FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our combined financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our combined financial information has been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

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. 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.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (IASB). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period. In addition, our historical financial information includes applicable disclosures required by the Hong Kong Listing Rules and by the Hong Kong Companies Ordinance.

Our historical financial information has been prepared under the historical cost convention, except for convertible redeemable preferred shares and financial assets at fair value through profit or loss ("**FVTPL**") which have been measured at fair value.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Factors

Our business, financial condition, results of operations and prospects are affected by general factors affecting the e-mobility industry, which include:

- overall economic growth and disposable income of our consumers;
- evolving consumption patterns and fluctuations in consumer demand;
- growth and competition environment of the e-bike industry;
- relevant laws and regulations, government policies and initiatives; and
- occurrence of force majeure events, outbreak of public health incidents, acts of war, social and economic chaos and natural disasters.

Unfavorable changes in any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects.

Specific Factors

Besides the general factors affecting the industry, our business, financial condition, results of operations and prospects are also affected by specific factors, including the following major factors:

Product Portfolio Upgrade and Product Mix

Our ongoing introduction of new products and enhancement of existing products tailored to consumer demand and preference are key contributors to our growth. We plan to continually introduce new products to strengthen our product portfolio and we expect our revenue growth to be driven in part by the ongoing product expansion and upgrade. In 2024, 2025 and the nine months ended September 30, 2024 and 2025, we introduced three, two, two and two new models, respectively. New models are defined as e-bike models newly launched during the relevant period, including models featuring new structural changes or new design, but excluding new color variants or component-level functional upgrades. These new models accounted for approximately 30–60% of our product portfolio by model count in each year/period during the Track Record Period.

Our results of operations may also be affected by changes in our product mix. 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 category, the City E-Bikes, accounted for 85.5%, 78.7%, 78.4% and 77.5% of total revenue for 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. Following the introduction of new product categories of Hybrid E-Bikes in 2023 and the Cargo E-Bikes in 2024, sales from these new categories represented a growing share of our overall revenue during the Track Record Period. Hybrid and Cargo E-Bikes were sold at higher average selling prices than City E-Bikes, reflecting their enhanced specifications and targeted use cases. During the Track Record Period, for our best-selling City E-Bike category, average selling prices remained relatively stable, while sales volume continued to increase. Average selling prices of Hybrid E-Bikes experienced a modest decline due to heightened market competition, with higher unit sales partially offsetting the pricing pressure. Any change in the structure of revenue contribution and selling prices from our business may have a corresponding impact on our overall profitability.

Multi-Channel Sales Network

The breadth of our sales network largely affects our ability to reach our consumers and our revenue growth. Our sales network spans a multitude of online and offline channels, enabling us to achieve broad consumer coverage. We sell our products primarily through our network of distributors to effectively cover the European market. For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, revenue from sales to distributors accounted for 58.1%, 72.2%, 73.1% and 71.8% of our total revenue, respectively. As of September 30, 2025, our products were available for purchase at over 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 leading distributors in the region. During the Track Record Period, our sales to distributors increased significantly by 57.0% from €27.9 million in 2023 to €43.8 million in 2024, and remained relatively stable at €38.5 million and €38.9 million in the nine months ended September 30, 2024 and 2025, respectively, thanks to our strengthened sales initiatives to enhance our brick-and-motor presence. Our distributors include independent stores and retail chains. Retail chain distributors typically operate extensive store networks and enable rapid market access and scale, and are generally multi-brand and professionally managed, with relatively low brand switching costs and higher price sensitivity, while independent stores operate on a smaller scale with lower inventory levels and carry a limited number of brands, resulting in lower price sensitivity and stronger brand loyalty. During the Track Record Period, revenue from independent stores represented 59.7%, 64.4%, 63.2%, and 75.6% of total revenue from sales to distributors for 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The higher channel stickiness and more stable ordering patterns of independent stores supported our revenue performance, particularly during periods of industry adjustment. See "Industry Overview — Overview of Global E-Bike Market — Value Chain of Global E-Bike Market."

Brand Awareness and Marketing Execution

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. We have adopted a range of online and offline sales and marketing strategies, such as targeted advertisement and strategic endorsements, to expand our brand's visibility and influence, fostering an engaged and vibrant rider community. We incurred selling expenses of €10.1 million, €12.6 million, €9.9 million and €10.6 million in 2023 and 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, respectively. Our digital advertising expenses and exhibitions, campaigns and sponsorships promotion expenses represented a majority of our total selling expenses, in aggregate accounting for 15.1%, 11.5%, 11.2% and 12.1% of our revenue in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. We believe that our strong brand name is critical to our consumer acquisition and retention, and our ability to continuously enhance recognition of our brands may affect our consumer base, selling price, market share and in turn results of operations.

Product Development and Technological Capabilities

The success of our products and the growth of our revenue depend on our capability to develop high-quality, consumer-focused products that meet evolving market demands and incorporate advanced technologies. Achieving this objective requires in-depth technological knowledge and engineering skills, underscoring the importance of sustaining our technical edge. For example, we were one of the first e-bike brands in Europe to introduce models integrating torque sensor, hub motor and belt drive. Such models consistently accounted for over 70% of our revenue during the Track Record Period. We have invested and will continue to invest in research and development to maintain and promote our technological capabilities. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our research and development costs amounted to €1.2 million, €1.7 million, €1.3 million and €1.7 million, respectively. We believe our investment in product development and technological capabilities will solidify our market position and drive our growth in the long run.

Cost Management, Supply Chain and Operational Efficiency

Efficient cost management is key to our financial performance. Our cost of sales, which primarily consists of product costs and fulfillment costs (including warehousing, logistics, warranty and others), amounted to €35.7 million, €42.2 million, €36.0 million and €36.9 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively, representing 74.2%, 69.6%, 68.5% and 68.2% of our revenue in the same periods, respectively. During the Track Record Period, product costs, including component costs and production costs, amounted to €29.5 million,

€35.1 million, €30.7 million and €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% and 85.4% of our cost of sales. Our success is dependent on our continued ability to reduce our exposure to, or mitigate the impact of, increases in the cost of components, as well as production related costs. For our City E-Bike category, our best-selling product line, average product costs decreased by 10.1% in 2024 compared to 2023, and by 4.8% in the nine months ended September 30, 2025 compared to the same period in 2024, primarily due to economies of scale achieved from higher production volumes and our strengthened bargaining power with suppliers. Our suppliers primarily include our component and accessory suppliers and OEM partners. During the Track Record Period, we engaged OEM partners to produce our e-bikes and substantially all e-bikes sold by us were produced by our OEM partners. Accordingly, our ability to secure stable and sufficient production capacity from our OEM partners at reasonable and competitive prices is critical to supporting our sales growth and ensuring the reliability of our operations.

Our results of operations depend partly on our ability to improve operational efficiency. Selling expenses historically represent a significant part of our expenses. Our selling expenses amounted to €10.1 million, €12.6 million, €9.9 million and €10.6 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 20.9%, 20.8%, 18.9% and 19.6%, respectively, 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. During the Track Record Period, our administrative expenses amounted to €5.3 million, €8.3 million, €5.9 million and €7.2 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 11.0%, 13.7%, 11.3% and 13.3%, respectively, of our revenue during the same periods. We expect our costs and expenses to increase in absolute amount as we grow our business while decreasing as a percentage of our revenue as we continue to enhance brand recognition, improve operational efficiency and achieve economies of scale.

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. We typically prepare raw materials and finished goods in advance of expected sales periods given the lead time involved in sourcing components and manufacturing, as well as the limited flexibility to adjust production capacity in the short term. 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.

