

Donut Lab & Verge Motorcycles

Comprehensive English Translations of Investor Letters and Operational Updates

1. Donut Investor Letters

Letter 1: General Update & Solid-State Battery Launch

Hello Shareholder,

I am sending a brief update on recent events, as we have been so busy that producing a full-scale newsletter has taken longer than expected. One is coming soon, though!

In short: the entire internet, together with the media, is speculating on whether our new battery technology is real. Therefore, we will soon launch a marketing campaign to prove the battery's capabilities through independent third-party validation. This will send a massive shockwave through the market, taking the company's growth potential to a whole new level.

Here is a summary of our latest updates:

- **At the beginning of January**, we unveiled the world's first production-ready solid-state battery at the CES trade show in Las Vegas.
- **The battery is not only the first of its kind**, but its specifications are completely superior: a 5-minute charge time, high energy density (meaning it provides roughly 2x the range of a lithium-ion battery of equivalent weight), a lower price than lithium-ion batteries, etc.
- **The battery launch has generated a massive amount of discussion.** The majority of so-called industry professionals consider it completely impossible that Donut Lab could bring such a battery to market and develop it all the way into a complete battery pack.
- **Even the world's largest battery manufacturers** have publicly stated, using their own names and faces, that they believe the battery announcement is a hoax.
- **At the same time, many have been discussing** what it would mean globally for both the economy, the environment, and all battery-powered devices if the battery is real—and the conclusion has been that Donut Lab would likely become one of the most respected companies in the world.
- **Through all of this, Donut Lab has received more visibility** than we ever dared to hope for: over 2,200 articles in publications worldwide, over 700,000 views on the launch video, and hundreds of YouTube channels sharing the story.
- **Even though many are skeptical about the battery**, this visibility has put us on the global map with various device and vehicle manufacturers better than any sales army or paid campaign ever could have.

- **As a result of this exposure**, we have received inquiries and requests for proposals (RFPs) for batteries from over 3,000 companies, and the revenue potential in our sales pipeline has multiplied nearly a hundredfold compared to what it was before the battery launch.
- **The internet is full of people** trying to figure out where this technology came from, whether it is somehow connected to Nordic Nano, what materials the technology is made of, whether it exists or not, and if it does, where it is manufactured, etc.
- **We are grateful that you, as shareholders, have not shared confidential information.** The company's ability to keep its secrets under wraps right now is extremely critical, as every competitor (some of whom are up to 1,000x larger than us) is interested in trying to copy or replicate what we have done.
- **We are currently preparing to film a series of videos** in which a respected, independent third-party science and research institute will validate the performance and specifications of the Donut Battery—the very things outside "experts" have deemed impossible.
- **This video series will be launched as a marketing campaign in the coming weeks**, and in the series, every key feature will be proven true, one by one, by a third party.
- **Toward the end of the campaign**, everyone will begin to understand that this battery truly is as good as we have claimed, and it will send a shockwave through the entire battery market.
- **Following this, interest in the battery** from competitors and even state actors will grow by another order of magnitude, meaning that attempts to uncover our trade secrets will become even more aggressive.
- **For this reason, we have very carefully considered every step**—what we disclose publicly, at what stage, and in what manner—as this allows us to best protect the company's interests and grow as fast as possible.
- **Individual shareholders may also be approached regarding this matter**, so we ask that you do not comment on anything confidential to anyone. Information will spread like wildfire once everyone knows the battery technology truly exists.
- **The company is not currently raising funds**, but once the aforementioned evidence, compiled with the independent third party, is ready, our intention is to launch the next investment round.
- **The upcoming investment round will be executed as a share issue** and targeted at larger investors, as the company's valuation in the next round will be in the billion-euro range.
- **It also currently appears that Donut Lab will be a profitable company this year** if it chooses to be (it can also decide to invest more aggressively in growth), and the growth outlook for next year is absolutely dizzying.
- **Furthermore, we have an excellent plan to scale production** more than tenfold during 2027, which would already mean an annual revenue potential in the billion-euro range (10GWh+ @ 100€/kWh) if everything goes as planned.

