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The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountants’ Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards (“IFRSs”), which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to the future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us 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 materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

OVERVIEW

We are a clinical-stage biotechnology company dedicated to the discovery, development, manufacture and commercialization of novel oncolytic immunotherapies and engineered exosome therapies. We currently have no products approved for commercial sales under the clinical regulatory pathway and have not generated any revenue from product sales during the Track Record Period. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we incurred loss of RMB481.8 million, RMB523.8 million, RMB518.9 million, RMB227.6 million and RMB137.3 million, respectively, which primarily resulted from expenses in relation to our research and development activities and administrative activities. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we recognized revenue of RMB6.8 million, RMB3.2 million, RMB1.3 million, RMB1.3 million and nil, respectively, which were derived from out-licensing and collaboration arrangements.

We expect to incur significant expenses for at least the next several years as we continue to advance our clinical development and preclinical research plans, and to prepare for the commercialization of our Core Product and other product candidates. Subsequent to the [REDACTED], our financial performance may fluctuate from period to period due to, among other factors, the development status of our product candidates, regulatory approval timeline, and commercialization of our product candidates after approval.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”), which comprise all standards and interpretations approved by the IASB. All IFRSs effective for the accounting period commencing on or before January 1, 2026, together with the relevant transitional provisions, have been early adopted by us in the preparation of our historical financial information throughout the Track Record Period. Our historical financial information has been prepared on a historical cost convention, except for financial assets and financial liabilities which have been measured at fair value.

Our historical financial information has been prepared under the going concern basis notwithstanding the fact that, as of May 31, 2026, our Group recorded net liabilities of RMB2,366.1 million and net current liabilities of RMB2,390.6 million. The net current liabilities and deficiency in assets primarily arose from the Preferred Shares included in financial liabilities at fair value through profit or loss amounting to RMB2,314.8 million as of May 31, 2026. As disclosed in Note 25 to the Accountants’ Report set out in Appendix I to this document, since the redemption rights of the Preferred Shares were conditionally paused upon the first submission of the listing application to the Stock Exchange on June 25, 2025, our Directors do not expect the Preferred Shares to be redeemed within twelve months since the date of approval of our historical financial information. In addition, our Directors have reviewed our Group’s cash flow projection prepared by management, which covered a

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period of not less than twelve months from May 31, 2026. In the opinion of our Directors, taking into account (i) our Group’s financial resources on hand, including aggregate bank facilities of RMB230 million and other loan facilities of RMB80 million, (ii) our Directors are of the opinion that no payment is expected for the settlement of the liabilities arising from financial instruments issued to investors as the related redemption rights would be terminated and such financial instruments would be converted into equity upon the [REDACTED], (iii) the cash and cash equivalents, our Directors are of the opinion that our Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due for the next twelve months from May 31, 2026. Accordingly, our historical financial information has been prepared on a going concern basis.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Successfully Develop and Commercialize Our Product Candidates

Our business and results of operations depend on our ability to successfully advance our drug development programs, demonstrate favorable safety and efficacy clinical trial results, obtain the requisite regulatory approvals, secure adequate manufacturing capacity, and commercialize our products in targeted markets as planned. By harnessing our deep understanding of oncolytic immunotherapies and engineered exosomes as well as extensive expertise in biological engineering and delivery technology, we have cultivated a differentiated pipeline of seven candidates, including two clinical-stage oncolytic immunotherapy candidates, two preclinical-stage engineered exosome candidates, as well as three engineered exosome products poised for direct commercialization. See “Business — Our Product Portfolio” for more information on the development status of our drug candidates.

Our business and results of operations depend on our ability to continuously advance preclinical and clinical development of, and obtain the requisite regulatory approvals for, our product candidates. Once our product candidates are commercialized, our business and results of operations will be driven by the market acceptance and supply of our commercialized products. To successfully develop and launch our product candidates, we intend to continue investing in the research and development of our product candidates, strengthening global collaboration with leading global partners and enhancing our operation capabilities for commercial launch of our product candidates. For more details, see “Business — Our Strategies.”

Our Existing and Future License and Collaboration Arrangements

In recent years, we entered into a number of license and collaboration agreements with international and domestic leading companies in the industry. For details, see “Business — Collaboration Agreements.” These arrangements not only enable us to maximize the clinical and commercial value of our product candidates, but also furnish us the capital support to advance our pipeline assets and foster our long-term growth. During the Track Record Period, we generated revenue in relation to our out-license and collaboration agreements for certain product candidates, which amounted to RMB6.8 million, RMB3.2 million, RMB1.3 million, RMB1.3 million and nil in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. We are eligible to receive further payments upon the achievement of specified development, regulatory and commercial milestones, subject to terms and conditions of these agreements. Upon commercialization, we will also be eligible to receive royalties on net sales of the products.

The timing and amounts of upfront payments, milestone payments, royalties, and other considerations, as applicable, may differ by agreement and depend on the achievement of certain specified milestone events. Moreover, following the success of our existing out-license and collaboration partnerships, we may enter into new partnerships and collaborations depending on our development strategies. These factors will influence, and may result in fluctuations in, our revenue, profit and results of operations from period to period.

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Our Cost Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development expenses and administrative expenses.

During the Track Record Period, our research and development expenses were the largest component of our cost structure, which primarily consisted of (i) trial and testing expenses, (ii) staff costs, (iii) depreciation and amortization, (iv) material costs, and (v) share-based payment for our research and development personnel. See “— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income or Loss — Research and Development Expenses” for details. In 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, our research and development expenses amounted to RMB136.2 million, RMB111.5 million, RMB112.0 million, RMB26.4 million and RMB31.0 million, respectively.

During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs, (ii) depreciation and amortization, (iii) share-based payment for our administrative personnel, (iv) office and rental expenses, and (v) professional service fees. See “— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income or Loss — Administrative Expenses” for details. In 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, our administrative expenses amounted to RMB36.1 million, RMB46.8 million, RMB84.7 million, RMB25.3 million and RMB29.9 million, respectively.

We expect our cost structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our product candidates continue to progress and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to research and development, manufacturing, regulatory affairs, and sales and marketing efforts, among other things. Additionally, we anticipate increasing legal, compliance, accounting, insurance, and investor and public relations expenses associated with being a [REDACTED] company in Hong Kong.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity and debt financings. Going forward, in the event of successful commercialization of one or more of our product candidates, we expect to primarily fund our operations with cash and cash equivalents, time deposits, bank facilities, considerations received under respective license and collaboration agreements, [REDACTED] from the [REDACTED], as well as revenue generated from sales of our successfully commercialized products. However, with the continuing expansion of our business and product pipelines, we may require further funding through public or private offerings, debt financing, collaboration arrangements and licensing arrangements or other funding sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

We have prepared the historical financial information in accordance with IFRS Accounting Standards issued by the IASB. We consider information material if such information is reasonably expected to influence decisions made by primary users. In addition, the historical financial information includes the applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance, incorporating the financial statements of us and entities controlled by us and our subsidiaries. In the application of our accounting policies, our Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. See Note 2, Note 3 and other notes to the relevant financial line items or transactions to the Accountant’s Report set out in Appendix I to this document for a detailed description of our material accounting policies, judgments and estimates.

