographic regions.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
Europe	46,532	96.8	58,718	96.8	51,072	97.1	52,943	97.7
Benelux	18,984	39.5	28,058	46.3	22,653	43.1	27,480	50.7
Germany	19,505	40.6	21,743	35.9	20,319	38.6	16,748	30.9
Other European countries	8,043	16.7	8,917	14.6	8,100	15.4	8,715	16.1
United States of America	1,484	3.1	1,876	3.1	1,470	2.8	1,217	2.2
Others(1)	12	0.1	41	0.1	34	0.1	30	0.1
Total	**48,028**	**100.0**	**60,635**	**100.0**	**52,576**	**100.0**	**54,190**	**100.0**

Note:

(1) Primarily included Canada, Australia and others.

Sales to Distributors

We primarily sell our products through our network of distributors, who in turn generally sell them to end consumers via offline retail stores, consistent with prevailing industry practices. Our offline presence provides consumers with the opportunity to test ride products before purchase and access to local after-sales service. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, revenue generated from sales to distributors amounted to €27.9 million, €43.8 million, €38.5 million and €38.9 million, respectively, representing 58.1%, 72.2%, 73.1% and 71.8% of our revenue for the respective periods. Consistent with industry norms, we offer our products to distributors at the manufacturer selling prices, which are lower than the recommended retail prices. Accordingly, sales to distributors generally generate lower per-unit returns than direct sales. In the nine months ended September 30, 2025, our product contribution margin of distributor sales, calculated as revenue generated from sales to distributors less product costs, divided by revenue generated from sales to distributors, was 38.1%. As of December 31, 2023, 2024 and September 30, 2025, our products were sold in 577, 1,028 and 1,408 offline retail stores, respectively. As of September 30, 2025, we worked with a total of 1,041 distributors, including (i) 331 distributors in Benelux covering 381 retail stores; (ii) 225 distributors in Germany covering 542 retail stores; (iii) 126, 113 and 71 distributors in France, the United Kingdom and the United States covering a total of 310 retail stores; and (iv) 175 distributors in other countries covering a total of 175 retail stores.

The table below sets forth the movement in number of our distributors:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
As of the beginning of the period	233	454	762
Addition of new distributors for the period[(1)]	277	427	545
Terminated and/or inactive[(2)] distributors for the period	56	119	266
Net increase in number of distributors for the period	221	308	279
As of the end of the period	454	762	1,041

Notes:

(1) New distributors refer to distributors who placed purchase orders with us during a particular period, including reactivated distributors who resumed purchasing activities after a period of inactivity.

(2) Terminated distributors represent distributors that were directly terminated during the period indicated. Inactive distributors represent distributors that placed purchase orders with us for the period immediately preceding the period indicated but did not purchase from us for the period indicated. Inactive distributors may purchase from us in a subsequent period.

During the Track Record Period, the increase in new distributors in each period was primarily driven by our strengthened distributor recruitment and sales execution efforts, targeting both independent stores and retail chains to capitalize on opportunities in our target markets. During the Track Record Period, distributors who ceased their relationship with us were primarily inactive distributors or distributors that or had made only one-off purchases, often for test runs. In rare cases, we terminated relationships due to unsatisfactory performance, violations of our management policies or credit risks.

Our relationship with the distributors is a buyer and seller relationship. Distributors are not permitted to use our brand or trademarks beyond the scope of authorization, and we do not offer them advances or financial assistance. The lead time for sales to distributors typically ranges from two days to seven days. We ship our products to distributors after they place relevant purchase orders, and usually provide credit terms of up to 30 days. Revenue is recognized at a point in time when control of the asset is transferred to the distributor. We maintain good and stable commercial relationships with our distributors. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material disputes or legal proceedings with our distributors. To the best of our knowledge, all of our distributors during the Track Record Period were Independent Third Parties.

Selection of New Distributors

We select distributors with stringent criteria to ensure they are capably of effectively representing our brand and promoting our products. Our key selection considerations include business qualifications, operational capability, financial soundness and service quality. Distributor candidates are required to hold all requisite business licenses and permits and are preferred if they possess relevant industry insight and marketing experience. They must demonstrate sufficient financial resources to operate retail stores and distribution networks and to maintain appropriate inventory levels. We assess their management capability and sales force based on past or current business operations, and require distributors to maintain adequate in-store display areas and sales capability for their assigned territories and product mix. Distributors must also adhere to our operating regulations, understand our brand concept, and demonstrate service awareness consistent with our consumer experience standards. In addition, candidates are expected to maintain robust after-sales service processes, including warranty and returns handling, spare parts management and customer support competency, to ensure timely resolution of consumer issues and to safeguard our brand reputation.

Management of Distributors

Our sales and marketing team is responsible for overseeing our distribution network. We conduct annual, structured assessments of our relationships with existing distributors. We evaluate distributors based on criteria such as their annual purchase volume, distribution network expansion and advertising and marketing activities. To minimize the risk of cannibalization, we have adopted the following measures: (i) we provide recommended retail prices to our distributors to support consistent market positioning; (ii) we typically designate a distributor for a specific geographic area; and (iii) we conduct regular on-site visits to monitor for sales outside designated geographies. Any non-compliant activities are reported promptly and we require timely rectification.

Moreover, we support our distributors and have instituted controls to deter channel stuffing, including: (i) reviewing distributors' sales plans and targets and proving guidance to prevent inventory build-ups; (ii) conducting routine on-site inspections of distributors' retail stores for sales, storage conditions, quality control, and inventory levels; and (iii) leveraging digital tools and IoT functionality by encouraging consumers to register in the TENWAYS App and monitoring device activations to assess sell-through performance and identify potential overstock risks. We generally do not allow return or exchange of products by distributors, unless due to product defects. This policy discourages over-ordering and reduces inventory accumulation. During the Track Record Period, the percentage of returned products from distributors was around 1% of total e-bikes sold, primarily due to product quality issues arising from improper handling during shipment.

If we discover any non-compliance of distributor terms and conditions, we may notify the relevant distributors in writing and require timely rectification. For material non-compliance, we are entitled to terminate distribution arrangements with non-compliant distributors. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any of our distributors committing any material breach of their distribution arrangement.

Major Terms and Conditions for Distribution Arrangement

We enter into distribution arrangements with distributors typically pursuant to our general terms and conditions. According to Frost & Sullivan, it is common industry practice in Europe to set distributorship arrangements under general terms and conditions. The principal terms are summarized below:

- *Duration*. The distribution arrangement is open-ended and may be terminated on notice, with the minimum notice period generally increasing with the duration of the relationship.
- *Sales Target*. We generally do not set annual or monthly minimum purchase requirements. Distributors sell our products as independent operators.

- *Distribution Area*. Distributors may sell to end customers and are generally free to engage in sales within the European Economic Area; offering products via third-party marketplaces is prohibited unless otherwise agreed in writing, and online advertising or offerings require our prior approval in accordance with our standards.
- *Sub-Distribution*. Distributors are not allowed to sell to sub-distributors without our prior consent.
- *Pricing Policy*. We may provide non-binding recommended resale prices to support product positioning and brand image; distributors are free to determine their own resale prices.
- *Payment*. Our standard payment term is 30 days from invoice date, subject to different terms as may be separately agreed with certain distributors.
- *Return or Exchange*. We typically do not allow return or exchange of products from distributors unless relevant products are defective.
- *Termination*. We may terminate or suspend performance upon distributor default, including non-payment, insolvency-related events, breach of contract, conduct that jeopardizes our payment interests or misuse of our intellectual property.

Sub-distributors

As of September 30, 2025 and up to the Latest Practicable Date, we did not have any sub-distributors. During the Track Record Period, however, at the initial stage of our business expansion into certain European markets such as Denmark, very few distributors engaged sub-distributors. To the best knowledge of our Directors, such sub-distributors were individuals or private enterprises primarily engaged in distributing bicycles in Europe and were Independent Third Parties.

We did not have contractual relationships or direct arrangements with sub-distributors. The relevant distributors were solely responsible for the management and oversight of their sub-distributors. In the event of any material breach or market-disruptive activity by a sub-distributor, we had the right to terminate the distribution arrangement with the relevant distributor in accordance with the distribution arrangement. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material violation of our sales policies by sub-distributors.

Direct Sales

Substantially all of our direct sales are conducted through our online DTC store. The online direct sales model allows us to build direct relationships with consumers, collect consumer feedback and maintain control over pricing, branding and consumer experience. Online direct sales are effective for new product launches, flagship models promotion and markets with high e-commerce penetration. For sales through our self-operated online DTC store, we are responsible for arranging logistics and after-sales services. While we generally do not allow return or refund for sales to distributors, we offer a 14-day return or exchange period for direct sales following delivery without cause.

Revenue from direct sales was €20.1 million, €16.8 million, €14.1 million and €15.3 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. As compared to sales to distriutors, we generally offer products to direct sales customers at the recommended retail prices, subject to promotional discounts or seasonal campaigns. Accordingly, direct sales generally generate higher per-unit returns than sales to distributors. In the nine months ended September 30, 2025, our product contribution margin of direct sales, calculated as revenue generated from direct sales less product costs, divided by revenue generated from direct sales, was 52.7%.

We believe our online and offline channels operate in a complementary manner. Our online platform enables us to reach a broader range of consumers and potential corporate clients while directing traffic to our offline locations. Offline interactions, including test rides and in-store consultation, remain important factors in consumers' purchasing decisions and help reinforce brand recognition and online engagement. To ensure consistent positioning across channels and prevent any potential cannibalization, we have implemented internal control measures, including: (i) maintaining consistent recommended retail prices across channels; and (ii) synchronizing retail promotional policies across channels.

Product Pricing

The retail prices of our products are set with reference to the positioning of each model, production costs, prevailing market conditions, pricing of comparable urban e-bikes and our target profit margins. We review and adjust our product prices periodically based on these factors and overall market conditions. We generally set our products at uniform recommended retail prices to support consistent market positioning. We may also adjust prices or offer discounts during specific marketing events, such as Black Friday and regional holidays, and offer coupons, bundles, time-limited promotions and referral credits to our online direct sales customers.

