



30

— YEARS —

IN THE *FAST LANE*

Group Figures

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KEY FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS ¹⁾		2018	2019	2020	2021	2022
Revenue	in m€	1,559.6	1,520.1	1,530.4	2,041.7	2,437.2
EBITDA	in m€	252.5	240.8	233.5	332.2	381.1
EBIT	in m€	161.2	131.7	107.2	193.5	235.3
EBITDA margin	in percent	16.2%	15.8%	15.3%	16.3%	15.6%
EBIT margin	in percent	10.3%	8.7%	7.0%	9.5%	9.7%

OTHER FINANCIAL FIGURES:

EARNINGS RATIOS ¹⁾		2018	2019	2020	2021	2022
Earnings after taxes	in m€	114.2	95.7	69.5	142.9	170.6
Earnings after minorities	in m€	67.5	54.5	34.9	82.5	169.9

BALANCE SHEET RATIOS		12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Balance sheet total	in m€	1,353.9	1,613.9	1,686.0	2,033.7	2,550.6
Equity	in m€	550.8	618.6	654.1	765.6	914.4
Equity ratio	in percent	40.7%	38.3%	38.8%	37.6%	35.8%
Working capital employed ²⁾	in m€	245.3	274.2	181.5	160.5	186.7
Net debt ³⁾	in m€	323.3	395.8	312.4	189.9	256.5
Gearing ⁴⁾	in percent	58.7%	64.0%	47.8%	24.8%	28.1%

CASH-FLOW AND CAPEX		2018	2019	2020	2021	2022
Cash flow from operating activities	in m€	85.5	257.4	312.8	367.4	280.3
Cash flow from investing activities	in m€	-102.1	-165.7	-147.0	-195.1	-283.1
Free cash flow ⁵⁾	in m€	-16.7	91.6	165.8	172.2	-2.8
Cash flow from financing activities	in m€	-63.3	-20.6	-104.7	-27.6	-91.3
Capital expenditure ^{1) 6)}	in m€	165.1	148.9	150.2	178.5	267.5

VALUE CREATION		12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
ROCE (Return on capital employed) ⁷⁾	in percent	16.6%	12.7%	9.7%	17.4%	19.2%
ROE (Return on equity) ⁸⁾	in percent	21.2%	16.4%	10.9%	20.1%	20.3%
ROIC (Return on invested capital) ⁹⁾	in percent	13.6%	10.6%	7.7%	13.0%	15.5%

STOCK EXCHANGE RATIOS ¹⁰⁾		12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Share price as of December 31; SIX Swiss Exchange ¹¹⁾	in CHF	60.60	54.00	71.10	94.00	67.10
Number of shares ¹¹⁾	in m shares	22.54	22.54	22.54	33.80	33.80
Market capitalization	in m CHF	1,365.84	1,217.09	1,602.50	3,176.87	2,267.75
Earnings per share	in €	2.99	2.42	1.56	3.34	5.03
Book value per share ¹²⁾	in €	24.44	27.45	29.02	22.65	27.06

NON-FINANCIAL KEY PERFORMANCE INDICATORS:

		2018	2019	2020	2021	2022
Employees ¹³⁾	headcount	4,303	4,368	4,586	5,249	6,088
Unit sales motorcycles ¹⁴⁾	number of units	261,454	280,099	270,407	332,881	375,492
Unit sales e-bicycles	number of units	-	-	56,064	76,916	74,479
Unit sales Powered Two-Wheelers (PTWs) ¹⁵⁾	number of units	261,454	280,099	326,471	409,797	449,971
Unit sales bicycles (without electric drive)	number of units	-	-	17,213	25,837	43,986
Unit sales total: motorcycles and (e)-bicycles	number of units	261,454	280,099	343,684	435,634	493,957

OTHER NON-FINANCIAL FIGURES:

		2018	2019	2020	2021	2022
Production motorcycles worldwide ¹⁶⁾	number of units	259,051	260,564	265,321	323,931	381,823
Production motorcycles in Mattighofen ¹⁷⁾	number of units	171,297	160,098	140,252	178,992	222,041
t CO ₂ -e per vehicle sold (Scope 1-3) ¹⁸⁾	in t CO ₂ -e	3.84	3.83	3.67	3.80	3.74
Fleet emissions motorcycles ¹⁹⁾	Ø in g/km	81.82	79.09	78.93	79.65	79.59
Fleet consumption	Ø in l/100 km	3.52	3.41	3.39	3.41	3.39
Employees in R&D as % of total employees	in percent	15.80	18.10	17.60	18.60	19.40
R&D expenses from revenue	in percent	8.70	9.10	9.00	8.00	8.70
Proportion of female employees	in percent	22.96	22.59	22.37	24.16	25.43

1) Previous year 2018 also includes the discontinued operation (Pankl-Group).

2) Working capital employed = inventories + trade receivables - trade payables

3) Net debt = financial liabilities (current, non-current) - cash

4) Gearing = net debt / equity

5) Free cash flow = cash flow from operating activities + cash flow from investing activities

6) Additions to property, plant and equipment and intangible assets according to the schedule of investments, excluding lease additions (IFRS 16)

7) ROCE = EBIT / average capital employed

Capital employed = Property, plant and equipment + goodwill + intangible assets + working capital employed

8) ROE = earnings after taxes / average equity

9) ROIC = NOPAT / average capital employed; NOPAT = EBIT - taxes

10) Since November 14th, 2016 listing on SIX Swiss Exchange

11) Reverse stock split in a ratio 10:1 in April 2018

12) Equity / number of shares

13) Number of employees on the reporting day (including temporary staff); Previous year 2018 also includes the discontinued operation (Pankl-Group)

14) Including motorcycles sold by partner Bajaj

15) Including motorcycles sold by partner Bajaj; excluding bicycles without electric drive

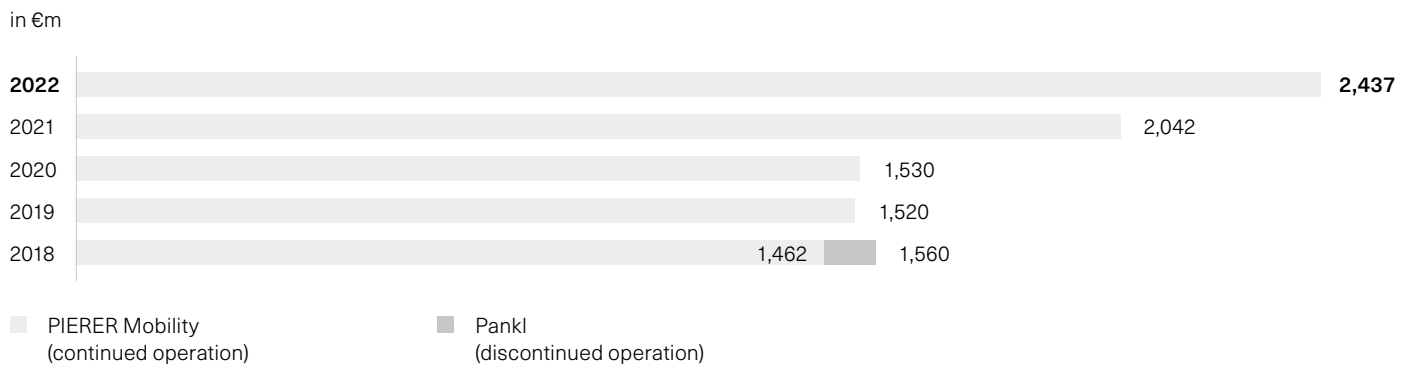
16) Since 2020 including offroad models produced by GASGAS in Spain, including small-engine KTM and Husqvarna models produced by partner Bajaj in India (also for the local market in India), including KTM street models produced by partner CKM in China (JV with CFMOTO) (also for the local market in China).

17) Annual production units at the headquarter in Austria, excluding X-BOW

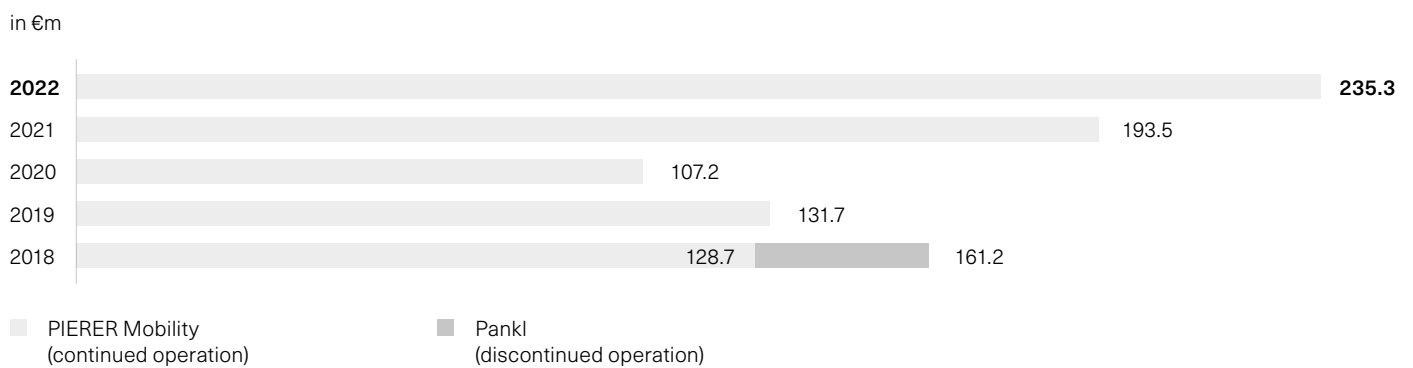
18) Calculation excluding e-bicycles, adjusted retrospectively also for the reporting year 2021.

19) CO₂ fleet emissions increased by only 0.06 g/km in the reporting year, due to the unabated strong growth in sales of ICE models with medium and large displacements (> 500cm³). The incorrectly recorded CO₂ emission value of a KTM model from partner Bajaj was adjusted retrospectively for the reporting years 2021 and 2020.

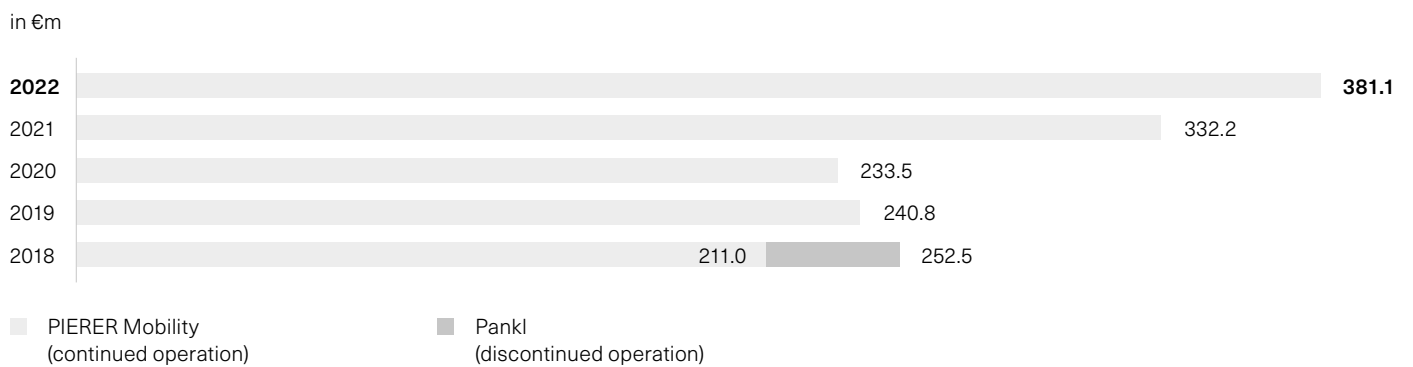
REVENUE



EBIT



EBITDA



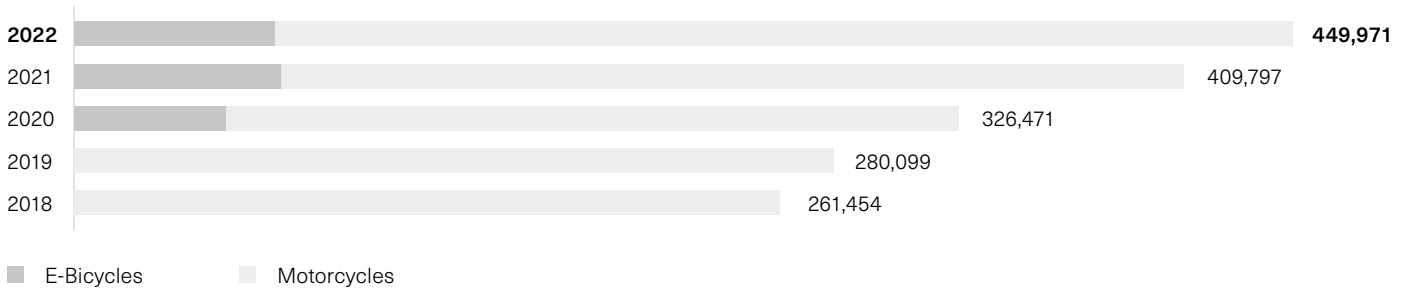
EMPLOYEES

number as of the reporting date



SALES POWERED TWO-WHEELERS (PTWS)

units



30 years in the fast lane

PIERER MOBILITY DNA

Continued growth & strong focus on returns

- **~16 % sales unit CAGR** since 1992 resulting in **~ € 2,437 million** revenue in 2022
- EBITDA margin **~ 15 %** and focus on strong **FCF generation**
- Sustainable avg. FCF of 3-5 % of sales volume targeted

Innovation – the future of PTWs

- R&D expenses around **8 – 9 % of revenues**
- Open to technologies – focus on **e-drives & e-fuels**
- E-Mobility sales **~ €175 million in 2022**
- **~ 34 % sales CAGR** between 2019 - 2022

People & community

- **Employees: ~ 6,100, thereof around 1,200 in R&D**
- Strong dealer network with around 6,000 partners

Organic growth leveraged by acquisition & strategic partnerships

- Investment in infrastructure
- Expanding motorcycles and (e-)bicycles portfolio and entering new markets
- Establishing and developing global strategic partnerships

Premium brands

- **Strong brands** secure sustainable profitability and market presence
- **Product leadership** driving gains in market share

Value creation through sustainability

- **Thorough sustainability process** based on materiality analysis
- **Environmental Social Governance (ESG)** program with relevant focus areas



Sustainability highlights 2022

key figures

161 €M
INVESTED
in product development

79.59 G/KM
FLEET EMISSIONS¹⁾

10.8
LOST TIME
FREQUENCY INJURY RATE³⁾

80%
PROCUREMENT VOLUME
WITHIN EUROPE
for series production

98.1%
RENEWABLE ENERGY
share⁴⁾

-38.0%
RESIDUAL WASTE⁵⁾

1) Reduction in energy demand for products (motorcycles, excl. e-bicycles): Ø Emission in g/km;

2) Calculated from the units of motorcycles, e-bicycles and electric balance bikes sold (number of units).

19.1%
unit sales
**ELECTRIFIED
TWO-WHEELERS²⁾**

2.8 €M
**INVESTED IN FURTHER
EDUCATION**
of employees

23.2 €M
INVESTED
in alternative
drive technologies

0
COMPLIANCE CASES, INCIDENTS
with fine or penalty
AFTER RECALLS

25.4%
FEMALE SHARE

120,000
hours of
EDUCATION AND FURTHER TRAINING
for employees

3) Rate excl. temporary workers; The LTIFR is the number of lost-time injuries (of at least one workday) per million hours worked.

4) Electricity and district heating at the main company and production sites of KTM AG and PIERER Mobility AG.

5) Reduction compared to the reference year 2019, calculated with waste quantity from the KTM Group's manufacturing sites in Mattighofen and Munderfing (Austria).

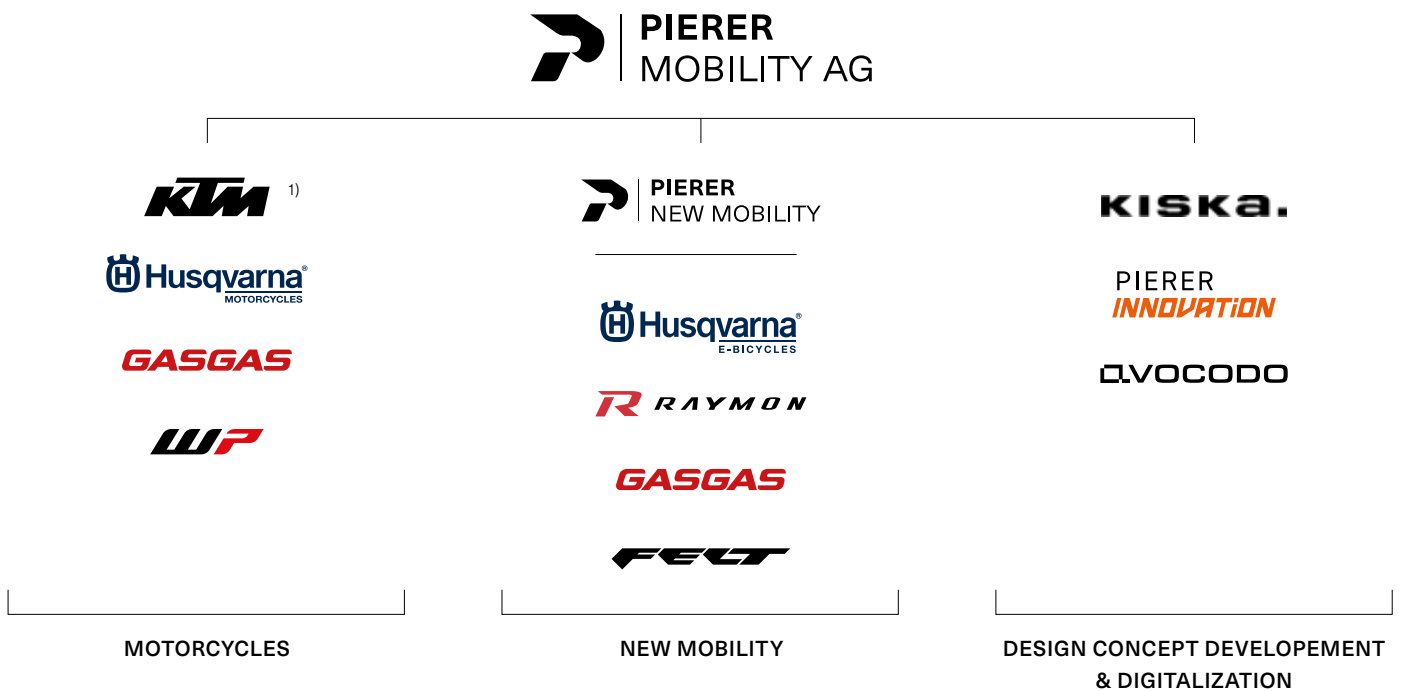


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Group Structure

SIMPLIFIED PRESENTATION BY AREAS, DECEMBER 31, 2022



100 % shareholdings: KTM AG, Husqvarna Motorcycles GmbH, GASGAS Motorcycles GmbH, WP Suspension GmbH; PIERER New Mobility GmbH (with the brands Husqvarna E-Bicycles, R Raymon, GASGAS and FELT); PIERER Innovation GmbH, Avocodo GmbH; 50 % shareholding: KISKA GmbH
Other shareholdings: ACStyria Mobilitätscluster GmbH 12.3 %; Platin 1483. GmbH 100 %, Pierer E-Commerce GmbH 100 %

1) In this presentation, **KTM** stands for KTM AG, which, as the owner of the KTM brand, manufactures and/or distributes motorbikes and motorbike accessories under this brand. To be distinguished from this is KTM Fahrrad GmbH, which, as the exclusive licensee, manufactures and/or sells bicycles and bicycle accessories under the KTM brand. KTM AG and KTM Fahrrad GmbH are neither affiliated with each other under corporate law nor intertwined with each other in terms of capital or otherwise. Consequently, PIERER Mobility Group, does not produce or distribute bicycles and bicycle accessories under the KTM brand but under brands such as Husqvarna, GASGAS, R Raymon or FELT.

GLOBALIZATION

Strategic, continuous growth reinforces our position as a global mobility group.

PEOPLE

"From riders for riders." All of us are united by passion, enthusiasm and performance. It's how we succeed together.

Pillars of success

INNOVATION

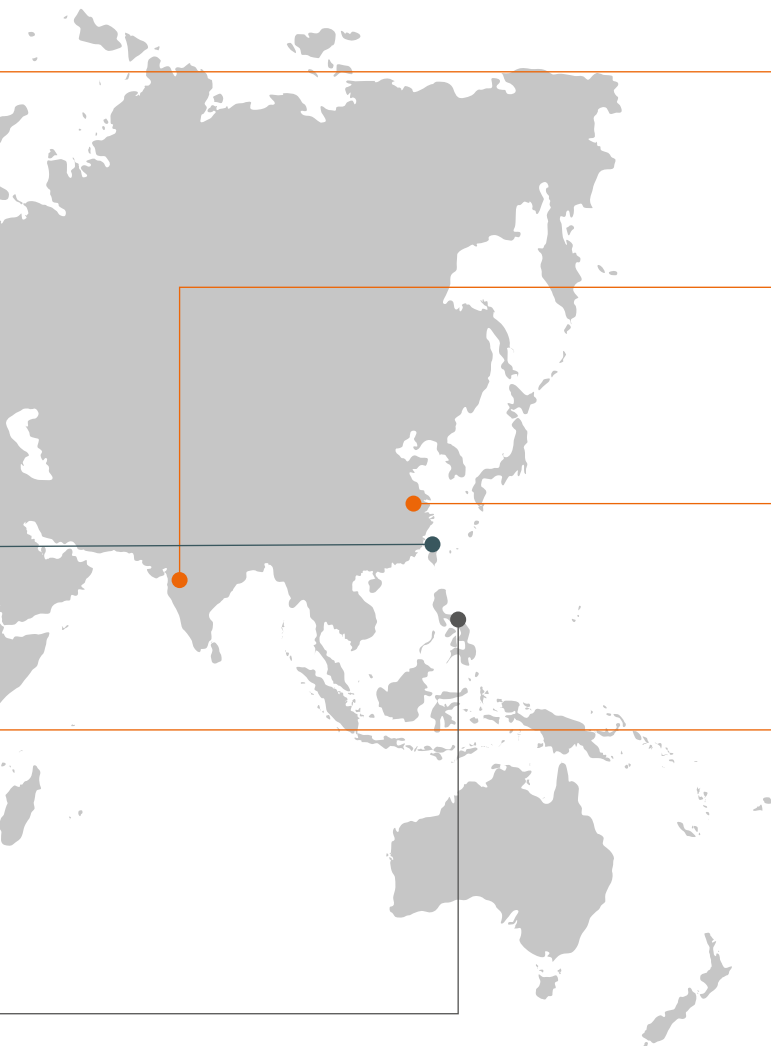
We're always looking ahead. As a highly innovative company, R&D is a driving force for us – from the racetrack to the street. The result is technology leadership.

BRANDS

We appeal to a wide audience with our strong, global brands. Focused. Differentiated. Consistent. Each with its own distinct brand promise.

Global production facilities





Austria, Mattighofen (Headquarter)
~220,000 Units in 2022

India, Pune (Bajaj)
~150,000 Units in 2022

China, Hangzhou (CFMOTO, JV)
~19,000 Units in 2022

Spain, Girona
~1,000 Units in 2022

Motorcycle production facilities



Foreword from the Executive Board

The past year was marked by extraordinary challenges, both geopolitically and economically. Due to increased energy prices caused by the war in Ukraine and the still noticeable effects of the COVID 19 pandemic, especially with regard to procurement and global supply chains, the already uncertain situation in the supply chains came to a head in the first half of the year. This led to bottlenecks of certain components from suppliers in the motorcycle and e-bicycle sectors. Due to our great flexibility in production and sales planning, we were able to maintain continuous operations. This enabled us to successfully manage the tense availability situation and achieve another record year in terms of both revenues and earnings.

Driven by the continuing high global demand for motorised two-wheelers, the motorcycle division achieved a sales increase of around 13 % with 375,492 motorcycles sold (KTM, Husqvarna, GASGAS). Despite massive supply problems, the bicycle division also achieved sales growth of more than 15 %, selling 118,465 e-bicycles & bicycles (previous year: 102,753) of the brands Husqvarna, R RAYMON, GASGAS and FELT.

In Europe, 122,028 motorcycles (+2 %) and 96,056 bicycles (-5 %) were sold to dealers. Almost two thirds of the motorcycles (253,464 units) were sold in markets outside of Europe, and thereof especially in North America (+67 %). In the bicycle sector, the DACH region (Germany, Austria and Switzerland) continues to be the largest sales market with around 67 %. Nevertheless, it was possible to increase the share of sales in North America from just under 1 % to around 11 %.

In the past 2022 financial year, the PIERER Mobility Group was able to maintain global motorcycle registrations at a high level, although both the European (-3 %) and the North American (-5.7 %) motorcycle markets declined slightly. The market share of all three brands (KTM, GASGAS and Husqvarna Motorcycles) is now around 10 % in Europe and 12 % in North America. The Australian (including New Zealand) motorcycle market also declined slightly. Nevertheless, the total market share of the three brands in this market increased to about 21 %. The relevant Indian motorcycle market, on the other hand, is clearly on the upswing (+23 %). Our cooperation partner **Bajaj** sold almost 50,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 5 %. In addition, a significant milestone was reached in India with the leading premium motorcycle brand KTM. The one millionth motorcycle - a KTM Adventure 390 - has rolled off the production line in January 2023 at the Bajaj production plant Chakan in Pune (India). At this Bajaj Auto Limited plant, motorcycles of the KTM (125 cm³ to 390 cm³) and Husqvarna (125 cm³ to 401 cm³) brands have been co-developed and produced for global distribution since 2011.

Within the framework of strategic partnerships, the company has been able to diversify its production capacities in recent years and

increase its competitiveness on the global market. The very successful alliance with Bajaj in India, which has now lasted 15 years, deserves special mention. In addition, the cooperation with CFMOTO in China and the joint venture with Maxcom in Bulgaria sustainably strengthen both bicycle and motorcycle production.

An important milestone for the company was the conclusion of a strategic cooperation with the Italian premium motorcycle manufacturer **MV Agusta**. As part of this strategic partnership between the two European motorcycle manufacturers, KTM will support MV Agusta SpA in the supply chain and will take over the sourcing of components. Furthermore, through this cooperation MV Agusta SpA will partly distribute its product range via the worldwide distribution network of PIERER Mobility. The cooperation with **CFMOTO** will intensify with the launch of the newly founded KTM Group subsidiary CFMOTO Motorcycles Distribution GmbH, Munderfing (Austria). This company takes over the distribution of CFMOTO motorcycles in Europe, especially in Germany, Austria, Switzerland, Spain and Great Britain. The great successes in **motorcycle racing** should also be emphasised. Under the three brands KTM, Husqvarna and GASGAS, a further 17 world championship titles have been won in both road and off-road racing. In January 2023, Kevin Benavides won the glorious Dakar Rally on a KTM motorcycle. Toby Price (KTM) and Skyler Howes (Husqvarna) completed the podium with second and third places, making for a perfect start to the 2023 motorsport season.

Business performance

The PIERER Mobility Group achieved record sales of € 2,437.2 million (previous year: € 2,041.7 million) in the 2022 financial year despite ongoing supply chain disruptions, which corresponds to a sales increase of 19.4 %. The EBIT of the group improved by 21.6 % to € 235.3 million (previous year: € 193.5 million). This corresponds to an EBIT margin of 9.7 %. The operating result before depreciation and amortisation (EBITDA) of € 381.1 million is almost € 50 million above the previous year's amount of € 332.2 million. The EBITDA margin is 15.6 %. The result after taxes of € 170.6 million is 19.4 % above the previous year. Due to the high level of investment and increased capital tied up in working capital, the free cash flow is slightly negative at € -2.8 million in 2022. In the last three financial years, an average free cash flow of 5.6 % of revenues was generated, which is above the sustainable target range of 3 to 5 % of revenues. Thanks to the strong equity base and long-term financing, sufficient liquidity reserves are available on a sustainable basis. The equity ratio was 35.8 % on the balance sheet date.

In the 2022 financial year, all three motorcycle brands again introduced a wide range of new or revised models in both the off-road and on-road segments for the ever-growing customer base. With 268,575 KTM motorcycles, 75,266 Husqvarna motorcycles and

31,651 GASGAS motorcycles sold in the 2022 financial year, the group sold a total of 375,492 motorcycle (+12.8 % year-over-year), consolidating its presence in the key motorcycle sales markets with the three motorcycle brands. In the sales regions of Europe, unit sales were 122,028 motorcycles (+1.6 %). About two thirds of the motorcycles produced (253,464) were sold in markets outside Europe. Growth was particularly strong in North America, where 109,711 motorcycles were sold (+66.8 %). The trend was also positive in South America with 37,613 (+15.5 %) and in Asia with 31,803 (+6.6 %) motorcycles sold. In Australia, sales of 19,478 motorcycles were roughly at the previous year's level (20,811 units). In India/Nepal, the sales were around 51,484 units (-14.6 %).

With 74,479 e-bicycles and 43,986 non-e-bicycles, the bicycle division with the brands Husqvarna, R RAYMON, GASGAS and FELT achieved a total sales growth of 15.3 % and sold a total of 118,465 bicycles. Around 81 % of the sales volume is attributable to Europe, in particular to the DACH region (Germany, Austria and Switzerland). The first half of 2022 also saw the market launch of the updated Electric-Balance Bike versions 12eDrive and 16eDrive, which are available as models of all three group brands KTM, Husqvarna Motorcycles and GASGAS. These bikes are electric-powered vehicles that, with their versatility, offer the perfect entry platform for the very youngest future bikers, while also representing a new market segment.

Employees

In the past financial year, the number of employees increased by 839. As of December 31, 2022, the PIERER Mobility Group had 6,088 employees worldwide (previous year: 5,249), thereof 5,050 in Austria (around 83.0 %). Approximately 1,200 employees work in research & development (corresponding to ~19.4 % of the workforce). In 2022, the share of female employees was around 25.4 %.

The labour market is more challenging than ever. For this reason, we are continuously taking measures to remain attractive as an employer. Our group's approach is to open up internal career paths and enable lifelong learning by offering further training for existing employees. Last year, we invested around 2.8 million euros in staff training. Furthermore, the new training centre for apprentices was opened at the main location in Mattighofen in September. With our human resources strategy, we rely heavily on our own apprenticeship training in order to meet the challenges of the shortage of skilled workers. As of the balance sheet date, we employed around 200 apprentices and trained them in 20 different professions.

Investments

In the 2022 financial year, € 293.4 million including leasing (IFRS 16) was invested in further growth, of which approx. € 161.4 million was

invested in product development & tools, € 106.1 million in plant & infrastructure and € 25.9 million in leasing projects. Despite macroeconomic challenges on a global level, investments in the (further) development of existing and new models, electromobility and high-tech modernisation have top priority now and in the future. In line with our strategic goals, spending on investments in research and development will remain at the already high level of previous years. In the reporting year, the research ratio was 8.7 % of turnover.

One of the significant individual investments last year was the construction and completion of the new headquarters of KTM North America in Murrieta (California). A company campus with office and motorsport buildings as well as storage areas was built on an area of approximately 14,000 m². In addition to the acquisition of new production facilities to modernise manufacturing, other significant individual investment projects in the reporting year 2022 include the purchase of land to secure future expansions and the interior fittings of the new logistics centre in Munderfing (Austria), which has been in operation since 2022. In addition, investments were made in the new production site for GASGAS Trial models in Terrassa (Spain), where series production started in June 2022. In 2022, extensive investments were also made in the joint project of PIERER New Mobility with MAXCOM Ltd. in Bulgaria.

Outlook

In the 2023 financial year, the PIERER Mobility Group will continue to focus on growth in its core areas, both motorcycles and (e-)bicycles. The Executive Board expects **sales growth** between 6 and 10 % with an EBIT margin of 8 to 10 %.

The Executive Board expects the motorcycle market to grow in the medium to long term, although current developments may lead to a short-term weakening of demand for motorcycles. Growth in **motorcycles sales** will be driven primarily by continued high demand in North America and Australia. For Europe, the market is expected to decline slightly. In terms of unit sales, the company expects the motorcycles market for quality premium products to remain positive overall.

In the **New Mobility / (e-)bicycles** sector, the market for e-mobility in general holds great growth potential in the short, medium and long term. As part of this market, new mobility concepts represent a healthy, sustainable and individual way of getting around. In analogy to the motorcycles market, the group expects the market to grow in the medium to long term, although also in this area current developments may lead to a short-term weakening of demand in 2023.

By offering a wide range of innovative products through the Husqvarna E-Bicycles, GASGAS and FELT brands, the PIERER

Mobility Group is also sustainably confident in the **bicycle sector** and strives to further expand its market share. The brand strategy pursued and the focus on new product developments are intended to continuously increase sales.

In the 2022 financial year, the group faced challenges in the international supply chains, as capacity and delivery bottlenecks at individual suppliers as well as in international transport logistics led to delivery delays. While it expects these issues to be alleviated in the 2023 financial year, the situation is likely to remain tense. In addition to various measures taken in response to these global supply chain issues, PIERER E-Bikes Asia Ltd. was established in 2022 as a local presence in Taiwan. Through this new subsidiary, the group will be significantly supported in its supply chain management and thus reduce its procurement risk with direct access to the Asian market.

In line with its vision of becoming a global market leader in electrically powered two-wheelers with an engine output of 250W to 15KW, the focus of PIERER Mobility's motorcycle development work in the coming years will increasingly be on alternative, especially electrified, drives in the range up to 250 cm³.

The urban mobility of the future is characterised by speed limits and short distances and could therefore benefit from electrically powered drives. Therefore, the focus of development efforts will be on the development of various models with low-voltage technology (48 volts). The membership in the "Swappable Battery Motorcycle Consortium" (SBMC) is intended to accelerate the development and dissemination of swappable battery systems and the opening of technical standards. We in the PIERER Mobility Group assume that the electrification of two-wheelers with higher power and distance requirements (over 250 cm³) is not a suitable alternative for the masses. For this, synthetic fuels ("e-fuels") can make a contribution towards CO₂ neutrality.

The deepened or newly concluded cooperation with CFMOTO and MV Agusta expands the portfolio of motorcycles distributed by the PIERER Mobility Group. The implementation will take place through the integration of CFMOTO and MV Agusta products into its distribution network, starting with the 2023 financial year. While the distribution of CFMOTO products will focus on specific countries in Europe, MV Agusta motorcycles will be distributed worldwide through newly established companies.

With the expansion of the product range, the group continues to pursue its philosophy as a provider of sustainable mobility solutions of the future through PIERER New Mobility GmbH. The next expansion steps are aimed at opening up new markets. Independent, differentiated sales channels are the pillars for a successful New Mobility strategy. In addition to the further intensified cooperation with MAXCOM Ltd. in 2022, a joint venture was founded to handle the

supply chain, warehousing and logistics. The launch is scheduled for the second half of 2023. In order to be able to realise the targeted production and sales volume through PIERER New Mobility GmbH and thus the targeted sustainable corporate growth, investments will also be made in the joint project with MAXCOM Ltd. in 2023.

Wels, March 2023



Stefan Pierer
Chairman of the Executive Board

Bodies of the company

Status December 31, 2022

EXECUTIVE BOARD



STEFAN PIERER CEO

Appointed until December 31, 2023



FRIEDRICH ROITHNER CFO

Appointed until December 31, 2023



HUBERT TRUNKENPOLZ

Appointed until December 31, 2023



VIKTOR SIGL

Appointed until December 31, 2023

SUPERVISORY BOARD

Josef Blazicek

Chairman of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2025 financial year

Rajiv Bajaj

Deputy Chairman of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2026 financial year

Iris Filzwieser

Member of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2026 financial year

Michaela Friepess

Member of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2026 financial year

Srinivasan Ravikumar

Member of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2026 financial year

Klaus Rinnerberger

Member of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2024 financial year

Report of the supervisory board

Dear Shareholders,

The pace of growth in the global economy, which slowed significantly in the 2022 financial year as a result of the Russian-Ukrainian war, has resulted in a significant dampening of economic prospects. Meanwhile, the lingering effects of the COVID-19 pandemic are also still being felt, particularly when it comes to procurement and global supply chains. In addition to supply shortages, the global economy in the 2022 financial year was affected by significant price increases, increased inflation rates and major uncertainties in the capital markets. In addition, the war in Ukraine in particular has led to a significant increase in energy prices, and this is having an impact on the supply of goods, which was already under great strain, and therefore on the economy as a whole. Despite major challenges, especially in the supply chain, the PIERER Mobility Group can reflect on another record year in 2022 financial year during which it increased its revenue by more than 19 % to a new record level of € 2,437.2 million, with an increase in operating EBIT of more than 21 % to € 235.3 million. Around 95 % of revenues were generated outside of Austria.

Driven by the continuing high global demand for powered two-wheelers, the motorcycle segment increased its sales by around 13 % with 375,492 motorcycles sold (KTM, Husqvarna, GASGAS). Almost two-thirds of the motorcycles were sold in markets outside Europe, and in particular in North America. In addition, the Bicycle Division achieved sales growth of more than 15 %, selling 118,465 e-bicycles and bicycles (Husqvarna, R Raymon, GASGAS and FELT). In the bicycle segment, the DACH region still represents the largest sales market at around 67 %. Nevertheless, it has been possible to increase the percentage of sales in North America from about 1 % to around 11 %. In the past 2022 financial year, the PIERER Mobility Group was able to continue to maintain global motorcycle registrations at a high level, although there were slight declines in both the European motorcycle market (-3 %) and the North American motorcycle market (-5.7 %). The market share of all three brands (KTM, GASGAS and Husqvarna Motorcycles) is therefore around 10 % in Europe and 12 % in North America. The Australian motorcycle market (including New Zealand) also declined slightly. Nevertheless, the three brands as a whole managed to increase their share of this market to around 21 %. By contrast, the relevant Indian motorcycle market is seeing a significant upswing (+23 %). Our partner Bajaj sold around 50,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 5 %. In India, a significant milestone was also reached with KTM as the leading premium motorcycle brand. The one millionth motorcycle – a KTM Adventure 390 – rolled off the production line at Bajaj's Chakan manufacturing plant in Pune. This Bajaj Auto Limited plant has been jointly developing and producing motorcycles for global distribution since 2011.



An important milestone for the company was the conclusion of a strategic cooperation agreement with the Italian premium motorcycle

producer MV Agusta. As part of this strategic partnership between the two European motorcycle manufacturers, KTM will support MV Agusta SpA in the supply chain and take over purchasing. In addition, as part of this cooperation, MV Agusta SpA will distribute some of its range of products through PIERER Mobility's global distribution network. The increase in the level of cooperation with CFMOTO has also been driven by the KTM Group's newly founded subsidiary CFMOTO Motorcycles Distribution GmbH, Munderfing, Austria. The company is taking over the distribution of CFMOTO motorcycles in Europe, in particular in Germany, Austria, Switzerland, Spain and the UK. The major successes achieved in motorcycle racing also deserve special mention. Under the three KTM, Husqvarna, and GASGAS brands, 17 world championship titles were won in both road and off-road racing. In January 2023, Kevin Benavides won the illustrious Dakar Rally riding a KTM motorcycle. Toby Price (KTM) and Skyler Howes (Husqvarna) completed the podium in second and third places, making it a perfect start to the 2023 motorsport season.

SUPERVISORY AND ADVISORY ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board of PIERER Mobility AG performed the duties incumbent upon it under Austrian law, the Articles of Association and the Rules of Procedure, was involved in fundamental decisions of the executive board at an early stage and advised the Executive Board. Within the context of its regular reporting to the Chairman of the Supervisory Board, and on the basis of comprehensive reports submitted in all meetings, the Executive Board of PIERER Mobility AG regularly informed the Supervisory Board of the present business and financial situation, the course of business and the position of the company including its Group companies during the 2022 financial year. Individual areas were dealt with in greater depth in the committees set up by the Supervisory Board, which in turn reported on their activities to the full Supervisory Board.

Furthermore, after careful review and consultation, the Supervisory Board approved many of the business transactions that were subject to its approval. In addition to financial and investment planning, these included cooperation projects and the conclusion of contracts of particular importance to the company. The capital increase in return for a contribution in kind from the authorized capital which was carried out in the 2021 financial year led to the issue of 11,257,861 new shares to result in 33,796,535 no-par-value bearer shares. There was no change in the company's share capital in the 2022 financial year. Likewise, no treasury shares were acquired or sold, which is why the company did not hold any treasury shares as of the reporting date of December 31, 2022. All the shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTM102). In addition, the shares of PIERER Mobility AG were listed on the Regulated Market (General Standard) of the Frankfurt Stock

Exchange from March 3, 2020 to October 18, 2022. Since March 1, 2022, the shares of PIERER Mobility AG have also been listed on the Vienna Stock Exchange (Official Market). Furthermore, the group also achieved inclusion in the sustainability index SPI ESG / SPI ESG Weighted of the SIX Swiss Exchange. On the stock market, the 2022 financial year was also dominated by the war in Ukraine, which caused great uncertainty on the capital markets and led to a high level of volatility on the stock markets. The risk of a recession as a result of the significant action on interest rates and a possible halt to the supply of Russian gas also worried investors. Despite the positive forecast for the 2022 financial year which PIERER Mobility AG published in January 2022 and which was raised further in August 2022, the PIERER Mobility share lost around 42 % of its value in the first quarters of 2022 (price on December 30, 2021: CHF 94.0).

The Executive Board informed the Supervisory Board of a large number of measures and business events and discussed these with the Supervisory Board intensively and in detail. These included the impact of the war in Ukraine – which led in particular to a significant increase in energy prices, and the lingering effects of the COVID-19 pandemic on the company, particularly in terms of procurement and global supply chains, and the countermeasures that have been taken. The combination of these two situations in particular over the last financial year illustrates the many ways in which supply chains can become unstable, resulting in supply shortages and significant price increases not just for the global economy, but also for ordinary people around the world. The rates of inflation, which seem to be settling at a high level in the short and medium term, are another consequence of this multi-layered crisis. High commodity prices increase inflationary pressures and affect real incomes and spending. There was no cause for additional audit measures by the Supervisory Board.

In the 2022 financial year, a large number of new or revised models from the KTM, Husqvarna Motorcycles and GASGAS brands, both offroad and street, were again launched to cater for the ever-growing customer base. The wide range of street models extends from naked bikes, supersport and touring models in the entry-level segment to a broad mid-range segment with single-cylinder and straight twin models right through to premium motorcycles with efficient and powerful two-cylinder engines. With regard to the transfer to series production, research in 2022 was particularly focused on the mid-range platforms. The first half of 2022 also saw the market launch of the updated versions of the two Electric-Balance Bikes (known as E-Balance Bikes for short), 12eDrive and 16eDrive from STACYC™, which are available as models for all three of the group's KTM, Husqvarna Motorcycles and GASGAS brands. These bikes are electrically powered vehicles whose multiple uses and great versatility make them the perfect entry-level platform for the very youngest riders, while also opening up a new market segment. In the Bicycle Division, activities in 2022 focused on further establishing the three Husqvarna E-Bicycles, R Raymon and GASGAS brands, as well

as on further technical development and enhancing the quality of the product range. The launch of the new 2022 model year and the presentation of the whole collection of New Mobility products for all brands took place primarily during the Media Summit on April 26, 2022. Husqvarna E-Bicycles is focused on innovation in the field of electric mobility. The GASGAS brand followed a new approach in 2022, launching a variety of new electrified New Mobility products ranging from a lightweight all-mountain bike to a high-performance enduro bike. As the newest brand in the PIERER New Mobility portfolio, FELT is focused on speed and competition and also launched two new platforms in the 2022 financial year. Although the e-mobility market holds great growth potential, it can be expected that high-quality products will emerge to meet the level of demand, which according to the latest scientific findings is also very much dependent on a changing demographic structure with people being more conscious of the environment. However, at the same time it should be noted that current macroeconomic uncertainties as well as impacts on consumer prices, not least due to high rates of inflation, may produce unpredictable effects on the level of demand.

In November 2022, KTM AG acquired a 25.1 % stake in MV Agusta Motor S.p.A., based in Varese (Italy). As part of this strategic partnership between the two European motorcycle manufacturers, KTM AG, a subsidiary of PIERER Mobility AG, will support MV Agusta in the supply chain, take over purchasing, and MV Agusta will distribute some of its range of products through PIERER Mobility's global distribution network.

WORKING CULTURE AND FOCUS OF THE SUPERVISORY BOARD MEETINGS

The Supervisory Board held four meetings in the year under review. In addition, there were further coordination discussions by telephone and resolutions passed by electronic, telephone, or written means. The Supervisory Board's work was characterized by an open and intensive exchange of views. At the meetings of the Supervisory Board, its members discussed the measures and transactions to be decided upon in detail with the Executive Board. The members of the Supervisory Board regularly prepared for upcoming resolutions on the basis of documents provided by the Executive Board.

In its meetings, the Supervisory Board regularly monitored the work of the Executive Board, was informed by the Executive Board about projects and the course of business and business planning – including non-financial performance indicators, and also advised the Executive Board on key strategic decisions. The Supervisory Board also dealt with the corporate governance of the company and compliance management. In the 2022 financial year, the Code of Conduct of the PIERER Mobility Group was revised again and the new version was published on October 24, 2022. Other focal points of the

Supervisory Board's activities included dealing with new legislation, the legal framework and new, pioneering technologies. Outside of the regular meetings, the Supervisory Board was notified about special events. In addition, the members of the Supervisory Board and the Executive Board held bilateral meetings to exchange views. The Executive Board also informed the Supervisory Board about the most important indicators of business development and existing risks by providing verbal reports.

In its first meeting on **March 20, 2022**, the Supervisory Board dealt primarily with the discussion and resolution on the audit and adoption of the 2021 annual financial statements, the 2021 management report, and the audit of the 2021 consolidated financial statements, the 2021 consolidated management report, the corporate governance report and the sustainability report (non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB)). Furthermore, the Supervisory Board dealt with the agenda and the proposed resolutions, as well as the COVID measures for the Annual General Meeting. For almost 30 years, the Swiss Annual Report Rating has been evaluating annual reports of those companies that are represented in the Swiss Performance Index SPI on the SIX Swiss Exchange, as well as the fifty Swiss companies that generate the highest revenue.

The company's excellent work in preparing the 2021 annual financial statements was also praised. Out of a total of 236 reports (online and print version) examined in the Swiss Annual Report Rating 2022, PIERER Mobility AG was among the top 20 best-rated companies and came thirteenth in the "Value Reporting" category.

At the Annual General Meeting held on **April 29, 2022**, Rajiv Bajaj, Srinivasan Ravikumar, Dr. Iris Filzwieser and Michaela Friepeß were appointed as additional members of the Supervisory Board. The appointed Supervisory Board members have each accepted their appointment. Dr. Ernst Chalupsky and Alfred Hörtenhuber each resigned from their positions as members of the Supervisory Board with effect from the end of the Annual General Meeting of 29 April 2022.

The meeting on **June 22, 2022** focused on the course of business over the first five months of 2022, the reports of the group companies, and the financial status. Furthermore, reports were given on reorganization measures within the operational side of KTM AG as well as the further expansion of the joint venture with MAXCOM. Due to the continued positive global demand for powered two-wheelers (motorcycles and e-bicycles), the Executive Board announced on August 29, 2022 that it would be raising the revenue forecast for the 2022 financial year which was published in the first quarter of 2022. Despite the significantly slower pace of growth in the global economy as a result of the Russian-Ukrainian war, the group's revenue forecast for the 2022 financial year was raised to a growth level of 10 to 15

percent compared to the previous year (previously forecast revenue growth for the 2022 financial year: 6 to 10 percent). The Supervisory Board meeting on **September 20, 2022** focused on business performance in the first eight months of 2022, the status report on the joint venture with MAXCOM, and the establishment of the company in North America. The last meeting of the 2022 year under review took place on December 20, 2022 and dealt with the course of business after 11 months and the outlook for the 2022 financial year as a whole. The Group companies and the financial status were also reported on at this meeting. Furthermore, the budget for 2023 was presented, discussed and approved. On **December 27, 2022**, the Executive Board announced that it would again increase the revenue forecast for the 2022 financial year which was published in August 2022. The revenue forecast for the 2022 financial year was raised to a growth level of 15 to 20 percent compared to the previous year (previously forecast revenue growth for the 2022 financial year: 10 to 15 percent). Furthermore, in coordination with the main shareholder Pierer Bajaj AG, the Executive Board will propose to the Supervisory Board and the Annual General Meeting a dividend of at least EUR 2.00 for each share with dividend rights on the basis of the expected record result for the 2022 financial year, which is at least double the previous year's dividend. The preliminary key figures in relation to the 2022 financial year for the PIERER Mobility AG Group were published on January 31, 2023.

With regard to the attendance of the Supervisory Board members at the meetings, it is noted that one Supervisory Board member was excused from just two Supervisory Board meetings; all members of the Supervisory Board were present at the rest of the Supervisory Board meetings.

INDEPENDENCE AND EFFICIENCY

An important part of good corporate governance is the independence of the members of the Supervisory Board and their freedom from conflicts of interest. In assessing the independence of its members, the Supervisory Board applies the recommendations of the Austrian Code of Corporate Governance. The criteria for assessing independence are presented in Rule 53 of the ÖCGK. According to the assessment of the Supervisory Board, with the exception of Rajiv Bajaj, all members of the Supervisory Board are to be classified as independent on the basis of these criteria at the end of the year 2022. Rajiv Bajaj, as Managing Director, CEO and shareholder of Bajaj Auto Ltd, which is a major cooperation partner of KTM AG, does not fulfil the second independence criterion. Insofar as other members of the Supervisory Board hold executive positions in companies that have business relationships with the PIERER Mobility Group, we do not see any impairment of their independence.

The Supervisory Board reviews the efficiency of its activities annually in the form of a self-evaluation within the meaning of C Rule 36 ÖCGK.

For this purpose, the Chairman of the Supervisory Board conducted a written survey of all Supervisory Board members on the entire range of relevant Supervisory Board topics on the basis of a detailed questionnaire and discussed these in detail in a meeting of the Supervisory Board. Topics included in particular the preparation and conduct of the Supervisory Board meetings, the content and topics of the meetings, the cooperation within the Supervisory Board and the interaction with the Executive Board and the auditor. Overall, the activities of the Supervisory Board were assessed by its members as unchanged and efficient.

AUDIT COMMITTEE

The Audit Committee monitors in particular the accounting process, the effectiveness of the internal control system and the risk management system, as well as the final audit of the financial statements, the independence and qualification of the auditor and their services, including the commissioning of additional non-audit services. The Audit Committee consisted of three members in the 2022 financial year. Until the end of the Annual General Meeting on 29 April 2022, the Audit Committee was composed as follows: Klaus Rinnerberger (financial expert and committee chairman), Josef Blazicek (as chairman of the supervisory board) and Ernst Chalupsky (deputy chairman of the supervisory board). At the end of the Annual General Meeting on April 29, 2022, Supervisory Board member Srinivasan Ravikumar replaced Klaus Rinnerberger as Chairman of the Committee; Klaus Rinnerberger was appointed as Deputy Chairman. After Dr. Ernst Chalupsky resigned from the Supervisory Board with effect from the end of the Annual General Meeting on 29 April 2022, Michaela Friepeß was elected as a new member of the Audit Committee, so that the Audit Committee continues to consist of three members. Klaus Rinnerberger continues to serve as the financial expert. The Audit Committee held three meetings in the year under review. The Audit Committee dealt in detail with individual specialized issues and subsequently reported its findings to the Supervisory Board. Moreover, during the year the Audit Committee was in continuous dialog with the Executive Board and the auditor with regard to the significant topics of the annual and consolidated financial statements. In particular, discussions on the status and on important issues in the final audit were held with the auditor. The meeting in **March 2022** focused on the in-depth discussion of all topics in connection with the 2021 annual financial statements and consolidated financial statements. In addition, the appointment of the auditor for the 2022 annual financial statements and consolidated financial statements was initiated and submitted by the Supervisory Board – based on the recommendation of the Audit Committee – to the Annual General Meeting on April 29, 2022 as a proposal to be voted on. At the meeting in August 2022, the group's half-year financial statements for 2022 were discussed in detail in the presence of the auditor. At the meeting in **December 2022**, the auditor provided an overview of the planned process and the main

areas of focus of the audit for the 2022 financial year. Furthermore, in accordance with the Audit Law Amendment Act 2016 as well as Regulation EU/537/2014, the provision of non-audit services by the auditor and its network in the 2023 financial year up to an amount limit was approved.

Furthermore, the Chairman of the Supervisory Board as well as the Chairman of the Audit Committee participated in the final meeting to discuss the audit of the annual and consolidated financial statements as of December 31, 2022 with the auditor.

A **Remuneration Committee** of PIERER Mobility AG was established at the meeting of the Supervisory Board of PIERER Mobility AG on December 20, 2021, and therefore held its inaugural meeting in the 2021 financial year. As the Supervisory Board consists of no more than six members, the tasks of the Nomination Committee are performed by the entire Supervisory Board. The members of the Remuneration Committee, which was established on December 20, 2021, were newly appointed in the 2022 financial year. Josef Blazicek (as chair) and Michaela Friepeß (as deputy) were elected as members of the Remuneration Committee. Furthermore, a new **Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)** was created, and the members are Michaela Friepeß (as chair) and Josef Blazicek (as deputy). The Remuneration Committee and the Committee for Compliance, Investor Relations (IR) and Sustainability (ESG) each met once in the 2022 financial year.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT AND CONSOLIDATED MANAGEMENT REPORT

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, ("KPMG") was appointed by the Annual General Meeting of PIERER Mobility AG on April 29, 2022 as auditor of the financial statements and consolidated financial statements for the 2022 financial year. The Chairman of the Supervisory Board commissioned KPMG to conduct the audit. The annual financial statements and the management report for the 2022 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, together with the consolidated financial statements and the consolidated management report for the 2022 financial year. The audit did not give rise to any objections and the annual and consolidated financial statements for the 2022 financial year were granted an unqualified audit opinion.

The auditor confirmed that the company's annual financial statements as at December 31, 2022 are consistent with applicable laws, that they give a true and fair view in all material aspects of the net asset and financial position as at December 31, 2022, that the company's earnings position for the financial year ending on this

reporting date is in accordance with the regulations under Austrian company law, and that the management report is consistent with the annual financial statements.

Furthermore, the auditor also certified that the consolidated financial statements are consistent with applicable laws and give a true and fair view in all material respects of the Group's net assets and financial position as at December 31, 2022, as well as of the earnings position and cash flows for the financial year ended in accordance with the International Financial Reporting Standards (IFRS), and that the consolidated management report is consistent with the consolidated financial statements.

The documents relating to the financial statements and the auditor's reports (including the "Supplementary Report to the Audit Committee on the audit of the annual financial statements in accordance with Art. 11 of EU Regulation No. 537/2014 as at December 31st 2022") were discussed in detail with the auditors in the **Audit Committee** in the meeting held on **March 20, 2022** and subsequently presented to the Supervisory Board pursuant to Section 96 (1) of the Austrian Stock Corporation Act (AktG) together with the management reports drawn up by the Executive Board, the corporate governance report and the sustainability report (non-financial report). The auditor reported on the results of its audit to the Audit Committee meeting. Its explanations, in particular on the net assets, financial position and earnings position of the company and the Group, were discussed in detail. All questions from the Audit Committee were answered. In addition, the Audit Committee was able to satisfy itself that there were no circumstances of bias on the part of the auditor. The Audit Committee also exchanged information on other services provided by KPMG outside the scope of the final audit. The Audit Committee discussed and reviewed the summarized "non-financial report". All questions relating to this were answered by the Executive Board. In addition, an independent limited assurance engagement on the consolidated non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB) was performed by KPMG again in the last financial year.

The **Audit Committee** stated in its report to the Supervisory Board that it agreed with the result from the auditor, and, following its audit of the annual financial statements and management report, together with the consolidated financial statements, the consolidated management report, the corporate governance report and the sustainability report for the 2022 financial year, it concluded that the documents submitted for auditing are correct and in compliance with the law, that the Executive Board's decisions regarding accounting policy are cost-effective and appropriate, and there is no reason for any objections. In the 2023 financial year, risk reporting and reporting on CSR & sustainability will be further expanded in the Audit Committee.

The **Supervisory Board** agrees with the report of the Audit Committee and thereby with the result of the final audit. In its assessment of the situation of the company and the Group, the Supervisory Board concurs with the assessment expressed by the Executive Board in the consolidated management report and the management report. All questions posed by the Supervisory Board were answered by the auditor and the Executive Board. The final result of the Supervisory Board's audit of the annual financial statements and the management report, as well as the consolidated financial statements, the consolidated management report, the corporate governance report and the sustainability report for the 2022 financial year, also gives no reason for any objections. Having been accepted by the Supervisory Board, the annual financial statements for the 2022 financial year can be deemed to have been approved pursuant to Section 96 (4) of the Austrian Stock Corporation Act (AktG). The Supervisory Board acknowledged the consolidated financial statements and the consolidated management report for the 2022 financial year. In the 2022 financial year, the Executive Board and Supervisory Board again paid attention to the further development of corporate governance at PIERER Mobility AG. Awareness of, as well as a commitment to, the principles set out in the Code of Conduct and Compliance Guidelines was consistently promoted and expanded over the course of the 2022 financial year. The Supervisory Board examined and approved the corporate governance report and the sustainability report (non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB)) for the 2022 financial year. Furthermore, the Supervisory Board has prepared a remuneration report together with the Management Board pursuant to Section 78c of the Austrian Stock Corporation Act (AktG). The Supervisory Board concurs with the Executive Board with regard to the proposal concerning the distribution of the net profit achieved during the 2022 financial year.

Moreover, at the recommendation of the Audit Committee, a proposal for the appointment of the auditor for the 2023 financial year was prepared for the 26th Annual General Meeting. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, is proposed as auditor for the financial year commencing on January 1, 2023 and ending on December 31, 2023.

The Supervisory Board would like to thank the Executive Board, as well as all employees and the racing team, for their dedication and contribution to the pleasing results achieved during the last financial year. We would also like to convey our thanks to the shareholders, customers and partners who placed their trust in the company and who have therefore played a fundamental role in this success.

Wels, March 2023

A handwritten signature in black ink, appearing to read 'Josef Blazicek', with a long horizontal stroke extending to the right.

Chairman of the Supervisory Board
Josef Blazicek







KTM

The Racing Brand with Extreme Performance

Powered by a distinct READY TO RACE mentality, KTM is Europe's leading high-performance street and offroad sport motorcycle manufacturer. Originally running an automotive repair and spare parts fabrication workshop in Mattighofen, Austria, Hans Trunkenpolz and his son Erich soon grew the family business to include the sale of motorcycles. By the 1950s they had produced their own motorcycle design, with the first models released in 1953 under the KTM name. Motorsport quickly became a priority and a passion, and the company competed successfully in local races. The KTM name stands for Kronreif and Trunkenpolz – the two original founders – and Mattighofen. Over the years KTM has built a reputation as a fierce player on racetracks around the world thanks to its READY TO RACE philosophy and ethos. 333 World Championship titles in almost 70 years of competition is proof of KTM's irrefutable racing attitude. The brand's remarkable achievements on the world stage are reflected in every product it creates. KTM has progressed to become one of the world's most innovative fabricators of street and travel motorcycles.