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DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income or loss for the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Revenue	6,772	3,200	1,308	1,305	—
Cost of sales	(23,512)	(12,437)	(2,827)	(1,515)	(830)
Gross loss	(16,740)	(9,237)	(1,519)	(210)	(830)
Other income and gains . . .	23,612	17,771	8,133	4,423	2,365
Research and development expenses	(136,201)	(111,542)	(112,017)	(26,448)	(31,003)
Administrative expenses . . .	(36,060)	(46,843)	(84,695)	(25,343)	(29,879)
Other expenses ⁽¹⁾	(1,749)	(3,018)	(2,181)	(1,514)	(1,736)
Fair value changes of convertible redeemable preferred shares and warrant liability	(313,871)	(369,839)	(325,993)	(178,288)	(75,828)
Finance costs	(744)	(1,047)	(509)	(188)	(413)
Loss before tax	(481,753)	(523,755)	(518,781)	(227,568)	(137,324)
Income tax expense	—	—	(80)	(80)	—
Loss for the year/period . .	(481,753)	(523,755)	(518,861)	(227,648)	(137,324)
Other comprehensive loss for the year/period, net of tax	(2,930)	(27,841)	4,970	(31,191)	37,300
Total comprehensive loss for the year/period	(484,683)	(551,596)	(513,891)	(258,839)	(100,024)

Notes:

- (1) During the Track Record Period, our other expenses primarily consisted of cost of raw materials sold, foreign exchange differences, loss on disposal of items of property and equipment, termination expenses for lease cancellations and write-down of inventories to net realizable value.

Revenue

During the Track Record Period, our revenue was derived from out-licensing and collaboration arrangements, mainly representing upfront payments, patent license grant payments and other considerations received from respective partners. See “Business — Collaboration Agreements” for details. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our revenue was RMB6.8 million, RMB3.2 million, RMB1.3 million, RMB1.3 million and nil, respectively. We generated our revenue primarily from mainland China during the Track Record Period.

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Cost of sales

During the Track Record Period, our cost of sales was primarily related to the research and development activities we conducted in accordance with our out-licensing and collaboration agreements. The following table sets forth a breakdown of our cost of sales in absolute amounts and as percentages of the total cost of sales for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000) (unaudited)	%	(RMB'000)	%
Staff costs	5,555	23.6	2,987	24.0	1,129	40.0	496	32.7	344	41.5
Material costs.	6,114	26.0	2,836	22.8	11	0.4	75	5.0	—	—
Trial and testing expenses	9,377	39.9	4,758	38.3	1,338	47.3	636	42.0	362	43.6
Others ⁽¹⁾	2,466	10.5	1,856	14.9	349	12.3	308	20.3	124	14.9
Total	23,512	100.0	12,437	100.0	2,827	100.0	1,515	100.0	830	100.0

Note:

- (1) Others mainly included intellectual property application and maintenance expenses, depreciation and amortization, transportation costs, and travel expenses.

Gross Loss and Gross Loss Margin

Our gross loss represents our revenue less our cost of sales. Our gross loss margin represents our gross loss as a percentage of our revenue. In 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, our gross loss was RMB16.7 million, RMB9.2 million, RMB1.5 million, RMB0.2 million and RMB0.8 million, respectively. In 2023, 2024, 2025 and five months ended May 31, 2025, our gross loss margin was 247.2%, 288.7%, 116.1% and 16.1%, respectively. Gross loss margin was not applicable for the five months ended May 31, 2026 as we did not generate any revenue during such period.

Other Income and Gains

During the Track Record Period, our other income and gains mainly consisted of (i) bank interest income mainly derived from our time deposits, (ii) government grants income that we received from the local government authorities to support our research and development activities, certain amounts of which are restricted and can only be used for designated purposes related to our product candidates, including the purchase of equipment, operating expenses, performance-based salaries for R&D personnel and project management fees, (iii) gains on disposal of financial assets at fair value through profit or loss, and (iv) gain on disposal of items of property and equipment. The following table sets forth a breakdown of our other income and gains in absolute amounts and as percentages of the total other income and gains for the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Other income:					
Government grants	16,113	8,159	4,412	1,499	2,187
Bank interest income	6,685	6,329	1,938	1,254	115
Foreign exchange differences, net .	—	—	448	399	9
Investment income from financial assets at fair value through profit or loss.	529	890	—	—	—
Others	233	1,360	1,335	1,271	54
Gains:					
Gain on early termination of lease.	8	1,029	—	—	—
Gain on disposal of items of property and equipment.	44	4	—	—	—
Total	23,612	17,771	8,133	4,423	2,365

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Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) trial and testing expenses, primarily representing CRO and CDMO service fees, (ii) staff costs, including wages, bonus, social insurance and other welfare for our research and development personnel, (iii) depreciation and amortization of property and equipment, right-of-use assets, and intangible assets used for research and development purposes, (iv) material costs related to raw materials and consumables, and (v) share-based payment for our research and development personnel. The following table sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of the total research and development expenses for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
							(unaudited)			
Trial and testing expenses	72,710	53.4	47,843	42.9	36,347	32.4	5,821	22.0	6,320	20.4
Staff costs	28,955	21.3	25,567	22.9	19,905	17.8	8,286	31.3	8,729	28.2
Depreciation and amortization expenses	14,938	11.0	13,329	11.9	14,631	13.1	4,960	18.8	6,553	21.1
Material costs	10,114	7.4	2,763	2.5	10,580	9.4	2,246	8.5	3,677	11.9
Share-based payment expenses	3,254	2.4	15,803	14.2	20,251	18.1	2,389	9.0	2,531	8.2
Others ⁽¹⁾	6,230	4.5	6,237	5.6	10,303	9.2	2,746	10.4	3,193	10.2
Total	136,201	100.0	111,542	100.0	112,017	100.0	26,448	100.0	31,003	100.0

Note:

- (1) Others mainly included travel expenses, transportation and courier costs, rental expenses, office expenses, and equipment leasing and maintenance expenses.