Foreign Exchange Rate Fluctuations

Our results of operations may be affected by foreign exchange rate fluctuations due to differences between the currencies in which our revenues and costs are denominated. During the Track Record Period, substantially all of our revenue was generated in Europe and denominated primarily in euros, while a significant portion of our components were sourced from suppliers in the PRC and settled in Renminbi. As a result, we are exposed to transactional foreign exchange risk, as fluctuations in the exchange rate between the Euro and Renminbi may affect our product costs and operating results. During the Track Record Period, we recorded net foreign exchange gains of €1.0 million in 2023 and €24 thousand in 2024, net foreign exchange losses of €1.2 million in the nine months ended September 30, 2024 and net foreign exchange gains of €3.5 million in the nine months ended September 30, 2025. In addition, we are subject to translational foreign exchange risk, as assets and liabilities denominated in currencies other than Euros may be translated into Euros for financial reporting purposes, which may result in exchange differences on translation of financial statements in our other comprehensive income or loss and affect our reported financial position.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

In the application of our accounting policies, our Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following set forth certain material accounting policies. See Notes 2.4 and 3 to the Accountants' Report in Appendix I to this document for more details.

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales of E-Bike Products

Revenue from the sale of e-bike products is recognized at the point in time when control of the asset is transferred to the customer. For direct sales, revenue is recognized at a point in time upon the receipts of the products by the customers. For sales to distributors, revenue is recognized at a point in time upon the delivery and receipts of the products to the distributor.

Our sales of e-bike products provide customers with rights of return and sales incentives, giving rise to variable consideration.

- *Sales Returns*. We imposed a fourteen-day return or exchange policy for sales, allowing consumers to return or exchange products within fourteen days after the delivery for no cause, while for sales to distributors, the distributors can only return or request for refund if the e-bike products delivered does not meet the pre-specified quality requirement. For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which we will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For products that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer. The impact throughout the Track Record Period is insignificant.

- *Sales Incentives*. We provide various sales incentives to customers, including coupons, loyalty points and volumes rebates. Our offers coupons and loyalty points to customers as part of its online sales initiatives. Coupons are recorded as a deduction of revenue when used by customers. Consideration received from sales transactions is allocated between the sales of products and loyalty points based on their relative standalone selling prices. The revenue of loyalty points are deferred until the time of customers' redemption and the amount recognized upon the redemption takes into account estimated breakage which is derived from historical redemption patterns and customer behavior. Retrospective volume rebates may be provided to certain offline distributors once the quantity or transactions of e-bike products purchased during the periods exceeds a threshold specified in the contract. Rebates are offset against amount payable by the distributor. The expected value method or the most likely amount method is used to best estimate the variable consideration for the expected future rebates. The variable consideration is estimated at the end of each of the reporting periods and is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average method for raw materials and finished goods. Finish goods comprises direct materials and production costs. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Convertible Redeemable Preferred Shares

Prior to and during the Track Record Period, we entered into a series of share purchase agreements with independent investors and issued convertible redeemable preferred shares as detailed in Note 27 to the Accountants' Report in Appendix I to this document. We have designated its convertible redeemable preferred shares as financial liabilities at FVTPL initially, and subsequent changes in fair value are recognized in profit or loss. Transaction costs that are directly attributable to the issuance of convertible redeemable preferred shares are recognized immediately in profit or loss.

The convertible redeemable preferred shares issued by us are redeemable upon the occurrence of certain future events. When the redemption rights held by the shareholders of the convertible redeemable preferred shares are unconditionally terminated, redemption liabilities are reclassified and credited to equity.

Share-Based Payments

We operate a pre-[REDACTED] share incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Our employees (including Directors) receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of share options is determined using Binomial model. Further details are included in Note 28 to the Accountants' Report in Appendix I to this document.

COMBINED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our combined statements of profit or loss in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
					(unaudited)			
Revenue	**48,028**	**100.0**	**60,635**	**100.0**	**52,576**	**100.0**	**54,190**	**100.0**
Cost of sales	(35,651)	(74.2)	(42,204)	(69.6)	(36,002)	(68.5)	(36,936)	(68.2)
Product costs	(29,537)	(61.5)	(35,057)	(57.8)	(30,694)	(58.4)	(31,560)	(58.3)
Fulfillment costs	(6,114)	(12.7)	(7,147)	(11.8)	(5,308)	(10.1)	(5,376)	(9.9)
Gross profit	**12,377**	**25.8**	**18,431**	**30.4**	**16,574**	**31.5**	**17,254**	**31.8**
Other income and gains	1,731	3.6	699	1.2	517	1.0	3,629	6.7
Selling expenses	(10,057)	(20.9)	(12,605)	(20.8)	(9,938)	(18.9)	(10,633)	(19.6)
Administrative expenses	(5,299)	(11.0)	(8,319)	(13.7)	(5,921)	(11.3)	(7,186)	(13.3)
Research and development costs	(1,232)	(2.6)	(1,702)	(2.8)	(1,251)	(2.4)	(1,688)	(3.1)
Impairment losses on financial assets, net	(160)	(0.3)	(43)	(0.1)	(125)	(0.2)	(160)	(0.3)
Other expenses	(106)	(0.2)	(517)	(0.9)	(1,240)	(2.4)	(202)	(0.4)
Finance costs	(56)	(0.1)	(644)	(1.1)	(554)	(1.1)	(243)	(0.4)
Share of profits and losses of a joint venture	—	—	—	—	—	—	(138)	(0.3)
Fair value losses on convertible redeemable preferred shares	(1,473)	(3.2)	(29,644)	(48.8)	(25,764)	(48.9)	(30,137)	(55.6)
Loss before tax	**(4,275)**	**(8.9)**	**(34,344)**	**(56.6)**	**(27,702)**	**(52.7)**	**(29,504)**	**(54.5)**
Income tax expense	(378)	(0.8)	(123)	(0.2)	(580)	(1.1)	(499)	(0.9)
Loss for the year/period	**(4,653)**	**(9.7)**	**(34,467)**	**(56.8)**	**(28,282)**	**(53.8)**	**(30,003)**	**(55.4)**

NON-IFRS FINANCIAL MEASURE

To supplement our combined financial statements, which are presented in accordance with IFRSs, we also use adjusted net profit/(loss) (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe that this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS financial measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit/(loss) (non-IFRS measure) as loss for the year/period adjusted for share-based compensation expenses and fair value losses of convertible redeemable preferred shares. Share-based compensation expenses are non-cash expenses arising from granting share awards to our employees. Fair value losses of convertible redeemable preferred shares will be converted into equity of our Company upon [REDACTED]. The following table presents our non-IFRS financial measure for the periods indicated.

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(€ in thousands)			
Loss for the year/period	(4,653)	(34,467)	(28,282)	(30,003)
Add:				
Share-based compensation	284	1,445	1,074	1,110
Fair value losses on convertible redeemable preferred shares	1,473	29,644	25,764	30,137
Adjusted net profit/(loss) *(non-IFRS measure)*	**(2,896)**	**(3,378)**	**(1,444)**	**1,244**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue Breakdown by Product Category

During the Track Record Period, our revenue was primarily derived from the sales of our e-bike products. The following table sets forth our revenue breakdown by product category in absolute amount and as a percentage of our total revenue for the periods indicated:

	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**

Revenue by Geographic Region

The following table sets out a breakdown of our revenue by geographical region, in absolute amount and as a percentage of our total revenue, for the periods indicated.

	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**

Notes:

(1) Primarily included Canada, Australia and others.