READY TO RACE
Purity | Performance |
Adventure | Extreme

GLOBAL BRAND POSITIONING

RACING AS A DRIVING FORCE

The company creates mobility solutions for two-wheelers and lifestyle products for its ever-growing consumer base. The footing of the machinery's competitiveness in the marketplace – and mentality to always remain at the cutting edge of development and customer consciousness – stems from a potent motorsport program. KTM race bikes are not only successful from grass-roots level to elite championships but also omnipresent in a range of disciplines no matter the engine size or the type of tires. KTM's investment and endeavors also help to pioneer innovations that are proven in the harshest and toughest environments.

It's no coincidence that racing and the color orange fit together so

well. KTM's brand values of PURITY, PERFORMANCE, ADVENTURE and EXTREME are naturally aligned with a stopwatch, grid, gate and a checkered flag. The long-standing dominance in offroad segments – from closed circuit competitions like motocross and supercross to the wilderness of a Dakar rally stage or the technicality of an enduro section – is now matched by feats on asphalt with championship spoils in six of the last eleven years of Grand Prix.

Racing means different things to different people, but ultimately it is a combination of talent, bravery, invention, exclusivity, and individualism – mixed with teamwork. In short it is a natural sphere of existence for KTM and where the urge to prevail and challenge is given free rein. This awareness feeds into large benefits for the end users of KTM motorcycles.

2022 HIGHLIGHTS

KTM created a selection of products that once again fascinated motorcyclists around the world. The diversity of the 2022 collection was matched only by the exclusivity of several of the models; the serial production runs often sold out in minutes upon announcement. 'Exclusivity' however doesn't mean the absence of choice of a KTM for almost all ages and all abilities.

Last summer, KTM served the current market with the largest renovation of their benchmark-setting KTM SX range. The revised chassis and motor engineering of the 2-stroke and 4-stroke models from 50cc to 450cc capacity brought a new chassis 'anti squat' concept for more stability, agility, centralization and power. The marketing campaign for the 2023 launch used some of KTM's most prominent motocross race names and emphasized the strong approach to lofty standards and design thinking that has made the KTM SXs the most chased motorcycles on the track as well as the most sought after in dealer showrooms.

The 2023 KTM 890 ADVENTURE R and KTM 890 ADVENTURE cater to the expanding demographic of customers who are curious about free-spirited motorcycling. The midweight bikes are perfect for potential 'new' adventure riders and those who want more versatility in a bigger range of conditions, while still retaining segment-leading features in terms of electronics and design. The avid response to the 2022 WORLD ADVENTURE WEEK – a set of online tasks across 1,000 km in seven days that enticed riders from Argentina to Australia to take part – and the enthusiasm for the latest edition of the EUROPEAN ADVENTURE RALLY in southern France, shone a light on the vibrancy of the Travel/Adventure market. The schemes showed the thirst for the capability and specifications of KTM ADVENTURE machines – their handling, usable power, equipment, and durability are particularly highly rated – as well as the possibilities the models offer.

KTM redesigned and relaunched the popular LC twin-cylinder engine that delivered the KTM 790 DUKE and KTM 790 ADVENTURE during 2022. For street motorcyclists, the comeback and modernization of

'THE ORIGINAL SCALPEL' in the KTM 790 DUKE meant a return to one of their ultimate definitions of a 'naked bike'. The power-to-weight and lithe handling were among the unforgettable calling cards when the model was launched in 2018. The new version could particularly appeal to target groups in emerging markets and A2-licence holders in Europe.

When the BRABUS 1300 R broke ground earlier this year it marked the maiden collaboration between KTM and the luxury German automotive tuning firm. Adopting the KTM 1290 SUPER DUKE R EVO's 180 hp and 140 Nm torque V-twin, the BRABUS 1300 R was a striking special edition that sold out in less than two minutes and demonstrated that consumers will trust and respond to a digital pre-order platform. The same distribution system was employed for another limited-edition model as KTM R&D turned their energies to a refined version of the KTM RC 8C track bike that boasts more race-ready features, the best WP Suspension componentry, and heavy MotoGP styling among other features. The 200 units were booked in less than three minutes.

ELECTRIC MOBILITY

For KTM, the electric base of the offroad portfolio is a crucial foundation of its e-mobility strategy and education. The motocross models offer zero-emissions and low maintenance options in order to get kids and youths excited about environmentally friendly riding.

The first tastes of riding enjoyment on two wheels are aimed at the youngest of the 'orange bleeders.' Children can get rolling and feel the speed of a few km/h with the KTM 12eDrive and KTM 16eDrive electric balance bikes. The electric motors and robust and sporty design of the models aptly whet the appetite before moving on to ride the new KTM SX-E 3 and the KTM SX-E 5. The first-class sportminicycles make an impression with high-end design, components and performance. The KTM SX-E 5 rivals the KTM 50 SX – its combustion-engined counterpart – as an option for juniors who want to improve but who also shred a section or two of track and are

thinking of racing. The competitiveness of the bike was proven for the second year in a row with the continuing popularity of the over-subscribed European Junior e-Motocross series that runs at FIM MXGP Motocross World Championship events.

2023 OUTLOOK

KTM's world is spinning fast. The agenda for 2023 is already fully loaded with more products made in Mattighofen, Austria, in time for some special company landmarks.

In 2023 the brand will celebrate its 70th year of existence and a further important milestone in KTM history that is aptly illustrated in the KTM Motohall: three decades of the KTM DUKE, the street bike that helped cement KTM's formidability in the road segment.

In terms of events, the reshaped KTM 890 ADVENTURE R heralds the first of six phases of the #DARE2ADV campaign. As part of this initiative, a total of six motorcycle models will undergo a host of upgrades.

The 2023 KTM RC 8C is an important emblem reflecting the company's development and dedication to supremacy on asphalt racetracks, in keeping with the accomplishments and brand awareness achieved through MotoGP™ competition. The bike is a race-ready tool with an augmented LC8 engine and endemic specifications like aerodynamics and WP PRO COMPONENTS suspension designed specifically for this type of application. Amateur road racers and all those who simply love the pulse-quickening

wurde das zweite Jahr in Folge durch die anhaltende Popularität der europäischen Junior e-Motocross-Serie bewiesen, die im Rahmen der FIM MXGP Motocross-Weltmeisterschaft ausgetragen wird.

freedom of a track day can immerse themselves in the motorsport world at the KTM RC 8C gathering at the MotoGP circuit in Valencia in April. Former GP winners like Jeremy McWilliams and Mika Kallio are on site, while technical crews from KTM and WP Suspension are standing by to offer KTM RC 8C owners and riders the 'factory treatment'.

REGIONAL OVERVIEW

KTM's Street portfolio and good reputation continue to power the brand in road bike sales. The European market remains a stronghold, but notable gains have also been seen in Latin America, particularly for small displacement models, as well as in Asia and above all in East Asia, which is flagged as one of the key territories in terms of growth and potential.

KTM plans to leverage its racing success even further to expand the Street segment and target North America: an area of the global map where KTM has enjoyed the most growth in 2022 and where the company's name in Offroad products is especially prominent. As well as growing the Street segment, KTM is pushing to maintain dominance in the Offroad sector as a market leader and innovator.



Matthias Walkner, 2022 Dakar Rally, Saudi Arabia
© KTM/Rally Zone

MOTORSPORT

RALLY

When recently retired KTM MotoGP™ rider Danilo Petrucci guided his KTM 450 RALLY to win a stage of his very first Dakar in January 2022, he summarized a lot of KTM's racing spirit and approach. Facing huge odds due to an ankle injury and his rookie status for one of the most daunting events on the FIM calendar, the Italian used his competitive motorcycle to plough through the Arabian dunes to take first place on Stage Five. Teammate and previous Dakar winner Matthias Walkner was able to go the full distance and make the overall podium as the rally team's persistence set the tone for the year.

SUPERCROSS

AMA Supercross lurched into action at the same time and Red Bull KTM Factory Racing's Marvin Musquin conquered round thirteen in St. Louis for the maiden victory with the new generation KTM 450 SX-F. The Frenchman was fourth overall in the championship.

ROAD RACING

In the second month of 2022 KTM began their sixth season on the MotoGP grid. By November Red Bull KTM Factory Racing and Tech3 KTM Factory Racing would have completed 20-rounds in an exhausting but entertaining championship that saw KTM win two Grands Prix with Miguel Oliveira and three more runner-up positions were bagged by Brad Binder. The South African would end the term sixth in the standings with his KTM RC16 and KTM reached their highest position yet in the Teams' Championship with second place.

The Red Bull KTM Ajo team did the double in Moto2™. Augusto Fernandez ensured a second consecutive Riders' title while the Aki Ajo's crew were Team champions once again. Both Fernandez and rookie teammate Pedro Acosta, the 2021 Moto3 world champion, won seven of 20 Grands Prix and appeared on the podium 15 times in total.

2023 OUTLOOK

KTM created plenty of sporting stories in 2022 but the quest for more racing success goes on. Red Bull KTM Factory Racing teams again attacked the Dakar Rally with Kevin Benavides, Toby Price and Matthias Walkner before AMA Supercross sees Marvin Musquin, Aaron Plessinger and double 450SX champion Cooper Webb try to rule the stadiums. MX2 world champion Tom Vialle will be a new and exciting player for the 250SX and 250MX series.

MotoGP braces itself for the longest and most arduous season on record as Brad Binder and new teammate Jack Miller confront 21 Grands Prix and the introduction of the Sprint race format that will see 42 grid formations with the KTM RC16 in 2023. Red Bull KTM will

Ajo's Moto3™ project, along with the Red Bull KTM Tech3 squad, clinched trophies in the extremely close category. Jaume Masia was a double Grand Prix winner while other KTM GP Academy members Daniel Holgado and Deniz Öncü also made the top three thanks to KTM's RC4 motorcycle. Four KTM RC4s classified in the top ten of the final championship ranking. KTM's GP Academy is a talent development scheme that helps promising racers through contests like the Red Bull MotoGP Rookies Cup, Northern Talent Cup and JuniorGP into Moto3, Moto2 and MotoGP as well. Yet more names are moving along the Academy ranks for 2023 and KTM's virulent team network in Grand Prix. Spain's latest hotshot, Jose Rueda, was the victor of the 2022 Red Bull KTM Rookies Cup with his KTM kitted RC 250 R.

MOTOCROSS

The summer months of motocross belonged to Red Bull KTM Factory Racing's Tom Vialle. The Frenchman baptized the new KTM 250 SX-F with ten triumphs and 15 rostrum appearances from 18 rounds and his second MX2 world title in just four years of Grand Prix in the final race. Vialle now makes a high-profile switch to the North American wing of the team to attempt AMA Supercross and Motocross.

ENDURO

The same rate of excellence was achieved in a similar period of the year by the Red Bull KTM Enduro crew. Manuel Lettenbichler was crowned the 2022 Hard Enduro World Champion. The young German won five out of the eight races of the season aboard his KTM 300 EXC. Josep Garcia used his KTM 350 EXC-F to scoop the Team and Constructor titles in Enduro2 and EnduroGP.

FLAT TRACK

Another FIM gold medal was added to the pile with Gerard Bailo's 2022 Flat Track World Championship. .

again vie for championships in Moto2 and Moto3 with six different protagonists. MXGP welcomes 2021 #1 Jeffrey Herlings back to the fold and full fitness as KTM look to the future in MX2 with Andrea Adamo, Sacha Coenen, Liam Everts under the watchful eyes of new Team Manager, MXGP legend, Tony Cairoli. Manuel Lettenbichler will again star in events like the Erzbergrodeo while Josep Garcia will carry Red Bull KTM's FIM Enduro ambitions.

2022 VICTORIES & SUCCESSES

World Champions

Rider's titles

FIM MX2 Motocross World Championship
Tom Vialle (FRA)

FIM Hard Enduro World Championship
Manuel Lettenbichler (GER)

Moto2™ World Championship
Augusto Fernandez (ESP)

FIM Flat Track World Championship
Gerard Bailo (ESP)

Manufacturer's titles

FIM EnduroGP World Championship

FIM Enduro2 World Championship

Red Bull KTM Factory Racing: Runner-up MotoGP™ Teams
Championship

International Six Days Enduro

Individual Overall Winner: Josep Garcia (ESP)

Manufacturer's Team Award

Red Bull KTM Factory Racing (AUT)



Matthias Walkner, 2022 Dakar Rally, Saudi Arabia
© KTM/Rally Zone





HUSQVARNA MOTORCYCLES

The Pioneering Brand with Smart Performance

With its Swedish roots and unrelenting spirit, the Husqvarna Motorcycles brand has been building premium street and offroad motorcycles for more than a century.

Throughout its dynamic 119-year history, the brand has experienced several transformations. The move to Pierer Mobility AG ownership in October 2013 has proved to be the start of its most successful era to date.

As a brand, Husqvarna Motorcycles is focused on developing distinct products that harness functional simplicity, premium quality materials, and stylish design to deliver a unique riding experience centered on the essence of the ride itself. By stripping away all of the unnecessary, Husqvarna Motorcycles aims to provide an honest, appealing, and accessible riding experience to a broader range of potential riders. Husqvarna motorcycles are developed at state-of-the-art manufacturing facilities in Mattighofen, Austria.

Husqvarna Motorcycles maintains its focus on the future, seeking out innovative and improved solutions to create original machines that deliver on the brand's promises.



FOR PIONEERS
Smart | Progressive |
Dynamic | Pure Design

GLOBAL BRAND POSITIONING

Husqvarna Motorcycles designs machines for pioneers – for those riders who want to make a statement and stand out from the crowd. The motorcycle choice is an expression of their individuality and non-conformist outlook. The smart performance of Husqvarna Motorcycles meets the demands of discerning, self-confident riders who measure a bike by the ride. This symbiosis drives the continued appeal and success of the premium manufacturer.

For more than a century, the Husqvarna brand has been central in driving motorcycle development. Its influence has continuously reflected the brand's strong position in the two-wheeled world. Husqvarna riders value this rich legacy and prize the authenticity it

brings. At the same time, the brand constantly seeks new ways to create innovative machines to align with the aspirations of riders.

Recognizing that motorcyclists are as individual as their machines, Husqvarna continues to deliver bold machines with smart performance. The brand's motorcycles make dynamic riding accessible to all, without compromising on performance and handling. Husqvarna Motorcycles embraces the dynamic and the progressive and channels these virtues into pure design, building upon the bedrock of its heritage to realize a thoroughly modern vision and making it a pioneering brand with smart performance.

2022 HIGHLIGHTS

CLASS-LEADING INNOVATIVE PRODUCTS

Along with the continuing popularity of the established models, a number of new machines and technical developments have contributed to Husqvarna Motorcycles' latest sales successes. With more than 350,000 motorcycles sold worldwide during the last eight business years, the brand has followed this steep upward trajectory since 2013 and continues to focus on increased growth, new markets, and the ongoing development of a wider product range.

Fulfilling a progressive vision of street motorcycling, the Norden 901 enjoyed its first full business year in 2022, meeting its global sales target with around 5,000 units sold and showing that the brand has successfully combined its street and offroad expertise to become instantly established in a new market. The Norden 901 generated much excitement and acclaim when first shown as a concept model at the 2019 EICMA show. Having arrived in showrooms in 2021, this travel motorcycle has captured the imagination of intrepid motorcyclists across the globe. The Norden 901 brings a tough yet lightweight approach to the midclass adventure sector, proving that the Husqvarna brand has a place in this rapidly growing class. Combining its exemplary offroad ability with unrivalled comfort and agility on tarmac, the Norden 901 has taken Husqvarna Motorcycles into a whole new market area.

The focus on product development is a consequence of Husqvarna Motorcycles' clear commitment to establish its brand across the world as a feisty and serious manufacturer in the road motorcycle segment. The brand strategy has been refined to better focus on street-oriented customers, considering the potentially huge sales prospects.

At the same time, the brand's commitment to the offroad sector is being consolidated and strengthened by further innovations, such as 2-stroke fuel injection technology and a new electric starter as seen

on the latest 2023 TC 125 and TC 250 models. These are significant enhancements in the continued evolution of these popular models, which set the benchmark for premium motocross machinery in the highly competitive 2-stroke sector.

Continuing to deliver true motocross performance, the all-new 2023 2-stroke and 4-stroke models deliver the optimal offroad experience for riders at all levels. Each of the motorcycles in the range has received technical advancements for 2023.

To honor the brand's Swedish heritage and racing achievements of the last century, a limited run of motocross and enduro machines were created with a special livery. Boasting a distinctive Swedish-inspired look with an understated appearance, these Heritage models are based on the proven technical platforms of the 2023 Husqvarna Motorcycles motocross, enduro and cross-country ranges.

INNOVATIVE TECHNOLOGIES

Alongside the launch of the new motocross models, the brand also released advanced connectivity features. These allow riders to manage incoming calls, music, and turn-by-turn navigation on the Norden 901, or tailor the performance of their motocross motorcycles according to their riding skills and track conditions.

Another recent technological advancement is an all-new 3D configurator to assist buyers in styling and equipping the new FC 450 or TC 250 motocross machines. The live-streaming 3D configurator is the result of in-house cooperation with PIERER Innovation. First launched alongside the 2023 motocross models, the 3D configurator will be adapted and rolled out for other models in the brand's broad product portfolio.

ELECTRIC MOBILITY

Husqvarna Motorcycles' development in the field of alternative drives is well advanced. Products such as those for electric urban mobility will demonstrate the same progressive design values that have seen the brand set benchmarks for quality, aesthetics, and performance for more than a century.

Extensive R&D and design efforts will be concentrated on developing urban electromobility solutions for the near future.

The brand already has electric motorcycle experience in the offroad segment with the competition-focused EE 5 as well as the 12eDrive

and 16eDrive electric balance bikes. This is an early expression of the brand's commitment to deliver groundbreaking technology and performance to the world of motorcycling, and to attract and encourage the two-wheel riders of tomorrow at the earliest possible age. Adding to this commitment, Husqvarna Motorcycles introduced an entry-level machine for youngsters, the all-new EE 3, to the market.

With a view to the future in terms of riders as well as machinery, Husqvarna Motorcycles was one of the manufacturers to support the second consecutive year of the European **Junior E-Motocross Series**, run across five rounds alongside the 2022 FIM Motocross World Championship.

2023 OUTLOOK

The ongoing expansion of the product range with completely new models for both onroad and offroad sees this premium European manufacturer reach record sales growth year after year. Ever since joining forces with Pierer Mobility in 2013, Husqvarna Motorcycles has achieved impressive annual growth and exceptional success in a very short time.

The portfolio broadening, along with the strengthening of brand awareness and ongoing development of the dealer network, allows Husqvarna Motorcycles to realize the full potential of the brand. The next year will see further expansion into new segments and markets, with a clear objective of increasing market share and overall unit sales to new, higher levels.

Based on the successful integration of the Norden 901 travel

machine with the brand's product portfolio, this model will be complemented by a further addition that expands the travel segment and thus broadens the target group.

In 2023, Husqvarna Motorcycles will focus on further integration of low-voltage e-mobility products into existing segments. Becoming accessible to an even wider audience, the brand will launch its first product in the extensive urban mobility line-up: an electric stand-up scooter. Together with the introduction of this model, the Husqvarna brand will be the first ever to implement an eCommerce initiative for Pierer Mobility.

Husqvarna Motorcycles also remains committed to extending the development and support of young talent in the motorsport world with the continuation of the European Junior E-Motocross Series.

REGIONAL OVERVIEW

Best known for its established position in the offroad industry, Husqvarna Motorcycles has broadened its product offering under Pierer Mobility AG ownership through the introduction of new models and expansion into new segments and markets.

In 2020, Husqvarna became available in India, Southeast Asia and Latin America to increase sales and further grow the brand. In 2022, the North American market enjoyed significant growth, with a 69 % increase in units sold, while the brand retained its strong position in Europe.

Looking toward the future, Husqvarna Motorcycles will consolidate and further grow its position worldwide by entering new territories and market sectors with urban mobility solutions and an expanded street bike line-up.

MOTORSPORT

Motorsport is an integral part of Husqvarna Motorcycles' history and a driving factor in the continued development of its class-leading production motorcycles. Husqvarna Motorcycles remains resolute in achieving success at the highest levels of two-wheeled motorsport.

FACTORY RACING

Since the introduction of the global Rockstar Energy Husqvarna Factory Racing team in 2015, Husqvarna Motorcycles has consistently consolidated its position as a dominant force in offroad racing. With the brand's all-time tally of world championship titles reaching 113 in 2022, this focus remains as resolute as ever. Internationally, the elite racers riding Husqvarna Motorcycles continue to enjoy race wins and podiums across all disciplines.

ENDURO | OFFROAD | RALLYE

Another tough season saw British rider Billy Bolt and his Husqvarna FE 350 win the 2022 SuperEnduro World title, a successful defense of his 2021 success. Bolt concluded the series with a double win, taking top honors in the final two rounds of the championship. Teammate Colton Haaker finished third in the series underlining the strong presence of Husqvarna Motorcycles in this competition.

Swedish rider, Mikael Persson enjoyed an incredible 2022 season to finish runner-up in the Enduro3 World Championship. Across the season, the Husqvarna Factory Racing rider took two race wins and eleven podiums on his TE 300 in the hotly contested Enduro3 category. Persson added to his 2022 success by winning the Enduro3 class of the FIM International Six Days Enduro.

In the world of Rally competition, Husqvarna Factory Racing's Luciano Benavides finished fourth overall in the FIM World Rally-Raid Championship thanks to strong performances on his FR 450 Rally

throughout the season. Teammate Skyler Howes delivered strong and consistent finishes in the 2022 Rallye du Maroc to secure his first-ever overall win in the championship.

MOTOCROSS | SUPERCROSS

American star Malcolm Stewart had an impressive season following his signing for the Rockstar Energy Husqvarna Factory Racing Team to contest the AMA Supercross Championship. Marking the best-ever season in his career to date, he took his FC 450 to third overall in the demanding 450SX class.

Husqvarna Motorcycles continues to stake a claim in the vital 250cm³ MX2 series, with Dutchman Kay de Wolf consolidating his fast-developing skills with a sixth place in the 2022 championship and teammate and fellow countryman Roan van de Moosdijk taking 13th overall spot.

ROAD RACING

A fifth place at the final round of the MotoGPTM season in Valencia saw FR 250 GP-mounted Ayumu Sasaki of the Sterilgarda Husqvarna Max Racing Team take the fourth spot in the Moto3 World Championship standings. Teammate John McPhee, who took his first race win for Husqvarna Motorcycles at the previous round in Malaysia, rode to 11th place in the series. Bolstered by these encouraging finishes, in 2023 Husqvarna Motorcycles will also be present in the Moto2TM World Championship. The brand has united with the highly competitive Intact GP Moto2TM team to form LIQUI MOLY Husqvarna Intact GP and compete for Moto2TM and Moto3TM titles. Husqvarna Motorcycles has won Grands Prix in every season since returning to World Championship competition in 2020.

AUSBLICK 2023

The presence of Husqvarna Motorcycles in international competition across a variety of disciplines has yielded consistently impressive results. These have shown the strength of the brand and its machinery across many decades.

For 2023, as it marks its 120th anniversary, Husqvarna Motorcycles will continue to build on its enviable reputation providing riders across the globe with high-performance machinery.



Husqvarna 701 Supermoto MY23
© Husqvarna/Sebas Romero

2022 VICTORIES & SUCCESSES

World champions

FIM SuperEnduro World Championship
Billy Bolt (GBR)

FIM Motocross 85 World Championship
Gyan Doensen (NED)

FIM Sidecar Motocross World Championship
Etienne Bax and Ondrej Čermák (EST)

Manufacturer's titles

FIM SuperEnduro World Championship

FIM Motocross 85 World Championship



A red GasGas dirt bike is shown in the foreground, partially obscured by a large, reddish-brown cliff face in the background. The bike is positioned on the left side of the frame, with its front wheel and handlebars visible. The background is a vast, arid landscape under a bright sky, suggesting a desert or off-road environment.

GASGAS

The vibrant playful brand with inviting performance

Born in the mid-1980s, GASGAS quickly became a central player in the trial world. Developing a reputation for innovative, specialized, and highly developed machinery, it has secured no fewer than 15 FIM trial world titles. Expanding into the enduro sector in the early 1990s, GASGAS used its technical and specialist knowledge to quickly establish a global reputation for competitive, user-friendly, enduro motorcycles.

Acquired by PIERER Mobility AG in late 2019, GASGAS now benefits from the Group's state-of-the-art manufacturing facilities, world-leading Research & Development centers, specialist marketing knowledge, as well as its hugely successful motorsports facility. Focusing on a youthful slogan aimed at the end-user, GASGAS has a playful and direct call-to-action, encouraging riders of all ages, genders, and abilities to "GET ON THE GAS!"

With a growing product line-up that includes motocross, mini motocross, enduro, trial, rally, cross-country, electric balance bikes, e-bicycles, and big-bore street motorcycles, today no other brand offers such a diverse range of dirt bikes as GASGAS. On track, GASGAS is a leading brand in numerous FIM world championships.

— — .
GET ON THE GAS!
Daring | Capable |
Vibrant | Inviting

GLOBAL BRAND POSITIONING

GASGAS motorcycles represent an exciting and approachable entry point into the performance offroad motorcycle world, offering products that are user-friendly and guarantee enjoyment. With a rich and proud heritage in offroad motorcycle racing and trial competition, GASGAS has a distinct, Spanish style, with an inviting, down-to-earth

character. Offering a robust and expanding range of performance motorcycles, GASGAS allows more riders to join in and share the enjoyment of motorcycle riding and racing.

2022 HIGHLIGHTS

GASGAS has enjoyed significant and rapid growth under PIERER Mobility AG ownership. The brand has quickly grown an engaged fanbase, helping more than to double the number of units sold from 2020 (8,648) to 2021 (22,790). Introducing four new motorcycles, GASGAS enjoyed notable growth in the offroad sector.

NEW MANUFACTURING FACILITY IN TERRASSA, SPAIN

Underlining its commitment to trial segment and staying true to the Spanish roots of the brand, in 2022 GASGAS opened a brand new, state-of-the-art manufacturing facility in Terrassa, Spain. Allowing GASGAS to produce motorcycles that bring the highest levels of quality and reliability to the trial market, the new facility is strategically situated in the center of Spain's trial heartland. With 70 % of the companies that supply parts for production situated close to the factory, its geographic position allows for an agile, adaptable, and scalable production process.

The Terrassa production facility is used to build the latest generation of GASGAS trial models, which were successfully introduced to the market mid-way through 2022. These motorcycles are the first GASGAS products produced using the combined knowledge of the Group's offroad experts in Austria and trial experts in Spain. All models were developed to be highly user-friendly while retaining the world-renowned GASGAS trial performance DNA. All six models feature improved rideability and reliability, a new look, numerous technical highlights, and set new standards for trial bike performance.

NEW MODELS

The line-up of GASGAS motorcycles grows year-on-year and expanded significantly in 2022. An all-new MC-E 3 – the brand's smallest battery-powered dirt bike – was introduced to allow children as young as four to get to grips with a real motorcycle and encourage them to ride offroad from a young age. The MC-E 3 allows GASGAS to attract new, younger customers while also ensuring a seamless

connection between the well-established GASGAS Electric Balance bikes and the brand's Mini Motocross models.

During Spring 2022, GASGAS launched its first street bikes, the SM 700 and the ES 700. Bringing the GASGAS character to the open roads, these dynamic new models signal the start of an exciting new chapter for GASGAS as the brand stepped away from being an offroad-only motorcycle company to include street models within its product portfolio for the first time ever.

This move, together with GASGAS' international road racing commitments, introduces the brand to a wider motorcycling audience, opening the door to countless new street range customers. With the SM 700 designed for street use and the ES 700 as a highly capable mixed terrain motorcycle, the versatility of both machines ensures a multitude of applications. Launched in April 2022, more than 4,100 SM 700 and ES 700 units have been produced with the exciting street motorcycles going on sale in the USA in November.

Also introduced in 2022 was the GASGAS RX 450F. The limited-edition rally bike is a replica model based on Sam Sunderland's Dakar Rally winning machine, assembled with a comprehensive selection of racing-focused aftermarket components, and aimed at giving customers a highly specialized machine close to a true factory bike and capable of taking on the world's toughest rally raid events. Away from competition, in 2021 GASGAS launched the "United in Dirt" Tour: an invitation-only event, which takes place in selected countries across Europe. Focused on immersing all participants in the GASGAS brand and allowing them to ride various models on specialized tracks and circuits, key GASGAS personnel ensure all questions are answered, offering advice on bike set-up, and ensuring that everyone involved enjoys a rewarding and educational time with GASGAS. In 2022 the "United in Dirt" Tour travelled to Belgium, Spain, France, Italy, and the UK, hosting nearly 500 customers, around 80 journalists, 30 dealers, and 10 influencers

2023 OUTLOOK

With an inviting, vibrant personality, and a comprehensive line-up of motorcycles, as part of Pierer Mobility Group, GASGAS is thriving and has an exciting and successful future. In just a few short years the brand has introduced multiple new offroad models, for riders of all ages, launched its first ever street motorcycles, and revived its trial range ensuring all models deliver cutting edge performance. Global GASGAS brand awareness will be raised considerably by entering into the MotoGP™ World Championship in 2023.

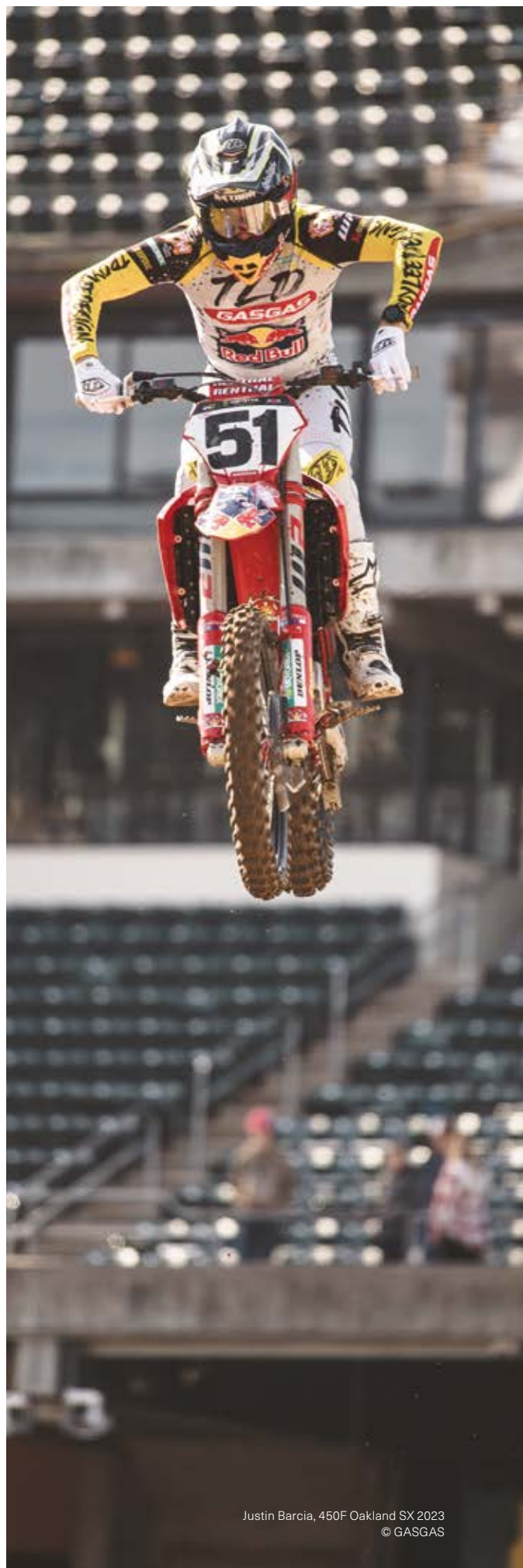
Known the world over for its offroad expertise, GASGAS will continue to grow in the coming years with an ever-expanding offroad motorcycle product range. In particular, the GASGAS motocross and enduro ranges will expand, with other new entry-level models planned, all of which will continue to deliver advanced technology, ease of use, and quality.

Entering MotoGP™ in 2023, GASGAS is set to enjoy a sizeable boost of visibility, exposing the brand to a wider global audience. GASGAS will also continue racing in MXGP, AMA Supercross and Pro Motocross, EnduroGP, Hard Enduro, and of course, Trial. With an ever-expanding roster of talented racers, GASGAS expects to secure more world titles during upcoming seasons.

Alongside global racing activities, GASGAS has a number of well-known brand ambassadors in the offroad world, who convey exactly what the full motorcycle range is capable of in standard form away from the racetrack. Complementing the comprehensive motorcycle portfolio, the PG&A collection will be expanded in the years ahead, allowing more people to express their passion for the brand both on and off the track with stylish apparel and branded accessories.

REGIONAL OVERVIEW

Europe continues to be the largest market, with **North America** delivering an impressive upturn with 67 % more units sold in 2022 over 2021. An emerging and important market for GASGAS is **Latin America**. With sales more than doubling over 2021 and with four more countries added to the dealer network in 2022, this trend, and continued overall growth, looks set to continue through 2023 and beyond.



MOTORSPORT

Competing and winning at the highest level of international motorsport is extremely important to GASGAS, allowing the brand to highlight the quality and reliability of the motorcycles, and contributing to the development of the production models for the benefit of all consumers. To date GASGAS has claimed 34 world titles.

2022 was hugely successful for GASGAS. Beginning with its first-ever outright motorcycle class win at the iconic Dakar Rally, victory then followed in the FIM World Rally-Raid Championship thanks to the continued impressive form of Sam Sunderland. Another first for GASGAS came in the Moto3TM World Championship courtesy of Izan Guevara who delivered his and GASGAS' first road racing world title. In Enduro, Italy's Andrea Verona enjoyed double success, becoming both EnduroGP and Enduro1 World Champion in the same season. The brand's global presence was solidified with wins and podium results in TrialGP, MXGP, Moto2TM, and the AMA Supercross and Pro Motocross series.

ENDURO | OFFROAD | RALLYE

The FIM EnduroGP World Championship is where GASGAS has enjoyed its greatest successes in recent years, with 2022 being the most rewarding season to date. Italy's Andrea Verona secured his third Enduro1 title before going on to win the prestigious EnduroGP crown as the best across all capacity classes. An incredible achievement for any enduro racer, Verona showed the true capabilities of the GASGAS EC 250F.

In rally, and much like in enduro, GASGAS Factory Racing achieved a historic double success. Sam Sunderland won the world's biggest rally race in January with a stunning victory at the Dakar Rally. The Brit would then carry his winning form into the FIM World Rally-Raid Championship, claiming victory in two of the four rounds to lift the world championship trophy.

2023 OUTLOOK

With a growing roster of world champions, talented racers across all disciplines, and new generation motorcycles, GASGAS Factory Racing is primed to add to the brand's 34 world titles.

One of the most exciting developments for 2023 is the entry into the prestigious MotoGPTM World Championship. Fielding two Spanish riders, Pol Espargaro and Augusto Fernandez, GASGAS will take on

MOTOCROSS | SUPERCROSS

GASGAS Factory Racing continues to enjoy a strong presence in the FIM Motocross World Championship. Leading the charge in the premier MXGP class was two-time MX2 World Champion, Jorge Prado. Supporting him in the MXGP class was the Italian racer, Mattia Guadagnini. GASGAS was represented in the MX2 World Championship by German sensation, Simon Langenfelder. The youngster stormed to a double race win at the opening round of the season and would ultimately place third overall in the final standings. In AMA Supercross and Pro Motocross, GASGAS enjoyed a race win and multiple podium results both inside stadiums across the USA as well as at the iconic outdoor circuits that play host to the world's largest national race series. The talented trio of Justin Barcia, Michael Mosiman, and Pierce Brown returns for 2023 armed with all-new motorcycles and look to build on what was an encouraging 2022 season.

ROAD RACING

Izan Guevara was crowned Moto3TM World Champion in 2022 and delivered GASGAS its first ever international road racing success. In what was only GASGAS' second season of racing on asphalt, the Spaniard combined his seven race wins with incredible consistency to win the title with two rounds remaining. Second in the title race was Sergio Garcia who made it an historic GASGAS 1-2 in the final championship standings. GASGAS also took its first steps into the Moto2TM World Championship with Jake Dixon and Albert Arenas, securing several pole positions and podium results throughout the team's debut season.

TRIAL

Trial remains ever important to GASGAS, a super-specialist sport in which the brand continues to compete at the highest level, indoor as well as outdoor. After enjoying a podium result and strong finishes throughout the 2022 world championship season, a strengthened rider line-up for 2023 looks set to propel GASGAS back into the TrialGP winner's circle.

the very best in the series that is known as being the pinnacle of motorcycle sport. The project will present the GASGAS brand and vision to a huge global audience, further strengthening its position as a true market leader.

2022 VICTORIES & SUCCESSES

World Champions

FIM EnduroGP World Champion – Andrea Verona
FIM Enduro1 World Champion – Andrea Verona
FIM Moto3TM World Champion – Izan Guevara
FIM World Rally-Raid Champion – Sam Sunderland
Dakar Rally Champion – Sam Sunderland





WP SUSPENSION

Uncompromising Performance and Racing-driven Technology

WP Suspension GmbH is one of the world's leading manufacturers of premium suspension components in the powered two-wheeler and sports car sectors. Thanks to its proximity to motorsports and feedback from some of the best professional athletes, WP Suspension is an innovative and driving force behind numerous successful series in professional and amateur motorsports. The brand, with its worldwide recognition as a sector specialist with strong development potential, is tightly connected with the brands within Pierer Mobility Group, enabling it to benefit from a wide range of synergies in recent years and to significantly increase its efficiency in the previous financial year. By expanding its global activities intensively and sustainably, WP Suspension has been able to secure a pioneering position in the market and has reinforced this position through innovative product development.

2022 HIGHLIGHTS

INNOVATIVE PRODUCT DEVELOPMENT

Motorsports are characterized by rapid change. With its direct contact to numerous successful motorsports teams, WP Suspension is able to incorporate the latest experience from the racetrack into product development and address fast-moving demands with innovative ideas.

WP Suspension's intensive research and development efforts have made it a leader in a highly competitive market.

In 2022, the successful XACT PRO COMPONENTS were updated in accordance with the new generation of Husqvarna and KTM motocross bikes. The XACT PRO motocross range, which is also available for smaller displacements, is increasingly present on racetracks, and is one of the most acclaimed products thanks to the CONE VALVE and SUPERTRAX technology. In addition, XACT PRO for Honda motocross models was launched in 2022 with the "4 all the riders" campaign, adding another brand to the segment after Kawasaki in 2021. WP Suspension continuously updates and upgrades a wide range of technical accessories popular with teams and riders in order to meet their latest requirements.

SUCSESSES IN MOTORSPORTS

As a result of its tireless development work and high quality standards, WP Suspension has clearly established itself as a successful brand in off-road motorsports. Nearly all race series involve the participation and support of WP Suspension. These victories are testaments to technical superiority in motorsports.

WP Suspension has played a role in all major achievements of Pierer Mobility's engagements in motorsports.

The results in all elite categories in the world of motorsports are evidence of the hard work to bring continuous improvement, quality and performance to those riders who aspire to go a step further than the rest. Whether on the motocross track, on the street, or in the mountains, WP PRO COMPONENTS make the difference.

2023 OUTLOOK

In 2023, WP Suspension intends to maintain its pioneering global position and significantly strengthen its resources for ongoing development of the latest technologies.

The company will continue to focus on innovation to meet the demanding customer needs in the highly competitive motorsport world. This effort ensures that the brand will live up to its commitment to performance and innovation in both the offroad and street sectors, and will support professional racers as well as passionate amateur riders worldwide with premium suspension and technical accessories.

Further developments and business goals

WP Suspension has several significant unique selling points as a result of the company's structure and its position within PIERER Mobility Group. As a result, the company is able to serve the entire professional and amateur sports market with premium, innovative suspension components and the latest product developments. The

SALES EXPANSION AND DEVELOPMENT

In 2022, the sales department continued to focus on expanding and developing the WP Suspension global dealer network. Despite challenging conditions in many sectors of the economy, during the past financial year WP Suspension succeeded in acquiring additional sales partners and increasing the number of WP Authorized Centers to well over 200 worldwide. The foundation was laid in 2021 to optimize the sales structures quantitatively as well as qualitatively. The increase in marketing resources enables the company to support the dealer network with brand and product-specific marketing campaigns and assist them with newly defined standards for brand communication. This development paved the way for WP Suspension to strengthen its pioneering position in the market in 2022 and open up the brand to additional potential customer groups.

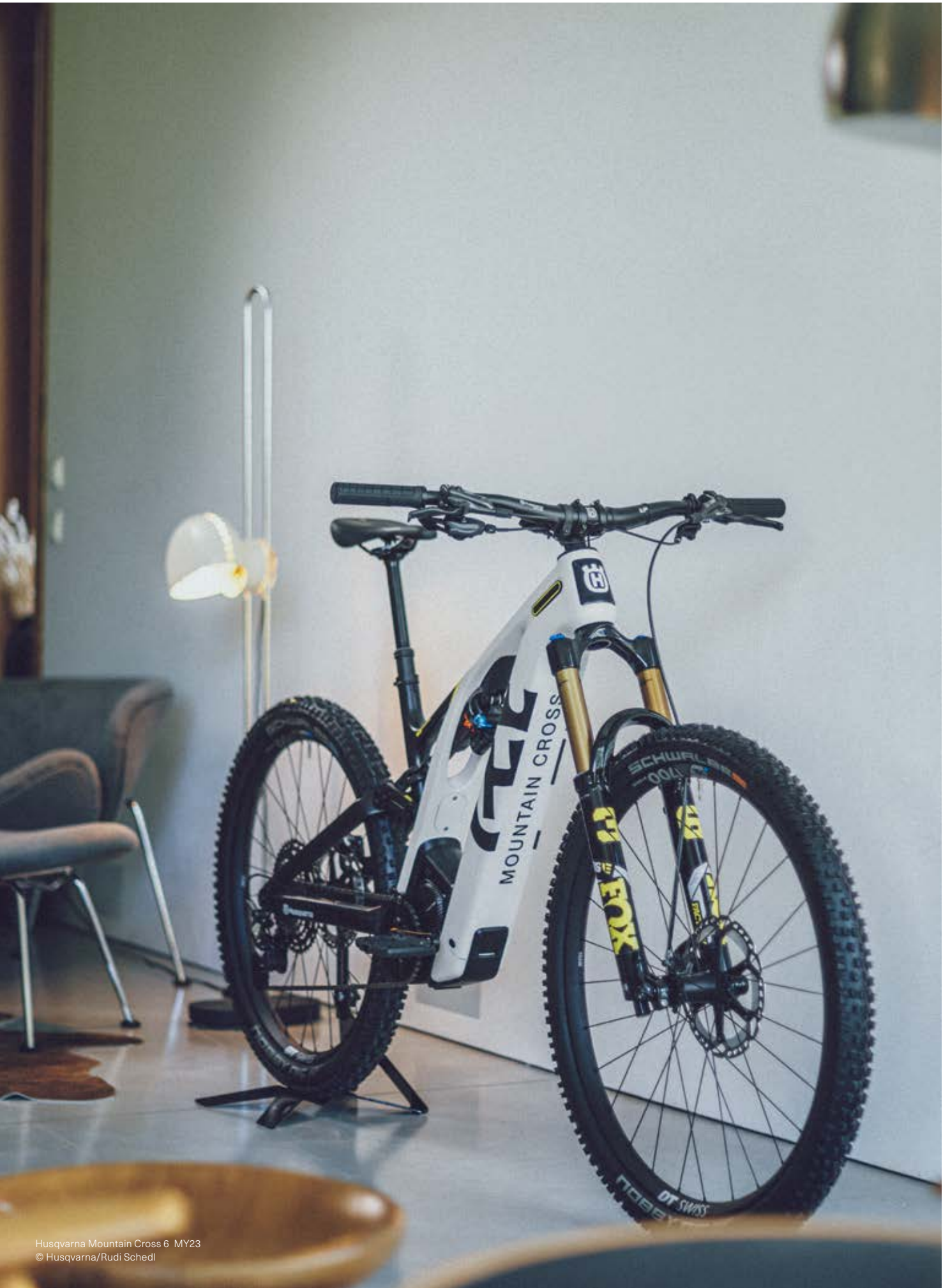
recent reorganization, coupled with momentum gained from product management in previous years, gives WP Suspension the possibility and agility to react even faster and more efficiently to spontaneous market developments, enabling better adaptation of its product portfolio to given circumstances in subsequent years.

The main focus of all efforts is to satisfy the interests of customers regardless of motorcycle brand or riding skill level. In 2023, WP Suspension will continue to maintain and strengthen this identity as a link across the entire motorsport community. The company's sales and marketing structure will continue to focus on increasing market share in the premium motorcycle aftermarket. The increased marketing resources will enable WP Suspension to further solidify its clear position as a leading manufacturer of premium suspension components.



Billy Bolt, Factory Racing 1st Rd. Hard Enduro 2022
© Husqvarna / Future7Media

Performance |
Innovation



Husqvarna Mountain Cross 6 MY23
© Husqvarna/Rudi Schedl

PIERER NEW MOBILITY

The Future of Two-Wheel Mobility

2022 was another successful year for the business with noticeable growth in most segments; despite ongoing supply chain disruption in the global bicycle market.

The past financial year witnessed PIERER E-Bikes GmbH renaming itself to PIERER New Mobility GmbH, affirming the Group's focused dedication to continuously advance the two-wheel mobility category. The new synergy was timely, coinciding with the company's business launch in North America and Australia, while reinforcing its presence in existing European markets.

In 2022, PIERER New Mobility made strides on various fronts and further steady progress in its development. From the rebranding of FELT and the reveal of its new models, a very strong North American Dealer Convention to entering new segments via the acquisition of

JOHANSSON Cargo and Syntace Components through the Pierer Industry parent company.

PIERER New Mobility also strategically invested in its business infrastructure. Starting with a new location in Taichung City (Taiwan), home to industry experts in quality, supply chain and management – in a strategic effort to get closer with industry partners in Asia.

The €45 million investment in a partnership with the largest bicycle manufacturer in Eastern Europe, Maxcom Ltd., continues to move forward as planned – the factory is scheduled for commissioning in 2023.

With key structures in place, PIERER New Mobility is empowered to carry its momentum forward into financial year 2023.

HUSQVARNA E-BICYCLES

Ever since its entrance into the E-Bicycle industry, Husqvarna E-Bicycles has set innovation as its foundation by introducing new possibilities and experiences in the electromobility sector. In line with the brand's motivation to advance the segment towards becoming a future-forward bike company, Husqvarna E-Bicycles is gradually expanding its reach to new promising markets across the globe. Enjoying a solid start to business year 2022, Husqvarna E-Bicycles offered special versions of its most sought-after models with the limited-run Legacy Editions. Distinctively Husqvarna, the Hard Cross Legacy Edition and Mountain Cross Legacy Edition ensured both hard-charging bike park riders and adventure riding mountain bikers could hit the trails with confidence, passion and style.

To further amplify its visibility and reputation within the international cycling media landscape, Husqvarna E-Bicycles was a vital part of the Pierer E-Bikes Media Summit event organized at the brand's headquarters in Austria in the Spring of 2022. The international Media Summit was the ideal backdrop for the first global release of the all-new Husqvarna Mountain Cross 6, a bike that sets the blueprint for future innovative product development. The bike was a showstopper at the 2022 edition of the world-renowned EUROBIKE show in Frankfurt (Germany) in June 2022.

Looking ahead, the future is bright for Husqvarna E-Bicycles. With many new and innovative models reaching the markets during the first half of 2023, the brand will remain committed to its key vision to normalize the highest expectations of alternate mobility while preparing the ground for updates to broaden and deepen the product portfolio in 2024 and beyond.

COMPETITION

Following its inaugural entry in elite competition the year before, 2022 marked Husqvarna E-Bicycles' first full season contesting the vastly popular Enduro World Series Electric with three elite racers. After five rounds, Husqvarna E-Bicycles Racing's participation in the 2022 eMTB Enduro World Series ended with racer Guido Tschugg earning a win and a podium in the Masters class, Simon Carlsson ending his 2022 season in 17th overall, and Alexandre Fayolle rounding out the team in 28th overall.

GASGAS BICYCLES

Riding on the action-led success of GASGAS in the motorcycle division, GASGAS Bicycles challenges riders to experience offroad trails via powerful eMTBs engineered to thrill. Creating waves of excitement and anticipation in true GASGAS fashion, in 2022 the brand kept expanding its reach with fans and customers in highly diverse countries who became part of the GASGAS Bicycle world.

With its roots firmly in offroad motorcycling, GASGAS has been striking out in new directions in 2022, launching a host of new e-bikes, covering a wide range of products from lightweight All-Mountain bikes to powerful Enduro bikes. An energy-charged mixture of loud colors, technical expertise, and a clear focus on performance invites the existing community and new riders alike to explore unknown trails. The experience gained in motorsport and the knowledge of technologies and materials will play an even bigger role in the development of new e-bikes in the future, with some key future models teased already at the Group's international Media Summit.

GASGAS Bicycles continues to collaborate with GASGAS Motorcycles in the highly popular "United in Dirt Tour" – a strategic initiative meant to introduce and familiarize dealers, media and riders with the full line up of GASGAS products. The synergy further

stretches over a host of ambassadors like Adrian Guggemos, Laia Sanz, Taddy Blazusiak and Navas Petit.

For 2023 and beyond, a key brand goal is to increase exposure in the core bicycle world and firmly develop GASGAS as an authentic and credible bicycle brand. To start, GASGAS Bicycles has kicked off collaborations with ambassadors from the heart of the cycling community. Additionally, a host of brand ambassadors and opinion leaders from the motorcycle and bicycle worlds will provide an authentic cycling-inspired point of view to all that GASGAS represents.

COMPETITION

For the first time, GASGAS Bicycles entered elite competition and raced the final round of the eMTB Enduro World Series in Italy. The pinnacle of eMTB racing, the series is the epitome of progress when it comes to e-powered MTB sport. Armed with the new G Enduro 3.0, GASGAS decided to join the season finale in Italy with Johannes Fischbach collecting an impressive 25th overall against the world's best. With racing providing the ideal playground to test and develop its products, GASGAS Bicycles has exciting plans to push further with elite international e-bike competition throughout 2023 and beyond.

FELT

FELT was founded in California, a land of entrepreneurial mavericks and technology-driven fanatics. Since 1991, FELT has strived to create the fastest bicycles in the world, its mission being to empower all cyclists and triathletes to become the fastest versions of themselves. Driven by aerodynamic innovation, materials science, rider optimization, and pure speed, FELT has made it possible for the world's greatest athletes to capture innumerable world championships, grand tour stage victories, and gold medals.

FELT IS FAST

FELT is the pinnacle of PIERER New Mobility portfolio, offering a sharp range of racing products and a brand focused on speed. The FELT brand was established based on values such as fast, competitive, accomplished, and instinctive, to provide the fastest product for racers and athletes motivated by speed.

2022 VICTORIES & SUCCESSES

- Daniela Ryf, ten times Ironman World Champion
- Human Power Health UCI Male Professional Continental Team, proudly winning the US National Road Championship and the Canadian National Road Championship in 2022
- Human Power Health UCI Female World-Tour Professional Team, that - in 2022 - has successfully raced the "Tour de France Femmes"
- Jenn Valente, who in Tokyo 2020 (held Summer 2021), became the first US woman to win Olympic Track Cycling Gold and – in 2022 – added the Track World Title in the Omnium to race her palmares.

SPEEDING AHEAD

For 2023, FELT is ready to consolidate on two core products recently launched: the Breed Carbon and the IA 2.0. The objective: World Championships victories for each in their respective segments, namely Gravel and Triathlon. By moving the FELT Brand Headquarters to Europe, the cradle of cycling, FELT plans to become a pivotal player in bicycle racing in the coming years, expanding its offer to all racing segments, including offroad, as the model portfolio broadens.

R RAYMON

R Raymon is the no-nonsense bicycle brand that connects easily with new and/or pragmatic customers – clever, easy and straight to the point. Whether bike or e-bike, every rider receives a fair price-performance package across an extensive portfolio of bikes and e-bikes target all rider groups.

One example of this is the new AirRay: a light eMTB. With the new category, R Raymon set an important milestone in a strongly growing

product segment. Quite deliberately for all three models, care was taken to balance the three pillars – motor, battery and weight – harmoniously with each other for the optimal experience and no sacrifices to riding performance.

In the E-All-Mountain segment, R Raymon presents another highlight with the new 2022 Trailray E-models, which offer riders many options for fun and performance.

JOHANSSON

JOHANSSON bikes are solid cargo bikes with Scandinavian design and modern technology paired with excellent quality at affordable prices. With its versatile products, the JOHANSSON range offers the right solution for every requirement.

One example is the Oscar model, a bike for all situations – it is agile, compact and safe. It offers the ultimate riding fun with safety in mind.

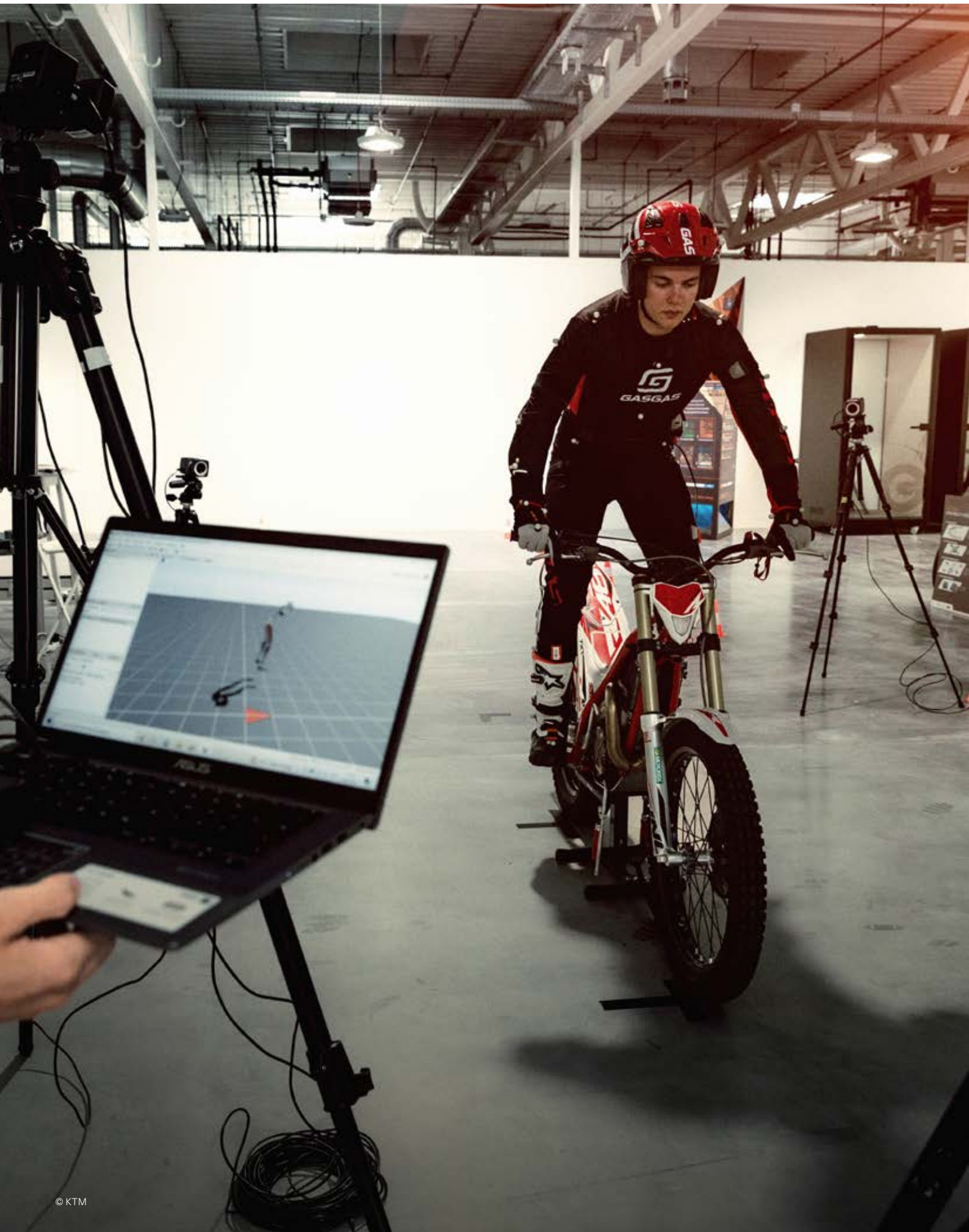
A variety of different cargo and motor options make Oscar a versatile companion. The innovative tilting technology with integrated axle suspension of the Oscar model range gives a natural riding experience just like a normal bicycle even while maintaining the ability to transport heavy loads. With different cargo options, it's a perfect fit for almost everything.

2023 OUTLOOK

Looking ahead, 2023 is promising. With continuous strong partnerships with industry experts like KISKA Design and Barcelona-based research and development center Cero – PIERER New Mobility has a wide range of new, exciting products in the pipeline. Armed with a polished portfolio and a thorough know-how – the business

unit will continue to strengthen and widen its market reach within Oceania, North America and Europe. The effort will include reinforcing partnerships with brick-and-mortar retailers, and refining PIERER New Mobility's multi-channel distribution strategy; including motorcycle and independent bicycle dealers.







Research and development

As the birthplace of every mobility concept, research and development is an area where PIERER Mobility AG's corporate strategy places a particular focus. It forms the basis of innovative, forward-looking technologies for tomorrow's mobility. Product development has always been part of the company's DNA. At between eight and ten percent annually, its R&D rate of return is one of the highest in the industry.

The progressive R&D strategy results in innovative products that meet customers' high expectations with regard to technology and performance. Thanks to a broadly based product range, the Group is able to open up new markets on a sustainable basis. Particularly high priority is given to foundational research and early identification of trends in the powered two-wheeler segment. Another factor in R&D is the continuous development and improvement of products with regard to technical and functional aspects. As a premium manufacturer, its focus is on identifying and implementing customer requirements in products and services in order to further expand its status as a technology leader and ensure a product development strategy that is close to the market. Thanks to its globally active research and development organization, the company has a powerful network of highly qualified employees in areas such as design, calculation and simulation, optimally aided by an excellent range of in-house machinery and equipment for the production, assembly and validation of newly developed prototypes. This makes it possible to react very flexibly to changing requirements and develop new products for ever more complex demands, test them under the toughest conditions and put them into industrial production according to the highest quality standards.

**Intensive R&D
strategy, high
research quota**

ORGANIZATION

Research and development at KTM AG, which was consolidated as KTM Forschungs und Entwicklungs GmbH in the financial year 2021, is organized globally with decentralized locations in Europe (Austria, Spain) and the United States. The development programs are centrally managed at the R&D headquarters in Mattighofen and Munderfing (Austria), where many of the highly qualified staff are based. The research and development center at the headquarters in Mattighofen is an innovation site with a floor space of over 20,000 m², where pioneering products for the powersport segment are designed, developed and tested using the latest methods and equipment. PIERER Mobility sees it as its mission to set new standards in the motorcycle segment, particularly in terms of safety, performance and technology, in order to offer its customers an inspiring and exciting product experience.