In 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, research and development expenses attributable to our Core Product were RMB107.8 million, RMB75.5 million, RMB72.1 million, RMB17.0 million and RMB14.4 million, respectively, accounting for 79.2%, 67.7%, 64.4%, 64.3% and 46.4% of our total research and development expenses for the corresponding periods, respectively. In 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, our research and development expenses accounted for 79.1%, 70.4%, 56.9%, 51.1% and 50.9% of our total operating expenses (which equals the sum of research and development expenses and administrative expenses), respectively. The decreases in the research and development expenses attributable to our Core Product from 2023 to 2024 were primarily due to reduced trial and testing expenses associated with development progress of our clinical programs. The research and development expenses attributable to our Core Product remained relatively stable in 2024 and 2025.

The following table sets forth a breakdown of our research and development expenses by product candidate in absolute amounts and as percentages of the total research and development expenses for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
							(unaudited)			
Core Product										
MVR-T3011										
— T3011-IT	16,732	12.3	11,075	9.9	6,266	5.6	292	1.1	1,087	3.5
— T3011-IV	44,396	32.6	13,059	11.7	7,751	6.9	203	0.8	194	0.6
— T3011-IP	46,713	34.3	51,328	46.0	58,078	51.9	16,491	62.4	13,094	42.3
Subtotal	107,842	79.2	75,461	67.7	72,095	64.4	16,986	64.3	14,375	46.4
Other Product Candidates										
MVR-CS252	4,374	3.2	6,519	5.8	5,318	4.7	828	3.1	3,179	10.2
Engineered exosomes	23,985	17.6	29,561	26.5	34,604	30.9	8,634	32.6	13,449	43.4
Total	136,201	100.0	111,542	100.0	112,017	100.0	26,448	100.0	31,003	100.0

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Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) staff costs, including wages, bonus, social insurance and other welfare for our administrative personnel, (ii) depreciation and amortization for right-of-use assets, property and equipment, and intangible assets used for administrative purposes, (iii) share-based payment for our administrative personnel, (iv) office and rental expenses, and (v) professional service fees paid to legal advisors, auditors, and other consulting service providers. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
							(unaudited)			
Staff costs	17,998	49.9	18,751	40.0	18,630	22.0	7,531	29.7	7,911	26.5
Depreciation and amortization expenses	1,893	5.3	11,974	25.6	11,897	14.0	4,704	18.6	4,985	16.7
Share-based payment expenses	4,881	13.5	5,131	11.0	22,146	26.1	2,417	9.5	7,677	25.7
Office and rental expenses	4,117	11.4	3,249	6.9	4,727	5.6	2,047	8.1	1,715	5.7
Professional service fees	2,678	7.4	2,236	4.8	23,650	28.0	7,695	30.4	7,271	24.3
Others ⁽¹⁾	4,493	12.5	5,502	11.7	3,645	4.3	949	3.7	320	1.1
Total	36,060	100.0	46,843	100.0	84,695	100.0	25,343	100.0	29,879	100.0

Note:

- (1) Others mainly included daily operational and maintenance expenses, recruitment fee, disposal of office equipment, and office relocation costs.

Fair Value Changes of Convertible Redeemable Preferred Shares and Warrant Liability

Our convertible redeemable preferred shares and warrant liability primarily represented our Preferred Shares issued in previous equity financings. See “— Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Convertible Redeemable Preferred Shares” for details. The fair value changes of convertible redeemable preferred shares are recognized in profit or loss unless they are related to our own credit risk, which are recognized in other comprehensive loss. Our fair value changes on convertible redeemable preferred shares and warrant liability amounted to RMB313.9 million, RMB369.8 million, RMB326.0 million, RMB178.3 million and RMB75.8 million in 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, respectively. For more details, see Note 25 to the Accountants’ Report set out in Appendix I to this document.

Income Tax Expense

In 2023, 2024, 2025 and five months ended May 31, 2025 and 2026, we recorded income tax expenses of nil, nil, RMB80 thousand, RMB80 thousand and nil. We are subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, our Group is not subject to any income tax in Cayman Islands. Our Directors confirm that during the Track Record Period, we had made all the required tax filings and had paid all outstanding tax liabilities with the relevant tax authorities in the relevant jurisdictions, and we are not aware of any outstanding or potential disputes with such tax authorities. Our principal applicable taxes and tax rates are set out below.

Mainland China

Pursuant to the PRC Corporate Income Tax Law (the “**PRC Tax Law**”) effective on January 1, 2008, the PRC corporate income tax rate of Immvira Shenzhen during the Track Record Period was 25% of its taxable profits. Immvira Shenzhen was accredited as small and medium-sized

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technology-based enterprise during the Track Record Period. For enterprises that have the qualifications of small and medium-sized technology enterprises in the current year, their unrecovered losses in the ten years before the qualification year are allowed to be carried forward to make up for the following years.

Pursuant to the PRC Corporate Income Tax Law (the “**PRC Tax Law**”) effective on January 1, 2008, the PRC corporate income tax rate of Immvira Suzhou during the Track Record Period was 25% of their taxable profits.

For the year ended December 31, 2024, EonVeLab is qualified as a small and low-profit enterprise and if its annual taxable income is less than RMB1.0 million, the applicable enterprise income tax rate determined by the relevant authority is 5%. Since January 1, 2025, EonVeLab did not meet the requirement of small and micro enterprises, the applicable income tax rate for the year ended December 31, 2025 is 25%.

Hong Kong

The subsidiary 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 Track Record Period. No provision for Hong Kong profits tax has been made as our Group has no assessable profits derived from or earned in Hong Kong during the Track Record Period.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Five months ended May 31, 2026 Compared with Five months Ended May 31, 2025

Revenue

Our revenue decreased from RMB1.3 million for the five months ended May 31, 2025 to nil for the five months ended May 31, 2026, primarily due to the clinical study in collaboration with SPH for MVR-T3011 via intratumoral administration in China remaining in the data analysis stage during the five months ended May 31, 2026.

Cost of Sales

Our cost of sales decreased from RMB1.5 million for the five months ended May 31, 2025 to RMB0.8 million for the five months ended May 31, 2026, primarily due to reduced costs associated with the clinical study in collaboration with SPH for MVR-T3011 via intratumoral administration in China, as the trial remained in the data analysis stage, which incurred lowered and residual expenditures.

Gross Loss and Gross Loss Margin

As a result of the fluctuations in our revenue and cost of sales, our gross loss increased from RMB0.2 million for the five months ended May 31, 2025 to RMB0.8 million for the five months ended May 31, 2026. Our gross loss margin amounted to 16.1% for the five months ended May 31, 2025. Our gross loss margin was not applicable for the five months ended May 31, 2026 as we did not generate any revenue during such period.

Other Income and Gains

Our other income and gains decreased from RMB4.4 million for the five months ended May 31, 2025 to RMB2.4 million for the five months ended May 31, 2026, primarily due to (i) a decrease of RMB1.2 million in other items related to the sale of raw materials, and (ii) a decrease of RMB1.1 million in bank interest income.