Revenue Breakdown by Sales Channel

The following table sets forth our revenue breakdown by sales channel in absolute amount and as a percentage of our total revenue for the periods indicated:

	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**

Cost of Sales

Our cost of sales primarily consisted of product costs, which included components costs and production costs, and fulfillment costs, which included warehousing, logistics, customs duties, insurance and warranty costs incurred during the Track Record Period. The following table sets forth our cost of sales breakdown by nature in absolute amount and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
Product costs	29,537	82.9	35,057	83.1	30,694	85.3	31,560	85.4
Fulfillment costs	6,114	17.1	7,147	16.9	5,308	14.7	5,376	14.6
Total	**35,651**	**100.0**	**42,204**	**100.0**	**36,002**	**100.0**	**36,936**	**100.0**

Gross Profit and Gross Profit Margin

During the Track Record Period, our gross profit increased from €12.4 million in 2023 to €18.4 million in 2024 and increased from €16.6 million in the nine months ended September 30, 2024 to €17.3 million in the nine months ended September 30, 2025. During the same periods, our gross profit margin was 25.8%, 30.4%, 31.5% and 31.8%, respectively.

Other Income and Gains

During the Track Record Period, our other income primarily consisted of (i) bank interest income, (ii) investment income from derivative instruments relating to Euro forward exchange settlement transactions, and (iii) government grants. Our other gains or losses primarily consisted of foreign exchange gains primarily driven by changes in the Euro to Renminbi exchange rate. The following table sets forth a breakdown of our other income and gains in absolute amount for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(€ in thousands, except percentages)			
Other income				
Bank interest income	197	216	190	77
Investment income, net	154	328	327	9
Government grants[(1)]	393	131	—	5
Total other income	**744**	**675**	**517**	**91**
Other gains				
Foreign exchange gains	987	24	—	3,538
Total other gains	**987**	**24**	**—**	**3,538**
Total	**1,731**	**699**	**517**	**3,629**

Note:

(1) Represented certain government grants related to income and was recognized by us in profit or loss once received.

Selling Expenses

Our selling expenses primarily consisted of digital advertising expenses, exhibitions, campaigns and sponsorships promotion expenses, employee costs and share-based compensation. The following table sets forth a breakdown of our selling expenses in absolute amount and as a percentage of our total selling expenses for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
Digital advertising expenses	4,818	47.9	3,970	31.5	3,264	32.8	4,120	38.7
Exhibitions, campaigns and sponsorships promotion expenses	2,449	24.4	3,016	23.9	2,610	26.3	2,433	22.9
Employee costs	2,064	20.5	4,218	33.5	2,996	30.1	3,122	29.4
Share-based compensation	37	0.4	199	1.6	148	1.5	142	1.3
Others[1]	689	6.8	1,202	9.5	920	9.3	816	7.7
Total	**10,057**	**100.0**	**12,605**	**100.0**	**9,938**	**100.0**	**10,633**	**100.0**

Note:

(1) Others primarily represent depreciation and amortization, consulting fee, travel expenses and insurance fee.

Administrative Expenses

Our administrative expenses primarily consisted of employee costs, office and rental expenses, share-based compensation, professional services expenses and transaction charges. The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
Employee costs	2,006	37.9	3,829	46.0	2,746	46.4	3,908	54.4
Office and rental expenses	1,001	18.9	1,101	13.2	923	15.6	821	11.4
Share-based compensation	190	3.6	1,062	12.8	788	13.3	835	11.6
Professional service	637	12.0	1,101	13.2	604	10.2	622	8.7
Transaction charges	975	18.4	665	8.0	532	9.0	579	8.1
Others[1]	490	9.2	561	6.8	328	5.5	421	5.8
Total	**5,299**	**100.0**	**8,319**	**100.0**	**5,921**	**100.0**	**7,186**	**100.0**

Note:

(1) Others primarily represent depreciation and amortization and travel expenses.

Research and Development Costs

Our research and development costs primarily consisted of employee cost, design fee, patent application and related fee, share-based compensation and travel expenses. The following table sets forth a breakdown of our research and development costs in absolute amount and as a percentage of our total research and development costs for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
	(€ in thousands, except percentages)							
Employee costs	910	74.0	1,064	62.5	794	63.4	868	51.4
Design fee	141	11.4	357	21.0	234	18.7	537	31.8
Patent application and related fee	62	5.0	60	3.5	56	4.5	104	6.2
Share-based compensation	57	4.6	184	10.8	137	11.0	132	7.8
Travel expenses	62	5.0	37	2.2	30	2.4	47	2.8
Total	**1,232**	**100.0**	**1,702**	**100.0**	**1,251**	**100.0**	**1,688**	**100.0**

Impairment Losses on Financial Assets, Net

During the Track Record Period, our impairment losses on financial assets, net primarily represented impairment losses on trade receivables and other receivables. Our impairment losses on financial assets, net amounted to €0.2 million, €43 thousand, €0.1 million and €0.2 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Other Expenses

During the Track Record Period, our other expenses primarily consisted of non-operating expenses, including losses on net foreign exchange loss, disposal of assets, donations and other extraordinary losses. Other expenses amounted to €0.1 million, €0.5 million, €1.2 million and €0.2 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily included interest on lease liabilities, interest on bank loans and costs related to issuance of convertible redeemable preferred shares. Our interest on bank loans amounted to nil, €146 thousand, €86 thousand and €0.2 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our interest on lease liabilities amounted to €56 thousand, €123 thousand, €94 thousand and €86 thousand in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our costs related to issuance of convertible redeemable preferred shares amounted to nil, €0.4 million, €0.4 million and nil in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Share of Profits and Losses of a Joint Venture

During the Track Record Period, our share of profits and losses of a joint venture primarily represented our share of profits and losses of our Portugal JV Factory. Our share of profits and losses of a joint venture amounted to nil, nil, nil and a loss of €0.1 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Fair Value Losses on Convertible Redeemable Preferred Shares

Prior to and during the Track Record Period, we entered into a series of share purchase agreements with independent investors and issued convertible redeemable preferred shares. We designated our convertible redeemable preferred shares as financial liabilities at FVTPL initially, and subsequent changes in fair value are recognized in profit or loss. Transaction costs that are directly attributable to the issuance of convertible redeemable preferred shares are recognized immediately in profit or loss. As the fair value of our preferred share liabilities increased in line with the growth in our overall valuation, such increases in fair value were recognized as losses in our financial statements. Our fair value losses on convertible redeemable preferred shares amounted to €1.5 million, €29.6 million, €25.8 million and €30.1 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Income Tax Expense

We recorded income tax expenses of €0.4 million, €0.1 million, €0.6 million and €0.5 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operated.

Cayman Islands and British Virgin Islands

Under the current laws of the Cayman Islands and the British Virgin Islands, the Company and its subsidiaries are not subject to tax on income or capital gains.

Netherlands

The income tax rate applicable to our subsidiary incorporated in Netherlands for the income subject to Dutch corporate income tax during the reporting period is 25.8%. A two-tiered profits tax rates regime is applied, whereby the first €200,000 of taxable profit is taxed at 19%, and the remaining profit is taxed at the standard rate of 25.8%.

Chinese Mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law which was approved and became effective on January 1, 2008, except for certain of our subsidiaries in Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

Hong Kong

Our subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the period presented. The first HKD2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

Loss for the Year/Period

As a result of the foregoing, during the Track Record Period, we recorded net loss of €4.7 million, €34.5 million, €28.3 million and €30.0 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared with Nine Months Ended September 30, 2024

Revenue

Revenue by Product Category

Our revenue increased 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, primarily due to an increase in revenue generated from our e-bike products.

