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Broncus Holding Corporation

筭博医疗控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2216)

**(I) ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2025; AND
(II) PROPOSED AMENDMENTS TO
THE EXISTING MEMORANDUM AND
ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW MEMORANDUM
AND ARTICLES OF ASSOCIATION**

The Board is pleased to announce the audited consolidated results of the Company and its subsidiaries for the Reporting Period, together with the audited comparative figures for the year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

	Year ended December 31, 2025 <i>USD'000</i>	Year ended December 31, 2024 <i>USD'000</i>	Year-to-year change
Revenue	174	8,131	-97.9%
Sale of medical devices and consumables and provision of services	6,067	8,131	-25.4%
One-off sales return	(5,893)	–	
Gross (loss)/profit	(917)	6,139	-114.9%
Loss for the year	(17,875)	(15,303)	16.8%
Add:			
Share awards	962	236	389.4%
Non-IFRS adjusted net loss for the year ⁽¹⁾	(16,913)	(15,067)	12.3%
Cash and bank balances and deposits	124,921	139,346	-10.4%

⁽¹⁾ Please refer to the section headed “Non-IFRS Measures” in this announcement for more details.

BUSINESS HIGHLIGHTS

- ***Lung Cancer Interventional Therapy Products Approved for Launch in China, with Steady Advancements in Commercialization***

During the Reporting Period, our proprietary core product, the BroncAblate® Transbronchial Radiofrequency Ablation System (“**BroncAblate®**”) was approved for marketing in the PRC by the National Medical Products Administration (NMPA). Through breakthrough key technological innovations, the BroncAblate® Disposable Lung Radiofrequency Ablation Catheter (Registration No.: Guo Xie Zhu Zhun 20253010767), when used in conjunction with the BroncAblate® Lung Radiofrequency Ablation System Generator (Registration No.: Guo Xie Zhu Zhun 20253011204), is able to deliver stable and accurate radiofrequency energy to the center of lung lesions through the natural orifice (bronchus) for the first time, achieving complete ablation of lesions, thus ushering in a new era of “ultra-minimally invasive, intelligent and precise” interventional therapy for lung cancer, and successfully filling in the gap in the field around the world.

- In August 2025, the results of a retrospective cohort study on Safety and efficacy of transbronchial radiofrequency ablation for stage IA peripheral lung cancer were published in the authoritative academic journal Translational Lung Cancer Research by Professor Sun Jiayuan (孫加源)’s team at Shanghai Chest Hospital. The study is the first literature report following the official launch of BroncAblate®. The retrospective cohort study has confirmed that transbronchial RFA demonstrates improved safety (a low incidence of surgery-related serious complications) and better results of local progression control (and in particular under the guidance of CBCT) in treatment of stage IA peripheral lung cancer, providing lung cancer patients with a better option for minimally invasive treatment.
- As of December 31, 2025, BroncAblate® has been widely used in the PRC, covering over 20 provinces/cities nationwide, and has been applied in nearly 200 operations at over 30 hospitals.
- In December 2025, BroncAblate® have obtained marketing authorization in Hong Kong, with registration procedures in other regions underway.

- ***Orderly Progress of Clinical Trials and Commercialization of COPD Treatment Products***

Our COPD treatment pipeline covers a wide range of interventions in addition to drug treatment. We have InterVapor® Thermal Vapor Treatment System (“**InterVapor®**”), which has been successfully marketed, and the BroncTarget® Targeted Lung Denervation Radiofrequency Ablation System (“**BroncTarget®**”), which is under the confirmatory clinical trials. They are used respectively for the treatment of severe and very severe COPD as well as acute exacerbations of COPD.

- As of December 31, 2025, InterVapor® covers nearly 30 provinces/cities in China. Its efficacy in treating severe COPD has been widely acknowledged by both physicians and patients.

- The series of post-marketing clinical trials of InterVapor® are progressing in an orderly manner across China. A series of relevant studies is carried out in more than 30 hospitals in China, to study its application on different subgroups as well as its improvement on COPD acute exacerbations.
- The confirmatory clinical trials for BroncTarget® have been carried out in an orderly manner, with 28 hospitals in China enrolling patients. As of December 31, 2025, 116 patients have been enrolled. The interim investigator meeting for this clinical trial has been held, and the data showed a general improvement in the clinical performance of patients in the trial group.
- In January 2026, BroncTarget® was admitted into Special Procedures for Examination and Approval of Innovative Medical Devices (the “**Green Path**”).

- ***Clinical Application of Navigation Products and Other Innovative Interventional Treatment Products Brings Innovative Techniques to Multiple Scenarios***

We have self-developed numerous innovative products in the interventional pulmonology diagnostic and therapeutic field, most of which are the first and only of their kind in the world. Our products in the pulmonary interventional field were applied in a variety of clinical scenarios during the Reporting Period, providing safe and effective solutions for doctors and patients.

- During the Reporting Period, the LungPro augmented reality optical whole lung diagnosis and treatment navigation system (“**LungPro**”), Mist Fountain® disposable nebulizing micro-catheter for endoscope (“**Mist Fountain®**”), and BroncTru® disposable transbronchoscopic puncture dilatation catheter (“**BroncTru®**”) have jointly explored new application scenarios, such as surgical localization of lung tumors in thoracic surgery, transbronchial dilatation catheter localization biopsy (EBUS-GS-TBLB), transbronchial cryobiopsy (EBUS-TTCB), mediastinal tumor biopsy technique (EBUS-TBNB), and transbronchial dilatation catheter targeted drug delivery, offering a variety of diagnosis and treatment options to doctors and patients.
- In March 2025, our lung imaging processing software, BroncQCT®, has officially received approval from the Zhejiang Medical Products Administration for marketing in China. During clinical application, BroncQCT® has significantly enhanced physicians’ efficiency in interpreting lung computed tomography (CT) images, providing support for clinical auxiliary diagnosis and treatment, and promoting more efficient and precise diagnostic processes.

- ***Ongoing Academic Promotion and Physician Training***

In 2025, we actively participated in academic conferences, while launching surgical trainings for relevant specialties. The synergy enables transformation of innovative techniques into capability of clinical diagnosis and treatment, which accelerates penetration of the products.

- During the Reporting Period, we participated in over 70 authoritative academic conferences at home and abroad, and made our debut with various products at over dozens of frontline academic conferences, including the 10th Eastern Thoracic Academic Conference (OCTS 2025), Symposium on Transbronchial Radiofrequency Ablation Technology, the 35th European Respiratory Society (ERS) Congress (2025), and the 3rd Global Congress on Robotic Bronchoscopy and Companion Technologies held in the Netherlands.

During the same period, we assisted in organizing and implementing training courses of various specialized skills. In China, training sessions on specialized skills such as the training sessions of the “Linghang Feifan” (領航肺凡) Transbronchial Lung Cancer Ablation Training Program and the online special topic salon of the respiratory intervention new technology series were held to provide extensive training support for clinical physicians. For overseas activities, overseas expert groups were invited to visit domestic surgical theatres and overseas training sessions were jointly organized with domestic top hospitals to establish an efficient platform for transformation of skills and international exchange.

- ***Comprehensive Market Access Strategy and Patent Protection***

The Company has established a comprehensive intellectual property protection system with coverage over core products and critical skills, and overseas coverage was expanded to major countries/regions such as Asia, Europe and United States.

- In terms of market access, as of December 31, 2025, we had a total of 94 registration certificates, including 20 NMPA certificates, 4 CE certificates, 7 FDA certificates, and 63 certificates from other countries/regions.
- In terms of patent protection, as of December 31, 2025, the Company had a total of 780 patents to realize comprehensive and multi-level protection for the achievements in technological innovations.

- ***Through Diversified Cooperation, Merger and Acquisitions in the Industry to Realize Sustainable Development***

During the Reporting Period, we actively looked for opportunities in strategic cooperations, mergers and acquisitions in the industry to explore more potential developments of the Company.

- In October 2025, the Company entered into Subscription Agreements with Shanghai INT Medical Instruments Co., Ltd.(上海瑛泰醫療器械股份有限公司) (1501.HK, “**INT Medical**”) and Hangzhou Linheng Qingrui Enterprise Management Partnership (Limited Partnership) (杭州臨恒清睿企業管理合夥企業(有限合夥), whose principal capital contributor was Hangzhou Linping State Owned Capital Investment and Operation Co., Ltd.(杭州臨平國有資本投資運營有限公司), hereinafter “**Linping State Investment**”)(announcement date: October 10, 2025). For details of the subscription agreements, please refer to the paragraph headed “Issuance of Equity Securities of the Company” in this announcement and the Company’s announcement dated October 10, 2025. On the same date, the Company, together with INT Medical, Hangzhou Linping Economic and Technological Development Zone (杭州臨平經濟技術開發區) and Linping State Investment entered into a strategic cooperation agreement to establish a long-term strategic cooperative partnership with a view to fully utilize their respective advantages in policy support, industry resources and market operation, enrich the channels for promoting commercialization of the Company’s products to boost product sales.
- In December 2025, the Company entered into an agreement to acquire a total of 157,800 series B preferred shares of Valgen Holding Corporation (announcement date: December 29, 2025). Given the similarity and connectivity between structural heart disease and pulmonary disease, the acquisition provided an opportunity for the Company to realize integrated diagnosis and treatment for heart and pulmonary diseases and paved a solid foundation for the establishment of an integrated diagnosis and treatment platform for heart and pulmonary diseases in the future and the realization of sustainable development with a more diverse product portfolio.

- ***Awards of Honors were Received in Various Areas***

In 2025, the Company continued to further develop the minimally invasive interventional diagnosis and treatment areas of pulmonary diseases, and received a number of authoritative honors with our hard core technology innovative abilities and excellent integrated operation capabilities, and our influence and brand awareness in the industry continued to increase.