- **Demand for motors has also grown even further** due to the battery visibility. Their production is progressing according to plan, and we have successfully acquired significant new customers over the past few months who are bringing incredibly impressive vehicles to market using Donut motors—and soon, Donut batteries as well.
- **More on all of this in the newsletter** we will be sending out in the near future.

Best regards,

Marko Lehtimäki

CEO & Co-Founder

Donut Lab

2. Verge Motorcycles – Short Updates & Media Responses

Letter 2: Preliminary Response to YLE Article

Hello Verge Shareholder,

I have received inquiries from a few of you regarding the article published by YLE, which draws negative conclusions about Verge's 2024 financial statements without knowing the company's background at all.

There is no need to worry: Verge's future prospects are better than they have ever been.

Right now, it feels like every publication is trying to invent something to write about to get clicks regarding Verge and Donut.

We will return with an official response to the YLE article next week, and at the same time, we will provide a bit of an update on recent developments.

However, let it be said for now that Verge's solid-state battery has generated absolutely monumental interest. It is difficult to find a major motorcycle manufacturer in the world that has not already reached out to say they want the battery in their products.

A few companies have already managed to visit our site to marvel at the battery in person.

Have a great weekend,

Marko Lehtimäki

Chairman of the Board

Verge Motorcycles

Letter 3: CONFIDENTIAL – Detailed Counter-Response to YLE

CONFIDENTIAL

Dear Verge Shareholder,

We promised to get back to you regarding the YLE article with a more detailed message, so here is our breakdown of the situation.

Naturally, the YLE article regarding Verge's operations in Estonia caused concern among you, so we are providing you, confidentially, with some background regarding a few of the claims made in the article. It is good to understand that the article discusses the 2024 financial statements in Estonia and draws conclusions about Verge's current financial situation from them, while questioning practices that are a normal part of the startup world.

For a startup like Verge, it is quite typical to repeatedly seek funding from various sources, and occasionally from related parties. Continuous financial support from related parties is usually a positive signal. Startups also commonly structure funding to enter the parent company, which then distributes it to operational subsidiaries—as in this case, from the Finnish parent company to Verge Estonia.

As we have done so far, we continue to pursue rapid growth and scalability in a startup-like manner, rather than prioritizing turning operations profitable. This is how we will proceed this year as well.

We are at a very critical stage regarding growth and are continuing to seek funding. We have operations in eight countries in addition to Estonia. Reviewing the financial statements of a single country is not a sensible way to draw conclusions about the situation of the entire group.

Regarding the auditor's statement on our Estonian subsidiary's 2024 financial statements, upon which the YLE article was based: an auditor is obligated to follow standards that require specific types of documentation. In this case, we provided the auditor with documentation that did not match the specific documentation requested by the auditor in accordance with those standards. Because of this, the auditor was required to include a mention of this in their statement. We have already taken measures to ensure this is avoided in the future.

Here are the main claims of the article and the company's responses to them:

YLE Claim / Allegation	Company Counter-Response
Claim 1: Inventory management missing "The company lacks an inventory management system. Inventory valued at €2.4M could not be verified."	The company manually counted its entire inventory at the turn of the year 2024/2025, producing itemized listings of quantities and prices. However, a change of auditors in early 2025 prevented the new auditor from participating retroactively. Our inventory

management system was in the implementation phase in 2024. During 2025, our auditor in Estonia has participated appropriately, and a separate system has been fully deployed.

Claim 2: No evidence of sales
"Insufficient original source documents to confirm €1.05M in revenue (e.g., €350k exports to Finland)."

Payment has been received from customers for every single bike delivered. The auditor requested formal transit documentation (e.g., consignment notes), but Verge delivers bikes directly using its own vans on a "white glove" principle. For Finnish exports, public registration statistics show 8 Verge registrations in 2024.

Claim 3: Shrouded development expenses
"¥2.6M capitalized development expenses cannot be properly traced or explained."