Following the consolidation of R&D activities in a separate company, the integration of KTM Technologies GmbH (formerly KTM E-Technologies GmbH) represented a further organizational change

in the past financial year 2022.

KTM Technologies GmbH, with a registered office in Anif near Salzburg (Austria), is a specialist for future mobility, particularly in the areas of concept and technology development and lightweight construction. The success factor is the application-oriented development of new solutions and technologies. It possesses great expertise in vehicle concept development, including the use of multi-material, composite and additive manufacturing technologies. As an innovation hub, KTM Technologies GmbH works closely with KTM Forschungs und Entwicklungs GmbH and customers from other industrial sectors. Its partners and customers include established OEMs and start-ups from sectors such as automotive and aerospace, mechanical engineering and the sporting goods industry. Thanks to the cross-industry service portfolio, both the Group and third-party customers benefit from a broad spectrum of expertise and opportunities for technology transfer.

2022 HIGHLIGHTS

FOUNDATIONAL RESEARCH

- **Sustainable mobility**

Since the launch of the KTM FREERIDE E in 2014, PIERER Mobility has been regarded as a pioneer of electric mobility and has demonstrated its comprehensive expertise in this field. In recent years, the range of electric vehicles in various performance categories has been extended to all brands in the Group. The development of electric motorcycle models is largely carried out at the in-house center of excellence established in recent years in Anif.

- Because motorcycles with electric drive systems are still subject to significant practical restrictions due to their low power density, one of the key work packages of the past year's research has been to reduce the exhaust and noise emissions of the internal combustion engine range. In order to continue operating in the top vehicle segments with high performance and range requirements as dynamically as before, the projects included intensive examination of future-proof synthetic fuels known as e-fuels and testing of fuels with increased bioethanol content.
- The noise emissions of motorcycles have become an important acceptance criterion for this vehicle category in recent years. While noise levels for motorcycles approved for road use are specified and increasingly reduced by international type approval standards, there are no harmonized regulations for offroad sport motorcycles. For this reason, proactive work was carried out last year on

researching the noise sources of offroad models and thus deriving approaches to solutions for significantly reducing noise emissions.

- KTM Forschungs und Entwicklungs GmbH is a founding member of the Swappable Batteries Motorcycle Consortium (SBMC). The consortium, which was established in September 2021 after intensive preparatory work together with other leading motorcycle manufacturers, will develop a common technical standard for a battery swap system including charging and swap stations in the next few years. The aim is to meet customer expectations for range, charging time and costs through international standardization of the battery system, thus making an important contribution to the further spread of electrified mobility concepts in urban living areas.

- **Safety and assistance systems**

In addition to refining the adaptive cruise control system which was first available in a production model in 2021 and the lean-angle-dependent traction control and antilock brake systems developed in close collaboration with BOSCH, work was carried out on many other intelligent safety and assistance systems and extensive tests were conducted in the past year. Research into camera-based assistance systems and the testing of advanced radar-based sensor technology for detecting objects are just two examples of the many technology development projects being pursued concurrently. Another focus in the past year was on developing new approaches for lighting technologies with the aim of making motorcycling safer in the dark by improving illumination of the road. The introduction of novel safety and convenience functions

in vehicles in recent years has been accompanied by a significant increase in the complexity of motorcycle electrical/electronic systems. This is why work in 2022 also focused on developing a modular platform architecture for electronic components. The aim of this initiative is to be able to respond more quickly to product requirements, reduce the level of complexity in the development of electronic components and further increase functionality and quality.

- **Digitalization**

Connectivity features that enable data exchange between the vehicle and accessories such as smartphones have been intensively developed in recent years and are now indispensable equipment, especially in the premium segment. In addition to the development of convenience functions such as telephony and navigation, research into communication systems between the motorcycle and other vehicles, or between the motorcycle and road infrastructure such as traffic lights, was a key part of the last year's activities. Intensive development work was carried out for this together with partners from various sectors. In addition to the development of functions that are directly available to customers, research was also conducted into the use of (vehicle) data, particularly in the context of product development. For example, the procurement, production and maintenance of physical prototypes involves a considerable expenditure of resources. By introducing virtual development methods, the outlay for testing physical components and assemblies right through to the complete vehicle can be significantly reduced, while also improving the resulting product. These virtual approaches can be applied to digitalization in lamp development, for example.

- **Development of materials and surfaces**

There were also successes in the "Imperceptible Textile Interfaces" research project launched five years ago, which takes a new look at the interface between people and motorcycles. The aim is to develop a conductive, resistant and pressure-sensitive yarn that can be used among other things to manufacture functional "smart" textiles to replace conventional switches or sensors. The broad portfolio offers far-reaching possibilities, from various surfaces on motorcycles to rider's apparel, but also for reducing vehicle weight and increasing safety and comfort.

A further pillar of the development philosophy is the use of high-quality materials in all vehicles, resulting in a reduction in vehicle weight and associated potential for reducing fuel consumption and emissions and for improving rideability. For example, intensive efforts in recent years have made it possible to further reduce the weight of our offroad competition models with each generation. Among the many research and development projects in the development of materials and surfaces, work was carried out on developing and testing wheels and chassis components made

of fiber-reinforced composites, as well as on further developing the manufacturing process for plastic parts with design elements in hybrid construction. An additional focus is on investigating the use of recycled and bio-based materials on the component level. As a premium manufacturer in the motorcycle segment, PIERER Mobility always strives to continuously improve the quality of its products. There has been work on initiatives to examine in detail surfaces such as metal and plastic components, and intensive series of tests have been carried out, such as for aging or resistance to chemicals.

TRANSFER OF DEVELOPMENT PROJECTS INTO GENERAL PRODUCTION

In addition to basic research and technology development projects, R&D activities focus in particular on complete vehicle development projects which are being advanced simultaneously at various stages..

- **Offroad platforms**

The KTM and Husqvarna motocross models successfully tested by winning races as part of the global motorsport commitment underwent their final endurance tests and were successfully transferred to series production and put on worldwide sale. There were a number of particularly noteworthy technical solutions – first and foremost a new hybrid rear frame concept and extensive revisions of the high-strength steel frame used across all platforms. The series ramp-up of the completely revised GASGAS Trial models, the first since the acquisition, was a further milestone for the long-standing Spanish brand. The transfer to series production of electrically powered motorcycles is completed across all brands by the KTM SX E3, Husqvarna EE3 and GASGAS MC E-3 models.

- **Street platforms**

The wide range of street models offered by the Group brands KTM, Husqvarna and GASGAS extends from naked bikes, supersport and touring models in the entry-level segment, to a broad mid-range segment with single-cylinder and straight twin, models right through to premium motorcycles with efficient and powerful two-cylinder engines. With regard to the transfer to series production, research in 2022 was particularly focused on the mid-range platforms. The final testing of the Husqvarna 901 Norden Explorer, a refinement of the successful sister model Husqvarna 901 Norden that was launched the previous year, and the validation and start of production of the KTM 890 ADVENTURE and KTM 890 ADVENTURE R models were among the largest projects. The production ramp-up of the first GASGAS street models, the agile GASGAS 700 SM supermoto and its counterpart for rough terrain, the GASGAS 700 ES, are an important part of the brand strategy of PIERER Mobility AG.

PROTOTYPE DEVELOPMENT

To turn a design study into a high-performance motorcycle that meets the highest quality standards, each vehicle concept goes through a product development process that has been refined over many years. As a key part of this process, prototypes are manufactured in various degrees of maturity up to the actual production vehicle, and numerous, comprehensive series of tests are carried out throughout development. At the end of the development phase, a prototype is manufactured for the first time entirely using production-ready tools. This vehicle is used for final endurance testing and fine-tuning of all safety and control systems before the final phase of transfer to series production begins.

The following development projects were among those that entered the **final prototype phase** in 2022:

- New generation of dual-sport model platforms of the KTM, Husqvarna and GASGAS brands
- Prototypes of youth motocross models in the 65 cm³ displacement segment for the KTM and Husqvarna brands
- New vehicle platform of KTM naked bike models in the entry-level segment from 125 cm³ to 390 cm³
- KTM naked bikes in the premium segment with a focus on electronics and emission reduction technologies

SUSTAINABILITY THROUGH FUNCTIONAL LIGHTWEIGHT CONSTRUCTION AND INTELLIGENT MATERIALS TECHNOLOGY

Using the right material in the right place, as well as using more sustainable materials, are the premises under which KTM Technologies creates future-proof product solutions that not only make optimal use of material properties, but are also designed to be one step ahead. Future challenges on an environmental and economic level, for example life cycle assessment, material availability and circular economy, are taken into account in the development process.

The successes of the past year include a hybrid brake disc guard and a skid plate manufactured using the patented CONEXUS technology developed in-house. This innovative technology enables different materials to be joined without requiring an additional process such as gluing or bolting. CONEXUS eliminates costly processes, saving both energy and associated CO₂ emissions. Above all, however, property profiles can be optimally exploited through the targeted use of materials. The two hybrid components feature lightweight, high-performance carbon composite structures joined with an impact-resistant plastic. The CONEXUS technology also enables simple and total separation of the materials for recycling. To illustrate the CO₂ savings potential of the technology, a brake disc guard was developed that reduces the CO₂ footprint in material use by around 70 % by using natural flax fibers instead of carbon fibers as well as a

bio-based plastic. This innovation received the “EC Composites Innovation Award” in Paris, the highest award in the composites industry. This was followed in November by the prestigious “Automotive Body Exterior” award of the Society of Plastic Engineers (SPE). These awards have aroused great interest in this technology from other industries, and specific projects have already been initiated with partners from the automotive and aerospace sectors. As part of the activities to improve sustainability, the methods and tools used for life cycle assessment have been further developed. Identifying the CO₂ footprint of the materials used is an important element of a complete life cycle assessment of components and vehicles.

MOBILITY SOLUTIONS OF THE FUTURE

A novel body concept was developed for H2X Global, an Australian start-up company active in the field of commercial vehicles powered by hydrogen fuel cells. The innovative, origami-inspired design can significantly reduce the energy and one-off costs for new vehicles. This represents a major cost advantage, especially for commercial vehicles produced in smaller numbers.

In August, KTM Technologies initiated an “Innovation Talk” at the international “Living Legends of Aviation” gala. The objective of the panel discussion was to bring together the aviation and automotive sectors in order to identify synergies for sustainable mobility solutions of the future.

Virtualization of product development is an important building block for reducing development times, costs and quality risks. Finally, the physical testing of components and complete vehicles on corresponding test benches is an indispensable part of the validation of new products. For this purpose, a test area of 300 m² equipped with the latest test benches was created at the Anif site in order to ensure quality assurance of the products during development.

EMPLOYEES

The development, testing and transition to series production of new concepts in the particularly technology-driven premium motorcycle segment have required a steadily growing team of experts from different disciplines. This is also reflected in the fact that the number of employees in the Research and Development department of the PIERER Mobility Group continues to increase. As of December 31, 2022, the concern employed 1,181 staff (previous year: 976), representing 19.4 % of the total research and development workforce. In operational terms, excluding the ancillary effect of capitalizing and amortizing development expenses, 8.7 % of total revenue was spent on research and development.



KTM Motohall
© dnbuchi media

2023 OUTLOOK

The year 2023 in research has a large number of project initiatives in store in the areas of foundational research, technology and complete vehicle development, testing and validation. Like the activities of the year under review, the focus in engine development will be on further increasing efficiency by optimizing the thermodynamic system, on research into e-fuels and on general development and testing of purely electric drive systems and energy storage modules. The field of electrical/electronic development includes the development of new safety and assistance systems and innovative human-machine interface concepts designed to make a lasting contribution to reducing accidents. Intensive consortium work in the field of connected motorcycles is also being continued. With regard to the development and validation of complete vehicles, a large number of

project initiatives are being concurrently pursued. In addition to prototypes and their subsequent transfer to series production, work on vehicle concepts at earlier stages of maturity is another of the key activities in the financial year 2023.

At KTM Technologies, the focus will be on developing new concepts for components and complete vehicles, both for the Group and for customers from other industries. Another focus will be on the technology transfer and qualification of materials, as well as on processes and methods for optimizing the sustainability of products and components. The core competencies in lightweight construction and composites will be used in various cross-industry development projects on products for the mobility of the future.



DIGITAL INNOVATIONS

Together into the future

PIERER INNOVATION GMBH MANAGES SUSTAINABLE DIGITAL TRANSFORMATION AND DEVELOPS DIGITAL INNOVATIONS FOR THE TWO-WHEELER MARKET.

Many of today's innovations are based on a broad digital evolution. For example, connectivity is not just something for smart homes, but affects everyday objects and also vehicles become more and more widely networked.

PIERER Innovation GmbH is all about these challenges, which is why the Group has expanded to include digital enterprises such as Avocado GmbH and DC Digital GmbH. With a team of more than 60 employees, PIERER Innovation is going boldly forward and taking the Group's digitalization campaign to a new level. Together with Avocado and DC Digital, PIERER Innovation is a center of expertise for the digital user experience, software development, business modeling and data science as well as the evaluation of new digital technologies, thus shaping the digital future of PIERER Mobility AG.

SETTING THE COURSE FOR DIGITAL STRATEGY

Scouting specialists maintain a continuous dialog on technology and

analyze trends in order to evaluate social and cultural change and derive interesting new applications. They create a basis for developing novel concepts and products.

Business modelers and data scientists aim to generate added value from existing and new data sources and develop new data-based services from them.

An interdisciplinary team of product managers, designers and software specialists takes care of the wide-ranging task of making the customer experience of the Group's products tangible at every digital touchpoint on the digital customer journey in harmony with the brands. This requires a strong and stable innovation pipeline. The vision is to develop an impressive technology portfolio with targeted communication and service that shows innovation potential throughout the customer journey – online and on site for retailers. In the business year, key digital innovations were developed and tested for functionality, added value, cost compatibility, stability and efficient production, thus identifying key directions for the digital strategy.

2022 HIGHLIGHTS

PIERER Innovation continues to focus on steadily improving customer and dealer satisfaction. A digital analysis is used to identify what customers need. Customer experience camps have been successfully launched in Austria and Germany, obtaining valuable information from customers that is taken into account in the development processes. Work is underway on digital solutions that are individually tailored to customer needs.

Because today's vehicle has become one big digital sensor, it is also increasingly the hub of the digital customer experience. PIERER Innovation was ready for this at an early stage and is focusing its growing digital offering on the expectations and wishes of customers – before, during and after the ride. In addition to new technologies and services for two-wheeler products, the focus is on customers and their demands for state-of-the-art mobility. This customer-centric approach provides digital services practically anytime and anywhere.

PROJECTS

For many years, PIERER Mobility brands have offered product configurators in two-dimensional form. PIERER Innovation's vision was to create a better experience through interactive configurators that encourage users not only to purchase technical accessories, but also share their buying experience on social media. The focus of this

project was on an innovative 3D streaming technology with a photo-realistic representation of the configured overall product that can be moved in different environments and rotated in any direction. This was successfully realized with the 3D configurators after several years of development. Five different 3D configurators were released. These allow a high level of user interaction and can work on any browser. Different environments provide additional attraction, just as the brand experience requires. 3D configurators are used many times more than 2D configurators. The basis is provided by state-of-the-art technologies for which experts have been systematically recruited in recent years. Networks like these are possible thanks to the "Open Innovation" approach that is practiced and greatly appreciated in the digital PIERER network.

GLOBAL PIONEERS

PIERER Mobility AG's digital companies were the first in the world to use a brand-new streaming service from Google, which now sets the standard for other automotive, consumer and luxury brands. This service is based on the globally distributed UNREAL gaming engine and is operated by Google itself on its servers in Europe. The next steps are now being taken in the conversion towards digitally assisted sales. The individually created configuration is sent to a dealer so that they can create a definitive offer for the customer.

These and other technologies are a departure for new shores. They allow use cases to be revisited and reviewed, and improved solutions to be found, such as new interactive sales support at the dealer's point of sale (via the specially developed DealerCenter platform), interactive spare parts finders, online games, photo-realistic product placement in online games, avatars for apparel configurators and much more.

INTERACTIVE EXPERIENCE

Other interactive experiences such as a virtual room where customers and dealers can configure a motorcycle together can be realized through these emerging technologies with fast, interactive virtual reality prototypes. To scale these solutions in the future, industrialized processes and what are known as toolchains will be needed.

The immersive 3D experiences delivered from the toolchains, and developed in-house, are cost-effective and quicker to implement than conventional 2D technologies. The toolchain itself is constantly being improved as technologies in this area rapidly develop. PIERER Innovation takes this into account with its own Competence Center.

Another application of this 3D technology, a whole series of improved **animations** based on the 3D assets obtained, were developed in the financial year 2022 and released with the KTM RC 390 at the end of the year. The videos consist of a combination of animations, action scenes, voice-overs and feature highlights, and can explain in detail how certain technical features make a motorcycle an absolute premium vehicle. The Innovation Team has developed these animations for features such as the complex Traction Control, which could not have been optimally explained using text, audio or video alone.

The techniques used can be quickly and cost-effectively applied to other PIERER Mobility features and products. In addition to KTM motorcycles, the new X-BOW GT-RX and Husqvarna models were also implemented in the streaming technology and can thus be used in animations, 3D renderings and the 3D configurator.

E-COMMERCE

In the reporting year 2022, the course that had begun of using the websites of all the Group brands more actively for lead management and sales support was consistently continued. A whole series of special editions such as the Brabus 1300R or the KTM RC 8C were advertised, launched and pre-sold online. These online special edition launches were highly successful and the limited number of motorcycles often sold out within minutes.

To do this, PIERER Innovation implemented the technical processes to provide the Commerce Team with a comprehensive toolkit for online sales.

INTERNET OF THINGS (IOT)

In order to connect the declared strategy to all powered two-wheelers, to bring it to life and thus meet the requirements of the next ten years, a comprehensive IOT initiative was launched back in late 2018 and reached an important milestone in 2022. After intensive testing, development and a rigorous selection process, an IOT platform was chosen that is capable of comprehensively connecting, managing and updating all PIERER Mobility PTWs in the future, globally and in the long term. This platform integrates the three core functions of logging, updating and commanding both via the SIM card installed in the motorcycle and via the customers' phones. PIERER Mobility thus uses a sustainable, effective solution that will allow it to quickly develop a wide range of new functions in the future. This decision marked the completion of a major R&D project within PIERER Innovation, which included 1.4 million test kilometers of data across four continents to provide essential data-based fundamentals.

In addition to the IOT platform, a powerful, reliable and efficient IOT solution also needs a viable, flexible and globally resilient telecommunications solution. For this purpose, more than 80 MNOs (mobile network operators) and MVNOs (mobile virtual network operators) were compared and screened.

RANGE CALCULATION FOR ELECTRICALLY POWERED TWO-WHEELERS

The Data Science & Business Modeling Units of PIERER Innovation worked on many sustainable business models and services in 2022. One interesting group of topics was the optimization and expansion of range calculation for electric-powered two-wheelers. Despite the increasing popularity of electric mobility, range anxiety due to the finite battery capacity of e-vehicles is cited as one of the most common barriers to purchasing or regular use. In addition, energy consumption is highly dependent on environmental conditions and riding style. Standardized residual range calculations lead to customer dissatisfaction or even loss of interest in electric vehicle categories. This is why the Group is working intensively on being able to estimate range dynamically and specifically for each driver and their circumstances by taking account of both riding style and the complexity of environmental variables. The aim is to enable riders to make informed decisions about route planning and charging, as well as to improve the existing residual range calculation.

2023 OUTLOOK

PIERER's company-wide digitization initiatives will continue to focus on strengthening the dealer network, forming an end-to-end data chain along the entire product and customer lifecycles, pursuing the service-oriented and customer-centric approach, prioritizing improved efficiency in added-value processes, and continuing to focus on monitoring trends and technology.

In addition to the classic e-commerce topics, the combination of Web 2.0, interactive media and global delivery via all mobile devices has taken the first, important steps into Web 3.0 and the metaverse. Interactive 3D media and the overall experience, in addition to text, images and videos, are likely to play a key role for a whole range of other functions in the Group.

SUPPORTING THE USED VEHICLE MARKET

The used vehicle market is heavily influenced by knowledge about the condition of vehicles and their components. Sellers want to communicate the good condition of the products, and buyers, on the other hand, want to verify these statements. The data accumulated over the lifetime of a vehicle can be used to support these processes. The Data Science & Business Modeling team is working on analyses and concepts of services that can help market players generate increased trust in transactions and thus possibly prolong the use of vehicles or components.

PIERER Innovation GmbH, Avocodo GmbH and DC Digital GmbH have set themselves clear goals for 2023 to continue making innovative products, to work on new, groundbreaking technologies and to further develop processes. To achieve this, the companies are investing in sustainable solutions and exploring the possibilities of digitalization along the entire value chain. Creative collaboration across all companies will further increase the attractiveness and positive customer experience of the products in the future.





Employees are a key success factor

One of the four pillars of the company strategy are the people who work towards the success of the PIERER Mobility Group every day. Our aim is to provide fair and employee-friendly working conditions for our workforce, support humane work, offer training and learning opportunities, encourage potential and guarantee health and safety.

EMPLOYMENT TREND

As of December 31, 2022, the PIERER Mobility Group had 6,088 employees worldwide (previous year: 5,249), 5,050 of whom worked in Austria (approx. 83.0 %). 19.4 % of the total workforce worked in research and development. The proportion of female employees in 2022 was approx. 25.4 %. With sites in Mattighofen, Munderfing, Thalheim and Schalchen, the company is one of the biggest employers in Upper Austria. 4,622 employees worked here in 2022.

ATTRACTIVE EMPLOYER

As a modern employer facing the demands of a constantly changing labor market, PIERER Mobility takes continual measures to make its environment attractive for future and existing employees. Finding qualified employees and retaining them in the long term is a great challenge, particularly in rural areas.

In personnel development, PIERER Mobility relies on the expertise and potential of its employees, in line with the principle of giving internal candidates priority over external ones. This makes career development within the company possible. The **"Employees recruit employees"** initiative in production continued to be a big success in 2022. The process was expanded to include an employee app, making it easier to use, and the proportion of recruitments as a result of recommendation rose to 43.5 % in 2022.

Active sourcing ensures that vacancies reach the entire candidate market – not just people who are actively looking for work. This enables recruiters to respond more quickly to shortages and guarantee employee recruitment in the long term.

In the year under review, the company placed a stronger focus on strategic cooperation with selected schools and universities, and continued to expand the number of partner schools.

After two years of cancellations due to Covid, the company presented itself prominently once again at **career fairs** in order to meet potential candidates personally.

Following the **flexible working hours** for white-collar employees, the new shift model, the four-day week for employees in vehicle assembly, was introduced as a trial from October 2022 to February 2023. Over these four months, operations on Line 2 and in

participating departments have been carried out using this progressive working model. The working hours were in blocks (ten hours per day), which resulted in longer leisure periods for the employees.

The **factory bus** pilot project was launched in mid-2022. It has since been extended to three lines and now makes the journey to the production sites easier for around 150 employees each day.

TRAINING AND FURTHER EDUCATION

The PIERER Mobility Group takes the approach of enabling current employees to develop their career within the company and learn for life by means of further training and education. This makes employees more satisfied and more likely to remain loyal to the company, while at the same time they secure the company's success as valuable knowledge bearers and experts.

To make this knowledge available to more employees within the group, the training campaign **KTM_Insights** was launched in 2022. This further training initiative conveys knowledge about different company areas such as specialist knowledge, processes, software or programs. The idea is that the knowledge bearers, known as KTM_Experts, complete an internal training course which then enables them to design their own training courses. The first ten KTM_Experts were trained by the program in 2022.

In order to continue to increase awareness of sustainable activity in the company, an e-learning course on **waste management** was introduced in 2022. This gives employees insight into the correct way to dispose of waste and into the company's waste management system. 369 employees have been trained since the course started in June 2022.

The **"Production Academy"** improved production employees' knowledge of German. In the year under review, there were 203 participants in the courses, which take place on site directly with the shifts.

To prepare employees for the diverse challenges of management, the KTM_academy has been offering specialist training courses on several different management topics since 2021/2022 through the **#LeadershipNextLevel** program. After their regular management training, managers have the opportunity to develop their skills further on topics such as "Remote leadership", "Feedback as an important leadership tool", "Talent management" or "Generation management". A total of nine further training courses were completed by 88 managers in 2022.

The **Austria Dual Academy** offers the possibility of practical training

in diverse areas, specifically for secondary school leavers, students and career changers. In a maximum of three years, the theoretical knowledge which has already been acquired is linked to practical experience in the company. In 2022, KTM AG trained a total of six dual students in two professions. Avocodo GmbH, in cooperation with CODERS.BAY in Linz, also makes use of the Dual Academy's training concept, as well as the Job-Related Qualification Scheme (AQUA), funded by the Upper Austrian Labor Market Service and the province of Upper Austria. This enabled the company to recruit three new apprentices for the "Application development – Coding" and "System technology" division.

MINT PROFESSIONS

To encourage women to enter MINT professions, KTM AG now invites interested girls every year to gain an insight into the technical training possibilities offered by the company. During Girl's Day, they take part in a guided tour of production and, at various stations, they can try out milling key chains, working on engines, carrying out measurements on electrical switchboards, or dismantling entire wheels. The stations are professionally supervised by the company trainers. The number of girls in technical apprenticeships is growing steadily. In 2022, Girl's Day was held at KTM once more after two years' interruption owing to Corona.

APPRENTICES

In order to meet the challenges of a scarcity of skilled labor, the group's personnel strategy relies strongly on its own apprentice training. As of December 31, 2022, we employed approx. 200 apprentices (previous year: approx. 190), who were trained in 20 different vocational training programs.

61 female and 136 male apprentices took an apprenticeship in 2022, 75 % of whom were in the technical field and 25 % in the commercial field. During their apprenticeship, the apprentices are not only trained for the profession they aspire to, but also receive additional educational content, including Office training and courses in metal and automotive topics offered by external partners. The majority of apprentices are trained in automotive technology, currently 39 %, followed by metal technology (37 %).

In Mattighofen, the training center for apprentices was remodeled and opened in the fall of 2022. Since 2019, 2.5 million euros were invested in a modern training infrastructure covering an area of 3,000 m². Investment in a pneumatics-electronics laboratory, a new programming room for CNC, and design with 3D printing has turned the new **apprentice workshop** into a training center with first-class technological equipment. The apprentice workshop has capacity for a total of 230 apprentices.

Through the Apprenticeship with secondary school leaving certificate program, over **60 apprentices receive** further education in mathematics, German and English, as well as a compulsory elective subject. This training is equivalent to the occupational school leaving examination and therefore also qualifies for university entrance.

PIERER Mobility guarantees that the apprentice will be taken on after successful completion, which ensures that the acquired expertise will continue to be available to the company. Virtually all apprentices remain in the company, whether in Research & Development, motor sports or production. And it is not just local young people who can consider the option of an apprenticeship, since the company offers free accommodation with pedagogical supervision.

TRAINING AND FURTHER EDUCATION TIME

As of December 31, 2022, the number of hours spent on training and further education by employees in Austria was approximately 120,000 (previous year: approx. 124,000). This amounts to an average of 22 hours per employee (previous year: approx. 26 hours). In the year under review, the expenses for training and further education totaled approx. EUR 2,793,000 global.

OCCUPATIONAL SAFETY AND EMPLOYEE HEALTH

The PIERER Mobility Group places a high priority on employee health and safety. For this reason, as well as technical expertise, it is important to maintain and strengthen the employees' physical and psychological health. We aim to create a working environment in which employees are protected against health risks and risk of injury at work by means of suitable measures and processes.

As a company which manufactures and assembles street and offroad motorcycles, employees are exposed to substantial risks both in the workshop and when performing test rides. The group takes a strategic approach to the minimization of danger according to the **STOP principle** (Substitution, Technical protection measures, Organizational measures, Personal protection measures), and continually implements precautionary measures and specific training courses, particularly in the divisions with a high risk potential.

In the last few years, we have placed particular focus on how best to avoid accidents as a result of operationally necessary test rides with prototype and series motorcycles. Employees responsible for the test rides are trained in the **KTM Riders Academy**. Specific and regular riding training ensures that employees complete training that is appropriate for the profession. In 2022, a total of 211 employees attended the motorcycle riding training courses offered on 34 course dates.

In 2022, the first important analytical steps were taken for the expansion and development of the topics **Sport and Operational health support**, bundled in the Health & Safety team. Basic strategic cornerstones were laid for the future direction of the division and topics. A steering committee (together with the occupational health service, works council and human resources) will regularly evaluate the focal areas and measures. The rollout is set to continue in 2023.

The **Corona pandemic** demanded special measures, specifically in the first two quarters of 2022, in order to protect employees and guarantee operational procedures. Because of this forward-thinking working approach and a continual dialog with authorities, the measures and directives ordered by the government were quickly and comprehensively implemented. This prevented an extensive spread of the disease in the company, and the risk of becoming infected with COVID-19 in the company was assessed as being low.

DIVERSITY AND EQUAL OPPORTUNITIES

The PIERER Mobility Group regards it as particularly important for all employees to be treated with fairness and respect. This creates a working climate in which people of different world views, cultures, lifestyles, personal backgrounds and knowledge are valued. The aim is to promote social equality while combating and preventing discrimination and inequality.

This approach is also reflected in fair pay and uniform working standards in order to avoid the risk of unequal treatment.

In its diversity and anti-discrimination directive, PIERER Mobility defined how it aims to encourage diversity within the group and how it prevents, detects and responds to all forms of discrimination and harassment. This directive is binding for all group employees and can be found on the intranet as well as on the company website.

The number of women in the group has risen by approx. 10.6 % since 2018. The group aims to make employment in an industrial company more attractive for female workers, and to encourage even more women to take up technical professions. Our aim is to increase the number of female employees, particularly in production and production-related areas.

As an international group, PIERER Mobility values diversity: of background, culture, language, and therefore also the different ideas and approaches held by employees. In the year under review, employees of 68 nationalities were employed in the group. The group is young and dynamic, which is reflected in the average age of 36.8.



Share & investor relations

The current share capital of € 33,796,535 is divided into 33,796,535 no-par-value bearer shares with voting rights, with every ordinary share having an equal stake in the share capital.

Since November 14, 2016, the shares of PIERER Mobility AG have had a primary listing in the International Reporting Standard of the SIX Swiss Exchange (opening price CHF 4.90*). On March 29, 2017, the shares of PIERER Mobility AG were included in the Swiss Performance Index (SPI) of the SIX Swiss Exchange. Since March 1, 2022, the shares of PIERER Mobility AG have also been listed on the prime market, the top segment of the Official Market of the Vienna Stock Exchange. The listing on the Frankfurt Stock Exchange (General Standard) was terminated on October 18, 2022 (last trading day).

POSITIVE ESG RATING ALLOWS ADMISSION TO THE SUSTAINABILITY INDEX OF THE SIX SWISS EXCHANGE

The PIERER Mobility share has been listed in the SPI ESG / SPI ESG Weighted Index of the SIX Swiss Exchange since September 19, 2022. One of the criteria used to select the companies for this index is the sustainability analysis of the issuer by Inrate, an independent Swiss rating agency. PIERER Mobility was able to improve its ESG impact rating to C+ and thus fulfilled the requirements for admission to this Sustainability Index of the SIX Swiss Exchange. Other inclusion criteria include the following components: on the reference date, no more than 5 % of revenue may be generated in a critical sector and the company must not be recommended for exclusion by the Swiss Association for Responsible Investments. Following the selection in the last financial year, the list of the SPI ESG / SPI ESG Weighted Index comprises, together with PIERER Mobility AG, about 160 share issuers.

ADMISSION TO THE ATX GLOBAL PLAYERS INDEX OF THE VIENNA STOCK EXCHANGE

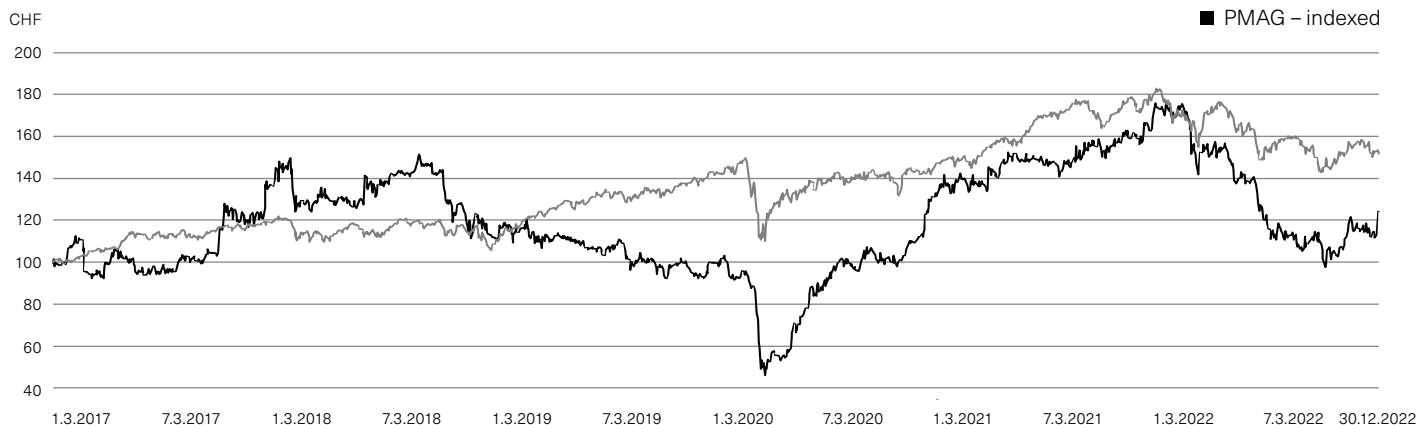
In addition, the shares of PIERER Mobility AG were also admitted to the ATX Global Players Index (ATX GP) of the Vienna Stock Exchange on September 19, 2022. The ATX GP is a free float weighted price index of the Vienna Stock Exchange and is made up of all shares which are traded in the "prime market" on the Vienna Stock Exchange and generate at least 20 % of their revenue outside Europe.

PERFORMANCE OF THE PIERER MOBILITY SHARE

The PIERER Mobility share began trading on the SIX Swiss Exchange on November 14, 2016 at an opening price of CHF 4.90*. In the 2017 financial year, the share price increased to CHF 7.39* (closing price on December 29, 2017). In the 2018 financial year, the closing price on December 28, 2018 was CHF 60.6. The share closed at CHF 54.0 on the last trading day of the 2019 financial year (December 30, 2019), but it recovered significantly during 2020 and recorded a rising price by the end of 2020. Starting from a year-end price of CHF 71.1 on December 30, 2020, the stock-exchange price of the PMAG share increased continuously in the 2021 financial year and closed at CHF 94.0 on the last trading day of the 2021 financial year (December 30, 2021).

The 2022 year on the stock market year was shaped mainly by the war in Ukraine, which caused great uncertainty in the capital markets. The central banks in Europe and the USA sought to tackle rising rates of inflation, caused primarily by higher energy costs, by increasing base interest rates significantly. The risk of a recession as a result of the significant action on interest rates and a possible halt to the supply of Russian gas also worried investors. These

Share price performance PIERER Mobility AG (SIX) vs. SPI



challenging conditions caused great volatility on the stock markets. Despite the positive forecast for the 2022 financial year which PIERER Mobility AG published in January 2022 and which was raised further in August 2022, the PIERER Mobility share lost around 42 % of its value in the first quarters of 2022 (price on December 30, 2021: CHF 94.0). This downward trend culminated in a lowest closing price of CHF 52.9 on October 3, 2022, while the highest closing price on the SIX Swiss Exchange was the CHF 95.0 recorded on January 13, 2022. The performance of the PIERER Mobility AG share in 2022 was thus increasingly determined by external factors and not by key business indicators. The fourth quarter again displayed a positive trend and, starting from the lowest price, recorded a gain of around 27 %. PIERER Mobility AG closed on the last trading day of the 2022 financial year (December 30, 2022) at CHF 67.1 with a market capitalization of CHF 2,267.7 million.

* Price per share before the 10:1 reverse stock split in April 2018

SIMPLIFICATION OF THE OWNERSHIP STRUCTURE WITH BAJAJ

An important milestone for PIERER Mobility was the completion of the simplification of the ownership structure between the Pierer Group and the Indian Bajaj Group in the fourth quarter of 2021. As part of a capital increase in return for a contribution in kind, this involved the Indian Bajaj Group contributing around 46.5 percent of its shares in KTM AG to the company via Pierer Bajaj AG and receiving 11,257,861 new shares in return. As a result of this capital increase, PIERER Mobility's stake in the operating KTM AG increased to 99.8 % (previously 51.7 %). In the 2022 reporting year, the remaining 0.2 % of the shares in KTM AG were transferred to the main shareholder PIERER Mobility AG in return for appropriate cash compensation as part of a squeeze-out.

RESEARCH COVERAGE

The support provided to PIERER Mobility AG by investment banks is an important component of the company's comprehensive investor relations work, and is of particular importance to how investors perceive and rate the PMAG share. In addition to the coverage by Bank Vontobel AG¹ in Zurich, there is a cooperation in place with two other analyst firms. Stifel Schweiz AG in Zurich wrote five research commentaries or analysis reports in the last financial year. The most recent update followed the publication of the preliminary results in January 2023. Stifel Schweiz AG set its expected share price at CHF 92 and confirmed its recommendation of "Buy". Jefferies GmbH, which is based in Frankfurt, also issued a recommendation to buy in its most recent analysis in January 2023 and set the target price at CHF 90. Bank Vontobel AG expects a target price of up to CHF 95 in its latest valuation in January 2023 and has again issued a recommendation to buy. This is justified by the organic growth in all core areas.

¹ The "Equity Morning Notes on PIERER Mobility" from Bank Vontobel AG are available on the company's website under "Investor Relations / Share".

DIVIDEND

According to the published notifications of December 27, 2022 and January 31, 2023, the Executive Board shall, in consultation with the main shareholder Pierer Bajaj AG, propose to the Annual General Meeting on April 21, 2023 that a dividend of EUR 2 per share should be paid. The proposal results from the expected record earnings and adoption by the Annual General Meeting would result in a doubling of the previous year's dividend. Given earnings per share of € 5.03, this means a distribution ratio of 39.76 %. As of December 31, 2022, the number of shares with dividend rights amounts to 33,796,535 shares. With 33,796,535 shares with dividend rights, a sum of around € 67.60 million will therefore be distributed.

Share price performance PIERER Mobility AG (SIX) vs. SPI



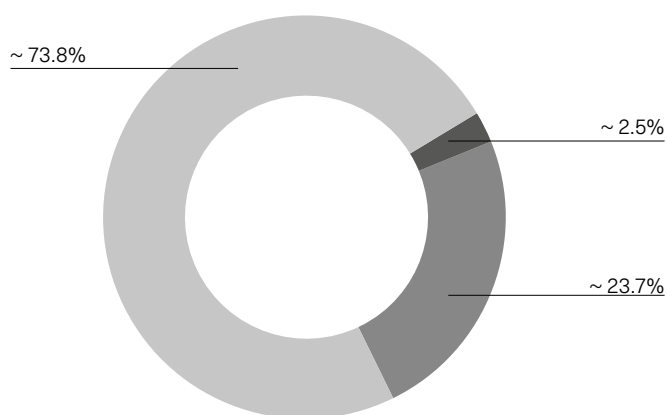
INVESTOR RELATIONS ACTIVITIES

The management of PIERER Mobility AG endeavors to practice a policy of providing transparent, swift and comprehensive information to and communication with capital market participants as well as the general public. Information is therefore provided at regular intervals on the economic position as well as on the future development of the PIERER Mobility Group. To ensure transparency, service and currency, all financial reports, press releases, ad-hoc announcements, voting rights communications and corporate presentations as well as information about events for investors are published on the company's website www.pierermobility.com so that they are made available to all shareholders at the same time. After a two-year break due to coronavirus, all planned events were able to take place in person again. In the last financial year, a live webcast was also introduced as a new way of communicating with capital market participants (relates to the conference calls for the presentation of the half-year and full-year results).

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2022

At the end of the 2022 financial year, Pierer Bajaj AG, Austria held a stake of around 73.8 % of the company's share capital. Pierer Konzerngesellschaft mbH, Austria held around 2.5 %. The free float amounted to around 23.7 %.

■ Pierer Bajaj AG, Austria:	~ 73.8%
■ Pierer Konzerngesellschaft mbH, Austria:	~ 2.5%
■ Free float:	~ 23.7%



OTHER INFORMATION ABOUT THE PIERER MOBILITY SHARE

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#Swiss valor number	41860974
Ticker symbol	PMAG
Reuters	PMAG.S
Bloomberg	PMAG SE
Class of shares	No-par-value ordinary bearer shares





Corporate Governance

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Corporate Governance 2022 in accordance with the Austrian Code of Corporate Governance (ÖCGK)

The shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTM102). In addition, the shares of PIERER Mobility AG have been listed on the Official Market (prime

market segment) of the Vienna Stock Exchange since March 1, 2022. Until the end of October 18, 2022, the shares of the company were also listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange.

01 ADHERENCE TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE (ÖCGK)

The Austrian Code of Corporate Governance provides Austrian stock corporations with a framework for managing and monitoring their company. The Code aims to establish a system of management and control for companies and groups that is accountable and geared towards creating sustainable, long-term value. It is designed to provide a high degree of transparency for all stakeholders of a company.

The Code is based on the provisions of Austrian stock corporation, stock exchange, and capital market law, the EU recommendations regarding the responsibilities of members of Supervisory Boards and the compensation of company directors, as well as the OECD Principles of Corporate Governance. Since 2002, the Code has undergone a number of revisions. The present Corporate Governance Report is based on the most recent version of the Code, which was adopted in January 2021. The Code can be accessed by the public at www.corporate-governance.at in its currently valid version.

PIERER Mobility AG is fully committed to the Austrian Code of Corporate Governance in its current version. This commitment by PIERER Mobility AG is voluntary and aims to boost shareholder confidence and to constantly optimize the high internal legal, behavioral and ethical standards of PIERER Mobility AG.

The Corporate Governance Report for the 2022 financial year is publicly available on the homepage of the company (www.pierermobility.com) in the section Investor Relations > Corporate Governance > Corporate Governance Report.

As a result of this commitment, PIERER Mobility AG has to comply with more than just the legal requirements ("L-Rules"). This voluntary self-imposed obligation means that it must explain non-compliance with the so-called C-Rules ("comply or explain") which go above and

beyond the legal requirements. In accordance with this part of the Austrian Code of Corporate Governance, PIERER Mobility AG explains its nonconformity with C-Rules of the Code as follows:

"C-Rule 18": In light of the company's size, no separate internal audit department has been set up. However, the company has established an internal control and reporting system which enables the Executive Board to identify risks and quickly implement an appropriate response. The Supervisory Board, particularly the Audit Committee, is kept regularly informed about the internal control mechanisms and risk management in place across the group. Further information on risk management can be found in the notes to the consolidated financial statements as at December 31, 2022.

"C-Rule 26": Stefan Pierer holds more than four supervisory board mandates in stock corporations that do not belong to the PIERER Mobility Group. These are supervisory board mandates in the superordinate Pierer Industrie Group.

"C-Rule 27": The variable annual compensation components are unlimited in terms of their amount. The variable remuneration takes only financial criteria into account.

"C-Rule 41": As the Supervisory Board of Pierer Mobility AG consisted solely of four respectively six members during the 2022 financial year, a Nomination Committee, as well as a committee that is authorized to make decisions in urgent cases, has not been established, as it would not lead to an increase in the efficiency of the Supervisory Board's work. The tasks of the Nomination Committee are fulfilled by the entire Supervisory Board.

"C-Rule 49": The conclusion of contracts with members of the Supervisory Board, by means of which such members are committed to performing a service for the company outside of their activities on

the Supervisory Board in return for remuneration not of minor value, shall legally require the consent of the Supervisory Board. However, these shall not be published by the company in view of the associated company and business secrets. In addition, the notes to the consolidated financial statements contain notes regarding “Explanations regarding related parties and the corporate bodies”, which detail the remuneration of Supervisory Board members outside of their activities on the Supervisory Board.

“C-Rule 83”: The risk management in PIERER Mobility -Group is established on different levels. The company-specific risk management is established at the level of the affiliated companies. Due to the holding function of the company, the risk management of the affiliated companies is monitored as part of the participation-specific risk management. The nonconformity with C-Rule 83 is only given insofar, as an assessment of the risk management through the auditor has not taken place in the 2022 financial year. From the 2023 financial year onwards, it is planned that the auditor will carry out an independent assessment of the functionality of the risk management system in accordance with C-Rule 83.

In addition, PIERER Mobility AG also endeavors to comply, without exception, not only with the minimum requirements, but also with all

of the Code's R-Rules (Recommendations).

The company is committed to the principle of transparency and the goal of providing a true and fair view for the benefit of all shareholders. All relevant information is published in our annual report, quarterly reports, on the corporate website and within the context of our ongoing press relations work. Reports are prepared in accordance with the international financial reporting standards (IFRS). PIERER Mobility AG also informs its shareholders of all issues and developments of relevance to the company by means of ad-hoc announcements and press releases. We will include important dates on the financial calendar. All information is published on the website within the “Investor Relations” or “Newsroom” sections. It is therefore available to all shareholders at the same time.

The company has issued a total of 33'796'535 ordinary shares. There are no preferential shares or restrictions on these ordinary shares. Accordingly, the principle of “one share – one vote” fully applies. The Austrian Takeover Act ensures that every shareholder will receive the same price for the shares in the event of a takeover bid (public tender offer). The shareholder structure at PIERER Mobility AG is depicted in the “Share & Investor Relations” section of the annual report

02 MEMBERS OF THE CORPORATE BODIES

The corporate bodies of PIERER Mobility AG consist of the Executive Board, the Supervisory Board and the Annual General Meeting. The Executive and Supervisory Board cooperate at regular intervals on the basis of open and transparent discussion.

WORKING PROCEDURES OF THE EXECUTIVE BOARD:

The Executive Board of PIERER Mobility AG or the individual Executive Board members, respectively, act on the basis of the laws, the Articles of Association and the Executive Board's rules of procedure, which have been laid down by the Supervisory Board and which govern the rules for cooperation between the Executive Board members as well as the allocation of the duties within the Executive Board.

Coordination within the Executive Board occurs during regular meetings, but also in the form of an informal exchange of information. Matters discussed at the Executive Board meetings include the current operations and the company strategy. Any current or outstanding management or leadership measures that are to be implemented by the Executive Board members responsible under the rules of procedure are also discussed.

The rules of procedure require the Executive Board or the individual Executive Board members to provide extensive information and reporting to the Supervisory Board and to define an extensive catalog of measures and legal transactions that require the approval of the Supervisory Board.

COMPOSITION OF THE EXECUTIVE BOARD:

In the financial year 2022, the Executive Board of PIERER Mobility AG consisted of the following members (C-Rule 16 of the Austrian Code of Corporate Governance):

Name Year of Birth	Position	Initial Appointment	End of the current term of office	Areas of responsibilities
Stefan Pierer born 1956	Member of the Executive Board (CEO)	June 2, 2015*	December 31, 2023	strategic overall management product management quality management purchase supply chain international projects sustainability
Friedrich Roithner born 1963	Member of the Executive Board (CFO)	June 2, 2015**	December 31, 2023	finance (Group)accounting tax affairs legal affairs risk management
Hubert Trunkenpolz born 1962	Member of the Executive Board	January 1, 2018	December 31, 2023	sales marketing customer service joint ventures
Viktor Sigl, MBA born 1974	Member of the Executive Board	December 19, 2019	December 31, 2023	human resources organisation IT

* Stefan Pierer has been a member of the Executive Board of CROSS Industries AG (FN 261823 i) since April 30, 2005. In the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG on April 22, 2015 the resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company within the framework of a universal succession. With effect from June 2, 2015 CROSS Industries AG was merged into BF HOLDING AG. At the same time, the name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015 Stefan Pierer is therefore member of the Executive Board of CROSS Industries AG (now PIERER Mobility AG).

** Friedrich Roithner has been a member of the Executive Board of CROSS Industries AG (FN 261823 i) since June 23, 2010. In the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG on April 22, 2015 the resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company within the framework of universal succession. With effect from June 2, 2015 CROSS Industries AG was merged into BF HOLDING AG. At the same time, the name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015 Friedrich Roithner is member of the Executive Board of CROSS Industries AG (now PIERER Mobility AG).

STEFAN PIERER (CEO)**Professional Career:**

After graduating from the Montan University in Leoben, Austria (Business and Energy Management), Stefan Pierer began his career as a sales assistant at HOVAL GmbH in Marchtrenk in 1982, where he continued as a sales manager and authorized signatory. In 1987, he founded the PIERER Mobility Group, where he acts as majority shareholder and member of the Executive Board. He has been shareholder and member of the Executive Board of the KTM AG since 1992. In 2011, he established Pierer Industrie AG, where he is sole shareholder and Chairman of the Executive Board.

Further main functions within the PIERER Mobility-Group:

- Chairman of the Executive Board of KTM AG

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements:

- Chairman of the Supervisory Board of Pankl AG (formerly Pankl SHW Industries AG)
- Chairman of the Supervisory Board of Pankl Racing Systems AG
- Member of the Supervisory Board of Oberbank AG
- Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH
- Member of the Supervisory Board of SHW AG
- Member of the Board of Directors of swisspartners Group AG
- Member of the Board of Directors of Pierer Swiss AG

FRIEDRICH ROITHNER (CFO)

Professional Career:

After graduating from the Johannes Kepler University of Linz (Business Administration), Friedrich Roithner started his career at Ernst & Young GmbH. After three years, he switched to Austria Metall AG, where worked until 2006 (he became a member of the Executive Board in 2002). Since the end of 2007, Friedrich Roithner has been part of the management team at the PIERER Mobility Group. From March 2008 until June 2010, Friedrich Roithner was a member of the Executive Board of Unternehmens Invest AG.

Further main functions within the PIERER Mobility-Group:

- Chairman of the Supervisory Board of KTM AG
- Chairman of the Supervisory Board of KTM Components GmbH

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements:

- Member of the Supervisory Board of Pankl AG (formerly Pankl SHW Industries AG)
- Member of the Supervisory Board of Pankl Racing Systems AG
- Member of the Supervisory Board of SHW AG
- Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH

HUBERT TRUNKENPOLZ

Professional Career:

After graduating from the Johannes Kepler University Linz (Business Administration), Hubert Trunkenpolz started his career at ISA Audivisual Communication Corp. as marketing manager and subsequently at TRUMAG as sales manager / managing director. He has been at the PIERER Mobility-Group since 1992 and a member of the Executive Board of the KTM Group since 2004. Hubert Trunkenpolz also became a member of the Executive Board of KTM AG in 2007 and of PIERER Mobility AG in 2018.

Further main functions within the PIERER Mobility-Group:

- Member of the Executive Board of KTM AG

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements:

- None

VIKTOR SIGL, MBA

Professional Career:

After graduating from the Johannes Kepler University in Linz with a degree in Business Administration, he started his professional carrier at KPMG in the field of financial auditing and tax consultancy. In 2005, after completing his tax consultancy examinations and an MBA program at the University of Toronto, Viktor Sigl, MBA joined voestalpine AG to become head of Corporate Tax & Finance Advisory. Before joining the KTM Group, he was commercial director in the field of international industrial assembly. Since 2012 Viktor Sigl, MBA is a member of the Executive Board of KTM AG and since December 19, 2019 a member of the Executive Board of PIERER Mobility AG.

Further main functions within the PIERER Mobility-Group:

- Member of the Executive Board of KTM AG
- Deputy Chairman of the Supervisory Board of KTM Components GmbH

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements:

- None

WORKING PROCEDURES OF THE SUPERVISORY BOARD

During the 2022 financial year, the Supervisory Board diligently performed the duties and tasks incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. With the exception of Rajiv Bajaj, all members of the Supervisory Board and its committees are free and independent according to the terms of the Austrian Code of Corporate Governance. The Supervisory Board held a total of four meetings during the 2022 financial year. Only at two Supervisory Board meetings, one member of the Supervisory Board was excused; at the other Supervisory Board meetings all members of the Supervisory Board were present. The meetings lasted approximately three to three and a half hours on average. In addition, three Audit Committee meetings were held; the meetings lasted approximately one hour on average. In its meetings in the financial year 2022, the Supervisory Board dealt with project monitoring, business development and business planning (forecast, budget and multi-year planning), including non-financial performance indicators.

In addition, the Supervisory Board focused in its meetings on discussing and passing resolutions on the review and approval of the 2021 annual financial statements, the review of the 2021 consolidated

financial statements, the agenda and the proposed resolutions for the 25th Annual General Meeting, the financial status and Executive Board matters. The report by the Supervisory Board on the 2022 financial year provides further details.

The Supervisory Board also dealt with compliance management and corporate governance of the company.

In accordance with the Articles of Association, the Supervisory Board has elected a Chairman and a Deputy Chairman and has appointed an Audit Committee in order to comply with legal requirements.

The Supervisory Board meetings were conducted by the Chairman, or, in the event that he was unable to attend, by his representative.

Members of the Supervisory Board receive the agenda that has been agreed with the Chairman at least 7 days before each meeting, together with comprehensive information concerning each point included on the agenda. In urgent cases, the Chairman of the Supervisory Board is permitted to shorten that period, provided he can provide evidence that all Members of the Supervisory Board have been informed of this. In the event that the above-mentioned period is shortened, and if not all Members of the Supervisory Board are present or represented, only those points on the agenda that resulted in the notice period being shortened shall be addressed.

A quorum of the Supervisory Board shall be present when all Members of the Supervisory Board have been duly invited and at least half of the elected members, but no fewer than three members, including the Chairman or his Deputy, participate in the meeting.

Supervisory Board decisions shall be made on the basis of a simple majority of the votes cast; in the event that votes are tied, the Chairman of the Supervisory Board shall cast the deciding vote. The transfer of ownership of shares in KTM AG, PIERER New Mobility GmbH and KISKA GmbH and their subsidiaries, capital increases of any kind at KTM AG, PIERER New Mobility GmbH and KISKA GmbH and their subsidiaries as well as the sale or transfer of ownership of all material assets of the company and KISKA GmbH and their subsidiaries require the consent of all capital representatives on the Supervisory Board.

The Supervisory Board shall be entitled to request written reports from the Executive Board at any time with regard to company affairs and management issues. As a general rule, the Executive Board shall also participate in meetings of the Supervisory Board and the Audit Committee, unless the Chairman of the Supervisory Board states otherwise. Members of the Executive Board do not possess any voting rights.

During the Supervisory Board meeting, the Members of the Executive Board will provide a comprehensive explanation of the course of business and the personal and financial development of the Group. Lengthy discussions take place between the Executive Board and the members. Resolutions concerning investments, acquisitions and other requests made in accordance with the rules of procedure of the Executive Board represent an additional focus for each Supervisory Board meeting.

The committees formed by the Supervisory Board shall carry out their tasks on behalf of the Supervisory Board. Each committee must comprise at least two members. For each committee formed, the Supervisory Board shall appoint a chairman from among the members of that committee. The rules of procedure of the Supervisory Board shall apply with regard to the notice period, the meetings and resolutions of a committee.

The Supervisory Board shall also be entitled to task an individual member with the supervision and auditing of individual business transactions. That member of the Supervisory Board must report to the Supervisory Board with regard to its activities.

No contracts requiring approval by the Supervisory Board were concluded between the company and members of the Supervisory Board (C-Rule 48 of the Austrian Code of Corporate Governance).

The Audit Committee has monitored the financial reporting processes (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements) as well as the effectiveness of the system of internal control, the risk management system and the audit system. The Audit Committee approved non-audit reviews by the auditor (auditor of the consolidated financial statements) up to EURk 2,000 per financial year. The approval is valid for the 2023 financial year and will be adjusted by the Audit Committee if necessary. Once a year, the Audit Committee is being informed about the actual non-audit reviews. Finally, the independence and the activities of the auditor (group financial auditor) was reviewed and monitored, with regard in particular to the additional services provided to the audited company.

In the financial year 2022, the Supervisory Board addressed the efficiency of its activities, in particular its organization and working methods, and carried out a self-evaluation within the meaning of C-Rule 36 of the Austrian Code of Corporate Governance.

For further information regarding the Supervisory Board's work methods, please refer to the Supervisory Board report.

COMPOSITION OF THE SUPERVISORY BOARD

At the 25th Annual General Meeting of the company on April 29, 2022, the Supervisory Board was increased from four to six members and Rajiv Bajaj, Srinivasan Ravikumar, Iris Filzwieser and Michaela

Friepeß were elected as members of the Supervisory Board. Ernst Chalupsky and Alfred Hörtenhuber resigned as members of the Supervisory Board with effect from the end of the 25th Annual General Meeting.

In the financial year 2022, the Supervisory Board of the company consisted of the following members:

Name Year of Birth	Position	Independent according to the ÖCGK	Initial Appointment	End of the current term of office	Further mandates on supervi- sory boards or similar functi- ons in other foreign and do- mestic companies, listed on a stock exchange
Josef Blazicek born 1964	Chairman of the Supervisory Board	Yes	2008	Annual General Meeting which decides on the financial year 2025	All for One Group SE (Germany)
Rajiv Bajaj born 1966	Deputy Chairman of the Supervisory Board	No	29.04.2022	Annual General Meeting which decides on the financial year 2026	none
Iris Filzwieser born 1971	Member of the Supervisory Board	Yes	29.04.2022	Annual General Meeting which decides on the financial year 2026	none
Michaela Friepeß born 1972	Member of the Supervisory Board	Yes	29.04.2022	Annual General Meeting which decides on the financial year 2026	none
Srinivasan Ravikumar born 1957	Member of the Supervisory Board	Yes	29.04.2022	Annual General Meeting which decides on the financial year 2026	none
Klaus Rinnerberger born 1964	Member of the Supervisory Board	Yes	2015	Annual General Meeting which decides on the financial year 2024	LEONI AG (Germany)
Ernst Chalupsky born 1954	Deputy Chairman of the Supervisory Board	Yes	2014	Annual General Meeting which has decided on the financial year 2022 (until 29.04.2022)	none
Alfred Hörtenhuber born 1955	Member of the Supervisory Board	Yes	2018	Annual General Meeting which has decided on the financial year 2022 (until 29.04.2022)	none

COMMITTEES OF THE SUPERVISORY BOARD AND THEIR MEMBERS:

In accordance with the Austrian Stock Corporation Act (AktG), the Supervisory Board of PIERER Mobility AG has established an Audit Committee, which performs the systematic supervisory and control functions.