- With our “Robotic Bronchoscopic Surgical System” project, we were shortlisted for the national list of “2025 selected entities of artificial intelligent medical innovative tasks”.
- Our participated project of “Research and development of critical technology for respiratory intervention diagnosis and treatment and establishment of an integration system” was approved as one of the significant special projects of research and development on national technologies for the prevention and treatment of cancer, cardio and cerebrovascular, respiratory and metabolism diseases (the four major chronic diseases).
- As a core participant, we contributed to the project “Innovative studies and promotion of application for bronchoscopic diagnosis and treatment system for lung cancer” which won the Second Prize of the 2025 Huaxia Medical Science and Technology Award.
- At the 9th Hangzhou Entrepreneurs Internationalization and Innovation Conference, Mr. Hong Xu, the Chairman and Chief Executive Office of Broncus, won the honor of “Cutting-edge Hangzhou Entrepreneur” in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 USD'000	2024 USD'000
REVENUE	5	174	8,131
Cost of sales		<u>(1,091)</u>	<u>(1,992)</u>
Gross (loss)/profit		(917)	6,139
Other income and gains		7,888	9,345
Selling and distribution expenses		(7,960)	(8,490)
Administrative expenses		(7,381)	(7,265)
Impairment losses on financial assets, net		(361)	(1,401)
Research and development costs		(7,772)	(11,471)
Other expenses		(1,367)	(2,073)
Finance costs	7	<u>(4)</u>	<u>(84)</u>
LOSS BEFORE TAX	6	(17,874)	(15,300)
Income tax expense	8	<u>(1)</u>	<u>(3)</u>
LOSS FOR THE YEAR		<u>(17,875)</u>	<u>(15,303)</u>
Attributable to:			
Owners of the parent		(17,875)	(15,303)
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(17,875)</u>	<u>(15,303)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (USD)	10	<u>(0.04)</u>	<u>(0.03)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
LOSS FOR THE YEAR	<u>(17,875)</u>	<u>(15,303)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>1,270</u>	<u>(826)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>1,270</u>	<u>(826)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(16,605)</u>	<u>(16,129)</u>
Attributable to:		
Owners of the parent	(16,605)	(16,129)
Non-controlling interests	<u>-</u>	<u>-</u>
	<u>(16,605)</u>	<u>(16,129)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2025*

	<i>Notes</i>	31 December 2025 USD'000	31 December 2024 USD'000
NON-CURRENT ASSETS			
Property, plant and equipment		886	1,279
Right-of-use assets		–	310
Other intangible assets		6,509	7,706
Financial assets at fair value through profit or loss		13,900	14,670
Finance lease receivables		–	19
Prepayments, other receivables and other assets		456	121
		<hr/>	<hr/>
Total non-current assets		21,751	24,105
CURRENT ASSETS			
Inventories		3,865	3,599
Finance lease receivables		19	26
Trade receivables	<i>11</i>	3,180	7,863
Prepayments, other receivables and other assets		2,280	956
Pledged deposits		238	238
Structured deposits		55,789	40,291
Derivative financial instruments		114	–
Time deposits with original maturity over three months		37,197	52,344
Cash and cash equivalents		31,697	46,473
		<hr/>	<hr/>
Total current assets		134,379	151,790
CURRENT LIABILITIES			
Trade payables	<i>12</i>	275	255
Lease liabilities		–	296
Other payables and accruals		5,056	5,089
Bank overdrafts		16	22
Derivative financial instruments		–	170
Contract liabilities		574	586
		<hr/>	<hr/>
Total current liabilities		5,921	6,418
NET CURRENT ASSETS		128,458	145,372
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		150,209	169,477
		<hr/>	<hr/>

	31 December 2025 USD'000	31 December 2024 USD'000
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>150,209</u>	<u>169,477</u>
NON-CURRENT LIABILITIES		
Contract liabilities	<u>247</u>	<u>–</u>
Total non-current liabilities	<u>247</u>	<u>–</u>
Net assets	<u>149,962</u>	<u>169,477</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	12	12
Treasury shares	(156)	–
Reserves	<u>150,107</u>	<u>169,466</u>
	149,963	169,478
Non-controlling interests	<u>(1)</u>	<u>(1)</u>
Total equity	<u>149,962</u>	<u>169,477</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 30 April 2012. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The head office and principal place of business in China are located at Room 801, 8/F, Building 8, No. 88 Jiangling Road, Xixing Street, Binjiang District, Hangzhou, Zhejiang Province, People's Republic of China (the "PRC") and Room 1101-4, Building 1, No. 502 Linping Avenue, Linping District Economic and Technological Development Zone, Hangzhou, Zhejiang Province, the PRC.

The Company is an investment holding company. During the year, the Group was principally engaged in research and development, and the manufacture and commercialisation of medical devices and consumables.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 24 September 2021.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments. These consolidated financial statements are presented in USD and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
<i>Revenue from contracts with customers</i>		
Sale of medical devices and consumables		
Revenue recognised during the year	5,272	7,571
Sales return (<i>note a</i>)	(5,893)	–
Provision of services	795	560
	<hr/>	<hr/>
Total	174	8,131
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Note:

- (a) During the year ended 31 December 2025, two long established customers (“Customer A” and “Customer B”) had approached the Group for the return of goods which related to revenue recognised in prior years. The goods returned from Customer A represented imported medical devices with its original sales amounts of RMB33,938,000 (equivalent to approximately USD4,751,000) and the goods returned from Customer B represented consumables with its original sales amounts of RMB8,153,000 (equivalent to approximately USD1,142,000). Both customers did not have any history of returns in the past. Management determined that the respective revenue was appropriately recognised in prior years at the point in time when control was transferred, at the amount of consideration to which the Group was expected to be entitled. Although the Group did not have any contractual obligations to accept the returns, the Group agreed to do so based on the following commercial considerations and specific circumstances for each of Customer A and Customer B.

With respect to the acceptance of the return requested by Customer A, it was mainly caused by a change in macro-level policy in China and ensuing regulation. Starting from 2023, a series of provincial and municipal policies restricting the procurement of imported medical devices were implemented across China. Subsequently, in late 2024, the Chinese government circulated a draft notice titled “Notice on Implementing Domestic Product Standards and Related Policies in Government Procurement.” This notice was officially promulgated and took effect in 2025. Consequently, this change in policy in China towards domestically manufactured medical devices, challenged the demand for imported medical devices through domestic sales channels. Customer A has served as a strategic partner, handling the sales of the Group’s imported medical devices since 2021. It is highly susceptible to the impact of this policy, as substantially all of its end customers are hospitals in the Chinese Mainland subject to compliance. Furthermore, the Group is heavily reliant on Customer A’s distribution network and has streamlined its own sales team since 2021, making it difficult to build alternative channels in the short term. Having secured regulatory approval for its portfolio of domestically manufactured medical devices, the Group is committed to deepening its partnership with Customer A, which has strong distribution capabilities of hospitals in China to jointly cultivate the market for its domestic products. Consequently in 2025, the Group designated Customer A as the exclusive onshore distributor for the Group’s domestic medical devices. Having considered the demand for the imported devices to be returned continued to exist in offshore jurisdictions where other qualified distributors have been identified, and Customer A will continue to be one of the Group’s key sales channels for its domestic device market, the Group made a conscious decision to accept the return of these imported devices from Customer A.

With respect to the return request of consumables from Customer B, the Group’s business considerations were premised on Customer B’s significant scale and considerable influence within the domestic market, whereby the Group regards sustaining a constructive and cooperative relationship with Customer B as vital to its ongoing commercial and strategic interests. Given the returned consumables are widely used in the market where a constant demand was observed historically as well as China’s respiratory system clinical pathway directories encompassing the Group’s consumables have been implemented at an increasing number of provinces in 2025, the Group accepted the return of consumables from Customer B.

Failure to accept such returns from Customers A and B, the Group also anticipates the risk of disruption to the long-term pricing order of the Group’s products should the two customers offload their inventory at discounted prices, which would not be in the Group’s interests.

In both cases, the Group believes the request for returns are driven by isolated incidents and unique macro- and micro-level circumstances of the customers, and the decisions to accept the returns are not expected to recur in the future.

Based on the foregoing, the Group undertook an internal approval process, entered into sales return agreements with Customer A and Customer B respectively. Management has consequently assessed these returns as constituting a contract modification under IFRS 15, resulting in a reduction of both the scope and the transaction price of the original contracts. As the performance obligations under the original contracts were satisfied in prior years, the financial effect of this modification was recognised as a reduction of revenue in the year ended 31 December 2025 when respective returns occurred.

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Timing of revenue recognition		
Goods transferred at a point in time	(621)	7,571
Services transferred over time	795	560
	<hr/>	<hr/>
Total	174	8,131
	<hr/> <hr/>	<hr/> <hr/>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of medical devices and consumables	60	281
Provision of services	391	269
	<hr/>	<hr/>
Total	451	550
	<hr/> <hr/>	<hr/> <hr/>

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of medical devices and consumables

Revenue from the sale of medical devices and consumables is recognised at the point in time when control of the asset is transferred to the customer.

Provision of services

Revenue from the product support services is recognised over the service period on a straight-line basis and revenue from research development support services is recognised over time using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Amounts expected to be recognised as revenue:		
Within one year	574	452
After one year	<u>247</u>	<u>134</u>
Total	<u><u>821</u></u>	<u><u>586</u></u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to provision of services, of which the performance obligations are to be satisfied within eight years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Cost of inventories sold	310	1,921
Cost of services provided	13	22
Research and development costs	7,772	11,471
Loss on disposal of items of property, plant and equipment	<u>-</u>	<u>780</u>

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Interest on lease liabilities	<u>4</u>	<u>84</u>

8. INCOME TAX

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

PRC

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China were entitled to a preferential income tax rate of 5% (2024: 5%) for small and micro enterprises except that Hangzhou Broncus was subject to CIT at a rate of 25% (2024: 25%) on the taxable income.