Our revenue from e-bike products increased by 2.6% from €51.5 million in the nine months ended September 30, 2024 to €52.9 million in the nine months ended September 30, 2025, primarily due to the launch of the Cargo Longtail Duo model in 2025, which was designed to capture the increasing popularity of cargo e-bikes in Europe and was well received by the market, demonstrating the strength of our new product offerings.

Our revenue from accessories, apparel and other related products increased by 26.9% from €1.0 million in the nine months ended September 30, 2024 to €1.3 million in the nine months ended September 30, 2025, primarily driven by substantial growth in e-bike unit sales and our effort to broaden our accessory and related product offerings.

Revenue by Geographic Region

Europe continued to be our primary market. Revenue from Europe increased by 3.7% from €51.1 million in the nine months ended September 30, 2024 to €52.9 million in the nine months ended September 30, 2025, primarily driven by an increase in revenue from Benelux, partially offset by a decrease in revenue from Germany. Specifically:

- Our revenue from Benelux increased by 21.3% from €22.7 million in the nine months ended September 30, 2024 to €27.5 million in the nine months ended September 30, 2025, primarily driven by our strengthened sales initiatives that expanded our retail store coverage, alongside the strong performance of our newly launched models in the Benelux region.
- Our revenue from Germany decreased by 17.6% from €20.3 million in the nine months ended September 30, 2024 to €16.7 million in the nine months ended September 30, 2025, primarily attributed to intense market competition in 2025, while we strategically opted against engaging in low-price competition to preserve our brand image.

Our revenue from the United States of America decreased by 17.2% from €1.5 million in the nine months ended September 30, 2024 to €1.2 million in the nine months ended September 30, 2025, primarily attributable to our strategic decision to adjust the scale of our business in the region in response to tariff policies.

Our revenue from other geographic regions remained stable at €34 thousand and €30 thousand for the nine months ended September 30, 2024 and 2025, respectively.

Revenue by Sales Channel

Our revenue from sales to distributors increased from €38.5 million in the nine months ended September 30, 2024 to €38.9 million in the nine months ended September 30, 2025, primarily due to an increase in revenue from sales to independent stores of €5.1 million, resulted from our ongoing sales initiatives to expand our brick-and-mortar presence and more resilient demand and ordering patterns of this channel during the industry's adjustment period. This increase was partially offset by a decrease of revenue from sales to retail chains of €4.6 million, mainly due to intensified pricing competition among e-bike brands within retail chain channels, as brands adopted more aggressive pricing and inventory destocking strategies during industry adjustment. Our revenue from direct sales increased by 8.1% from €14.1 million in the nine months ended September 30, 2024 to €15.3 million in the nine months ended September 30, 2025, primarily attributable to our greater brand recognition among consumers.

Cost of Sales

Our cost of sales increased by 2.6% from €36.0 million in the nine months ended September 30, 2024 to €36.9 million in the nine months ended September 30, 2025. The increase in cost of sales was primarily attributable to a 2.8% increase in our product costs, which was in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 4.1% from €16.6 million in the nine months ended September 30, 2024 to €17.3 million in the nine months ended September 30, 2025 and our gross profit margin increased from 31.5% in the nine months ended September 30, 2024 to 31.8% in the nine months ended September 30, 2025. The increases were primarily due to the continued improvements in our cost efficiency, driven by supply chain optimization, economies of scale and enhanced procurement efficiency. The increases in gross profit and gross profit margin were partially offset by the impact of modest downward adjustments in average selling prices for certain product models reflecting our pricing flexibility enabled by improved cost efficiency and competitive market conditions.

Other Income and Gains

Our other income and gains amounted to an income and gains of €0.5 million in the nine months ended September 30, 2024 and an income and gains of €3.6 million in the nine months ended September 30, 2025, primarily due to net foreign exchange gains increased from nil in the nine months ended September 30, 2024 to gains of €3.5 million in the nine months ended September 30, 2025, primarily due to the favorable appreciation of the Euro against the Renminbi in the nine months ended September 30, 2025.

Selling Expenses

Our selling expenses increased by 7.0% from €9.9 million in the nine months ended September 30, 2024 to €10.6 million in the nine months ended September 30, 2025, primarily due to an increase in the digital advertising expenses, which was primarily attributable to increased digital platform promotion expenses as part of our continued online-offline integrated branding and marketing strategy.

Administrative Expenses

Our administrative expenses increased by 21.4% from €5.9 million in the nine months ended September 30, 2024 to €7.2 million in the nine months ended September 30, 2025, primarily due to an increase in employee costs, as a result of a larger employee base in 2025.

Research and Development Costs

Our research and development costs increased by 34.9% from €1.3 million in the nine months ended September 30, 2024 to €1.7 million in the nine months ended September 30, 2025, primarily due to an increase in design fee, which was led by the greater number of new e-bike models under development, as well as expenses incurred in connection with a joint development project with an academic institution.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets, net increased from €125 thousand in the nine months ended September 30, 2024 to €160 thousand in the nine months ended September 30, 2025, primarily due to an increase in impairment loss on trade receivables resulting from higher trade receivables balance of our sales in the third quarter of 2025.

Other Expenses

Our other expenses decreased from €1.2 million in the nine months ended September 30, 2024 to €0.2 million in the nine months ended September 30, 2025, primarily due to a change from a net foreign exchange loss in 2024 to a net foreign exchange gain in 2025, as a result of the favorable appreciation of the Euro against the Renminbi in the nine months ended September 30, 2025.

Finance Costs

Our finance costs decreased from €554 thousand in the nine months ended September 30, 2024 to €243 thousand in the nine months ended September 30, 2025, primarily due to the cost of €374 thousand related to the issuance of our convertible redeemable preferred shares in the nine months ended September 30, 2024 while no such cost was incurred in the same period of 2025, and partially offset by an increase in interest on bank loans in the nine months ended September 30, 2025 resulting from a larger volume of bank loans.

Share of Profits and Losses of a Joint Venture

Our share of profits and losses of a joint venture amounted to nil in the nine months ended September 30, 2024 and €0.1 million in the nine months ended September 30, 2025, primarily due to the costs associated with the commencement of operation of the Portugal JV Factory in April 2025.

Fair Value Losses on Convertible Redeemable Preferred Shares

Our fair value losses on convertible redeemable preferred shares increased by 17.0% from €25.8 million in the nine months ended September 30, 2024 to €30.1 million in the nine months ended September 30, 2025, primarily due to an increase in the overall company valuation.

Income Tax Expense

Our income tax expense remained stable at €0.6 million and €0.5 million in the nine months ended September 30, 2024 and 2025, respectively.

Loss for the Period

As a result of the foregoing, our loss for the period increased from €28.3 million in the nine months ended September 30, 2024 to €30.0 million in the nine months ended September 30, 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Revenue by Product Category

Our revenue increased by 26.2% from €48.0 million in 2023 to €60.6 million in 2024, primarily driven by increase in revenue generated across all product lines.

Our revenue from e-bike products increased by 24.5% from €47.6 million in 2023 to €59.2 million in 2024, as we continued to introduce new models and scale production capacity. Total sales volume across all models increased by 22.3% year-over-year, supported by the successful introduction of our CGO009 model in 2024. The growth was further driven by stronger product recognition, exemplified by models such as the CGO800S, recipient of the 2024 German Design Award, and the CGO600 Pro, recipient of the 2024 Red Dot Design Award. These achievements significantly contributed to greater market acceptance of our products. In addition, our strengthened marketing and branding efforts contributed to higher customer engagement, which further supported the overall increase in sales.

Our revenue from accessories, apparel and other related products increased significantly by 200.8% from €0.5 million in 2023 to €1.5 million in 2024, primarily due to launch of multiple new accessories in 2024, such as e-bike power banks, carriers and pannier bags.