The **Audit Committee** of the company was newly elected by the Supervisory Board with a circular resolution dated May 11, 2022. It has three members and is composed as follows:

Srinivasan Ravikumar
Chairman

Klaus Rinnerberger

Deputy Chairman, financial expert

Michaela Friepess

Member

Until the resolution of the Supervisory Board on May 11, 2022, the members of the Audit Committee were Klaus Rinnerberger (as Chairman), Josef Blazicek (as Deputy Chairman) and Ernst Chalupsky (as member, resigned as member of the Supervisory Board and the Audit Committee with effect from April 29, 2022).

The Audit Committee is responsible for the auditing and preparation for the establishment of the annual financial statements, the proposed distribution of net income and the management report, as well as the auditing of the consolidated financial statements and the corporate governance report. The Audit Committee makes a proposal for the selection of the auditor and presents the proposal of the Supervisory Board to the Annual General Meeting for voting. In line with C-Rule 81a of the Austrian Code of Corporate Governance, the Audit Committee must establish a mutual line of communication with the financial auditor in a meeting.

The Audit Committee of PIERER Mobility AG held three meetings during the 2022 financial year, in which a representative of the certified public accountant also participated.

The **Remuneration Committee** of PIERER Mobility AG has two members and is composed as follows:

Josef Blazicek

Chairman

Michaela Friepess

Deputy Chairwoman

The Remuneration Committee of PIERER Mobility AG was newly elected by circular resolution of the Supervisory Board of the company on May 11, 2022 and held one meeting in the 2022 financial year. In this meeting, the Remuneration Committee dealt with the remuneration report and addressed general questions regarding the remuneration of the Executive Board.

Until his resignation from the Supervisory Board with effect from April 29, 2022, Ernst Chalupsky was a member of the Remuneration Committee.

In the 2022 financial year, a further, new **Compliance, Investor Relations (IR) and Sustainability (ESG) Committee** was created. It has two members and is made up as follows:

Michaela Friepess

Chairwoman

Josef Blazicek

Deputy Chairman

The Committee for **Compliance, IR and ESG** was established by circular resolution of the Supervisory Board of the company on May 11, 2022, and held its first constituent meeting in the 2022 financial year. The committee, among other things, deals with the topics of the sustainability report and the TCFD report and regularly informs itself whether the compliance, IR and ESG goals pursued by PIERER Mobility AG are being met. To this end, the committee monitors the measures taken to achieve these goals and supports the implementation of such measures in all business units of PIERER Mobility AG. In addition, the committee regularly evaluates the objectives pursued.

Since the Supervisory Board consists of no more than six members, the tasks of the Nomination committee are fulfilled by the entire Supervisory Board.

INDEPENDENCE OF THE SUPERVISORY BOARD

A member of the Supervisory Board shall be deemed to be independent if said member does not have any business or personal relations with the company or its Executive Board that constitute a material conflict of interests and are therefore capable of influencing the behavior of the member.

Ernst Chalupsky is partner and general manager of Saxinger, Chalupsky & Partner Rechtsanwälte GmbH. The PIERER Mobility Group is advised by Saxinger, Chalupsky & Partner Rechtsanwälte GmbH on legal affairs. The advisory services are provided in accordance with standard market terms and conditions.

The independence of the Supervisory Board members is defined by the following guidelines:

Criterion 1: The Supervisory Board member was not a member of the Executive Board or a top executive of PIERER Mobility AG or a subsidiary of the company during the previous five-year period.

Criterion 2: The Supervisory Board member does not or did not maintain any business relationships with the company or a subsidiary of the company in the previous year of a scope which may be considered significant for the Supervisory Board member. This also applies to business relationships with companies in which the Supervisory Board member has a considerable economic interest, but not to performing roles on committees within the Group. Approval of individual transactions by the Supervisory Board pursuant to L-Rule

48 of the ÖCGK does not automatically disqualify the Supervisory Board member from being independent.

Criterion 3: The Supervisory Board member was not an auditor of the company, a shareholder or employee of the auditing company during the previous three years.

Criterion 4: The Supervisory Board member is not a member of the Executive Board of another company, in which a member of the Executive Board of PIERER Mobility AG serves on its Supervisory Board.

Criterion 5: The Supervisory Board member has not been on the Supervisory Board of the company for more than 15 years. This does not apply to Supervisory Board members, who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.

Criterion 6: The Supervisory Board member is not a close family member (direct descendant, spouse, common law spouse, parent, uncle, aunt, sibling, niece or nephew) of a member of the Executive Board of the company or of people who fulfill one of the other criteria described above.

03 MEASURES TO PROMOTE WOMEN

The company is convinced that diverse teams achieve better results, as well as greater effectiveness and innovation, than groups that are homogeneously equipped with genders. This principle applies also to the management and supervisory bodies of the company. The equal treatment of female and male employees as well as providing equal opportunities to both genders in the workplace, is a matter of course for PIERER Mobility AG.

PIERER Mobility AG supports and promotes the employment of women, especially in the technical field. The hurdle is that many leadership positions require technical training and, in many countries, still significantly fewer women than men take technical careers and complete technical studies.

To support women in "MINT" professions, the KTM AG has already taken measures (Girl's Day, apprenticeship with a high school or college degree certificate) which are continuously expanded. For the acquisition of female apprentices, the company focuses on the core aspect of regular information. To reach the target group, information events such as apprenticeship fairs or visits to schools are particularly important in order to enter into a dialogue with potential apprentices and to present technical apprenticeships in an

The Deputy Chairman of the Supervisory Board, Rajiv Bajaj, is Managing Director, CEO and shareholder of Bajaj Auto Ltd, Pune, India. Since 2007, there has been a cooperation between Bajaj Auto Ltd. and KTM AG, a 100% subsidiary of PIERER Mobility AG. The focus of the cooperation is the joint development of street motorbikes in the entry-level segment, which are produced in India and marketed by both companies under the KTM and Husqvarna brands in their home markets. Bajaj Auto Ltd, in which Rajiv Bajaj has a significant economic interest, thus maintains a business relationship with a subsidiary of PIERER Mobility AG to a significant extent, which is why Rajiv Bajaj does not meet independence criterion 2.

The other members of the Supervisory Board of PIERER Mobility AG admit the criteria of independence pursuant to C-Rule 53 and declare themselves to be independent.

According to C-Rule 54 of the Austrian Code of Corporate Governance, the Supervisory Board of the company shall include at least one independent member delegated by the shareholders who is not a shareholder with a share of more than 10 % or who represents such a shareholder's interests. This requirement of C-Rule 54 has been met, since no member of the Supervisory Board is a shareholder with a share of more than 10 % or who represents such a shareholder's interests.

accessible way. In this context, various visitor events in the company offer an ideal platform to find out one's inclinations in terms of professional orientation. In 2022, as part of the long night of apprenticeship and on the open apprentice workshop, many interested parties gained an insight into apprenticeship training at KTM and were thus able to become enthusiastic about the training program. In the 2022 financial year, around one third of the apprentices employed in the Group were female. The number of girls interested in technical apprenticeships is growing steadily.

As of December 31, 2022, the proportion of women in the total workforce stood at around 25.4 %. At present, there are no women on the Executive Board and two on the Supervisory Board since April 2022. At PIERER Mobility AG, 18.5 % of executive positions are held by women (previous year: 16 %). Since 2018, the proportion of women in the Group has increased by approximately 10.6 %. The Group also intends to make employment in an industrial company more attractive for female employees and inspire even more women to take up technical professions, which will be in even greater demand in the future. Thus, the Group aims to further increase the number of female employees, especially in production and production-related areas, in the coming years.

04 DESCRIPTION OF THE DIVERSITY CONCEPT

When electing members of the Supervisory Board, the Annual General Meeting must pay attention to the technical and personal qualifications of the members as well as to a professionally balanced composition of the Supervisory Board with regard to the structure and the business area of the company. Furthermore, aspects of the diversity of the Supervisory Board with regard to the representation of both genders and the age structure as well as in listed companies also with regard to the internationality of the members must be adequately taken into account.

For the composition of the Executive Board and the Supervisory Board, the Supervisory Board has agreed on a diversity concept pursuant to Section 243c (2) no 3 UGB that provides for the following:

COMPOSITION OF THE EXECUTIVE BOARD

Concept:

- Candidates for an Executive Board position are selected based on their specialist qualification for the role applied for, their leadership qualities and previous performance, as well as their knowledge of the company.
- The aim is to ensure that the Executive Board as a whole has many years of experience in the areas of development, production, sales and finances.
- A person's age and sex play no role in the decision to appoint members of the Executive Board; there is no preference or disadvantage in the selection process.
- At least two members of the Executive Board should have technical professional training.

Objectives:

The objective of the Diversity Concept is to fill the Executive Board with persons that complement each other based on their various professional and life experience. It should be ensured that the Executive Board as a whole has the highest level of experience and specialist training in order to successfully manage the PIERER Mobility Group and achieve the best results.

Implementation:

The Supervisory Board decides on the composition of the Executive Board roles using the criteria set out in the diversity concept, taking into account the interests of the company.

Results in the reporting period:

There were no changes to the composition of the Executive Board of PIERER Mobility AG in the 2022 financial year.

COMPOSITION OF THE SUPERVISORY BOARD

Concept:

- The Supervisory Board is composed of professionally and personally qualified s personnel. In the process the structure and business activities and expert balanced composition of the PIERER Mobility Group must be considered. A minimum of one financial expert must hold a seat on the Supervisory Board.
- Wherever possible, the Supervisory Board should include a total of 2 members with international experience or special expertise in one or more of the markets outside Austria that are of importance to the PIERER Mobility Group.
- Wherever possible, the Supervisory Board should include a total of one member, who, by virtue of his / her prior experience, has a detailed knowledge of PIERER Mobility AG.
- Aspects relating to diversity within the Supervisory Board should be taken into account, with regard to the age structure and the representation of both genders on the Supervisory Board. Greater attention must be devoted to these criteria, the larger the membership of the Supervisory Board becomes.

Objectives:

The objective of the diversity concept is to populate the Supervisory Board with individuals that complement one another based on their differing professional and life experience. It is necessary to ensure that the Supervisory Board as a whole possesses the highest level of experience and specialist training in order to monitor the business activities of PIERER Mobility AG and that of the PIERER Mobility Group in a critical manner and from as many different angles as possible.

Implementation:

Nominations for election to the Supervisory Board that are submitted to the Annual General Meeting should take account of the criteria laid down in the Diversity Concept. The objectives of the Supervisory Board with regard to its membership will not restrict the voting freedom enjoyed by the Annual General Meeting.

Results in the reporting period:

Until the 25th Annual General Meeting on April 29, 2022, the Supervisory Board was made up of four members elected by the Annual General Meeting. The 25th Annual General Meeting resolved, in accordance with the election proposal of the Supervisory Board under agenda item 8, to increase the number of Supervisory Board members elected by the Annual General Meeting from four to six within the limits set out in the Articles of Association and on the basis of the requirements of Section 87 (2a) Austrian Stock Corporation Act and the Austrian Code on Governance. With resignations

both dated April 7, 2022, the Supervisory Board members Ernst Chalupsky and Alfred Hörtenhuber each resigned from their function as a member of the Supervisory Board of the company with effect as of the end of the 25th Annual General Meeting of the company held on April 29, 2022. After increasing the number of capital representatives

in accordance with agenda item 8, four new members, including two women, were newly elected to the Supervisory Board, taking into account Section 86 (7) of the Austrian Stock Corporation Act (AktG). At the end of the 2022 financial year, the Supervisory Board consists of six members who meet the requirements defined in the concept.

05 AUDITS AND EXTERNAL EVALUATION

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, FN 269725 f, Kudlichstraße 41, 4020 Linz, was appointed by the 25th Annual General Meeting to serve as the auditors of the consolidated financial statements and annual financial statements of the company for the financial year from January 1, 2022 until December 31, 2022. In addition to this function, KPMG and partner offices around the world also sporadically provide tax and financial consulting services on behalf of the Group. The auditor's expenses are made up as follows: Audit of the consolidated financial statements (including subgroups) and audit of the annual financial statements of all individual companies EURk 564 (previous year: EURk 550). Other services amount to EURk 56.

In accordance with C-Rule 62 of the Austrian Code of Corporate Governance, the company commissions an external evaluation of compliance with the C-Rules of the Code regularly, every three years. PIERER Mobility AG has commissioned Oberhammer Rechtsanwälte GmbH to evaluate the 2021 financial year. The complete report, including the results of the evaluation of the financial year 2021, is available on the company's homepage (www.pierermobility.com) under Investor Relations > Corporate Governance > Evaluation. The next external evaluation will be conducted in 2025 for the 2024 financial year.

06 CHANGES AFTER THE END OF THE REPORTING PERIOD

The Company is not aware of any material changes in the circumstances requiring disclosure herein that have occurred between December 31, 2022 and the date of preparation of this report. For further information on changes after the balance sheet

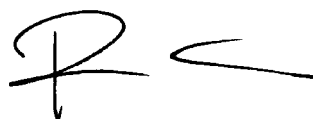
date, please refer to the section "Events after the reporting date" in the notes to the consolidated financial statements as of December 31, 2022.

Wels, March 2023

The Executive Board



Stefan Pierer, CEO



Friedrich Roithner, CFO



Hubert Trunkenpolz



Viktor Sigl, MBA

REPORT PURSUANT TO THE DIRECTIVE ON

Corporate Governance (DCG) of the Six Swiss Exchange

As an Austrian company primarily listed in Switzerland, PIERER Mobility AG is subject to the rules of the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (the "Swiss Directive on Corporate Governance"). The Swiss Directive on Corporate Governance is available at <https://www.ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf>.

PIERER Mobility AG draws your attention to the fact that the company has been established under Austrian law and that the names, responsibilities and duties of organs of the company may therefore diverge from the rules applicable in Switzerland. In consequence, only Austrian legal terminology will be used in what follows. Companies that are not constituted in accordance with the Swiss Code of Obligations are required to fulfil the stipulations of the Swiss Directive on Corporate Governance, which are formulated with close reference to the Code of Obligations, in a manner analogous to Swiss companies. A short description of Austrian organizational structure therefore follows:

- **Executive Board:** The Executive Board is responsible for the general management and representation of the company; it is the sole organ of general management and representation. The Executive Board is not bound by any instructions from the

shareholders or the Supervisory Board; rather, it acts under its own responsibility and without being under orders. Only when undertaking certain extraordinary transactions is the Executive Board required to obtain the consent of the Supervisory Board. Where the Swiss Directive on Corporate Governance requires details of the "management", details regarding the Executive Board will be provided accordingly. However, the function of the Executive Board does not precisely match that of the "management" in a Swiss company.

- **Supervisory Board:** The Supervisory Board appoints, dismisses and oversees the Executive Board. Its consent is also required for certain legal transactions. Where the Swiss Directive on Corporate Governance requires details of the "board of directors", details regarding the Supervisory Board will be provided accordingly. However, the function of the Supervisory Board does not precisely match that of the board of directors of a Swiss company.
- **Annual General Meeting:** The Annual General Meeting, as the highest board of the company, appoints and dismisses the members of the Supervisory Board and appoints the auditor. Where the Swiss Directive on Corporate Governance requires details of the "general meeting of shareholders", details regarding the General Meeting will be provided accordingly. Differences exist between Austrian and Swiss law with respect to general meetings.

1. GROUP STRUCTURE AND SHAREHOLDER BASE

1.1. GROUP STRUCTURE

PIERER Mobility AG, with registered office in 4600 Wels, Edisonstraße 1, Austria, has had its primary listing on the SIX Swiss Exchange since November 14, 2016 (ISIN: AT0000KTMIO2, Security Number: 41860974). PIERER Mobility AG has a share capital of EUR 33'796'535, divided into 33'796'535 voting bearer shares of no-par value. Every share has an equal stake in the share capital.

The object of PIERER Mobility AG is in particular to act as a holding company, with a particular focus on the acquisition and administration of industrial companies and holdings in such companies, the management of companies and holdings forming part of the PIERER Mobility Group, the implementation of the activities of Pierer Industrie AG in the field of mobility (Mobility) and the performance of services for these companies (group services), as well as corporate advisory services in general. This corporate object of the company is laid down in Section 2 of the Articles of Association, which can be found on the PIERER Mobility AG website (https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf).

Management of the PIERER Mobility Group is carried out by a management team that includes divisional managers who are responsible for managing a particular product group within the

framework of the strategy set by the Executive Board. Divisional managers report directly to the Executive Board of PIERER Mobility AG.

PIERER Mobility AG is the parent company of the PIERER Mobility Group. The PIERER Mobility Group is Europe's leading "Powered Two-Wheeler" manufacturer with a focus on highly innovative premium motorcycles and electric mobility for two-wheeled vehicles. The PIERER Mobility Group is divided into the strategic core divisions of (i) Motorcycles and (ii) New mobility with its equity holding in the KTM AG, (iii) Design, Concept Development and Digitalization with the equity holdings in PIERER Innovation GmbH, KISKA GmbH, Avocodo GmbH.

A description of the group structure and the operating segments of PIERER Mobility AG is included in the following sections of the notes to the Consolidated Financial Statements (I.1. Company Information) on page 142 in the Annual Report and in the Annual Report under "Group Structure" on page 12.

KTM AG

KTM AG has its registered office in Mattighofen, Austria. After the squeeze-out in the 2022 financial year, PIERER Mobility AG is the sole shareholder of KTM AG.

KTM Group contains the shareholdings in KTM Sportmotorcycle GmbH (100 percent), KTM Racing AG (100 percent), Husqvarna Motorcycles GmbH (100 percent), KTM Sportcar GmbH (100 percent), WP Suspension GmbH (100 percent), GASGAS Motorcycles GmbH (100 percent), KTM Beteiligungs GmbH (100 percent) and KTM Immobilien GmbH (indirectly via KTM Beteiligungs GmbH and directly in total 100 percent) as well as the investments in the sales companies of the KTM Group and the HUSQVARNA Group (Husqvarna Motorcycles GmbH and its fully consolidated subsidiaries)

KTM AG is a global manufacturer of Offroad and Street vehicles. The products of the KTM AG are sold under the "KTM", "Husqvarna Motorcycles" and GASGAS brands. The KTM AG develops, manufactures and sells high-performance and competition-ready vehicles for the Offroad and Street segments. In addition, the product range also includes mini-motorcycles, the KTM X-BOW and brand accessories (spare parts, technical accessories and clothing).

The sales companies KTM Sportmotorcycle GmbH, Husqvarna Motorcycles GmbH and GASGAS Motorcycles GmbH sell motorcycles, spare parts and accessories of the respective brands directly to European distributors and worldwide importers. The markets in the USA, Mexico, South Africa, Japan, Australia and New Zealand are served by local stockholding sales subsidiaries. In addition, there are participations in domestic and foreign sales companies that provide sales and marketing support services in the local markets for KTM Sportmotorcycle GmbH, Husqvarna Motorcycles GmbH and GASGAS Motorcycles GmbH.

The KTM Components Group develops, produces and sells under the brand "WP" the following high-performance chassis components for motorcycles and vehicles: (i) suspension components, (ii) frame construction and related welded-steel components, (iii) exhaust systems and (iv) cooling systems. The KTM Components Group is a comprehensive system provider in the international motorcycle and power sports sector. Due to the offered product groups, the KTM Components Group is able to develop, test and manufacture the entire chassis of a motorcycle.

The new mobility division of the PIERER Mobility Group with the brands Husqvarna E-Bicycles and R Raymon, GASGAS Bicycles and FELT Bicycles is bundled in PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH).

The research and development area of the PIERER Mobility Group, bundled in KTM Forschungs & Entwicklungs GmbH, is organized globally with decentralized locations in Europe (Austria, Spain) and the United States. The development programs are centrally managed at the R&D headquarters in Mattighofen and Munderfing (Austria), where pioneering products for the PTW segment are designed, developed and tested using the latest methods and equipment. In the

financial year 2022, KTM Technologies GmbH was integrated into KTM Forschungs & Entwicklungs GmbH. KTM Technologies GmbH is a development service provider for the Group and for third-party customers with a focus on the automotive, aviation and mechanical engineering industries. Its services focus on concept and product development, as well as technology development based on its distinctive expertise in complete vehicles, lightweight construction and materials.

PIERER Innovation / KISKA / Avocado

PIERER Innovation GmbH focuses on digital transformation and innovation for the core product. This involves working in various technology fields, such as artificial intelligence, e-commerce, internet of things, big data, data science and business modeling.

As Europe's largest independent and owner-operated design company, KISKA GmbH operates in the business segments of consultancy in relation to marketing, brand and design, transportation design, product design and environmental design.

Avocado GmbH is a software and IT provider specializing in digital strategy, mobile applications, web applications and business solutions.

List of the active non-listed subsidiaries

A detailed list of the active non-listed subsidiaries of PIERER Mobility AG can be found in the schedule of equity holdings (pages 211-213 in the Annual Report).

1.2. SIGNIFICANT SHAREHOLDERS

The shareholder structure of PIERER Mobility AG as at Tuesday, December 31, 2022 was as follows

Pierer-Group:	
Pierer Bajaj AG	73.82 %
Pierer Konzerngesellschaft mbH	2.53 %
Free float	23.65 %

As at the reporting date of December 31, 2022, the Pierer Group thus held approximately 76.35% of the share capital and voting rights of PIERER Mobility AG.

PIERER Mobility AG is not aware of any other shareholders holding over 3 percent of the company's voting rights, whether directly or indirectly.

Notifications of significant shareholders and shareholder groups made to PIERER Mobility AG and the Disclosure Office of SIX Swiss Exchange AG pursuant to Article 120 et seq. of the Financial Markets

Infrastructure Act (FinFraG) can be viewed on the publications platform of the Disclosure Office at <https://www.ser-ag.com/en/>

[resources/notifications-market-participants/significant-shareholders.html#/.](https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

1.3 CROSS-SHAREHOLDINGS

There are no cross-shareholdings.

2. CAPITAL STRUCTURE

2.1 CAPITAL

As at the reporting date, the share capital of PIERER Mobility AG was EUR 33'796'535 and was fully paid-up. The share capital of PIERER Mobility AG is divided into 33'796'535 bearer shares of no par value, each of which represents an equal interest in the share capital.

The shares grant the rights that are due to stockholders under the Austrian Stock Corporation Act. These include in particular the right to payout of the dividend resolved upon at the Annual General Meeting as well as the right to vote at Annual General Meetings.

On the reporting date of December 31, 2022, PIERER Mobility AG held both, conditional capital and authorized capital. According to §5 of the Articles of Association the authorized capital amounts to EUR 16'898'267 and has not yet been utilised.

The conditional capital according to § 5a of the Articles of Association amounts to EUR 25'000'000 and has not yet been utilised.

2.2 AUTHORIZED AND CONDITIONAL CAPITAL IN PARTICULAR

Authorized capital:

As of the reporting date, PIERER Mobility AG had an authorized capital.¹ The corresponding provision in § 5 Authorized Capital of the Articles of Association reads as follows

§ 5 Authorized capital

The Executive Board is authorized in accordance with Section 169 of the Austrian Stock Corporation Act (AktG), until April 29, 2027, to increase the share capital of the company from EUR 33'796'535.00 by

up to EUR 16'898'267.00 to up to EUR 50'694'802.00 with the consent of the Supervisory Board by issuing, in several tranches if necessary, up to 16'898'267 no-par-value bearer shares in return for cash contributions and/or contributions in kind and to determine the initial offering price and the terms and conditions of the issue and the further details of implementing the capital increase in agreement with the Supervisory Board and, if need be, to offer the new shares to the shareholders for subscription by way of the indirect subscription right pursuant to Section 153 (6) of the Austrian Stock Corporation Act (AktG).

The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in full or in part

- (i) if the capital increase takes place in return for cash contributions and in total the proportion of the company's share capital which can be apportioned to the shares issued in return for cash contributions with no subscription right does not exceed the limit of 10% (ten per cent) of the share capital of the company at the time of granting,
- (ii) if the capital increase takes place in return for contributions in kind,
- (iii) to take up an over-allotment (greenshoe) option, and/or
- (iv) to compensate for fractional amounts.

The Supervisory Board is authorized to pass amendments to the articles of association that may arise due to the issue of shares from the authorized capital.

Conditional capital:

The General Meeting of PIERER Mobility AG of April 27, 2017, has resolved a conditional capital.² The following resolutions were adopted during the Annual General Meeting of April 27, 2017:

¹ The Articles of Association are available on the website of PIERER Mobility AG: https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

² The Articles of Association are available on the website of PIERER Mobility AG: https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

- a) The authorization of the Executive Board, subject to the agreement of the Supervisory Board, to issue financial instruments in the sense of Section 174 of the Austrian Stock Corporations Act until April 1, 2022, particularly convertible bonds, participating bonds and special dividend rights, with a nominal total of EUR 150 million, which may also grant pre-emption rights and/or option of exchange on the acquisition of up to 25 million shares in the Company and/or are organized in such a way that they may be reported as equity, also in multiple tranches and in different combinations.
- b) The Executive Board may use the conditional capital and/or treasury shares to fulfil options of exchange and or pre-emption rights.
- c) The issue amount and issue conditions of the financial instruments are to be set by the Executive Board, subject to the agreement of the Supervisory Board, whereby the issue amount is to be determined according to recognized mathematical methods used in finance and the price of shares in the Company in a recognized pricing procedure.
- d) The Executive Board is authorized to exclude the pre-emption rights of shareholders to financial instruments in the sense of Section 174 AktG with the agreement of the Supervisory Board.
- e) The conditional increase of the Company share capital in accordance with Section 159(2) no. 1 of the Austrian Stock Corporation Act (AktG) by up to EUR 25 million by issuing up to 25 million no-par value bearer shares (ordinary shares) for issue to creditors of financial instruments in accordance with Section 174 of the Austrian Stock Corporation Act (AktG), which are issued using the authorization granted in this Annual General Meeting, in so far as the creditors of the financial instruments make use of their options of exchange and/or pre-emption rights on Company shares. The issue price and the conversion ratio shall be determined according to a recognized pricing procedure, following accepted financial mathematical methods and based on the company's share price. The newly issued shares of the conditional capital increase have the same dividend entitlement as the pre-existing shares of the Company. The Executive Board, subject to the approval of the Supervisory Board, is authorized to determine the further details of the execution of the conditional capital increase. The Supervisory Board is authorized to pass amendments to the articles of association that may arise due to the issue of shares from the conditional capital.

The Executive Board has not made use of the authorisation to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG) until the authorisation expired on April 1, 2022.

The corresponding provision of the Articles of Association in § 5a Conditional Capital reads as follows:

§ 5a Conditional Capital

In accordance with Section 159 (2) Z 1 of the Austrian Stock Corporation Act (AktG), the share capital of the Company is increased by up to EUR 25'000'000.00 by issuing up to 25'000'000 no-par value bearer shares of common stock (no-par value shares) to be issued to creditors of financial instruments in accordance with Section 174 of the Austrian Stock Corporation Act (AktG), which are issued by the Company using the authorization granted at this Annual General Meeting. The capital increase may only be carried out to the extent that the creditors of the financial instruments exercise their conversion and/or subscription rights to shares of the Company. The issue price and the exchange ratio shall be determined in accordance with recognized financial mathematical methods and the share price in a recognized pricing procedure. The newly issued shares of the conditional capital increase are entitled to dividends to the same extent as the existing shares of the Company. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to resolve on amendments to the Articles of Association resulting from the issue of shares from the conditional capital

Since no financial instruments within the meaning of Section 174 of the Austria Stock Corporation Act (AktG) were issued using the authorisation to issue financial instruments, this conditional capital will not be used to service creditors of such financial instruments.

2.3 CHANGES IN CAPITAL IN THE LAST THREE REPORTING PERIODS

The consolidated equity of PIERER Mobility AG was EUR 654.1 million on December 31, 2020, EUR 765.6 million on December 31, 2021, and EUR 915.1 million on December 31, 2022. Information on changes in equity is set out in the consolidated statement of changes in equity in the Annual Report (pages 138-139).

At the extraordinary general meeting of PIERER Mobility AG on October 4, 2019, a resolution was passed to launch a share buyback program and to buy back up to 7.404% (corresponding to 20% of the free float) of the share capital of PIERER Mobility AG. The acquired bearer shares could be used both as consideration for the acquisition of companies, for resale and for reducing the share capital by redeeming treasury shares. The repurchase of treasury bearer shares started on October 22, 2019, was suspended with effect from April 7, 2020, and ended prematurely on January 20, 2021. A total of 224'043 no-par value shares were acquired on the stock exchange as part of the buyback program. All treasury shares acquired under the share buyback program were resold by the reporting date. As of the reporting date, PIERER Mobility AG does not hold any treasury shares.

The Executive Board of PIERER Mobility AG decided on September 29, 2021 to carry out a capital increase against contribution in kind from the authorised capital. In the process, 11'257'861 new shares were issued at an issue price of EUR 79.50 per share. As a result of the capital increase through contributions in kind, the share capital of PIERER Mobility AG increased by EUR 11'257'861 from EUR 22'538'674 to EUR 33'796'535.

2.4 / 2.5 SHARES AND PARTICIPATION CERTIFICATES/DIVIDEND-RIGHT CERTIFICATES

As at the reporting date, the share capital of PIERER Mobility AG was EUR 33'796'535 and was fully paid-up. The share capital of PIERER Mobility AG is divided into 33'796'535 bearer shares of no par value, each of which represents an equal interest in the share capital.

PIERER Mobility AG has issued no participation certificates or dividend-right certificates.

The following rights attach to shares in PIERER Mobility AG:

Rights over assets:

Right to dividends / Right to participate in profit

Every shareholder has the right to the distribution of a dividend from the net profit disclosed in the annual financial statements. Under the company's Articles of Association¹, the Annual General Meeting of PIERER Mobility AG is entitled to exclude all or part of the balance sheet profit from distribution. Should the Annual General Meeting thus resolve to exclude the profit from distribution, the shareholder shall have no claim to it, even if the company has achieved a profit during the past financial year and disclosed it on its statement of financial position.

Each shareholder's share in the profit of the company is determined in proportion to his share of the share capital. There are no restrictions in this regard affecting non-local investors. Dividends that are not claimed within 30 years of the date of entitlement shall expire and shall be assigned to the company's unrestricted reserves. Resolutions concerning the distribution of dividends on the company's shares for any financial year shall be made at the Annual General Meeting for the following year, which shall rule on a proposal submitted by the Executive Board and Supervisory Board. Dividends may only be paid from retained earnings as disclosed in the (separate) annual financial statements of the company, as prepared in accordance with the Austrian Companies Code. The amount

available for distribution shall be the profit for the year, plus or minus retained earnings/losses brought forward from the previous year, plus or minus transfers to/from reserves. By law, certain reserves must be formed which must be deducted from the retained earnings available for distribution.

Dividends passed by the Annual General Meeting shall be paid out in accordance with the rules of the relevant clearing system, as the shares entitled to dividends are held in a clearing system.

Pre-emption rights regarding subscription offers for shares of the same category

In the event of a capital increase, every shareholder may request to be allotted a number of shares in proportion to his current holding. This pre-emption right serves firstly to allow the shareholder to maintain his current interest (antidilution) and secondly to preserve the value of his current interest (asset protection). Pre-emption rights may be overridden by a resolution adopted at the General Meeting, subject to a qualified majority of three quarters of the share capital represented. A valid reason for overriding the pre-emption right must exist.

Right to a share of the balance in the event of liquidation

In the event of a winding-up (liquidation), every shareholder has a claim to the assets remaining after all debts have been settled (liquidation proceeds). The shareholder will thus become a creditor of the company, with a claim that may be enforced in court. Liquidation proceeds are to be distributed among the shareholders in proportion to their shareholdings. They need not be in cash; they may also be distributed in the form of other assets.

Dissolution of the company shall be in accordance with the Austrian Stock Corporation Act.

Rights in relation to Annual General Meetings:

Right to attend

Every shareholder has the right to attend the Annual General Meetings, as shareholders exercise their rights at General Meetings. Shareholders are entitled to attend Annual General Meetings insofar as they hold shares on the evidence date, that is, at the end of the tenth day before the day of the General Meeting in question. A securities account confirmation as per Section 10a of the Austrian Stock Corporation Act (AktG) suffices as evidence of a shareholding; pursuant to Section 111 (2) of the Austrian Stock Corporation Act (AktG) this must be supplied to the company no later than the third

¹ The Articles of Association are available on the website of PIERER Mobility AG:
https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

working day before the Annual General Meeting. Shareholders do not need to attend the Annual General Meeting in person; they may also appoint a proxy to represent them or issue a voting instruction.

According to the Articles of Association of PIERER Mobility AG, the Executive Board is authorized, with the consent of the Supervisory Board, to provide in the notice convening of the General Meeting that the General Meeting be transmitted in whole or in part acoustically and, if necessary, also optically in real time for the shareholders who are not present (transmission of the General Meeting pursuant to § 102 (4) sentence 1 of the Austrian Stock Corporation Act (AktG)). Provision may also be made for the General Meeting to be transmitted to the public (Section 102 (4) sentence 2 of the Austrian Stock Corporation Act (AktG)). If the Executive Board makes use of this authorization, the respective details shall be communicated in the notice convening the General Meeting.

Due to the COVID-19 crisis, the 25th Annual General Meeting of PIERER Mobility AG was held as a virtual general meeting without the physical presence of the participants in order to prevent the further spread of the coronavirus and to protect the shareholders and other participants. Pursuant to the COVID-19 Ordinance under company law issued on the occasion of the COVID-19 crisis, the virtual general meeting of a public limited company must be able to be attended from any location by means of an acoustic and optical connection in real time, so that the individual shareholder can follow the course of the meeting. In addition, the shareholder must be enabled to make requests to speak during the meeting and to participate in voting. A special proxy is responsible for proposing resolutions, casting votes, and raising objections at the virtual shareholders' meeting. The Company must propose at least four suitable and independent persons for selection as special proxies. Shareholders are thus connected to the General Meeting by a livestream and exercise their right to propose, vote and object via this proxy; changes to instructions are possible up to the end of the general debate. Shareholders can submit questions electronically - also during the virtual shareholders' meeting - until the chairman of the meeting announces the end of the general debate.

Right of petition

Pursuant to Section 109 of the Austrian Stock Corporation Act, shareholders whose cumulative holdings reach 5% of the share capital may demand in writing that certain points be placed on the agenda of the Annual General Meeting and announced. Each agenda point thus moved must include a proposal for a resolution and provide grounds. The petitioning shareholders must have held the shares for at least three months before the petition is submitted. The shareholders' demand must reach the company no later than the 21st day before an Annual General Meeting, or no later than the 19th day

before any other General Meeting (Section 109 (2) of the Austrian Stock Corporation Act (AktG)).

Pursuant to Section 110 of the Austrian Stock Corporation Act, shareholders whose cumulative holdings reach 1% of the share capital may submit proposed resolutions on each point of the agenda to the company in text form and demand that said proposals be made available on the company's website together with the names of the shareholders concerned, the grounds for the proposal and the opinion, if any, of the Executive or Supervisory Board. The demand shall be valid if it reaches the company no later than on the seventh working day before the Annual General Meeting. Where the proposal is for the election of a member of the Supervisory Board, the declaration of the nominee as per Section 87(2) of the Austrian Stock Corporation Act shall be submitted in place of the grounds for the proposal.

Pursuant to Section 119 of the Austrian Stock Corporation Act, every shareholder has the right to propose a motion on any point on the agenda at an Annual General Meeting. Where a motion is proposed at the Annual General Meeting itself, there is no requirement to provide grounds.

Right to information / Right of inquiry

Pursuant to Section 118 of the Austrian Stock Corporation Act, information on matters concerning the company is to be given to every shareholder on demand at the Annual General Meeting, insofar as such information is necessary for the factual assessment of a point on the agenda. The right to information allows information to be obtained on the company's position and serves as a basis for the company's decision-making.

In principle, the obligation to provide information is incumbent on the Executive Board only, not on the Supervisory Board, except as regards matters that concern the Supervisory Board alone.

Information need not be provided if, according to reasonable commercial judgment, it is of a nature that may cause substantial harm to the company or an affiliated company, or if providing it would be a criminal offense. Further, information need not be provided where it has been constantly available in question-and-answer form on the company's website for at least seven days before the start of the Annual General Meeting.

Right to speak

Every shareholder has the right to express his opinion at the Annual General Meeting. The Annual General Meeting is the shareholders' forum for information and discussion. The chairman of the Meeting

may restrict the right to speak from the start of the meeting or as required. The right to speak as such may not be set aside entirely.

Voting rights

Every shareholder has a right to vote at the Annual General Meeting in proportion to his shareholding. The Articles of Association¹ cannot generally grant a shareholder more votes than he has shares; however, it is permissible to restrict voting rights for equity holdings inter alia exceeding a certain size. Shareholders may exercise their voting right in three ways: they may vote for a motion, vote against the motion, or abstain. Voting rights in respect of specific resolutions are suspended in certain cases of a shareholder's conflict of interest.

Where the law does not prescribe a different majority, the Annual General Meeting shall pass resolutions by simple majority of the votes cast and, in those cases where a majority of the capital is required, by simple majority of the share capital represented.

Right of objection

At various points, the Austrian Stock Corporation Act lays down the option or duty of a shareholder to raise objections in order to safeguard or exercise his rights (e.g. objection to the issue of dividend warrants, objection to the minutes of the Annual General Meeting, objection to a resolution to convert the company to another legal form).

Right of avoidance

Every shareholder has the right to have resolutions adopted at the General Meeting declared void, whereby avoidance can entail the rescission of a validly passed resolution. All resolutions may be contested that contravene the law or the Articles of Association² but are not void ab initio. Shareholders must have their objections minuted in order to have a right to avoidance.

2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

PIERER Mobility AG has only bearer shares in issue. There are no limitations on transferability or company rules on nominee registrations.

2.7 CONVERTIBLE BONDS AND OPTIONS

PIERER Mobility AG has issued no convertible bonds or options.

¹ The Articles of Association are available to view on the PIERER Mobility AG website:
https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

² The Articles of Association are available to view on the PIERER Mobility AG website:
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3. SUPERVISORY BOARD

3.1 / 3.2 / 3.3 / 3.4 MEMBERS OF THE SUPERVISORY BOARD, OTHER ACTIVITIES AND VESTED INTERESTS, CROSS-INTERESTS, ELECTION AND TERM OF OFFICE

The Supervisory Board is made up of at least three members who are separately elected by the Annual General Meeting, plus as many employee representatives as are required pursuant to Section 110(1) of the Austrian Labor Relations Act (ArbVG). The members of the Supervisory Board are elected by the Annual General Meeting, for a term that shall not go beyond the end of the General Meeting resolving on the discharge of the Executive Board for the fourth financial year following the election; in determining what constitutes the fourth financial year, the financial year in which the member is elected is excluded.

Members of the Supervisory Board of an Austrian stock corporation are non-executive directors in Swiss legal terminology.

At the Annual General Meeting of the company on April 29, 2022, the Supervisory Board was increased from four to six members and Rajiv Bajaj, Srinivasan Ravikumar, Iris Filzwieser and Michaela Friepeß were elected as members of the Supervisory Board. Ernst Chalupsky and Alfred Hörtenhuber resigned as members of the Supervisory Board with effect from the end of the Annual General Meeting on April 29, 2022.

In the financial year 2022, the Supervisory Board of PIERER Mobility AG thus consisted of four respectively six members and has been composed as follows since the Annual General Meeting of the company:

Name Year of Birth	Position at PIERER Mobility AG	Initial Appointment	End of the (current) term of office	Management tasks for a group company of PIERER Mobility AG
Josef Blazicek born 1964	Chairman of the Supervisory Board	2008	Annual General Meeting which decides on the financial year 2025	
Rajiv Bajaj born 1966	Deputy Chairman of the Supervisory Board	29.04.2022	Annual General Meeting which decides on the financial year 2026	KTM AG (Austria) (Deputy Chairman of the Supervisory Board)
Iris Filzwieser born 1971	Member of the Supervisory Board	29.04.2022	Annual General Meeting which decides on the financial year 2026	
Michaela Friepeß born 1972	Member of the Supervisory Board	29.04.2022	Annual General Meeting which decides on the financial year 2026	
Srinivasan Ravikumar born 1957	Member of the Supervisory Board	29.04.2022	Annual General Meeting which decides on the financial year 2026	KTM AG (Austria) (Member of the Supervisory Board)
Klaus Rinnerberger born 1964	Member of the Supervisory Board	2015	Annual General Meeting which decides on the financial year 2024	
Ernst Chalupsky born 1954	Deputy Chairman of the Supervisory Board	2014	Annual General Meeting which has decided on the financial year 2022 (until 29.04.2022)	KTM AG (Austria) (Member of the Supervisory Board)
Alfred Hörtenhuber born 1955	Member of the Supervisory Board	2018	Annual General Meeting which has decided on the financial year 2022 (until 29.04.2022)	

Josef Blazicek (born 1964), Austrian citizen, has been active in business since completing high school. He began his career in the International Sales division of GIRO Credit Bank der Österreichischen Sparkassen AG. From 1989, he was head of the trading department at ERSTE BANK AG, before taking up the same position at INVESTMENTBANK AUSTRIA AG in 1991, where he was inter alia a director of Bank Austria Securities Ltd. in New York. From 1997 to 2000, he was Head of Syndications at ICE Securities Ltd. in London. Subsequently, until 2003, he was managing shareholder at OCEAN Equities Ltd. From 2000 he worked in various positions within the QINO Group. In addition, Josef Blazicek is vice chairman of the supervisory board of Pierer Industrie AG (Austria). Josef Blazicek has no material business relationship with PIERER Mobility AG or any group company of PIERER Mobility AG.

Josef Blazicek has been a member of the Supervisory Board since 2008. He currently serves as Chairman of the Supervisory Board of PIERER Mobility AG. His term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2025.

Rajiv Bajaj (born 1966), Indian citizen, holds a Master of Science in Manufacturing Systems Engineering. He started his career at Bajaj Auto Ltd. in 1990 in the Streamlines Manufacturing Systems Department. In 1995, Rajiv Bajaj changed departments and worked as General Manager and Vice President in the "R + D and Engineering" department. In 2000, as Deputy General Manager, he started realigning the marketing, sales and service interfaces and promoted export initiatives. In April 2005, he became the Managing Director of Bajaj Auto Ltd.

On the Supervisory Board Directors of the company, Rajiv Bajaj has served since 2022. Rajiv Bajaj currently holds the position of Deputy Chairman of the Supervisory Board of PIERER Mobility AG. The current term of office ends with the conclusion of the Annual General Meeting that decides on the 2026 financial year.

Iris Filzwieser (born 1971), Austrian citizen, graduated as an engineer (Diplom-Ingenieur) from the University of Leoben after completing her education at the HTL for Mechanical Engineering and Business Administration in Wolfsberg. She received her doctorate in mining sciences in June 2005. Iris Filzwieser is founder and managing director of UrbanGold GmbH and managing director of Mettop GmbH. She also serves as President of Austrian Cooperative Research and sits on the management advisory board of Deltaakademie, Montanuniversität Leoben. Furthermore, Iris Filzwieser is active in other functions, including as a jury member of the Austrian Research Promotion Agency (FFG), member of the

Assembly of Delegates of the Austrian Science Fund FWF and as a board member of the DigiTeRRRI project at the University of Leoben. Iris Filzwieser does not have any significant business relations with PIERER Mobility AG or any of the PIERER Mobility AG group companies.

Iris Filzwieser has been a member of the Supervisory Board since 2022. The current term of office ends with the conclusion of the Annual General Meeting that resolves on the 2026 financial year.

Michaela Friepeß (born 1972), Austrian citizen, began her professional career in 1998 as a financial analyst and in business development at GE Capital Bank in Vienna and in Paris until 2003. In September 2023 she joined the PIERER Group. Against the background of her extensive practical experience and specialisation in capital markets and corporate governance, she also most recently held the position of Compliance Officer of the PIERER Mobility Group. In addition, as a member of the Executive Board of Pierer Industrie AG, she continues to be responsible for Investor Relations and Sustainability. Michaela Friepeß has no significant business relationship with PIERER Mobility AG or any of the PIERER Mobility AG Group companies.

Michaela Friepeß has been a member of the Supervisory Board since 2022. The current term of office ends with the conclusion of the Annual General Meeting that resolves on the 2026 financial year.

Srinivasan Ravikumar (born 1957), Indian citizen, holds a Bachelor of Commerce and is a licensed chartered accountant and tax consultant. He started his career with Bajaj Auto Ltd. in June 1984 in the Corporate Finance Department. In 1994, he took over as the Head of the Business Development Department. Currently, Srinivasan Ravikumar is the Chief Business Development Officer and is responsible for the Business Development & Assurance Department. He is also a member of the Corporate Management Committee, Investment Committee and Foreign Exchange Management Committee of Bajaj Auto Ltd. His responsibilities include Corporate Strategy, Business Development, Foreign Collaborations and IP Management.

Srinivasan Ravikumar has been a member of the Supervisory Board since 2022. The current term of office ends with the conclusion of the Annual General Meeting that resolves on the 2026 financial year.

Klaus Rinnerberger (born 1964), Austrian citizen, studied law in Vienna and began his career in 1987 as an auditor and consultant at Arthur Andersen & Co. He subsequently performed a variety of

management roles in the automotive industry, including serving on the Executive Boards of Magna Automobiltechnik AG and Magna Steyr AG. In 2009, he joined the Executive Board of Polytec Holding AG, serving as CEO of the Peguform Group after its separation from Polytec until 2011. In addition, Klaus Rinnerberger is member of the Executive Board of Pierer Industrie AG (Austria). Klaus Rinnerberger has no material business relationship with PIERER Mobility AG or any group company of PIERER Mobility AG.

Klaus Rinnerberger has been a member of the Supervisory Board since 2015. His term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2024.

SIGNIFICANT OTHER FUNCTIONS OF THE MEMBERS OF THE SUPERVISORY BOARD

The following table contains the names of the companies and enterprises in which the current members of the Supervisory Board - to the knowledge of the Company - have been a member of an administrative, management or supervisory body of PIERER Mobility AG or a group company of PIERER Mobility AG during the last three years. Furthermore, current activities in management and supervisory bodies of major Swiss and foreign corporations, institutions and foundations under private and public law are listed. The column headed "Still serving" indicates whether the partnership or membership of a management, executive or supervisory board is still current.

Supervisory board	Company	Position	still serving
Josef Blazicek	All for One Group SE	Chairman of the Supervisory Board	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Member of the Supervisory Board	Yes
	Pankl Racing Systems AG	Deputy chairman of Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Supervisory Board	Yes
	Pierer Industrie AG	Deputy chairman of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
Rajiv Bajaj	KTM AG	Deputy chairman of the Supervisory Board	Yes
	Pierer Bajaj AG	Deputy chairman of the Supervisory Board	Yes
Iris Filzwieser	Pierer Bajaj AG	Member of the Supervisory Board	Yes
Michaela Friepess	Pierer Bajaj AG	Member of the Supervisory Board	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Member of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
Srinivasan Ravikumar	KTM AG	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Supervisory Board	Yes
Klaus Rinnerberger	HDC GmbH	Member of the Supervisory Board	No
	LEONI AG	Chairman of the Supervisory Board	Yes
	Pankl AG	Deputy chairman of the Supervisory Board	Yes
	(formerly Pankl SHW Industries AG)	Member of the Executive Board	No
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Chairman of the Supervisory Board	Yes
	SHW AG	Chairman of the Supervisory Board	Yes

The members of the Supervisory Board have no other material activities, vested interests or cross-interests.

3.5 INTERNAL ORGANIZATIONAL STRUCTURE

3.5.1 ALLOCATION OF TASKS WITHIN THE SUPERVISORY BOARD

Please refer to the Report under the Austrian Corporate Governance Code (Composition of the Supervisory Board, page 79).

3.5.2 MEMBERS LIST, TASKS AND AREA OF RESPONSIBILITY FOR EACH COMMITTEE OF THE SUPERVISORY BOARD

The Supervisory Board has established an Audit Committee from among its members, which consists of three members. Furthermore, a Remuneration Committee consisting of two members was established in December 2021.

For reasons of efficiency, since the Supervisory Board of PIERER Mobility AG is made up of no more than 6 members, the tasks of a Nomination Committee are fulfilled by the full Supervisory Board.

Please refer to the Report under the Austrian Corporate Governance Code (Committees of the Supervisory Board, pages 79-80).

3.5.3 WORKING METHODS OF THE SUPERVISORY BOARD AND ITS COMMITTEES

Please refer to the Report under the Austrian Corporate Governance Code (Working procedures of the Supervisory Board, pages 77-78).

In the financial year 2022, the Supervisory Board addressed the efficiency of its activities, in particular its organization and working methods, and carried out a self-evaluation.

3.6 DEFINITION OF AREAS OF RESPONSIBILITY

Responsibility for the management of an Austrian Aktiengesellschaft lies with the Executive Board. Neither the Supervisory Board nor the Annual General Meeting has a right to issue instructions to the Executive Board. However, under the Austrian Stock Corporation Act, the Executive Board is required to obtain the consent of the Supervisory Board before entering into certain extraordinary transactions. The Executive Board consults with the Supervisory Board on the strategic direction of the company and discusses the implementation status of the strategy with the Supervisory Board at

regular intervals.

The duty of the Supervisory Board is to appoint and dismiss the Executive Board and in particular to review the ongoing activities of the Executive Board. To this end, the Executive Board informs the Supervisory Board of its activities on a regular basis.

The Supervisory Board held a total of four meetings during the 2022 financial year. The meetings lasted approximately three to three and a half hours on average. Three meetings of the Audit Committee also took place; these meetings lasted approximately one hour on average (see also the Report under the Austrian Corporate Governance Code, Working procedures of the Supervisory Board, pages 77-78).

3.7 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE EXECUTIVE BOARD

PIERER Mobility AG does not have its own risk management system. In light of the company's size, no separate internal audit department has been set up. However, the company has established an internal control and reporting system which enables the Executive Board to identify risks and quickly implement an appropriate response. The Supervisory Board, particularly the Audit Committee, is kept regularly informed about the internal control mechanisms and risk management in place across the group.

Under the internal control and reporting system, identifiable risks in numerous areas of the business are captured and evaluated on an ongoing basis; material results are assessed by the Executive Board and brought to the attention of the Supervisory Board. Further information on risk management can be found in the notes to the consolidated financial statements as at December 31, 2022.

The company's management information system collates a large number of performance indicators from various areas of the PIERER Mobility Group, as well as comprehensive financial information. The system makes this data available electronically to the company's management in a predesigned format. The Supervisory Board receives monthly and quarterly reports based on information in the management information system.

4. EXECUTIVE BOARD

4.1 / 4.2 MEMBERS OF THE EXECUTIVE BOARD, OTHER ACTIVITIES AND VESTED INTERESTS

Unless otherwise stated below, the members of the Executive Board have no further disclosable activities or vested interests.

The Executive Board of PIERER Mobility AG consisted in the financial year 2022 of the following members:

Name Year of Birth	Position	Initial Appointment	End of the current term of office	Areas of Responsibilities
Stefan Pierer born 1956	Member of the Executive Board (CEO)	June 2, 2015**	December 31, 2023	strategic overall management product management quality management purchase supply chain international projects sustainability
Friedrich Roithner born 1963	Member of the Executive Board (CFO)	June 2, 2015**	December 31, 2023	finance (Group)accounting tax affairs legal affairs risk management
Hubert Trunkenpolz born 1962	Member of the Executive Board	January 1, 2018	December 31, 2023	sales marketing customer service joint ventures
Viktor Sigl, MBA born 1974	Member of the Executive Board	December 19, 2019	December 31, 2023	human resources organisation IT

* Stefan Pierer has been a member of the Executive Board of CROSS Industries AG (FN 261823 i) since April 30, 2005. In the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG on April 22, 2015, the resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company within the framework of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged into BF HOLDING AG. At the same time, the name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Stefan Pierer is therefore member of the Executive Board of CROSS Industries AG (now PIERER Mobility AG).

** Friedrich Roithner has been a member of the Executive Board of CROSS Industries AG (FN 261823 i) since June 23, 2010. In the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG on April 22, 2015, the resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company within the framework of universal succession. With effect from June 2, 2015, CROSS Industries AG was merged into BF HOLDING AG. At the same time, the name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Friedrich Roithner is member of the Executive Board of CROSS Industries AG (now PIERER Mobility AG).

STEFAN PIERER (born 1956), Austrian citizen, began his career in 1982 at HOVAL GmbH, Marchtrenk, after graduating in business and energy economics from the Montanuniversität Leoben. Initially a sales assistant, he rose to become Head of Sales for Upper Austria and an authorized signatory of the company. He founded what is now the PIERER Mobility Group in 1987. The PIERER Mobility Group is an Austrian industrial holdings group with a strategic and operational focus on the motorcycle and motor vehicle sector. Stefan Pierer is Chairman of the Executive Board of PIERER Mobility AG.

Further main functions within the PIERER Mobility-Group:

- Chairman of the Executive Board of KTM AG

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements

- Chairman of the Supervisory Board of Pankl AG (formerly Pankl SHW Industries AG)
- Chairman of the Supervisory Board of Pankl Racing Systems AG
- Member of the Supervisory Board of Oberbank AG
- Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH
- Member of the Supervisory Board of SHW AG
- Member of the Board of Directors of swisspartners Group AG
- Member of the Board of Directors of Pierer Swiss AG

FRIEDRICH ROITHNER (born 1963), Austrian citizen, graduated in business studies from the University of Linz and subsequently worked as an assistant auditor, with a focus on auditing and tax, at an international accountancy firm. From 1992 onwards, he was employed by Austria Metall AG, where he was a member of the Executive Board from 2002 to 2006. Since the end of 2007, Friedrich Roithner has been part of the management team at the PIERER Mobility Group. Friedrich Roithner is Chief Financial Officer of the PIERER Mobility AG.

Further main functions within the PIERER Mobility-Group:

- Chairman of the Supervisory Board of KTM AG
- Chairman of the Supervisory Board of KTM Components GmbH

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements:

- Member of the Supervisory Board of Pankl AG (formerly Pankl SHW Industries AG)
- Member of the Supervisory Board of Pankl Racing Systems AG
- Member of the Supervisory Board of SHW AG

HUBERT TRUNKENPOLZ (born 1962), Austrian citizen, started his career after graduating from the Johannes Kepler University Linz (Business Administration) at ISA Audivisual Communication Corp. as marketing manager and subsequently at TRUMAG as sales manager/ managing director. He has been at the PIERER Mobility Group since 1992 and a member of the Executive Board of the KTM Group since 2004. Hubert Trunkenpolz also became a member of the Executive Board of KTM AG in 2007 and of PIERER Mobility AG in 2018.

Further main functions within the PIERER Mobility-Group:

- Member of the Executive Board of KTM AG

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements

- None

VIKTOR SIGL, MBA (born 1974), Austrian citizen, graduated from the Johannes Kepler University in Linz with a degree in Business Administration and started his professional carrier at KPMG in the field of financial auditing and tax consultancy. In 2005, after completing his tax consultancy examinations and an MBA program at the University of Toronto, Viktor Sigl, MBA joined voestalpine AG to become head of Corporate Tax & Finance Advisory. Before joining the KTM Group, he was commercial director in the field of international industrial assembly. Since December 19, 2019, Viktor Sigl, MBA is in the Executive Board of PIERER Mobility AG.

Further main functions within the PIERER Mobility-Group:

- Member of the Executive Board of KTM AG
- Deputy Chairman of the Supervisory Board of KTM Components GmbH

Membership of supervisory boards or comparable functions in other foreign and domestic companies, excluding companies included in the consolidated financial statements:

- None

SIGNIFICANT OTHER FUNCTIONS OF THE MEMBERS OF THE EXECUTIVE BOARD

The following table contains the names of the companies and enterprises in which the current members of the Executive Board - to the knowledge of the company - have been a member of an administrative, management or supervisory body of PIERER Mobility AG or a group company of PIERER Mobility AG during the last five years. Furthermore, current activities in management and supervisory bodies of major Swiss and foreign corporations, institutions and foundations under private and public law are listed. The column headed "Still serving" indicates whether the partnership or membership of a management, executive or supervisory board is still current.

Executive Board	Company / organization	Position	still serving
Stefan Pierer	HDC GmbH	Managing Director	No
	Industriellenvereinigung Oberösterreich (Industrial Association Upper Austria)	President	Yes
	K KraftFahrZeug Holding GmbH (company dissolved)	Managing Director	No
	KISKA GmbH	Managing Director	No
	KTM AG	Chairman of the Executive Board	Yes
	KTM Components GmbH	Deputy chairman of the Supervisory Board	No
	Oberbank AG	Member of the Supervisory Board	Yes
	P Immobilienverwaltung GmbH	Managing Director	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Chairman of the Supervisory Board	Yes
	Pankl Racing Systems AG	Chairman of the Supervisory Board	Yes
	PB Gastro GmbH	Managing Director	No
	Pierer Bajaj AG	Member of the Executive Board	Yes
	PIERER Immobilien GmbH	Managing Director	Yes
	Pierer Beteiligungs GmbH	Managing Director	Yes
	PIERER Immobilien GmbH & Co KG	Managing Director	Yes
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Member of the Supervisory Board	No
	PIERER IMMOREAL GmbH	Managing Director	Yes
	Pierer Industrie AG	Chairman of the Executive Board, CEO	Yes
	Pierer Konzerngesellschaft mbH	Managing Director	Yes
	Pierer Liegenschaft GmbH	Managing Director	Yes
	Pierer Swiss AG	Member of the Supervisory Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Member of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
	Swisspartners Group AG	Member of the Supervisory Board	Yes
	W Verwaltungs AG (company dissolved)	Member of the Supervisory Board	No
	Westpark Wels GmbH (formerly: Westpark Wels AG)	Chairman of the Supervisory Board	No
Wohnbau-west Bauträger Gesellschaft m.b.H.	Managing Director	No	

Executive Board	Company / organization	Position	still serving
Friedrich Roithner	abatec Beteiligungsverwaltungs GmbH	Chairman of the Supervisory Board	No
	HDC GmbH	Managing Director	No
	K KraftFahrZeug Holding GmbH (company dissolved)	Managing Director	No
	KTM AG	Chairman of the Supervisory Board	Yes
	KTM Components GmbH	Chairman of the Supervisory Board	Yes
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Executive Board	Yes
	Pierer Beteiligungs GmbH	Managing Director	Yes
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Chairman of the Supervisory Board	No
	PIERER IMMOREAL GmbH	Managing Director	Yes
	Pierer Industrie AG	Member of the Executive Board, CFO	Yes
	SHW AG	Member of the Supervisory Board	Yes
	W Verwaltungs AG (company dissolved)	Chairman of the Supervisory Board Deputy chairman of the Supervisory Board Member of the Executive Board	No No No
	Westpark Wels GmbH (formerly Westpark Wels AG)	Deputy Chairman of the Supervisory Board	No
Hubert Trunkenpolz	GASGAS Motorcycles GmbH	Managing Director	Yes
	HDC GmbH	Managing Director	Yes
	Husqvarna Motorcycles GmbH	Managing Director	Yes
	Husqvarna Motorcycles North America, Inc.	Managing Director	Yes
	KTM AG	Member of the Executive Board	Yes
	KTM Canada, Inc.	Managing Director	Yes
	KTM Japan K.K.	Managing Director	Yes
	KTM North America, Inc.	Managing Director	Yes
	KTM Österreich GmbH	Managing Director	No
	KTM Sportcar GmbH	Managing Director	Yes
	KTM Sportmotorcycle Deutschland GmbH	Managing Director	Yes
	KTM Sportmotorcycle GmbH	Managing Director	Yes
	KTM MOTOHALL GmbH	Managing Director	Yes
	KTM Racing GmbH	Managing Director	Yes
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Managing Director	No
W Verwaltungs AG (company dissolved)	Deputy chairman of the Supervisory Board	No	

Executive Board	Company / organization	Position	still serving
Viktor Sigl, MBA	HDC GmbH	Managing Director	Yes
	GASGAS Motorcycles GmbH	Managing Director	Yes
	Husqvarna Motorcycles GmbH	Managing Director	Yes
	KTM AG	Member of the Executive Board	Yes
	KTM Beteiligungs GmbH	Managing Director	Yes
	KTM Components GmbH	Deputy chairman to the Supervisory Board	Yes
	KTM Immobilien GmbH (formerly KTM Motorrad AG, formerly KTM-Sportmotorcycle AG)	Managing Director	Yes
	KTM Logistikzentrum GmbH	Managing Director	Yes
	KTM North America Inc.	Managing Director	Yes
	KTM Österreich GmbH	Managing Director	Yes
	KTM Sportmotorcycle GmbH	Managing Director	Yes
	KTM Forschungs & Entwicklungs GmbH	Managing Director	No
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Managing Director Member of the Supervisory Board	No No
	PIERER Innovation GmbH	Managing Director	Yes
	W Verwaltungs AG (company dissolved)	Member of the Executive Board	No

4.3 MANAGEMENT CONTRACTS

There are no management contracts.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND THE SHAREHOLDING PROGRAMS

Please refer to the Remuneration Report for the 2022 Financial Year (pages 10-12).