USA

Pursuant to the relevant tax laws of the USA, federal corporation income tax was levied at the rate of up to 21% (2024: 21%) on the taxable income arising in the USA during the year.

Netherlands

The subsidiary incorporated in Netherlands was subject to income tax at the rate of 19% (2024: 19%) on the estimated assessable profits arising in Netherlands during the year.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong was subject to income tax at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Israel

The subsidiary incorporated in Israel was subject to income tax at the rate of 23% (2024: 23%) on the estimated assessable profits arising in Israel during the year.

The income tax expense of the Group during the year is analysed as follows:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Current – USA		
Charge for the year	<u>1</u>	<u>3</u>

9. DIVIDEND

No dividend has been paid or declared by the Company during the year (2024: nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 483,759,463 (2024: 488,860,643) outstanding during the year. The number of shares for the current period has been arrived at after eliminating the shares of the Company held under the restricted stock unit scheme.

The calculation of basic loss per share is based on:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	<u>(17,875)</u>	<u>(15,303)</u>
	Number of shares	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>483,759,463</u>	<u>488,860,643</u>

As the Group incurred losses, no adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the equity-settled share award arrangements had an anti-dilutive effect on the basic loss per share amounts presented.

11. TRADE RECEIVABLES

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Trade receivables	<u>6,083</u>	<u>10,344</u>
Impairment	<u>(2,903)</u>	<u>(2,481)</u>
Net carrying amount	<u>3,180</u>	<u>7,863</u>

Certain of the Group's trading terms with its customers are on credit. The credit period is generally three to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Within 3 months	1,726	1,630
3 to 6 months	283	64
6 to 12 months	27	1,785
1 to 2 years	324	4,384
2 to 3 years	<u>820</u>	<u>–</u>
Total	<u>3,180</u>	<u>7,863</u>

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Within 3 months	267	253
3 to 6 months	–	–
6 to 12 months	–	–
Over 1 year	<u>8</u>	<u>2</u>
Total	<u>275</u>	<u>255</u>

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

13. RELATED PARTY TRANSACTIONS

Name	Relationship
Mr. Hong Xu	Director

(a) The Group had the following transactions with a related party during the year:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Loan to a director:		
Mr. Hong Xu (<i>note</i>)	<u>384</u>	<u>–</u>

Note:

In September 2025, a loan was provided by a subsidiary, Hangzhou Broncus, to a director in the amount of RMB2,700,000 (equivalent to approximately USD384,000), for the purpose of paying individual income tax arising from the vesting of restricted stock units granted to the director in December 2024. The loan has a term of three years and bears an annual interest rate of 1.5%. As at 31 December 2025, the balance is USD384,000 and included in other receivables. The interest for the year was fully settled and no balance of interest receivable as at 31 December 2025.

Other transactions with related parties:

During the year, a director exercised 10,543,961 RSUs at the subscription price of HKD0.264 per share, resulting in a total cash consideration of HKD2,784,000 (equivalent to approximately USD352,000). The cash consideration was approved by the board to be settled upon receipt of the proceeds from disposal (including sale and other approved methods) of these RSUs. As at 31 December 2025, the balance is USD352,000 and included in other receivables. It is unsecured, interest-free and non-trade in nature.

(b) Outstanding balance with a related party:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Due from a director:		
Mr. Hong Xu	<u>736</u>	<u>–</u>

The balance is non-trade in nature.

(c) Compensation of key management personnel of the Group:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Salaries, allowances and benefit in kind	199	291
Pension scheme contributions	7	6
Equity-settled share award expenses	<u>795</u>	<u>57</u>
Total compensation paid to key management personnel	<u>1,001</u>	<u>354</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OUR PROFILE

Focusing on the interventional treatment of Chronic Obstructive Pulmonary Disease (referred to as “**COPD**”) and lung cancer, we are pioneers in the field of Interventional Pulmonology, providing innovative solutions for lung diseases in China and globally. In the large-scale, underdeveloped and rapidly growing interventional respiratory medicine market, leveraging China’s first and only real-time imaging-based full-lung navigation technology, we have established a comprehensive “navigation-diagnosis-treatment” platform for interventional respiratory disease treatment. This platform addresses the pain points of existing treatment models and the unmet clinical needs of lung diseases, leading the transformation of diagnosis and treatment paradigms and advancing the field of lung diseases into the era of precision medicine.

OUR VISION

Our vision is to be a global leader in the transformation of lung disease treatment.

OUR MISSION

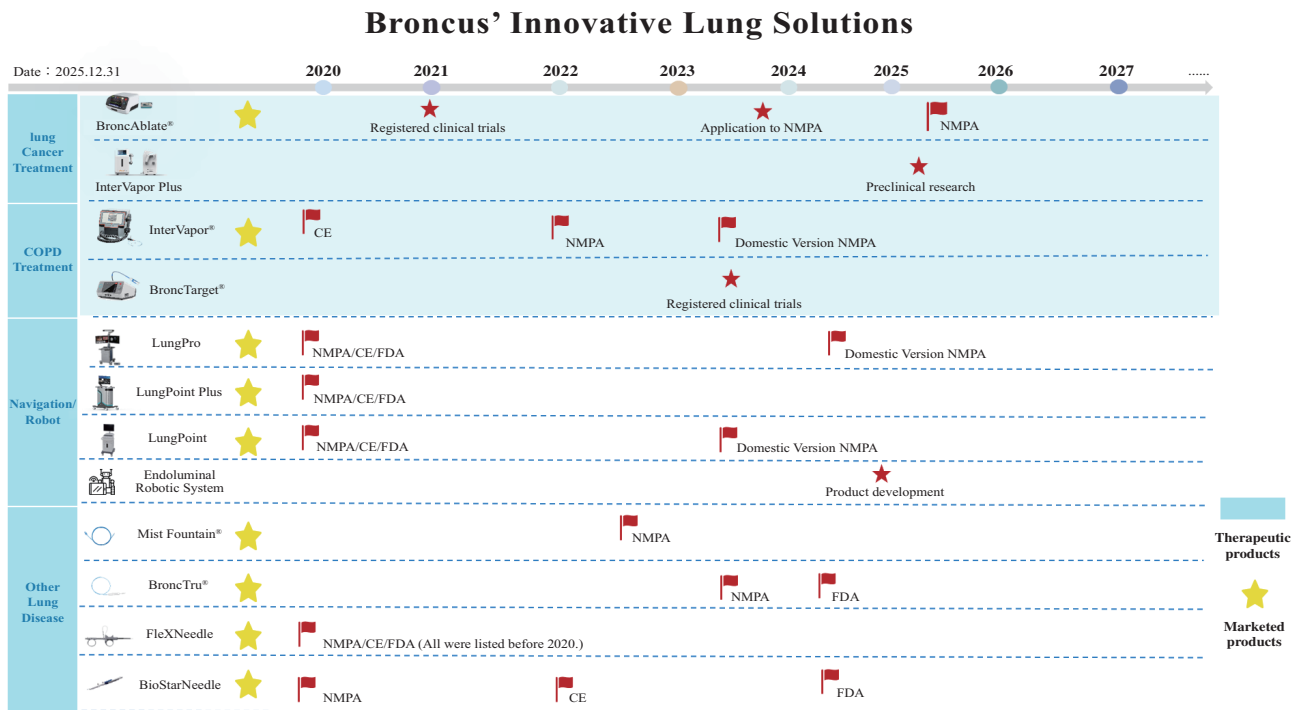
Our mission is to establish our interventional diagnosis and therapeutic solutions as the gold standard for the treatment of lung diseases.

In 2025, the market for interventional treatment for lung diseases is still in the stage of development. Driven by heavier burden of lung diseases, innovation and iteration of medical technology and policy support, the market for interventional pulmonology medical devices has entered the stage of development towards “minimal intrusion + precision + intelligence + localization initiatives”. As lung navigation and surgical robots, interventional ablation for lung cancer and COPD interventional treatment have become the three core market segments, the deep integration of AI and interventional treatment devices will drive new growth in the industry.

Leveraging the first product matrix in the world, full-cycle and closed-loop solutions for diagnosis and treatment of pulmonary diseases, and a comprehensive evidence-based medical system, and through the successful use of key interventional treatment product in conjunction with surgical robots, forward-looking deployment of transbronchial flexible surgical robots and continuous upgrading and iteration of existing products, Broncus has developed its comprehensive competitive strength that is hard to replicate with leading advantages in key market segments of lung cancer and COPD. In light of the current situation that the market education for interventional treatment for lung diseases is far from satisfactory and levels of practitioners in general hospitals vary, we uphold the principle of “clinical evidence + market access + sound operation” and leverage our technological edge to pursue sustainable development.

Products and product lines

As of the date of this announcement, our main products include a number of innovative pulmonary interventional products that are the only ones of their kind in the world or in China. Among which, InterVapor® is the first and only medical device without implant for treatment of COPD in the world, and clinical trials have verified its feasibility for the treatment of lung cancer. BroncAblate® is the world's first transbronchial intervention treatment product indicated for lung cancer. Our BroncTarget® is the first self-developed targeted denervation radio-frequency ablation system in China for use to reduce the risk of acute exacerbation of COPD.



Lung Cancer Treatment Pipeline

Lung cancer is the world's most common cancer and the leading cause of the cancer-related mortality. It has the highest incidence and mortality rate among all malignant tumors in China, and the lungs are also the second most common metastatic sites of malignant tumors. Surgery is the first choice for treatment of early lung cancer, which is better for pulmonary oligometastatic lesions. However, careful consideration is required for elderly patients and cases of complicated COPD, multiple primary cancers or post-surgery new incidence. Many international guidelines have listed tumor ablation as a recommended treatment method for early and locally advanced lung cancer, local ablation has now become the main treatment method for lung tumors for which surgery or stereotactic radiotherapy (SRT) is not feasible or not tolerated, and it has significant value in comprehensive cancer treatment.