We know exactly where these costs originated. The company capitalized personnel and operational expenses directly tied to the development of the motorcycle. The documentation format simply differed from what the auditor explicitly requested. Practices are being aligned for the 2025 financial statements.

Claim 4: Ownership structure linking
"Comments requested from Donut Lab Holding as a partial owner of Verge."

This likely mistakenly refers to Donut Holding Oy. Donut Holding Oy does not own shares in Verge or its subsidiaries, and Verge does not own shares in Donut Holding Oy or its subsidiaries.

Hopefully, all of this is helpful when evaluating the YLE article. Verge, together with its former subsidiary Donut Lab, has come under the microscope due to the solid-state battery released by Donut Lab at CES. Not all headlines have been positive, and factual errors have been included. We haven't let this bother us, as we know how revolutionary this technology is. The new battery technology brings massive growth opportunities for Verge as well.

As I mentioned earlier, Verge's future prospects are better than they have ever been. Please follow us on social media, as we will have new announcements and updates to share very soon.

Thank you for being on board!

Tuomo Lehtimäki & Marko Lehtimäki

Letter 4: Warning Regarding Media Inquiries

Hello,

Amidst this media frenzy, here is another brief update for all shareholders:

We just heard that certain Finnish newspapers are currently actively calling through Donut and Verge shareholders, asking about company matters such as details on the battery technology, whether a convertible bond or investment round has been offered, when it was last offered and how, and perhaps other questions as well.

We request that you do not provide any answers to the media, as many are currently trying to generate clickbait headlines about the fact that funding has been sought via convertible bonds for a battery technology that, in their opinion, cannot exist. You can simply say, for example, "no comment."

We are among the most read articles on Kauppalehti and Iltasanomat, among others, and they want more clicks.

The tests and filming with the research institute mentioned in my previous letter are progressing as planned. The goal is to launch a video campaign next week where, one by one, the battery's features will be proven true by a third party. At that point, a few journalists who are currently engaging in witch hunts against the company might just choke on their coffee.

Thank you in advance and have a great week,
Marko

Letter 5: Verification Video Series Campaign Launch

Hello,

We previously mentioned that we will be announcing third-party tests related to Donut Lab's battery technology as part of a broader video marketing campaign in the near future. There were a few delays beyond our control, but now the clock has started ticking.

The first video, which kicks off the series where the evidence will be presented, will go live on the website next week on February 20, 2026, at 9:00 AM Finnish time.

The first episode (to be published on the website at that time) will be an intro video explaining what to expect in the video series and why we are doing it. It will also open up some background and recap recent events. After that, as part of the campaign, we will publish videos one after another on the same site, each proving a key feature of the battery.

You can visit the campaign website today:

<https://www.idonutbelieve.com>

Now is a good time to grab some popcorn; there will be plenty to follow throughout the spring.

P.S. Customer demand is strong, and otherwise, everything is currently going according to plan.

Terkuin,
Marko

3. Financial & Shareholder Actions

Letter 6: Convertible Bond Summary & Terms (17.12.25)

Hello,

Many of you, as Verge Motorcycles shareholders and investors, have reached out following the latest newsletter asking for more information regarding the convertible bond. For this reason, I am sending this brief summary to everyone in case you are interested in making a follow-on investment.

The terms of the Verge Motorcycles convertible bond are as follows:

- **Valuation Cap:** €150M
- **Discount Rate:** 20% discount on the next share issue
- **Interest Rate:** 3.81% annual interest
- **Maturity Date:** October 31, 2027
- **Valuation Floor:** €125M

This means that the convertible bond will convert into shares during the next share issue. The price per share will be determined so that it is either 20% lower than the per-share price defined in the share issue, or alternatively, the €150M total valuation divided by the number of shares—whichever is lower.

In practice, this means that by participating in this convertible bond, you get at least a 20% discount on the next round, or potentially significantly more if the valuation of the share issue is higher.