Revenue by Geographic Region

Europe continued to be our primary market. Revenue from Europe increased by 26.2% from €46.5 million in 2023 to €58.7 million in 2024, primarily driven by an increase in revenue from Benelux, supplemented by revenue growth in Germany. Specifically, our revenue from Benelux increased by 47.8% from €19.0 million in 2023 to €28.1 million in 2024, primarily due to (i) the successful launch of new e-bike models tailored for the Benelux region, which delivered robust sales performance, and (ii) our targeted marketing initiatives implemented in 2024 that enhanced our brand visibility, such as a high-profile product launch event held in Amsterdam. In addition, our revenue from Germany increased by 11.5% from €19.5 million in 2023 to €21.7 million in 2024, reflecting our continued penetration of the German market.

Our revenue from the United States of America increased by 26.4% from €1.5 million in 2023 to €1.9 million in 2024, primarily driven by our initial entry into the U.S. market in 2023, followed by an expansion of our model offerings and broader sales channel coverage in 2024.

Our revenue from other geographic regions increased by 241.7% from €12 thousand in 2023 to €41 thousand in 2024, primarily due to our entry into new markets, such as Canada, in 2024 and the expansion of sales within these regions.

Revenue by Sales Channel

Our revenue from sales to distributors increased by 57.0% from €27.9 million in 2023 to €43.8 million in 2024, primarily due to our strengthened sales initiatives to enhance our brick-and-mortar presence since 2024. Specifically, our revenue from sales to independent stores increased by €11.6 million, driven by the expansion of our European sales team and strengthened sales execution, which enabled broader store coverage and more effective engagement with independent stores. Our revenue from direct sales decreased by 16.4% from €20.1 million in 2023 to €16.8 million in 2024, primarily due to our increased promotion of physical retail stores on our website in 2024, which encouraged online consumers to make their purchases offline.

Cost of Sales

Our cost of sales increased by 18.4% from €35.6 million in 2023 to €42.2 million in 2024, primarily due to an 18.7% increase in product costs and an 16.9% increase in fulfillment costs, in line with our sales growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 48.9% from €12.4 million in 2023 to €18.4 million in 2024, and our gross profit margin increased from 25.8% in 2023 to 30.4% in 2024. The increases were primarily attributable to (i) material reductions in per-unit costs, driven by economies of scale from higher production volumes, supply chain optimization and enhanced procurement efficiency, including the introduction of additional suppliers, which strengthened our bargaining power as we expanded production and introduced new models during the year; and (ii) further optimization of our supply chain through upstream integration, as we continued to internalize certain procurement functions by establishing our own purchasing entities and assuming direct sourcing responsibilities, which improved cost control and reduced reliance on procurement intermediaries.

Other Income and Gains

Our other income and gains decreased by 59.6% from €1.7 million in 2023 to €0.7 million in 2024, primarily due to decrease of net foreign exchange gain in 2024, as a result of the depreciation of the Euro against the Renminbi in 2024.

Selling Expenses

Our selling expenses increased by 25.3% from €10.1 million in 2023 to €12.6 million in 2024, primarily due to an increase in employee costs resulting from the establishment of a localized sales team in Europe.

Administrative Expenses

Our administrative expenses increased by 57.0% from €5.3 million in 2023 to €8.3 million in 2024, primarily driven by (i) an increase in employee costs, as a result of the expansion of local team in Europe and the establishment and expansion of our supporting entities in Asia, as well as (ii) an increase in share-based compensations.

Research and Development Costs

Our research and development costs increased by 38.1% from €1.2 million in 2023 to €1.7 million in 2024, primarily due to an increase in design fee, driven by the development of new e-bike models and the upgrading of existing models.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets, net decreased from €160 thousand in 2023 to €43 thousand in 2024, primarily due to a decrease in impairment losses on trade receivables and other receivables, as a result of reversals or collection of receivables impaired in previous period.

Other Expenses

Our other expenses increased from €0.1 million in 2023 to €0.5 million in 2024, primarily due to an increase in non-operating expenses, primarily one-off expenses related to an OEM transition during the year.

Finance Costs

Our finance costs increased from €56 thousand in 2023 to €644 thousand in 2024, primarily attributable to (i) an incurrence of cost related to the issuance of our convertible redeemable preferred shares in 2024, (ii) an incurrence of interest on bank loans resulting from newly obtained bank loans, and (iii) an increase in interest on lease liabilities due to expanded office facilities and leasing activities.

Fair Value Losses on Convertible Redeemable Preferred Shares

Our fair value losses on convertible redeemable preferred shares increased from €1.5 million in 2023 to €29.6 million in 2024, primarily due to an increase in the overall company valuation.

Income Tax Expense

Our income tax expense decreased from €0.4 million in 2023 to €0.1 million in 2024, primarily due to a decrease in current income tax, as a result of the utilization of carry-forward tax loss by our subsidiaries in 2024.

Loss for the Year

As a result of the foregoing, our loss for the year increased from €4.7 million in 2023 to €34.5 million in 2024.

DISCUSSION OF CERTAIN COMPONENTS OF OUR COMBINED STATEMENTS OF FINANCIAL POSITION

The following table sets forth the components of our combined statements of financial position as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		(unaudited)
Non-Current Assets			
Property, plant and equipment	1,243	1,890	1,902
Right-of-use assets	2,119	2,560	2,147
Intangible assets	102	767	648
Investment in a joint venture	—	—	15
Prepayments, deposits and other receivables	200	284	706
Total non-current assets	**3,664**	**5,501**	**5,418**
Current Assets			
Inventories	25,331	43,340	33,798
Trade receivables	1,241	2,652	5,724
Prepayments, deposits and other receivables	7,015	4,710	7,332
Restricted bank deposits	135	144	525
Cash and cash equivalents	19,850	18,864	19,705
Total current assets	**53,572**	**69,710**	**67,084**
Current Liabilities			
Trade payables	2,296	5,607	3,015
Contract liabilities	80	145	159
Other payables and accruals	2,095	2,894	4,068
Interest-bearing bank borrowings	—	7,922	10,636
Lease liabilities	452	694	684
Tax payable	361	264	662
Provision	523	647	659
Convertible redeemable preferred shares	58,729	98,404	117,957
Total current liabilities	**64,536**	**116,577**	**137,840**
Net Current Liabilities	**(10,964)**	**(46,867)**	**(70,756)**
Total Assets Less Current Liabilities	**(7,300)**	**(41,366)**	**(65,338)**
Non-Current Liabilities			
Lease liabilities	1,945	2,258	1,794
Deferred tax liabilities	3	2	4
Provision	183	235	215
Total non-current liabilities	**2,131**	**2,495**	**2,013**
Net Liabilities	(9,431)	(43,861)	(67,351)
Deficits in Equity			
Share capital	—	—	—
Deficits	(9,431)	(43,861)	(67,351)
Total deficits in equity	**(9,431)**	**(43,861)**	**(67,351)**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of transportation equipment, office furniture and electronic equipment. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		(unaudited)
Transportation equipment	436	828	699
Office furniture	542	511	557
Electronic equipment	172	270	326
Machinery and equipment	—	96	85
Other equipment	93	185	235
Total	**1,243**	**1,890**	**1,902**

Our property, plant and equipment increased by 52.1% from €1.2 million as of December 31, 2023 to €1.9 million as of December 31, 2024, primarily attributable to the purchases of business vans. Our property, plant and equipment remained stable at €1.9 million as of September 30, 2025.