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Research and Development Expenses

Our research and development expenses increased from RMB26.4 million for the five months ended May 31, 2025 to RMB31.0 million for the five months ended May 31, 2026, primarily due to an increase of RMB1.6 million in depreciation and amortization related to our R&D equipment and facilities and an increase of RMB1.4 million in material costs, which mainly attributable to the increased consumption of materials for our pilot-scale production activities of our engineered exosomes.

Administrative Expenses

Our administrative expenses increased from RMB25.3 million for the five months ended May 31, 2025 to RMB29.9 million for the five months ended May 31, 2026, primarily due to an increase of RMB5.3 million in share-based payment expenses.

Other Expenses

Our other expenses increased from RMB1.5 million for the five months ended May 31, 2025 to RMB1.7 million for the five months ended May 31, 2026, primarily due to an increase in write-down of inventories.

Fair Value Changes of Convertible Redeemable Preferred Shares and Warrant Liability

We recorded fair value losses on convertible redeemable preferred shares and warrant liability of RMB178.3 million and RMB75.8 million for the five months ended May 31, 2025 and the five months ended May 31, 2026, respectively, reflecting changes in the fair value of our convertible redeemable preferred shares.

Finance Costs

Our finance costs increased from RMB0.2 million for the five months ended May 31, 2025 to RMB0.4 million for the five months ended May 31, 2026, primarily due to an increase in interest on bank loans.

Income Tax Expense

Our income tax expense was RMB80 thousand for the five months ended May 31, 2025, as compared to nil for the five months ended May 31, 2026.

Loss for the period

As a result of the foregoing, we recorded a loss of RMB227.6 million and RMB137.3 million for five months ended May 31, 2025 and 2026, respectively.

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

Revenue

Our revenue decreased from RMB3.2 million in 2024 to RMB1.3 million in 2025, primarily attributable to less payments recognized under our out-licensing and collaboration arrangement, as the patient enrollment for the clinical study in collaboration with SPH for MVR-T3011 via intratumoral administration in China completed and the trial progressed to the data analysis stage, resulting in lower revenue recognition.

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Cost of Sales

Our cost of sales decreased from RMB12.4 million in 2024 to RMB2.8 million in 2025, primarily due to reduced costs associated with the clinical study in collaboration with SPH for MVR-T3011 via intratumoral administration in China, as the trial progressed from the patient enrollment stage to the data analysis stage, which incurred lower expenditures.

Gross Loss and Gross Loss Margin

As a result of the fluctuations in our revenue and cost of sales, our gross loss decreased from RMB9.2 million in 2024 to RMB1.5 million in 2025. Our gross loss margin decreased from 288.7% to 116.1% for the same periods.

Other Income and Gains

Our other income and gains decreased from RMB17.8 million in 2024 to RMB8.1 million in 2025, primarily due to (i) a decrease of RMB3.7 million in government grants, which primarily due to the reduction of certain revenue-related incentive subsidies we received, which were one-off in nature and (ii) a decrease of RMB4.4 million in bank interest income.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB111.5 million and RMB112.0 million in 2024 and 2025, respectively.

Administrative Expenses

Our administrative expenses increased from RMB46.8 million in 2024 to RMB84.7 million in 2025, primarily due to (i) an increase of RMB21.4 million in professional service fees and (ii) an increase of RMB17.0 million in share-based payment expenses.

Other Expenses

Our other expenses decreased from RMB3.0 million in 2024 to RMB2.2 million in 2025, primarily due to an decrease in loss on termination of lease.

Fair Value Changes of Convertible Redeemable Preferred Shares and Warrant Liability

We recorded fair value losses on convertible redeemable preferred shares and warrant liability of RMB369.8 million and RMB326.0 million in 2024 and 2025, respectively, reflecting changes in the fair value of our convertible redeemable preferred shares.

Finance Costs

Our finance costs decreased from RMB1.0 million in 2024 to RMB0.5 million in 2025, primarily due to a decrease in interest expenses on lease liabilities in relation to termination of certain leases.

Income Tax Expense

Our income tax expense was RMB80 thousand in 2025, as compared to nil in 2024, primarily due to the foreign withholding income tax in 2025.

Loss for the Year

As a result of the foregoing, we recorded a loss of RMB523.8 million and RMB518.9 million in 2024 and 2025, respectively.

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

Revenue

Our revenue decreased from RMB6.8 million in 2023 to RMB3.2 million in 2024, primarily due to less upfront payments recognized in 2024 under our specific out-licensing and collaboration arrangement, and the milestone events that would trigger payment obligations of our partner under such arrangement had not been achieved as of December 31, 2024.

Cost of Sales

Our cost of sales decreased from RMB23.5 million in 2023 to RMB12.4 million in 2024, in line with the research and development activities we conducted in accordance with our out-licensing and collaboration agreements.

Gross Loss and Gross Loss Margin

As a result of the fluctuations in our revenue and cost of sales, our gross loss decreased from RMB16.7 million in 2023 to RMB9.2 million in 2024. Our gross loss margin increased from 247.2% to 288.7% for the same periods.

Other Income and Gains

Our other income and gains decreased from RMB23.6 million in 2023 to RMB17.8 million in 2024, primarily due to a decrease of RMB8.0 million in government grants. The government grants we received decreased from RMB16.1 million in 2023 to RMB8.2 million in 2024 is primarily because (i) we concluded the clinical trial in Australia in late 2023, leading to a significant reduction in related R&D expenses in 2024. Since the Australian government subsidies are directly linked to R&D expenses, these grants decreased by approximately RMB2.8 million from 2023 to 2024; and (ii) we received a one-off subsidy for obtaining IND approval of our MVR-T3011 in 2023.

Research and Development Expenses

Our research and development expenses decreased from RMB136.2 million in 2023 to RMB111.5 million in 2024, primarily due to a decrease of RMB24.9 million in trial and testing expenses and a decrease of RMB7.4 million in material costs, partially offset by an increase of RMB12.5 million in share-based payment expenses. The decreases in trial and testing expenses and material costs were consistent with the progress of our research and development activities mainly attributable to our Core Product, as we completed the Phase I portion of a Phase I/IIa clinical trial of MVR-T3011 via intravenous administration in treatment of advanced solid tumors in the U.S. in November 2023, and completed a Phase I/IIa clinical trial of MVR-T3011 via intratumoral administration in treating advanced solid tumors in China in January 2024, while the clinical trial of MVR-T3011 via intravesical administration in treatment of high-risk, BCG-unresponsive NMIBC in the U.S. had not commenced until June 2025. See “Business — Our Product Portfolio — Oncolytic Immunotherapy Candidates — MVR-T3011, our Core Product — Material Communication with Competent Authority” for details.

Administrative Expenses

Our administrative expenses increased from RMB36.1 million in 2023 to RMB46.8 million in 2024, primarily due to an increase of RMB10.1 million in depreciation and amortization expenses in relation to the new facility we leased in 2024.