OUR CUSTOMERS

Major Customers

Our customers primarily consist of distributors, including retail chains and independent stores, as well as direct sales customers, including individual customers and corporate customers such as bike leasing companies. In 2023 and 2024 and the nine months ended September 30, 2025, our five largest customers purchased from us in the amount of €12.1 million, €15.4 million and €10.2 million, representing 25.1%, 25.4% and 18.8% of our total revenue, respectively. In the same periods, our largest customer accounted for €4.4 million, €5.8 million and €3.9 million, representing 9.1%, 9.6% and 7.3% of our total revenue, respectively. The following tables set out details of our five largest customers during the Track Record Period:

For the year ended December 31, 2023:

Customers	Principal Business	Credit Terms	Years of Commencement of Business Relationship	Sales Amount	% of Total Revenue
				(€ in thousands)	
Customer A	An e-bike specialist retailer based in the Netherlands	30 days	2022	4,352	9.1%
Customer B	A bicycle retail chain based in Germany	15 days	2022	3,876	8.1%
Customer C	A bicycle manufacturer and distributor based in Germany	15 days	2022	1,479	3.1%
Customer D	A bicycle retailer and wholesaler	15 days	2022	1,231	2.6%
Customer E	A bicycle distributor based in Germany	15 days	2022	1,131	2.4%
Total				**12,069**	**25.1%**

For the year ended December 31, 2024:

Customers	Principal Business	Credit Terms	Years of Commencement of Business Relationship	Sales Amount	% of Total Revenue
				(€ in thousands)	
Customer A	An e-bike specialist retailer based in the Netherlands	45 days	2022	5,829	9.6%
Customer B	A bicycle retail chain based in Germany	30 days	2022	4,791	7.9%
Customer C	A bicycle manufacturer and distributor based in Germany	15 days	2022	1,817	3.0%
Customer E	A bicycle distributor based in Germany	15 days	2022	1,508	2.5%
Customer F	A bicycle distributor based in the Netherlands	15 days	2023	1,443	2.4%
Total				**15,388**	**25.4%**

For the nine months ended September 30, 2025:

Customers	Principal Business	Credit Terms	Years of Commencement of Business Relationship	Sales Amount	% of Total Revenue
				(€ in thousands)	
Customer A	An e-bike specialist retailer based in the Netherlands	45 days	2022	3,945	7.3%
Customer B	A bicycle retail chain based in Germany	30 days	2022	2,306	4.3%
Customer F	A bicycle distributor based in the Netherlands	15 days	2023	1,935	3.6%
Customer C	A bicycle manufacturer and distributor based in Germany	15 days	2022	1,091	2.0%
Customer E	A bicycle distributor based in Germany	15 days	2022	895	1.7%
Total				**10,172**	**18.8%**

During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their close associates or any other Shareholder who, to the best knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest customers in any year of period of the Track Record Period.

After-Sales Services

We prioritize consumer experience and provide responsive after-sales support. Our after-sales program covers both warranty matters and extended warranty services for out-of-warranty e-bikes, and operates through a layered service model across major markets. Under this model, first-level after-sales services are primarily provided by distributor-operated retail stores and authorized service partners in accordance with our service standards, while more complex or escalated cases are handled by us. As of the Latest Practicable Date, we had established an extensive after-sales service network, covering 418 distributor retail stores and authorized service partners. In addition, we maintain an online customer service team that provides support primarily via email and instant chat through our website and mobile app. We also operate an offline after-sales support team that assists distributors by coordinating spare parts requests through our B2B digital portal or via email.

Product Warranties and Recalls

We maintain warranty practices that are consistent with industry standards and in compliance with regulations. Warranty coverage varies by product category and component. For example, battery-related components are generally covered for two years, frame-related components are covered for five years and most wear-and-tear items are covered for three to six months.

Our products undergo comprehensive quality assurance and testing procedures prior to sale. Warranty expenses remained relatively stable during the Track Record Period, amounting to €1.1 million, €1.2 million and €1.1 million in 2023, 2024 and the nine months ended September 30, 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product return, replacement or warranty claims that had a material adverse effect on our business, nor did we receive any complaint from customers that materially and adversely affected our results of operations.

We have also formulated product recall procedures that provide a clear and structured framework for identifying, assessing and managing product safety risks, including regulatory notification, customer communication and remedial actions, where necessary. During the Track Record Period and up to the Latest Practicable Date, we were not ordered to undertake any mandatory product recalls as required by any government authorities, which could have an adverse effect on our business, financial condition and results of operations. However, we may initiate voluntary recalls to protect user safety and our brand. In May 2025, we voluntarily initiated a recall of approximately 600 Cargo E-Bikes to improve design and enhance structural strength. See "Risk factors — Risks related to our business and industry — Unsatisfactory performance of, or defects in, our products may give rise to returns or recalls, regulatory actions and product liability claims, and could materially and adversely affect our business."

RESEARCH AND DEVELOPMENT

Product design and development are central to our long-term competitiveness and growth. Our research and development activities focus on ensuring product compliance, quality and safety, while incorporating new technologies to address evolving consumer preferences and regulatory developments in the e-mobility industry.

Our research and development efforts emphasize performance and user experience across key areas, including structural and industrial design, riding safety and stability, comfort, power systems, connectivity and weight optimization. Key product features include lightweight frame structures, belt-drive systems, sensor-based power assistance and integrated smart connectivity. These efforts have resulted in technological advancements and accumulated proprietary know-how integrated into our products. As of September 30, 2025, we had registered 81 patents globally, comprising 4 invention patents, 20 utility model patents and 57 design patents, covering areas such as e-bike frame and structural design, batteries, IoT and telecommunications.

Our product development team is led by Mr. LIANG, our founder and CEO. As of September 30, 2025, the team comprised 40 employees engaged in product design, hardware development, IoT development and mobile application development. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses were €1.2 million, €1.7 million, €1.3 million and €1.7 million, respectively.

Product Development Process

Our average product development cycle from initial concept to commercial launch is approximately 12 months. We follow a standardized product development process designed to ensure efficiency and consistent product quality. New product proposals are developed based on end-user needs, competitive dynamics and market insights, drawing on data and consumer feedback collected through online and offline channels and internal sales systems. The product development team works cross-functionally with sales and marketing, as well as procurement and supply chain functions, to ensure manufacturability, supplier alignment and timely product launches.

The development cycle begins with project planning and feasibility assessment, covering factors such as engineering design, safety, quality, functionality, cost and manufacturability, and is subject to management approval. Following approval, the team undertakes technical design, prototype development and testing against applicable performance, safety and reliability standards, including third-party testing and certification where required. Trial production is conducted in limited batches prior to mass production and commercial launch.

Our Technologies and Designs

As the e-bike industry continues to evolve toward greater intelligence, lightweight construction and higher powertrain efficiency, we continue to refine existing designs and incorporate new technologies to enhance product performance, quality and user experience. Our design approach takes into account local riding environments, consumer preferences and applicable regulatory requirements across markets, with an emphasis on balancing aesthetics, safety, comfort and long-term reliability. In terms of structural engineering, we focus on optimizing frame architecture and manufacturing processes to achieve a balance among reduced weight and structural strength. Our e-bike frames are designed to accommodate integrated or removable battery solutions while maintaining frame stiffness and stable ride quality. We have also developed integrated electronic control systems that combine sensor-based input and digital communication to enable coordinated power assistance. These systems are designed to provide smooth, proportionate motor support in response to rider input, enhancing riding comfort and control. In addition, we incorporate IoT-enabled connectivity solutions to support data exchange, human-machine interaction, location tracking and anti-theft functions. We have applied OTA upgrades for e-bikes. Through software and system integration, we are able to update and improve functionality across compatible models over the product lifecycle, supporting ongoing performance optimization and user experience enhancement.

Case Study — CGO009, a Dutch-style, Smart E-Bike Tailored for the Dutch Market

The Netherlands is widely recognized for its deeply embedded cycling culture and high frequency of bicycle use in everyday life. Local riding preferences are shaped by factors such as a relatively tall average height, an upright riding posture and a strong emphasis on comfort for daily urban commuting. At the same time, bicycle theft remains a persistent concern for consumers, driving demand for more advanced and integrated anti-theft solutions beyond traditional mechanical locks.

To address these market-specific needs, we launched CGO009 in February 2024. The model integrates advanced ergonomic and structural design with proprietary motor, battery and electronic control technologies, as well as IoT-enabled connectivity features. Designed with a Dutch-inspired aesthetic and long-leg geometry tailored to local ergonomic requirements, CGO009 supports a comfortable, upright riding posture suitable for everyday urban use. The model features a side-removable battery for enhanced convenience and incorporates intelligent functions such as real-time location tracking, smartphone connectivity and app-based vehicle management. Through the TENWAYS App, users can locate their e-bike in real time and benefit from enhanced anti-theft protection enabled by connected IoT systems.

By combining contemporary Dutch styling with smart functionality and user-centric engineering, CGO009 reflects our ability to translate local consumer insights into differentiated, market-specific products. In recognition of its design excellence and user-focused innovation, CGO009 received the 2026 German Design Award, underscoring the effectiveness of its aesthetic, functional and technological integration.

The following picture illustrates the CGO009 model with its key features.

External Research and Development Cooperation

We engage in collaborative R&D partnerships with external entities to co-develop innovative technologies and products that address evolving market needs. These collaborations enable us to access external research expertise and complement our in-house R&D capabilities. In 2024, we commenced a collaboration with an academic institution on the joint R&D of electric motor technologies, with the academic institution responsible for technical R&D and us responsible for the product definition and the commercialization of research results. Intellectual property arising from the program is jointly owned by the parties on a 50:50 basis. The collaboration may be terminated upon the occurrence of specified events, including force majeure, recognized technical infeasibility or our decision to discontinue the project following a market assessment, subject to required notice. Research and development fees payable under the collaboration are determined on a milestone-based basis. There is no separate profit or loss sharing arrangement.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

We source our principal components from a diversified global supplier base to support scale, quality and supply stability. As of September 30, 2025, we sourced a broad range of components from multiple countries and regions in Europe, Asia and North America through over 80 qualified suppliers.

Over the course of our development, we have transformed our procurement and supply chain operations from a largely outsourced model into an integrated, strategically managed system that enhances cost efficiency, quality assurance and supply stability. In the past, our OEM partners were responsible for the procurement of components for our products. As our business scale expanded and our operation became more sophisticated, beginning in 2023, we assumed direct management of key procurement and supply chain activities to strengthen control over components and enhance cost and quality management. In 2024, Tengfeng Advanced Manufacturing, our primary purchasing entity, began to procure and resell components to OEM partners, so as to assume greater responsibility, over procurement, supplier management and quality control, while OEM partners continued to procure certain components directly from suppliers approved by us.

