

Private and Confidential

20 June 2024

EuroSports Global Limited
3 Leng Kee Road
#01-03
Singapore 159087

Opinion Letter on the Valuation of Scorpio Electric Pte. Ltd. as of 31 March 2024

In connection with the intangible asset valuation report dated 20 June 2024, EuroSports Global Limited ("EuroSports") engaged EverEdge Pte. Ltd. ("EverEdge") to conduct the valuation of the identified intangible assets of EuroSports to support the Group's annual impairment review for the financial year ended 31 March 2024.

As part of this review, EverEdge was required to determine the recoverable amount of the underlying cash-generating unit ("CGU"), which was identified as the entire business of Scorpio Electric Pte. Ltd. ("SEC"), a subsidiary of the EuroSports group of companies. This involved conducting an independent valuation of the entire business of SEC as of 31 March 2024, using the income approach through a discounted cash flow ("DCF") analysis based on SEC's management financial forecast spanning from FY2025 to FY2031. The DCF method estimates the value of the business by projecting future cash flows and discounting them to their net present value using an appropriate discount rate.

The purpose of this letter is to provide an opinion on the enterprise value of the entire business of SEC as of 31 March 2024.

To provide this opinion, we have performed the necessary analyses, giving consideration, to the following information:

- Financial forecasts of SEC for a period of 7 years from FY2025 to FY2031 ("SEC Forecasts");
- Details of the last funding exercise for SEC in January 2023;
- Corporate structure of SEC as of 31 March 2024;
- Confirmation with management on key assumptions underpinning the SEC Forecasts;
- Comparable statistics for companies in the global electric motorcycles industry; and
- Other available public information (i.e., various equity analyst reports, annual reports, and public information about comparable companies) and relevant market data from knowledge databases such as FactSet;

In addition, we have performed the value calculations and financial analyses that we have deemed necessary to provide the opinion below.

The primary and preferred valuation method used was the Income Approach – Discounted Cash Flows (DCF) Method as the basis for the opinion.

We used the Market Approach - Guideline Public Traded Companies (GPTC) Method as a secondary valuation method. Valuations based on trading multiples are performed to cross-check against the DCF valuation. These publicly traded comparable companies were independently sourced by EverEdge.

In our assessment, we relied upon the correctness and completeness of the financial information provided by SEC. We have relied upon the assurances of the management of SEC that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the SEC Forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of SEC as to its future financial performance. While EverEdge undertook due care in its analysis to understand the critical management assumptions guiding the overall business outlook, significant reliance was placed on management's representations of the prospective outcomes. We have not made any physical inspection of the properties or assets of the SEC. We have not evaluated the solvency or fair value of the SEC under any laws relating to bankruptcy, insolvency, or similar matters. We are not responsible for conclusions based on erroneous or incomplete information provided to us.

Our assignment was finalized on 20 June 2024, after a period of comments from the management of EuroSports and SEC. Any events or information occurring after this date have not been subject to consideration.

We are providing this opinion to EuroSports and SEC solely for the purpose of supporting their annual impairment assessment obligations. Our opinion expressed below must not be construed as a recommendation regarding the valuation of the business for any transaction purposes.

Opinion Conclusion

Based on our evaluation employing the income approach through a discounted cash flow analysis, we conclude that the enterprise value of Scorpio Electric Pte. Ltd. as of 31 March 2024, stands at USD 167.1 million.

Yours sincerely,

EverEdge Pte. Ltd.



Tyler Capson, CVA, RMC, CPVA
Managing Director, EverEdge Pte. Ltd.

For further information please contact:

EverEdge Pte. Ltd.
391B Orchard Road
#22-00, Ngee Ann City Tower B
Singapore 238874

Addendum to Valuation Opinion – Enterprise Value Calculation of SEC as of 31 March 2024:

The enterprise value of SEC has been determined as of the date of valuation of 31 March 2024.

In general, the enterprise value of the company is derived by discounting the unlevered free cash flows over the forecast period and the terminal value, with the weighted average cost of capital (“WACC”) as the discount rate, to the specified date of valuation.

For purposes of its discounted cash flow analyses, unlevered free cash flow is defined as net income after tax, plus depreciation and amortization expenses, plus after-tax interest expenses, less capital expenditures, less net changes in working capital, and plus/(less) other non-cash expenses/(gains).

EverEdge performed a DCF analysis to calculate the enterprise value of SEC based on management’s estimates of the unlevered, after-tax free cash flows that SEC is expected to generate over the 7-years forecast period from FY2025 to FY2031.

The portion of cash flow expected to be generated beyond the forecast period into perpetuity is reflected as the terminal value. EverEdge calculated the terminal value of SEC using the Gordon Growth Model by applying a terminal growth rate of 4.5% and a reinvestment rate of 20.4% to estimate the terminal year unlevered free cash flows. This approach assumes a steady state of growth for the business under the going concern premise.

The unlevered, after-tax free cash flows for the forecast period, along with the calculated terminal value, were discounted back to the date of valuation using a post-tax WACC of 22.1%. The net present value (NPV) of the free cash flows to the firm (FCFF) was then calculated. The enterprise value is obtained by summing the NPV of the unlevered, after-tax free cash flows over the forecast period and the NPV of the terminal value, both discounted at the post-tax WACC of 22.1%.

The results of these calculations are summarized below.

DCF Method	USD '000
Net Present Value of FCFF from FY2025 to FY2031	45,574
Net Present Value of Terminal Value	121,553
Total Enterprise Value as of 31 March 2024	167,127

As of 31 March 2024, EverEdge’s determination of the enterprise value of SEC using the DCF method is USD 167.1 million.