Other Expenses

Our other expenses increased from RMB1.7 million in 2023 to RMB3.0 million in 2024, primarily due to an increase in net foreign exchange losses resulting from the fluctuations in exchange rate.

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Fair Value Changes of Convertible Redeemable Preferred Shares and Warrant Liability

We recorded fair value losses on convertible redeemable preferred shares and warrant liability of RMB313.9 million and RMB369.8 million in 2023 and 2024, respectively, reflecting changes in the fair value of our convertible redeemable preferred shares.

Finance Costs

Our finance costs increased from RMB0.7 million in 2023 to RMB1.0 million in 2024, primarily due to an increase in interest expenses on lease liabilities as we leased a new facility in 2024.

Loss for the Year

As a result of the foregoing, we recorded a loss of RMB481.8 million and RMB523.8 million in 2023 and 2024, respectively.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Non-current assets				
Property and equipment	23,659	48,473	26,675	17,859
Right-of-use assets	8,836	7,972	3,935	2,296
Intangible Assets	3,865	6,973	6,083	5,339
Prepayments, other receivables and other assets	5,258	11,610	16,819	16,645
Total non-current assets	41,618	75,028	53,512	42,139
Current assets				
Inventories	11,751	12,991	9,145	6,525
Trade receivables	—	—	4	—
Prepayments, other receivables and other assets	16,120	6,181	9,232	12,326
Amounts due from the directors	1,002	1,002	—	—
Restricted cash	—	1,500	1,882	341
Time deposits with original maturity of over three months	—	35,726	—	—
Cash and cash equivalents	232,498	112,388	45,247	17,036
Total current assets	261,371	169,788	65,510	36,228
Current liabilities				
Trade payables	28,434	45,380	57,734	55,603
Other payables	6,779	20,635	17,899	22,727
Interest-bearing bank borrowings	—	—	2,000	12,096
Contract liabilities	3,200	4,261	11,709	11,709
Lease liabilities	4,775	4,010	4,186	4,268
Warrant liability	5,542	5,622	5,774	5,671
Convertible redeemable preferred shares	1,510,348	1,956,078	2,275,992	2,314,788
Total current liabilities	1,559,078	2,035,986	2,375,294	2,426,862
Net current liabilities	(1,297,707)	(1,866,198)	(2,309,784)	(2,390,634)
Total assets less current liabilities	(1,256,089)	(1,791,170)	(2,256,272)	(2,348,495)

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	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Non-current liabilities				
Interest-bearing bank borrowings	—	—	18,000	17,000
Deferred income	538	1,506	2,000	590
Contract liabilities	12,177	7,916	—	—
Lease liabilities	5,312	4,186	—	—
Total non-current liabilities	18,027	13,608	20,000	17,590
Net liabilities	(1,274,116)	(1,804,778)	(2,276,272)	(2,366,085)

Property and Equipment

During the Track Record Period, our property and equipment consisted of leasehold improvement, laboratory equipment, office equipment, electronic equipment, and construction in progress. The following table sets forth a breakdown of our property and equipment as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Leasehold improvement	2,755	32,597	16,298	9,508
Laboratory equipment	18,419	13,946	9,232	7,522
Office equipment	616	941	681	576
Electronic equipment	1,567	989	464	253
Construction in progress	302	—	—	—
Total	23,659	48,473	26,675	17,859

Our property and equipment increased from RMB23.7 million as of December 31, 2023 to RMB48.5 million as of December 31, 2024, primarily due to an increase of RMB29.8 million in leasehold improvement related to the renovation of a new facility we leased in 2024, partially offset by a decrease of RMB4.5 million in the depreciation of our laboratory equipment. Our property and equipment decreased from RMB48.5 million as of December 31, 2024 to RMB26.7 million as of December 31, 2025 and further decreased to RMB17.9 million as of May 31, 2026, primarily due to the depreciation of our leasehold improvement and laboratory equipment.

Impairment of Non-Financial Assets

We assess whether there are any indicators of impairment for our non-financial assets (including property and equipment, right-of-use assets and intangible assets) at the end of each period comprising the Track Record Period by reviewing the internal and external sources of information. As of December 31, 2023, 2024, 2025 and five months ended May 31, 2026, no indicators of impairment for our non-financial assets were identified, given that (i) no adverse changes affecting our leased properties have taken place during the periods, or are expected to take place in the near future, in the technological, market, economic or legal environment in which such properties operate; (ii) all equipment, including laboratory equipment and computer software, remains in use as we continue normal business operations; and (iii) no obsolescence or physical damage to our non-financial assets have taken place during the periods, or are expected to take place in the near future.

Inventories

Our inventories mainly consist of reagents, consumables, yeast extracts and exosomes used in our research and development activities and for commercialization purposes. Our inventories amounted to RMB11.8 million, RMB13.0 million, RMB9.1 million and RMB6.5 million as of December 31, 2023, 2024, 2025 and as of May 31, 2026, respectively. The increase from RMB11.8 million in 2023 to RMB13.0 million in 2024 was primarily due to the stock-up of raw materials in alignment with the

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ramp-up of our research and development activities. The decrease from RMB13.0 million as of December 31, 2024 to RMB9.1 million as of December 31, 2025 and further decrease to RMB6.5 million as of May 31, 2026 was primarily due to consumption of raw materials during the research and development activities.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Within 1 year	3,323	7,319	7,477	3,762
1 to 2 years	6,969	1,264	94	2,759
Over 2 years	3,421	6,987	3,559	3,267
Total	13,713	15,570	11,130	9,788
Less: write down of inventories	(1,962)	(2,579)	(1,985)	(3,263)
Carrying value	11,751	12,991	9,145	6,525

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our prepayments, other receivables and other assets primarily included (i) prepayments for equipment, (ii) deposits and other receivables in relation to deposits under lease agreements and loans to our employees, and (iii) value-added tax recoverable. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Non-current:				
Prepayments for equipment	78	772	6	—
Due from related parties	796	796	841	—
Deposits and other receivables	1,605	399	2,372	1,891
Value-added tax recoverable	2,781	9,644	13,605	14,798
	5,260	11,611	16,824	16,689
Impairment allowance	(2)	(1)	(5)	(44)
Subtotal	5,258	11,610	16,819	16,645
Current:				
Prepayments	15,916	3,482	1,582	1,318
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits and other receivables	180	2,662	1,631	841
Due from related parties	—	—	—	2,345
Other current assets	24	39	—	—
	16,120	6,183	9,533	12,785
Impairment allowance	—	(2)	(301)	(459)
Subtotal	16,120	6,181	9,232	12,326
Total	21,378	17,791	26,051	28,971

Our prepayments, other receivables and other assets decreased from RMB21.4 million as of December 31, 2023 to RMB17.8 million as of December 31, 2024 and then increased to RMB26.0 million as of December 31, 2025, and further to RMB29.0 million as of May 31, 2026. The level of our prepayments, other receivables and other assets primarily depends on our research and development activities and business operation.