Currently, our OEM partners procure components through two primary channels: (i) direct procurement from qualified suppliers, typically adopted for standardized components with stable quality and straightforward logistics; and (ii) procurement through our purchasing entities, which procure and resell components requiring closer oversight, enhanced quality control or more complex supplier management. This approach aligns procurement pathways to component characteristics and supplier reliability, strengthening operational flexibility and cost resilience. Together, these measures have supported the establishment of our globally integrated procurement network with improved efficiency, enhanced control and greater supply chain stability.

Inventory Management

We have in place an inventory management framework to track inventory levels and support coordination among our procurement, OEM partners, sales team and distributors to maintain appropriate levels of components and finished e-bikes. Our production and procurement planning take into account historical sales performance, demand forecasts, seasonality and confirmed customer orders. To improve procurement efficiency, we regularly adjust procurement forecasts based on sales performance and broader industry and market information. We communicate demand expectations to key component suppliers and OEM partners to support production planning, particularly for components with longer procurement lead times. Subject to seasonal fluctuations and availability, we maintain appropriate level of inventory for certain core components and finished e-bikes to manage demand volatility and reduce the risk of supply disruption. We conduct regular inventory counts and continuous inventory monitoring.

Warehousing and Logistics

As our procurement and supply chain model has evolved toward greater integration and operational control, we have improved our warehousing and logistics arrangements. Our warehousing and logistics framework is designed to support efficient handling of components and finished products, coordinated manufacturing activities and timely delivery of finished e-bikes to customers. Our warehousing functions are primarily outsourced to third-party providers, except for certain key components sourced by our purchasing entities from the Chinese mainland are stored in warehouses operated by those purchasing entities. In addition, warehousing of consigned materials provided to OEM partners for assembly is managed directly by the OEM partners. We require our OEM partners to maintain insurance coverage over such materials. All logistics activities within our supply chain are handled by third-party service providers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material warehousing or logistics disruptions or significant losses arising from delivery delays or improper handling of goods.

PRODUCTION

During the Track Record Period, substantially all of our e-bikes were produced by OEM partners, although in 2024 we produced a limited number of e-bikes at our in-house facilities in the Chinese mainland for the U.S. market. We subsequently transitioned to a full OEM production model, which offers asset-light operations, flexibility, scalability and cost efficiency. According to Frost & Sullivan, OEM production is commonly used in the European bicycle industry. Set forth below are the typical arrangements under our OEM production model:

Step 1: Production Standards. We provide our OEM partners with bill of materials and specifications of key components, as well as the production standards our OEM partners are required to adhere to.

Step 2: Order Placement. We place e-bike orders with our OEM partners, specifying the required product specifications, quantities and delivery timelines.

Step 3: Component Sourcing. Our OEM partners source the necessary components through both channels: (i) direct procurement from component suppliers; or (ii) procurement through our purchasing entities, which purchase from components suppliers and then sell them to OEM partners.

Step 4: Production. Our OEM partners produce completed e-bikes in accordance with our design and specifications.

We implement standard production processes for our e-bikes to ensure consistent quality and timely delivery. The production cycle generally takes approximately six months, from placing the order to receiving the completed e-bikes at the finished goods warehouse, including the time required for component procurement, OEM production and logistics.

OEM Partners

During the Track Record Period, we cooperated with five OEM partners in Portugal, Taiwan, the Chinese mainland, Lithuania and Germany. Save for Leonis the OEM partner in the Chinese mainland (see "— Our Suppliers — Major Suppliers" for details), the other four OEM partners were all Independent Third Parties. Since 2024, we ceased placing e-bike purchase orders with the OEM partners in Lithuania and Germany as part of our cost and supply chain optimization efforts, and transferred production to the Portuguese OEM facility. The transition was executed smoothly. As of September 30, 2025, we had three OEM partners in total, with the Portugal OEM partner providing products sold in Europe, the Taiwan OEM partner and Leonis providing products sold in the United States and other regions.

We carefully select OEM partners according to their product and service quality, technical capabilities, production capacities and pricing to meet our delivery timelines. In addition, we select OEM manufacturers with established operating histories and relevant quality management certifications, including ISO9001. We evaluate OEM partners on a regular basis based on certain key performance indicators, including production capacity, delivery performance, production safety records and cost considerations. We implement stringent quality control measures and provide technological guidance to our OEM partners to ensure consistent product quality. See "— Quality Control". We also supervise other compliance aspects of our OEM partners. At onboarding, we verify licenses and permits, including production-related and safety-related permits, to ensure compliance with applicable laws and regulations. During the cooperation, we conduct periodic compliance reviews and on-site inspections. Our agreements with OEM partners include production-safety requirements with clearly defined liabilities for violations.

We have implemented internal control procedures to monitor and review order volumes placed with each OEM partner. Based on site visits and operational assessments, we determine whether each OEM partner has sufficient production capacity to meet both current procurement volumes and projected future needs. The OEM production of our products involves certain proprietary technologies, such as proprietary product designs and technical specifications. The research and development for these proprietary technologies is completed by our in-house product development team, and all related intellectual property and know-how are owned by us. OEM partners are contractually restricted from using or disclosing such proprietary technologies without our authorization.

We enter into framework agreements with our OEM partners, setting forth general terms that govern each production order. Set forth below are the key terms of our agreements with the OEM partners:

- *Term*. Our framework agreements with OEM partners are open-ended and may be terminated by either party on at least three months' prior written notice. We may terminate for uncured breaches after notice, or immediately in cases of serious breach.
- *Product Quality*. OEM partners must comply with product specifications, operating procedures and inspection standards, and implement appropriate quality controls and corrective actions. During the warranty period, they are responsible for costs arising from product quality issues, including repairs or replacements.

- *Credit Terms*. Subject to terms and conditions of purchase orders, OEM partners generally receive advance payment in accordance with agreed milestones, with settlement due within 30 days of delivery or acceptance.
- *Delivery Details*. Delivery methods of finished e-bikes are determined based on the relevant purchase orders.
- *Intellectual Property Rights*. OEM partners may use our intellectual property solely for the purpose of performing their obligations under the OEM arrangements. Any intellectual property rights arising from such use remain our exclusive property. OEM partners are required to notify us of any potential infringement risks.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any material breach of contracts by our OEM partners, (ii) we did not encounter any material quality issues with respect to products supplied by OEM partners and (iii) there were no instances where the OEM partners were unable to fulfill our procurement orders in a manner that had a material adverse impact on our business operations. In addition, we have not encountered material difficulties in identifying alternative OEM partners to date, and we believe that suitable alternatives are generally available in the market should the need arise.

Our Production Expansion Plan

We plan to enhance our control over the production process while expanding our production capacity by establishing joint venture manufacturing facilities and maintaining additional capacity reserves at our OEM partners to support market access and manage seasonal production requirements.

In October, 2024, we entered into a shareholders agreement with our Portugal OEM partner to form the JV Factory in Portugal. We hold a 49.5% equity interest, while the Portugal OEM partner holds the remaining 50.5%. As of the Latest Practicable Date, the JV Factory had commenced initial operational activities to support production, and had not yet commenced independent production, which is expected to start in the second half of 2026. Through this JV Factory, we aim to implement consistent factory management standards, strengthen control over production, optimize operations and build a high-efficiency, high-quality factory in Europe. The JV Factory has a gross floor area of over 8,000 square meters and an estimated annual production capacity of 50,000 bikes per year. As of September 30, 2025, the JV Factory had 45 full-time employees.

The principal terms of the shareholders agreement and the articles of association of the JV Factory include:

- *Share Transfers*. Inter-shareholder transfers are permitted. Third-party transfers are prohibited for four years from incorporation; thereafter, such transfers require JV Factory consent and are subject to pre-emption rights.
- *Board*. The board consists of three directors, two appointed by the majority shareholder and one appointed by the minority shareholder.
- *Management*. The managing director shall be appointed by the Portugal OEM partner, the finance manager by us and the production manager by mutual agreement.
- *Profit distributions*. Net profits, after legally required reserves, are applied as resolved by the general meeting, including reserves for potential acquisitions.
- *Call Option*. We hold a call option to acquire an additional 1% of share capital from the other shareholder, raising our equity interest from 49.5% to 50.5%, exercisable at our sole discretion.
- *Default*. Either party may terminate the arrangement upon a material breach by the other.

Under the current arrangement, unanimous approval of the shareholders of the JV Factory is required for certain matters that may impact on the JV Factory's operation or financial position, including changes to share capital or structure, approval of business plans and budgets, entry into material agreements or financing outside the approved budget and transactions with shareholders or their related entities.

In addition, we have selected an OEM partner in Vietnam as a back-up production option, which may be mobilized in response to future demand increases or supply chain contingencies and is capable of supporting deliveries to both European and U.S. markets. We believe our cooperation with OEM partners in Asia would enhance supply chain flexibility and provide additional options for managing quality, cost and delivery performance.

OUR SUPPLIERS

In addition to OEM partners, our suppliers primarily include (i) suppliers of components used in the production of our e-bikes, such as frames, electric drive systems, braking and transmission systems and other related e-bike components; and (ii) suppliers of accessories. During the Track Record Period, product costs, including components costs and production costs, amounted to €29.5 million, €35.1 million, €30.7 million, €31.6 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 82.9%, 83.1%, 85.3%, 85.4% of our cost of sales for the respective periods.

We maintain stable relationships with our suppliers. For most key components, we engage multiple approved suppliers and maintain active dual- or multi-sourcing arrangements. We believe our supplier concentration risk is low given this diversification, the availability of substitute suppliers for critical categories and our structured supplier management processes. We maintain internal control procedures to monitor procurement activities and source high-quality components at competitive prices through a vendor qualification and review process. Before onboarding suppliers, we assess factors such as production capability, product quality, delivery performance and compliance with applicable regulatory and certification requirements. We conduct regular reviews and may adjust or cease procurement relationships with suppliers that fail to meet our quality, performance or compliance standards. During the Track Record Period and up to the Latest Practicable Date, we did not terminate any suppliers in a manner that materially and adversely affected our results of operations, nor did we experience any material supplier breaches.