There are no programs that enable employees at any level or members of the company's boards to acquire equity interests in the company.

5.2 COMPENSATION REPORT AS PER ART. 14-16 OF THE ORDINANCE AGAINST EXCESSIVE COMPENSATION IN LISTED COMPANIES (OAEC)

Please refer to the Remuneration Report for the 2022 Financial Year (pages 13-23). No compensation was paid and no non-cash benefits were granted to former members of the Supervisory or Executive Boards in the 2022 reporting year.

The members of the Executive and Supervisory Boards of PIERER Mobility AG held shares in the company as at the reporting date in accordance with the following list:

Person	Direct shareholding	Indirect shareholding	Number of shares	Voting rights in %*
Stefan Pierer	No	Yes**	25'802'103	76.35%
Friedrich Roithner	Yes	No	98'700	0.29%
Hubert Trunkenpolz	Yes	Yes	31'800	0.09%
Viktor Sigl, MBA	Yes	No	15'500	0.05%
Josef Blazicek	No	Yes	80'000	0.24%
Rajiv Bajaj	No	No	-	-
Iris Filzwieser	No	No	-	-
Michaela Friepess	Yes	No	71'193	0.21%
Srinivasan Ravikumar	No	No	-	-
Klaus Rinnerberger	Yes	No	79,874	0.24%

* rounded

** via Pierer Konzerngesellschaft mbH and Pierer Bajaj AG

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHTS RESTRICTIONS AND REPRESENTATION

PIERER Mobility AG has 33'796'535 shares of no par value in issue. Each share confers one vote. There are no shares with preferential rights and no restrictions on the shares in issue. The principle of "one share – one vote" thus applies. Voting rights may be exercised by proxy. Proxy authorization must be granted in text form to a specific person and forwarded to PIERER Mobility AG, which must retain or traceably record it.

There are thus no restrictions on voting rights in the articles of association, no group clauses and no rules on granting exceptions.

6.2 QUORUMS REQUIRED BY THE ARTICLES OF ASSOCIATION

Where the law does not prescribe a different majority, the Annual

General Meeting shall pass resolutions by simple majority of the votes cast and, in those cases where a majority of the capital is required, by simple majority of the share capital represented.

The Articles of Association of PIERER Mobility AG¹ do not set more stringent voting requirements than those set by the Austrian Stock Corporation Act.

6.3 / 6.4 CONVOCATION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS, INCLUSION OF ITEMS ON THE AGENDA

The provisions regarding the convocation of the Annual General Meeting do not diverge from the provisions of the Austrian Stock Corporation Act.²

Convocation should be issued no later than the 28th day before an Annual General Meeting, and no later than the 21st day before any

¹ The Articles of Association are available to view on the PIERER Mobility AG website: https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

² The Articles of Association are available to view on the PIERER Mobility AG website: https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

other General Meeting. Convocations are published in the "Wiener Zeitung", made known via a European dissemination system and made available on the website of PIERER Mobility AG.

Annual General Meetings are normally convoked by the Executive Board of the company.

The Executive Board is also obliged to convoke a General Meeting if shareholders holding at least 5% of the share capital submit a written demand for convocation, stating the grounds for the demand and presenting an agenda and a proposed resolution for each point thereon. The articles of association may modify this statutory requirement by relaxing the formal requirements or reducing the minimum size of the shareholding required to demand convocation of

a General Meeting. The Articles of Association of PIERER Mobility AG currently contain no such provisions that deviate from the statutory requirements¹. The petitioning shareholders must have held their shares for at least three months before submitting the petition and retain them until a decision on the petition is made. If the convocation is not issued by the Executive Board, the Executive Board is obliged to assist as necessary with the proper convocation of and preparation for the General Meeting.

6.5 SHARE REGISTER

PIERER Mobility AG has only bearer shares in issue. It therefore does not maintain a share register.

7. CHANGES OF CONTROL AND DEFENSE MEASURES

7.1 DUTY TO MAKE AN OFFER

Due to the admission of the shares to the Official Market of the Vienna Stock Exchange, the provisions of the Austrian Takeover Act are applicable to PIERER Mobility AG. The Austrian Takeover Act (ÜbG) recognises both mandatory and voluntary takeover offers. The Articles of Association of PIERER Mobility AG, as in the version valid as of December 31, 2022, contain an opting-out clause within the meaning of the Swiss Financial Market Infrastructure Act (FinFraG).

As a company domiciled in Austria whose equity securities are mainly listed in Switzerland, PIERER Mobility AG is subject to the provisions on public takeover offers contained in the FinFraG as of the balance sheet date. Pursuant to Article 135 (1) FinFraG, anyone who acquires equity securities and thus exceeds the threshold of 33 1/3 % of the voting rights is in principle required to make a public purchase offer.

The Extraordinary General Meeting of the company resolved on 26 February 2021 to include an opting out clause in the Articles of Association of the company in accordance with Swiss takeover law. Since the company is listed simultaneously on the SIX Swiss Exchange, the Frankfurt Stock Exchange (until October 18, 2022) and the Vienna Stock Exchange (since March 1, 2022), Swiss and Austrian takeover law would be applicable to the company, so that an opting out clause was included. To avoid any resulting conflict of laws, the company has included an opting-out clause in the Articles of Association in accordance with Swiss takeover law. Accordingly, there is no obligation to make an offer under Swiss takeover law as long as there is no obligation to make an offer under the provisions of Austrian takeover law. If, on the other hand, there is a voluntary offer or a mandatory offer under Austrian law, the provisions of Swiss takeover law must still be observed.

Mandatory offers

If a bidder (acting alone or in concert with other legal entities) obtains a controlling interest in a listed Austrian company, it is obliged under the Takeover Act to make a mandatory offer to the remaining shareholders. Anyone who controls, directly or indirectly, 30 % or more of the permanent voting shares of the listed company is deemed to have a controlling interest.

The obligation to make an offer for all equity shares in a target company is also triggered if a shareholder who has a controlling interest but does not hold more than 50 % of the voting shares acquires an additional 2 % or more of the voting rights in the company within a twelve-month period ("creeping in").

If a control-relevant threshold is reached, this must be notified to the Takeover Commission without delay. The offer document must be submitted to the Takeover Commission within 20 stock-market working days from the date control is attained.

A control-relevant threshold may be reached by a single shareholder or by two or more legal entities acting in concert. It follows that the duty of notification and mandatory offer may be triggered by the conclusion of a syndicate agreement or other agreements. Shareholders acting in concert need not be related parties for company law purposes.

When calculating a control-relevant threshold, treasury shares whose votes are suspended are disregarded.

The Takeover Act provides for various exceptions to the rules regarding mandatory offers. In such cases, the matter must merely

¹ The Articles of Association are available to view on the PIERER Mobility AG website: https://www.pierermobility.com/wp-content/uploads/2022/06/Articles-of-Association_PIERER-Mobility_29-04-2022.pdf

be notified to the Takeover Commission.

In order to protect the interests of shareholders, the Take Over Act provides for a twofold lower limit to the offer price in the event of a mandatory offer. First, the offer price must not be less than the highest amount of consideration offered by the bidder (or a legal entity acting in concert with the bidder) for shares in the target company in the 12 months preceding the takeover bid. On the other hand, the offer price may also not be below the average stock exchange price of the shares of the target company weighted according to the respective trading volumes in the last six months.

Voluntary bid to acquire a controlling interest

Such a bid may be issued by a bidder who does not have, but wishes to obtain, a controlling interest in the target company. The rules regarding mandatory offers, including those concerning the minimum price, must be applied accordingly.

Where an offer would enable a bidder to obtain a controlling interest,

the bidder must, by law, receive declarations of acceptance relating to over 50% of the permanent voting shares that are the object of the offer.

Voluntary Offer

A voluntary offer is an offer that is neither required by law nor a means to bring about a change of control. In practice, voluntary offers are frequently used by existing controlling shareholders to reduce the free float. Bidders making voluntary offers are not subject to statutory rules regarding the offer price, which they can set freely.

7.2 CLAUSES ON CHANGE OF CONTROL

As at the balance sheet date, the management of the company (Executive Board and Supervisory Board) has not made any special contractual agreements to protect itself against a hostile takeover.

8. AUDITORS

8.1 DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDIT PARTNER

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, was appointed by the 25th Annual General Meeting to serve as the auditor of the consolidated financial statements and separate financial statements of the company for the 2022 financial year. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was first appointed as group and company auditor for the short accounting period from January 1, 2014 to December 31, 2014.

The lead audit partner is Mr. Helge Löffler, who first fulfilled this role for the short accounting period from January 1, 2019 to December 31, 2019.

8.2 AUDIT FEE

Please refer to the Report under the Austrian Corporate Governance Code (Audits and External Evaluation, page 83).

8.3 ADDITIONAL FEES

Please refer to the Report under the Austrian Corporate Governance Code (Audits and External Evaluation, page 83).

8.4 INFORMATION AND CONTROL INSTRUMENTS PERTAINING TO THE AUDITOR OF THE FINANCIAL STATEMENTS

During the reporting year, the auditor attended two meetings of the Supervisory Board and three meetings of the Audit Committee. The auditor is monitored and evaluated at regular intervals by the Audit Committee of the Supervisory Board.

The Audit Committee makes a proposal for the selection of the auditor and presents the proposal of the Supervisory Board to the Annual General Meeting for voting. The Audit Committee must also meet with the auditor to establish a mutual line of communication.

9. INFORMATION POLICY

The company maintains an investor relations area on its website at <https://www.pierermobility.com/en/investor-relations/overview/>. This is freely accessible and serves as a permanent information source. All important information can be obtained here, as well as documents on the course of business and the share price (price data, shareholder structure, reports, financial calendar, AGM documents).

With effect from May 2, 2017, the shares of the company moved to the standard market auction segment in the Official Market of the Vienna Stock Exchange. As a result, only annual and half-yearly financial reports had to be compiled and published. In the 2020 financial year, the shares of PIERER Mobility AG were admitted to the regulated market of the Frankfurt Stock Exchange. The Company's shares were listed on the General Standard of the Frankfurt Stock Exchange until October 18, 2022. Since March 1, 2022, the shares of PIERER Mobility AG are again listed in the Official Market (prime market segment) of the Vienna Stock Exchange.

Due to the listing of the company's shares on a regulated market in the sense of Article 4 (1) No. 21 of the Directive 2014/65/EU, annual financial reports and half-year financial reports of PIERER Mobility AG were prepared and published in German and English in the 2022 financial year.

Overall, PIERER Mobility AG had to comply with Austrian as well as German and Swiss regulations and information requirements in the 2022 financial year due to the primary listing of its shares in Switzerland and the additional listings on the Frankfurt Stock Exchange (until October 18, 2022) and the Vienna Stock Exchange (since March 1, 2022). The admission of the shares to trading on the Frankfurt Stock Exchange ended at the end of 18 October 2022, so that the German capital market regulations no longer apply to the company as of this date.

The annual financial report must be published and made available on the internet (<https://www.pierermobility.com/en/investor-relations/>

The Audit Committee must also approve non-audit reviews by the auditor (auditor of the consolidated financial statements). Finally, the independence and activities of the auditor are reviewed and monitored, particularly with regard to the additional services provided to the audited company.

The compensation paid to the auditor is reviewed regularly for conformity to market terms and conditions. The lead audit partner for the company rotates every 7 years (internal rotation). By virtue of the implementation of Regulation (EU) No. 537/2014 of April 16, 2014, on specific requirements regarding statutory audit of public-interest entities, PIERER Mobility AG must change its auditor by the 2024 financial year at the latest (external rotation).

reports/) no later than four months after the end of the reporting period. The half-yearly reports must cover the first six months of the financial year and must be published and made available on the internet (<https://www.pierermobility.com/en/investor-relations/reports/>) no later than two months after the end of the reporting period. Annual reports can also be provided in printed copies or obtained from the website of the Oesterreichische Kontrollbank <http://issuerinfo.oekb.at/startpage.html>.

The company is required to maintain a connection to a suitable Europe-wide electronic information dissemination system and to disseminate via said system, in German and English, the inside information and reports on directors' dealings that must be published under Article 17 of Regulation (EU) No 596/2014. Price-relevant events are publicized promptly via the media and on the website. Inside information concerning PIERER Mobility AG is available on the websites <https://www.pierermobility.com/en/newsroom/ad-hoc-news> and <https://issuerinfo.oekb.at/startpage.html> and can also be obtained after a registration at <https://www.pierermobility.com/en/investor-relations/ir-contact/> (Investor Relations email subscription).

The financial calendar of PIERER Mobility AG, showing key dates in the current financial year, is available at <https://www.pierermobility.com/en/investor-relations/financial-calendar/>.

Information on the corporate governance of PIERER Mobility AG (independence requirements for Supervisory Board members, compliance guideline, corporate governance reports, directors' dealings and notices regarding voting rights) is available from the website at <https://www.pierermobility.com/en/investor-relations/corporate-governance>.

The company's contact details can be found on the website of the company under the link <https://www.pierermobility.com/en/investor-relations/ir-contact>.

10. QUIET PERIODS

Due to the submission of its shares to the regulated market (General Standard) of the Frankfurt Stock Exchange (until October 18,2022) as well as to the Official Market (prime market segment) of the Vienna Stock Exchange (since March 1, 2022), PIERER Mobility was subject to provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation, in short: MAR) in the 2022 financial year. Article 19 (11) MAR stipulates a trading ban for persons discharging managerial responsibilities. Within the meaning of the provisions of MAR, the following persons are deemed to be persons discharging managerial responsibilities at PIERER Mobility AG: (i) persons who belong to an administrative, management or supervisory body of the company (members of the Executive Board and the Supervisory Board) and (ii) persons who, as senior executives, do not belong to any of these bodies but regularly have access to insider information directly or indirectly related to this company and are authorized to make business decisions about future developments and business prospects of the company.

The trading ban covers any transactions on its own account or for the account of a third parties relating to the shares of the company. The trading ban applies to a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the company is obliged to make public.

During such a trading ban, persons discharging managerial responsibilities are only allowed to trade with shares of the company in individual cases due to the existence of exceptional circumstances such as severe financial difficulty, which require the immediate sale of shares (Article 19 (12) (a) MAR). Transactions in connection with employee participation programs, options, warrants, with compulsory shares and subscription rights as well as pure custody account transfers may also be exempt from the trading ban (Article 19 (12) (b) MAR). In order to apply these exceptions, the explicit permission of the person concerned must be obtained from the company.

In implementation of Article 19 (11) MAR, PIERER Mobility AG has set up the following general quiet periods for persons discharging managerial responsibilities in the 2022 financial year:

- February 27, 2022, to March 28, 2022 (prior to the publication of the annual financial report 2021 on March 29, 2022)
- July 31, 2022, to August 29, 2022 (prior to the publication of the 2022 half-year financial report on August 30, 2022).

No exemptions from the general trading ban have been applied for or granted for these periods.

Management report on the consolidated financial statements

as of December 31, 2022 of PIERER Mobility AG, Wels

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1. DEVELOPMENT OF THE PIERER MOBILITY GROUP

The Company

PIERER Mobility AG is the parent company for Europe's leading manufacturer of powered two-wheelers in the sport motorcycles and e-bikes segment. The motorcycles segment comprises the full range of premium products under the KTM, GASGAS and Husqvarna Motorcycles brands. The group's innovative strength makes it a pioneering leader in technology for sustainable combustion concepts and electric mobility through its motorcycle brands. The Husqvarna E-Bicycles, GASGAS Bicycles, FELT Bicycles and R Raymon brands complement the two-wheeler range. The premium brand range also includes high-performance components from the WP brand and, in the four-wheel segment, the KTM X-BOW high-performance sports car. By engaging in strategic partnerships, the company has been able to diversify its production capacities in recent years and to increase its competitiveness in the global market. In this context, the very successful alliance with Bajaj in India, which has now been in place for 15 years, deserves special mention. In addition, the cooperation arrangements with CFMOTO in China and the joint venture with Maxcom in Bulgaria will boost both bicycle and motorcycle production over the long term. With its leading technology in the field of low-voltage electric mobility, PIERER Mobility aims to become the global market leader for electric two-wheelers in the power range from 250 W to 15 kW.

The shares of PIERER Mobility AG have had a primary listing in the International Reporting Standard of the SIX Swiss Exchange since November 14, 2016. On March 29, 2017, the shares of PIERER Mobility AG were included in the Swiss Performance Index (SPI) of the SIX Swiss Exchange. Since March 1, 2022, the shares of PIERER Mobility AG have also been listed on the prime market in Vienna, the top segment of the Official Market of the Vienna Stock Exchange. In addition, the shares of PIERER Mobility AG were admitted to the ATX Global Players Index (ATX GP) of the Vienna Stock Exchange on September 19, 2022. The listing on the Frankfurt Stock Exchange (General Standard) was terminated on October 18, 2022 (last trading day).

Development of sales and revenue in the 2022 financial year

Despite experiencing supreme challenges in the supply chain, in the 2022 financial year the PIERER Mobility Group increased group revenue by 19.4 % to a new record level of € 2,437.2 million (previous year: € 2,041.7 million). With 375,492 motorcycles sold (previous year: 332,881) in the 2022 financial year, the Motorcycles segment achieved an increase in sales of around 13 %. Despite massive supply problems, the Bicycle Division also achieved sales growth of more than 15 %, selling 118,465 e-bicycles and bicycles (previous year: 102,753).

In Europe, unit sales to dealers were 122,028 motorcycles (+2 %) and 96,056 bicycles (-5 %). Almost two-thirds of the motorcycles (253,464 units) were sold in markets outside Europe, and in particular in North America (+67 %). In the bicycle segment, the DACH region still represents the largest sales market at around 67 %. In 2022, the Bicycle Division was able to increase its share of sales in North America from just under 1 % to around 11 %.

The PIERER Mobility Group continued to maintain global registrations at a high level. After a strong increase in global demand for motorcycles in the previous year, both the European motorcycle market (-3 %), with a volume of approx. 730,000 units, and the North American motorcycle market (-5.7 %), with a size of approx. 470,000 units, decreased slightly in 2022 and stabilized at a high level. The market share of all three brands (KTM, GASGAS and Husqvarna Motorcycles) is therefore around 10 % in Europe and 12 % in North America. The Australian (including New Zealand) motorcycle market also declined slightly, with a 10 % drop to 60,000 newly registered motorcycles. Nevertheless, the three brands as a whole managed to increase their share of this market to around 21 %. By contrast, the relevant Indian motorcycle market is seeing a significant upswing (+23 %). Bajaj sold around 50,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 5 %.

Global milestone: The 1,000,000th KTM motorcycle left the manufacturing plant of strategic partner Bajaj in Pune/India

PIERER Mobility AG has reached a significant milestone with its leading premium motorcycle brand KTM in India. The one millionth motorcycle – a KTM Adventure 390 – rolled off the production line at Bajaj's Chakan manufacturing plant in Pune. At this Bajaj Auto Limited plant, motorcycles of the KTM brand (125 cm³ to 390 cm³) and Husqvarna brand (125 cm³ to 401 cm³) have been co-developed and produced for global distribution since 2011.

Strategic cooperation with MV Agusta & takeover of European distribution for CFMOTO motorcycles

In November 2022, KTM AG acquired a 25.1 % stake in MV Agusta Motor S.p.A., with registered office in Varese (Italy), as part of a capital increase. MV Agusta is a European motorcycle manufacturer with a long tradition in the top premium segment whose brand is synonymous with Italian design and engineering. As part of this strategic partnership between the two European motorcycle manufacturers, KTM will support MV Agusta in the supply chain and take over purchasing. In addition, as part of this cooperation, MV Agusta will distribute its range of products exclusively through PIERER Mobility's global distribution network.

The increase in the level of cooperation with CFMOTO is also driven

by the newly founded subsidiary CFMOTO Motorcycles Distribution GmbH, Munderfing, Austria. The company is taking over the distribution of CFMOTO motorcycles in Europe, in particular in Germany, Austria, Switzerland, Spain and the UK.

Great success in racing in 2022 – PIERER Mobility wins 2023 Dakar Rally with KTM

With another 17 world championship titles in 2022, PIERER Mobility AG can reflect on an outstanding year of motorsport. In both the E1 and GP classes of the classic EnduroGP championship, GASGAS was crowned the winner. Izan Guevara capped off a perfect season of racing by claiming the title in the Moto3™ World Championship. With Manuel Lettenbichler, KTM secured the title of world champion in the FIM Hard Enduro World Championship. His teammate Tom Vialle displayed great speed and consistency to win the MX2 Motocross World Championship. Augusto Fernandez won the Moto2™ World Championship title for KTM in a thrilling finale. Two race wins and several podium finishes helped the KTM Factory Racing Team secure second place in the MotoGP team standings. The Husqvarna brand can also look back on a successful year. Billy Bolt dominated the FIM EnduroCross World Championship, winning not just the title but also the team classification for Husqvarna.

The last year culminated in great success and this vein of success continued with the first big win in the new year. At the beginning of

2023, PIERER Mobility AG secured its 20th win in the Dakar Rally courtesy of Argentinian Kevin Benavides riding a KTM bike in Saudi Arabia. Toby Price (KTM) and Skyler Howes (Husqvarna) completed the podium in second and third places, making it a perfect start to the 2023 motorsport season.

Impact of the Russian-Ukrainian war

The PIERER Mobility Group's business is not directly affected by the military conflict in Ukraine. PIERER Mobility does not have any investments, other assets or other material business relationships in Ukraine, Russia or Belarus, nor does it have any material business relationships with suppliers or dealers in these countries.

Strategic corporate decisions, objectives and actions have not so far been affected by the war and are not expected to be. Overall, there is no material financial impact on the financial statements for the 2022 financial year. The PIERER Mobility Group does not expect the war to have any direct material impact on its expected future cash flows, net assets, financial and earnings position, or on developments foreseeable from today's perspective.

Indirectly, however, as in the industry as a whole, the business risk for the PIERER Mobility Group is increasing, in particular due to further increases in energy and raw material costs as well as negative effects on the global economy.

2. ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT

In the last financial year 2022, the pace of growth in the global economy slowed down significantly as a result of the Russian-Ukrainian war, leading to a significant downturn in the economic outlook. Meanwhile, the lingering effects of the COVID-19 pandemic are still being felt, particularly when it comes to procurement and global supply chains. The combination of these two situations in particular over the last financial year illustrates the many ways in which supply chains can become unstable. One of the many impacts being seen is supply shortages and significant price increases not just for the global economy, but for ordinary people around the world as well.

Another example of a significant effect from this multi-layered crisis is inflation rates, which seem to be settling at a high level at least in the short and medium term. At the same time, the Chinese government's decision to abandon its zero COVID-19 policy at the end of 2022 has contributed to a shortage of available goods and resources globally because the Chinese infrastructure and transport routes have been overwhelmed. This is another driver of commodity prices, which in turn increases inflationary pressure and has a negative effect on real incomes and spending. In addition, the war in Ukraine in particular

has led to a significant increase in energy prices, and this is having an impact on the supply of goods, which was already under great strain, and therefore the economy as a whole.

Ultimately, the situation described above is leading to highly uncertain global growth forecasts, which are constantly being adjusted, from the leading organizations in this field, such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD) and the World Bank. The latest estimates suggest an increase in growth forecasts for 2023 compared with previous estimates at the end of 2022. On the one hand, this reflects the inherent dynamics and volatility of economic development; on the other hand, the increases in growth forecasts indicate flattening global economic risks and inflation rates, more austere monetary and fiscal policies, and better economic prospects. The IMF's estimates are based on numerous assumptions about a wide range of macroeconomic factors, in particular the trend in the price of fossil fuels and other resources and the general level of interest rates.

For industrialized countries, the IMF expects growth of 1.2 % in 2023 and 1.4 % in 2024. For the euro zone, growth of 0.7 % is forecast for

2023. For 2024, the IMF expects growth of 1.6 % for the euro zone, while growth in Germany in particular is forecast to be below average at 0.1 % for 2023 and 1.4 % for 2024.

For emerging markets and developing countries, the IMF forecasts economic growth of 4.0 % for 2023 and 4.2 % for 2024. A growth rate of 5.2 % is forecast for China in 2023 and 4.5 % in 2024. For India, economic output is forecast to increase by 5.4 % in 2023 and by 6.8 % in 2024.

The IMF forecasts rates of inflation of 6.6 % for 2023 and 4.3 % for 2024, putting its estimates of future rates of inflation around 1.7 percentage points above the level expected by the OECD and World Bank. The IMF notes that the risks to the global economic outlook remain exceptionally high, as the future development of the global economy will depend in particular on successful calibration of monetary policy, the course of the war in Ukraine and the economic recovery in China, following the impact of the country abandoning its zero COVID-19 policy. This assessment is broadly shared by the OECD and the World Bank. According to the IMF, OECD and World Bank, the risks of a scenario of economic stagnation and monetary inflation at the same time, which was still being forecast in 2022, have decreased significantly and such a scenario is not expected now. In summary, the projections from the most important organizations suggest low global rates of growth despite the challenges that were highlighted in the introduction. The global economic downturn is expected to be less severe than the most recent projections from 2022 suggested, although all projections of global economic development are subject to great uncertainty.

In the past 2022 financial year, the global¹ **motorcycle market** displayed a positive trend (+5.7 %). In **Europe**², the motorcycle market fell to a volume of approx. 730,000 new registrations as of December 31, 2022, which corresponds to a slight decrease of -3 %. The market share of KTM, Husqvarna and GASGAS motorcycles registered for road use is 10.0 % (previous year: 11.5 %; figures excluding motocross models). While the overall market for motorcycles eligible for registration grew in Italy (+7 %), for example, on average there was a slight decline (-3 %) in large parts of Europe.

In **North America**³, one of the most important sales markets for the PIERER Mobility Group, the total market shrank slightly from 495,000 in the previous year to 470,000 in 2022 (-5.7 %), but the group's market share increased from 11.6 % in the previous year to 11.8 %.

In **Australia**, the market cooled down to roughly its 2020 level (-10 % with a total market volume of 60,000 units; previous year: +8 %).

However, the KTM, Husqvarna and GASGAS brands were able to expand their market share and now have a market share of 20.6 % (previous year: 19.7 %). Aside from its home market of Austria, this represents the PIERER Mobility Group's largest percentage share of the market anywhere in the world.

The relevant Indian motorcycle market (S2/S3 segment) is clearly on the up (+23 %) and exceeded the volume of 1 million units in 2022. In this context, the strategic partner Bajaj sold almost 50,000 motorcycles of the KTM and Husqvarna brands in **India**, which equates to a market share of 5 % (previous year: 7 %). In China (premium importer market) as well as in Japan (motorcycles >250 cm³), the markets recorded a slight decline (-4.4 % in Japan) and a significant decline (-14 % in China), with this volume reduction being caused in China especially by the measures that were in place to restrict the spread of coronavirus in 2022. Nevertheless, the PIERER Mobility Group's market share in **Japan**, the home market of the major Japanese motorcycle manufacturers, remains stable at 3 % (previous year: 3.3 %), while demand in **China** for KTM and Husqvarna models is reflected in a market share of 10.3 % (previous year: 10.2 %).

The **e-mobility market** has great potential for growth. It can be expected that high-quality products will emerge to meet the level of demand. Consumers' increased awareness of quality and environmental issues is leading directly to a higher level of demand in the relevant market – an established trend, especially based on data for the German sales market, which according to the latest scientific findings is very much dependent on a changing demographic structure, with people more conscious of the environment. At the same time, it should be noted that current macroeconomic uncertainties, as were outlined at the beginning, as well as impacts on consumer prices, not least due to high rates of inflation, may produce unpredictable effects on the level of demand.

The latest 2022 report from the Confederation of the European Bicycle Industry (CONEBI) indicates a European sales volume of around 22 million New Mobility Products – EPACs in CONEBI's terminology – in 2021. This is moderate growth of 0.8 % compared to 2020. However, sales of electrified products are outperforming the overall market, with a +11.5 % increase compared to 2020 and a 22.8 % share of total products sold. According to the report, the most

1 Related to the key sales markets of the KTM Group: DE, FR, IT, UK, ES, SE, BE, NL, AT, CH, FL, DK, NO, GR, PL, SL, HU, BALTIC, USA, CAN, AUS, NZ, JP, SA, TH, CN, AR, BR, CO.

2 Motorcycles = 120 cm³ excluding motocross, scooters, and ATVs, including electric motorcycles in the markets DE, FR, IT, UK, ES, SE, BE, NL, AT, CH, FI, NO, BALTIC.

3 Motorcycles = 120 cm³ including motocross, excluding scooters and ATVs, including electric motorcycles in both the US and CA markets.

important countries in terms of sales volume are still Germany (4.7 million units), the UK (3.3 million units) and France (2.0 million units).

According to the German Two-Wheeler Industry Association (ZIV), around 4.7 million New Mobility products were sold in Germany in 2021, representing a decline in sales of around 5 % compared to the record year of 2020. Sales are thus stabilizing at a significantly higher level compared to the period before the COVID-19 pandemic. This decline was attributable exclusively to the non-electrified two-wheeler segment (-13.0 %), while sales of electrified products bucked the trend, rising 3 %. In its report for 2021 as a whole, the ZIV confirms the extremely positive previous forecasts for the relevant market. For example, the ZIV expects 2.0 million electrified products to have been sold in Germany in 2021 (previous year: 1.95 million electrified products). Their market share is thus 42.6 % (previous year: 38.7 %). The ZIV has also increased its estimate for their medium-term market share: In the medium term, the share of electrified New Mobility products in the total relevant market in Germany is expected to be 50 % (previous year's estimate: 40-50 %).

A trend study by the auditing and consulting firm PwC from 2021¹ also shows that the relevant market will grow worldwide at an average rate of around 5.5 % per year in the coming years. This trend will be driven primarily by strong growth in sales of electrified New Mobility products (7.4 % p.a. according to the study). According to the study, the biggest potential for growth is in the East Asian and European and North American markets, with an estimated sales volume of around 210.4 million products (estimated value of this sales volume: approx. 80 billion euros) sold worldwide in 2025. Other recent studies, e.g. by Grand View Research² or Precedence Research³, confirm that they expect the same strong growth trend with calculated annual global growth rates of 8.2 % and 7.4 %, respectively, with Europe representing the fastest growing market (10.4 % and 10.5 % CAGR, respectively) and the electrified New Mobility products segment representing the fastest growing product area (10.2 % and 10.3 % CAGR, respectively).

1 For more information, see <https://www.pwc.com/it/it/publications/docs/pwc-global-bike-and-accessories-market.pdf> (status: January 26, 2023).

2 For an overview, see <https://www.grandviewresearch.com/industry-analysis/bicycle-market> (status: January 26, 2023).

3 For an overview, see <https://www.precedenceresearch.com/bicycle-market> (status: January 26, 2023).

3. FINANCIAL PERFORMANCE INDICATORS

KEY FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS		2021	2022	CHANGE IN %
Revenue	in € million	2,041.7	2,437.2	19.4%
EBITDA	in € million	332.2	381.1	14.7%
EBITDA margin	in %	16.3%	15.6%	
Result from operating activities (EBIT)	in € million	193.5	235.3	21.6%
EBIT margin	in %	9.5%	9.7%	

OTHER FINANCIAL FIGURES:

EARNINGS RATIOS		2021	2022	CHANGE IN %
Earnings after taxes	in € million	142.9	170.6	19.4%
Earnings after minorities	in € million	82.5	169.9	> 100%

BALANCE SHEET RATIOS		12/31/2021	12/31/2022	CHANGE IN %
Balance sheet total	in € million	2,033.7	2,550.6	25.4%
Equity	in € million	765.6	914.4	19.4%
Equity ratio	in %	37.6%	35.8%	
Working capital employed ¹⁾	in € million	160.5	186.7	16.4%
Net debt ²⁾	in € million	189.9	256.5	35.1%
Gearing ³⁾	in %	24.8%	28.1%	

CASH FLOW AND CAPEX		2021	2022	CHANGE IN %
Cash flow from operating activities	in € million	367.4	280.3	-23.7%
Cash flow from investing activities	in € million	-195.1	-283.1	45.1%
Free cash flow ⁴⁾	in € million	172.2	-2.8	< 100%
Cash flow from financing activities	in € million	-27.6	-91.3	< 100%
Capital expenditure ⁵⁾	in € million	178.5	267.5	49.9%

VALUE CREATION		12/31/2021	12/31/2022
ROCE (Return on Capital Employed) ⁶⁾	in %	17.4%	19.2%
ROE (Return on Equity) ⁷⁾	in %	20.1%	20.3%
ROIC (Return on Invested Capital) ⁸⁾	in %	13.0%	15.5%

1 Working capital employed = inventory + trade receivables - trade payables

2 Net financial debt = financial liabilities (current, non-current) - cash

3 Gearing = net financial debt / equity

4 Free cash flow = cash flow from operating activity + cash flow from investing activity

5 Additions to property, plant and equipment and intangible assets as per statement of changes in non-current assets; excluding lease additions (IFRS 16) in the amount of € 25.9 million (previous year: € 24.6 million)

6 ROCE: EBIT / average capital employed; capital employed = property, plant and equipment + goodwill + intangible assets + working capital employed

7 ROE = net result after taxes / average equity

8 ROIC = NOPAT / average capital employed; NOPAT = EBIT - taxes

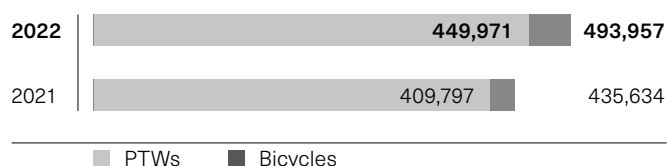
BUSINESS DEVELOPMENT AND ANALYSIS OF EARNINGS RATIOS

Despite ongoing disruption to its supply chains, the PIERER Mobility Group can reflect on another record financial year. In the 2022 financial year, the PIERER Mobility Group generated record revenue of € 2,437.2 million, up from € 2,041.7 million in the previous year, representing an increase in revenue of 19.4 %. Approximately 95 % of revenues were earned outside of Austria. Looking at different regions, 46.5 % of revenues were generated in Europe (-9.5 percentage points year-on-year), 33.9 % in North America including Mexico (+11.0 percentage points year-on-year), and 19.6 % in the rest of the world (-1.5 percentage points year-on-year).

Earnings before interest and taxes (EBIT) improved by 21.6 % to € 235.3 million (previous year: € 193.5 million), which equates to an EBIT margin of 9.7 %. The earnings before interest, taxes, depreciation and amortization (EBITDA) of € 381.1 million are around € 50 million higher than the previous year's figure of € 332.2 million. The EBITDA margin is 15.6 %. The net result after tax was € 170.6 million, 19.4 % higher than the previous year.

The overall sales figures of the PIERER Mobility Group as well as the sales of PTWs (motorcycles and e-bicycles) are as follows:

Unit sales total (Number of units)



The two segments "Motorcycles" and "Bicycles" represent the main operating areas of the PIERER Mobility Group, the development of which is discussed below.

MOTORCYCLES

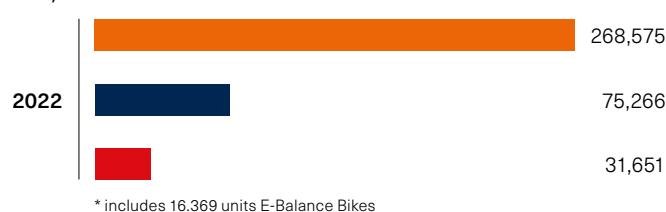
In the 2022 financial year, the Motorcycle Division achieved revenue of € 2,262.5 million (previous year: € 1,876.4 million). Driven by the sustained high global demand for powered two-wheelers, an increase of 20.6 % was recorded compared with the same period of the previous year. EBITDA of € 381.2 million (previous year: € 325.2 million) and EBIT of € 241.0 million (previous year: € 192.8 million) thus increased significantly compared to the previous year. These correspond to an EBITDA margin of 16.8 % (previous year: 17.3 %) and an EBIT margin of 10.7 % (previous year: 10.3 %).

In North America, the Motorcycle Division recorded revenue growth of 74.0 % to € 811.3 million. This meant that 35.9 % of revenue was generated in North America (previous year: 24.8 %). In Europe, revenue remained roughly at the previous year's level of € 977.4

million (previous year: € 980.8 million), corresponding to a share of 43.2 % (previous year: 52.3 %). Revenue increased in other countries by 10.3 % to € 473.8 million compared to the previous year. The share of revenue generated in other countries was 20.9 % (previous year: 22.9 %).

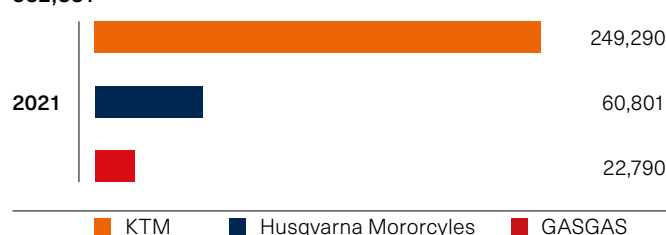
With 268,575 KTM motorcycles sold, 75,266 HUSQVARNA motorcycles sold and 31,651 GASGAS motorcycles sold in the 2022 financial year, sales of 375,492 motorcycles (2021: 332,881 units) were achieved (including the motorcycles sold in India and Indonesia by partner Bajaj). The Motorcycle Division thus achieved a 12.8 % increase in unit sales, consolidating its presence in the important motorcycle sales markets with its three motorcycle brands.

Unit sales 2022 Motorcycles (Number of units)*



* includes 16.369 units E-Balance Bikes

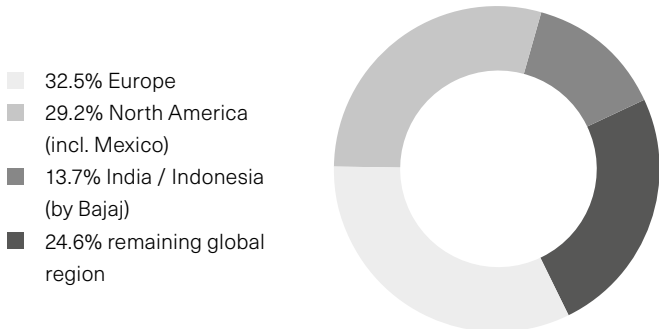
Unit sales 2021 Motorcycles (Number of units)



In the European sales regions, unit sales were 122,028 motorcycles (+1.6 %). Around two thirds of the motorcycles produced (253,464) were sold in markets outside Europe. Growth was particularly strong in North America, where 109,711 motorcycles were sold. This represented an increase of 66.8 % compared to the previous year. Sales volumes were also encouraging in South America with 37,613 motorcycles sold (+15.5 %) and in Asia with 31,803 motorcycles sold (+6.6 %). Unit sales in Australia were roughly on a par with the previous year, with around 19,478 motorcycles sold (previous year: 20,811 units). In India/Nepal, unit sales were around 51,484 (-14.6 %).

In the 2022 financial year, 222,041 motorcycles were manufactured at the Mattighofen production site. Compared to the previous year, this constitutes an increase of 43,049 units, or +24.1 %. Taking into account the small-engine KTM and Husqvarna models produced by our partner Bajaj Auto Ltd. in India and the GASGAS Trials produced in Spain, 381,823 motorcycles (+17.9 %) were manufactured worldwide.

Units sales by region FY 2022



Revenue by region FY 2022



BICYCLES

In the Bicycle Division, the establishment and expansion of the four “Husqvarna E-Bicycles”, “GASGAS Bicycles”, “FELT Bicycles” and “R Raymon” is well underway. The visibility of all brands is increasing strongly thanks to events, trade shows and the new round of orders for the model year 2022.

In order to secure the necessary production capacities, a joint venture was established in the previous year with MAXCOM Ltd., one of the largest bicycle manufacturers in Eastern Europe and an existing manufacturer of PIERER New Mobility GmbH. A state-of-the-art e-bike production facility will be built on an area of 130,000 square meters, which will also offer international suppliers the opportunity to locate at the site. The annual production capacity will be around 350,000 units. In addition, due to global supply chain issues, a subsidiary in Taiwan, PIERER E-Bikes Asia Ltd. was also established in June 2022. PIERER E-Bikes Asia Ltd. will provide significant support to PIERER New Mobility in its supply chain management and thus reduce procurement risk through direct access to the Asian market. Finally, the new subsidiary in Taiwan is expected to contribute to achieving the long-term corporate and revenue targets set.

In the 2022 financial year, revenue of € 171.2 million was generated in the Bicycle Division (previous year: € 162.7 million). This represents a

year-on-year increase in revenue of 5.2 %. Revenue was below budgeted expectations mainly due to bottlenecks in the supply chain and in particular for electrical components. In this regard, the company is in constant dialog with its suppliers to reduce further potential bottlenecks. EBITDA in 2022 was € 6.5 million (previous year: € 11.4 million) and EBIT was € 2.5 million (previous year: € 7.0 million). This corresponds to an EBITDA margin of 3.8 % (previous year: 7.0 %) and an EBIT margin of 1.4 % (previous year: 4.3 %).

With 74,479 e-bicycles (previous year: 76,916) and 43,986 non-e-bicycles (previous year: 25,837), the Bicycle Division with its HUSQVARNA, R RAYMON, GASGAS and FELT brands achieved total sales growth of 15.3 %, selling 118,465 bicycles (previous year: 102,753). Of the e-bicycles sold in the 2022 financial year, 71.4 % were sold under the R Raymon brand, 20.6 % under the Husqvarna E-Bicycles brand, and 8.0 % under the GASGAS brand. Sales of non-electric bicycles were spread almost equally between the two brands FELT and R Raymon (previous year just R Raymon).

Unit sales 2022 (E-)Bicycles (Number of units)
118,465



Unit sales 2021 (E-)Bicycles (Number of units)
102,753



Legend: (E-)Bicycles (light grey), Bicycles (dark grey)

Around 81 % of sales were in Europe and here in particular in the DACH region. A further 11 % were in the North American sales region and around 7 % in the Asian sales region. The remaining sales (around 1 %) were made in South America and Australia.

Unit sales by region FY 2022

- 67.0% DACH region
- 14.1% remaining Europe
- 18.9% remaining global region



Revenue by region FY 2022

- 71.5% DACH region
- 17.5% remaining Europe
- 11% remaining global region



STATEMENT OF FINANCIAL POSITION ANALYSIS

The balance sheet structure of the PIERER Mobility Group is as follows:

	2021		2022	
	€ million	in %	€ million	in %
Non-current assets	992.8	48.8%	1,195.8	46.9%
Current assets	1,040.9	51.2%	1,354.8	53.1%
Assets	2,033.7	100.0%	2,550.6	100.0%
Equity	765.6	37.6%	914.4	35.8%
Non-current liabilities	649.5	31.9%	625.6	24.5%
Current liabilities	618.7	30.4%	1,010.6	39.6%
Equity and liabilities	2,033.7	100.0%	2,550.6	100.0%

The balance sheet total of the PIERER Mobility Group increased by 25.4 % from € 2,033.7 million to € 2,550.6 million compared to the consolidated financial statements as of December 31, 2021.

Similar to previous years, the increase in non-current assets from € 992.8 million to € 1,195.8 million was in particular in the area of development projects, which was above the level of amortization and resulted in an increase in intangible assets. In addition, property, plant and equipment also increased, mainly due to the construction of the new headquarters of KTM North America in Murrietta, California.

Within current assets, inventories in particular increased by € 248.8 million. The other changes relate on the one hand to the increase in trade receivable and other assets and on the other hand to the reduction in cash and cash equivalents. Overall, this resulted in an increase in current assets of 30.2 % to € 1,354.8 million.

Current liabilities increased by € 391.9 million (+63.4 %) compared to December 31, 2021. The increase is largely attributable to the rise in trade payables. Non-current liabilities decreased slightly by 3.7 % to € 625.6 million.

Equity increased by € 148.8 million from € 765.6 million to € 914.4 million in the 2022 financial year. On the one hand, equity was strengthened by a net result after tax of € 170.6 million. On the other hand, dividend payments of € 34.3 million and the purchase of shares in KTM AG (increase in shares from 99.75 % to 100 %) worth € 5.1 million led to a reduction in equity. The other effects of € 17.6 million essentially concern the recognition of foreign currency differences with no effect on profit or loss, the measurement of financial instruments and the revaluation of net debt from defined benefit plans. At 35.8 %, the equity ratio is below the value as of December 31, 2021 of 37.6 % due to the balance sheet increase described above.

LIQUIDITY ANALYSIS

The cash flow from operating activities was € 280.3 million in the 2022 financial year, and was therefore 23.7 % below the previous year's value of € 367.4 million, which was primarily attributable to the increase in working capital.

The cash outflow from investments amounted to € -283.1 million and was significantly higher overall than the previous year's figure of € -195.1 million. This increase was mainly due to the higher payments for the acquisition of intangible assets and property, plant and equipment (effect € -64.6 million). In addition, capital expenditure was increased by the investment made in the new US headquarters and the purchase of 25.1 % of the shares in MV Agusta Motor S.p.A.

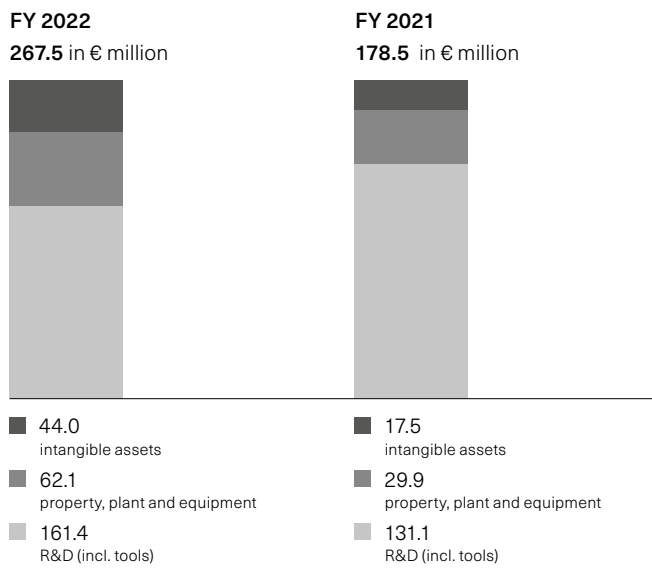
This high level of investment and an increase in capital tied up in working capital meant that free cash flow was slightly negative at € -2.8 million in 2022. In the last three financial years, an average free cash flow of 5.6 % of revenue was generated, which is above the sustainable target range of 3 to 5 % of revenue.

After taking the cash flow from financing activities of € -91.3 million into account, liquid funds decreased by € 94.8 million (including foreign currency effects of € -0.7 million) to € 278.7 million compared to December 31, 2021.

Due to the strong equity base and long-term financing, sufficient liquidity reserves remain permanently available.

INVESTMENTS

In the current financial year, total investments in the PIERER Mobility Group amounted to € 293.4 million (previous year: € 203.1 million) including IFRS 16 lease additions of € 25.9 million (previous year: € 24.6 million). The investments excluding leasing projects were divided between development projects (incl. tools), property, plant and equipment and intangible assets as follows:



As usual, high investments were made in series development projects (including tools) in the past financial year. The consistently high investments in series product development represent one of the key success factors of the PIERER Mobility Group.

One of the most significant single investments in infrastructure (property, plant and equipment) in the 2022 financial year was the continued construction and completion of the new headquarters of KTM North America in Murrieta, California. Company premises have been constructed over an area of approx. 14,000 m² and comprise office and motorsport buildings as well as storage areas. The total investment for the construction of the building was around USD 53 million.

Other significant individual investment projects in 2022 included the acquisition of new production facilities to modernize manufacturing, the purchase of land to secure future expansion of the business, and interior fitting out of the new logistics center in Munderfing which commenced operations during the financial year. In addition, investments were made in the new production site for GASGAS Trial models in Terrassa, Spain, north of Barcelona, where series production started in June 2022.

In 2022, extensive investments were also made in the joint project with MAXCOM Ltd. in Bulgaria. This will be one of PIERER New Mobility's most significant investment projects over the coming years.

The increase in investments in intangible assets, in addition to ongoing investments in IT and licenses, resulted largely from the addition of trademark rights.

Due to the high investment in capacities and infrastructure in recent years and the relocation of the small-engine Husqvarna Motorcycles

road models to our strategic partner Bajaj, the required production capacities in Austria have been secured for the next few years. Despite macroeconomic challenges at a global level, investments in the (further) development of existing and new models, electric

mobility and high-tech modernization are the top priority right now and will continue to be so in the future. In line with the strategic objectives, expenditure on investments in research and development will remain at the already high level of previous years.

4. NON-FINANCIAL STATEMENT

The company prepared a consolidated non-financial report for the PIERER Mobility Group in accordance with Section 267a of the Austrian Commercial Code (UGB) for the 2022 financial year. This report contains information about concepts, non-financial risks, due diligence processes as well as results and performance indicators with regard to environmental, social and employee issues, respect for human rights, and the fight against corruption and bribery. This report has been reviewed by the Supervisory Board in accordance with

Section 96 of the Austrian Stock Corporation Act (AktG) and is available online at <https://www.pierermobility.com/en/sustainability/sustainability-reports>.

The corporate governance report is available on the company's website at <https://www.pierermobility.com/en/investor-relations/corporate-governance>.

5. RESEARCH & DEVELOPMENT AND NEW MODELS

For PIERER Mobility AG, as the leading manufacturer of premium powered two-wheeler (PTW) vehicles in Europe, it is our declared goal to further expand our leading role in the world of motorcycling in terms of technology, sales, and image. We have been particularly focused on the area of research and development for several years. The result of the R&D strategy we have pursued is innovative products that meet our customers' high expectations in technology and performance. At the same time, it makes it possible for us to develop new markets in a manner that ensures lasting success.

Particularly high priority is given to the early recognition of trends in the powered two-wheeler (PTW) segment and the further development of the product range from a technical and functional perspective. At the same time, we have a strong commitment to tracking, recognizing and implementing customer requirements with regard to the PIERER Mobility Group's products and services. This enables us to further build on the pioneering role we have developed in the past and to ensure a market-oriented product development strategy.

Thanks to the globally active research and development organization, the PIERER Mobility Group has a network of highly qualified employees – for instance in the construction, computation and simulation sectors. This network is supported by the in-house machinery and equipment that performs the production, construction and validation of newly developed prototypes. This combination allows us to react with a high degree of flexibility to changing requirements and the level of complexity associated with this.

In operational terms, excluding the ancillary effect of capitalization

and amortization of development expenses, 8.7 % of total revenue was spent on research and development, corresponding in absolute figures to € 213.2 million (previous year: € 162.4 million).

The Research and Development department of the PIERER Mobility Group is a global organization, with decentralized locations in Europe (in particular Austria and Spain), and America. The development programs are centrally managed at the R&D headquarters in Mattighofen and in Munderfing, where the majority of our employees from the research and development department are based. The Research and Development Center at the company's head office in Mattighofen is an innovation hub covering an area of more than 20,000 m², where groundbreaking products for the Powersport segment are designed, developed and tested using state-of-the-art equipment.

KTM Technologies GmbH, with registered office in Anif near Salzburg (Austria), specializes in future mobility concepts, particularly in the areas of concept and technology development and lightweight construction. A key factor in its success is the application-focused development of new solutions and technologies, combining a high level of expertise in the area of vehicle concept development, including the use of multiple materials, composites and additive manufacturing technologies. As an innovation hub, KTM Technologies GmbH works closely with KTM Forschungs- und Entwicklungs GmbH and customers from other industrial sectors. Its partners and customers include established OEMs and start-ups from sectors such as automotive and aerospace, mechanical engineering and the sporting goods industry.

When the KTM Freeride E was launched on the market in 2014, the PIERER Mobility Group was considered a pioneer in the field of electric mobility. In recent years, the range of electric vehicles in various performance categories has been extended to all brands in the group. The development of electric motorcycle models is largely carried out at the in-house center of excellence established in recent years in Anif near Salzburg.

Because motorcycles with electric drive systems are still subject to significant practical restrictions due to their low power density, one of the key items on the agenda for research over the past year was to reduce the exhaust and noise emissions of the PIERER Group's range of internal combustion engines. To continue operating in the premium vehicle segments with high performance and range requirements as dynamically as before, the projects included in-depth examination of future-proof synthetic fuels known as e-fuels and testing of fuels with increased bioethanol content.

The noise emissions of motorcycles have become an important acceptance criterion for this vehicle category in recent years. For this reason, proactive work was carried out last year on researching the noise sources of offroad models and thus deriving approaches to solutions for significantly reducing noise emissions.

KTM Forschungs und Entwicklungs GmbH is a founding member of the Swappable Batteries Motorcycle Consortium (SBMC). The consortium, which was established in September 2021 after intensive preparatory work together with other leading motorcycle manufacturers, will develop a common technical standard for a battery swap system including charging and swap stations in the next few years. The aim is to meet customer expectations for range, charging time and costs through international standardization of the battery system, thus making an important contribution to the further spread of electrified mobility concepts in urban living areas.

The successes of the past year include a hybrid brake disc guard and a skid plate manufactured using the patented CONEXUS technology developed in-house. This innovative technology enables different materials to be joined without requiring an additional process such as gluing or bolting. CONEXUS eliminates costly processes, saving both energy and associated CO₂ emissions. Above all, however, property profiles can be optimally exploited through the targeted use of materials. The two hybrid components feature lightweight, high-performance carbon composite structures joined with an impact-resistant plastic. The CONEXUS technology also enables simple and total separation of the materials for recycling. To illustrate the CO₂ savings potential of the technology, a brake disc guard was developed that reduces the carbon footprint in material use by around 70 % by using natural flax fibers instead of carbon fibers as well as a bio-based plastic. This innovation received the "EC Composites Innovation Award" in Paris, the highest award in the composites industry. This was followed in November by the

prestigious "Automotive Body Exterior" award of the Society of Plastic Engineers (SPE). These awards have aroused great interest in this technology from other industries, and specific projects have already been initiated with partners from the automotive and aerospace sectors. As part of the activities to improve sustainability, the methods and tools used for life cycle assessment have evolved significantly. Identifying the carbon footprint of the materials used is an important element of a complete life cycle assessment of components and vehicles.

A novel body concept was developed for H2X Global, an Australian start-up company active in the field of commercial vehicles powered by hydrogen fuel cells. The innovative, origami-inspired design can reduce the energy and one-off costs for new vehicles. This represents a major cost advantage, especially for commercial vehicles produced in smaller numbers.

In August 2022, KTM Technologies GmbH initiated an "Innovation Talk" at the international "Living Legends of Aviation" gala. The objective of the panel discussion was to bring together the aviation and automotive sectors in order to identify synergies for sustainable mobility solutions of the future.

Virtualization of product development is an important building block for reducing development times, costs and quality risks. Ultimately, the physical testing of components and complete vehicles on corresponding test benches is an indispensable part of the testing of new products. For this purpose, a test area covering 300 m² and equipped with the latest test benches was created at the Anif site in order to ensure quality assurance of the products during development.

In addition to refining the adaptive cruise control system which was first available in a production model in 2021 and the lean-angle-dependent traction control and antilock brake systems developed in close collaboration with BOSCH, work was carried out on many other intelligent safety and assistance systems and extensive tests were conducted during the last year of research. Research into camera-based assistance systems and the testing of advanced radar-based sensor technology for detecting objects are just two examples of the many technology development projects being pursued concurrently. Another focus in the past year was on developing new approaches for lighting technologies with the aim of making motorcycling safer in the dark by improving illumination of the road. The introduction of novel safety and convenience functions in vehicles in recent years has been accompanied by a significant increase in the complexity of motorcycle electrical/electronic systems. This is why work in 2022 also focused on developing a modular platform architecture for electronic components. The aim of this initiative is to be able to respond more quickly to product requirements, reduce the level of complexity in the development of electronic components and further increase functionality and quality.

Connectivity features that enable data exchange between the vehicle and accessories such as smartphones have undergone intense development in recent years and are now regarded as indispensable features, especially in the premium segment. In addition to the development of convenience functions such as telephony and navigation, a key part of the activities over the last year were the development and testing of systems for communication between the motorcycle and other vehicles, or between the motorcycle and road infrastructure such as traffic lights.

Another pillar of the development philosophy that the company pursues is using high-quality materials in all vehicles, resulting in a reduction in vehicle weight and the associated potential for **reducing fuel consumption and emissions** and improving rideability. For example, great efforts made in recent years have enabled the weight of our offroad competition models to be further reduced with each new generation. Among the many research and development projects in the development of materials and surfaces, work was carried out on developing and testing wheels and chassis components made of fiber-reinforced composites, as well as on further developing the manufacturing process for plastic parts with design elements featuring hybrid construction. An additional focus is on investigating the use of recycled and bio-based materials at the component level.

The KTM and HUSQVARNA motocross models, which have successfully been tested by winning races as part of the company's commitment to global motorsport, underwent their final endurance tests and were successfully transferred to series production and put on sale worldwide. There were a number of particularly noteworthy technical solutions – first and foremost a new hybrid rear frame concept and extensive revisions of the high-strength steel frame used across all platforms. The series ramp-up of the completely revised GASGAS Trial models was a further milestone for the traditional Spanish brand. The transfer to series production of electrically powered motorcycles was completed across all brands with the KTM SX E3, HUSQVARNA EE3 and GASGAS MC E-3 models.