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Amounts Due from the Directors

We had amounts due from our Directors of RMB1.0 million, RMB1.0 million, nil and nil as of December 31, 2023, 2024, 2025 and as of May 31, 2026, respectively, which were unsecured, interest-free, subject to a one-year term of repayment and non-trade in nature. For details, see Note 18 and Note 32 to the Accountants’ Report set out in Appendix I to this document. The amounts due from the Directors have been fully settled in June 2025.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily consisted of cash on hand and at banks denominated in Renminbi, and short term time deposits with original maturities within three months. The following table sets forth the details of our cash and cash equivalents and time deposits as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Cash and bank balances	232,498	149,614	47,129	17,377
Less:				
Restricted cash	—	1,500	1,882	341
Non-pledged time deposits with maturity over three months	—	35,726	—	—
Cash and Cash Equivalents.	232,498	112,388	45,247	17,036

Our cash and cash equivalents decreased from RMB232.5 million as of December 31, 2023 to RMB112.4 million as of December 31, 2024, to RMB45.2 million as of December 31, 2025, and further decreased to RMB17.0 million as of May 31, 2026. The overall decrease over the Track Record Period was primarily due to working capital allocated to our business development, day-to-day operations and the renovation costs for the Suzhou facility.

Trade Payables

During the Track Record Period, our trade payables mainly consisted of payables in relation to our research and development activities. Our trade payables increased from RMB28.4 million as of December 31, 2023 to RMB45.4 million as of December 31, 2024, and further increased to RMB57.7 million as of December 31, 2025, primarily driven by the advancement of our research and development initiatives. Our trade payables slightly decreased from RMB57.7 million as of December 31, 2025 to RMB55.6 million as of May 31, 2026, primarily reflecting the settlement of outstanding balances as certain trials progressed to the data analysis stage.

The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Within 3 months	24,459	22,717	19,983	8,722
3 to 6 months	1,069	1,812	515	13,923
7 to 12 months	755	1,385	2,194	1,758
Over 12 months	2,151	19,466	35,042	31,200
Total	28,434	45,380	57,734	55,603

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Other Payables

During the Track Record Period, our other payables mainly consisted of (i) other payables in relation to daily operations, (ii) [REDACTED], (iii) salary and welfare payables, and (iv) other tax payables. The following table sets forth a breakdown of our trade payables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other payables	892	13,061	5,886	5,283
Salary and welfare payables	5,667	7,388	4,901	5,810
Other tax payables	220	186	214	117
Total	6,779	20,635	17,899	22,727

Our other payables increased from RMB6.8 million as of December 31, 2023 to RMB20.6 million as of December 31, 2024, primarily due to an increase of RMB12.2 million in other payables related to the renovation of our leased property. Our other payables decreased from RMB20.6 million as of December 31, 2024 to RMB17.9 million as of December 31, 2025, primarily due to (i) a decrease of RMB7.2 million in other payables and (ii) a decrease of RMB2.5 million in salary and welfare payables, partially offset by an increase of RMB[REDACTED] million in [REDACTED]. Our other payables increased from RMB17.9 million as of December 31, 2025 to RMB22.7 million as of May 31, 2026, primarily due to an increase of RMB[REDACTED] million in [REDACTED].

Contract Liabilities

Our contract liabilities primarily represented amounts paid by our collaboration partners in relation to our out-licensing and collaboration agreements before we fulfilled corresponding performance obligations. These payments are expected to be recognized as revenue upon the satisfaction of performance obligations by us under the agreements. The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Current				
Advances received from customers of license and collaboration revenue . . .	3,200	4,261	11,709	11,709
Non-current				
Advances received from customers of license and collaboration revenue . . .	12,177	7,916	—	—
Total	15,377	12,177	11,709	11,709

Our contract liabilities decreased from RMB15.4 million as of December 31, 2023 to RMB12.2 million as of December 31, 2024, and further decreased to RMB11.7 million as of December 31, 2025, primarily due to our accumulated research and development activities. Our contract liabilities stayed stable at RMB11.7 million as of December 31, 2025 and RMB11.7 million as of May 31, 2026, respectively.

Convertible Redeemable Preferred Shares

During the Track Record Period, convertible redeemable preferred shares represented the Preferred Shares issued pursuant to the [REDACTED] Investments. Changes in fair value of convertible redeemable preferred shares had been recognized in our consolidated statements of profit or loss. These Preferred Shares will be converted into Ordinary Shares upon [REDACTED], after which

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the amount of our financial liabilities at fair value through profit or loss will be derecognized from our liabilities and recorded as equity. See Note 25 to the Accountants’ Report set out in Appendix I to this document for more details.

Convertible redeemable preferred shares increased from RMB1,510.3 million as of December 31, 2023 to RMB1,956.1 million as of December 31, 2024, and further increased to RMB2,276.0 million as of December 31, 2025 and RMB2,314.8 million as of May 31, 2026, primarily due to changes in fair value of our convertible redeemable preferred shares.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund the research and development of our Core Product and other pipeline programs, administrative expenses and other recurring expenses. We recorded net cash used in operating activities of RMB94.3 million, RMB88.9 million, RMB104.7 million and RMB33.8 million in 2023, 2024 and 2025 and the five months ended May 31, 2026, respectively. During the Track Record Period, we primarily funded our working capital requirements through equity and debt financings. Our management closely monitors use of cash and cash equivalents and strives to maintain a healthy liquidity for our operations. Going forward, we expect our liquidity requirements will be satisfied by a combination of cash and cash equivalents, time deposits, bank facilities, considerations received under respective license and collaboration agreements, [REDACTED] from the [REDACTED], as well as revenue generated from sales of our successfully commercialized products. With the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, license and collaboration arrangements, or other sources.

Current Assets and Liabilities

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

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Current assets				
Inventories	11,751	12,991	9,145	6,525
Trade receivables	—	—	4	—
Prepayments, other receivables and other assets	16,120	6,181	9,232	12,326
Amounts due from the directors	1,002	1,002	—	—
Restricted cash	—	1,500	1,882	341
Time deposits with original maturity of over three months	—	35,726	—	—
Cash and cash equivalents	232,498	112,388	45,247	17,036
Total current assets	261,371	169,788	65,510	36,228
Current liabilities				
Trade payables	28,434	45,380	57,734	55,603
Other payables	6,779	20,635	17,899	22,727
Interest-bearing bank borrowings	—	—	2,000	12,096
Contract liabilities	3,200	4,261	11,709	11,709
Lease liabilities	4,775	4,010	4,186	4,268
Warrant liability	5,542	5,622	5,774	5,671
Convertible redeemable preferred shares	1,510,348	1,956,078	2,275,992	2,314,788
Total current liabilities	1,559,078	2,035,986	2,375,294	2,426,862
Net current liabilities	(1,297,707)	(1,866,198)	(2,309,784)	(2,390,634)

Our net current liabilities increased from RMB2,309.8 million as of December 31, 2025 to RMB2,390.6 million as of May 31, 2026, primarily attributable to (i) an increase of RMB38.8 million in convertible redeemable preferred shares, and (ii) a decrease of RMB28.2 million in cash and cash equivalents.