Bronchoscopic radiofrequency ablation is a minimally invasive and repeatable targeted therapy for lung cancer, and provides a total new treatment method for most patients. With the development and popularity of technology, this precise, minimally invasive new method with minimal trauma and fast recovery is hopeful to become a mainstream trend in the future, which may be used individually or in combination with drugs and surgery, advancing the timing of lung cancer treatment to improve survival rates.

BroncAblate® Lung Radiofrequency Ablation System

BroncAblate® is the world's first radiofrequency ablation device for lung cancer treatment via natural orifices validated by extensive clinical evidence-based studies. Through groundbreaking technological innovations, it overcomes previous technical challenges in pulmonary radiofrequency ablation – namely, the difficulty of maintaining stable ablation due to high lung impedance and limited ablation coverage. For the first time, it enables precise delivery of radiofrequency energy through natural body cavities (bronchi) directly to the center of lung lesions, effectively inactivating tumor tissue. This breakthrough delivers a minimally invasive, repeatable targeted therapy for lung tumors, successfully filling a global gap in this field.

To date, the BroncAblate® registration clinical study (BRONC-RFII study) stands as the leading large-scale, long-term follow-up, high-clinical-value prospective clinical trial in the field of transbronchoscopic lung ablation. Conducted across 16 clinical centers, the study enrolled a total of 126 patients. The BRONC-RFII results were published in the authoritative academic journal *Respirology*. Data revealed a system technical success rate of 99.35%, a 1-year complete ablation rate of 90.48%, and a 1-year overall survival rate of 96.83%. The system demonstrated exceptional efficacy in treating ground-glass nodules (GGNs), achieving a 100% complete ablation rate for pure ground-glass nodules (GGNs). Moreover, the incidence of severe procedure-related complications was low, with pneumothorax occurring in only 3.97% of cases. This fully validates the system's advantages in safety and efficacy for lung tumor treatment, providing robust scientific evidence for the development and application of transbronchial ablation technology as a therapeutic modality for pulmonary tumors.

On April 18, 2025, the BroncAblate® Disposable Lung Radiofrequency Ablation Catheter was approved for market launch in China by the National Medical Products Administration (NMPA) (Registration No.: Guo Xie Zhu Zhun 20253010767). On June 23, 2025, the BroncAblate® Lung Radiofrequency Ablation System Generator received approval for market launch from the National Medical Products Administration (NMPA) (Registration No.: Guo Xie Zhu Zhun 20253011204), intended for use with the disposable lung radiofrequency ablation catheter (Registration No.: Guo Xie Zhu Zhun 20253010767).

In August 2025, Professor Sun Jiayuan's team at Shanghai Chest Hospital published a retrospective cohort study on Safety and efficacy of transbronchial radiofrequency ablation for stage IA peripheral lung cancer in the authoritative academic journal *Translational Lung Cancer Research*. This study marks the first literature report following the official market launch of BroncAblate®. This retrospective cohort study confirmed that transbronchial RFA demonstrates superior safety (low complication rate) and more significant local progression control (particularly under CBCT guidance) in treating IA-stage peripheral lung cancer, offering lung cancer patients a more ideal minimally invasive treatment option.

As of December 31, 2025, the product has been used in nearly 200 surgeries across more than 30 hospitals. Commercialization efforts for BroncAblate®, including procedure fee standardization and the Sunshine Procurement Platform listings, are progressing smoothly. During the reporting period, the BroncAblate® disposable lung radiofrequency ablation catheter achieved listing on the Sunshine Procurement Platform in 27 provinces/municipalities. Driven by the National Healthcare Security Administration's policy document Notice on Issuing the Guidelines for Establishing Medical Service Price Items for Respiratory Systems (Trial Implementation) (《關於印發(呼吸系統類醫療服務價格項目立項指南(試行))的通知》), the implementation of technique-based fees across regions is expected to accelerate significantly.

In December 2025, BroncAblate® obtained marketing authorization in Hong Kong, with registrations in other countries proceeding concurrently.

COPD Treatment Pipeline

Chronic Obstructive Pulmonary Disease (COPD) is a common chronic respiratory disease. China has a large population of COPD patients, and it ranks among the leading causes of death among Chinese residents, becoming a significant disease burden severely impacting the health of the Chinese population.

The current standard treatment for COPD remains primarily based on inhaled medications, supplemented by non-pharmacological interventions. However, some patients still experience uncontrolled or frequent acute exacerbations symptoms despite standard therapy, with a persistent decline in lung function and severely impaired quality of life.

We owned InterVapor® and BroncTarget® for treating severe and very severe COPD, as well as acute exacerbations of COPD, making us the only company globally to cover all COPD patients beyond those best suited for drug therapy. InterVapor® has obtained registration certificates including CE and NMPA and is commercially available in multiple countries and regions worldwide; BroncTarget® is currently undergoing confirmatory clinical trial.

InterVapor® Thermal Vapor Treatment System

InterVapor® is the world's only non-implantable medical device for the interventional treatment of COPD, and is used for the treatment of severe and very severe COPD. It has a strong intellectual property portfolio and is the world's first and only interventional pulmonology device utilizing thermal vapor energy. InterVapor® delivers thermal vapor to the lungs via bronchoscopy to achieve targeted ablation of lung lesions. Bronchoscopic Thermal Vapor Ablation (BTVA), an innovative technique developed with this device, is used to treat patients with COPD.

As an innovative technique for treating COPD, BTVA has demonstrated significant improvements in lung function and quality of life for COPD patients, and is expected to become an important treatment method for COPD. Given that BTVA is a safe, effective, and minimally invasive treatment technique, InterVapor® was recognized as a "Breakthrough Device" by the U.S. Food and Drug Administration (FDA) in 2019. In the same year, BTVA was officially included in the recommended interventional treatment methods by the internationally recognized COPD guideline – GOLD. By 2026, it had been included in the recommendations for eight consecutive years.

Currently, InterVapor® has received CE, NMPA, and other registration certifications, and the product has been approved for commercialization in Europe, Mainland China, Hong Kong SAR, Taiwan Region, Australia, Singapore, India, Thailand, and other countries/regions. As of December 31, 2025, InterVapor® has been used in BTVA procedures at hospitals at all levels in China. Additionally, the product's procurement and hospital admission processes are progressing steadily within China. Currently, its disposable thermal vapor treatment catheter has been listed on the Sunshine Procurement Platform in 30 provinces/cities nationwide. Under policy support, the technique-based fee will also be implemented in more provinces and municipalities.

We are actively conducting a series of post-marketing clinical studies for InterVapor®. In China, the post-marketing clinical trial program for InterVapor® is being conducted across more than 30 hospitals nationwide, focusing on different patient subgroups and improvements in acute exacerbations of COPD. As of December 31, 2025, this series of studies has initiated enrollment at 12 participating medical centers, with approximately 20 participants enrolled. Overseas, post-marketing clinical studies for this product are also progressing concurrently. As of December 31, 2025, the BTVA Registry trial conducted in Europe has enrolled 264 patients across 17 clinical centers. The BENTO trial in Germany has completed enrollment of 36 patients across 13 local research centers. Our global post-marketing clinical studies for the InterVapor® Thermal Vapor Therapy System are expected to generate more robust, high-quality evidence-based clinical data, offering safer and more effective COPD treatment options for a broader patient population.

Concurrently, we are actively advancing the development of the “Expert Consensus on Standardized Clinical Application of Transbronchoscopic Thermal Vapor Lung Volume Reduction for COPD with Emphysema,” facilitating the implementation of InterVapor® in clinical settings.

BroncTarget® Targeted Lung Denervation Radiofrequency Ablation System

TLD (Targeted Lung Denervation) is a breakthrough interventional technique for moderate-to-severe Chronic Obstructive Pulmonary Disease (COPD). It precisely delivers radiofrequency energy to neural targets via bronchoscopy, aiming to suppress abnormal airway constriction and excessive mucus secretion at their source, thereby alleviating symptoms such as coughing, sputum production, and breathlessness. This technology does not replace conventional drug therapy but rather complements it as part of a synergistic “interventional + pharmacological” comprehensive management approach. It offers a novel treatment direction for patients whose symptoms remain poorly controlled after standard drug therapy. Its potential for widespread adoption is significant, with some county-level hospitals already meeting the criteria to conduct related trials.

BroncTarget® is the first self-developed product in China for the treatment of Chronic Obstructive Pulmonary Disease (COPD) via bronchoscopic radiofrequency ablation. The product provides deeper tissue ablation around the main bronchi in the lungs to reduce tension and mucus production in the airways, thereby relieving airway obstruction.

The confirmatory clinical trial of BroncTarget® was launched in 2023. The study is a prospective, randomized, single-blinded, sham-operated group-controlled multi-center clinical trial. A total of 189 patients with moderate to severe COPD were planned to be enrolled in over 20 research centers in China for assessing the safety and efficacy of the product. The confirmatory clinical trial for the product is currently progressing in an orderly manner. In July 2025, the offline phase-specific investigator closed-door discussion meeting for this trial was successfully convened. The data showed a general improvement in the clinical manifestations of patients in the trial group. The study is expected to complete follow-up for all participants by 2028. Clinical trial reports and data disclosure will not be completed prior to this date.

In January 2026, BroncTarget® officially entered the Special Review Procedure for Innovative Medical Devices (“**Green Channel**”). This signifies that the product has gained recognition from the NMPA regarding the originality of its core technology and the significant clinical value it offers, with its registration process expected to accelerate comprehensively.

Main Products for Other Lung Disease Diagnosis and Treatment Pipelines

***Mist Fountain®*, a disposable nebulizing micro-catheter for endoscope**

Mist Fountain® is used in conjunction with the endoscopy. Under the guidance of the navigation system, it can accurately reach the lesion site, atomize and administer the drug, and directly deliver the drug to the lung lesion tissue. The product has strong compatibility and multiple indications. It is compatible with many kinds of drugs and is mainly used for airway anaesthesia, precise antibacterial and anti-inflammatory, tuberculosis drug delivery, phlegm reduction and elimination, thoracic surgery staining location, etc.