The wide range of street models offered by the group's KTM, HUSQVARNA and GASGAS brands extends from naked bikes, supersport and touring models in the entry-level segment, to a broad mid-range segment with single-cylinder and straight twin models right through to premium motorcycles with efficient and powerful two-cylinder engines. With regard to the transfer to series production, research in 2022 was particularly focused on the mid-range platforms. The largest projects included the final testing of the HUSQVARNA 901 Norden Explorer, a refinement of the successful sister model HUSQVARNA 901 Norden that was launched the previous year, and the testing and start of production of the KTM 890 ADVENTURE and KTM 890 ADVENTURE R models. The production ramp-up of the first GASGAS street models, the agile GASGAS 700 SM supermoto and its counterpart for rough terrain, the

GASGAS 700 ES, are an important part of the Group's brand strategy.

Research in 2023 will feature a large number of project initiatives in the areas of fundamental research, technology and complete vehicle development, testing and validation. Just like the activities from the year under review, the focus in engine development will be on further increasing efficiency by optimizing the thermodynamic system, on research into e-fuels and on general development and testing of purely electric drive systems and energy storage modules. The field of electrical/electronic development includes the development of new safety and assistance systems and innovative human-machine interface concepts designed to make a lasting contribution to reducing accidents. Intensive consortium work in the field of connected motorcycles is also being continued. At KTM Technologies GmbH, the focus in 2023 will be on developing new concepts for components and complete vehicles, both for the group and for customers from other industries. Another focus will be on technology transfer and qualification of materials, as well as on processes and methods for optimizing the sustainability of products and components. The core competencies of KTM Technologies GmbH in lightweight construction and composites are to be used in various cross-industry development projects on products for future mobility.

MOTORCYCLE MODELS

In the 2022 financial year, a large number of new or revised models from the KTM, Husqvarna Motorcycles and GASGAS brands, both offroad and street, were again launched to cater for the ever-growing customer base. Following the release of the **KTM 890 DUKE R** in early 2020, KTM brought out the new, revised 2022 KTM 890 DUKE R in February 2022. The 2023 KTM 890 ADVENTURE R and 2023 KTM 890 ADVENTURE are aimed at a growing customer segment looking for freedom in motorcycling. The medium-weight motorcycles were presented as a solution for potential "new" adventure riders. The updated 2023 KTM SXs model range lays the foundation for further expansion of KTM's dominance in the off-road segment. In August 2022, as part of the KTM SX model range, KTM released the new 2023 KTM 50 SX Factory Edition. The 2023 KTM 450 SMR has been available since June 2022. The latest iteration of the KTM EXC and EXC-F models in 2023 reinforces KTM's claim to lead the class in the enduro off-road segment for all riders and terrains, starting with the entry-level 2-stroke KTM 150 EXC and culminating in the best-in-class 4-stroke KTM 500 EXC-F. The new Enduro models have been available from dealers since May 2022.

In addition, KTM unveiled another addition to its range of four-wheel products in the third quarter. With the new KTM X-BOW GT-XR supersport car, KTM combines the READY TO RACE DNA of the KTM X-BOW GT2, which has made its mark in motorsport, with the requirements of a roadgoing vehicle.

Husqvarna Motorcycles has given its street range, specifically the Svartpilen 401, Vitpilen 401 and the Svartpilen 125, which was only launched last year, a major overhaul. Following the redesign of the street models, Husqvarna Motorcycles' 2023 TE and FE Enduro models are also available at authorized Husqvarna Motorcycles dealers. Just like the Enduro model range, Husqvarna Motorcycles' 2023 TC and FC model range has also been fundamentally overhauled to incorporate the latest technology – with the aim of leading the way when it comes to technology. To complement the model year 2023 Husqvarna Motorcycles motocross and enduro line-ups which have already been upgraded and the new specifications and components that are used, Husqvarna Motorcycles has unveiled the new Heritage series of these motorcycles, which has been available in a strictly limited supply through its dealer network since September 2022. The NORDEN 901 was unveiled last year and is a dynamic and versatile touring motorcycle for adventures that delivers excellent on-road and off-road performance. Technical accessories were introduced for this bike in the first quarter of 2022 and have been available ever since. The Husqvarna Motorcycles 2023 FS 450 has also been available since June 2022. Husqvarna Motorcycles is also setting new standards in the single-cylinder motorcycle segment with its two model year 2023 motorcycles, the 701 Enduro and 701 Supermoto.

Husqvarna Motorcycles is continuing its pioneering work in the field of **electrified motorcycles**, and in 2022 it revamped its EE 3 and EE 5 electrified small motorcycles to the high quality standard for which the brand is renowned. With performance levels to match gasoline-powered 50 cm³ motorcycles, the EE 3 introduces young riders to the world of motocross, while the more powerful EE 5 focuses on motocross competition. The electric mini-bikes have been available through the network of dealers since the 3rd quarter of 2022.

GASGAS Motorcycles has introduced the MC 450F Troy Lee Designs, the first Team Edition motocross bike. GASGAS has also added a vibrant new look to its motocross range for the new 2023 models, which have been available since the first quarter of 2022. In the second quarter of 2022, GASGAS Motorcycles introduced its first two street bikes: the GASGAS SM 700 and the GASGAS ES 700. Both models were made available at dealerships in various countries during 2022, with the North American launch not scheduled until 2023. Developed over the last two years, the new 2023 generation of GASGAS trial bikes has been improved in many key aspects. The new trial bikes from GASGAS have been commercially available since the end of August 2022.

The strictly limited 2023 GASGAS RX 450F Replica enables customers to purchase a motorcycle that is almost the exact replica of the bike on which Sam Sunderland won the Dakar Rally in 2022. At the same time, GASGAS has released two new Factory Editions: The GASGAS MC 450F Factory Edition and GASGAS MC 250F Factory Edition offer supreme off-road performance with the very latest

generation of components.

The first half of 2022 saw the market launch of the updated versions of the two Electric-Balance Bikes (known as **E-Balance Bikes** for short), 12eDRIVE and 16eDRIVE from STACYC™, which are available as models for all three of the group's KTM, Husqvarna Motorcycles and GASGAS brands. These bikes are electrically powered vehicles whose multiple uses and great versatility make them the perfect entry-level platform for the very youngest bikers of the future, while also opening up a new market segment. With a battery life of up to 60 minutes and a charging time of 30-60 minutes for the 2-Ah battery on the 12eDRIVE or 45-60 minutes for the 4-Ah battery on the 16eDRIVE, as well as weighing just 7.7 and 9 kg, respectively, both E-Balance Bikes offer youngsters an ideal way to start learning how to ride on two wheels. E-Balance Bikes are sold through the distribution channels of KTM, i.e. motorcycle dealers, as well as through the distribution channels of PIERER New Mobility.

BICYCLE MODELS

The launch of the new 2022 model year and the presentation of the whole collection of New Mobility products for all brands took place primarily during the Media Summit on April 26, 2022.

Husqvarna E-Bicycles fundamentally focuses on innovation in the field of electric mobility. The brand's primary motivation is to develop New Mobility products for the future. At the Media Summit, Husqvarna E-Bicycles unveiled the new Husqvarna Mountain Cross 6 (MC6), a full carbon e-MTB with a new geometry and kinematics. The MC6 will enhance Husqvarna E-Bicycles' position in the e-MTB sector thanks to its distinctive carbon frame design with the motor mounted in a unique position, and act as a blueprint for future product innovations. 2022 also marked Husqvarna E-Bicycles' first full season competing in the elite competitions of the popular Enduro World Series Electric with three elite racers.

GASGAS Bicycles is building on the success of the GASGAS brand in the motorcycle segment, offering riders the opportunity to experience off-road trails while riding high-performance e-MTBs. With its roots in the world of off-road motorcycling, GASGAS broke new ground in 2022 by launching a variety of new electrified New Mobility products that encompass a wide range of products from lightweight all-mountain bikes to high-performance enduro bikes.

As the newest brand in PIERER New Mobility's portfolio, **FELT** is focused on speed and competition. One of the things the brand launched in the 2022 financial year was two new platforms: The Breed Carbon Gravel Race Bike and the triathlon-specific IA 2.0. For 2023, the brand will focus on these two core products to establish itself as a key player in bike racing over the coming years and extend its offering to all racing segments, including off-road, while expanding its range of models at the same time.

R RAYMON focuses on offering decent value for money. Further proof of this is the new, lightweight E-Mountain Trial Bikes (E-MTBs) platform. The focus of development work was on further harmonization of the three pillars of motor, battery and weight. In the 2022 financial year, the AirRay, a lightweight trial e-MTB, was

launched. With this new product category, R RAYMON is laying down an important marker in a rapidly growing product segment. In the electric all-mountain segment, R RAYMON presented more innovations with the new 2022 TrailRay e-models.

6. OPPORTUNITIES AND RISK REPORT

As Europe's leading "Powered Two-Wheeler" (PTW) manufacturer, the PIERER Mobility Group with its KTM, Husqvarna Motorcycles, and GASGAS motorcycle brands is among the European technology and market leaders. The business activities of the PIERER Mobility Group are characterized by ongoing changes. Exploiting the opportunities that these changes present is the essential cornerstone of the success of the PIERER Mobility Group. In order to secure the future success of the business and exploit the opportunities that arise, the group must consciously take risks.

The management of opportunities and risks is the basis for responding appropriately to changes in the underlying political, economic, technical or legal conditions. Where it is likely that the opportunities or risks identified will occur, they have already been incorporated into the statements made in the notes to the consolidated financial statements and the group management report. The following statements include possible future developments or events that could lead to a positive (opportunities) or negative (risks) deviation from the company forecast for the PIERER Mobility Group.

As part of risk management, all individual and cumulative risks that could jeopardize the success of the company are monitored and controlled. Risks that could jeopardize the company as a going concern are generally avoided. The scope of risk consolidation corresponds to the scope of consolidation of the consolidated financial statements of the PIERER Mobility Group.

RISK MANAGEMENT SYSTEM

The main purpose of the PIERER Mobility Group's risk management system is to safeguard and strengthen the company by correctly and

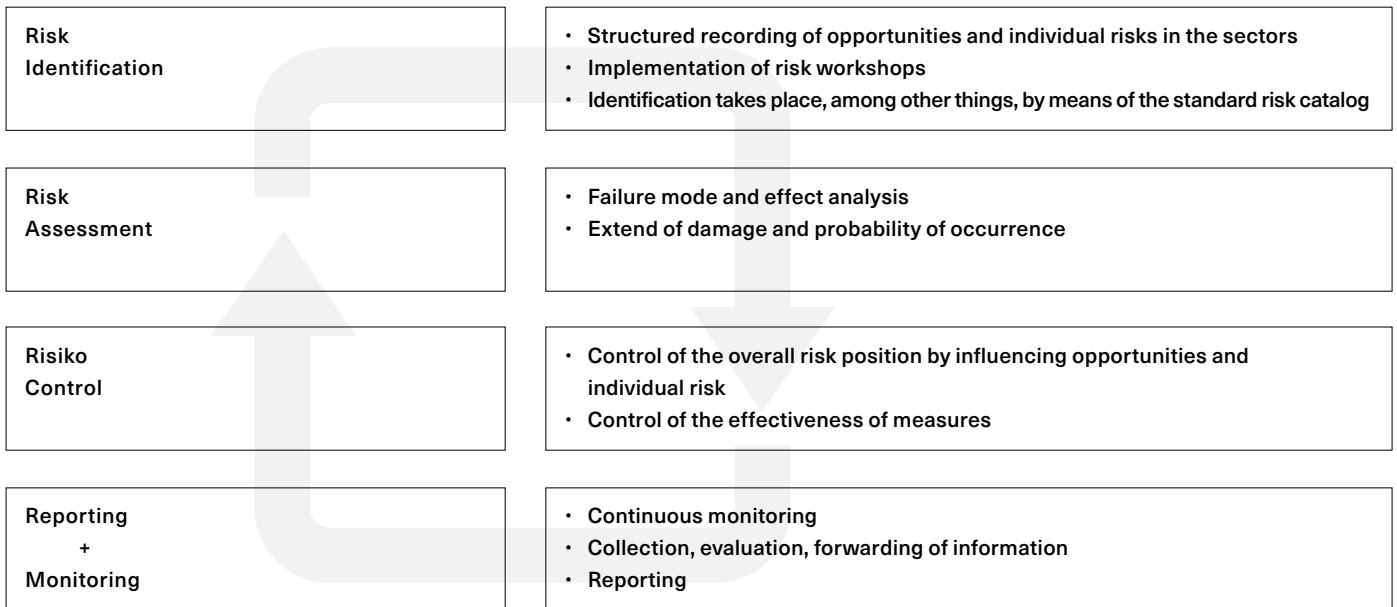
transparently assessing financial, operational and strategic risks. In this context, the Executive Board, together with the management of the main group companies – in particular KTM AG, performs extensive management and controlling tasks within the framework of an internal, integrated control system that covers all major sites. Recognizing, evaluating and responding to strategic and operational risks promptly is an essential part of the management activities of these units and adds significant value to the company. The basis for this is a uniform, group-wide reporting system established on a monthly basis, and ongoing monitoring of operational and strategic plans.

The PIERER Mobility Group has a multi-level risk management system in which group-wide risks are identified by location or geographical area. Operational responsibility and the assessment of group-wide risks is carried out by the risk management of KTM AG and local management and is reported directly to and monitored by the Executive Board and the Group Executive Board.

Preventive analysis of potential or near-miss events is another aim of risk management. In addition, risk management is also responsible for actively controlling risks and evaluating appropriate measures with the business units concerned.

RISK MANAGEMENT STRATEGY

The PIERER Mobility Group bases its risk management strategy on risk analysis and risk assessment according to the COSO® framework. Accordingly, the group has defined the following core areas of the risk management strategy:



Risk management established at the level of KTM AG regularly conducts risk analyses for selected production and distribution sites. Only risks outside the consolidated statement of financial position and the consolidated income statement are presented.

RISK MITIGATION

Depending on the impact on the company, efforts are made to minimize or avoid risks by taking appropriate measures or, in certain cases, to deliberately take them.

RISK ASSESSMENT

The aim of risk assessment is to perform continuous, qualitative and quantitative evaluation of all identified opportunities and risks in order to prioritize risk control measures. Opportunity and risk assessment at the PIERER Mobility Group should meet the following requirements:

- Objectivity: The assessment should be performed according to standards that are as objective as possible.
- Comparability: To allow the opportunities and risks to be compared with each other, a quantitative assessment is made using uniformly defined values (where reasonable and possible).

ASSESSMENT METHODOLOGY

Opportunities and individual risks are assessed on the basis of their likelihood of occurrence and their significance for the net assets, financial position and earnings position of the group. This assessment is based on information about a) risks that have actually occurred in the past, b) benchmark values from the industry or c) realistic expert

estimates prepared by the group itself.

The quantitative assessment follows a scenario-based approach, distinguishing between the following categories: Best Case (BC), Most Likely Case (MLC), and Worst Case (WC). This is a classic triangular distribution. For isolated risks, a qualitative assessment can additionally be used, if necessary, or alternative distributions (normal distribution, etc.) can be used for fluctuating risks. The choice of the respective distribution depends on the type of risk.

RISK MONITORING / CONTROL

The essence of operational risk management is to identify, evaluate and control significant risks arising from operations. This process is carried out in particular by the senior and middle management levels of KTM AG and monitored by the Executive Board of PIERER Mobility AG.

OPPORTUNITIES AND RISK REPORT

The following overview provides a general summary of all identified risks and opportunities and highlights their significance for the PIERER Mobility Group. Overall, the PIERER Mobility Group has not identified any risks that could jeopardize its continued existence as a going concern, neither on the reporting date nor at the time that the financial statements were prepared.

• MARKET RISKS

Cyclical risk

The PIERER Mobility Group operates mainly in the motorcycle and bicycle industry. Sales opportunities are determined by the general economic situation in the countries and regions in which the PIERER Mobility Group is represented with its products. As recent years have shown, the motorcycle sector in particular is cyclical and subject to large fluctuations regarding demand. This risk is counteracted by relevant market research and market forecasts, which are then taken into account in the planning process.

Leading economic institutes assume that the current high inflation rates will not persist in the medium term, i.e. that this is a temporary phenomenon. Nevertheless, the current situation gives rise to a cyclical global procurement and sales risk that also affects the PIERER Mobility Group. Essentially, this risk lies in the increased procurement prices for raw materials, supplies and components – already driven by the global shortage – as well as in the increased production overheads, especially in energy prices, and the sharp rise in transport costs.

On the procurement side, the group is countering the risk from rising procurement prices through several measures, such as the use of alternative supply chains and corresponding activities to reduce costs incurred, the implementation of efficiency measures at supplier partners through support cost engineering, and the agreement on temporary price increases based on indices. In addition, the group has already implemented other significant measures to build up inventories and safeguard production, as mentioned above. Due to the flexibility in the implemented production layout, the group is also able to adjust production schedules as needed in the event of global developments leading to increasingly tight supply chains. Finally, PIERER Mobility is committed to adjusting its logistical procurement structure to minimize transportation distances and associated costs.

However, the global impact of high inflation rates could ultimately be reflected in changes in customers' overall reduced consumption behavior. PIERER Mobility continuously monitors such effects on customers' consumption behavior and notes that demand for PIERER Mobility Group products as a quality provider of PTWs remains at a high level. Further increases in interest rates in the course of fighting inflation could potentially increase pressure on dealers and pose a sales risk for the group. The group is therefore in close coordination with its network of dealers, supporting it with targeted programs.

Competition and pricing pressure

Competition on the motorcycle market in industrialized countries is particularly intense; KTM's strongest competitors are four Japanese and three European manufacturers and, on a slightly smaller scale, a

U.S. manufacturer, some of which have greater financial resources, higher sales figures and market shares. Price pressure in the street motorcycle market is very high, and new competitors are trying to enter the market using low-price strategies. Thanks to its successful market strategy, KTM is Europe's leading manufacturer of powered two-wheel vehicles. The full integration of GASGAS as the third motorcycle brand and the further development of the dealer network has also contributed to this. Thanks to our innovative strength, we see ourselves as the technology leader in the two-wheeler sector in Europe. The strategic partnership with Bajaj, India's second largest motorcycle manufacturer, and the increased level of cooperation with CFMOTO strengthens the company's competitiveness in global markets.

The bicycle market is developing strongly on the supply side: A moderate increase in demand is being offset by a greater increase in supply due to an easing of the supply chain situation for existing suppliers. This is putting pressure on prices and intensifying the battle for market share. The PIERER Mobility Group can exploit its renowned, comprehensive network of dealers as an advantage here. In addition, the portfolio is being expanded in various directions to make it more appealing by integrating brands such as, most recently, FELT Bicycles or cargo bikes from the Johansson brand. The cooperation with MAXCOM in Bulgaria is vital in relocating the value chain to Europe, thus creating resilience and enabling better pricing.

Sales risk

The largest individual sales markets of the PIERER Mobility Group are the European market and the U.S. market. A slump in these markets could have a negative impact on business activities. Entering new markets involves a major cost risk as, in some of these markets, the sales trends as well as the geopolitical conditions are difficult to assess. By collaborating with its strategic partner Bajaj Auto Ltd., Pune, India, the company is working steadily toward implementing a global product strategy in the motorcycle sector. In order to diversify the sales risk, the Bicycle Division is also pursuing the goal of expanding successfully in other markets.

Geopolitical risks

It is also important to keep a very close eye on geopolitical risks. In particular, the war in Ukraine will have a negative impact on the global economy. In business terms, the PIERER Mobility Group is not directly affected by the military conflict that is taking place in Ukraine. Indirectly, the PIERER Mobility Group, along with the whole industry, is confronted primarily by further increases in energy and raw material costs and negative effects on the capital markets.

• INDUSTRY-SPECIFIC RISKS

Restrictions relating to motorcycling

The revenue of the group depends, inter alia, on the possible offroad uses of the motorcycles and is therefore influenced to a considerable extent by the national legal framework regulating offroad motorsport, motorcycle registrations and driver's licenses in the countries where the vehicles are sold.

Due to the introduction of the Euro 5 emissions standard on January 1, 2020, updating the entire Street motorcycle product range to meet the new regulatory requirements was the focus of R&D activities and was completed in 2020. During the 2020 calendar year, all models intended for the EU region and for operation on public roads were newly type-approved according to the "Euro 5" regulations or their type approval was upgraded from "Euro 4" to "Euro 5" by an amendment. Series production of the first "Euro 5" model took place in July 2020 (sample series of KTM 890 Adventure models). The last "Euro 4" model for the EU region was produced in December 2020. Since January 1, 2021, only "Euro 5" vehicles have been produced for the EU region and for operation on public roads (EU Regulation 168/2013 – for more information on Euro 5 requirements, please refer to page 74 in the Sustainability Report 2021).

Procurement risk

In the second year following the outbreak of the COVID-19 pandemic, the group faced increasing difficulties with regard to the supply of semiconductors and the associated shortages of electronic components. In order to support its suppliers in this situation, PIERER Mobility actively intervened in the procurement of electronic components and was thus able to prevent major shortages both at suppliers and at its own production sites. In addition to the shortage of electrical components, there were also bottlenecks in the supply of raw materials such as aluminum and plastic pellets, but these had only immaterial effects due to intensive cooperation in the supply chain.

The first half of 2022 confirmed the forecasts made at the end of 2021 and led to disruptions in the procurement of essential electrical components. Thanks to close cooperation along the entire supply chain, the resulting backlogs were controlled and cleared towards the end of the first half of the year. Even though there were delays in the second half of the year caused by global supply chain bottlenecks in the procurement of certain components, the requirements of the respective production sites were covered for the longer term.

In the current situation, the procurement risk faced by the Motorcycle Division is principally failing to receive ordered components or receiving them on dates other than those originally agreed. In order to ensure the best possible availability of components, PIERER Mobility

focuses on long-term cooperations with supply partners as well as the careful selection of excellent new suppliers in accordance with established criteria. The group works continuously on developing its relationships with its suppliers. From the company's perspective, a deep mutual understanding of the processes is essential here. As the quality of the motorcycles is strongly determined by the quality and properties of the subcomponents that are sourced, particular attention is paid to ensuring suitable operating facilities and production processes at suppliers, as well as their financial strength and compliance with ecological, social and ethical standards.

In the Bicycle Division, the procurement of components and bicycles is planned for the medium term. Short-term fluctuations can also be offset by appropriate storage capacities. The products are priced on the basis of fixed negotiated purchase prices. Prices and capacities are agreed with suppliers in advance and secured. The PIERER Mobility Group has several suppliers from different countries for e-bicycles in its portfolio to reduce the risk of dependency, as far as possible, and to increase the stability of the supply chains. The timely availability of frames and drive components as a risk places increased demands on the suppliers of e-bicycles.

Research and development, racing

Technical innovations and the introduction of new products make a significant contribution to the PIERER Mobility Group's position in the market. To this end, new trends must be identified promptly. To counteract the risk, our own products' innovative capacity must be ensured. Racing achievements are not only an important marketing instrument for the company but also form the basis for product development and set standards for series development. Valuable experience is gathered whenever products can be tested in racing conditions at racing events. Before being introduced into series production, all technical innovations are moreover subjected to comprehensive testing by the quality management system so as to eliminate, to the greatest extent possible, any technical defects that could have a negative effect on earnings development.

In order to further expand our role as a technological pioneer and also to keep pace with major competitors, the PIERER Mobility Group pursues a very intensive research and development strategy. This also explains the relatively high research-spending ratio – currently around 8-9 % of revenue.

• IT RISKS

The PIERER Mobility Group has implemented an IT security and risk management system for the purpose of identifying and managing company-relevant risks in the area of information security. For further information on IT risks, please refer to the notes to the consolidated financial statements (Chapter VII) of PIERER Mobility AG.

• FINANCIAL RISKS

For further information on the risk report and on financial instruments, including the specific measures to mitigate risks through the use of financial instruments (e.g. hedging of foreign currency positions with futures, swaps, etc.), please refer to the notes to the consolidated financial statements (Chapters VII and VIII) of PIERER Mobility AG.

• OTHER RISKS

Risks due to the legal framework

As the PIERER Mobility Group markets its products (motorcycles, e-bicycles and non-e-bicycles) in a large number of countries, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income, and exchange restrictions as well as to the risk of political, social, and economic instability, inflation, and interest rate fluctuations. Motorcycles registered for road use must comply with relevant provisions concerning noise and exhaust gas emissions in order to be approved for sale in each country. The possible offroad uses of motorcycles are also considerably influenced by the national legal framework in the countries where the vehicles are sold. In order to counteract the risk and to be able to act promptly in the event of changes in national legal frameworks, the respective country-specific regulations are thoroughly reviewed and monitored on an ongoing basis prior to market entry.

Business and environmental risk

Environmental risks may relate to products, production, procurement and non-operating factors. With regard to the products, risks arise in relation to emissions such as noise and pollutants or the leakage of harmful substances such as fuel or oil. In order to minimize these risks that may be caused by potential malfunctions, the homologation requirements are strictly observed in addition to other measures, each vehicle tested for its functionality and compliance with all limit values on our own test benches, and a laboratory is in operation to test the interaction of materials used with people and the environment. In addition, the development of emission-free alternative drive systems and products is becoming an increasingly important focus.

In production, environmental risks arise due to the potential leakage of substances, waste and material residues on the premises. Numerous measures are implemented to prevent them. These include waste management concepts, an engine oil treatment plant, emergency plans for each site and professional extraction systems for metal chips that deposit them in the container provided for this purpose. Emissions from operating the test benches are also caught by extraction systems.

Environmental risks in procurement may result from the environment-related shortage and rising prices of resources, cooperation with suppliers that do not operate with sufficient environmental measures, and emissions from delivery routes. In order to minimize these risks, measures are taken that include auditing suppliers, optimizing procurement channels, prioritizing regional procurement, and the use of resource-saving, modern production technology.

In addition, environmental risks arise from weather-related and climate-related phenomena, such as floods and other natural disasters. Although it is not possible to completely rule out the risk of natural disasters, efforts are made to minimize the risk of production processes being impaired by having suitable emergency plans and insurance policies.

Personnel-related risks

Risks may arise if key staff leave the company, especially with regard to the growth course. Efficient personnel management as well as the ongoing implementation of personnel development programs are designed to counteract the risk of key staff leaving the company. The risk of a shortage of skilled staff is countered, among other things, by a comprehensive apprentice training program in the company's own apprentice workshop. The aim is to recruit employees from the region and to retain them in the long term.

Internal and external measures to increase employer attractiveness are an essential element in conveying the predominant spirit of the PIERER Mobility Group to potential new employees. With various cross-media employee campaigns, the company was able to largely meet its personnel requirements in the reporting year. When it came to apprenticeships, attention was not only given to addressing the right target groups, but a dedicated area was also created for the parents of future apprentices in order to provide information about opportunities and possibilities at an early stage and to prevent any uncertainties.

The PIERER Mobility Group has taken numerous measures to protect its employees since the outbreak of the coronavirus pandemic in Austria. Government measures and regulations were implemented comprehensively and quickly and, due to the forward-looking approach and constant engagement with the authorities, some of them were integrated into the day-to-day business even before they were legally required. It was therefore possible to prevent large-scale spread within the company.

Planned regulation in the European Union for combustion engines

As a building block for achieving the European Green Deal, the European Commission's sustainability strategy, the so-called "Fit for 55" strategy pursues the goal of reducing net greenhouse gas

emissions in the European Union by at least 55 % by 2030 compared to the base year 1990.

Part of this package is the amendment of the regulation of CO₂ emissions standards for passenger cars and light commercial vehicles by requiring newly registered passenger cars and light commercial vehicles to be 100 % emission-free from 2035. According to the current proposal from the EU Council, zero-emission vehicles are deemed to be electric vehicles, vehicles powered by fuel cells or vehicles powered by hydrogen. To take account of technological progress, a review of alternative drive solutions is planned in 2026; this will include in particular the use of synthetic fuels, known as e-fuels. Motorcycles are not covered by the regulation.

As a member of the ACEM (European Association of Motorcycle Manufacturers) at the level of KTM AG, PIERER Mobility supports the strategy of decarbonization, which is based on the objectives of the European Green Deal and the Climate Protection Act, as well as the European Commission's Sustainable and Smart Mobility Strategy. Electric mobility will play an essential role here, especially in urban environments. In market segments that are difficult to electrify, such as leisure and touring motorcycles, which are subject to much higher requirements in terms of drive performance and range, other solutions based on the combustion engine will also be important. This will include the use of CO₂-neutral e-fuels in combustion engines in addition to the electrification of the drive system. For PIERER Mobility AG, this strategy provides the guidance on how to deal with the key ESG issue of "sustainable mobility"; among other things, alternative drive technologies or pollutant emissions of vehicles will be considered here.

Independently of regulatory requirements, the PIERER Mobility Group strives to offer solutions for reducing emissions over the long term. Embracing new technology is a key factor for success in this regard. A mix of electrified motorcycles (48 volts) in the lower displacement range (up to max. 250 cm³) and motorcycles above this range running on e-fuels is seen as a scenario for the future by the two-wheeler industry globally.

Reference is made here to the further explanations regarding non-financial or sustainability-related risks (ESG risks) and climate-related risks in the Sustainability Report 2022 and TCFD Report 2022.

7. DISCLOSURES PURSUANT TO SECTION 243A (1) OF THE AUSTRIAN COMMERCIAL CODE (UGB)

1. The share capital is EUR 33,796,535, and is divided into 33,796,535 bearer shares with voting rights, where every ordinary share has an equal stake in the share capital. The shares grant the customary rights due to stockholders under the Austrian Stock Corporation Act. These include the right to payout of the dividends resolved upon at the Annual General Meeting as well as the right to vote at the Annual General Meeting. All the shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTM102). In addition, the shares of PIERER Mobility AG were listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange from March 3, 2020 to October 18, 2022. Since March 1, 2022, the shares of PIERER Mobility AG have additionally been listed on the Vienna Stock Exchange (Official Market). There was no change in the company's share capital in the 2022 financial year. Likewise, no treasury shares were acquired or sold, which is why the company did not hold any treasury shares as of the reporting date of December 31, 2022.

equity holding).
2. Since September 29, 2021, there has been a syndicate agreement between Pierer Konzerngesellschaft mbH, Pierer Industrie AG and Bajaj Auto Ltd. and Bajaj Auto International Holdings B.V. on the one hand (the "Pierer Group") and Bajaj Auto Ltd. and Bajaj Auto International Holdings B.V. on the other hand (the "Bajaj Group") (the "2021 Syndicate Agreement"), which governs the rights and obligations of the two groups of companies with respect to the shareholding of Pierer Industrie AG and Bajaj Auto International Holdings B.V. in Pierer Bajaj AG as the majority shareholder of PIERER Mobility AG. The 2021 Syndicate Agreement provides that the rules of procedure for the Executive Board and the Supervisory Board of Pierer Bajaj AG require the approval of the Supervisory Board members of Pierer Bajaj AG nominated by Bajaj in the event of a transfer of ownership of shares in PIERER Mobility AG. Pierer Bajaj AG, which is economically attributable to Stefan Pierer, is thus subject to restrictions on disposal in light of the syndicate agreement at the level of Pierer Bajaj AG. The Executive Board is not aware of any other restrictions affecting voting rights or the transfer of shares.
3. As far as the company is aware, the following had a direct or indirect equity holding of at least 10 % in the share capital of PIERER Mobility AG as of December 31, 2022:
 - Pierer Bajaj AG: 73.82 % (direct equity holding);
 - Pierer Industrie AG: 73.82 % (indirect equity holding);
 - Pierer Konzerngesellschaft mbH (direct and indirect equity holding): 2.53 % (direct equity holding) and 73.82 % (indirect equity holding).
4. There are no shares with special control rights.
5. There is currently no employee participation scheme in place.
6. There are no provisions going beyond the law with regard to the appointment and dismissal of members of the Executive Board and Supervisory Board and amendments to the Articles of Association.
7. Authorizations to issue or repurchase shares:

Only opportunities to issue or repurchase shares that were still outstanding at the reporting date of December 31, 2022 are taken into account:

Based on the amendment to the Articles of Association resolved at the Annual General Meeting on April 27, 2017, the Company's Articles of Association contain the following provision as Section 5a "Conditional Capital":

The company share capital shall be increased in accordance with Section 159 (2) no. 1 of the Austrian Stock Corporation Act by up to EUR 25 million by issuing up to 25 million no-par value bearer shares (ordinary shares) for issue to creditors of financial instruments in accordance with Section 174 of the Austrian Stock Corporation Act, which are issued using the authorization granted in this Annual General Meeting by the company. The capital increase may only be carried out to the extent that the creditors of financial instruments make use of their options of conversion and/or pre-emption rights on company shares. The issue price and the conversion ratio shall be determined according to a recognized pricing procedure, following accepted financial mathematical methods and based on the company's share price. The newly issued shares of the conditional capital increase are entitled to dividends to the same extent as the existing shares in the company. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to resolve amendments to the articles of association resulting from the issue of shares from the conditional capital.

This conditional capital increase is for issuing new shares to creditors of financial instruments pursuant to Section 174 of the Austrian Stock Corporation Act, which are issued using the

authorization granted in the Annual General Meeting held on April 27, 2017 by the company. This authorization granted by the Annual General Meeting on April 27, 2017 to issue financial instruments pursuant to Section 174 of the Austrian Stock Corporation Act expired in the 2022 financial year without being utilized. A conditional capital increase within the meaning of Section 5a "Conditional Capital" in the version of the Articles of Association applicable at the reporting date will therefore not take place.

The following resolution was adopted during the Extraordinary General Meeting of October 4, 2019:

The Executive Board is authorized for a period of five years, with the approval of the Supervisory Board, to sell or use treasury shares in a way other than via the stock exchange or by means of a public offer for any legally permissible purpose and in so doing also to exclude the shareholders' quota-based purchase right (exclusion of subscription rights) and to determine the terms and conditions of disposal. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes.

However, as of the reporting date of December 31, 2022, the Executive Board is neither authorized to acquire treasury shares nor does the company hold treasury shares.

The following resolutions were adopted during the Annual General Meeting of April 29, 2022:

- a) The Executive Board is authorized in accordance with Section 169 of the Austrian Stock Corporation Act, until April 29, 2027, to increase the share capital of the company from EUR 33,796,535.00 by up to EUR 16,898,267.00 to up to EUR 50,694,802.00 with the consent of the Supervisory Board by issuing, in several tranches if necessary, up to 16,898,267 no-par-value bearer shares in return for cash contributions and/or contributions in kind and to determine the initial offering price and the terms and conditions of the issue and the further details of implementing the capital increase in agreement with the Supervisory Board and, if need be, to offer the new shares to the shareholders for subscription by way of the indirect subscription right pursuant to Section 153 (6) of the Austrian Stock Corporation Act.
- b) The Executive Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in full or in part
 - (i) if the capital increase takes place in return for cash contributions and in total the proportion of the

- company's share capital which can be apportioned to the shares issued in return for cash contributions with no subscription right does not exceed the limit of 10 % of the share capital of the company at the time of granting,
- (ii) if there is a capital increase against a contribution in kind,
 - (iii) to service an over-allotment option (Greenshoe), and/or
 - (iv) for the settlement of fractional amounts.

8. Any agreements on the part of the company which would take effect, change or cease to apply in the case of a change in the controlling interest in the company as a result of a public takeover offer, or the effects thereof, will not be disclosed by the company due to the fact that it would considerably harm the company.
9. There are no compensation agreements between the company and its Executive Board and Supervisory Board members or employees in the case of a public takeover bid.

8. MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM PURSUANT TO SECTION 243A (2) OF THE AUSTRIAN COMMERCIAL CODE (UGB)

The internal control system of the PIERER Mobility Group has the task of ensuring the correctness and reliability of financial reporting, compliance with the legal and internal regulations relevant to the company, as well as the effectiveness and efficiency of operational activities, including the protection of assets from losses due to damages and malversations. Internationally accepted frameworks for internal control systems (e.g. COSO framework) have been considered in designing the elements of the internal control system. The system comprises:

- Group-wide specifications for financial reporting
- Segregation of duties as an organizational measure
- System-based and process-dependent controls
- Process-independent controls
- Management of risks relating to the preparation of financial statements

The PIERER Mobility Group is committed to the continuous development and improvement of the internal control system. To this end, its functionality is regularly monitored through process and data analyses as well as independent, external audit activities. The main features of the internal control system with regard to the financial reporting process are presented below.

CONTROL ENVIRONMENT

The organizational structure of the PIERER Mobility Group forms the basis for the control environment and the internal control system within the company. In terms of the organizational structure in (group) financial reporting, there are clear areas of competence and responsibility at the various management and hierarchical levels of the group. On the one hand, this relates to the group headquarters in Wels as well as the Austrian and all international subsidiaries. Treasury and Business Process Finance are located in the operating areas of the group, with duties and responsibilities also being clearly divided here.

The strong international orientation of the PIERER Mobility Group and the associated decentralized structures of the company and different sites are taken into account by centralizing key corporate functions in the area of financial reporting at the Austrian sites (especially in Mattighofen). The performance and management of national business activities is the responsibility of the respective local management and is monitored by the Executive Board of KTM AG and the Group Executive Board.

In terms of process organization, the PIERER Mobility Group relies on a distinctive and comprehensive set of accounting, valuation and

account assignment rules. This provides an appropriate basis for a strong control environment and control system. New accounting standards are assessed with regard to their impact on the financial reporting of the PIERER Mobility Group. The specifications for financial reporting and financial reporting processes are reviewed on an ongoing basis and adjusted at least annually, or more frequently if necessary. Monitoring compliance with the controls and regulations relating to financial reporting is the responsibility of the relevant management.

RISK ASSESSMENT

Risks relating to the financial reporting process are identified and monitored by the management and taken into account in the risk management process. The focus here is on those risks that are to be considered material. Material risks in the area of financial reporting include incomplete recording of facts relevant to accounting, errors in document recording, and incorrect calculations. Complex accounting principles could lead to an increased risk of error, incorrect reporting, and late preparation of financial statements. There is also a risk of data being accessed by unauthorized persons or of data being manipulated, IT systems failing, and data being lost.

For the preparation of the financial statements, estimates have to be made on a regular basis and there is an inherent risk that future developments may deviate from these estimates. This applies in particular to the following matters/items in the consolidated financial statements: Social capital, outcome of legal disputes, recoverability of receivables, investments and stocks. In some cases, external experts are consulted or publicly available sources are used to minimize the risk of incorrect estimates.

CONTROL MEASURES

The PIERER Mobility Group has integrated its controls directly into the (group) financial reporting processes. An essential element of this, in addition to process-independent external control mechanisms, is the principle of segregation of duties. To ensure complete, timely and correct preparation of the financial statements, quality assurance and control measures have been implemented in all areas involved in the accounting process. All control measures are applied in the ongoing business process to ensure that potential errors in financial reporting are prevented or are detected and corrected. Furthermore, the application of internal company guidelines results in consistent handling of business transactions as well as consistent accounting and reporting. Controls are integrated in the key IT systems with a relevance for financial reporting which prevent, among other things, the incorrect recording of business

transactions, ensure the complete recording of business transactions or the measurement of business transactions in accordance with the financial reporting requirements, or support the verification of consolidation. In view of the increasing demands on IT systems in financial reporting as well as the constantly growing technical possibilities, the PIERER Mobility Group regularly conducts IT-supported analyses of the effectiveness of the measures taken in order to identify and subsequently eliminate any control weaknesses that may have occurred.

Control measures relating to IT security are a cornerstone of the internal control system. For example, the separation of sensitive activities is supported by restricting the allocation of IT authorizations. Automated checks take place through the ERP software used, such as the automated checks for invoice approval and invoice verification.

COMMUNICATION AND MONITORING

Responsibility for the effectiveness of the internal control system in the (group) financial reporting process is clearly defined and lies with the responsible managers and process owners. In addition to the results of the internal assessment, the assessment of effectiveness also includes the results of external audits, e.g., as part of the audit of the annual financial statements or external IT security audits, as well as those of the Supervisory Board and the Audit Committee. Weaknesses in the control system are remedied taking into account their potential impact on the financial reporting processes.

In addition to the financial statements required by law, which are made available to management levels, the group has also implemented a comprehensive internal reporting system that is prepared and distributed at different levels of aggregation depending on the recipient of the report.

Other central instruments of risk monitoring and control are the company-wide guidelines on dealing with significant risks, the planning and controlling processes, and ongoing reporting. The guidelines include the setting and control of limits and actions to limit financial risks, as well as the strict specification of the dual control principle for invoice and payment approvals.

In addition, the internal control system is based on precise information about the accounting and financial reporting processes and also includes their upstream business processes, e.g. purchase requisitions or logistics processes. The effectiveness of the internal control system is reviewed by management in that the results, which are submitted to management in condensed reporting form, are analyzed, evaluated and commented on by management.

The Executive Board and the Audit Committee are informed annually about the assessment of the effectiveness of the internal control

system in financial reporting. In the event of significant changes in the effectiveness of the internal control system, a report is submitted immediately to the Executive Board and, if necessary, to the Supervisory Board, and suitable measures are taken to increase its effectiveness.

9. OUTLOOK

In the 2023 financial year, the PIERER Mobility Group will continue to focus on growth in its core areas, both motorcycles and (e-)bicycles. The Executive Board anticipates revenue growth of between 6 and 10 % with an EBIT margin of 8 to 10 %.

Despite the challenging environment, in particular the war in Ukraine as well as high rates of inflation, the KTM, Husqvarna Motorcycles and GASGAS motorcycle brands have largely managed to maintain their market shares in all their major sales markets. Although the PIERER Mobility Group faces ongoing problems in its global supply chains, it was able to strengthen its market presence with the release of the new models for 2023.

The PIERER Mobility Group expects the motorcycle market to grow in the medium to long term, even though current developments may lead to weaker demand for motorcycles in the short term. Growth in motorcycle sales will be driven primarily by a continued high level of demand in North America and Australia. For Europe, a slight decline in the market is expected. In terms of sales figures, the company expects the motorcycle market to remain positive overall for quality premium products.

In the New Mobility/(E-)Bicycles segment, the market for electric mobility in general has great potential for growth in the short, medium and long term. As part of this market, new mobility concepts represent a healthy, sustainable and individual way of getting around. Similarly to the motorcycle market, the group expects the market to grow in the medium to long term but, here too, current developments may lead to demand weakening in the short term during 2023.

By offering a wide range of innovative products through its Husqvarna E-Bicycles, R RAYMON, GASGAS and FELT brands, the PIERER Mobility Group also has lasting confidence in the bicycle segment and is very keen to further expand its market share. The brand strategy that is being pursued and the focus on new product developments are expected to continue to boost revenues.

In the 2022 financial year, the group faced challenges in its international supply chains because capacity and delivery bottlenecks at individual suppliers and in international transport logistics caused delays to deliveries. Although the group expects these problems to ease slightly in the 2023 financial year, the situation is likely to remain fraught. The PIERER Mobility Group has already taken various measures to identify and minimize negative impacts in the area of supply chain management. The expected challenges and their consequences are to be mitigated by the supplier risk assessment, which has been revised and gradually refined over recent years, and the implementation of the early warning system when there are global events that may directly or indirectly affect the supply chain. In addition to measures taken in response to these

global supply chain issues, PIERER E-Bikes Asia Ltd was established in June 2022 as a local presence in Taiwan. This newly established subsidiary will provide significant support to the PIERER Mobility Group in its supply chain management and therefore reduce the procurement risk by providing direct access to the Asian market.

In line with the group's vision of becoming a global market leader in electrically powered two-wheelers with a motor output of 250 W to 15 KW, the focus of motorcycle development work in the coming years will increasingly be on alternative, in particular electrified, drives in the range up to 250 cm³.

The urban mobility of the future will be characterized by speed limits and short distances and could therefore benefit from electrically powered drives. This is why the group will be focusing its development work on developing various models with low-voltage technology (48 volts). Membership of the "Swappable Battery Motorcycle Consortium" (SBMC) is intended to accelerate the development and dissemination of swappable battery systems and the opening up of technical standards. The PIERER Mobility Group believes that, apart from a few niche products, the electrification of two-wheelers with higher power and distance requirements (over 250 cm³) is not a viable alternative for the mass market. This is where synthetic fuels ("e-fuels") can help to achieve carbon neutrality.

In January 2023, the production of the 1,000,000th motorcycle of the KTM and Husqvarna brands since the establishment of the strategic partnership with the Bajaj Group was celebrated at its production plant in Pune, India. The cooperation with Bajaj will be extended to include the joint development of a 48-volt electric two-wheeler platform. The PIERER Mobility Group expects at least one third of group revenue to be generated from electrified two-wheelers by 2030.

The cooperations which have been stepped up or entered into with CFMOTO and MV Agusta will expand the range of motorcycles sold by the PIERER Mobility Group. This will be implemented by integrating CFMOTO and MV Agusta products into its distribution network, starting in the 2023 financial year. While the distribution of CFMOTO products will focus on specific countries in Europe, MV Agusta motorcycles will be distributed worldwide through newly established companies.

With the expansion of its product range, the PIERER Mobility Group is continuing to pursue its philosophy of providing sustainable mobility solutions for the future through PIERER New Mobility GmbH. The next stages of expansion will be to enter the markets in Great Britain, Australia, New Zealand and South Africa. Independent, differentiated distribution channels are the pillars of the group's successful New Mobility strategy. The cooperation with MAXCOM Ltd. was stepped

up even more in the 2022 financial year and a joint venture was established to handle the supply chain, warehousing and logistics. Commissioning is scheduled for the second half of 2023. In order for PIERER New Mobility GmbH to be able to achieve the future

production and sales volume targets and therefore the lasting corporate growth that the company wants, investments were made in the joint project with MAXCOM Ltd. in 2022 and will continue to be made in 2023.

Wels, March 15, 2023

The Executive Board of PIERER Mobility AG



Stefan Pierer



Friedrich Roithner



Hubert Trunkenpolz



Viktor Sigl

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CONSOLIDATED STATEMENT

of financial position as at December 31, 2022

EURk	Notes No.	12/31/2022	12/31/2021
Assets:			
Non-current assets:			
Goodwill	21	130,655	130,711
Intangible assets	22	570,356	473,561
Property, plant and equipment	23	443,712	361,330
Investments accounted for using the equity method	24	33,341	13,562
Deferred tax assets	25	13,782	9,617
Other non-current assets	26	3,999	4,033
		1,195,845	992,814
Current assets:			
Inventories	27	653,928	405,174
Trade receivables	28	270,422	150,861
Receivables and other assets	29	137,616	110,801
Tax refund claims		14,087	560
Cash and cash equivalents	30	278,738	373,509
		1,354,790	1,040,905
		2,550,635	2,033,719

EURk	Notes No.	12/31/2022	12/31/2021
Equity and liabilities:			
Equity:			
Share capital	31	33,797	33,797
Capital reserves	31	9,949	9,949
Other reserves including retained earnings	31	863,989	716,396
Equity of the owners of the parent company		907,735	760,142
Non-controlling interests	31	6,661	5,409
		914,396	765,551
Non-current liabilities:			
Financial liabilities	32	458,620	506,539
Liabilities for employee benefits	33	26,154	28,763
Deferred tax liabilities	25	124,428	99,977
Other non-current liabilities	34	16,407	14,187
		625,609	649,466
Current liabilities:			
Financial liabilities	32	76,635	56,847
Trade payables	34	737,602	395,581
Provisions	35	44,037	23,105
Tax liabilities		5,203	9,852
Other current liabilities	34	147,152	133,317
		1,010,630	618,702
		2,550,635	2,033,719

CONSOLIDATED INCOME STATEMENT

for the financial year from 1/1/2022 through 12/31/2022

EURk	Notes No.	2022	2021
Revenue	8	2,437,200	2,041,730
Production costs of the services provided to generate the revenue ¹	9	-1,745,878	-1,469,426
Gross profit from sales		691,322	572,304
Selling and racing expenses ¹	10	-242,800	-208,901
Research and development expenses	11	-55,352	-33,330
Administration expenses ¹	12	-164,900	-137,008
Other operating expenses	13	-391	-1,990
Other operating income	14	2,377	744
Earnings from at-equity holdings	15	4,994	1,666
Result from operating activities		235,250	193,485
Interest income	16	4,023	1,864
Interest expenses	16	-19,313	-12,858
Other financial and investment income (expenses)	16	-4,057	9,097
Result before taxes		215,903	191,588
Income taxes	17	-45,280	-48,716
Profit or loss for the financial year		170,623	142,872
thereof owners of the parent company		169,921	82,540
thereof non-controlling shareholders		702	60,332
Undiluted (=diluted) earnings per share (EUR)	18	5.03	3.34

¹ Previous year's amount adjusted, see notes to the consolidated financial statements, point 2 "principles of financial reporting"

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year from 1/1/2022 through 12/31/2022

EURk	Notes No.	2022	2021
Profit or loss for the financial year		170,623	142,872
Items reclassified to profit or loss or which can be subsequently reclassified			
Foreign currency translation re foreign subsidiaries	31	1,684	4,492
Foreign currency translation re investments accounted for using the equity method	24, 31	-255	425
Valuation of cash flow hedges	31	19,651	3,008
Deferred tax on valuation of cash flow hedges	31	-4,742	-752
		16,338	7,173
Items not reclassified to profit or loss			
Revaluation of net debt from defined benefit plans	31, 33	1,606	759
Tax effect	31	-539	-190
		1,067	569
Other net result after tax		17,405	7,742
Total comprehensive income		188,028	150,614
thereof owners of the parent company		187,326	88,054
thereof non-controlling shareholders		702	62,560

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year 1/1/2022 through 12/31/2022

EURk	Notes No.	2022	2021
Operations			
Profit or loss for the financial year		170,623	142,872
+ (-) Interest expenses / interest income	16	15,290	10,994
+ Tax expenses	17	45,280	48,716
+ Depreciation/amortization of property, plant and equipment and intangible assets	22, 23	145,858	138,717
+ (-) Addition (reversal) of non-current liabilities for employee benefits		-1,517	554
(-) + Profit (loss) from equity consolidation	15	-4,994	-1,666
(-) + Profit (loss) from the disposal of fixed assets	22, 23	10,199	12,286
+ (-) Other non-cash expenses (income)	VI	-23,987	-13,284
+ Interest received		3,982	1,855
- Interest payments		-18,880	-11,954
- Tax payments		-43,768	-31,048
+ Dividends received		984	1,022
Gross cash flow		299,070	299,064
- (+) Increase (decrease) in inventories		-241,620	-104,641
- (+) Increase (decrease) in trade receivables, advance payments, other current and non-current assets		-154,610	298
+ (-) Increase (decrease) in trade payables, advance payments and other current and non-current liabilities		377,495	172,642
Increase (decrease) in the net current assets		-18,735	68,299
Cash flow from operations		280,335	367,363

EURk	Notes No.	2022	2021
Investing activity			
- Payments for the acquisition of intangible assets and property, plant and equipment	22, 23	-246,519	-181,922
- Payments for the acquisition of investments accounted for using the equity method and other financial assets	7, 24	-16,017	-773
+ Receipts from the sale of intangible assets and property, plant and equipment		300	599
+ Receipts from the disposal of investments accounted for using the equity method and other financial assets	24	1,275	0
+ (-) Sale and acquisition of subsidiaries	7	-5,477	934
- Payments from other assets		-16,687	-13,961
Cash flow from investing activity		-283,125	-195,123
Free cash flow		-2,790	172,240
Financing activity			
- Dividend payments to third parties		-34,297	-24,448
+ Sale of own shares	31	0	13,595
+ (-) Disposal/acquisition of non-controlling interests	31	-4,804	-27,906
+ Taking out a research loan	VI	0	50,000
+ Taking out non-current interest-bearing liabilities	32, VI	0	29,528
- Repayment of promissory note loan	32, VI	-6,000	-3,500
- Repayment of research loan	VI	-14,118	-25,368
- Repayment of non-current interest-bearing liabilities	VI	-6,687	-11,101
- Repayment of lease liability	VI, 47	-23,414	-18,431
+ (-) Change in other current financial liabilities	VI	-1,975	-9,990
Cash flow from financing activity		-91,295	-27,621
Total cash flow		-94,085	144,619
+ Opening balance of liquid funds within the Group		373,509	218,270
+ Effect of foreign currency fluctuations		-686	10,620
Closing balance of liquid funds within the Group		278,738	373,509

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURk	Notes No.
Balance as of January 1, 2022	
Profit or loss for the financial year	
Other comprehensive income	31
Total comprehensive income	
Transactions with shareholders	
Dividends to third parties	18, 31
Acquisition/disposal of shares to subsidiaries	31
Gains and losses on hedging transactions and hedging costs reclassified to inventories	
Capital measures	31, 34
Miscellaneous	
Balance as of December 31, 2022	

EURk	Notes No.
Balance as of January 1, 2021 after adjustments	
Profit or loss for the financial year	
Other comprehensive income	31
Total comprehensive income	
Transactions with shareholders	
Dividends to third parties	31
Acquisition/disposal of shares to subsidiaries	31
Changes to the scope of consolidation	
Gains and losses on hedging transactions and hedging costs reclassified to inventories	
Acquisition of own shares	31
Disposal of own shares	31
Miscellaneous	
Balance as of December 31, 2021	

Equity of the owners of the parent company

Share capital	Capital reserves	Reserves including total earnings	Reserve in accordance with IFRS 9	Adjustment items currency translation	Reserves for own shares	Total	Shares of non-controlling shareholders	Total consolidated equity
33,797	9,949	714,154	1,369	873	0	760,142	5,409	765,551
0	0	169,921	0	0	0	169,921	702	170,623
0	0	1,067	14,909	1,429	0	17,405	0	17,405
0	0	170,988	14,909	1,429	0	187,326	702	188,028
0	0	-33,797	0	0	0	-33,797	-500	-34,297
0	0	-3,298	0	0	0	-3,298	-1,506	-4,804
0	0	0	-23	0	0	-23	0	-23
0	0	-2,579	0	0	0	-2,579	2,556	-23
0	0	-36	0	0	0	-36	0	-36
33,797	9,949	845,432	16,255	2,302	0	907,735	6,661	914,396

Equity of the owners of the parent company

Share capital	Capital reserves	Reserves including total earnings	Reserve in accordance with IFRS 9	Adjustment items currency translation	Reserves for own shares	Total	Shares of non-controlling shareholders	Total consolidated equity
22,539	9,949	339,548	-1,318	-2,016	-8,447	360,255	293,864	654,119
0	0	82,540	0	0	0	82,540	60,332	142,872
0	0	206	1,871	3,437	0	5,514	2,228	7,742
0	0	82,746	1,871	3,437	0	88,054	62,560	150,614
0	0	-11,173	0	0	0	-11,173	-13,275	-24,448
0	0	309,876	660	-548	0	309,988	-340,458	-30,470
0	0	0	0	0	0	0	2,784	2,784
0	0	0	156	0	0	156	0	156
0	0	5,148	0	0	8,447	13,595	0	13,595
11,258	0	-11,258	0	0	0	0	0	0
0	0	-733	0	0	0	-733	-66	-799
33,797	9,949	714,154	1,369	873	0	760,142	5,409	765,551



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for the 2022 Financial Year

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I. GENERAL INFORMATION

1. COMPANY INFORMATION

PIERER Mobility AG is the umbrella company for Europe's leading manufacturer of powered two-wheelers, and manufactures a full range of premium products under the KTM, GASGAS and Husqvarna Motorcycles brands. The group's innovative strength makes it a pioneering leader in technology for two-wheeled electric mobility through its motorcycle brands. Husqvarna E-Bicycles, GASGAS Bicycles, FELT Bicycles and R Raymon complement the two-wheeler range. The brand range also includes premium components from the WP brand and special KTM X-BOW high-performance sports cars.

Following the strategic partnership with Bajaj in India, the company has been able to diversify its production capacities in recent years and increase its competitiveness in the global market. The cooperation with CFMOTO in China and the joint venture with Maxcom in Bulgaria will boost both bicycle and motorcycle production over the long term. With its leading technology in the field of low-voltage electric mobility, PIERER Mobility aims to become the global market leader for electric two-wheelers in the power range from 250 W to 15 kW.

PIERER Mobility AG has its registered office at Edisonstraße 1, 4600 Wels, and is registered in the commercial register at the Provincial Court of Wels in its capacity as Commercial Court under the registration number FN 78112 x. The company is part of the same group as Pierer Konzerngesellschaft mbH, Wels (ultimate parent company of the group) and its affiliated companies, and is included within the consolidated financial statements of that group. These consolidated financial statements are filed with the Provincial Court of Wels in its capacity as Commercial Court under file number FN 134766 k and are the consolidated financial statements for the largest scope of consolidation.

The shares of PIERER Mobility AG have a primary listing in the "Swiss Performance Index (SPI)" of the SIX Swiss Exchange in Zurich and, as of March 1, 2022, trading was additionally admitted to the Prime Market of the Vienna Stock Exchange, which means that the shares of PIERER Mobility AG are listed in the top segment of the Vienna Stock Exchange. At the request of PIERER Mobility AG, the management of the Frankfurt Stock Exchange has approved the admission of the company's shares (ISIN: AT0000KTM102) for trading on the regulated market of the Frankfurt Stock Exchange with effect from the end of October 18, 2022.

2. PRINCIPLES OF FINANCIAL REPORTING

The consolidated financial statements for the period from January 1 to December 31, 2022 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), insofar as they are applied within the European Union. The additional requirements stipulated by Section 245a (1) of the Austrian Commercial Code (UGB) were also met in this context.

The companies included in the consolidated financial statements are established on the basis of uniform financial reporting provisions. These provisions were applied by all consolidated entities. The companies included in the annual financial statements have prepared their annual financial statements as of the consolidated statement of financial position of December 31.

The financial statements of all major domestic and foreign companies included in the consolidated financial statements, which are subject to mandatory auditing in accordance with national regulations, were audited by independent auditors and received an unqualified audit opinion.

The figures in the consolidated financial statements are reported in the functional currency of the group parent, the euro. Unless otherwise specifically indicated, all amounts are rounded to the nearest 1,000 euros (EUR k), which may give rise to rounding differences. The use of automated calculating tools may result in rounding differences with accumulation of rounded figures and with percentages.

As part of the ongoing optimization of cost monitoring and reporting, the reporting of various logistics, transport and administrative expenses as well as the measurement of PG&A (Parts, Garments and Accessories) in the consolidated income statement was adjusted as of the beginning of the financial year. In order to improve comparability, the cost of sales was increased by EUR 20,795k and administrative expenses by EUR 8,151k in the previous year's consolidated income statement on the one hand, while selling and racing expenses were reduced by EUR 28,946k on the other. The adjustments had no impact on the result.

3. NEWLY APPLIED STANDARDS AND INTERPRETATIONS

The table below shows the standards and interpretations mandatorily applied for the first time that had also already been endorsed by the European Commission as of December 31, 2022:

First-time application	New or amended standards and interpretations	Published by the IASB
January 1 st 2022		
	Amendments to IAS 16 Property, Plant and Equipment - Revenue before Intended Use	May 14 th 2020
	Amendments to IAS 37 Onerous Contracts – Settlement Costs of Contracts	May 14 th 2020
	Amendments to IFRS 3 Business Combinations – Reference to the Framework	May 14 th 2020
	Improvements to IFRS 2018 - 2020 Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	May 14 th 2020

All amended standards and interpretations are either not relevant to the PIERER Mobility Group or have no material impact.