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Our net current liabilities increased from RMB1,866.2 million as of December 31, 2024 to RMB2,309.8 million as of December 31, 2025, primarily attributable to (i) an increase of RMB319.9 million in convertible redeemable preferred shares, (ii) a decrease of RMB67.1 million in cash and cash equivalents, and (iii) a decrease of RMB35.7 million in time deposits with original maturity of over three months.

Our net current liabilities increased from RMB1,297.7 million as of December 31, 2023 to RMB1,866.2 million as of December 31, 2024, primarily attributable to (i) an increase of RMB445.7 million in convertible redeemable preferred shares, and (ii) a decrease of RMB120.1 million in cash and cash equivalents, which was partially offset by an increase of RMB35.7 million in time deposits with original maturity of over three months.

We recorded net current liabilities during the Track Record Period primarily because our Preferred Shares issued to [REDACTED] Investors were recorded as current liabilities under financial liabilities at fair value through profit or loss. These Preferred Shares will be converted into Ordinary Shares upon [REDACTED], after which the amount of our financial liabilities at fair value through profit or loss, which were recorded as our current liabilities during the Track Record Period, will be derecognized from our liabilities and recorded as equity, which can result in our Group turning into net assets position. See “— Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Convertible Redeemable Preferred Shares” for details.

Cash Flows

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

	Year Ended December 31,			Five Months Ended May 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Net cash flows used in operating activities	(94,268)	(88,876)	(104,672)	(40,933)	(33,779)
Net cash flows (used in)/generated from investing activities	(4,463)	(70,554)	26,742	28,815	(1,133)
Net cash flows (used in)/generated from financing activities	(5,599)	37,194	11,746	(3,179)	6,534
Net decrease in cash and cash equivalents	(104,330)	(122,236)	(66,184)	(15,297)	(28,378)
Cash and cash equivalents at beginning of the year/period	335,442	232,498	112,388	112,388	45,247
Effect of foreign exchange rate changes, net	1,386	2,126	(957)	(339)	167
Cash and cash equivalents at end of the year/period .	<u>232,498</u>	<u>112,388</u>	<u>45,247</u>	<u>96,752</u>	<u>17,036</u>

Net Cash Used in Operating Activities

For the five months ended May 31, 2026, our net cash used in operating activities was RMB33.8 million, which was primarily attributable to a loss before tax of RMB137.3 million, adjusted for non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of convertible redeemable preferred shares of RMB75.8 million and (ii) equity-settled share-based payment expenses of RMB10.2 million. The amount was further adjusted by changes in working capital, which primarily resulted from (i) a decrease in prepayments, other receivables and other assets of RMB0.9 million, (ii) an increase in other payables of RMB5.5 million, and (iii) a decrease in trade payables of RMB2.1 million.

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In 2025, our net cash used in operating activities was RMB104.7 million, which was primarily attributable to a loss before tax of RMB518.8 million, adjusted for non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of convertible redeemable preferred shares of RMB325.7 million and (ii) equity-settled share-based payment expenses of RMB42.4 million. The amount was further adjusted by changes in working capital, which primarily resulted from an increase in long-term prepayments, deposits and other receivables of RMB6.3 million, partially offset by (i) an increase in trade payables of RMB12.4 million and (ii) an increase in other payables of RMB3.3 million.

In 2024, our net cash used in operating activities was RMB88.9 million, which was primarily attributable to a loss before tax of RMB523.8 million, adjusted for non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of convertible redeemable preferred shares of RMB369.8 million, (ii) equity-settled share-based payment expenses of RMB20.9 million, and (iii) depreciation of property and equipment of RMB15.7 million. The amount was further adjusted by changes in working capital, which primarily resulted from an increase in long-term prepayments, other receivables and other assets of RMB6.4 million, partially offset by (i) an increase in trade payables of RMB16.9 million, (ii) a decrease in prepayments, other receivables and other assets of RMB10.8 million, and (iii) an increase in other payables of RMB4.2 million.

In 2023, our net cash used in operating activities was RMB94.3 million, which was primarily attributable to a loss before tax of RMB481.8 million, adjusted for non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of convertible redeemable preferred shares of RMB313.9 million and (ii) depreciation of property and equipment of RMB13.9 million. The amount was further adjusted by changes in working capital, which primarily resulted from a decrease in contract liabilities of RMB6.8 million, partially offset by (i) a decrease in prepayment, other receivables and other assets of RMB31.4 million and (ii) an increase in trade payables of RMB20.8 million.

To improve our net operating cash outflow position, we plan to execute our strategies with the long-term objective to achieve sustainable growth and profitability. In particular, we are actively exploring strategic partnerships, out-licensing and co-development opportunities that could generate upfront and milestone payments, as well as potential royalty income, thereby strengthening our operating cash inflows. At the same time, we are advancing the direct commercialization of our exosome products overseas through the INCI regulatory pathway, which offers early revenue potential. These initiatives, together with disciplined resource allocation and ongoing cost control, are expected to strengthen our operating cash flow and support long-term financial sustainability.

Net Cash (Used in)/Generated from Investing Activities

For the five months ended May 31, 2026, our net cash used in investing activities was RMB1.1 million, which was primarily due to purchases of items of property and equipment of RMB1.1 million.

In 2025, our net cash generated from investing activities was RMB26.7 million, which was mainly due to a decrease in time deposit of RMB35.7 million, partially offset by purchases of items of property and equipment of RMB8.6 million.

In 2024, our net cash used in investing activities was RMB70.6 million, which was mainly due to (i) purchase of financial assets at fair value through profit or loss of RMB74.5 million, (ii) an increase in time deposit of RMB35.7 million, and (iii) purchases of items of property and equipment of RMB32.0 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB75.4 million.

In 2023, our net cash used in investing activities was RMB4.5 million, which was mainly due to (i) purchase of financial assets at fair value through profit or loss of RMB105.8 million and (ii) purchases of items of property and equipment of RMB3.8 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB106.4 million.