We typically enter into framework agreements with our component and accessory suppliers, setting forth general terms that govern each purchase order. Set forth below are the principal terms of our agreements with component and accessory suppliers:

- *Product Description*. Specifications of the components and accessories, quantity, price, as well as delivery arrangements and schedules are provided in the relevant purchase orders, subject to supplier confirmation.
- *Term*. The duration of framework agreements is typically one year and subject to automatic one-year renewals unless either party elects not to renew upon prior notice.
- *Quality*. Suppliers warrant that products comply with applicable standards and are subject to agreed quality and warranty obligations.
- *Credit Period*. We generally settle after receiving monthly statements and invoices according to payment terms specified in the relevant purchase orders. Credit terms typically range from 30 to 60 days and may vary depending on supplier relationships and commercial arrangements.
- *Delivery*. Suppliers are responsible for delivering goods to locations specified in the relevant purchase orders.
- *Liability*: The suppliers are required to bear responsibility for losses arising from quality defects attributable to them, in accordance with the agreement terms.
- *Termination*. Framework agreements may be terminated by mutual agreement in writing. In addition, we reserve the right to terminate any agreement unilaterally if a supplier fails to meet applicable performance standards, including repeated failure to meet agreed quality or delivery requirements.

Prices of certain components are subject to fluctuations driven by global supply and demand dynamics. For details of such fluctuations, see "Industry Overview — Raw Materials Price Trend." We do not engage in hedging using derivative instruments relating to risk exposures associated with these products. We typically take into account such fluctuations in components costs when pricing our products. During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage of components and accessories or quality issues with our procured components and accessories that materially affected our operations, and we did not experience any material dispute with our suppliers.

Major Suppliers

In 2023 and 2024 and the nine months ended September 30, 2025, purchases from our largest supplier in each period accounted for 65.5%, 41.1% and 30.9%, respectively, of our total purchase amount for the respective periods. For the same periods, purchases from our five largest suppliers in each period accounted for 88.2%, 68.7% and 57.2%, respectively, of our total purchase amount for the respective periods. We believe that we have sufficient alternative suppliers for our business that can provide substitutes of comparable quality and prices. We do not believe that we have concentration risk in terms of suppliers.

The following tables set forth the details of our five largest suppliers in each year/period during the Track Record Period.

For the year ended December 31, 2023:

Supplier	Principal Business	Supply Type	Years of Commencement of Business Relationship	Credit Terms	Purchase Amount	% of Total Purchases
					(€ in thousands)	
Leonis Group	A bicycle, e-bike and components manufacturer in Guangzhou, China	Components, finished e-bikes, leasing and trading services	2021	30 days	36,955	65.5%
Supplier A	A bicycle and e-bike manufacturer in Lithuania	OEM service	2022	7 days	9,775	17.3%
Supplier B	A trade and logistics company in the Netherlands	Warehousing and logistics services	2022	7 days	2,333	4.1%
Supplier C	A bicycle and e-bike manufacturer in Portugal	OEM service	2023	7 days	399	0.7%
Supplier D	An international freight forwarding and logistics company in Shenzhen, China	Logistics services	2023	7 days	299	0.5%
Total					**49,761**	**88.2%**

For the year ended December 31, 2024:

Supplier	Principal Business	Supply Type	Years of Commencement of Business Relationship	Credit Terms	Purchase Amount	% of Total Purchases
					(€ in thousands)	
Leonis Group	A bicycle, e-bike and components manufacturer in Guangzhou, China	Components, finished e-bikes, leasing and trading services	2021	30 days	24,735	41.1%
Supplier A	A bicycle and e-bike manufacturer in Lithuania	OEM service	2022	7 days	9,070	15.1%
Supplier C	A bicycle and e-bike manufacturer in Portugal	OEM service	2023	7 days	3,731	6.2%
Ningbo M&S E-Driving System Co. Ltd ("**MIVICE**")(1)	An e-bike drive system manufacturer in Ningbo, China	Motor and controller	2024	30 days	2,674	4.4%
Supplier E	A lithium-ion battery manufacturer in Guangzhou, China	Lithium battery	2024	60 days	1,174	1.9%
Total					**41,384**	**68.7%**

Note:

(1) MIVICE is controlled by Mr. Chongquan Luo, a former director of Shenzhen Shifang who resigned from his directorship with effect from August 26, 2025. See "Continuing Connected Transactions" for further details.

For the nine months ended September 30, 2025:

Supplier	Principal Business	Supply Type	Years of Commencement of Business Relationship	Credit Terms	Purchase Amount	% of Total Purchases
					(€ in thousands)	
Supplier C	A bicycle and e-bike manufacturer in Portugal	OEM service	2023	30 days	8,467	30.9%
Supplier F	An e-bike components and smart technology supplier in Kunshan, China	Belts	2024	30 days	1,901	6.9%
Supplier G	An e-bike drive system manufacturer in Suzhou, China	Motors	2023	120 days	1,851	6.8%
MIVICE	An e-bike drive system manufacturer in Ningbo, China	Motor and controller	2024	30 days	1,777	6.5%
Supplier E	A lithium-ion battery manufacturer in Guangzhou, China	Lithium battery	2024	60 days	1,682	6.1%
Total					**15,678**	**57.2%**

Leonis Group is an established supplier of bicycle components and OEM manufacturer in China, serving numerous brands in the industry with a proven track record of reliable production and quality assurance. Since 2021, we have established an OEM arrangement with Leonis Group and have been purchasing completed e-bikes directly from it for our U.S. market. We have also sourced e-bike components from Leonis Group and engaged Leonis Group to design and manufacture moulds for the production of e-bike related components. See "Continuing Connected Transactions" for further details. Our sourcing relationship with Leonis Group has evolved over three phases as we continued to seek to improve costs efficiency and streamline procurement process: (i) before 2024, we purchased various components from Leonis Group, including items manufactured by itself or sourced from third-party suppliers, we then sold these components to our OEM partners for production; (ii) beginning in April 2024, as our own purchasing entities assumed responsibility for sourcing certain components, we ceased sourcing components manufactured by third-party suppliers through Leonis Group, while continuing to purchase frames and certain other components manufactured by Leonis Group; (iii) beginning in the second half of 2024, our OEM partners procured frames and other components directly from Leonis Group rather than through our purchasing entities. See "— Procurement and Supply Chain Management — Procurement" for further details of our sourcing arrangements under the OEM production model.

Our transactions with Leonis Group are based on the following commercial considerations: (i) product quality, as Leonis Group maintains stringent quality control standards and has demonstrated consistent manufacturing capabilities; (ii) cost efficiency, as the pricing offered by Leonis Group is competitive with market rates for comparable products and services; (iii) supply chain reliability, as Leonis Group has established production capacity and a consistent delivery track record that supports our operational requirements; and (iv) business relationship, given our history with Leonis Group (see "History" section of this document for further details). In 2023, 2024 and the nine months ended September 30, 2025, our purchase from Leonis Group amounted to €37.0 million, €24.7 million and €1.0 million, respectively, accounted for 65.5%, 41.1% and 3.4% of our total purchase amount for the respective periods.

We procure from MIVICE based on its advanced technology, competitive pricing and reliable supply. In 2023, 2024 and the nine months ended September 30, 2025, our purchase from MIVICE amounted to nil, €2.7 million and €1.8 million, respectively, accounted for nil, 4.4% and 6.5% of our total purchase amount for the respective periods.

The pricing terms for our purchases from Leonis and MIVICE are determined through arm's length negotiations with reference to market prices for comparable products offered by independent third-party suppliers.

Save for Leonis Group and MIVICE, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned, or to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

QUALITY CONTROL

Product quality is vital to our business, as any potential defect may pose significant risks to consumers. Our quality control system encompasses key stages across product design, procurement, OEM production, logistics and after-sales support. Additionally, our e-bikes are designed to comply with applicable e-bike standards in each jurisdiction in which they are sold. Our e-bikes sold in Europe are designed to comply with EN15194: 2017+A1: 2023 and our e-bikes sold in the United States are designed to comply with UL2849.

Our quality control team is responsible for formulating and implementing the quality control policies across our production network, conducting inspections and maintaining consistent quality standards for OEM production and core component sourcing. These policies are regularly updated to reflect new product requirements. Our quality control personnel conduct periodic inspections and reviews at OEM partners and key component and accessory suppliers to ensure consistent implementation of our quality standards. As of September 30, 2025, 12 personnel from our product development, supply chain management and customer service functions were involved in quality control activities.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material quality control issues that would have a significant adverse impact on our business, financial condition or reputation.

Quality Control of Procurement

We purchase components and accessories from qualified suppliers who have passed our quality and reliability assessment. In accordance with our internal guidelines, incoming components and accessories are subject to inspection against applicable technical and quality standards to identify defects at an early stage.

Quality Control of Production

To ensure consistent quality of our products, we have implemented quality control procedures applicable to key stages of the production process at our OEM partners. Our OEM partners operate under ISO9001-certified quality management systems, which provide a standardized framework for production and quality assurance. We conduct on-site inspections and reviews at OEM production facilities to monitor compliance our quality standards. We maintain inspection plans and standards covering inspection scope, sampling and acceptance criteria. We coordinate with OEM partners to review quality issues on a regular basis, implement corrective measures and address defective products in accordance with agreed quality procedures. Our OEM partners also perform their own incoming material inspections, in-process inspections and final pre-shipment quality verification in line with our quality control procedures. If end customers identify quality issues, our quality control team coordinates with OEM partners to conduct review, root-cause analysis and implement corrective actions.

Quality Control of Finished Products and Warehousing

Our quality control procedures also cover storage, delivery and sales to ensure customers receive products in good condition. Finished goods are carefully packaged and stored, and we impose storage and quality requirements on all warehouse service providers, including compliance with applicable safety, storage and handling requirements. We also maintain product traceability and condition checks at dispatch and upon receipt by distributors to safeguard product integrity across the logistics chain.

THIRD PARTY PAYMENT ARRANGEMENT

Distributors in the European bicycle industry may choose to use centralized procurement platforms, streamline administrative processes by consolidating ordering and invoicing and standardizing payment procedures. Such arrangements enable distributors to leverage collective purchasing scale and improve coordination with suppliers. According to Frost & Sullivan, it is a common commercial practice in the European bicycle industry for distributors to use third-party centralized procurement platforms and settle payments through third-party payors.