Right-of-Use Assets

Our right-of-use assets consisted of lease contracts for our office space and warehouse in Europe and Asia. Our right-of-use assets increased from €2.1 million as of December 31, 2023 to €2.6 million as of December 31, 2024, primarily due to leasing of new office space in Asia during 2024. Our right-of-use assets further decreased from €2.6 million as of December 31, 2024 to €2.1 million as of September 30, 2025, primarily due to depreciation of right-of-use assets during the period, as well as the impact of foreign exchange translation arising from the conversion of assets denominated in non-Euro currencies into Euros.

Intangible Assets

Our intangible assets consisted of software, trademarks and patents. Our intangible assets increased from €0.1 million as of December 31, 2023 to €0.8 million as of December 31, 2024, primarily due to the acquisition of a new patent license and the implementation of a new ERP system. Our intangible assets then decreased from €0.8 million as of December 31, 2024 to €0.6 million as of September 30, 2025, primarily due to the amortization of the intangible assets.

Inventories

Our inventories primarily consisted of (i) raw materials, including batteries, motors, controllers and frames, (ii) materials consigned for processing, including components dispatched to our OEM partners for assembly post-purchase, and (iii) finished goods, including e-bikes stored in inventory for sale. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		
Raw materials	7,946	5,765	3,308
Materials consigned for processing	11,824	15,301	12,172
Finished goods	5,636	22,616	18,842
Less: Inventory provision	(75)	(342)	(524)
Total	**25,331**	**43,340**	**33,798**

Our inventories increased by 71.1% from €25.3 million as of December 31, 2023 to €43.3 million as of December 31, 2024, primarily due to an increase in finished goods, in anticipation of higher market demand in the beginning of the year.

Our inventories decreased by 22.0% from €43.3 million as of December 31, 2024 to €33.8 million as of September 30, 2025, as we typically maintain higher inventory levels at year-end to prepare for demand in the following year and lower levels in the third quarter in line with our sales cycle.

We periodically assess the value of our inventories to determine whether to recognize provisions for impairment. As of December 31, 2023, 2024 and September 30, 2025, our inventory provision amounted to €75 thousand, €342 thousand and €524 thousand, respectively.

The table below sets forth an aging analysis for our inventories, net of loss allowances as of the dates indicated.

	As of December 31,		As of September 30,
	2023	2024	2025
		(€ *in thousands*)	
Within 1 year	25,289	43,257	33,753
1 years to 2 years	42	72	45
2 years to 3 years	—	11	—
Total	**25,331**	**43,340**	**33,798**

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
Inventory turnover days(1)	154	299	285

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories (excluding inventory provision) for a year divided by cost of sales for the relevant year/period and multiplied by 365/270 days.

Our inventory turnover days increased from 154 days in 2023 to 299 days in 2024. In 2023, inventory turnover days were relatively reflecting a lower opening inventory balance as our procurement model prior to 2023 primarily involved the purchase of finished goods. In 2024, inventory turnover days increased as we managed additional procurement stages, which lengthened the inventory cycle. Inventory turnover days also increased in 2024 as inventory planning was undertaken based on anticipated market demand for 2025 and planned product launches. Our inventory turnover days decreased from 299 days in 2024 to 285 days for the nine months ended September 30, 2025, primarily reflecting seasonal factors. Inventory turnover days were lower at the end of the third quarter compared to year-end, as we typically maintain higher inventory levels in the fourth and first quarters to prepare for anticipated sales in the following quarters.

As of January 31, 2026, €12.9 million, or 38.2% of our inventory as of September 30, 2025 had been utilized or sold.

Trade Receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		(unaudited)
Trade receivables	1,334	2,785	6,016
Allowance for expected credit losses	(93)	(133)	(292)
Total	**1,241**	**2,652**	**5,724**

Our trade receivables, net of allowance for expected credit losses, increased from €1.2 million as of December 31, 2023 to €2.7 million as of December 31, 2024, which was generally in line with our sales increase. Our trade receivables further increased to €5.7 million as of September 30, 2025, primarily driven by the elevated sales volumes during our peak season in September, leading to a higher receivables balance compared to the typically lower sales period in December.

We normally grant credit terms of 15 to 30 days to our customers. The following table sets forth the aging analysis of our trade receivables as of the dates indicated, based on the billing dates and net of allowance for expected credit losses:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		
Within one months	1,065	1,930	4,806
One month to two months	85	203	345
Two months to three months	40	111	226
Over three months	51	408	347
Total	**1,241**	**2,652**	**5,724**

The following table sets forth our trade receivables turnover days for the periods indicated:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
Trade receivables turnover days(1)	7	12	22

Note:

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables (excluding provision for impairment) for a year divided by revenue for the relevant year/period and multiplied by 365 days/270 days.

Our trade receivables turnover days increased from 7 days in 2023 to 12 days in 2024, and further to 22 days for the nine months ended September 30, 2025 and were generally consistent with our credit terms with customers.

As of January 31, 2026, €5.4 million, or 94.5% of our trade receivables as of September 30, 2025 had been settled.

Prepayments, Deposits and Other Receivables (Current)

The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		
			(unaudited)
Advance to suppliers	814	1,195	2,410
VAT recoverable	1,185	2,285	2,664
Tax recoverable	67	150	130
Export tax rebate	22	—	1
Amounts due from related parties	4,896	833	1,518
Other receivables[(1)]	97	316	675
	7,081	4,779	7,398
Less: Impairment[(2)]	(66)	(69)	(66)
Total	**7,015**	**4,710**	**7,332**

Notes:

(1) Other receivables are unsecured, non-interest-bearing and repayable on demand.

(2) As of December 31, 2023, December 31, 2024 and September 30, 2025, the impairment of the financial assets included in prepayments, other receivables and other assets were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

Our prepayments, deposits and other receivables, net of impairment of other receivables, decreased from €7.0 million as of December 31, 2023 to €4.7 million as of December 31, 2024, primarily due to a decrease in amounts due from a related party, which was attributable to the utilization and settlement of advances previously made to a related-party supplier, in connection with the optimization of our supply chain management during 2024. The decrease was partially offset by an increase in VAT recoverable, which was in line with higher procurement activity driven by our business growth in 2024. Our prepayments, deposits and other receivables increased from €4.7 million as of December 31, 2024 to €7.3 million as of September 30, 2025, primarily due to increases in amounts due from related parties, which mainly represented prepayments made for procurement, as well as increases in advance to suppliers and VAT recoverable, both attributable to higher procurement activity in connection with our business growth in 2025 and preparation for projected expansion in 2026.

Trade Payables

Our trade payables primarily consisted of amounts payable to suppliers for goods purchased. Our trade payable increased from €2.3 million as of December 31, 2023 to €5.6 million as of December 31, 2024, in line with the increase in our procurement and inventory levels in 2024. Our trade payable decreased from €5.6 million as of December 31, 2024 to €3.0 million as of September 30, 2025, primarily attributa1ble to reduced procurement volumes during the period as a result of seasonal factors, as procurement volumes at the end of the third quarter were typically lower than at year-end, when we maintain higher inventory levels in the fourth and first quarters.

The following table sets forth the aging analysis of our trade payables as of the dates indicated, based on the date of goods received from the suppliers:

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		
Within 30 days	2,292	4,558	2,420
31 to 60 days	4	628	360
61 to 90 days	—	270	235
Over 90 days	—	151	—
Total	**2,296**	**5,607**	**3,015**

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
Trade payables turnover days(1)	18	34	32

Note:

(1) Trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a year divided by cost of sales used for the relevant year/period and multiplied by 365/270 days.

Our trade payables turnover days increased from 18 days in 2023 to 34 days in 2024, primarily due to the extended payment terms secured with suppliers, reflecting both enhanced business stability and higher procurement volumes. Our trade payables turnover days remained relatively stable at 34 days in 2024 and 32 days for the nine months ended September 30, 2025.