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Net Cash (Used in)/Generated from Financing Activities

For the five months ended May 31, 2026, our net cash generated from financing activities was RMB6.5 million, which was primarily due to new bank loans of RMB10.0 million, partially offset by payment for [REDACTED] of RMB[REDACTED] million and principal and interest elements of lease payments of nil and repayment of bank loans of RMB1.0 million.

In 2025, our net cash generated from financing activities was RMB11.7 million, which was due to new bank loans of RMB20.0 million.

In 2024, our net cash generated from financing activities was RMB37.2 million, which was due to proceeds from issue of convertible redeemable preferred shares of RMB46.0 million, partially offset by principal and interest elements of lease payments of RMB8.8 million.

In 2023, our net cash used in financing activities was RMB5.6 million, which was due to principal and interest elements of lease payments of RMB5.6 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)	(RMB'000)
Costs relating to research and development of our Core Product					
Trial and testing expenses . .	44,118	19,341	20,171	7,872	8,970
Staff costs	25,983	19,755	16,361	9,302	6,094
Material costs	7,331	1,410	1,829	846	119
Others ⁽¹⁾	1,592	1,675	427	211	101
Subtotal.	79,024	42,182	38,788	18,231	15,284
Costs relating to research and development of other pipeline candidates					
Trial and testing expenses . .	16,787	8,379	1,493	141	1,583
Staff costs	8,799	7,604	8,392	3,636	2,579
Material costs	4,154	5,749	3,967	1,576	1,954
Others ⁽²⁾	812	1,234	724	300	873
Subtotal.	30,551	22,966	14,576	5,653	6,989
Other costs					
Workforce employment cost for non-research and development staff	18,174	17,731	18,334	8,799	7,359
Non-income taxes, royalties and other governmental charges	266	57	284	212	3
Others ⁽³⁾	3,142	2,967	3,700	1,812	61
Total other costs	21,582	20,755	22,318	10,823	7,423
Total cash operating costs .	131,157	85,902	75,682	34,707	29,696

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Notes:

- (1) Others under costs relating to research and development of our Core Product mainly represent intellectual property application and maintenance expenses.
- (2) Others under costs relating to research and development of other pipeline candidates mainly represent intellectual property application and maintenance expenses.
- (3) Others under other costs mainly represent travel expenses, professional services fees, and other miscellaneous expenses.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and cash equivalents, time deposits, bank facilities, and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital to cover at least 125% of our costs, including research and development expenses, administrative expenses and other operating costs, for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash flows used in operating activities, (ii) purchases of items of property and equipment, (iii) purchases of items of intangible assets, and (iv) principal and interest elements of lease payments. During the Track Record Period, our average monthly cash burn in 2023, 2024 and 2025 and the five months ended May 31, 2026 was RMB8.8 million, RMB11.2 million, RMB9.9 million and RMB7.0 million, respectively. We had cash and cash equivalents of RMB17.0 million as of May 31, 2026. We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million in the [REDACTED], assuming the [REDACTED] is not exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] Share, being the low-end of the indicative [REDACTED] range in this document. Taking into account of our business needs, phased R&D investment plans and long-term development strategies, with full consideration of funding requirements from clinical trial expansion, patient enrollment progress and other key business activities, we assume an average monthly cash burn rate of [1.2] times the level in 2025, ensuring its rationality and alignment with our development trajectory. Assuming an average cash burn rate going forward of [1.2] times the level in 2025, we estimate that our cash and cash equivalents and time deposits as of May 31, 2026, together with aggregate bank facilities as of the Latest Practicable Date, will be able to maintain our financial viability for [REDACTED] months, or [REDACTED] months if we take into account [REDACTED]% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and general corporate purposes), or [REDACTED] months if we take into account all estimated [REDACTED] from the [REDACTED]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

INDEBTEDNESS STATEMENT

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or material breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that, saved as disclosed above, there have been no material changes in our indebtedness since May 31, 2026 up to the date of this document.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditure primarily consisted of purchases of property and equipment. These purchases were primarily for our research and development and business operation. In 2023, 2024, 2025 and the five months ended May 31, 2026, our capital expenditure was amounted to RMB3.8 million, RMB32.0 million, RMB8.6 million and RMB1.1 million, respectively.

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We plan to finance our future capital expenditures primarily with our existing cash and cash equivalents as well as [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED]” in the document for more details. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

CAPITAL COMMITMENTS

As of May 31, 2026, we have capital commitment of RMB0.6 million due to purchase of laboratory equipment.

CONTINGENT LIABILITIES

As of May 31, 2026, we did not have any contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain transactions with our related parties. For details, see Note 32 to the Accountants’ Report set out in Appendix I to this document. Our Directors confirm that each of the significant related party transactions during the Track Record Period were conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
Current ratio ⁽¹⁾	0.2	0.1	0.03	0.01

Note:

(1) Current ratio is calculated as total current assets divided by total current liabilities as of the dates indicated.

Our current ratio remained relatively stable at 0.2, 0.1, 0.03 and 0.01, as of December 31, 2023, 2024 and 2025 and May 31, 2026, respectively.

MARKET RISK DISCLOSURE

The risks associated with our financial instruments primarily include foreign currency risk, credit risk and liquidity risk. Certain of our bank balances and cash are denominated in foreign currency of respective group entities which expose us to foreign currency risk. The carrying amounts of cash and cash equivalents, trade receivables, prepayments, other receivables and other assets, amounts due from the directors, and time deposits included in the consolidated statements of financial position represent our maximum exposure to credit risk in relation to our financial assets. Our management manages these exposures to ensure appropriate measure are implemented on a timely and effective manner. See Note 35 to the Accountants’ Report set out in Appendix I to this document for more details.

DIVIDEND

No dividends have been paid or declared by our Company during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business

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and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our Ordinary Shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant.

As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

DISTRIBUTABLE RESERVES

As of May 31, 2026, we did not have any distributable reserves.

[REDACTED] EXPENSE

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$[REDACTED] million (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] expenses are comprised of (i) [REDACTED]-related expenses of HK\$[REDACTED] million, and (ii) non-[REDACTED]-related expenses of HK\$[REDACTED] million, including (a) sponsor fees of HK\$[REDACTED] million, (b) the legal advisors’ expenses of HK\$[REDACTED] million, (c) the reporting accountants’ expenses of HK\$[REDACTED] million, and (d) other fees and expenses of HK\$[REDACTED] million. In 2023, 2024, 2025 and the five months ended May 31, 2026, [REDACTED] expenses charged to profit or loss were [REDACTED], [REDACTED], RMB[REDACTED] million and RMB[REDACTED] million, respectively, and [REDACTED] amounted to [REDACTED], [REDACTED], RMB[REDACTED] million and RMB[REDACTED] million in the corresponding periods will be deducted from equity upon [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED [REDACTED]

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position or prospects since May 31, 2026 and up to the date of this document and there is no event since May 31, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF 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.