During the Track Record Period, some of our distributors in Europe (the "**Third-party Payment Customers**") settled payments with us through Dynamo Retail B.V. ("**Dynamo**"), a centralized procurement platform, rather than paying us directly (the "**Dynamo Payment Arrangement**"). Dynamo aggregates orders from multiple distributors to facilitate centralized procurement and secure more favorable pricing and contractual terms. Under the supplier agreement between us and Dynamo dated June 2025 (the "**Dynamo Agreement**"), Dynamo acts as a payment and facilitation intermediary, while the underlying sale contracts remain between us and the relevant distributors. To the best of our knowledge, Dynamo is not our connected person and is independent from each of our Directors, Shareholders and senior management.

Pursuant to the Dynamo Agreement, eligible distributors designated as Dynamo's regular customers place purchase orders with us in their own name. We issue invoices to the relevant distributors, with copies provided to Dynamo for settlement purposes. Dynamo arranges payment to us in accordance with the agreed payment terms and subquently collects payment from the distributors. In consideration for Dynamo's platform and facilitation services, we pay Dynamo agreed service fees, including a listing fee and a del credere fee. Where Dynamo has made payment to us, it is contractually subrogated to our rights against the relevant distributors. If Dynamo does not make payment in accordance with the agreed terms, we retain contractual rights to pursue payment directly from the relevant distributor.

In 2023 and 2024 and for the nine months ended September 30, 2025, the number of Third-party Payment Customers that settled payments with us through Dynamo was 0, 0 and 35, respectively. In the same periods, the aggregate amount settled under the Dynamo Payment Arrangement was nil, nil and €0.4 million, respectively, representing nil, nil and 0.7% of our total revenue for the corresponding periods.

Our Directors confirm that, during the Track Record Period, (i) other than the Dynamo Payment Arrangement, we did not accept payments made by any third party that was not the contracting customer, nor did we proactively initiated to or participated in any other third-party payment arrangements; (ii) we did not provide any discount, commission, rebate, or other benefit to any of the Third-Party Payment Customers to facilitate or incentivize the Dynamo Payment Arrangement; (iii) the pricing and payment terms applicable to the Third-Party Payment Customers were generally consistent with those offered to other customers under similar circumstances; and (iv) transactions under the Dynamo Payment Arrangement were recorded completely and accurately in our accounting books and records in all material respects.

In light of the commercial rationale for the Dynamo Payment Arrangement and our customer onboarding and vetting procedures, we believe that the risks relating to fraud, money laundering and terrorist financing are low, compared with other forms of third-party payment arrangements. Nevertheless, we remain subject to potential risks associated with the Dynamo Payment Arrangement. For details, see "Risk Factors — Risks Relating to Our Industry and Business — We are subject to risks relating to third-party payment arrangements." To safeguard our interests against the risks associated with the Dynamo Payment Arrangement and to prevent any other forms of third-party payment arrangements, we have implemented internal control measures, including customer and counterparty due diligence, segregation of invoicing and payment confirmation functions, monitoring of third-party payment transactions and periodic internal reviews.

INFORMATION TECHNOLOGY

We utilize information technology systems across our operations to retrieve and analyze procurement, sales, inventory, logistics, customer and financial data. These systems support planning, quality and inventory control, sales and distribution, budgeting, human resources and financial reporting, thereby enhancing management and operational efficiency. See "— Our Strengths — Digital-centric, intelligent IT platforms driving sustained operational excellence" for further details. In addition to our CRM system, B2B digital portal and ERP system, we also employ the following IT systems:

- ***B2C digital portal.*** We operate a dedicated e-commerce platform that captures order information, integrates with our proprietary ERP system and supports online payment processing.
- ***Product Lifecycle Management (PLM) System.*** We use a PLM system across all programs to ensure each project follows a compliant, documented and controlled development process. All phases are gated, traceable, and time-bound, with real-time oversight of schedules, change control and required approvals. The PLM system centralizes product design and development data, automates product documentation and workflows and improves development efficiency and cost control.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information technology system failure or downtime that had a material adverse effect on our business operations.

DATA PRIVACY AND PROTECTION

We collect certain personal data points from our customers, suppliers, distributors and users through their interaction with our products and transactions, as well as through the usage of our TENWAYS App. We also collect personal data from our employees for employment purposes. Through our service agreements and privacy policies, we inform users of the purpose, scope and methods of data collection and processing. We obtain explicit consent via pop-up confirmations or written acknowledgements, as applicable. Data is stored using secured storage solutions with measures such as access control implemented to ensure data security.

To effectively mitigate data and cybersecurity risks, we have established a set of policies, processes, and systems across our ecosystem to protect our systems and networks from potential threats. We also provide regular data protection training to employees to increase their compliance awareness.

We continuously monitor international regulatory developments and assess data protection laws in key jurisdictions, such as the EU's General Data Protection Regulation ("**GDPR**") and the United States' California Consumer Privacy Act ("**CCPA**"), the PRC Data Security Law and the PRC Personal Information Protection Law ("**PIPL**"). We align our data-handling practices to the requirements applicable in each jurisdiction in which we operate.

With respect to our operations in the European Union, we have adopted a data protection policy framework, and implemented a set of baseline technical and organizational measures designed to support compliance with the GDPR. These measures include an external privacy notice, a template data processing agreement for the engagement of processors, a record of processing activities and the designation of a data protection officer. We have conducted a data transfer impact assessment in relation to transfers of personal data from the European Union to the PRC. Our cross-border data transfer arrangements are subject to periodic review.

During the Track Record Period and up to the Latest Practicable Date, we did not collect or process personal information of consumers in the PRC in our operation. Except for sharing the names, job titles and email addresses of certain employees within the PRC with our overseas subsidiaries for the purpose of internal group management, business collaboration and system support, no other personal information of individuals within the PRC will be shared with our overseas subsidiaries.

INTELLECTUAL PROPERTY

Our intellectual property rights are fundamental to our success and competitiveness. We rely on a combination of trademarks, trade secrets and other intellectual property laws, as well as confidentiality agreements with our employees, suppliers, customers and others to protect our intellectual property. We also take a proactive approach in managing our intellectual property. In order to mitigate infringement risks, we engaged external professional third-party agencies to perform infringement searches with respect to products already on the market or products that could potentially infringe third-party intellectual property rights. Moreover, our agreements with our OEM partners provide that they shall not develop or manufacture products for any third party based on our technical specifications, production methods, patents, proprietary technology or other confidential information, nor shall they use any of our patents or related intellectual property rights without our prior written consent. We are entitled to terminate the agreement and request liquidated damages if our OEM partners violate such requirements.

As of September 30, 2025, we had registered 81 patents globally, comprising 4 invention patents, 20 utility model patents and 57 design patents. See "Statutory and General Information — Further Information about our Business — 2. Intellectual Property Rights" in Appendix IV to this document for details of our material intellectual property rights. In 2024, we entered into an intellectual property licensing arrangement with a third party, under which we, as a licensee, are permitted to use a frame structure related patent owned by this third party. The license is non-exclusive, perpetual, worldwide, and sublicensable to affiliates and suppliers. During the Track Record Period, we did not have any licensing arrangements where we were the licensor.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes, litigation, or legal proceedings for any material violation of intellectual property rights of any person that would have a material adverse effect on our business.

TRANSFER PRICING ARRANGEMENTS

The Organization for Economic Cooperation and Development ("**OECD**") has issued the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations ("**OECD Transfer Pricing Guidelines**"). According to the OECD Transfer Pricing Guidelines, intra-Group transactions should be conducted on an arm's length basis.

During the Track Record Period, we primarily conducted our business in the Netherlands, the Chinese mainland, Hong Kong, the United States and the United Kingdom. We have engaged a tax services firm (the "**Transfer Pricing Consultant**") to conduct transfer pricing analyses on intra-Group transactions during the Track Record Period in accordance with the OECD Transfer Pricing Guidelines and applicable transfer pricing rules and regulations in the Chinese mainland, Hong Kong, the Netherlands, the United States and the United Kingdom, and to provide transfer pricing reviews on intra-Group transactions. The main intra-Group transactions during the Track Record Period included (i) buy-sell transactions involving materials (including frames, batteries and other components), finished products and spare parts, and (ii) sales and operational support services as well as supply chain support services.

In accordance with the OECD Transfer Pricing Guidelines and the relevant local transfer pricing rules and regulations, we applied the transactional net margin method to analyze the intra-Group buy-sell transactions, and the comparable uncontrolled price method to analyze the sales and operational support service transactions. In analyzing intra-Group buy-sell transactions involving materials, finished products and spare parts, we used operating margin as the appropriate profit level indicator to determine the arm's length range of profit returns.

Based on the transfer pricing review and analyses prepared in accordance with the representations made by and information provided by the Company, the Transfer Pricing Consultant is of the view that the Group as a whole was not exposed to the risk of underpayment of corporate income tax in the Chinese mainland, Hong Kong, the Netherlands, the United States and the United Kingdom where the relevant subsidiaries were located during the Track Record Period from the perspective of local applicable transfer pricing laws and regulations as well as the OECD Transfer Pricing Guidelines.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any outstanding inquiry, audit, investigation or challenge by any tax authorities in relation to the intra-Group transactions. We have been and will continue to closely monitor our transfer pricing arrangements including reviewing the reasonableness of the pricing policy of intra-group transactions from time to time. However, similar to other matters relating to tax, we cannot assure that our transfer pricing arrangements will not be subject to review and possible challenge by any tax authorities in future, though the Directors believe that we have reasonable grounds to defend ourselves against such possible challenges. See "Risk Factors — Risks Relating to Our Industry and Business — Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the jurisdictions where we operate."

COMPETITION

The European e-bike market is moderately fragmented, with the top five companies capturing approximately 33.9% of total sales volume in 2024. Barriers to entry include established brand dominance, proven product quality and performance, mature distribution and after-sales networks, sophisticated supply chain and stringent regulatory compliance requirements (including CE marking and battery regulations). See "Industry Overview" for details of our competitive landscape.

We believe we are well positioned in the e-bike market due to our innovative brand, strong product development and technology capabilities, integrated omnichannel sales and service ecosystem, and global supply chain supported by reliable partners.

SEASONALITY

Our financial performance and results of operations are subject to seasonal fluctuations. Demand for e-bikes is generally stronger during the spring and summer months and weaker during the winter months due to reduced cycling activity in colder weather. As a result, we typically experience lower sales from October to February of each year compared to other periods. In addition, to support anticipated demand during peak seasons, we plan our production and procurement activities in advance in accordance with our annual business planning process. Given the lead time involved in sourcing components and manufacturing, as well as the limited flexibility to adjust production capacity in the short term, we typically prepare raw materials and production inventory approximately six months in advance of expected sales periods. As a result, inventory levels are generally higher in the fourth and first quarters compared to other periods. Sales of our products can also fluctuate throughout the year for other reasons, including the timing of new product launches and promotional campaigns.