As of January 31, 2026, €2.8 million, or 92.9% of our trade and bills payables as of September 30, 2025 had been settled.

Contract Liabilities

Our contract liabilities primarily represented short-term advances received from customers arising from sale of e-bike products. Our contract liabilities include payments from the customers based on sales order in advance of delivery of products under the contracts. Our contract liabilities increased from €80 thousand as of December 31, 2023 to €0.1 million as of December 31, 2024, and further to €0.2 million as of September 30, 2025, primarily due to advances we received from customers prior to delivery or formal receipt of our e-bike products before September 30, 2025.

As of January 31, 2026, €0.2 million, or 100% of our contract liabilities as of September 30, 2025, had been subsequently recognized as revenue.

Other Payables and Accruals

Our other payables and accruals primarily consisted of payroll payables and other tax payables.

	As of December 31,		As of September 30,
	2023	2024	2025
	(€ in thousands)		(unaudited)
Payroll payables	1,051	1,608	1,544
Other tax payables	931	861	2,295
Refund liabilities	15	8	58
Accruals	54	193	169
Others[(1)]	44	224	2
Total	**2,095**	**2,894**	**4,068**

Note:

(1) Primarily represented payables related our operating expenditures.

Our other payables and accruals increased from €2.1 million as of December 31, 2023 to €2.9 million as of December 31, 2024, primarily due to an increase in payroll payables as a result of increased accrual of annual bonuses for the year. Our other payables and accruals further increased from €2.9 million as of December 31, 2024 to €4.1 million as of September 30, 2025, primarily attributable to an increase in other tax payables, mainly consisting of VAT payable, reflecting seasonal factors, as VAT payable was typically higher at the end of the third quarter compared to year-end, when sales activity is generally lower.

Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,		As of September 30,	As of January 31,
	2023	2024	2025	2026
	(€ in thousands)			
			(unaudited)	
Current assets				
Inventories	25,331	43,340	33,798	37,287
Trade receivables	1,241	2,652	5,724	5,888
Prepayments, deposits and other receivables	7,015	4,710	7,332	2,298
Restricted bank deposits	135	144	525	526
Cash and cash equivalents	19,850	18,864	19,705	16,599
Total current assets	**53,572**	**69,710**	**67,084**	**62,598**
Current liabilities				
Trade payables	2,296	5,607	3,015	5,896
Contract liabilities	80	145	159	247
Other payables and accruals	2,095	2,894	4,068	1,441
Interest-bearing bank borrowings	—	7,922	10,636	9,203
Lease liabilities	452	694	684	555
Tax payable	361	264	662	663
Provision	523	647	659	612
Convertible redeemable preferred shares	58,729	98,404	117,957	124,915
Total current liabilities	**64,536**	**116,577**	**137,840**	**143,532**
Net current liabilities	**(10,964)**	**(46,867)**	**(70,756)**	**(80,934)**

Our net current liabilities increase by 14.4% from €70.8 million as of September 30, 2025 to €80.9 million as of January 31, 2026, primarily due to the increase of our current liabilities by €5.7 million and the decrease of our current assets by €4.5 million. Our current liabilities increased from €137.8 million as of September 30, 2025 to €143.5 million as of January 31, 2026, primarily due to the increase in the fair value of our convertible redeemable preferred shares by €7.0 million resulting from the increase in our company valuation. Our current assets decreased from €67.1 million as of September 30, 2025 to €62.6 million as of January 31, 2026, primarily due to the decrease in prepayments, deposits and other receivables by €5.0 million.

Our net current liabilities increased by 51.0% from €46.9 million as of December 31, 2024 to €70.8 million as of September 30, 2025, primarily due to the increase in current liabilities and the decrease in current assets. Our current liabilities increased from €116.6 million as of December 31, 2024 to €137.8 million as of September 30, 2025, primarily due to an increase in convertible redeemable preferred shares of €19.6 million and an increase in interest-bearing bank borrowings of €2.7 million. Our current assets decreased from €69.7 million as of December 31, 2024 to €67.1 million as of September 30, 2025, primarily due to a decrease in inventories of €9.5 million, partially offset by an increase in trade receivables of €3.1 million, an increase in prepayments, deposits and other receivables of €2.6 million, and an increase in cash and cash equivalents of €0.8 million.

Our net current liabilities increased by 327.5% from €11.0 million as of December 31, 2023 to €46.9 million as of December 31, 2024, primarily due to the increase in current liabilities, partially offset by the increase in current assets. Our current liabilities increased from €64.5 million as of December 31, 2023 to €116.6 million as of December 31, 2024, primarily due to an increase in convertible redeemable preferred shares of €39.7 million, an increase in interest-bearing bank borrowings of €7.9 million and an increase in trade payables of €3.3 million. Our current assets increased from €53.6 million as of December 31, 2023 to €69.7 million as of December 31, 2024, primarily due to an increase in inventories of €18.0 million, partially offset by a decrease in prepayments, deposits and other receivables of €2.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

The following table sets forth a summary of our cash flow for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(€ in thousands)			
			(unaudited)	
Net cash flows (used in)/ from operating activities	(21,196)	(13,207)	(9,774)	1,836
Net cash flows used in investing activities	(1,234)	(1,686)	(934)	(2,006)
Net cash flows from financing activities	13,396	13,063	9,238	1,937
Net (decrease)/increase in cash and cash equivalents	**(9,034)**	**(1,830)**	**(1,470)**	**1,767**
Cash and cash equivalents at beginning of year/ period	30,550	19,850	19,850	18,864
Effect of foreign exchange rate changes, net	(1,666)	844	79	(926)
Cash and cash equivalents at end of year/period	**19,850**	**18,864**	**18,459**	**19,705**

Net Cash (Used in)/from Operating Activities

In the nine months ended September 30, 2025, we had net cash generated from operating activities of €1.8 million, as compared to loss before tax of €29.5 million. The principal items accounting for the difference were the adjustments for fair value losses on convertible redeemable preferred shares of €30.1 million, partially offset by net foreign exchange gains of €3.5 million. The amount was further adjusted by the changes in working capital, which primarily consisted of a decrease in inventories of €9.4 million and a decrease in trade receivables of €3.2 million, partially offset by an increase in prepayments, deposits and other receivables of €3.1 million and an decrease in trade payables of €2.6 million.

In 2024, we had net cash used in operating activities of €13.2 million, as compared to loss before tax of €34.3 million. The principal items accounting for the difference were the adjustments for fair value losses on convertible redeemable preferred shares of €29.6 million. The amount was further adjusted by the changes in working capital, which primarily consisted of (i) an increase in inventories of €18.3 million and (ii) an increase in trade receivables of €1.5 million, partially offset by (i) an increase in trade payables of €3.3 million and (ii) a decrease in prepayments, deposits and other receivables of €3.8 million.

In 2023, we had net cash used in operating activities of €21.2 million, as compared to loss before tax of €4.3 million. The principal items accounting for the difference were the adjustments for net foreign exchange gains of €1.0 million, partially offset by fair value losses on convertible redeemable preferred shares of €1.5 million. The amount was further adjusted by the changes in working capital, which primarily consisted of an increase in inventories of €20.8 million, partially offset by (i) a decrease in prepayments, deposits and other receivables of €0.5 million, (ii) an increase in other payables and accruals of €1.2 million and (iii) an increase in trade payables of €1.1 million.

Net Cash Flows Used in Investing Activities

In the nine months ended September 30, 2025, we had net cash used in investing activities of €2.0 million, primarily attributable to (i) purchases of property, plant and equipment of €0.9 million, (ii) an advance of loan to a joint venture of €0.5 million,(iii) increase in restricted cash of €0.4 million and (iv) payments for investment in a joint venture of €0.2 million.