Mist Fountain® is the only approved nebulizing micro-catheter in China. The product with multiple patented technologies helps explore a wide range of applications of drugs in conjunction with devices in the treatment of lung diseases. As of December 31, 2025, the product was used in over 13,000 operations, including bronchoscopic surgeries and RICU clinical scenarios. Its applications encompass airway anesthesia, atomized drug delivery and surgical staining and localization, etc.

Currently, the product has been listed on the Sunshine Procurement Platform in 30 provinces/cities nationwide.

***BroncTru®*, a disposable transbronchoscopic dilatation catheter**

Under the guidance of the navigation system, BroncTru® can create an accurate access to lesions outside the airway, especially the peripheral isolated pulmonary nodules that are not visible under X-ray, and create a direct access to the lesion site to realize the diagnosis and follow-up treatment in whole lung.

The product was officially approved for marketing by Zhejiang Medical Products Administration (浙江省藥品監督管理局) in September 2023. Having certain patent technologies, the product has been applied in multi-scenarios in the field of diagnosis and treatment of lung diseases, including but not limited to: endobronchial ultrasound-guided transbronchial cryo-biopsy (EBUS-TTCB), endobronchial targeted drug delivery via dilated catheter, lung biopsy and laser ablation, bronchoscopic lung cavity puncture biopsy and lavage, as well as transbronchial needle aspiration biopsy (TBNA). These procedures have garnered widespread recognition from physicians. Currently, the product has been listed on the Sunshine Procurement Platform in approximately 30 provinces/cities nationwide.

In January 2026, BroncTru® successfully obtained approval from the Indonesian Ministry of Health, officially entering the Indonesian market and achieving a new breakthrough in the Southeast Asian market.

Navigation Platform, Flexible Surgical Robots and Software System

LungPoint, LungPoint Plus/Archimedes Lite and LungPro/Archimedes System

As the world's only provider of transbronchial whole lung augmented reality navigation technology, we currently have three marketed navigation products, including LungPoint, LungPoint Plus (known as “**Archimedes Lite**” outside Asia) and LungPro (known as “**Archimedes System**” outside China), to serve the different needs of hospitals at all levels for the functionality of lung navigation products. These products will be updated and iterated based on the feedback from clinical use.

- LungPoint, or LungPoint Virtual Bronchoscopic Navigation (VBN) System, is a computer-assisted image-based navigation software system which, along with a set of biopsy tools, provides physicians with real-time path navigation within the airway and further localization guidance to a targeted area of interest in the lung for lung biopsy and other procedures. LungPoint was approved for marketing and commercial use in the United States by the FDA in 2009, the EU by the BSI in 2011, and the PRC by the NMPA in 2014.
- LungPoint Plus/Archimedes Lite, which was launched in 2020, provides real-time navigation within the airways for lung biopsy and other procedures through reconstruction of CT-based images and simultaneous display of actual and simulated images for more accurate and effective pathway planning to the target. LungPoint Plus has been commercialized in the PRC since late 2020 and was launched for sale in EU and the United States in March 2021.
- LungPro, known as the Archimedes outside of China (the “**LungPro/Archimedes**”), is an upgraded product based on LungPoint VBN. The Archimedes takes the application of the VBN technology to the next level by adopting a novel approach to enable precise navigation and localize peripheral lesions away from or adjacent to the airways. The Archimedes System was approved for marketing and commercial use in the United States by the FDA in 2014, the EU by the BSI in 2014, and the PRC by the NMPA in 2017.

Augmented Reality Optical Whole Lung Diagnostic and Therapeutic Navigation (LungPro) is a new technology that integrates augmented reality and optical navigation technology based on virtual bronchoscopic navigation to assist bronchoscopy. This technology expands the operable range of peripheral pulmonary lesions, derives new diagnosis and treatment method, and has become one of the important methods in the diagnosis and treatment of pulmonary nodules.

In order to standardize the clinical operation of Augmented Reality Optical Whole Lung Diagnostic and Therapeutic Navigation technology and guide its application in clinical practice, the Interventional Study Group of the Respiratory Disease Branch of the Chinese Medical Association organized multidisciplinary experts to conduct multiple rounds of discussions and took the lead in formulating the “Expert Consensus on Diagnosis, Localization, and Treatment of Peripheral Lung Nodules under Augmented Reality Optical Whole Lung Diagnostic and Therapeutic Navigation Guidance” (增強現實光學全肺診療導航引導下肺外周結節診斷、定位及治療專家共識), which provides recommendations and clinical guidance on the indications and contraindications, equipment and instruments, perioperative management, operating procedures and complication management of the diagnosis, localization and treatment of peripheral pulmonary nodules applicable to Augmented Reality Optical Whole Lung Diagnostic and Therapeutic Navigation technology. During the period of rapid development of bronchoscopy navigation technology, this expert consensus is of great significance for improving the success rate of diagnosis and treatment and reducing the incidence of navigation-related adverse events.

Flexible Natural Orifice Transluminal Surgical Robot

In view of the high demand and high growth rate of interventional pulmonary therapy, we are further expanded the field of flexible surgical robots for natural orifice access based on the advanced and patented navigation technology of pulmonary interventional diagnosis and treatment and key transbronchial radiofrequency ablation technology breakthroughs in lung cancer interventional treatment.

Surgical robots are innovative intelligent medical devices that need to perform delicate surgical operations in the narrow spaces of human body cavities. As the world's leader in the research and development of augmented reality optical navigation systems, we are the only company in the world to have the whole-lung-reach augmented reality real-time image navigation system. Mastering core algorithms and software technologies, combined with globally leading fiber-optic grating shape perception technology, we will develop advanced multimodal image auto-registration fusion technology to meet the needs for more accurate and safe surgical navigation, becoming the "eyes" and "brain" of pulmonary surgical robots. This will supplement relevant technologies such as robotic control and drive system platform development, accelerating the project progress of natural orifice surgical robots. Coupled with the strength of robotic arm research and development, the Company will achieve comprehensive coverage across the robot's "eyes", "brain", "hands", "body", and "therapeutic capabilities".

At present, our flexible natural orifice transluminal surgical robot is in the early stage of research.

BroncQCT® Lung Imaging Processing Software

In March 2025, our lung imaging processing software BroncQCT® has officially received approval from the Zhejiang Medical Products Administration for marketing in China. In clinical use, BroncQCT® significantly enhances physicians' efficiency in interpreting lung CT images, providing robust support for clinical diagnosis and treatment while driving greater efficiency and precision throughout the diagnostic process. The successful market launch of BroncQCT® represents another pioneering achievement by Broncus in precision diagnostics and therapeutic expansion. Its highly efficient intelligent algorithms enable physicians to move beyond the limitations of two-dimensional image interpretation during lung CT analysis. This allows direct access to three-dimensional reconstructions of lung structures and professional reading reports, significantly boosting imaging processing efficiency and delivering substantial clinical value.

BroncQCT® employs algorithms to perform precise segmentation of CT images down to the lung segment level, enabling three-dimensional reconstruction and quantitative visualization of airways, pulmonary arteries and veins, interlobar fissures, lobes, and pulmonary segments. It provides professional physicians with image interpretation reports. This software enables efficient large-scale imaging screening across patient populations to identify individuals with specific pulmonary characteristics. It processes images from different time periods for the same patient, facilitating intuitive comparison and tracking of pulmonary feature changes to optimize physicians' image processing workflows. BroncQCT® integrates with the Company's interventional therapy products InterVapor® and BroncAblate®, accelerating image processing during preliminary diagnosis and advancing the frontiers of interventional pulmonary therapy.

The market launch of BroncQCT® is an important supplement to the Company's comprehensive solutions for the entire process of lung disease screening, diagnosis, and treatment.

THERE IS NO ASSURANCE THAT WE WILL BE ABLE TO ULTIMATELY DEVELOP AND MARKET BRONCTARGET® AND THE NATURAL ORIFICE FLEXIBLE SURGICAL ROBOT, OR ANY OF OUR OTHER PIPELINE PRODUCTS SUCCESSFULLY.

Research and Development

We focus on developing innovative technologies and products for navigation, diagnosis and treatment of pulmonary diseases. We have a well-established track record in the development and commercialization of interventional pulmonology medical devices. To strengthen our R&D capabilities, we implement an efficient R&D model that combines international technologies with local R&D cost advantage to support our intellectual property portfolio and product iterations.

Leveraging our strong R&D capabilities and integrated technology platform, we continue to make steady advancements in product development, upgrade our existing products to address the varying needs of physicians and, where appropriate, expand the range of applications of our products to provide physicians and patients with more comprehensive treatment options.

Manufacturing

During the Reporting Period, we have two production centers located in Hangzhou, China and San Jose, the United States. The production center in Hangzhou, China occupies an aggregate gross floor area of approximately 3,122 sq.m. and the production center in San Jose, the United States occupies an aggregate gross floor area of approximately 863 sq.m., both facilities comply with ISO13485 standards.

Currently, the Hangzhou factory has the capacity to manufacture navigation products, InterVapor® (including the disposable catheters and devices), BroncAblate® (including the disposable catheters and devices) and various consumable products for lung diseases treatment.

We can rapidly expand our production capacity in response to market demand to meet the growing market needs.

Quality System

In accordance with regulations and standards such as ISO13485, China's NMPA GMP, the OSR by the FDA of the United States and the EU's MDR, we have established an international quality management system.

The Company establishes and maintains a high-standard and stringent quality management system, implementing strict quality control procedures in every aspect, including R&D, clinical trials, registration, procurement, production, sales, and after-sales service. At the same time, a large amount of resources is invested in quality control to manage and improve product quality. Multiple procedures are conducted to inspect raw materials, manufacturing processes, semi-finished products, and finished products, in order to ensure the effectiveness and consistency of product quality and that the products are in stable and reliable quality.