EMPLOYEES

As of September 30, 2025, we had 243 full-time employees, comprising 52 based in Europe across the Netherlands, Germany, the United Kingdom, France, Austria, Poland, Italy and Belgium, and 191 based in Shenzhen and Guangzhou in the PRC. The following table sets forth the number of our full-time employees by function as of September 30, 2025:

Function	Number of Employees	Percentage
Sales, branding and marketing	100	41.2%
Supply chain management	41	16.9%
Product design and development	40	16.5%
General administration	62	25.5%
Total	**243**	**100.0%**

Our employees are key assets to our development, and our success depends heavily upon our employees' provision of consistent, high-quality and reliable services. In order to attract, retain and develop the knowledge, skills and capabilities of our employees, we place strong emphasis on recruitment, training and development. We recruit our employees primarily through online recruitment, on-campus recruitment, job fairs, recruitment agencies and internal and external referrals. We also provide training on a regular basis across key functions, including introductory training for new employees, technical training, product training, management training and workplace safety training. We design our remuneration packages by reference to the local industry benchmarks and offer compensation that is competitive within our industry.

We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality, workplace safety and working conditions, and termination. We also make contributions for our employees, purchase mandatory insurance (if applicable), and provide employee benefits such as commercial insurance, as required by the relevant laws and regulations of jurisdictions in which we operate. For our employees in the Netherlands, as required by Dutch Law, companies operating in our industry are legally required to register their employees with the applicable industry-wide pension fund and make mandatory pension contributions on their behalf. We are required to register our employees in the Netherlands with the PMT (Stichting Pensioenfonds Metaal & Techniek) pension fund. For our employees in the PRC, as required by PRC Law, we participate in various social security plans including housing provident fund, pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance. We did not experience any significant difficulty in recruiting employees, nor had we experienced any labor shortages during the Track Record Period and up to the Latest Practicable Date that materially affected our operations.

Our Company has not established any labor union. We believe we have maintained a stable and constructive relationship with our employees, and did not have any material labor dispute during the Track Record Period.

PROPERTIES

Our corporate headquarters is in Amsterdam, the Netherlands. As of September 30, 2025, we did not own any properties but leased four properties from third parties in Amsterdam, Hong Kong, Shenzhen, and Guangzhou, with an aggregate area of approximately 8,866 square meters. The properties in Amsterdam, Hong Kong and Shenzhen are primarily used for office purposes. The properties in Guangzhou are primarily used for warehousing and logistics.

PATH TO PROFITABILITY

Historical Losses

We were loss-making during the Track Record Period. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recorded losses of €4.7 million, €34.5 million, €28.3 million and €30.0 million, respectively. These losses were primarily attributable to (i) significant non-cash fair value losses on convertible redeemable preferred shares of €1.5 million, €29.6 million, €25.8 million and €30.1 million for the respective period, which were non-cash accounting charges arising from the increase in the estimated fair value of the Group's equity between successive reporting dates and will cease to be recognized upon the automatic conversion of all preferred shares into ordinary shares upon [REDACTED]; (ii) share-based compensation of €0.3 million, €1.4 million, €1.1 million and €1.1 million in 2023, 2024 and the nine months ended 2024 and 2025, respectively; (iii) upfront investments in building our European omnichannel distribution network, including costs incurred in onboarding independent stores, establishing local sales teams and building brand awareness across our key European markets; and (iv) research and development expenses of approximately €1.2 million, €1.7 million, €1.3 million and €1.7 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, incurred for the continued development and improvement of our e-bike products and technology platform.

Our adjusted net profit/(loss) (non-IFRS measure), defined as net loss for the period adding the share-based compensation and fair value losses on convertible redeemable preferred shares, modestly widened from €2.9 million in 2023 to €3.4 million in 2024, primarily reflecting increased investments in distribution network expansion, with the pace of investment in sales infrastructure, brand building and new market entry temporarily outpacing the growth in contribution from these initiatives. Our adjusted result subsequently improved, from an adjusted net loss of €1.4 million in the nine months ended September 30, 2024 to an adjusted net profit of €1.2 million in the nine months ended September 30, 2025, reflecting the combined effect of revenue growth, gross margin expansion and improving cost efficiency. For a reconciliation, see "Financial Information — Non-IFRS Financial Measure." Furthermore, our gross profit margin increased from 25.8% in 2023 to 30.4% in 2024, and from 31.5% in the nine months ended September 30, 2024 to 31.8% in the nine months ended September 30, 2025, reflecting the benefits of economies of scale in our direct sourcing model and a channel mix shift toward higher-margin sales channels.

We believe we are well positioned to progress toward sustainable profitability by (i) driving continuous revenue growth, (ii) improving gross profit margin, (iii) enhancing operating leverage, and (iv) normalization of non-recurring items following the [REDACTED]. Our financial results may continue to be affected by estimated [REDACTED] of approximately HK$71.8 million, of which approximately HK$43.2 million is expected to be charged to the statement of profit or loss. These [REDACTED] are one-off in nature and will not recur following the [REDACTED].

Driving Continuous Revenue Growth

Expansion and Maturation of Sales Channel

As of September 30, 2025, our products were distributed through more than 1,400 offline retail stores operated by our distributors across 29 European countries, providing an extensive brick-and-mortar presence that facilitates consumer test rides and after-sales services. As our existing store base matures and distributor relationships deepen, our Directors believe that a growing proportion of revenue may be derived from repeat orders placed by established distributors, which carry lower associated selling costs per unit as the initial cost of onboarding, training and marketing support is amortized over a larger and more frequent order base, and that this dynamic may contribute to improved operating margins over time. In addition to the existing store base, as demonstrated during the Track Record Period, our Directors believe that we will continue to develop partnerships with distributors across Europe, which may further drive our future sales growth.

Growing Brand Awareness and Consumer Engagement

We believe that a strong brand reputation has been instrumental in driving consumer trust and loyalty, which in turn increases the demand for our products. In the Benelux region, we have built a virtuous cycle — greater on-road visibility encourages consumer and distributor willingness to engage, while positive word-of-mouth combined with a robust service network converts this interest into incremental sales. Our Directors believe that our ability to continuously enhance recognition of our brand may positively affect our consumer base, pricing position and market share. See "Business — Sales and Marketing."

Revenue Quality and Product Mix Diversification

During the Track Record Period, we offered three categories of e-bikes — City, Hybrid and Cargo — each designed to address specific consumer needs and use cases. Our best-selling City E-Bikes accounted for 85.5%, 78.7%, 78.4% and 77.5% of total revenue in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Following the introduction of Hybrid E-Bikes in 2023 and Cargo E-Bikes in 2024, sales from these new categories represented a growing share of our overall revenue. Hybrid and Cargo E-Bikes were sold at higher average selling prices than City E-Bikes, reflecting their enhanced specifications and targeted use cases. For our City E-Bike category, average selling prices remained relatively stable while sales volume continued to increase during the Track Record Period. Our Directors believe that the continued upgrade of our product portfolio may support further improvements in revenue quality over time.

Product Line Extension and Addressable Market Expansion

We plan to introduce a new series of e-bikes, targeting the premium market segment in regions with hilly terrain. The new series is positioned at a higher price tier and is designed to address a new target demographic that our current product portfolio does not fully serve. While these products carry a higher bill-of-materials cost, the corresponding higher average selling price is intended to support the absolute gross profit contribution per unit. Our Directors believe that this product line extension may broaden our addressable market and further enhance our competitive positioning across European markets, complementing our established presence in the urban commuting segment. See "Business — Our Strengths — Industry-changing capabilities anchored by robust product development and pioneering technology adoption."

Favorable Industry Trends and Anticipated Market Recovery

The European e-bike market is projected to maintain steady growth. According to Frost & Sullivan, total sales value of the European e-bike market is expected to reach approximately €21.2 billion by 2029, representing a CAGR of approximately 7.2% from 2024 to 2029, supported by higher levels of supply chain localization, continued infrastructure development and broader adoption of e-bikes across multiple application scenarios including urban commuting, trekking and cargo transportation. In terms of sales volume, the European e-bike market is projected to reach approximately 8.1 million units by 2029, representing a CAGR of approximately 7.7% from 2024 to 2029, driven by replacement demand and the expansion of service-oriented retail networks. Supportive policy frameworks further underpin this growth trajectory. Governments across Europe continue to promote the adoption of e-bikes through purchase subsidies, tax incentives and infrastructure investment as part of broader low-carbon transportation strategies. We believe that our established supply chain compliance capabilities and our localized European manufacturing presence through the JV Factory may position us favorably relative to certain competitors that face heightened regulatory or tariff-related challenges.

Improving Gross Profit Margin

Direct sourcing and Economies of Scale

During the Track Record Period, we progressively transitioned from an intermediary-based procurement model to direct sourcing through our PRC-based entity, Tengfeng Advanced Manufacturing. This direct procurement model has enabled us to exercise greater control over supplier qualification, component quality and purchasing costs, while reducing our reliance on third-party intermediaries. The average product cost for our City E-bikes, our best-selling product category, decreased by approximately 10% in 2024 compared to 2023, and by a approximately 5% in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024. We believe that the continued deepening of our direct sourcing relationships and the expansion of our procurement volumes may support further procurement cost improvements.

Localized European Production

In October 2024, we entered into a shareholders agreement with our Portugal OEM partner to form the JV Factory in Portugal. The JV Factory has a gross floor area of over 8,000 square meters and an estimated annual production capacity of 50,000 bikes per year. As of the Latest Practicable Date, the JV Factory had commenced initial operational activities to support production, and had not yet commenced independent production, which is expected to start in the second half of 2026. Our Directors believe that, over the medium term, the JV Factory may contribute to improve profitability primarily through (i) reduced manufacturing costs, as the dedicated production line is expected to achieve greater production efficiency by focusing exclusively on our e-bike models, enabling optimization of production processes, shorter cycle times and reduced per-unit overhead; (ii) profit participation, as we are entitled to share in the profits generated by the JV Factory in proportion to our equity interest; and (iii) enhanced product quality control, as the dedicated facility enables us to implement more rigorous quality assurance protocols throughout the manufacturing process, which our Directors believe may support improved product reliability and contribute to warranty cost management over time.