In 2024, we had net cash used in investing activities of €1.7 million, primarily attributable to (i) purchases of property, plant and equipment of €1.2 million and (ii) purchase of other intangible assets of €0.8 million.

In 2023, we had net cash used in investing activities of €1.2 million, primarily attributable to purchases of property, plant and equipment of €1.2 million.

Net Cash Flows from Financing Activities

In the nine months ended September 30, 2025, we had net cash from financing activities of €1.9 million, primarily attributable to new bank loans of €7.1 million, partially offset by repayment of bank loans of €4.4 million.

In 2024, we had net cash from financing activities of €13.1 million, primarily attributable to new bank loans of €9.0 million and proceeds from convertible redeemable preferred shares of €6.5 million, partially offset by repayment of bank loans of €1.1 million.

In 2023, we had net cash from financing activities of €13.4 million, primarily attributable to proceeds from convertible redeemable preferred shares of €13.6 million.

Working Capital Sufficiency

Our Directors are of the opinion that, taking into account the estimated net proceeds from the [REDACTED] and other financial resources available to us, including cash flows from operating activities and financing activities and cash and cash equivalents, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

INDEBTEDNESS

As of December 31, 2023 and 2024, September 30, 2025 and January 31, 2026, our indebtedness included bank borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of September 30,	As of January 31,
	2023	2024	2025	2026
	(€ in thousands)			
				(unaudited)
Interest-bearing bank borrowings				
Current				
Bank loans-unsecured	—	7,922	10,636	9,203
Total current	—	7,922	10,636	9,203
Lease liabilities				
Current	452	694	684	620
Non-current	1,945	2,258	1,794	1,493
	2,397	2,952	2,478	2,113
Convertible redeemable preferred shares				
Current	58,729	98,404	117,957	124,915
	58,729	98,404	117,957	124,915
Total	**61,126**	**109,278**	**131,071**	**136,231**

Interest-Bearing Bank Borrowings

As of December 31, 2023 and 2024, September 30, 2025 and January 31, 2026, our interest-bearing bank borrowings primarily consisted of unsecured bank loans. As of December 31, 2023 and 2024, September 30, 2025 and January 31, 2026, our interest-bearing bank borrowings was nil, €7.9 million, €10.6 million and €9.2 million, respectively. See Note 22 to the Accountants' Report in Appendix I to this document for details of the interest rates and the maturity.

As of January 31, 2026, we had unutilized banking facilities of €10.2 million.

Lease Liabilities

Our current and non-current lease liabilities increased from €2.4 million as of December 31, 2023 to €3.0 million as of December 31, 2024, primary due to leasing of new office space in Asia in 2024. Our current and non-current lease liabilities decreased from €3.0 million as of December 31, 2024 to €2.5 million as of September 30, 2025, primarily due to the repayments of principal amounts under the existing lease arrangements in 2025. Our current and non-current lease liabilities decreased from €2.5 million as of September 30, 2025 to €2.1 million as of January 31, 2026, primarily due to our payments of lease arrangements.

Convertible Redeemable Preferred Shares

As of December 31, 2023 and 2024, September 30, 2025 and January 31, 2026, our convertible redeemable preferred shares amounted to €58.7 million, €98.4 million, €118.0 million and €124.9 million, respectively. The increases were primarily due to the increase in our overall valuation.

No Other Outstanding Indebtedness

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining bank loans and other borrowings, credit facilities, or withdrawal of facilities or requests for early repayment. Our Directors confirm that there has not been any material change in our indebtedness since January 31, 2026 and up to the date of this document.

Except as disclosed above, as of January 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness from January 31, 2026 to the date of this document.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditure primarily consisted of purchases of property, plant and equipment and purchases for other intangible assets. The table below sets forth our capital expenditure for the periods indicated:

	Year ended December 31,		Nine months ended September 30,
	2023	**2024**	**2025**
		(€ in thousands)	
Purchases of property, plant and equipment	1,218	1,184	931
Purchases for other intangible assets	43	817	—
Total	**1,261**	**2,001**	**931**

We had capital expenditures of €1.3 million, €2.0 million and €0.9 million in 2023 and 2024 and the nine months ended September 30, 2025, respectively. We plan to continue to make capital expenditures to support our business growth and expansion strategy. See "Future Plans and Use of [REDACTED]." We intend to fund these expenditures with available financial resources, including cash generated from operations, net [REDACTED] from the [REDACTED], and potential future equity or debt financing. We may adjust our capital expenditure for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CONTINGENT LIABILITIES

As of January 31, 2026, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and results of operations, although there can be no assurance that this will not be the case in the future.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of/For the year ended December 31,		As of/For the nine months ended September 30,	
	2023	2024	2024	2025
Gross profit margin(1)	25.8%	30.4%	31.5%	31.8%
Current ratio(2)	0.83	0.60	N/A	0.49
Quick ratio(3)	0.44	0.22	N/A	0.24
Net margin(4)	–9.7%	–56.8%	–53.8%	–55.4%
Adjusted net margin(5)	–6.0%	–5.6%	–2.7%	2.3%
Product contribution margin(6)	38.5%	42.2%	41.6%	41.8%

Notes:

(1) Calculated by dividing gross profit by revenue for the year/period multiplied by 100%.
(2) Calculated by dividing total current assets by total current liabilities as of the end of the year/period.
(3) Calculated by dividing total current assets minus inventory and restricted bank deposits by total current liabilities as of the end of the year/period.
(4) Calculated by dividing net loss by revenue for the year/period multiplied by 100%.
(5) Calculated by dividing adjusted net profit/(loss) (non-IFRS measure) by revenue for the year/period multiplied by 100%.
(6) Calculated by dividing revenue less product cost by revenue for the year/period multiplied by 100%.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our material related party transactions, see Note 34 to the Accountants' Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 34 to the Accountants' Report in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or R&D services with us.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, interest-bearing bank borrowings, and investments at fair value through other comprehensive income. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, other receivables and other payables, which arise directly from our operations. The main risks arising from our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. See Note 37 to the Accountants' Report in Appendix I to this document for more details.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our interest-bearing bank and other borrowings.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between Euros and other currencies in which we conduct business may affect our financial condition and results of operations.

Credit Risk

We trade only with recognized and creditworthy parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

For financial assets included in prepayments, other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Our Directors believe that there is no material credit risk inherent in our outstanding balance of other receivables.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both of our financial instruments and financial assets and projected cash flows from operations. Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

DIVIDENDS AND DIVIDEND POLICY

We do not have any fixed dividend policy nor pre-determined dividend payout ratio. We did not declare or distribute any dividend to our Shareholders during the Track Record Period. However, we may distribute dividends in the future by way of cash or by other means that we consider appropriate. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. As advised by our Cayman legal advisors, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we did not have any distributable reserves.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and no exercise of the [REDACTED]), representing [REDACTED]% of the gross [REDACTED] (based on the mid-point of our indicative price range for the [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. We expect to incur [REDACTED] of HK$[REDACTED] million, of which HK$[REDACTED] million is expected to be recognized in the profit or loss and

HK$[REDACTED] million is expected to be recognized as a [REDACTED] directly upon [REDACTED]. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our [REDACTED] are composed of (i) [REDACTED] commission of HK$[REDACTED] million, and (ii) non-[REDACTED] related expenses of HK$[REDACTED] million, which consist of fees and expenses of legal advisors and reporting accountants of HK$[REDACTED] million and other fees and expenses of HK$[REDACTED] million.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [REDACTED] Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since September 30, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.