Furthermore, if the company were to be sold before the next share issue, investors in the convertible bond have the option to convert the bond into shares at the valuation floor price (€125M) or at a 50% lower price than the share price at the time of sale, whichever is lower. This represents an opportunity for a very large increase in value if the company were to be acquired by a strategic buyer.

Attached is a summary of the convertible bond in Finnish. Let me know if you are interested in investing.

P.S. Opportunities are expanding almost daily. For instance, today at the Verge factory, we met with representatives of a company cooperating with the Philippine state (a pioneer of electric vehicles in their home country). They now want to build a new motorcycle factory in the

Philippines with the help of Verge and want to use Verge's new scooter platform as the base for their vehicles. This could be a project worth up to €10M for this year, if all goes as planned. Powered by Verge's new solid-state batteries, of course.

Terkuin,

Marko Lehtimäki

Chairman of the Board

Verge Motorcycles Oy

Letter 7: Strategic Highlights & Operational Milestones (4.3.25)

Hello Valued Investor,

There is big news from Verge and Donut Lab! Here are the main highlights:

- **Donut Lab's launch was absolutely incredible:** Donut already has a sales pipeline worth over 1.2 billion euros, featuring more than 350 customer candidates—and it is growing constantly!
- **Legendary tech entrepreneur and executive Risto Siilasmaa** has made a significant investment in the company and joined the board of Donut Lab.
- **It is not too late to increase your ownership in the company** – read about the new convertible bonds.
- **We changed our plans for a good reason:** we will execute the company demerger first, and only after that will we proceed with the Series A funding round.
- **Verge Motorcycles is launching its technology licensing business** for two-wheelers, and the outlook is excellent!
- **We are in the process of acquiring groundbreaking battery technology** that could change the world.
- **We are also acquiring an advanced drone company** under Donut Defence.
- **Additionally, we have very significant technology partnerships underway!**

Attached is the 36-page Verge Insider #6 - Happy reading!

Marko Lehtimäki

CEO of Donut Lab / Chairman of the Board of Verge Motorcycles

Letters 8 & 9: Corporate Actions & Shareholder Notices (August 2025)

[11.8.25] Hei osakkeenomistaja / Dear shareholder,

Tässä liitteenä kutsu 15.9.2025 pidettävään Verge Motorcycles Oy:n ylimääräiseen yhtiökokoukseen liitteineen.

Attached you can find an invitation to Verge Motorcycles Oy's extraordinary general meeting that will be held on 15.9.2025.

[12.8.25] Hei osakkeenomistaja / Dear shareholder,

Liitteenä Verge Motorcycles Oy:n päivitetty vähemmistöosakassopimus tiedoksi. Vähemmistöosakassopimukseen olemme sisältäneet tarvittavia tarkennuksia sen käyttäytymiseen suunnitellussa jakautumisessa. Sinulta ei tähän liittyen vaadita toimenpiteitä.
Attached is the updated minority shareholder agreement of Verge Motorcycles Oy for your information. We have included the necessary clarifications in the new minority shareholder agreement regarding its behavior in the planned demerger. No action is required from you in this regard.

Terveisin / Best Regards,

Marko Lehtimäki

Co-Founder & Chairman

Verge Motorcycles Oy

Letter 10: Three-Way Business Demerger Update (20.8.25)

Hello Valued Shareholder,

An immense amount has happened over the last quarter (and slightly beyond), so I have once again compiled a newsletter to shed light on the company's events.

Since we are now close to the demerger of Verge Motorcycles into three entities (Donut Lab, Donut Defence, and Verge Motorcycles' motorcycle business), I have created three separate newsletters to cover the updates of each business.

This package of text is twice as long as the previous newsletter because there is a vast amount of ground to cover. For this reason, the newsletter did not fit into a single email, so I am sending it in two batches.

Here is the first package, which contains some information about the demerger and general info about the company, as well as the newsletter focusing on Verge Motorcycles' motorcycle business. I will follow up with the Donut Lab and Donut Defence newsletters in a second message.

Happy reading!

Marko Lehtimäki