Product Quality Improvement and Warranty Cost Management

During the Track Record Period, we recognized product warranty provisions of approximately €1.1 million, €1.2 million, €0.9 million and €1.1 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, which were included in our cost of sales. The improved supply chain controls implemented through Tengfeng Advanced Manufacturing are designed to enhance product reliability, which our Directors believe may support warranty cost management over time.

Enhancing Operating Leverage

Our selling expenses amounted to €10.1 million, €12.6 million, €9.9 million and €10.6 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 20.9%, 20.8%, 18.9% and 19.6% of our revenue during the same periods. As our business expanded during the Track Record Period, we were able to maintain relatively stable selling expense ratios, reflecting disciplined cost management and the effectiveness of our sales execution. The moderation primarily reflects the maturation of our European distribution network and a shift toward revenue from established distributor relationships and organic brand awareness, which carry lower associated selling costs per unit. In addition, certain categories of selling expenses, in particular marketing and brand-building activities such as sponsorships, exhibitions and promotional campaigns, are largely non-variable in nature and do not scale proportionally with sales volume. As these activities are designed to build and sustain long-term brand awareness rather than support individual unit sales, our Directors expect such expenditure to remain relatively stable in absolute terms while revenue grows, resulting in a declining proportion of selling expenses as a percentage of revenue over time. Our Directors believe that selling expenses may accordingly grow at a rate slower than revenue growth.

Our administrative expenses as a percentage of revenue were 11.0%, 13.7%, 11.3% and 13.3% in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The increase from 2023 to 2024 was primarily driven by the establishment of new offices, share-based compensation expenses and non-recurring professional fees in connection with the [REDACTED]. Employee costs as a proportion of administrative expenses increased from 37.9% in 2023 to 54.4% in the nine months ended September 30, 2025, reflecting the build-out of our corporate and operational teams to support business expansion. The estimated [REDACTED] of approximately HK$43.2

million charged to profit or loss are one-off in nature. As of September 30, 2025, unrecognized share-based compensation expenses amounted to approximately €2.6 million, to be recognised over the following one to two years. Our Directors believe that, following normalization of these items, the underlying administrative expense base may benefit from further scale efficiencies.

Normalization of Non-Recurring Items

A substantial portion of our loss during the Track Record Period was attributable to non-cash and non-recurring items, including (i) fair value losses on convertible redeemable preferred shares of €1.5 million, €29.6 million, €25.8 million and €30.1 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, which will cease upon automatic conversion of all preferred shares into ordinary shares upon [REDACTED]; (ii) estimated [REDACTED] of approximately HK$43.2 million charged to profit or loss, which are one-off in nature; and (iii) share-based compensation expenses, which our Directors expect to moderate as pre-[REDACTED] grant schedules are substantially vested. Taking together the foregoing factors, our Directors believe that our post-[REDACTED] statutory financial results will more closely reflect underlying operational performance. See "Financial Information — Non-IFRS Financial Measure."

The foregoing forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results to differ materially from those expressed or implied. There can be no assurance that we will achieve or sustain profitability within any particular timeframe or at all. For details, see "Risk Factors" and "Forward-Looking Statements."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

Led by the Board of Directors (the "**Board**"), we are committed to integrating ESG considerations into our business operations. The Board has the overall responsibility for overseeing ESG strategy, policies, and performance, including ESG-related risks and opportunities (particularly climate-related matters), and reviews progress against relevant metrics and targets to ensure alignment with our long-term development.

To support the Board's oversight, we have established an ESG working group comprising senior management and heads of major functional departments. Delegated by the Board, the ESG working group is responsible for coordinating ESG- and climate-related matters across our Group. Key responsibilities of ESG working group include:

- Developing, implementing, and reviewing our ESG framework, including management approach, strategy, policies, action plans and initiatives;
- Identifying, assessing, prioritizing and managing material ESG-related risks and opportunities, including climate-related risks, ESG-related risks along the supply chain, ESG-related risks and opportunities in our decision-making, strategy, and major transactions;
- Monitoring ESG performance and progress against targets;
- Reviewing and monitoring the effectiveness of our stakeholder engagement channels;
- Tracking of stakeholders' feedback relating to the review and approval of material issues and materiality matrix;
- Arranging continuing professional ESG training for directors and senior management;
- Collecting and analyzing the key ESG performance indicators annually; and
- Preparing ESG-related reports, including an annual ESG report and an ESG-related risk and opportunity assessment report for the Board's approval.

The ESG working group reports to the Board at least once a year on ESG performance, key risks and opportunities, and the implementation status of related measures. The Board retains the ultimate oversight responsibility for our ESG risk management.

Identification and Management of ESG-related Risks and Opportunities

We conduct periodic assessments to identify, evaluate, and prioritize material ESG-related risks and opportunities relevant to our business, either negative or positive, actual or potential, taking into account our business nature, industry characteristics, and with reference to local and international reporting frameworks. With the assistance of third-party ESG consultants, we formulate a dual ESG-related risks and opportunities rating system to dynamically monitor and assess both the risks and the effectiveness of our corresponding mitigation measures. We assess identified ESG-related risks and opportunities by assigning initial risk ratings based on their likelihood and potential impact on our business and financial performance. We then implemented corresponding mitigating measures and determined residual risk ratings after taking into account the effectiveness of our ESG-related risk control measures.

Set forth below is a summary of identified material ESG-related risks and opportunities and the corresponding measures that have been formulated.

ESG-related Risks	Timeframe	Potential Impacts	Our Responses
Climate-related physical risks			
Acute risks: The increased severity and frequency of extreme weather events due to climate change (e.g., typhoons, rainstorms, floods	Short, medium and long term	• Disruption to business operation and supply chain and logistics arrangement • Damage to property and assets in our operating locations, which may adversely impact our financial results	• Monitoring local weather forecast closely, reminding employees to remain familiar with business contingencies, and implementing emergency protective measures
Climate-related transition risks			
Policy and legal risks: Evolving climate-related laws and regulations in transition to a low-carbon economy, including China's 2060 carbon neutral goal	Medium to long term	• Increase in compliance and operating costs	• Regularly monitoring the latest changes in laws, policies and regulations • Promptly communicating the policy updates to our employees to ensure compliance
Other ESG-related risks			
Supply chain risks: Energy consumed and greenhouse gas ("**GHG**") emissions released along the supply chain	Medium to long term	• Increase in reputational and operational risks	• Encouraging our suppliers to explore opportunities to reduce environmental impact within their operations and manufacturing processes • Establishing policies requiring suppliers to comply with environmental laws and regulations, as well as minimizing energy consumption where possible
Supplier product quality and supply chain stability risks: Failure to meet customer expectations due to poor supplier product and service quality as well as poor supply chain stability	Short, medium and long term	• Increase in reputational risks, which may adversely impact our financial results	• Establishing procurement policy and supplier management policy to specify the supplier evaluation process, review frequency and criteria, including the consideration of product quality, technical ability and timely delivery • Maintaining stable long-term partnerships with major suppliers to ensure supply chain stability

ESG-related Risks	Timeframe	Potential Impacts	Our Responses
Climate-related opportunities			
Markets: Increasing market demand for the transition toward low-carbon transportation solutions, driven by the imperative to reduce carbon emissions and the growing awareness of sustainability among consumers	Medium to long term	• Increase in operating revenue driven by growing market demand for e-bikes	• Continuously investing in R&D and conducting market research to enhance our competitiveness, such as e-bikes to accommodate riders of different age groups • Focusing on talent development by providing product innovation training, ensuring employees stay informed about the latest sustainability trends

ESG Policy

We are committed to incorporating ESG factors into our business decision-making process. As such, we have established a group-level ESG policy complemented by a set of measures and initiatives to guide our actions and measures to strengthen our sustainability efforts.

Sustainable Mobility

As a Europe-centric, innovation-driven e-mobility company, we design, develop and market e-bike products that promote a healthy and sustainable lifestyle. By integrating new technologies with elegant, stylish designs, we are committed to delivering high-quality e-bikes and comprehensive customer support that advance urban mobility.

Our e-bikes are designed to enable customers to adopt sustainable mobility solutions in their daily lives by providing an efficient, low-carbon alternative to conventional urban transportation. Compared with conventional bicycles, the electric-assist feature of our e-bikes allows riders to keep pace with city traffic, shorten travel time and reduce noise and emissions. Designed for durability and ease of maintenance, our e-bikes incorporate recyclable aluminum, and use packaging materials certified by Forest Stewardship Council (FSC), prioritizing longevity and repairability to encourage long-term use as well as energy and resource efficiency.

Beyond transportation, our e-bikes also promote healthy mobility through leisure and recreational riding as well as cargo transportation, enhancing accessibility across diverse scenarios. Designed to support everyday fitness and well-being, our e-bikes broaden accessibility for riders of different ages and fitness levels, foster rider's community engagement and enhance overall riding enjoyment. By offering high-quality e-bikes as affordable and sustainable mobility solutions with enhanced performance and digital connectivity, we reduce the environmental footprint of daily transportation and empower customers to adopt lower-emission lifestyles, contributing to the broader transition toward green mobility and global decarbonization.

Environment

Our environmental policy outlines our green practices and measures (as far as practicable), with a focus on emission reduction, waste reduction, resource conservation, protection of environmental and natural resources, as well as addressing climate change.

Energy, Air and Greenhouse Gas Emissions Management

Our primary sources of our energy consumption and GHG emissions (scope 1 and 2) are purchased electricity in our operations and fuel consumption. To improve energy efficiency and reduce emissions, we have implemented measures such as adopting energy efficient equipment and LED lighting systems, increasing the use of natural light, and reminding employees to switch off lighting and equipment when not in use. We will also consider adopting electric vehicles where appropriate.

Water Consumption

Our water consumption mainly arises from municipal water usage in office operations. We have implemented water-saving practices, including timely repair of water leaks, adoption of water-efficient fixtures, and internal communications to encourage employees to reduce water usage.

Waste Management and Use of Resources

Non-hazardous waste primarily consists of waste paper, packaging cartons, used file folders and plastic bottles generated from office operation while hazardous waste mainly comprises motors, electrical and electronic equipment as well as batteries from end-of-life test vehicles and customer returns. We ensure proper handling and disposal of all waste and, where necessary, engage licensed third-parties for collection and treatment. To ensure proper waste management, each department is required to classify, collect, and label both solid and hazardous waste by category, supported by a designated team overseeing overall waste management across operations. Hazardous waste is stored in designated areas and containers, maintained detailed records by generating department and waste category, and handled by licensed third-party providers.