Intellectual Property

Based on a patent-first product development strategy and a multi-tiered intellectual property protection approach designed to maximize the duration and scope of patent protection, the Company has secured several domestic and international patents in the field of interventional pulmonology, consolidating its strong moat in the field.

As of December 31, 2025, Broncus held the following IPs:

Type of IPs	Quantity
Patent for invention	246
Patent for utility model	324
Design patent	64
Trademark	146
Total	780

Commercialization

Against the backdrop of the transition of the respiratory intervention market toward precision medicine, the Company has leveraged the technological advantages of its core products and differentiated commercialization strategies to steadily advance product implementation amid market fluctuations, continuously demonstrating its core competitiveness in the field of interventional pulmonary diagnosis and treatment. We actively respond to industry changes, optimize our industrial layout, and maximize the first-mover advantage of our therapeutic products. Our specific commercialization strategies are as follows:

- ***Targeting precision lung cancer diagnosis and treatment, full-scale commercialization of core products post-market launch***

In the interventional lung cancer diagnosis and treatment market, our BroncAblate[®] interventional therapy product leverages its globally unique first-mover advantage in the field and its clinical value of “ultra-minimally invasive, intelligent, and precise” treatment. We prioritize strategic deployment in key tertiary-level Class A hospitals while simultaneously expanding to hospitals with lung cancer/pulmonary nodule diagnosis and treatment potential, establishing a “core focus, comprehensive coverage” promotion model to rapidly advance commercialization nationwide. As of December 31, 2025, BroncAblate[®] has been used in nearly 200 procedures across more than 30 hospitals.

- ***Leveraging the first-mover advantage of COPD treatment products and capitalizing on national policy support to accelerate commercialization***

In the COPD diagnosis and treatment market, our InterVapor® marketing efforts have begun to yield results. During the initial phase, we adopted a strategy of first cultivating benchmark hospitals and then radiating our reach to regional hospitals. This approach aimed to enhance product awareness while solidifying our academic standing and clinical expertise in the field of severe/very severe COPD diagnosis and treatment. Subsequently, we facilitated knowledge exchange activities including exchanges between benchmark and regional hospitals, domestic and international surgical observation and training programs, and hands-on experience sessions at academic conferences. These initiatives fostered the sharing of best practices in patient selection, surgical techniques, and postoperative care, driving the adoption of innovative procedures across hospitals of all tiers.

In March 2025, the National Healthcare Security Administration promulgated the Guidelines for the Establishment of Respiratory System Medical Service Price Projects (Trial) (呼吸系統醫療服務價格項目立項指南(試行)), in which the BTVA procedure involving InterVapor® was included in the non-invasive lung volume reduction fee category. The implementation of this policy will significantly accelerate the commercialization of our product. As of December 31, 2025, this policy has been implemented in Inner Mongolia, Jiangsu, and Hebei.

- ***Conducting ongoing post-marketing clinical trials to accumulate evidence-based medical evidence***

We are continuously advancing post-marketing clinical trials for our core products to systematically accumulate robust evidence-based medical data and refine clinical application experience. This provides essential support for product market promotion, insurance access, technique popularization, and iterative upgrades, thereby accelerating market penetration.

The post-marketing clinical trial series for InterVapor® is progressing systematically. In China, the product's series of studies are planned to be conducted in more than 30 hospitals nationwide, with studies focusing on different patient subgroups and improvements in acute exacerbations of COPD. As of December 31, 2025, the initiation of 12 participating medical centers has been completed, with approximately 20 participants enrolled. Overseas, post-marketing clinical studies for InterVapor® are also progressing concurrently. As of December 31, 2025, the BTVA Registry trial conducted in Europe has enrolled 264 participants across 17 clinical centers. The BENTO trial in Germany has completed enrollment of 36 patients across 13 local clinical centers. Our global post-marketing clinical studies for the InterVapor® aim to gather more robust, high-quality evidence-based medical data, offering safer and more effective COPD treatment options for a broader patient population.

- ***Actively and orderly promote market access***

Progress in regional procurement and hospital adoption across China is actively advancing. BroncAblate® disposable radiofrequency ablation catheter, BroncTru® disposable bronchoscopy dilation catheter, Mist Fountain® disposable endoscopic nebulization microcatheter, and other consumable products have been listed on Sunshine Procurement Platform across multiple provinces and cities nationwide. This lays the foundation for negotiating with hospitals on pricing and promoting admission sales, helping our products to rapidly penetrate more hospitals and thereby significantly boost our sales volume and market share.

Product registration and market access have progressed steadily. As of December 31, 2025, we held a total of 94 registration certificates, including 20 NMPA registrations, 4 CE certificates, 7 FDA registrations, and 63 certificates from other countries/regions. Multiple products are currently undergoing global registration processes.

- ***Ongoing academic outreach and physician training***

In 2025, we actively participated in academic conferences, utilizing case sharing, surgical technique demonstrations, and specialized lectures to analyze the advantages of our products in clinical applications and build a bridge for the exchange and sharing of innovative techniques. Simultaneously, we proactively organized specialized training programs, focusing precisely on the key application points of relevant surgical techniques. Through diverse methods such as surgical observation and mentoring, thematic workshops, and hands-on animal practice, we ensure that innovative techniques are truly translated into clinical capabilities, accelerating the widespread adoption of our products.

During the Reporting Period, we actively participated in over 70 authoritative domestic and international academic conferences, showcasing our diverse product portfolio at pioneering events including the 10th Eastern Thoracic Academic Conference (OCTS 2025), the “Transbronchial Radiofrequency Ablation Technology” Symposium, the 35th European Respiratory Society Congress (ERS 2025), and the 3rd Global Congress on Robotic Bronchoscopy and Companion Technologies held in the Netherlands.

During the same period, the Company facilitated the implementation of various specialized skill training programs. In China, it hosted multiple specialized training sessions including the “Linghang Feifan” (領航肺凡) Transbronchial Lung Cancer Ablation Training Program and a series of online seminars on new respiratory interventional technologies, providing extensive training support for clinicians. Overseas, the Company repeatedly invited international expert teams to conduct hands-on training in domestic operating rooms, collaborating with top Chinese hospitals to organize overseas training programs, thereby establishing an efficient platform for technology transfer and international exchange.

Major government R&D grants, funding, subsidies and tax preference

During the Reporting Period, the Company received government grants totaling US\$2.1 million (2024: US\$1.3 million).

FUTURE AND PROSPECTS

Looking ahead, we are confident in the future development of China's healthcare industry. With the acceleration of population aging and the advancement of urbanization, demand for healthcare services will continue to grow. We will remain committed to our corporate vision, striving to solidify our position as the global leader in minimally invasive interventional diagnostics and treatments for pulmonary diseases. By fully leveraging our independent innovation capabilities, we will continue to develop foundational and supporting technologies while expanding into the field of cardiac interventional diagnostics and treatments. Our goal is to establish a comprehensive diagnostic and treatment platform for both cardiac and pulmonary diseases in the future, bringing benefits to physicians and patients worldwide.

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Revenue

During the Reporting Period, the revenue of the Group was mainly derived from sale of medical devices and consumables. For the year ended December 31, 2025, the revenue of the Group was US\$174,000, representing a decrease of 98% when compared with US\$8.1 million in the corresponding period of last year. The decrease was mainly due to:

- (1) in response to the national policies favoring domestic medical equipment in China, the hospitals in China favour and promote the procurement of domestic medical equipment instead of imported equipment and therefore. The U.S.-manufactured navigation equipment held by one of our distributors was returned and a locally manufactured navigation equipment with similar functions was launched as an alternative in 2025. The returned U.S.-manufactured navigation equipment is expected to be sold to the overseas markets.
- (2) a reduction in revenue arising from the return of Intervapor catheter after arm's length commercial negotiation with a state-owned enterprise customer in China.

Therefore, the relative negative impact offset the revenue of US\$5.9 million in 2025. The Company has evaluated the commercial rationality of the one-off sales return. Please refer to note 5 to the consolidated financial statements for details.

Cost of sales

Cost of sales mainly consisted of staff costs, raw material costs, depreciation and amortization, utility costs and others. For the year ended December 31, 2025, the Group's cost of sales was US\$1.1 million, representing a decrease of 45% from US\$2.0 million in the corresponding period of last year. The decrease in cost of sales resulted from cost reversals caused by the one-off sales return.

Gross profit and gross profit margin

Gross profit for the year ended December 31, 2025 was negative US\$917,000, which was mainly affected by the one-off sales return. Gross profit margin was calculated by dividing gross profit with revenue. Excluding the one-off effect arising from the one-off sales return. The Group's gross profit margin for the year ended December 31, 2025 was 71.4%, compared with 75.5% recorded for the year ended December 31, 2024.

Other income and gains

During the Reporting Period, our other income and gains mainly consisted of bank interest income and government grants. For the year ended December 31, 2025, the total amount of other income and gains was approximately US\$7.9 million, representing a decrease of 16% from US\$9.3 million when compared with the year ended December 31, 2024, this was mainly due to the decrease of bank interests income in line with the decreased market bank interests rate.

Selling and distribution expenses

For the year ended December 31, 2025, our selling and distribution expenses were US\$8.0 million, representing a year-on-year decrease of 6%, when compared with the year ended December 31, 2024. This was primarily due to the reduction in revenue and the effective optimization of our selling expenses through various initiatives.

R&D expenses

Our R&D costs mainly consisted of staff costs for our research and development employees, depreciation and amortization, raw material costs, technical service fees, clinical trial expenses, business related expenses and share awards.

Our technical service fees refer to the service fees we paid to our third-party service providers for complementary services needed for product development, including development of low-value consumables, product testing and other services. R&D trial expenses consisted of expenses incurred on clinical trials, including payment to CROs and hospitals in relation to our clinical trials.