To reduce non-hazardous waste, we promote recycling, waste sorting, increase the use of recycled materials in the R&D, and encourage employees to minimize waste.

Environmental Metrics

The table below sets forth key environmental metrics of our business operations[1, 2]:

		Year ended December 31,		Nine months ended September 30,
	Unit	**2023**	**2024**	**2025**
Emissions				
GHG emissions[3]				
Total (Scopes 1, 2)	tCO_2e	18.67	103.98	86.31
Total (Scopes 1, 2, 3)	tCO_2e	546.47	907.27	686.71
(i) Direct emissions (Scope 1)	tCO_2e	0.00	6.00	3.74
(ii) Energy indirect emissions (Scope 2)	tCO_2e	18.67	97.98	82.57
(iii) Other indirect emissions (Scope 3)[4]	tCO_2e	527.80	803.29	600.39
Total (Scopes 1, 2) intensity	tCO_2e/million EUR revenue	0.40	1.82	1.67
Total (Scopes 1, 2, 3) intensity	tCO_2e/million EUR revenue	11.60	15.86	13.31
Use of Resources				
Energy				
Total	MWh	38.75	208.58	171.71
(i) Purchased electricity	MWh	38.75	188.04	158.91
(ii) Unleaded petrol[5]	MWh	0.00	20.54	12.80
Intensity	MWh/million EUR revenue	0.82	3.65	3.33
Water				
Total	m^3	955.74	1,068.70	923.45
Intensity	m^3/million EUR revenue	20.28	18.68	17.90

Notes:

1 Theses data cover our major business operations.
2 Totals may not be the exact sum of numbers stated here due to rounding.
3 The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Scope 1 (Direct) emissions cover GHG emissions directly produced by business owned or controlled by the Group, Scope 2 (Energy indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, while Scope 3 (Other indirect) emissions that occur in the Group's value chain.
4 The Scope 3 emissions include available data arising from Category 6: business travel and Category 7: employee commuting.
5 The Group's major business operations did not involve fuel consumption in 2023.

Social

We are committed to fostering a caring workplace culture that upholds diversity, equal opportunities, health and safety and employee well-being. Our social policy has outlined socially responsible practices and measures.

Employment and Labor Practice

We aim to build an inclusive and diverse workforce. We uphold principles of equal opportunity, diversity, and inclusiveness in all aspects of employment, including compensation, recruitment, promotion, benefit, and welfare. We respect labor rights, and we strictly prohibit the recruitment and use of child and forced labor.

We actively invest in our workforce by providing internal and external training programs enhance professional skills, and competence. We also seek to strengthen employee engagement by organizing recreational activities and maintaining open communication channels to promote job satisfaction and a supportive working environment.

Occupational Health and Safety

As part of our efforts to uphold occupational health and safety standards, we maintain a safe and healthy workplace through a structured in-house emergency response program. We have established accident reporting and handling procedures, requiring employees to notify their department head or emergency response officers ("**ERO**") and manage accidents in accordance with applicable laws and regulations. We have also implemented relevant health and safety policies and measures, including regular safety training on fire safety, first aid, and occupational health to support employee overall wellbeing. Furthermore, we have established emergency response measures and plans specifying the appropriate procedures and departments responsible for handling emergencies, such as fire incidents and evacuations. For example, we designate suitable employees as certified EROs in the Netherlands office and provide them with accredited training in first aid, fire safety and evacuation. We did not experience any major work safety-related incidents involving our employees during the Track Record Period.

Supply Chain Management

We have established a supply chain ESG risk management policy and supplier code of conduct that set out our sustainability expectations on suppliers, including employment practices, health and safety, business ethics, data privacy as well as environmental protection. ESG considerations are incorporated into our new supplier selection and regular evaluation process. We require strict adherence to the EU REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals), RoHS (Restriction of Hazardous Substances), and other relevant international and national regulations governing hazardous substances. Suppliers are also expected to align with internationally recognized standards, such as SA8000, ISO14001, OHSAS18001 and Electronic Industry Code of Conduct (EICC). On-site inspections are conducted when necessary to ensure our sustainability expectations are met. In addition, we promote environmentally preferable procurement by prioritizing products with higher energy efficiency and encouraging suppliers to adopt environmentally friendly products and services.

We are devoted to responsible mineral sourcing by requiring our suppliers and contractors to declare their commitments on "No Conflict Minerals" and their engagement in supply chain monitoring based on Conflict Minerals Reporting Template (CMRT), a standardized reporting tool developed by the Responsible Business Alliance's (RBA) Responsible Minerals Initiative (RMI).

Our approved suppliers have obtained various internationally recognized certifications that demonstrate compliance with ESG standards as required, including but not limited to:

- Amfori social audit report, confirming the adherence to the amfori BSCI Code of Conduct, including fair labor practices, safe working conditions and compliance with international standards on labor rights, no child or forced labor and ethical practices throughout the supply chain;
- EN ISO 13849–1:2015 and EN ISO 13849–2:2012 safety of machinery certifications;
- ISO9001:2015 quality management system certification, which has been obtained by our OEM partners;
- ISO14001:2015 environmental management system certification;
- ISO45001:2018 occupational health and safety certification.

Product Responsibility

We are committed to delivering high-quality and safe products and services for our customers. As such, we have obtained and maintained the necessary approvals, permits, certificates and licenses, including but not limited to EN15194:2017 + A1:2023 for electrically power assisted cycles (EPACs) in Europe and UL2849 for electrical systems for e-bikes in the United States. We have established comprehensive quality control and assurance procedures that adhere to applicable national regulatory standards, supported by our quality management team. Moreover, we have established measures throughout our operations, including supplier quality requirements, regular on-site inspections, quality control procedures, as well as product and raw material quality inspection guidelines, and procedures for non-conformance and product recall management. For details, please refer to the paragraph headed "Quality Control" above in this section.

To ensure customer satisfaction and safety, we standardize after-sales services, including product repair, maintenance, customer follow-up, and complaint handling. Additionally, to safeguard customer privacy, we have implement proactive data governance policies covering data collection, storage, processing, transmission, and sharing. We have also implemented measures to safeguard intellectual property, including periodic employee training and establishing a designated team to oversee IP management. We have established relevant policies as a guide for our employees to ensure the authenticity and reliability of our product advertising, marketing and labeling materials, which undergo thorough review before publication to ensure compliance and prevent false or misleading information.

Business Ethics

We uphold high standards of business ethics and strictly prohibit bribery, extortion, fraud, money laundering, and other unethical practices. We have established preventive measures, including anti-corruption training for directors and employees, and whistleblowing channels for reporting potential misconduct. The Board oversees the implementation and effectiveness of these measures.

Community Investment

We strive to contribute to the community and shoulder corporate responsibility. We establish an ongoing partnership with Just One Tree, which we pledged to fund the planting of new trees as part of their reforestation projects based on our e-bike sales. Moving forward, we will explore opportunities to establish additional focus areas for community investment, as well as partnerships with social impact organizations where appropriate.

RISK MANAGEMENT AND INTERNAL CONTROL

Our management has designed and implemented a risk management policy to address various potential risks identified in relation to day-to-day operations of our self-operated and distributor-operated stores, including strategic risks, operational risks, financial risks and legal risks. Our risk management policy sets forth procedures to identify, analyze, categorize, mitigate and monitor various risks, with clearly defined roles and responsibilities across different levels of the organization.

Furthermore, to monitor the implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted and will continue to adopt, among others, the following risk management measures:

- establish the Audit Committee to review our financial reporting process and internal control system, set up the risk management and internal audit procedures, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by the Board;
- establish whistle-blowing procedures to encourage our employees to bring those conducts to the attention of our senior management and Board of Directors and ensure the protection of whistle-blowers;
- adopt various policies to ensure our compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosures;
- engage accounting firms to provide professional advice and consultations with respect to our risk management; and
- arrange for our Directors and senior management to attend training seminars on the Listing Rules' requirements and the responsibilities of a director of a Hong Kong listed company.

Our Audit Committee is responsible for overseeing risk management and internal control to ensure the adequacy, effectiveness and alignment with our strategic objectives. For composition of the Audit Committee and the qualification and experience of the members, see "Directors and Senior Management." Our senior management team is responsible for the day-to-day implementation of these internal control procedures and for ensuring compliance across all subsidiaries and functional departments. We also conduct regular reviews of our policies and procedures to mitigate risks and to ensure compliance with regulatory requirements and business objectives.

INSURANCE

In addition to statutory social insurances required under applicable laws including pension, medical, work-related injury, maternity, and unemployment insurance, we also maintain product liability insurance for our products and property insurance for our inventories and equipment. We also maintain trade receivables insurance for certain customer balances as part of our overall risk management.

We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe our existing insurance coverage is adequate for our existing operations and is in line with industry standards. During the Track Record Period and up to the Latest Practicable Date, we had not made, nor had we been the subject of, any insurance claims of a material nature.

LICENSES, PERMITS AND REGULATORY APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from the relevant government authorities that are material to our operations in the jurisdictions where we operate. These licenses, permits and approvals remained in full force and effect, and no circumstances existed that would reasonably be expected to result in their revocation or cancellation. Our Directors are of the view that there is no material legal impediment to renewing relevant licenses or permits.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business, such as labor disputes. During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against our Group or any of our Directors that could have a material adverse effect on our Group's financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by authorities in the Netherlands and other jurisdictions where we operate. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance with applicable laws and regulations, and we did not experience any material non-compliance incident which, taken as a whole and in the opinion of our Directors, would be likely to have a material and adverse effect on our business, financial condition, or results of operations. During the Track Record Period and up to the Latest Practicable Date, we complied with applicable laws and regulations in all material respects in the jurisdictions where we operate.

AWARDS AND RECOGNITIONS

We have received numerous awards and recognitions in respect of our design, brands and products, including:

Award/Recognition	Issuing Entity	Awarding Year
German Design Award 2026	German Design Council	2026
Netherlands Top 250 High-Growth Firm	Erasmus Centre for Entrepreneurship	2025
Red Dot Design Award	Design Zentrum Nordhein Westfalen	2024
German Design Award 2024	German Design Council	2024