Our R&D costs for the years ended December 31, 2025 and 2024 were approximately US\$7.8 million and US\$11.5 million, respectively, representing a decrease of 32%. The decrease in our R&D costs was mainly due to our focus on the research and development of core products, and at the same time due to the Chinese R&D team completed localization of production for the full range of navigation products in 2024. And the Company further adopted cost optimization, control of expenses and other measures to reduce R&D expenses.

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	US\$'000	Proportion	US\$'000	Proportion
Staff cost	3,723	47.9%	5,681	49.5%
Depreciation and amortization	1,841	23.7%	2,558	22.3%
Technical service fees	428	5.5%	704	6.1%
Clinical trial expenses	103	1.3%	672	5.9%
Raw material costs	172	2.2%	284	2.5%
Share awards	182	2.3%	92	0.8%
Others	1,323	17.0%	1,480	12.9%
Total	7,772	100%	11,471	100.0%

Administrative expenses

For the years ended December 31, 2025 and 2024, our total administrative expenses were approximately US\$7.4 million and US\$7.3 million.

Liquidity and Capital Resources

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible to cope with daily operations and meet its capital needs for future.

As of December 31, 2025, our total amount of cash and bank balances and deposits was US\$124.9 million, while our amount of cash and bank balances and deposits was US\$139.3 million as of December 31, 2024. The decrease was mainly due to the Company's daily operating expenses.

As at December 31, 2025, the Group's cash and bank balances were mainly denominated in US dollars, Hong Kong dollars and Renminbi.

Bank Borrowings and Gearing

The Group's overdraft facilities amounting to USD30,000 (December 31, 2024: USD30,000), which were denominated in US\$, of which USD16,000 (December 31, 2024: USD22,000) had been utilised, were secured by the pledge of certain of the Group's time deposits amounting to USD25,000 (December 31, 2024: USD25,000).

The Group monitored capital using gearing ratio. The Group's gearing ratio (calculated as the sum of borrowings and lease liabilities divided by total equity) as at December 31, 2025 was 0.01% (December 31, 2024: 0.2%).

Foreign Exchange Risk

The functional currency of the Group is US\$. The functional currency of its overseas subsidiaries is primarily US\$, while the functional currency of subsidiaries based in the PRC is RMB. Fluctuations in exchange rates between US\$ and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

In response to the foreign exchange risk, the Company seeks to limit its exposure to foreign currency risk by minimizing its net foreign currency position to reduce the impact of the foreign exchange risk on the Company. Our management continuously monitors foreign exchange exposure and will consider implementing appropriate hedging strategies if necessary.

Contingent Liabilities

As at December 31, 2025, the Group did not have any contingent liabilities.

Charge or Restrictions on Assets

As of December 31, 2025, the Group had pledged deposits of US\$238,000 (December 31, 2024: US\$238,000). The pledged deposits were placed to secure the Group's bank overdraft facilities and as security provided to the Group's lessor. Save as disclosed in this announcement, the Group did not pledge any other group assets. The Group's structured deposits, amounting to US\$55.79 million, were held to support foreign exchange trading contracts between the Group and banks.

NON-IFRS MEASURES

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we also use adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from year to year by eliminating potential impacts of certain non-operational or one-off expenses that do not affect our ongoing operating performance, including changes in fair value of convertible redeemable preferred shares, share awards and listing expenses. Such non-IFRS measures allow investors to consider metrics used by our management in evaluating our performance. Changes in fair value of convertible redeemable preferred shares represent the changes in fair value of various rights associated with the preferred shares, which is non-recurring and non-operational in nature. Share awards expenses are non-operational expenses arising from granting shares to selected executives, employees and R&D consultants, the amount of which may not directly correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities. With respect to share awards, determining its fair value involves a high-degree of judgment. Historical occurrence of share awards is not indicative of any future occurrence. Listing expenses are one-off expenses in relation to the Listing and the Global Offering. Therefore, we do not consider changes in fair value of convertible redeemable preferred shares, share awards and listing expenses to be indicative of our ongoing core operating performance and exclude them in reviewing our financial results. From time to time in the future, there may be other items that we may exclude in reviewing our financial results.

The use of the non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table shows reconciliation of net loss for the year to our adjusted net loss for the years indicated:

	Year ended December 31,	
	2025	2024
	US\$'000	US\$'000
Loss for the year	(17,875)	(15,303)
Add:		
Share-based expenses ⁽¹⁾	962	236
Non-IFRS adjusted net loss for the year ⁽²⁾	<u>(16,913)</u>	<u>(15,067)</u>

Notes:

- (1) Represent the total expenses associated with the shares we granted to our sales and marketing employees, administrative employees and research and development employees.
- (2) We consider the share awards expenses as non-operational or one-off expenses which do not affect our ongoing operating performance. We believe the net loss as adjusted by eliminating potential impacts of share-based expenses provides useful information to investors in facilitating a comparison of our operating performance from year to year.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (2024: Nil).

CAPITAL COMMITMENT

The capital commitment as at December 31, 2025 was approximately US\$5.3 million (as at December 31, 2024: US\$5.2 million), which was related to the capital contribution payable to purchase limited partnership interests.

Save as disclosed, we did not have any other material capital commitments as of December 31, 2025.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in the paragraph headed “Events after the Reporting Period – (a) The Acquisition” below, as of December 31, 2025, the Group did not have any significant investments. During the Reporting Period, save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Except for the expansion strategies disclosed in sections “Business” and “Future Plans and Use of Proceeds” in the Prospectus and the paragraphs headed “Significant investments held and material acquisition and disposal of subsidiaries, associates and joint ventures” above and “Events after the Reporting Period” below which the Group expects to utilize its existing internal resources and/or other sources of funding, the Group does not have any specific plans for significant investments or acquisition of material capital assets or other businesses.

CORPORATE GOVERNANCE RELATED INFORMATION

Compliance with the Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in part 2 of the CG Code as contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices. During the Reporting Period, the Company has complied with all the applicable code provisions as set out in part 2 of the CG Code, except for the following deviation:

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Hong Xu (“**Mr. Xu**”) is currently the chairman of the Board and the chief executive officer of the Company (the “**CEO**”). The Board believes that, in view of Mr. Xu’s experience, personal profile and his roles within the Group, Mr. Xu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of the business of the Group as the CEO. The Board also believes that the combined role of the chairman of the Board and the CEO can promote an effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board will continue to review and consider the splitting of the roles of the chairman of the Board and the CEO from time to time, and by taking into account the circumstances of the Group as a whole.

The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, and the Group’s employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.

Purchase, Sale or Redemption of the Company's Securities

During the Reporting Period, the Company repurchased 1,658,000 Shares on the Stock Exchange. The following table outlines the details of the Shares repurchased on a monthly basis during the Reporting Period:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
January 2025	400,000	0.65	0.60	250,345
February 2025	947,000	0.79	0.60	681,705
April 2025	311,000	0.98	0.81	277,050

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. As of December 31, 2025, the Company held 1,658,000 treasury shares (as defined in the Listing Rules). Such treasury shares are reserved for the Company's equity incentive plans or any future issue of shares when the opportunities arise.

Issuance of Equity Securities of the Company

On October 10, 2025, the Company entered into the subscription agreements (the "**Subscription Agreements**") with each of Shanghai INT Medical Instruments Co., Ltd. (上海瑛泰醫療器械股份有限公司) (the "**Subscriber I**") and Hangzhou Linheng Qingrui Enterprise Management Partnership (Limited Partnership) (杭州臨恒清睿企業管理合夥企業(有限合夥)) (the "**Subscriber II**", together with the Subscriber I, the "**Subscribers**"), both of which are independent third parties, pursuant to which the Company conditionally agreed to allot and issue, and the Subscribers conditionally agreed to subscribe for, an aggregate of 105,108,015 Shares at the subscription price of HK\$3.11 per Share (the "**Subscriptions**"). For details of the Subscriptions, please refer to the Company's announcements dated October 10, 2025 and November 21, 2025.

The aggregate gross proceeds of the Subscriptions amounted to approximately HK\$326.9 million and the aggregate net proceeds of the Subscriptions, after deduction of expenses, are estimated to be approximately HK\$326.5 million, representing a net issue price of approximately HK\$3.106 per Share. It is intended that all net proceeds from the Subscriptions will be used for funding our continued expansion of product portfolio through potential acquisition in the medical devices industry.

The completion of the Subscriptions is conditional upon satisfaction or waiver of certain conditions precedent, one of which being all necessary consents and approvals having been obtained on the part of the Subscribers in respect of the Subscription Agreements and the transactions contemplated thereunder. Based on the information currently available to the Board, as of the date of this announcement, the filing and registration with the competent authorities regulating outbound direct investment in the PRC has been submitted to the relevant authority and is currently in the approval process.

Save as disclosed above, during the Reporting Period, the Company did not issue any equity securities or sell treasury shares (as defined under the Listing Rules) for cash other than grants which may have been made pursuant to share schemes adopted by the Company which comply with Chapter 17 of the Listing Rules.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2025, the Group had 191 employees, of which 170 were based in China and 21 were based overseas (primarily in the U.S., Europe and India).

We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide on-line and in-person formal and comprehensive company-level and department-level training to our employees in addition to on-the-job training. We also encourage our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills.

During the Reporting Period, the total staff costs (including Director's emoluments and excluding share award expenses) were approximately US\$12.1 million (for the same period in 2024: US\$14.6 million).

Audit Committee

The Audit Committee of our Company (the "Audit Committee") has reviewed the annual consolidated financial statements for the year ended December 31, 2025 with the management of the Company. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

Auditor

The financial information contained in this announcement does not constitute the Group's audited accounts for the year ended December 31, 2025, but represents an extract from the consolidated financial statements for the year ended December 31, 2025 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE REPORTING PERIOD

(a) The Acquisition

On December 29, 2025, Broncus China Holding Corporation (a wholly-owned subsidiary of the Company) (the “**Broncus China**”), as the purchaser, and Venus Medtech (Hong Kong) Limited (“**Venus Medtech**”), as the seller, entered into the share transfer agreement, pursuant to which Venus Medtech has conditionally agreed to sell, and Broncus China has conditionally agreed to purchase, 157,800 series B preferred shares of Valgen Holding Corporation (the “**Target Company**”) of par value US\$0.001 each, representing 1.05% of the outstanding shares of the Target Company on a fully diluted and as converted basis, at an aggregate consideration of US\$15,000,000 (equivalent to approximately HK\$116.6 million) (the “**Acquisition**”). For details of the Acquisition, please refer to the Company’s announcements of December 29, 2025 and March 13, 2026. The completion of the Acquisition has taken place in late January 2026.

The Group believes that through the Acquisition, the Group will be able to have further communications with the Target Company and its management and thereby, getting to know more about its operations. Although the Group is only a minority shareholder of the Target Company, the Group considers that it can still gain valuable experiences from the Target Company (as a medical devices company that has already commercialized its DragonFly™ mitral valve repair device) in terms of marketing strategies, as well as getting access to industry or market players, potential customers, suppliers and marketing channels, which may all assist the commercialization of the Group’s products.

Having taken into account the potential working opportunities including opening the door to a new group of potential industry players to the Group and the synergies between the technologies and products of the two companies as explained above, the Company believes that the Acquisition represents an invaluable opportunity to enable the Group to realize integrated diagnosis and treatment of cardiopulmonary diseases.

(b) The Further Acquisition

On March 21, 2026, Broncus China, as the purchaser, and Max Grand Limited (the “**Max Grand**”), as the seller, entered into the share transfer agreement, pursuant to which Max Grand has conditionally agreed to sell, and Broncus China has conditionally agreed to purchase, 579,866 series B preferred shares of the Target Company of par value US\$0.001 each, representing 3.85% of the outstanding shares of the Target Company on a fully diluted and as converted basis, at an aggregate consideration of US\$55,120,192 (equivalent to approximately HK\$428.56 million) (the “**Further Acquisition**”). The Further Acquisition is subject to satisfaction of the closing conditions and may or may not be completed.

As at the date of this announcement, Broncus China is holding 1.05% of the total issued share capital of the Target Company on a fully diluted and converted basis. The Group believes that the Further Acquisition represents one step closer to an invaluable opportunity to enable the Group to realize integrated diagnosis and treatment of cardiopulmonary diseases and that the Further Acquisition and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Further Acquisition, when aggregated with the Acquisition, constitutes a major transaction of the Company and is subject to Shareholders' approval pursuant to Chapter 14 of the Listing Rules.

For details of the Further Acquisition, in particular, the reasons for and benefits of the Further Acquisition, please refer to the Company's announcement dated March 21, 2026.

Save as disclosed above, the Company is not aware of any material subsequent events from December 31, 2025 to the date of this announcement.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Monday, May 11, 2026 to Thursday, May 14, 2026, both days inclusive, in order to determine the identity of Shareholders who are entitled to attend and vote at the AGM. Shareholders whose name appear on the register of member of the Company on Thursday, May 14, 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, May 8, 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.broncus.com).

The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be provided to the Company's Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

USE OF NET PROCEEDS AND CHANGE OF USE OF NET PROCEEDS

The total net proceeds (the "Net Proceeds") from the issue of Shares by the Company in its listing on the Stock Exchange amounted to approximately HK\$1,620.1 million, after deducting the underwriting commission and other expenses payable by the Company in connection with the Global Offering.

For the reasons and benefits set out in the paragraphs headed "Reasons for and Benefits of the Change in Use of Net Proceeds" in the Company's announcement dated March 31, 2025, after careful consideration and detailed evaluation of the Group's operations and business strategies, on March 31, 2025, the Board has resolved to change the intended use of the unutilized Net Proceeds with an updated expected timeline of full utilization. For details, please refer to the Company's announcement dated March 31, 2025.

As at December 31, 2025, the Company has utilized approximately HK\$825.3 million of the proceeds from the Global Offering with the balance of Net Proceeds and expected timeline of full utilization as follows:

Intended use of Net Proceeds	Amount of Net Proceeds allocated as from January 1, 2025 (as disclosed in the 2024 Annual Results Announcement)	Actual usage during the year ended December 31, 2025 <i>(HK\$ million)</i>	Amount of unutilized Net Proceeds as at the December 31, 2025	Expected timeframe for utilizing the remaining Net Proceeds
Development and commercialization of InterVapor®	157.9	31.0	126.9	Expected to be fully utilized by 2030
Development and commercialization of RF-II	168.8	19.6	149.2	Expected to be fully utilized by 2030
R&D of other product candidates	235.9	32.3	203.6	Expected to be fully utilized by 2030
Production line expansion of our manufacturing facility	48.8	–	48.8	Expected to be fully utilized by 2030
M&A, investing in or acquiring new pipelines	194.0	–	194.0	Expected to be fully utilized by 2030
Working capital and other general corporate purposes	100.7	28.4	72.3	Expected to be fully utilized by 2026
Total	906.1	111.3	794.8	

Reference is made to the Company’s announcement dated March 21, 2026. For the reasons and benefits as set out in the paragraph headed “Change of Use of Net Proceeds – Reasons for and Benefits of the Change of Use of Net Proceeds”, after careful consideration and detailed evaluation of the Group’s operations and business strategies, on March 21, 2026, the Board has resolved to change the intended use of the unutilized Net Proceeds with an updated expected timeline of full utilization as follows:

Intended use of Net Proceeds	Amount of Net Proceeds allocated as from January 1, 2025 (as disclosed in the 2024 Annual Results Announcement)	Actual usage during the year ended December 31, 2025 <i>(HK\$ million)</i>	Amount of unutilized Net Proceeds as at the December 31, 2025	Revised allocation of unutilized amount of Net Proceeds	Updated expected timeline for use of the unutilized Net Proceeds
Development and commercialization of InterVapor®	157.9	31.0	126.9	68.6	Expected to be fully utilized by 2028
Development and commercialization of RF-II	168.8	19.6	149.2	75.0	Expected to be fully utilized by 2028
R&D of other product candidates	235.9	32.3	203.6	80.1	Expected to be fully utilized by 2028
Production line expansion of our manufacturing facility	48.8	–	48.8	48.8	Expected to be fully utilized by 2028
M&A, investing in or acquiring new pipelines	194.0	–	194.0	450.0	Expected to be fully utilized by 2028
Working capital and other general corporate purposes	100.7	28.4	72.3	72.3	Expected to be fully utilized by 2028
Total	906.1	111.3	794.8	794.8	

The Board considers that the re-allocation of the unutilized Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. The Board will continuously assess the plans for the use of the unutilized Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group.

PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE ELEVENTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

This section of the announcement is made pursuant to Rule 13.51(1) of the Listing Rules.

The Board announces that it proposed to amend the Memorandum and Articles of Association and to adopt the amended and restated Memorandum and Articles of Association incorporating the amendments (the “**Proposed Amendments**”) for the purpose of, among others, (i) bringing the Memorandum and Articles of Association in line with the relevant amendments made to the Listing Rules in respect of hybrid general meetings and electronic voting; and (ii) making other consequential and housekeeping amendments.

The Proposed Amendments and the adoption of the amended and restated Memorandum and Articles of Association are subject to Shareholders’ approval by way of a special resolution at the AGM.

A circular containing, among other things, particulars relating to the Proposed Amendments and the adoption of the amended and restated Memorandum and Articles of Association together with a notice convening the AGM will be provided to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

“AGM”	the annual general meeting of the Company to be held on Thursday, May 14, 2026
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BSI”	the BSI Group, The Netherlands B.V., a notified body designated by the competent authorities to conduct conformity assessment of medical devices under the EU regulations
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company” or “Broncus”	Broncus Holding Corporation (堃博医疗控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on April 30, 2012, whose Shares were listed and traded on the Stock Exchange
“COPD”	chronic obstructive pulmonary disease
“Director(s)”	member(s) of our board of directors, including all executive, non-executive and independent non-executive directors
“EU”	the European Union
“FDA”	The United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
“Global Offering”	the global offering of the Shares, comprising the Hong Kong public offering of 8,935,500 Shares and the international offering of 80,419,500 Shares
“Group,” “our Group,” “we” or “us”	the Company and our subsidiaries (or the Company and any one or more of our subsidiaries, as the context may require)
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“InterVapor®”	InterVapor® System, the world’s first and only thermal vapor energy ablation system to treat lung diseases including COPD and lung cancer
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Memorandum and Articles of Association”	the tenth amended and restated memorandum and articles of association of the Company adopted by a special resolution passed on May 20, 2024, as may be amended and/or restated from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NMPA”	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
“PRC” or “Mainland China”	the People’s Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Chinese Taiwan
“R&D”	Research and development
“Reporting Period”	the year ended December 31, 2025
“RF-II”	RF Generator + RF Ablation Catheter, a radiofrequency ablation system used in conjunction with a disposable lung radiofrequency ablation catheter and the only radiofrequency ablation system that specifically targets lung cancer
“Shares”	ordinary share(s) in the share capital of the Company
“Shareholders”	holders of the Shares
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“U.S.” or “United States”	the United States of America
“US\$”	United States dollars, the lawful currency for the time being of the United States
“%”	per cent

By order of the Board
Broncus Holding Corporation
XU Hong
Chairman

Hong Kong, March 31, 2026

As at the date of this announcement, the Board comprises Mr. Hong Xu as executive Director, Mr. Ao Zhang and Ms. Yanhong Kuang as non-executive Directors, and Dr. Pok Man Kam, Ms. Yee Sin Wong and Dr. David Scott Lim as independent non-executive Directors.