4. STANDARDS AND INTERPRETATIONS TO BE APPLIED IN THE FUTURE

The following table shows the amendments to standards and interpretations that have already been **adopted by the European Commission**, but whose application was not yet mandatory on the reporting date and which have also not been applied early:

First-time application	New or amended standards and interpretations	Published by the IASB
January 1 st 2023		
	IFRS 17 Insurance Contracts	May 18 th 2017
	Amendments to IFRS 17 - First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information	December 9 th 2021
	Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies	February 12 th 2021
	Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	February 12 th 2021
	Amendments to IAS 12 Income Taxes - Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction	May 7 th 2021

The IASB and the IFRIC have passed further standards and interpretations, the application of which was not mandatory during the 2022 financial year and/or which have **not yet been adopted by the European Commission**. These are the following standards and interpretations:

New or amended standards and interpretations	Date of application of IASB	Published by the IASB	EU-Endorsement?
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (including Deferral of the Effective Date and Non-Current Liabilities with Covenants)	January 1 st 2024	October 31 st 2022	No
Amendments to IFRS 16 Leases - Lease liability in a sale and lease-back transaction	January 1 st 2024	September 22 nd 2022	No

The PIERER Mobility Group assumes that there will be no material impact on the consolidated financial statements from the standards to be applied in the future.

5. ESTIMATES AND DISCRETIONARY DECISIONS

In the consolidated financial statements, certain **estimates** and assumptions must be made that affect the recognized assets and liabilities, the disclosure of contingent liabilities as of the reporting date, and the presentation of income and expenses for the financial year. In making estimates, the Executive Board takes account of empirical values and current forecasts. The amounts actually arising may differ from the estimates if assumed parameters develop contrary to expectations. If new conditions become known, they are duly taken into account and previous assumptions are revised.

- In particular, assumptions are made to assess the recoverability of goodwill and intangible assets of indeterminate useful life. Goodwill of EUR 130,655k (previous year: EUR 130,711k) was recognized at the reporting date, along with the "KTM" brand, which is valued at EUR 61,103k (previous year: EUR 61,103k), the "GASGAS" brand, which is valued at EUR 13,346k (previous year: EUR 13,346k), the "FELT" brand, which is valued at EUR 3,707k (previous year: EUR 3,707k), and the "MV Agusta" brand, which is valued at EUR 20,165k (previous year: EUR 0k). For further information, see the explanations in Note 21 "Goodwill" and Note 22 "Intangible assets".
- Deferred tax assets on tax loss carryforwards not subject to expiration are recognized based on the assumption that sufficient taxable income will be generated in the future to allow them to be utilized. Suitable allowances are made in the event of uncertainties in the assumptions. As of December 31, 2022, deferred tax assets on loss carryforwards of EUR 1,747k (previous year: EUR 3,077k) were capitalized. Based on current tax planning, the management expects that the loss carryforwards recognized as of December 31, 2022 will be utilized over the next five years. For further details on deferred taxes, see the explanations in Note 25 "Deferred tax assets".
- In cash flow hedge accounting, assessments are made regarding the occurrence of future cash flows. These cash flows could occur differently in terms of their amount and timing and therefore have an impact on cash flow hedge accounting.
- Furthermore, there is some uncertainty as to the estimation for the recognition and measurement of liabilities for employee benefits. Assumptions are made concerning the following factors: empirical values, demographic assumptions such as the retirement age of women/men and staff turnover, as well as financial assumptions such as the discount rate and future wage and salary trends. Liabilities for employee benefits of EUR 26,154k (previous year: EUR 28,763k) were recognized at the reporting date. For further information, see the explanations in Note 33 "Liabilities for employee benefits".
- Estimates for provisions mainly relate to provisions relating to guarantees and warranties. To determine the amount of the provisions, a direct correlation was established for each product group between revenues and the guarantee and warranty expenses incurred. The percentage value of guarantee and warranty expenses in terms of revenue is checked several times a year and adjusted if necessary. As of December 31, 2022, provisions relating to guarantees and warranties of EUR 20,947k (previous year: EUR 20,000k) were recognized. An average increase in the guarantee cost percentage of 10 % would lead to an increase in the provision of EUR 2,095k (previous year: EUR 1,597k). For the changes in the provisions relating to guarantees and warranties, see Note 35 "Provisions".
- The determination of the fair values of assets and liabilities acquired as part of a business combination and the useful lives of these assets is based on assessments by the management.

- **Leases**
Assessments of the term and interest rates are made. Further details are provided under Note 23 "Property, plant, and equipment" and Note 47 "Leases as lessee".
- Estimates are made for inventories in connection with inventory valuation and analysis of coverage. In addition, allowance requirements are recorded on a case-by-case basis due to long storage periods and limited sales possibilities

The following **judgments** were made in respect of the application of accounting policies in the PIERER Mobility Group:

- **Development costs**
Development costs are capitalized in accordance with the accounting policy presented. The initial capitalization of costs is based on management assumptions regarding the assessment of the future economic benefit of the expenses incurred and the technical feasibility of the developed product or process, as well as its marketability.
- **Derecognition of receivables in connection with ABS and factoring agreements**
Evaluations were made with respect to the conditions for derecognition under IFRS 9. For further details, please refer to Section VIII. "Financial instruments and capital management".
- **Supplier finance**
Assessments were made regarding the disclosure of liabilities in relation to the supplier finance program. Further details are provided under Note 34 "Other current and non-current liabilities and trade payables".
- **Consolidation**
In determining whether control exists in accordance with IFRS 10, management exercises judgments in determining the relevant activities of the subsidiaries.

Impact of climate-related issues on financial reporting:

The global mobility industry, which includes bicycles and motorcycles, is undergoing profound change as a result of the increasing focus on the impacts on climate change. This is primarily leading to ongoing revision of regulatory requirements for fuel efficiency, electrification, and to changes in fuel efficiency, greenhouse gas emissions, and other exhaust emissions. In addition, there are technological changes, such as the electrification of Powered Two-Wheelers (PTWs).

One of the key pillars of the PIERER Mobility Group's sustainability strategy is the decarbonization of transport. The PIERER Mobility

Group endeavors to provide drive solutions for PTWs that champion this approach, independently of binding legal requirements and comparative figures. As an ACEM member, the group therefore shares its strategy for decarbonization, which is aligned with the objectives of the European Green Deal and the Climate Change Act, as well as the "Sustainable and Smart Mobility Strategy" of the European Commission.

The industry goal, which is based on the concept of "Right Vehicle, Right Place, Right Energy Carrier," is to consider and cater for all areas of application for motorcycles by adopting a technology-neutral approach. Targeted use of different drive technologies and energy carriers makes it possible to contribute to ecological goals such as the ultimate goal of achieving carbon neutrality in the transport sector.

The group's sustainability strategy forms part of management's planning calculations and has thus been considered in the preparation of the consolidated financial statements for a variety of different topics (as discussed below). However, current developments and measures adopted by management to implement the sustainability strategy are not leading to fundamental changes in assumptions and estimates in the preparation of the consolidated financial statements. The Executive Board estimates the potential impact of climate-related opportunities and risks on the consolidated financial statements under IFRS as follows:

- **Useful lives of non-financial assets:**
The PIERER Mobility Group has evaluated the extent to which the useful lives of property, plant and equipment and intangible assets could be affected by climate-related issues. In particular, an assessment was made to determine whether, on the basis of existing and forthcoming legal and regulatory requirements, industrial plants can no longer be used to the extent that was originally envisaged. It was not possible to conclude that useful lives would be affected by external or internal obligations.
- **Impairment losses on assets:**
The short-term and medium-term financial plans and thus the impairment tests are based on the sustainability strategy and the business model with a focus on sustainability. The short-term and medium-term financial plans of the individual CGUs take appropriate account of assumptions made regarding climate-related factors in capital expenditure programs (CAPEX), technologies and production processes for achieving the group's internal climate targets, and in the ecologically sustainable product mix based on them, in line with the "Right Vehicle, Right Place, Right Energy Carrier" concept.
- **Provisions and contingent liabilities:**
In the 2022 financial year, the PIERER Mobility Group did not incur

any new obligations arising from the violation of climate protection laws and/or climate regulations that would have required the recognition of a provision or the disclosure of a contingent liability.

The PIERER Mobility Group is constantly adapting its sustainability strategy to reflect evolving requirements and technological changes or to take account of future business plans or strategies. As the potential impact of regulatory requirements, technological changes or future plans and strategies that have not yet been announced and their operationalization, including the reallocation of resources, cannot be estimated, the consolidated financial statements may be affected by these developments in future periods.

Impact of the Russian-Ukrainian war:

The PIERER Mobility Group has not identified any significant reason to materially change its estimates and expectations as of December 31, 2022 on the basis of the war that is happening in Ukraine. The group does not have any investments, other assets or other material business relationships in Ukraine, Russia or Belarus, nor does the Group have any material business relationships with suppliers or dealers in these countries. With this in mind, the company does not expect any material impact on the expected future cash flows. Equally, PIERER Mobility AG has not suffered, and does not expect to suffer, any loss of control, joint control or the ability to exercise significant influence over any entity as a result of the war or the sanctions that have been imposed.

In order to identify possible additional credit losses, the group has analyzed the structure of its trade receivables from customers in Ukraine, Russia and Belarus. The Group expects its customers in Belarus to be able to service their liabilities because sanctions have not been imposed on payment transactions. This has not resulted in any significant amount of trade receivables needing to be adjusted. In calculating the probability of default, the structure of trade receivables analyzed did not show any material change in payment behavior or any material risk from existing customer or dealer relationships. Further explanations in relation to expected credit losses on trade receivables can be found in Note 40.

The situation regarding the lack of direct impact which has been described above also leads the PIERER Mobility Group to conclude that there are no direct indications that an impairment loss exists, especially at the level of property, plant and equipment and rights of use. In accordance with the rules of IAS 36, there is no need for impairment for the "KTM" CGU and the "PIERER New Mobility (formerly: PIERER E-Bikes)" CGU (see Note 21 "Goodwill" for a further explanation).

II. SCOPE OF CONSOLIDATION

6. CONSOLIDATION PRINCIPLES AND METHODS

All subsidiaries are **fully consolidated** in the consolidated financial statements of PIERER Mobility AG. Subsidiaries are companies controlled by the group. The financial statements of subsidiaries are included in the consolidated financial statements from the moment control begins and until the moment control ends. Unless otherwise stated, the amount for non-controlling interests is recorded with the pro rata net assets of the acquired company without goodwill.

Investments in associates are included in the statement of financial position item "Investments accounted for using the **equity method**".

The **reporting currency** of the PIERER Mobility Group is the euro. The subsidiaries and the holdings accounted for using the equity method prepare their annual financial statements in their functional currency. In this context, assets and liabilities included in the financial statements to be consolidated are translated using the average exchange rate on the reporting date and the income statement items are translated using the mean rate of exchange for the financial year. The following significant exchange rates for the PIERER Mobility Group were used for currency translation into the reporting currency:

	Closing rate		Average rate	
	12/31/2022	12/31/2021	2022	2021
US-dollar	1.0666	1.1326	1.0500	1.1816
Swiss franc	0.9847	1.0331	1.0017	1.0799
Japanese yen	140.6600	130.3800	138.1392	130.3200
South African rand	18.0986	18.0625	17.2127	17.5922
Mexican peso	20.8560	23.1438	21.0536	24.0516
Australian dollar	1.5693	1.5615	1.5154	1.5783
Chinese Renminbi	7.3582	-	7.1543	-

7. CHANGES IN THE SCOPE OF CONSOLIDATION

All subsidiaries that are either legally or de facto under the control of PIERER Mobility AG are included in the present consolidated financial statements as of December 31, 2022. The number of companies included in the scope of consolidation changed as follows in the 2022 financial year:

	Fully consolidated companies	At-equity companies
Balance as of 12/31/2021	67	3
Additions to the scope of consolidation	10	2
Eliminations from the scope of consolidation	-1	0
Balance as of 12/31/2022	76	5
thereof foreign companies	53	3

PIERER Mobility AG, as the parent company of the PIERER Mobility Group, has not been included in this list. The entities included in the consolidated financial statements and their dates of initial consolidation are listed in Section XII. "Group companies (schedule of equity holdings)".

Changes in the fully consolidated entities• **Additions to the scope of consolidation:**

In May 2022, PIERER E-Bikes Asia Ltd. with registered office in Taichung City, Taiwan was newly founded and consolidated for the first time.

In June 2022, CFMOTO Europa GmbH with registered office in Mattighofen, Austria was newly founded, consolidated for the first time and in September 2022 renamed CFMOTO Motorcycles

Distribution GmbH. Furthermore, PIERER E-Commerce North America Inc., Murrieta, CA, USA was also founded in June and was fully consolidated in the consolidated financial statements of PIERER Mobility AG accordingly.

With effect from July 7, 2022, KTM North America, Inc., Murrieta, CA, USA acquired 100 % of the shares in PIERER IMMOREAL NORTH AMERICA LLC, Murrieta, CA, USA from PIERER IMMOREAL GmbH, Wels. The following assets and liabilities were acquired:

EURk	
Non-current assets	44,794
Current assets	6,949
Non-current liabilities to affiliated companies	30,515
Current liabilities	6,666
Net assets	14,562
Negative goodwill	-2,136
Contribution value	-12,426
Cash and cash equivalents acquired	6,949
Net cash outflow from acquisition	-5,477

The difference (credit item) of EUR 2,136k arising on initial consolidation was recognized as other operating income.

Furthermore, in July 2022 KTM (SHANGHAI) MOTO CO., LTD. with registered office in Shanghai, China was newly founded and consolidated for the first time.

In September 2022, MV Agusta Motorcycles GmbH, with registered office in Mattighofen, Austria and MV Agusta Motorcycles North America, Inc., Murrieta, CA, USA were newly founded and fully consolidated.

In October 2022, PIERER NEW MOBILITY AUSTRALIA PTY LTD, based in New South Wales, was newly founded in Australia, and MV Agusta Services S.r.l., based in Merano, was newly founded in Italy, and both were fully consolidated in the consolidated financial statements accordingly.

In addition, PIERER Produktion GmbH, with registered office in Munderfing, was founded and consequently consolidated for the first

time in November 2022.

• **Departures from the scope of consolidation:**

With effect from November 2, 2022, FELT GmbH, Munich, Germany was merged into PIERER New Mobility Deutschland GmbH (formerly: PIERER E-Bikes Deutschland GmbH), Schweinfurt, Germany.

Changes in entities accounted for at-equity

With effect from November 15, 2022, 25.1 % of the shares in MV Agusta Motor S.p.A., Varese, Italy were acquired. In addition, in December the group acquired 23 % of the shares in Vöcklabrucker Metallgießerei Dambauer GmbH, Vöcklabruck. Both companies are included in the consolidated financial statements using the equity method.

III. SEGMENT REPORTING

The business activities of PIERER Mobility AG are managed on the basis of the two divisions "Motorcycles" and "Bicycles (formerly: E-Bicycles)". The individual segments are managed separately and report to PIERER Mobility AG in accordance with IFRS accounting regulations. The main decision-maker for the segment report is the overall Executive Board of PIERER Mobility AG. The segment reporting is made with the segments Motorcycles, Bicycles and Others, according to the internal reporting.

MOTORCYCLES:

The "Motorcycles" segment comprises the development, production and distribution of motorcycles under the "KTM", "Husqvarna Motorcycles" and "GASGAS" brands as well as components of the "WP" brand. As of December 31, 2022, the Motorcycles segment included 57 subsidiaries, located in Austria, the United States, Japan, South Africa, Mexico, India, Australia and New Zealand and in various other European and Asian countries, which are included within the consolidated financial statements. In addition, interests are also held in assembly companies in the Philippines and China.

BICYCLES:

PIERER New Mobility GmbH together with its subsidiaries forms the "Bicycles" segment of the PIERER Mobility Group. With the "Husqvarna E-Bicycles", "GASGAS Bicycles", "FELT Bicycles" and "R Raymon" brands, the focus is on developing, manufacturing and trading e-bicycles and bicycles. In total, the segment comprises 13 fully consolidated companies.

OTHERS:

The "Others" segment encompasses PIERER Mobility AG, PIERER Innovation GmbH, Avocado GmbH, PIERER E-Commerce GmbH (formerly: HDC GmbH), PIERER E-Commerce North America Inc., DealerCenter Digital GmbH and Platin 1483 GmbH.

None of the segments has a dependency on external customers within the meaning of IFRS 8.34. Goods and services between the segments are provided on an arm's length basis. The segment performance indicator EBIT describes the operating result for the period before the financial result and income taxes. The investments relate to additions to property, plant and equipment and intangible assets (excluding lease additions in accordance with IFRS 16). Income accounted for using the equity method is included in EBIT in accordance with the classification of the consolidated income statement. Working capital employed corresponds to the sum of inventories and trade receivables less trade payables as of the

reporting date. Net financial debt corresponds to the total of current and non-current financial liabilities (including lease liabilities) less cash at the reporting date.

The segment information for the 2022 and 2021 financial year breaks down among the segments described as follows:

2022 EURk	Motorcycles	Bicycles	Other	Consolidation	TOTAL
Revenues (including revenues within the segments)	2,262,491	171,192	55,496	-51,979	2,437,200
External revenues	2,262,049	171,192	3,959	0	2,437,200
Result from operating activities	240,968	2,458	-8,972	796	235,250
Investments ¹⁾	258,665	11,780	788	-3,707	267,526
Depreciation and amortization	-140,250	-4,005	-3,120	1,517	-145,858
Share in the result of companies accounted for using the equity method	4,172	0	0	822	4,994
Balance sheet total	2,354,682	212,706	258,115	-274,868	2,550,635
Equity	900,624	41,239	233,767	-261,234	914,396
Working Capital Employed	185,872	-6,072	4,133	2,814	186,747
Net debt	-254,720	10,832	-13,675	1,046	-256,517
2021 EURk	Motorcycles	Bicycles	Other	Consolidation	TOTAL
Revenues (including revenues within the segments)	1,876,418	162,719	54,433	-51,840	2,041,730
External revenues	1,876,222	162,717	2,791	0	2,041,730
Result from operating activities	192,763	7,032	-7,713	1,403	193,485
Investments ¹⁾	166,652	9,859	1,974	0	178,485
Depreciation and amortization	-132,482	-4,348	-1,888	0	-138,718
Share in the result of companies accounted for using the equity method	256	0	0	1,410	1,666
Balance sheet total	1,891,760	110,409	362,274	-330,724	2,033,719
Equity	730,894	40,623	306,513	-312,479	765,551
Working Capital Employed	156,136	-4,904	7,743	1,479	160,454
Net debt	-174,517	6,589	-22,806	857	-189,877

1) Excluding IFRS 16 (Leasing); Lease additions in 2022 amounted to EUR 25,877k (previous year: EUR 24,626k).

IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement is prepared according to the cost of sales method. In the 2022 financial year, there was a reclassification of logistics and transport expenses and the measurement of PG&A (parts, garments, and accessories) within the income

statement. Further information on the restatement of the previous year's amounts relating to cost of sales, selling and racing expenses, and administrative expenses can be found under Note 2, "Accounting policies".

8. REVENUES

Revenues, minus cash discounts, customer bonuses, and rebates, are generally recorded upon the passing of the risk as per the terms of the transaction (Incoterms) or at the time when performance was rendered.

The breakdown by geographical area of external revenues is based on the location of the customers. The revenues by geographical regions of the group are made up as follows:

EURk	2022	2021
Europe	1,133,296	1,142,492
North America and Mexico	825,755	468,188
Other	478,149	431,050
	2,437,200	2,041,730

Variable forms of consideration such as discounts, sales bonuses, and cash discounts are reported as revenue reductions. Variable consideration commitments are reported as contractual obligations within the meaning of IFRS 15. The contractual obligations for variable considerations in respect of price discounts, sales bonuses and cash discounts amounted to €63.5 million as of December 31, 2022 (December 31, 2021: € 50.4 million).

As warranties are not sold separately, they only provide assurance that the products being sold meet the agreed specifications. As these warranties do not depart from the statutory warranty obligations or those that are typical of the industry in terms of their duration or their content, they are deemed to be assurance-type implied warranties, which do not constitute a separate performance obligation. Accordingly, the warranties continue to be recognized in accordance with IAS 37.

9. COST OF SALES

The group's cost of sales is made up as follows:

EURk	2022	2021
Cost of materials and purchased services	1,488,845	1,224,034
Personnel expenses	138,893	112,491
Amortization charged to capitalized development costs	61,024	59,839
Depreciation/amortization of property, plant and equipment and other intangible assets	30,550	28,031
Other operating expenses	26,566	45,031
	1,745,878	1,469,426

Cost of sales includes expenses from foreign currency translation differences of EUR 31,966k (previous year: EUR 5,518k).

10. SELLING AND RACING EXPENSES

The group's selling and racing expenses are made up as follows:

EURk	2022	2021
Cost of materials and purchased services	39,974	39,737
Personnel expenses	110,101	92,760
Depreciation/amortization of property, plant and equipment and other intangible assets	13,047	12,688
Other operating expenses	129,073	104,296
Sponsorship money and other operating income	-49,395	-40,580
	242,800	208,901

11. RESEARCH AND DEVELOPMENT EXPENSES

The group's research and development expenses are made up as follows:

EURk	2022	2021
Cost of materials and purchased services	9,419	8,534
Personnel expenses	33,820	29,210
Depreciation/amortization of property, plant and equipment and other intangible assets	8,159	8,420
Other operating expenses	25,272	3,384
Subsidies and other operating income	-21,318	-16,218
	55,352	33,330

Expenses disclosed under research and development expenses comprise research costs and non-capitalizable development costs. Personnel expenses before the effects of capitalizing development costs were EUR 91,947k (previous year: EUR 77,374k). The research

and development expenses (before capitalizing development costs) totaled EUR 213,209k (previous year: EUR 162,361k) and therefore 8.7 % (previous year: 8.0 %) of revenue.

12. ADMINISTRATIVE EXPENSES

The group's administrative expenses are made up as follows:

EURk	2022	2021
Cost of materials and purchased services	3,060	3,300
Personnel expenses	65,336	54,339
Depreciation/amortization of property, plant and equipment and other intangible assets	33,078	29,740
Other operating expenses	66,932	51,617
Other operating income	-3,506	-1,988
	164,900	137,008

13. OTHER OPERATING EXPENSES

The other operating expenses total EUR 391k (previous year: EUR 1,990k).

Miscellaneous other expenses include bank charges and, in the previous year, mainly effects resulting from changes in the scope of consolidation amounting to EUR 1,562k.

14. OTHER OPERATING INCOME

Other operating income is realized when the economic benefit arising from the underlying contract becomes probable and a reliable determination of the income can be made.

The group's other operating income is made up as follows:

EURk	2022	2021
Income from the disposal of assets	137	254
Consolidation changes	2,136	142
Other remaining income	104	348
	2,377	744

15. EARNINGS FROM AT-EQUITY HOLDINGS

The share of the profit/loss of associates accounted for using the equity method is shown in the income statement as a separate item in the result from operating activities. These are mainly equity holdings that are involved in the operating activities of the PIERER Mobility

Group as major suppliers or customers.

The earnings from the companies accounted for using the equity method are made up as follows:

EURk	2022	2021
Kiska GmbH	822	1,485
KTM Asia Motorcycle Manufacturing Inc.	72	280
China Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.	4,100	-24
DealerCenter Digital GmbH	0	-75
	4,994	1,666

16. FINANCIAL AND INVESTMENT EARNINGS

The group's financial and investment earnings are made up as follows:

EURk	2022	2021
Interest income	4,023	1,864
Interest expenses	-19,313	-12,858
Other financial and investment income (expenses)	-4,057	9,097
	-19,347	-1,897

The group's other financial and investment income is made up as follows:

EURk	2022	2021
Foreign exchange valuation of bank deposits	-1,676	8,652
Foreign currency valuation of given loans	441	0
Cost of hedging	-2,483	71
Valuation interest swap	17	365
Impairment of non-current financial assets	-450	0
Gain / Loss from the disposal of non-consolidated subsidiaries	94	9
	-4,057	9,097

17. INCOME TAXES

The group's income tax expense and income are attributable to current taxes and deferred taxes as follows:

EURk	2022	2021
Current tax	-34,626	-34,933
Deferred tax	-10,654	-13,783
	-45,280	-48,716

Income taxes comprise taxes on income and earnings payable in each country as well as deferred taxes. The Austrian companies of the PIERER Mobility Group are subject to a corporate income tax rate of 25 %. In Austria, a tax reform law was passed in 2022 and provides for a gradual reduction in the corporate income tax rate. The corporate income tax rate will be reduced to 24 % for 2023 and to 23 % from 2024 onwards. Following this tax rate change, deferred

taxes were calculated using the respective future tax rate that will apply at the time of the anticipated reversal of the difference in value. The calculation of foreign income taxes is based on the laws and regulations that are in force or have been adopted in the individual countries. The income tax rates applicable to foreign entities vary from 9.0 % to 34.6 %.

A reconciliation between the expected tax expense for the financial year (application of the group tax rate of 25 % to earnings before taxes) and the actual tax expense recognized can be presented as follows:

EURk	2022	2021
Expected tax expenses / income	215,903	191,588
Expected tax expenses / income	-53,976	-47,897
Non-temporary differences and other tax additions	-3,010	-3,935
Recognition / allowances / utilization of loss carryforwards	-1,995	211
Non-taxable results in consequence of consolidation changes	534	-776
Taxes in relation to prior periods	-2,608	-1,081
Effects of foreign tax rates	-286	-408
Earnings from equity holdings	1,062	488
Investment benefits	5,362	3,850
Tax rate changes	9,696	0
Miscellaneous	-59	832
	-45,280	-48,716

The decrease in the tax rate to 21.0 % (previous year: 25.4 %) is partly due to the reduction in the tax rate in Austria. The effect from the revaluation of deferred taxes as of January 1, 2022 amounting to EUR 7,011k as well as from ongoing changes in 2022 amounting to

EUR 2,685k results mainly from the development costs which cannot be capitalized for tax purposes as well as from differences arising from the recognition of the "KTM" brand.

18. EARNINGS PER SHARE AND PROPOSAL ON THE APPROPRIATION OF NET PROFIT

Earnings per share in the current 2022 financial year amounted to EUR 5.03 (previous year: EUR 3.34) and are calculated as follows:

	2022	2021
Earnings - owner of parent company (EURk)	169,921	82,540
Total number of shares (units)	33,796,535	33,796,535
Effect of own and new shares (units)	0	-9,048,544
Weighted average of shares	33,796,535	24,747,991
Undiluted (=diluted) earnings per share (EUR)	5.03	3.34

According to the Austrian Stock Corporation Act, the separate financial statement issued by PIERER Mobility AG in accordance with the Austrian accounting regulations on December 31, 2022 forms the basis for the payment of dividends.

For the 2022 financial year, it is proposed that, from the net profit of PIERER Mobility AG amounting to EUR 187,172k, a dividend of EUR 2 per share (equating to EUR 67,593k in total) is paid out and the remaining amount is carried forward. A dividend of EUR 33,797k was paid from the net profit in 2021.

19. EXPENSES FOR THE AUDITOR OF THE FINANCIAL STATEMENTS

The expenses for the auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft attributable to the reporting period break down as follows:

EURk	2022	2021
Annual audit for each individual company and the consolidated financial statements	564	550
Other assurance services	48	51
Other services	56	127
	668	728

20. EMPLOYEES

Employee numbers as stated include agency and external staff:

Balance as of 1/1/2022	5,249
Changes during the financial year	839
Balance as of 12/31/2022	6,088

As of December 31, 2022, there were 3,293 white-collar employees (previous year: 2,862) and 2,795 manual workers (previous year: 2,387). As of December 31, 2022, 5,008 employees (previous year: 4,340) were employed in Austria and 1,080 employees (previous year: 909) were employed abroad. On average, the group employed 5,727 people (previous year: 4,948), of which 3,088 were white-collar

employees (previous year: 2,660) and 2,639 manual workers (previous year: 2,289).

During the 2022 financial year, total personnel expenses before the effects of capitalizing development costs were EUR 406,277k (previous year: EUR 336,964k).

V. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

21. GOODWILL

In accordance with IAS 36.99, the detailed calculation of the recoverable amount as of December 31, 2020 was used for the impairment test of the "KTM" and "PIERER New Mobility" cash-generating units (CGUs) in the 2021 financial year, as the assets and liabilities of the CGUs have not changed materially since the last calculation of the recoverable amount; the last calculation showed a material excess of the carrying amount of the CGUs. Based on an analysis of the events that have occurred and circumstances that have changed since December 31, 2020, management believes that there is still an extremely remote likelihood that the recoverable amount would be less than the carrying amount in a current calculation. This is confirmed on the one hand by the record results and outperformance of the forecasts for 2021 and 2022, and on the other hand also by the continued positive forecast for 2023 of the PIERER Mobility Group.

Nevertheless, in view of the macroeconomic developments in the 2022 financial year (including the Ukraine-Russia conflict, interest rates, inflation), the recoverability of goodwill was assessed based on current calculations.

The calculation was made using the following method: The forecast of cash flows is based on financial budgets approved by management and/or forecasting, taking into account the medium-term strategy targets. Estimated cash flows beyond this period are calculated by extrapolation of budget/forecast values, whereby constant further development based on a growth rate of 1 % is assumed from the third year onwards. The discount rate used was a weighted average cost of capital (WACC) before taxes of 11.6 % (2020: 9.6 %) for "KTM" and 11.3 % (2020: 9.4 %) for "PIERER New Mobility". All other conditions being equal, for the "KTM" cash-generating unit any increase in input tax for WACC to 18.9 % (2020: 13.8 %) or decline in budgeted future EBITs by 36.6 % (2020: 29.8 %) would result in the carrying amount of the CGU corresponding to the recoverable amount. All other conditions being equal, for the "PIERER New Mobility" cash-generating unit any increase in input tax for WACC to 34.3 % (2020: 25.3 %) or decline in budgeted future EBITs by 68.4 % (2020: 63.2 %) would result in the carrying amount of the CGU corresponding to the recoverable amount.

The breakdown of goodwill and its development and division between the respective CGUs is as follows:

EURk	2022	2021
Acquisition and production costs:		
Balance as of 01/01	150,681	150,995
Changes in the scope of consolidation	0	-569
Currency translation	-49	255
Balance as of 12/31	150,632	150,681
Accumulated depreciation and amortization:		
Balance as of 01/01	19,970	19,961
Changes in the scope of consolidation	0	0
Currency translation	7	9
Balance as of 12/31	19,977	19,970
Balance as of 12/31	130,655	130,711
KTM	110,253	110,309
PIERER New Mobility (formerly PIERER E-Bikes)	19,457	19,457
Avocodo	945	945

22. INTANGIBLE ASSETS

Intangible assets are capitalized in the same way as property, plant and equipment, at acquisition or production cost and measured less amortization. Amortization is calculated in accordance with the

straight line method and is based on the following expected useful lives:

Useful life	in years
Software	3 - 5
Intangible assets generated internally	5

For intangible assets generated internally, the production period is subdivided into research, development, and model update phases. Costs incurred during the research and model update phases are immediately recognized in profit and loss. Capitalized development costs that can be clearly attributed to projects are amortized from the commencement of series production.

In the 2022 financial year, development costs of EUR 136,539k (previous year: EUR 112,959k) were capitalized and a total of EUR 61,024k (previous year: EUR 59,839k) were amortized. As of December 31, 2022, development costs with a carrying amount of EUR 420,572k (previous year: EUR 352,856k) are included in intangible assets.

Intangible assets of indeterminate useful life, such as the "KTM", "GASGAS" and "FELT" brands, which were recognized in the course of the initial purchase price allocation at a value of EUR 61,103k, EUR 13,346k, and EUR 3,707k, respectively, and the "MV Agusta" brand acquired during the financial year with a value of EUR 20,165k, are not amortized but are instead subjected to an impairment test in accordance with IAS 36. The Executive Board assumes an indeterminate useful life for the brands because the rights are not subject to any restrictions as to time, in law or by contract in the relevant sales markets and because the sustained public awareness of the brands indicates that there has been no loss of economic value. The three "KTM", "GASGAS" and "MV Agusta" brands are allocated to the "KTM" cash-generating unit, and the "FELT" brand is allocated to the "PIERER New Mobility" cash-generating unit. As the brands do not generate cash inflows that are largely independent of the cash inflows from other assets, the impairment test is performed as part of the impairment tests of the respective "KTM" and "PIERER New Mobility" goodwill (see Note 21. "Goodwill").

The tables below provide a breakdown of intangible assets along with movements during the 2022 and 2021 financial years:

EURk	Concessions, industrial property rights and similar rights and benefits as well as resulting licenses	Customers, Brand values, Development cost	Advance payments	Total
Acquisition and production costs:				
Balance as of 01/01/2022	82,567	615,768	3,473	701,808
Additions	11,693	156,705	12,175	180,573
Disposals	-5,103	-96,649	0	-101,752
Changes in the scope of consolidation	0	0	0	0
Currency translation	67	0	0	67
Transfers	1,416	10	-1,087	339
Balance as of 12/31/2022	90,640	675,834	14,561	781,035
Accumulated depreciation and amortization:				
Balance as of 01/01/2022	54,498	173,749	0	228,247
Additions	12,305	62,705	0	75,010
Disposals	-4,751	-87,849	0	-92,600
Changes in the scope of consolidation	0	0	0	0
Currency translation	22	0	0	22
Transfers	-15	15	0	0
Balance as of 12/31/2022	62,059	148,620	0	210,679
Carrying amount:				
Balance as of 12/31/2022	28,581	527,214	14,561	570,356
Balance as of 12/31/2021	28,069	442,019	3,473	473,561

EURk	Concessions, industrial property rights and similar rights and benefits as well as resulting licenses	Customers, Brand values, Development cost	Advance payments	Total
Acquisition and production costs:				
Balance as of 01/01/2021	79,908	544,663	3,711	628,282
Additions	9,698	117,381	3,374	130,453
Disposals	-10,929	-47,226	0	-58,155
Changes in the scope of consolidation	215	949	0	1,164
Currency translation	63	1	0	64
Transfers	3,612	0	-3,612	0
Balance as of 12/31/2021	82,567	615,768	3,473	701,808
Accumulated depreciation and amortization:				
Balance as of 01/01/2021	50,718	150,729	0	201,447
Additions	13,539	61,416	0	74,955
Disposals	-9,770	-38,396	0	-48,166
Changes in the scope of consolidation	-8	0	0	-8
Currency translation	19	0	0	19
Transfers	0	0	0	0
Balance as of 12/31/2021	54,498	173,749	0	228,247
Carrying amount:				
Balance as of 12/31/2021	28,069	442,019	3,473	473,561
Balance as of 12/31/2020	29,190	393,934	3,711	426,835

In the current financial year, development costs of an asset not available for use amounting to EUR 8,798k (previous year: EUR 8,829k) were derecognized due to the termination of the project.

In the consolidated statement of cash flows, an adjustment of EUR -17,011k (previous year: EUR 4,432k) was made to additions to intangible assets to reflect transactions that had no cash flow effect.

Government grants for capitalized development costs, which are mainly subsidies for development services, are recognized over the expected useful life of the development costs in accordance with IAS 20. The net presentation in accordance with IAS 20 is applied, i.e. grants for non-current assets are deducted from the carrying amount of the asset in the consolidated statement of financial position.

23. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less depreciation. Depreciation is calculated in accordance with the straight line method and is based on the following expected useful lives:

Useful life	in years
Buildings	10 - 50
Technical plant and machinery	2 - 10
Fixtures and fittings, tools and equipment	3 - 8

For the rights of use reported under property, plant and equipment from January 1, 2019 (IFRS 16), the useful life is between 3 and 10 years.

The tables below provide a breakdown of property, plant and equipment along with movements during the 2022 and 2021 financial years:

	Real Estate	Buildings	Technical plant and machinery	Operational and business equipment	Advance payments and investments in construction	Total
Acquisition and production costs:						
Balance as of 01/01/2022	32,738	266,620	301,822	145,623	9,009	755,812
Additions	2,867	28,487	27,349	33,539	20,588	112,830
Disposals	0	-2,411	-31,708	-8,174	-2	-42,295
Changes in the scope of consolidation	13,715	0	0	0	29,038	42,753
Currency translation	8	993	-1	998	-1	1,997
Transfers	0	29,916	6,637	258	-37,176	-365
Balance as of 12/31/2022	49,328	323,605	304,099	172,244	21,456	870,732
Accumulated depreciation and amortization:						
Balance as of 01/01/2022	550	77,775	221,456	94,701	0	394,482
Additions	230	17,758	29,519	23,341	0	70,848
Disposals	0	-1,132	-30,514	-7,882	0	-39,528
Changes in the scope of consolidation	0	0	0	0	0	0
Currency translation	1	558	-1	682	0	1,240
Transfers	0	0	15	-37	0	-22
Balance as of 12/31/2022	781	94,959	220,475	110,805	0	427,020
Carrying amount:						
Balance as of 12/31/2022	48,547	228,646	83,624	61,439	21,456	443,712
Balance as of 12/31/2021	32,188	188,845	80,366	50,922	9,009	361,330

	Real Estate	Buildings	Technical plant and machinery	Operational and business equipment	Advance payments and investments in construction	Total
Acquisition and production costs:						
Balance as of 01/01/2021	26,720	255,709	286,091	138,937	5,698	713,155
Additions	6,009	13,737	22,544	21,786	8,582	72,658
Disposals	0	-4,262	-11,004	-16,043	-529	-31,838
Changes in the scope of consolidation	0	-213	-26	-660	0	-899
Currency translation	9	1,531	1	1,195	0	2,736
Transfers	0	118	4,216	408	-4,742	0
Balance as of 12/31/2021	32,738	266,620	301,822	145,623	9,009	755,812
Accumulated depreciation and amortization:						
Balance as of 01/01/2021	338	63,532	204,426	88,640	0	356,936
Additions	210	15,321	27,693	20,538	0	63,762
Disposals	0	-1,741	-10,639	-15,364	0	-27,744
Changes in the scope of consolidation	0	-87	-7	-113	0	-207
Currency translation	2	750	1	982	0	1,735
Transfers	0	0	-18	18	0	0
Balance as of 12/31/2021	550	77,775	221,456	94,701	0	394,482
Carrying amount:						
Balance as of 12/31/2021	32,188	188,845	80,366	50,922	9,009	361,330
Balance as of 12/31/2020	26,382	192,177	81,665	50,279	5,698	356,219

Property, plant and equipment additions include investments amounting to EUR 25,877k (previous year: EUR 24,626k) as additions from leases, which had no cash flow effect as of the reporting date. For more details, please refer to Note 47, "Leases as lessee". In the consolidated statement of cash flows, an adjustment of EUR -3,996k (previous year: EUR -995k) was made to additions to other property, plant and equipment to reflect transactions that had no cash flow effect.

As of the reporting date, property, plant and equipment amounting to EUR 42,000k (previous year: EUR 76,200k) was secured by registered and deposited pledge agreements, primarily for liabilities owed to credit institutions.

Investment grants for property, plant and equipment are recognized over the expected useful life of the assets in accordance with IAS 20. The net presentation in accordance with IAS 20 is applied, i.e. grants for non-current assets are deducted from the carrying amount of the asset in the consolidated statement of financial position.

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investments in associates accounted for under the equity method are regarded individually as immaterial. As of December 31, 2022, the investments accounted for using the equity method are Kiska GmbH, KTM Asia Motorcycle Manufacturing Inc., CFMOTO-KTMR2R Motorcycles Co., Ltd., MV Agusta Motor S.P.A. and Vöcklabrucker Metallgießerei Dambauer GmbH. The changes to companies accounted for using the equity method are detailed in Note 7. "Changes in the scope of consolidation".

Kiska GmbH is a design business that provides development and design services. The reporting date of Kiska GmbH is March 31, which was determined prior to the acquisition of the investment. A change in the end of the reporting period is not sought on account of materiality considerations. For the purposes of accounting under the equity method, unaudited interim financial statements as of December 31 were used. PIERER Mobility AG holds 50 % of the company.

KTM Asia Motorcycle Manufacturing Inc. was jointly founded in June 2016 in partnership with Ayala Corp. The company began the CKD (completely knocked down) assembly of KTM motorcycles in the Philippines in mid-2017. The KTM group's equity holding was increased from 34 % to 40 % in the 2021 financial year.

The KTM joint venture in China conducted in partnership with CFMOTO was established in the 2018 financial year under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.". The company began operation in the 2021 financial year. Mid-class motorcycles are produced in Hangzhou, China. The KTM group has an equity holding of 49 % of the company.

In the 2022 financial year, a cooperation agreement was concluded with the Italian motorcycle manufacturer MV Agusta. Under this agreement, KTM will take over the global sales, marketing and customer support for the MV Agusta motorcycle range from the 2023 financial year. In addition, KTM AG will provide MV Agusta with support in the supply chain through MV Agusta Services S.r.l. and take over purchasing. As part of this cooperation agreement, KTM AG acquired 25.1 % of the shares in MV Agusta Motor S.p.A., with registered office in Varese, Italy, as of November 15, 2022.

With an agreement dated November 21, 2022, KTM AG acquired 23 % of the shares in Vöcklabrucker Metallgießerei Dambauer GmbH, with registered office in Vöcklabruck. The company operates as a manufacturer and distributor of castings made from all metals and their alloys as well as other related activities as a supplier to the KTM Group.

Movements in the carrying amounts of the investments accounted for using the equity method were as follows in the financial year:

EURk	2022	2021
Book value of investments on 1/1	13,562	13,252
Acquisition of holdings	16,012	773
Consolidation changes (successive acquisition)	0	-1,758
Proportionate net income	4,994	1,666
Other comprehensive income	-255	425
Dividend	-972	-803
Other	0	7
Book value of investments on 12/31	33,341	13,562

25. DEFERRED TAX ASSETS

Deferred tax assets relating to tax loss carryforwards are recognized insofar as they can be realized within a reasonable period. Deferred tax assets and deferred tax liabilities are reported on a net basis if they are subject to the same tax jurisdiction and are of a similar duration. Deferred tax liabilities are only recognized for differences between the tax base of fully consolidated interests or interests

measured at-equity and the corresponding consolidated equity if the difference is expected to reverse in the foreseeable future and can be realized by the group.

Total deferred tax assets and tax liabilities were calculated from the following statement of financial position items:

EURk	12/31/2022	12/31/2021
Deferred tax assets:		
Current assets:		
Inventories	9,800	6,465
Non-current assets:		
Fixed assets	140	2,653
Employee benefits	2,544	4,135
Provisions	1,620	1,974
Liabilities	8,504	4,002
	22,608	19,229
Offsetting	-10,573	-12,689
Loss carryforwards	1,747	3,077
	13,782	9,617
Deferred tax liabilities:		
Currents assets	-1,854	-3,269
Non-current assets	-133,130	-109,288
Other	-17	-109
	-135,001	-112,666
Offsetting	10,573	12,689
	-124,428	-99,977

Deferred tax assets in relation to non-current assets include EUR 751k (previous year: EUR 1,102k) in relation to the remaining sevenths of write-downs of equity holdings to going concern value pursuant to Section 12 (3) (2) of the Austrian Corporate Tax Act (KStG).

The temporary differences in deferred tax liabilities in the "Non-current assets" item result mainly from development costs that cannot be capitalized for tax purposes and from quasi-permanent differences due to the recognition of the "KTM" brand as an asset.

As of December 31, 2022 (and in the previous year), it was to be assumed either that, under current tax regulations, the differences between the value for tax purposes of the carrying amount of investments in consolidated subsidiaries and the proportion of equity

recognized in the consolidated IFRS financial statements (outside-basis differences), which arise largely from retained profits/ uncovered losses, will remain untaxed in the foreseeable future, or that their reversal can be controlled by the group. It was also to be assumed either that the differences between the value for tax purposes of the carrying amount of investments accounted for using the equity method and the carrying value of those holdings (outside-basis differences) will remain untaxed in the foreseeable future, or that their reversal can be controlled by the group.

In accordance with IAS 12.39, no deferred tax was recognized in connection with the taxable temporary differences of EUR 4,710k (previous year: EUR 8,538k) arising in connection with holdings in subsidiaries and investments accounted for using the equity method.

Movements in deferred taxes in the financial year were as follows:

EURk	2022	2021
Deferred tax (net) at 1/1	-90,360	-75,422
Change in scope of consolidation	-3,860	-296
Deferred taxes recognized in the income statement	-10,654	-13,783
Deferred taxes recognized in other comprehensive income	-5,281	-942
Deferred taxes recognized in equity	7	-52
Deferred taxes from reclassification recognised directly in equity (previous year)	-491	0
Foreign currency	-7	135
Deferred tax (net) at 12/31	-110,646	-90,360

The tax loss carryforwards existing and capitalized in the PIERER Mobility Group can be summarized as follows:

EURk	Loss carryforward 12/31/2022	thereof not recognized 12/31/2022	Remaining loss carryforward 12/31/2022	Deferred tax asset 12/31/2022
PIERER Mobility AG	74,320	-74,320	0	0
PIERER E-Commerce GmbH (formerly HDC GmbH)	11,507	-11,507	0	0
Other	7,280	0	7,280	1,747
	93,107	-85,827	7,280	1,747

EURk	Loss carryforward 12/31/2021	thereof not recognized 12/31/2021	Remaining loss carryforward 12/31/2021	Deferred tax asset 12/31/2021
PIERER Mobility AG	62,754	-62,754	0	0
PIERER E-Commerce GmbH (formerly HDC GmbH)	11,497	-11,497	0	0
Other	12,308	0	12,308	3,077
	86,559	-74,251	12,308	3,077

The deferred tax assets of other companies relate to a future tax benefit from the liquidation loss of WP Suspension B.V. in the amount of TEUR 546 (previous year: TEUR 1,138). This can be claimed spread over seven years from the liquidation date. Deferred tax assets of EUR 1,201k were recorded for loss carryforwards of PIERER New Mobility GmbH (previous year: EUR 1,251k) and KTM Forschungs & Entwicklungen GmbH amounting to EUR 0k (previous year: EUR 688k).

Deductible temporary differences and unused tax losses (including outstanding sevenths of write-downs to going concern value) for which deferred tax assets were not capitalized amount to EUR 85,956k (previous year: EUR 74,509k). The value adjustment to loss carryforwards and temporary differences was recognized in the amount in which a medium-term realization of the deferred tax assets cannot be assumed with sufficient certainty from today's perspective.

26. OTHER NON-CURRENT ASSETS

EURk	12/31/2022	12/31/2021
Receivables from financing activities	647	1,197
Lease receivables from subleases	511	523
Other	2,841	2,313
	3,999	4,033

Other non-current assets mainly include deposits and prepayments to suppliers as well as the investment in AC styria Mobilitätscluster

GmbH, which is measured at fair value through other comprehensive income.

27. INVENTORIES

Inventories are measured at the lower of cost or net realizable value on the reporting date. Net realizable value is the estimated proceeds less estimated selling costs. Raw materials and supplies are measured using cost averaging based on an analysis of coverage, with write-downs in the event of limited usability. The economic value of existing inventories is also reviewed on a case-by-case basis and additional allowances are made as required for slow-moving items or items with limited possibilities of sale.

Costs of acquisition include all costs that were incurred in order to bring the object to its required condition and to the relevant location. Costs of conversion comprise direct material and production costs based on normal capacity usage, plus appropriate portions of materials and production overheads. Administrative overheads and selling costs on the other hand do not form part of the costs of conversion. Interest on borrowings is not capitalized as the inventories do not constitute qualifying assets as defined in IAS 23.

Inventories are made up as follows:

EURk	12/31/2022	12/31/2021
Raw materials, auxiliary materials and operating materials	163,275	127,698
Unfinished products	83,819	64,335
Finished products and goods	406,834	213,141
	653,928	405,174

EURk	12/31/2022	12/31/2021
Gross inventory level	681,654	432,956
- Allowances	-27,726	-27,782
Net inventory level	653,928	405,174

The carrying amount of inventories recognized at the lower net realizable value amounts to EUR 105,200k (previous year: EUR 68,502k).

28. TRADE RECEIVABLES

The gross value of third-party trade receivables is stated net of individual value adjustments of EUR 5,049k (previous year: EUR 4,060k).

Movements in allowances on receivables were as follows:

EURk	Trade receivables
Balance as of 01/01/2021	4,176
Currency translation	-47
Additions to specific valuation allowance	1,070
Additions to expected loss allowance	28
Utilization	-224
Reversals to expected loss allowance	-5
Reversals	-939
Balance as of 12/31/2021 = 01/01/2022	4,060
Currency translation	35
Additions to specific valuation allowance	1,848
Additions to expected loss allowance	87
Utilization	-8
Reversals to expected loss allowance	0
Reversals	-973
Balance as of 12/31/2022	5,049

Expenses for the complete derecognition of trade receivables amounted to EUR 149k (previous year: EUR 225k).

29. CURRENT RECEIVABLES AND OTHER ASSETS

Subsidies are taken into account as soon as there is assurance that they will be received by the PIERER Mobility Group and that the group can comply with the applicable requirements

EURk	12/31/2022	12/31/2021
Receivables from derivative financial instruments	35,800	4,605
Asset backed securities (ABS) financing / Factoring financing	22,216	12,537
Receivables from related company shareholders	3,012	17,803
Other	5,338	16,862
Other current financial assets	66,366	51,807
Subsidies	19,940	14,979
Receivables due from tax offices	3,655	4,536
Receivables from value added taxes (from tax group settlement with Pierer Industrie AG)	9,784	8,928
Advance payments on inventory and other prepayments	37,832	30,508
Other	39	43
Other current non-financial assets	71,250	58,994
Other current assets	137,616	110,801

Receivables sold in connection with the current ABS and factoring program are fully derecognized in accordance with the rules under IFRS 9. Under the ABS program, trade receivables insured on a revolving monthly basis are sold up to a maximum volume of EUR 250,000k (previous year: EUR 250,000k), and under the factoring

program maintained at PIERER New Mobility up to a maximum volume of EUR 125,000k. Further information on the ABS and factoring program can be found under Note 43 "Classification and fair values".

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and in banks, checks, and time deposits with a fixed term of not more than three months (calculated from the acquisition date). For further details on

changes in the cash status, please refer to the information in the statement of cash flows in Chapter VI of the Notes to the Consolidated Financial Statements.

31. CONSOLIDATED EQUITY

The development of the consolidated equity in the 2022 financial year and in the 2021 financial year is shown in Annex I/7.

The **share capital** of the company amounts to EUR 33,796,535 and is divided into 33,796,535 bearer shares of no par value, each of which represents an equal equity holding in the share capital. The shares grant the rights that are usually due to stockholders under the Austrian Stock Corporation Act. These include the right to payout of

the dividends resolved upon at the Annual General Meeting as well as the right to vote at the Annual General Meeting. All shares have been paid up in full. The share capital shown in the consolidated financial statements is equal to the figure reported in the separate financial statement of PIERER Mobility AG. In the previous year, the share capital was increased by EUR 11,257,861 through the issue of new shares.

In the previous year, 193,340 treasury shares were sold at a price of EUR 13,595k and with a profit of EUR 5,148k. On the reporting date, the **reserve for treasury shares** amounted to EUR 0k (previous year: EUR 0k).

The reserve in accordance with IFRS 9 includes the **cash flow hedge reserve**. The cash flow hedge reserve comprises the effective portion of the cumulative net changes in the fair value of hedging instruments used to hedge cash flows until subsequent recognition in profit or loss or direct recognition in the costs of acquisition or carrying amount of a non-financial asset or a non-financial liability.

The **reserve for hedging costs** shows profits and losses on the portion excluded from the designated hedging transaction that relates to the forward element of the forward currency transaction. These are initially recognized as other comprehensive income and accounted for in the same way as profit and losses in the hedging transaction.

The development of the cash flow hedge reserve and the reserve for hedging costs is explained in Note 45 "Hedges".

The **interests held by non-controlling shareholders** include the interests of third parties in the equity of the consolidated subsidiaries:

2022 EURk	KTM AG	Other	Total
Percentage of non-controlling interests on reporting date	0.00%		
Revenue	2,433,260	3,940	2,437,200
Profit	180,493	-9,870	170,623
Other comprehensive income	17,405	0	17,405
Total comprehensive income	197,898	-9,870	188,028
Profit assigned to non-controlling interests	695	7	702
Other comprehensive income assigned to non-controlling interests	695	7	702
Non-current assets	1,157,629	38,216	1,195,845
Current assets	1,331,019	23,771	1,354,790
Non-current liabilities	-593,621	-31,988	-625,609
Current liabilities	-1,006,410	-4,220	-1,010,630
Net assets	888,617	25,779	914,396
Carrying amount of non-controlling interests	6,434	227	6,661
Cash flow from operating activities	290,323	-9,988	280,335
Cash flow from investing activity	-283,631	506	-283,125
Cash flow from financing activity	-92,102	807	-91,295
Cash change	-85,410	-8,675	-94,085
Dividends from non-controlling interests	500	0	500

2021 EURk	KTM AG	Other	Total
Percentage of non-controlling interests on reporting date	0.25% ¹		
Revenue	1,876,418	165,312	2,041,730
Profit	146,067	-3,195	142,872
Other comprehensive income	6,364	1,378	7,742
Total comprehensive income	152,431	-1,817	150,614
Profit assigned to non-controlling interests	60,201	131	60,332
Other comprehensive income assigned to non-controlling interests	2,235	-7	2,228
Non-current assets	907,154	85,660	992,814
Current assets	951,711	89,194	1,040,905
Non-current liabilities	-610,265	-39,201	-649,466
Current liabilities	-544,853	-73,849	-618,702
Net assets	703,747	61,804	765,551
Carrying amount of non-controlling interests	2,633	2,776	5,409
Cash flow from operating activities	359,846	7,517	367,363
Cash flow from investing activity	-183,746	-11,377	-195,123
Cash flow from financing activity	-35,985	8,364	-27,621
Cash change	140,115	4,504	144,619
Dividends from non-controlling interests	13,275	0	13,275

The non-controlling interests of KTM AG include non-controlling interests of subsidiaries of KTM AG and relate to the companies CERO Design Studio S.L., KTM MOTOHALL GmbH, MV Augusta Motorcycles GmbH, and PIERER & MAXCOM MOBILITY OOD. In the 2022 financial year, there was a capital increase in PIERER & MAXCOM MOBILITY OOD. The minority shareholder's share of the capital increase amounting to EUR 2,556k is shown in the equity

reconciliation under capital measures. For the amounts of the equity holdings, please refer to the schedule of equity holdings in Section XII.

The effects of the transactions with non-controlling interests and the change in the proportion of equity attributable to the shareholders during the financial year were as follows:

EURk	12/31/2022	12/31/2021
Carrying amount acquired (-) or disposed of (+) for non-controlling interests	1,506	340,458
Purchase price received from (+) or paid (-) to non-controlling shareholders	-4,804	-30,470
Difference recorded in equity	-3,298	309,988

¹ Until October 2021, the percentage of non-controlling shareholders was approximately 48 %.

The difference recognized in equity in the previous year mainly results from the increase of the shares in KTM AG from 51.71 % to 99.75 % as of December 31, 2021, which relates to the contribution of approximately 46.5 % of the shares in KTM AG by Pierer Bajaj AG (parent company of PIERER Mobility AG) to PIERER Mobility AG in the previous year. On the other hand, a further approx. 1.5 % of the shares in KTM AG were acquired in the 2021 financial year. The equity

holding in KTM AG thus increased in the previous year from 51.71 % to 99.75 %. In the 2022 financial year, PIERER Mobility AG acquired the remaining shares in KTM AG and now holds 100 % of the company..

Movements in **other earnings** after tax within consolidated equity were as follows:

EURk	Provision as per IFRS 9	Reserves including total earnings	Foreign currency translation reserve	Total	Interests non- controlling shareholders	Total consoli- dated equity
2022						
Currency translation differences	0	0	1,429	1,429	0	1,429
Cash flow hedge	14,909	0	0	14,909	0	14,909
Revaluation of net debt from defined benefit plans	0	1,067	0	1,067	0	1,067
	14,909	1,067	1,429	17,405	0	17,405
2021						
Currency translation differences	0	0	3,437	3,437	1,480	4,917
Cash flow hedge	1,871	0	0	1,871	385	2,256
Revaluation of net debt from defined benefit plans	0	206	0	206	363	569
	1,871	206	3,437	5,514	2,228	7,742

32. FINANCIAL LIABILITIES

EURk	12/31/2022 Nominal	12/31/2022 Carrying amount	12/31/2022 Term < 1 year	12/31/2022 Term > 1 year
Promissory note loans	219,000	218,754	24,000	194,754
Registered bond	60,000	59,591	0	59,591
Liabilities owed to credit institutions	182,789	182,789	24,611	158,178
Liabilities from factoring program between group companies	0	0	0	0
Liabilities from supplier finance program between group companies	3,394	3,394	3,394	0
Lease liabilities	67,890	67,890	21,793	46,097
Other interest-bearing liabilities	2,837	2,837	2,837	0
Total financial liabilities	535,910	535,255	76,635	458,620

EURk	12/31/2021 Nominal	12/31/2021 Carrying amount	12/31/2021 Term < 1 year	12/31/2021 Term > 1 year
Promissory note loans	225,000	224,661	5,998	218,663
Registered bond	60,000	59,551	0	59,551
Liabilities owed to credit institutions	206,596	206,596	23,805	182,791
Liabilities from factoring program between group companies	2,498	2,498	2,498	0
Liabilities from supplier finance program between group companies	1,836	1,836	1,836	0
Lease liabilities	65,442	65,442	19,908	45,534
Other interest-bearing liabilities	2,802	2,802	2,802	0
Total financial liabilities	564,174	563,386	56,847	506,539

In July 2015, PIERER Mobility AG issued a promissory note loan with a value of EUR 56,500k with a term of five and seven years. In January 2017, a partial amount of the promissory note loan amounting to EUR 32,000k, of which EUR 25,500k had a term of 5 years and EUR 6,500k a term of 7 years, was repaid early. A partial amount of the promissory note loan totaling EUR 12,500k with a term of 5 years was repaid early by way of a termination letter dated July 13, 2018, effective July 17, 2018, and a termination letter dated October 4, 2018, effective October 8, 2018. In July 2020 and July 2022, EUR 6,000k each of the promissory note loan with a term of 5 years was repaid as scheduled.

As of the reporting date, the promissory note loan has now been repaid in full.

In June 2016, a promissory note loan with an issuing volume of EUR 120,000k and a term of five, seven or ten years was placed by KTM AG in order to refinance the bond repaid in April 2017. In June 2018, a further promissory note loan with a volume of EUR 135,000k and terms of seven and ten years was successfully placed. In addition, EUR 32,500k of the promissory note loan issued in 2016 was repaid early.

In May 2021, KTM AG issued registered bonds with a term of 12 years amounting to EUR 30,000k. Furthermore, PIERER Mobility AG

previously issued a registered bond amounting to EUR 30,000k with a term of 10 years in July 2015.

33. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of obligations relating to severance pay and anniversary bonuses:

EURk	12/31/2022	12/31/2021
Severance payments	19,548	21,202
Anniversary bonuses	6,606	7,561
	26,154	28,763

The PIERER Mobility Group is obligated by law to make a severance payment to all employees in Austria whose employment relationship commenced before January 1, 2003 upon termination by the employer or upon retirement. The amount of this defined benefit obligation (DBO) is dependent on the number of years of service and on the relevant salary at the time of termination. For all employees in Austria who joined after December 31, 2002, the company pays 1.53 % of their gross monthly salary each month into a staff severance pay fund that invests the contributions in an account maintained for the employee; at the end of the employment relationship, the amount thus accumulated is paid out or the claim thereto is passed on. The

company's obligation extends only to the payment of the contributions, which are recognized as expenses in the financial year for which they were paid (defined-contribution obligation). For employees of Austrian group companies whose employment commenced on or after January 1, 2003, contributions amounting to 1.53 % of their wages or salaries, as the case may be, were paid into a statutory staff severance pay fund. Total contributions of EUR 2,959k were paid during the past financial year (previous year: EUR 2,488k).

Movements in the net liability under the defined benefit plans in respect of **severance pay** were as follows during the financial year:

EURk	12/31/2022	12/31/2021
Conditional benefit:		
Balance as of 01/01	21,202	21,946
Service cost	636	752
Interest expenses	240	231
Payments made	-922	-622
Actuarial gain / loss	-1,606	-759
Changes in the scope of consolidation	0	0
Miscellaneous	-2	-346
Balance as of 12/31	19,548	21,202

The weighted durations of the severance payment obligations as of December 31, 2022 were 11 years (previous year: 12 years).

The actuarial profit/loss is made up of the following factors:

EURk	12/31/2022	12/31/2021
Change in expected values	2,408	-260
Change in demographic assumptions	-68	-196
Change in financial assumptions	-3,946	-303
Actuarial gain / loss	-1,606	-759

The measurement of the obligation is based on the following assumptions:

	12/31/2022	12/31/2021
Discount rate	4.17%	1.23%
Wage / salary trend	4.00%	2.75%
Retirement age (years) women / men	62 - 65 years	62 - 65 years

The discount rate was determined taking into account the average duration and average remaining life expectancy. The discount rate is the market yield on high quality, fixed-interest corporate bonds at the end of the reporting period. Staff turnover is determined on a company-specific basis and takes account of age and length of service. The actuarial measurements are based on country-specific mortality

tables. The chosen retirement age is the statutory retirement age in each country.

A change (+/- 0.5 percentage points) in the "discount rate" and "wage/salary trend" parameters would have had the following effects on the present value of future payments as of December 31, 2022:

Parameter	Change -0.50%	Change +0.50%
Discount rate	5.3%	-4.9%
Wage / salary trend	-4.9%	5.3%

A change (+/- 0.5 percentage points) in the "discount rate" and "wage/salary trend" parameters would have had the following effects on the present value of future payments as of December 31, 2021:

Parameter	Change -0.50%	Change +0.50%
Discount rate	6.2%	-5.7%
Wage / salary trend	-5.6%	6.0%

The companies in the PIERER Mobility Group are obligated under collective-bargaining agreements to pay their employees in Austria **anniversary bonuses** upon attaining a certain number of years of service (from 25 years of service upward) (defined benefit obligation).

The interest result is recognized under "Other financial result". Movements in obligations relating to claims to anniversary bonuses were as follows:

EURk	12/31/2022	12/31/2021
Balance as of 01/01	7,561	6,719
Service cost	753	667
Interest expenses	91	77
Payments made	-103	-80
Actuarial gain / loss	-1,696	177
Miscellaneous	0	1
Balance as of 12/31	6,606	7,561

34. OTHER CURRENT AND NON-CURRENT LIABILITIES AND TRADE PAYABLES

Other **non-current** liabilities essentially comprise the following:

EURk	12/31/2022	12/31/2021
Deposits	11,611	11,364
Other financial liabilities	3,396	1,470
Other non-current financial liabilities	15,007	12,834
Other non-current non-financial liabilities	1,400	1,353
Other non-current liabilities	16,407	14,187

Other financial liabilities mainly relate to options on non-controlling interests in PIERER & MAXCOM MO-BILITY OOD. The change in options on non-controlling interests is presented in the statement of

changes in equity under capital measures in an amount of EUR 2,579k.

Other **current** liabilities essentially comprise the following:

EURk	12/31/2022	12/31/2021
Sales bonuses	57,059	46,678
Price rebates	6,417	3,709
Liabilities from derivative financial instruments	333	1,988
Other financial liabilities	9,126	15,954
Other current financial liabilities	72,935	68,329
Employee benefits	52,876	49,486
Prepayments	8,215	5,998
Tax liabilities	13,120	9,460
Other non-financial liabilities	6	44
Other current non-financial liabilities	74,217	64,988
Other current liabilities	147,152	133,317

Current employee benefits mainly include liabilities for unconsumed vacations, liabilities for employee bonuses, liabilities to district health insurance funds, and wage and salary liabilities.

47.5 % (previous year: 42.3 %) of total trade payables as of the reporting date amounting to EUR 737,602k (previous year: EUR 395,581k).

Supplier finance:

Companies in the PIERER Mobility Group have entered into a supplier finance program (a revolving facility for the financing of trade payables) with an Austrian credit institution. Suppliers can sell their receivables from the PIERER Mobility Group to the credit institution before the due date. The PIERER Mobility Group is not released from its original obligation and, due to a quantitative and qualitative audit, there is no significant change in the contractual terms and conditions. The liabilities continue to be shown under trade payables and are reported in cash flow from operating activities. As of December 31, 2022, trade payables amounting to EUR 350,236k (previous year: EUR 167,344k) are covered by this supplier finance program. This is

In addition to suppliers outside the group, such a program was also concluded between Austrian companies in the PIERER Mobility Group. From the point of view of the PIERER Mobility Group, no exchange of services took place; but only external financing, which is reported under current financial liabilities. Cash flows are reported under cash flow from financing activities. As of December 31, 2022 the dealings between group companies amounting to EUR 3,394k (previous year: EUR 1,836k) are presented as current financial liabilities in the consolidated financial statements of PIERER Mobility AG.

35. PROVISIONS

The group makes provisions relating to guarantees and warranties in relation to known, expected individual cases. The amounts of expected expenses are primarily based on previous experience and are recorded at the time the products are sold as an expense affecting profit and loss.

The estimation of future expenses is subject to uncertainties, which may lead to an adjustment of the provisions recognized in the future. It cannot be ruled out that the actual expenses for these measures may be higher or lower than the provision made for these purposes in an unforeseeable way.

Movements in provisions in the financial year were as follows:

EURk	Balance as of 1/1/2022	Additions	Disolutions	Utilization	Balance as of 12/31/2022
Current provisions					
Provisions for guarantee and warranty	20,000	20,947	0	-20,000	20,947
Provisions for legal actions	635	232	-6	-104	757
Other provisions	2,470	20,310	0	-447	22,333
	23,105	41,489	-6	-20,551	44,037

Provisions relating to guarantees and warranties largely relate to risks arising from statutory and voluntary product liability. Other provisions mainly include provisions for outstanding investments. Provisions are measured on the basis of past experience and forward-looking

assumptions.

VI. NOTES ON THE STATEMENT OF CASH FLOWS

The changes in the statement of financial position items presented in the statement of cash flows cannot be derived directly from the statement of financial position, as non-cash effects are neutralized.

Other non-cash expenses (income) mainly include valuations of foreign-currency receivables and liabilities, write-downs of receivables and inventories, and non-cash income from grants. The

effects associated with changes in the scope of consolidation have been eliminated and are accounted for in cash flow from investing activity.

The changes in the recognized financial liabilities and the amounts disclosed in the statement of cash flows can be reconciled as follows:

EURk	Balance as of 1/1/2022	Changes affecting cash flow	Changes not affecting cash flow					Carrying amount 12/31/2022
			Acquisition	Reclassification	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	36,939	-31,336	0	48,631	600	0	8	54,842
Non-current financial liabilities	461,005	0	0	-48,631	0	149	0	412,523
Current lease liabilities	19,908	-23,414	0	25,299	0	0	0	21,793
Non-current lease liabilities	45,534	0	25,662	-25,299	0	0	200	46,097
Total	563,386	-54,750	25,662	0	600	149	208	535,255

EURk	Balance as of 1/1/2021	Changes affecting cash flow	Changes not affecting cash flow					Carrying amount 12/31/2021
			Acquisition	Reclassification	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	55,103	-49,976	0	32,513	-1,144	0	443	36,939
Non-current financial liabilities	413,853	79,528	0	-32,513	0	131	6	461,005
Current lease liabilities	19,491	-18,431	0	18,928	-80	0	0	19,908
Non-current lease liabilities	42,236	0	23,342	-18,928	-48	0	-1,068	45,534
Total	530,683	11,121	23,342	0	-1,272	131	-619	563,386

VII. RISK REPORT

36. RISK MANAGEMENT

As a group of companies conducting business on a global scale, the PIERER Mobility Group faces a multitude of possible risks that are monitored by means of a comprehensive risk management system. The Executive Board and Supervisory Board are periodically informed about risks that may have a major impact on the group's business operations. Management takes timely action to avoid, minimize and hedge risks.

An internal control system adapted to the company's needs and incorporating basic principles such as segregation of duties and dual control has been integrated into the financial reporting process. Internal and external audits ensure that the processes are continually improved and optimized. Furthermore, a uniform reporting system is in place throughout the group, for the ongoing management and control of the risk management process. Group reporting is subject to a continuous improvement process so that the Executive Board is informed even sooner, and more comprehensively, about the degree to which targets have been achieved and about changes in the market and competition.

Continuous growth depends on a variety of factors, such as demand behavior, product development, changes in foreign exchange rates, the general economic setting in the individual sales markets, prices of goods purchased from others, or talent management. Increased market research activities and a model policy reflecting the resulting findings are the means of responding to a market environment characterized by rapidly changing situations.

In order to prevent risks associated with fraud, corruption, and bribery, employees are obliged to behave in accordance with the principles defined in the Code of Conduct. The code is binding for all employees, managers, and board members as well as for consultants,

37. MARKET RISKS

• CYCLICAL RISK

The PIERER Mobility Group operates in the motorcycle and bicycle industry. Sales opportunities are determined by the general economic situation in the countries and regions in which the PIERER Mobility Group is represented with its products.

As recent years have shown, the motorcycle sector in particular is cyclical and subject to large fluctuations regarding demand. This risk is counteracted by our experience in this area, together with market research and forecasting, which are taken into account in the planning. With changes in mobility behavior, high rates of inflation and the Russian-Ukrainian war, the global motorcycle market in particular

business partners, and customers of the PIERER Mobility Group. Since the 2021 financial year, the Code of Conduct has been an Annex and thus as an integral part of the existing dealer contracts. Since the beginning of 2020, this has already been the case with new dealer contracts and also with new contractual relationships in the supply sector.

In order to counteract negative macroeconomic and geopolitical effects, PIERER Mobility promotes global diversification of the sales markets. The greatest relative growth in the coming years is expected in Asia. In order to promote this growth, intensive cooperation with our strategic partner Bajaj is being continuously expanded. In addition, investments have been made in production sites with local partners in China and the Philippines. The Russian-Ukrainian war in particular is having a negative impact on the global economy. In business terms, the PIERER Mobility Group is not directly affected by the military conflict that is taking place in Ukraine. Indirectly, the group, along with the whole industry, is confronted primarily by further increases in energy and raw material costs and negative effects on the capital markets.

The earnings position of PIERER Mobility AG (as an individual company) is characterized by expenses associated with financing, the acquisition of equity holdings and expenses for projects, and is significantly dependent on the dividend policy of its investees. The investment in the KTM Group is currently the largest and most significant investment of PIERER Mobility AG.

In accordance with the requirements of Section 243(c) of the Austrian Commercial Code, a corporate governance report has been drawn up. In this regard, we refer to the publication in the annual report of PIERER Mobility AG or to the website of PIERER Mobility AG.

has stabilized at a high level.

• COMPETITION AND PRICING PRESSURE

Competition on the motorcycle market in industrialized countries is particularly intense; the strongest competitors are four Japanese and three European manufacturers and, to a lesser extent, a U.S. manufacturer, some of which have greater financial resources, higher sales figures and market shares. The street motorcycle market is moreover characterized by high pricing pressure, and new competitors are trying to enter the market by relying on a low-price strategy. Thanks to its successful market strategy, the PIERER Mobility Group is Europe's leading manufacturer of powered

two-wheelers. The full integration of GASGAS as the third brand and the further development of the network of dealers has also contributed to this. Thanks to the innovative strength which it has demonstrated, the group sees itself as a technology leader in the two-wheeler sector in Europe. The strategic partnership with Bajaj and the increased level of cooperation with CFMOTO strengthens the company's competitiveness in global markets.

- **SALES RISK**

The group's biggest individual sales markets are the European as well as the U.S. market for motorcycles and the DACH region for New Mobility/(E)-Bicycle products. A slump in these markets could have a negative impact on business activities. Entering new markets involves a major cost risk as, in some of these markets, the trend of sales as well as the geopolitical conditions are difficult to assess. By collaborating with its strategic partner Bajaj Auto Ltd., Pune, India, the company is working steadily toward implementing a global product strategy in the motorcycle sector.

38. INDUSTRY-SPECIFIC RISKS

- **RESTRICTIONS RELATING TO MOTORCYCLING**

As the group markets its products in a large number of countries, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income, and exchange restrictions as well as to the risk of political, social, and economic instability, inflation, and interest rate fluctuations. Among other things, motorcycles registered for road use must comply with relevant provisions concerning noise and exhaust gas emissions in order to be approved for sale in each country. For all new models that are homologated for road use, the group complies with the Euro V European emission standard that is relevant for motorcycles. The possible offroad uses of motorcycles are influenced significantly by the national and legal conditions that exist in the countries where the vehicles are sold. To counteract this risk, the respective regulations specific to the given country are analyzed in detail prior to market launch and continue to be monitored on an ongoing basis to be able to react in good time to any changes.

- **PROCUREMENT RISK**

The current economic situation creates a procurement and sales risk for the global economy that also affects the PIERER Mobility Group. Essentially, this risk involves the already significant increases in the prices of procuring raw materials, supplies and components, which have been driven by the global shortage of goods and resources as a result of the COVID-19 pandemic, as well as the production

The global impacts of high rates of inflation could ultimately also be reflected in changes in the consumer behavior of customers, which has been reduced overall. The group constantly monitors such impacts on the consumer behavior of customers. For example, it was established that there is still a high demand for products from the group because it provides high-quality PTWs. Further increases in interest rates in the course of fighting inflation could potentially increase pressure on dealers and pose a sales risk. The PIERER Mobility Group therefore works together closely with its network of dealers, supporting them with targeted programs.

For the PIERER Mobility Group, providing support to end customers through the network of dealers represents a key success factor. In order to be able to continuously guarantee a high standard in this area, mandatory dealer training sessions are held on an ongoing basis. In these sessions new technical standards are taught and dealers are trained in dealing with the customer. In addition, the group in particular provides a modern communication platform which the dealers can use to undertake the procurement process and document the sales process.

overheads, which have risen to a high level, particularly in respect of energy prices, transport and personnel costs. This primarily affects companies involved in the energy-intensive production of raw materials such as aluminum and steel, which could have an impact on the level of availability in the overall market.

In the current situation, the procurement risk consists largely of failing to receive ordered components or not receiving them on the agreed date. On the other hand, rising energy costs are increasingly becoming established as a significant financial risk for smaller suppliers to the group and could therefore cause further disruption in the supply chain. The group itself can cope with rising energy costs because the in-house production and assembly processes are not very energy-intensive.

The 2022 financial year panned out as the basic forecasts at the end of 2021 suggested it would because the expected disruption to the procurement of essential electronic components did actually occur. Suppliers of electronic components in particular continue to face fundamental challenges in procuring, producing and delivering them on time. The situation, which already gradually began to improve during the second half of 2022, is expected to continue to improve in the second half of 2023.

In the area of new mobility, too, a significant sustained recovery in delivery times, some of which have been sluggish, is expected in the 2023 financial year. For example, 2023 is anticipated to see a

reduction in current delivery times from the present level of almost 24 months to a normal level of around 8-12 months. However, the considerable backlog in the processing of orders for certain components by third parties, for example for frames and braking systems, will continue to cause procurement delays in the 2023 financial year.

The group has largely stabilized and compensated for the supply chain bottlenecks that have arisen with these and other specific components, causing procurement delays, by regularly coordinating with suppliers and approving all procurement and production at an early stage. This means the group will be able to meet the resource requirements of each of its production sites over the longer term. The intense cooperation right along the supply chain means there was only a small impact on the group.

On the procurement side, the PIERER Mobility Group is countering the risks described above by taking several measures, such as using alternative supply chains and engaging in appropriate activities to reduce the costs that are incurred, implementing efficiency measures at suppliers by providing cost engineering support and agreeing on temporary price increases based on indices. In addition, the group has already implemented further significant measures to secure its supply chain and thus its production at an early stage, as mentioned above, and introduced a market intelligence system for electronic components. The flexibility in the production layout that is implemented means that in exceptional cases the group is also able to adjust its production schedules as needed to cope with global developments that result in increasingly tight supply chains. Ultimately, the intention is to adjust the logistical procurement structure in order to minimize transportation distances and associated costs.

39. IT RISKS

We apply the same high quality standards in the area of data security and data protection as we do for our products.

The PIERER Mobility Group has implemented an IT security and risk management system for the purpose of identifying and managing company-relevant risks in the area of information security. In addition, evidence of compliance and the exercising of due diligence when handling and using information and equipment for the processing of information is provided and documented in respect of customers, the Executive Board and the general managers of each participating company.

The constantly growing IT and cyber risks are countered by ongoing evolution of IT security measures and using the latest IT security technologies. Cyber attacks are averted with a multi-stage technical concept using the latest security features such as intrusion

• TECHNICAL INNOVATION, RACING

Technical innovations and the introduction of new products are largely responsible for the PIERER Mobility Group's competitive position. To this end, new trends must be identified promptly. To counteract the risk, our own products' innovative capacity must be ensured.

The PIERER Mobility Group therefore attaches great importance to identifying trends at an early stage, conducting research and development in technical and functional areas, and researching what customers want in order to develop innovative products that reflect what the market wants. Racing achievements are not only an important marketing instrument for the company but also form the basis for product development and set standards for series development. Valuable experience is gathered whenever products can be tested in racing conditions at racing events. Before being introduced into series production, all technical innovations are moreover subjected to comprehensive testing by the quality management system so as to eliminate, to the greatest extent possible, any technical defects that could have a negative effect on earnings development.

• PRODUCT LIABILITY RISK

The PIERER Mobility Group is also exposed in its business activity to claims for damages owing to accidents and injuries. This applies especially to the U.S., where claims asserted in product liability cases involve higher amounts of liability. In addition to existing safeguards, this risk is minimized by comprehensive quality control in all production areas.

prevention systems and additional security systems which are operated upstream or internally. Behavior-based security solutions are also used with a view to identifying security-related abuse. Incidents are identified and handled by a malware incident response process. In parallel, regular internal and external vulnerability analyses are performed and any vulnerabilities identified are countered by means of an established patch and update management process. Regular internal and external security audits are documented in risk management, any findings are evaluated and prioritized, and a solution is then applied.

Care is taken to ensure that all users of IT systems possess the requisite knowledge and awareness for the use of IT within the scope of their role via the provision of regular general IT security awareness training. This training is provided in a preventative and traceable manner.

The ongoing COVID-19 pandemic made it necessary for a large number of employees to perform their work from home during the 2021 financial year and this continues to be the case. The measures taken to develop the IT infrastructure on an ongoing basis over the past few years have been retained, enabling the PIERER Mobility

Group to overcome these exceptional challenges and to still provide its employees with remote workplaces in an uncomplicated and secure manner.

40. FINANCIAL RISKS

The PIERER Mobility Group is subject to credit, market, currency and liquidity risks regarding its assets, liabilities and planned transactions. Financial risk management is aimed at controlling and limiting those risks. The Executive Board and the Supervisory Board are informed on a regular basis about risks that can have a major impact on the group's business operations.

The principles of financial risk management are laid down and monitored by the Supervisory Board and the Executive Board. Group Treasury is responsible for their implementation. To protect itself against the financial risks described below, the PIERER Mobility Group uses derivative financial instruments in order to safely hedge cash flows from operating activities against fluctuations in exchange rates and/or interest rates. The hedging horizon generally covers currently open items and any transactions planned for the next twelve to eighteen months. In exceptional cases, strategic hedge positions involving longer time periods may be entered into in consultation with the Supervisory Board.

• CURRENCY RISKS

As an enterprise doing business on a global scale, the PIERER Mobility Group is influenced by general global economic data such as changes in currency parities or developments in the financial markets. As the US dollar represents the highest individual foreign currency risk faced by KTM, movements in the US dollar exchange rate are of particular importance to the development of revenue and income. Due to the in-cresing importance of USD in purchasing, the foreign currency risk associated with the USD is significantly reduced ("natural hedge"). Approximately 34 % of revenues were earned in US dollars in the 2022 financial year (previous year: 25 %). Currency hedging measures, in particular hedging strategies, can largely offset these currency shifts over at least one model year.

The group is exposed to further currency risks where financial assets and liabilities are settled in a currency other than the local currency of the relevant company. The companies of the group predominantly do their invoicing in local currency and largely take out financing in local currency. Financial investments are primarily made in the local currency of the investing group company. For these reasons, most resulting currency positions will be closed out naturally.

The main causes of ineffectiveness in currency hedges are:

- the impact of the credit risk of the counterparties and the group on the fair value of the forward currency transactions that is not reflected in the change in the fair value of the hedged cash flows attributable to changes in foreign exchange rates;
- changes in the transaction date of the hedged items.

Sensitivity analyses have been performed on currency risks in relation to financial instruments in order to show the effects that hypothetical changes in the exchange rates have on profit or loss (after taxes) and equity. In the scope of the sensitivity analysis, effects of changes in the exchange rate of $\pm 10\%$ are shown as profit or loss, other comprehensive income, and equity. The relevant balances as of the reporting date and foreign currency purchases and sales budgeted for the 2023 financial year were used as a basis. It was assumed that the risk faced on the reporting date essentially represents the risk present during the financial year. The group tax rate of 25 % was used as the tax rate. Furthermore, it was assumed in the analysis that all other variables, in particular the interest rates, remained constant. Currency risks relating to financial instruments of a monetary nature that are denominated in a currency other than the functional currency were included in the analysis.

Currency risks from euro positions in subsidiaries with a functional currency other than the euro were attributed to the currency risk of the subsidiary's functional currency. Risks from foreign currency positions apart from the euro were aggregated on group level. Exchange rate differences arising from the translation of financial statements into the group currency were not taken into account.

The PIERER Mobility Group bases the analysis on the following assumptions:

- For the sensitivity of profit and loss, the group's cash in banks,

receivables and payables are considered, as are future receipts and payments in foreign currency that are not accounted for in the functional currency of the group company. Account is also taken of open derivatives on cash flow hedges where the hedged item has already been realized on the reporting date (recognized as income).

- For the sensitivity of other comprehensive income, account is taken of open derivatives from cash flow hedges where the hedged item has not yet been realized on the reporting date (movements are not recognized in profit and loss). The exposure corresponds to the notional amount of the open derivatives.

Increase (+) / Decrease (-) EURk	10% increase		10% devaluation	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Change in net result	-28,868	-23,490	35,284	28,709
Change in currency-related cash flow hedge provisions	3,636	10,995	-4,444	-13,439
Change in equity	-25,232	-12,495	30,840	15,270

• INTEREST RATE RISKS

Certain financial instruments on both the assets side and the liabilities side carry interest at variable rates. The risk therefore comprises rising interest expenses or falling interest income resulting from an adverse change in market interest rates.

The PIERER Mobility Group is thus exposed to the risk of interest rate fluctuations on the market. Regular monitoring of the money and capital markets and, in some cases, the use of interest rate swaps (fixed interest rate payer swaps) serve to respond to this risk. Under the interest rate swaps entered into, the concern receives variable interest payments and, in return, pays fixed interest on the notional amounts of the contracts entered into.

Interest rate risks thus result mainly from primary financial instruments carrying interest at variable rates (cash flow risk). Sensitivity analyses were performed on the interest rate risks of these

financial instruments in order to show the effects that hypothetical changes in the market interest rate level have on profit or loss (after tax) and equity. The relevant balances as of the reporting date were used as a basis. It was assumed that the risk faced on the reporting date essentially represents the risk present during the financial year. The group tax rate of 25 % was used as the tax rate. Furthermore, it was assumed in the analysis that all other variables, in particular the exchange rates, remained constant.

The main causes of ineffectiveness in interest rate hedges are:

- the impact of the credit risk of the counterparties and the group on the fair value of the interest rate derivatives that is not reflected in the change in the fair value of the hedged cash flows attributable to changes in interest rates; and
- differences in the parameters (e.g., interest rate adjustment dates) between the derivatives and the hedged items

A sensitivity analysis was performed on interest rate risk. This showed the effects of changes in the interest rate of ± 50 basis points on profit or loss, other comprehensive income and equity.

Increase (+) / Decrease (-) EURk	Increase by 50 BP		Decrease by 50 BP	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Change in net result	-316	324	318	-1,311
Change in currency-related cash flow hedge provisions	1,752	-2,316	-1,757	2,316
Change in equity	1,436	-1,992	-1,439	1,005

The Group Treasury completed the changes to the reference interest rates in the financial instruments used by the group which were required as a result of the IBOR Reform in the 2022 financial year. Working together closely with business partners, contracts were appropriately amended and contractual transitional arrangements governing the handling of temporarily or permanently unavailable reference interest rates were utilized. The use of the new reference interest rates has been agreed on, without exception, for contracts and financial instruments that were newly concluded in the financial year. The amendments had no material impact on the consolidated financial statements.

• DEFAULT RISKS (CREDIT OR CREDITWORTHINESS RISKS)

The default risk is the risk of financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The default risk generally arises from trade receivables.

On the assets side, the carrying amounts reported also represent the maximum default risk. In addition, there are no general set-off agreements, with the exception of the set-off agreement described under note 44 in the notes to the Consolidated Financial Statements.

Trade receivables

The default risk on receivables from customers may be rated as low, as ongoing checks of the creditworthiness of new and existing customers are performed and collateral is requested.

Risk management carries out an analysis and assessment of new customers. Initially, these are analyzed individually with regard to their creditworthiness, and standardized group-wide contracts are concluded with customers. The analysis includes external credit ratings, where available, as well as annual financial statements and information from credit agencies and banks. Sales limits are set for each customer and reviewed on an ongoing basis. All sales exceeding these limits require the approval of risk management.

Default risks are largely hedged by means of credit insurance and bankable security (guarantees, letters of credit). The default risks and related controls are defined in internal guidelines. Most of the business relationships with dealers and importers have been in place for many years. By continuously monitoring the default risk and the creditworthiness of customers, each receivable is individually reviewed to ascertain the need for a value adjustment.

A summary of the default risk on trade receivables as of December 31, 2022 is presented in the following table.

Trade receivables EURk	Not impaired in creditworthiness	Creditworthiness impaired	Total
Not overdue	242,774	0	242,774
Overdue 1-30 days	16,460	0	16,460
Overdue 31-60 days	4,123	0	4,123
Overdue 61-90 days	2,592	0	2,592
Overdue > 90 days	2,627	6,895	9,522
Total gross carrying amount	268,576	6,895	275,471
Impairment loss	-190	-4,859	-5,049
Total	268,386	2,036	270,422

A summary of the default risk on trade receivables as of December 31, 2021 is presented in the following table.

Trade receivables EURk	Not impaired in creditworthiness	Creditworthiness impaired	Total
Not overdue	129,036	0	129,036
Overdue 1-30 days	15,182	0	15,182
Overdue 31-60 days	1,884	0	1,884
Overdue 61-90 days	1,212	0	1,212
Overdue > 90 days	2,775	4,833	7,608
Total gross carrying amount	150,089	4,833	154,921
Impairment loss	-103	-3,957	-4,060
Total	149,985	876	150,861

In order to determine the need for impairment of trade receivables for which no individual value adjustments have been made, the PIERER Mobility Group evaluated the defaults of recent years. The analysis showed that there is only an insignificant risk for receivables with a certain overdue status. The estimate of loss rates is based on historical default rates in relation to overdue receivables and considering forward-looking information.

As regards the current portfolio of trade and other receivables that are neither impaired nor past due, there are no indications as of the end of the reporting period that the debtors will not meet their payment obligations. There are no concentration risks.

Estimation of expected credit losses

Based on the actual defaults observed in the past, an average default rate of 0.07 % (previous year: 0.06 %) of trade receivables was determined. The risk premium for developments in the future has

been adjusted to take account of the effects of increased inflation rates as well as the Russian-Ukrainian war. An addition of EUR 87k (previous year: EUR 23k) to the allowance for expected losses on trade receivables was recognized.

The impairment for expected losses as of December 31, 2022 in the PIERER Mobility Group totals EUR 190k (previous year: EUR 103k).

Changes in value adjustments

Changes in value adjustments related to trade receivables are described in the notes under Note 28 "Trade receivables".

Cash and cash equivalents, other assets and derivatives

Credit losses on cash and cash equivalents and other financial assets are determined on the basis of average default rates and the rating of the instrument. A significant change in the credit risk is determined

on the basis of ratings and delay in payment. Given the short-term nature of these items and the good rating of the banks, the group assumes that these portfolios are financial instruments with a low default risk and that the expected losses are negligible.

The default risk on derivative financial instruments with positive market value is limited to their replacement cost; as all the counterparties are banks of good creditworthiness, the default risk can be classified as low. There are no indications of any additional impairment loss requirements for financial assets.

- **LIQUIDITY RISKS**

It is a material objective of financial risk management in the PIERER Mobility Group to ensure solvency and financial flexibility at all times. Factors contributing to liquidity risks include, in particular, proceeds from revenues being below the planning assumptions due to weaker demand. For this purpose, the group maintains a liquidity reserve in the form of unused credit lines (cash credits and guarantee credits) and, if needed, in the form of cash in banks of a high creditworthiness. Top priority is given to ensuring liquidity over the short and medium term. Another major control parameter is the maximization of free cash flow by cost-cutting measures, proactive working capital management and reduced investment expenditure. From today's perspective, sufficient commitments have been given by our strategic financing partners for securing current liquidity requirements. Non-current liquidity requirements are met by the issuance of promissory note loans and by taking out bank loans.

The contractually agreed (undiscounted) cash flows (payments of interest and principal) and the remaining terms to maturity of the financial liabilities are composed of the following:

EURk	Carrying amount 12/31/2022	Cash flow 2023			Cash flow 2024 to 2027			Cash flow from 2028		
		Fixed interest	Va-riable interest	Repay-ment	Fixed interest	Va-riable interest	Repay-ment	Fixed interest	Va-riable interest	Repay-ment
Financial liabilities measured at fair value										
Fair value – hedging instruments										
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	394	0	0	394	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	254	0	0	254	0	0	0	0	0	0
Total	648	0	0	648	0	0	0	0	0	0
Financial liabilities not measured at fair value										
At amortized cost										
Interest-bearing liabilities	467,365	5,110	3,944	52,577	12,332	10,309	258,245	4,622	1,333	155,045
Lease liabilities	67,890	0	1,010	21,803	0	1,853	35,707	0	3,150	10,380
Trade payables	737,602	0	0	737,602	0	0	0	0	0	0
Other financial liabilities (current and non-current)	87,294	0	0	87,294	0	0	0	0	0	0
Total	1,360,151	5,110	4,954	899,276	12,332	12,162	293,952	4,622	4,483	165,425
Total	1,360,799	5,110	4,954	899,924	12,332	12,162	293,952	4,622	4,483	165,425

EURk	Carrying amount 12/31/2021	Cash flow 2022			Cash flow 2023 to 2026			Cash flow from 2027		
		Fixed interest	Va-riable interest	Repay-ment	Fixed interest	Va-riable interest	Repay-ment	Fixed interest	Va-riable interest	Repay-ment
Financial liabilities measured at fair value										
Fair value - hedging instruments										
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	479	0	0	479	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,509	0	0	1,509	0	0	0	0	0	0
Total	1,988	0	0	1,988	0	0	0	0	0	0
Financial liabilities not measured at fair value										
At amortized cost										
Interest-bearing liabilities	497,944	5,292	1,202	34,838	16,330	3,837	282,787	6,312	942	179,134
Lease liabilities	65,442	0	797	19,909	0	1,552	34,784	0	3,319	10,749
Trade payables	395,581	0	0	395,581	0	0	0	0	0	0
Other financial liabilities (current and non-current)	79,175	0	7	78,029	0	11	329	0	0	817
Total	1,038,142	5,292	2,006	528,357	16,330	5,400	317,900	6,312	4,261	190,700
Total	1,040,130	5,292	2,006	530,345	16,330	5,400	317,900	6,312	4,261	190,700

Liabilities that are affected by the supplier finance program are paid on their due date. The associated cash outflows are taken into account in liquidity planning. The supplier finance program results in a concentration of risk. The number of suppliers is replaced by a concentration on a creditor bank. If this creditor bank were to

terminate the supplier finance agreement, an additional liquidity risk would generally be incurred, which is not of great significance due to supplier payment goals that are almost identical. As cited in Note 34, this relates to 47.5 % of trade payables as of the reporting date. The concentration risk is regarded as low.

41. OTHER RISKS

• PROCESS RISKS

There is a risk that standardized processes will not be adhered to, particularly in production. To minimize this risk, these processes are documented in work instructions and handbooks. Employees are trained in the use of this documentation and the documents are freely accessible via various systems.

• RISKS DUE TO THE LEGAL FRAMEWORK

As the PIERER Mobility Group markets motorcycles and bikes and non-e-bikes in a large number of countries, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income, and exchange restrictions as well as to the risk of political, social, and economic instability, inflation, and interest rate fluctuations.

Motorcycles registered for road use must comply with relevant provisions concerning noise and exhaust gas emissions in order to be approved for sale in each country. For all new models that are homologated for road use, the Group complies with the Euro V European emission standard that is relevant for motorcycles. The possible offroad uses of motorcycles are considerably influenced by the national and legal conditions in the countries where the vehicles are sold. To counteract this risk, the respective regulations specific to the given country are analyzed in detail prior to market launch and continue to be monitored on an ongoing basis to be able to react in good time to any changes.

The strong focus on research and development ensures that all products of the PIERER Mobility Group will continue to meet regulatory requirements in the future. Fully electric motorcycles already complement the product range today. At the same time, research and development is also focusing on other alternative drive technologies.

• BUSINESS AND ENVIRONMENTAL RISK

Environmental risks may relate to products, production, procurement and non-operating factors. More detailed examinations of environmental risks can also be found in the sustainability report published annually by PIERER Mobility AG and/or the reporting it contains in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) on climate-related opportunities and risks.

With regard to the products, risks arise in relation to emissions such as noise and pollutants or the leakage of harmful substances such as fuel or oil. In order to minimize these risks that may be caused by

potential malfunctions, the homologation requirements are strictly observed in addition to other measures, each vehicle tested for its functionality and compliance with all limit values on our own test benches, and a laboratory is in operation to test the interaction of materials used with people and the environment. In addition, the development of emission-free alternative drive systems and products is becoming an increasingly important focus.

In production, environmental risks arise due to the potential leakage of substances, waste and material residues on the premises. Numerous measures are undertaken to prevent these. These include waste management concepts, an engine oil treatment plant, emergency plans for each site and professional extraction systems for metal chips that deposit them in the container provided for this purpose. Emissions from operating the test benches are also caught by extraction systems.

Environmental risks in procurement may result from the environment-related shortage and rising prices of resources, cooperation with suppliers that do not operate with sufficient environmental measures, and emissions from delivery routes. In order to minimize these risks, measures are taken that include auditing suppliers, optimizing procurement channels, prioritizing regional procurement, and the use of resource-saving, modern production technology.

In addition, environmental risks arise from weather-related and climate-related phenomena, such as floods and other natural disasters. Although it is not possible to completely rule out the risk of natural disasters, the PIERER Mobility Group makes efforts to minimize the risk of production processes being impaired by having suitable emergency plans and insurance policies. Due to the geographical location of the main plants in Mattighofen and Munderfing, the risk of natural disasters occurring is considered to be low.

• PERSONNEL-RELATED RISKS

Especially with regard to the growth course, risks may arise if key staff leave the company. Efficient personnel management as well as the constant pursuit of personnel development programs are designed to counteract the risk of managerial staff leaving the company. The risk of a shortage of skilled staff is minimized by a comprehensive apprentice training program in our own apprentice workshop. The aim is to recruit employees from the region and to retain them in the long term.

Internal and external measures to increase employer attractiveness are an essential element in conveying the predominant spirit of the PIERER Mobility Group to potential new employees. With various

cross-media employee campaigns, the company was able to largely meet its personnel requirements in the reporting year. In the area of apprenticeships, attention was not only paid to addressing the target group appropriately, but a dedicated section was also created for the parents of future apprentices. The purpose of this is to provide information about opportunities and options at an early stage, and to prevent any uncertainties.

The company has taken numerous measures to protect its employees since the outbreak of the coronavirus pandemic in Austria. Government measures and regulations were implemented comprehensively and quickly and, due to the forward-looking approach and constant engagement with the authorities, some of them were integrated into the day-to-day business even before they were legally required. It was therefore possible to prevent large-scale spread within the company. Even when there was no longer any legal obligation to do so, many of these measures, such as regular disinfection of workplaces, have been maintained on a voluntary basis because they were so successful.

VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

42. BASIC PRINCIPLES

The PIERER Mobility Group holds primary and derivative financial instruments. **Primary financial instruments** mainly include trade receivables, credit balances with credit institutions, liabilities owed to credit institutions, trade payables, and financial liabilities. The portfolio of primary financial instruments is shown in the consolidated statement of financial position and described in the notes to the consolidated financial statements. **Derivative financial instruments** are generally used to hedge existing interest rate fluctuation and foreign currency risks. The use of derivative financial instruments is subject to appropriate authorization and control procedures in the group. The link to a hedged item is mandatory; trading transactions are not permitted. Purchases and sales of all financial instruments are recognised on the settlement date.

ACCOUNTING POLICIES

Categorization will take place in accordance with the contractual cash flows and the business models on which they are based. In this regard, the following measurement categories are provided by IFRS 9:

- AC category: At amortized cost using the effective interest method
- FVOCI category: At fair value, changes to the fair value are recorded under other comprehensive income
- FVPL category: At fair value, changes to the fair value are recorded in the income statement

In the case of equity instruments (such as shares in companies not listed on the stock exchange), the FVOCI option can be exercised. This will lead to changes in the fair value being recorded under other comprehensive income, meaning that it will no longer be possible to regroup the changes to fair value accumulated under other comprehensive income in the income statement. Insofar as this option is not exercised, these will be assigned to the FVPL category, under which all changes to the fair value will be recorded in the income statement.

Receivables and other assets upon initial recognition are measured at fair value and in subsequent periods are measured at amortized cost of acquisition. Foreign currency receivables are translated at the closing exchange rate on the reporting date. Financial receivables are classified as "at amortized cost" and are measured at amortized cost.

That portion of trade receivables that is part of the ABS or factoring program is allocated to the category "Fair Value through Profit and Loss" (FVPL).

Financial liabilities are measured at amortized cost of acquisition. Financial liabilities are assigned to the "at amortized cost" category. Any difference between the amount received and the amount repayable is apportioned over the term to maturity using the effective interest method and recognized in financial result. The fundraising

costs incurred in connection with borrowings were amortized to profit or loss using the effective interest method. Liabilities are measured at amortized cost. Liabilities denominated in foreign currencies are translated at the closing rate.

All financial instruments in the FVPL category are measured at fair value through profit or loss on the basis of the criteria in IFRS 9 (business model or SPPI test). The fair value option was not exercised.

Impairment losses

Trade receivables do not exhibit any material financing components. For that reason, the simplified method for determining the expected credit loss is used; this involves accounting for all instruments with a risk provision, which is independent of their credit quality, in the amount of the expected losses over the term to maturity. This amounts to less than twelve months for trade receivables and therefore corresponds to the 12-month loss. For details of the amounts involved, please refer to Note 40 "Financial risks".

In order to determine the expected credit loss, historic default data for receivables were collected over the last eight to ten years and split according to geographic regions. Current economic factors and forecasts are also taken into account.

Individual valuation adjustments are made to financial assets if they are deemed to be uncollectible or partially uncollectible. Signs that an individual allowance is required are financial difficulties, insolvency, breach of contract or considerable delay in payment on the part of the customer. Individual value adjustments consist of numerous individual items, none of which is material when considered in isolation. Financial assets are only derecognized directly if the contractual rights to receive payment cease to exist (in particular in the case of insolvency). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account.

Hedge accounting

The regulations on hedge accounting are applied in accordance with IFRS 9. According to IFRS 9, the fair value of an option, the forward element of a forward contract and any foreign currency basis spreads can be excluded from the designation of a financial instrument as a hedging instrument and accounted for as the cost of hedging. In this regard, fluctuations in the value of these components that have optionally not been designated are recorded as hedging costs under other comprehensive income and reclassified in the income state-

ment in the event that the hedged item is recognized in profit or loss.

43. CLASSIFICATION AND FAIR VALUE

The **fair value of a financial instrument** is determined by means of quoted market prices for identical instruments in active markets (Level 1). If no quoted market prices in active markets are available for the instrument, the fair value is determined by means of valuation techniques for which the material inputs are based exclusively on observable market data (Level 2). In all other cases, the fair value is

determined on the basis of valuation techniques for which at least one material input is not based on observable market data (Level 3).

Reclassifications from one level to another are taken into account at the end of the reporting period. There were no transfers between levels in the financial year.

The table below shows the valuation techniques used to determine fair value as well as the significant unobservable input factors used.

Financial instruments measured at fair value			
Type	Measurement technique	Significant unobservable input factors	Connection between significant unobservable input factors and measurement at fair value
Forward currency transactions and interest rate swaps	Fair values are based on the market values determined using recognized valuation models (discounted cash flows). They are regularly checked for plausibility.	Not applicable	Not applicable
Other financial assets (securities)	Securities are measured at the current stock-exchange price on the reporting date.	Not applicable	Not applicable
Financial instruments not measured at fair value			
Type	Measurement technique	Significant unobservable input factors	
Promissory note loans, financial liabilities	Discounted cash flows	Risk premium for own credit risk	

The table below shows the carrying amounts and fair values of financial assets (financial instrument shown on the assets side), broken down by class and IFRS 9 measurement category. However, it

does not provide information on the fair value or measurement level of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

EURk	Carrying amount 12/31/2022	Fair value 12/31/2022
Financial assets measured at fair value		
Other current assets - derivatives with positive market value that have already been assigned to receivables (fair value hedge)	17,281	17,281
Other current assets - derivatives with positive market value (cash flow hedge)	18,519	18,519
Trade receivables	6,765	6,765
Other financial assets	216	216
Total	42,781	
Financial assets not measured at fair value		
Cash and cash equivalents	278,738	-
Trade receivables	263,657	-
Other financial assets	34,349	-
Total	576,744	
Total	619,525	
EURk		
	Carrying amount 12/31/2021	Fair value 12/31/2021
Financial assets measured at fair value		
Other current assets - derivatives with positive market value (cash flow hedge)	3,411	3,411
Trade receivables	4,615	4,615
Other financial assets	1,410	1,410
Total	9,436	
Financial assets not measured at fair value		
Cash and cash equivalents	373,509	-
Trade receivables	146,247	-
Other financial assets	51,020	-
Total	570,776	
Total	580,212	

Receivables sold in connection with the current ABS and factoring program are fully derecognized in accordance with the rules under IFRS 9. Under the ABS program, trade receivables insured on a revolving monthly basis are sold up to a maximum volume of EUR 250,000k (previous year: EUR 250,000k), and under the factoring program used up to a volume of EUR 125,000k (previous year:

EUR 65,000k). As of the reporting date, trade receivables of EUR 264,904k (previous year: EUR 199,281k) had been sold to third parties. Up to a contractually defined amount, the PIERER Mobility Group continues to bear a risk from credit risk related defaults. As of December 31, 2022, the expected risk of loss was EUR 3,294k (previous year: EUR 3,321k). The expected loss is recorded as a

Fair value				Carrying amount 12/31/2022				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	17,281	-	17,281	-	-	-	-	17,281
-	18,519	-	18,519	-	-	-	-	18,519
-	-	6,765	6,765	-	-	-	6,765	-
-	-	216	216	-	-	216	-	-
-	-	-	-	278,738	-	-	-	-
-	-	-	-	263,657	-	-	-	-
-	-	-	-	34,349	-	-	-	-
Fair value				Carrying amount 12/31/2021				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	3,411	-	3,411	-	-	-	-	3,411
-	-	4,615	4,615	-	-	-	4,615	-
1,194	-	216	1,410	-	-	216	1,194	-
-	-	-	-	373,509	-	-	-	-
-	-	-	-	146,247	-	-	-	-
-	-	-	-	51,020	-	-	-	-

liability and expensed at the time of sale and is disclosed under other current liabilities. The carrying amount represents the fair value of the ongoing commitment. Expenses of EUR -27k (previous year: EUR 2,327k) were recognized in the income statement during the period under review; the cumulative total since the commencement of the transaction is EUR 3,294k (previous year: EUR 3,321k).

The table below shows the carrying amounts and fair values of financial liabilities (financial instruments shown on the liabilities side), broken down by class and IFRS 9 measurement category. However, it

does not provide information on the fair value or measurement level of financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

EURk	Carrying amount 12/31/2022	Classification under IFRS 9	Fair value 12/31/2022
Financial liabilities measured at fair value			
Fair value - hedging instruments			
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	394	FVPL	394
Other financial liabilities - derivatives with negative market value (cash flow hedge)	254	FVOCI	254
Total	648		
Financial liabilities not measured at fair value			
At amortized cost			
Interest-bearing liabilities	467,365	AC	449,181
Trade payables	737,602	AC	-
Other financial liabilities (current and non-current)	87,294	AC	-
Total	1,292,261		
Total	1,292,909		

EURk	Carrying amount 12/31/2021	Classification under IFRS 9	Fair value 12/31/2021
Financial liabilities measured at fair value			
Fair value - hedging instruments			
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	479	FVPL	479
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,509	FVOCI	1,509
Total	1,988		
Financial liabilities not measured at fair value			
At amortized cost			
Interest-bearing liabilities	497,944	AC	519,425
Trade payables	395,581	AC	-
Other financial liabilities (current and non-current)	79,175	AC	-
Total	972,700		
Total	974,688		

Fair value				Carrying amount 12/31/2022				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	394	-	394	-	-	-	-	394
-	254	-	254	-	-	-	-	254
-	-	449,181	449,181	467,365	-	-	-	-
-	-	-	-	737,602	-	-	-	-
-	-	-	-	87,294	-	-	-	-

Fair value				Carrying amount 12/31/2021				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	479	-	479	-	-	-	-	479
-	1,509	-	1,509	-	-	-	-	1,509
-	-	519,425	519,425	497,944	-	-	-	-
-	-	-	-	395,581	-	-	-	-
-	-	-	-	79,175	-	-	-	-

The net profit or loss from the financial instruments by IFRS 9 measurement category includes net gains/losses, total interest income/expenses and impairment losses and is made up as follows:

2022 EURk	From Interest	From subsequent measurement to fair value	From allowance	From disposal income	From foreign exchange valuation	Net income (total)
Financial assets - amortized cost (AC)	4,023	0	-992	-450	-1,676	905
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	12	17	0	81	0	110
Other financial liabilities - amortized cost (AC)	-18,102	0	0	0	441	-17,661
Total	-14,067	17	-992	-369	-1,235	-16,646

2021 EURk	From Interest	From subsequent measurement to fair value	From allowance	From disposal income	From foreign exchange valuation	Net income (total)
Financial assets - amortized cost (AC)	1,865	0	-122	0	8,484	10,227
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	0	365	0	0	0	365
Other financial liabilities - amortized cost (AC)	-12,487	0	0	0	0	-12,487
Total	-10,622	365	-122	0	8,484	-1,895

Changes in allowances and the derecognition of financial assets (amortized cost) are disclosed in other operating expenses for the

relevant overhead areas. The remaining components of the net result are included in financial income and financial expenses, respectively.

44. SET-OFF OF FINANCIAL ASSETS AND LIABILITIES

The group enters into set-off agreements with banks in connection with derivatives. Generally, the amounts owed under such agreements by each counterparty on a given day for all outstanding transactions in the same currency are aggregated into a single net amount payable by one party to the other. In certain cases – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, their value as of termination is determined, and only a single net amount is payable for settling all transactions. These items are not set off in the statement

of financial position, as such, as the net set-off of multiple transactions under the same framework agreements does not generally occur.

The tables below show financial assets and liabilities that have actually been offset along with amounts that are subject to a set-off agreement but which have not been offset, as they do not fulfill the criteria for set-off prescribed under IFRS.

EURk	Financial assets (gross)	Offset balance items (gross)	Accounted financial assets (net)	Effect of general offsetting agreements	Net amounts
Financial assets 2022					
Other financial assets - Derivatives with positive market value that have already been assigned to receivables					
Forward currency transactions	17,803	0	17,803	-254	17,549
Interest rate swaps	17,998	0	17,998	0	17,998
Total	35,801	0	35,801	-254	35,547
Financial assets 2021					
Other financial assets - Derivatives with positive market value that have already been assigned to receivables					
Forward currency transactions	385	0	385	-341	44
Interest rate swaps	3,026	0	3,026	0	3,026
Total	3,411	0	3,411	-341	3,070

EURk	Financial assets (gross)	Offset balance items (gross)	Accounted financial assets (net)	Effect of general offsetting agreements	Net amounts
Financial liabilities 2022					
Other financial liabilities - Derivatives with negative market value that have already been assigned to receivables					
Forward currency transactions	330	0	330	-254	76
Interest rate swaps	3	0	3	0	3
Total	333	0	333	-254	79
Financial liabilities 2021					
Other financial liabilities - Derivatives with negative market value that have already been assigned to receivables					
Forward currency transactions	1,940	0	1,940	-341	1,599
Interest rate swaps	48	0	48	0	48
Total	1,988	0	1,988	-341	1,647

45. HEDGES

The group enters into derivative financial instruments (forward currency transactions and interest rate swaps) to hedge foreign currency and interest rate risk. The aim of using derivative financial instruments is to offset fluctuations in cash flows from future transactions. Expected revenues in foreign currencies serve as the basis for planning future cash flows.

The group only recognizes changes in the spot rate component of forward currency transactions as a hedging instrument in cash flow hedges. The change in the forward component is accounted for separately as a cost of hedging and transferred to a reserve for hedging costs in equity or reclassified in the income statement if the hedged item affects profit or loss (as part of the financial result).

Derivatives are generally measured at fair value in accordance with IFRS 9. The group applies the rules for cash flow hedge accounting defined by IFRS 9 to these derivative financial instruments.

However, the main contractual criteria of the hedged item and the hedging instrument are identical but oppositely structured ("critical terms match"), ensuring an economic context for the hedging relationship. As of December 31, 2022 (as well as during the previous year), there were no derivative financial instruments for which no hedging relationships were able to be established.

A cash flow hedge is present if variable cash flows from recognized assets and/or liabilities or forecast business transactions that are subject to a market price risk are being hedged. If the requirements for a cash flow hedge are met, the effective portion of the change in the market value of hedging instruments must be recognized directly in consolidated equity. However, it is not recognized in profit or loss until the hedged item transaction occurs.

Where foreign currency hedges are used, the change in the market value of the derivatives is recognized in profit or loss. From that date, the change in the market value can be compared to the end-of-period closing rate of the foreign currency trade payables or foreign currency trade receivables. Any changes in earnings that are caused by the ineffectiveness of derivative financial instruments are recognized in profit or loss in the consolidated income statement.

To measure the effectiveness of a currency hedge, the hedged items and the hedging transactions are grouped together in so-called maturity bands according to the hedged risk. The maturity bands should not cover more than one quarter-year. The prospective effectiveness is assessed at the inception of the hedging relationship and reviewed at each measurement date as well as in the event of a significant change in the circumstances that affect the criteria for assessing effectiveness. In the case of interest rate hedges,

prospective effectiveness is measured using a sensitivity analysis and retrospective effectiveness testing is performed using the dollar offset approach.

Derivatives are measured at fair value. The fair value is the market value and is determined using accepted methods of financial mathematics. The basis for measuring the derivatives is the market data (interest rate, exchange rates, etc.) prevailing on the reporting date. The forward rate applicable on the reporting date is used for

measuring forward currency transactions. In the case of positive market values, the creditworthiness of the counterparty is included in the measurement by means of a credit value adjustment (CVA). In the case of negative market values, a debit value adjustment (DVA) is deducted in order to account for the group's own default risk. Special models are used to estimate the measurement. They are checked for plausibility by means of bank valuations.

The following derivative financial instruments used as **hedging instruments** are employed as of December 31, 2022 or December 31, 2021:

12/31/2022	Currency	Notional amount in 1000 local currency	Market values in EURk	Gross Exposures in EURk	Term up to 1 year	Average foreign exchange rate	Term 1 - 5 years	Average foreign exchange rate
Forward currency transactions	USD	180,000	11,028	198,411	180,000	1	0	-
	JPY	3,750,000	396	-43,076	3,750,000	141.64	0	-
	CAD	45,000	1,965	111,672	45,000	1.37	0	-
	GBP	25,000	676	105,214	25,000	0.87	0	-
	CHF	28,115	14	47,717	28,115	0.98	0	-
	AUD	64,000	3,075	116,229	64,000	1.46	0	-
	NZD	13,000	256	14,122	13,000	1.64	0	-
	CNY	60,000	62	-38,841	60,000	7.42	0	-
		Notional amount in 1000 local currency	Market values in EURk	Annualy Exposures in EURk	Term up to 1 year	Average interest rate	Term 1 - 5 years	Average interest rate
Interest rate swaps		172,316	17,995	0	433	2.11%	171,883	-2.69%

12/31/2021	Currency	Notional amount in 1000 local currency	Market values in EURk	Gross Exposures in EURk	Term up to 1 year	Average foreign exchange rate	Term 1 - 5 years	Average foreign exchange rate
Forward currency transactions	USD	60,000	-787	46,156	60,000	0.77	-	-
	JPY	600,000	30	-35,946	600,000	65.79	-	-
	CAD	49,000	116	68,080	49,000	-	-	-
	GBP	38,000	-411	88,909	38,000	0.85	-	-
	CHF	19,744	-133	36,270	19,744	1.04	-	-
	AUD	51,000	-418	83,157	51,000	1.58	-	-
	NZD	14,000	48	15,975	14,000	1.67	-	-
		Notional amount in 1000 local currency	Market values in EURk	Annually Exposures in EURk	Term up to 1 year	Average interest rate	Term 1 - 5 years	Average interest rate
Interest rate swaps		166,144	2,979	0	893	2,11 %	165,221	0,25 %

In cash flow hedge accounting, both variable future cash flows arising from non-current liabilities with maturity dates up to 2025 or up to 2031 and future operating cash flows (receipts as well as payments) planned for the next twelve months are hedged.

At the reporting date, the amounts relating to items designated as hedged **items** were as follows.

EURk	Cash flow hedge reserve	Costs of hedging hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
12/31/2022			
Foreign currency risk			
Sales and receivables	2,639	-541	0
Inventory purchases	309	0	0
Interest rate risk			
Variable-rate instruments	13,729	0	0
Total	16,677	-541	0
12/31/2021			
Foreign currency risk			
Sales and receivables	-1,242	486	0
Inventory purchases	144	0	0
Interest rate risk			
Variable-rate instruments	1,985	0	0
Total	887	486	0

The **hedging transactions** designated as of the reporting date are composed of the following:

EURk	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets	Liabilities	
12/31/2022				
Foreign currency risk				
Foreign currency forwards - sales and receivables	312,442	17,284	-217	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	35,481	519	-113	Other current assets, other current liabilities
Interest rate risk				
Interest rate swaps	172,316	17,998	-3	Other current liabilities
Total	520,239	35,801	-333	
12/31/2021				
Foreign currency risk				
Foreign currency forwards - sales and receivables	183,302	349	-1,934	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	4,615	36	-6	Other current assets, other current liabilities
Interest rate risk				
Interest rate swaps	166,114	3,026	-48	Other current liabilities
Total	354,031	3,411	-1,988	

The **cash flow hedge reserve** and the **reserve for hedging costs** (after taxes) developed as follows:

EURk	Reserve for hedging costs	Cash flow hedge reserve	Total
As of 1/1/2021	-102	-938	-1,040
Amount reclassified to the income statement			
Realization of hedged item (recognized in revenues - currency risk)	0	-1,265	-1,265
Realization of hedged item (recorded in net interest income - currency risk)	102	0	102
Realization of hedged item (recorded in net interest income - interest rate risk)	0	373	373
Inventories			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	156	156
Change in fair value			
Addition - interest rate risk	0	2,417	2,417
Addition - currency risk	486	143	629
Cash flow hedge reserve from initial consolidation	0	0	0
Balance as of 12/31/2021 = balance as of 1/1/2022	486	886	1,372
Amount reclassified to the income statement			
Realization of hedged item (recognized in revenues - currency risk)	0	1,242	1,242
Realization of hedged item (recorded in net interest income - currency risk)	-486	0	-486
Realization of hedged item (recorded in net interest income - interest rate risk)	0	-230	-230
Inventories			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-144	-144
Change in fair value			
Addition - interest rate risk	0	11,975	11,975
Addition - currency risk	-541	2,948	2,407
Cash flow hedge reserve from initial consolidation	0	0	0
As of 12/31/2022	-541	16,677	16,136

As of December 31, 2022, ineffective components of the derivative financial instruments classified as cash flow hedges yielded a net result (after tax) of EUR 0k (previous year: EUR 0k).

FORWARD CURRENCY TRANSACTIONS

The PIERER Mobility Group enters into forward currency transactions to hedge intended future revenue and cost of materials denominated in foreign currency against the risk of exchange rate fluctuations.

INTEREST RATE SWAPS

In order to control the interest rate risk in relation to variable euro interest rates, amortizing interest rate swaps with a nominal value of EUR 50,000k and a term of 10 years were entered into during the 2021

financial year. In 2020, USD interest rate swaps with a nominal value of USD 130,000k and a term of 5 years were concluded to hedge variable USD financing.

As of December 31, 2022, the outstanding notional amount was EUR 172,316k (previous year: EUR 166,114k).

In the 2022 financial year, EUR 17k (previous year: EUR -365k) from the measurement of interest rate swaps was recognized in the income statement.

46. CAPITAL MANAGEMENT

The aim of the group is to preserve a strong capital structure in order to maintain investor, creditor and market confidence and to ensure the company's sustainable development. The Executive Board regularly monitors the return on capital as well as the amounts of the dividends that will be paid to the holders of ordinary shares.

The strategy of the PIERER Mobility Group aims to ensure that PIERER Mobility AG and the other group companies have an equity

base that meets the local requirements. The principal key figures used for capital management control are equity ratio, net financial debt, gearing and the dynamic debt level. Some loan agreements include financial covenants regarding the equity ratio and dynamic debt level, non-compliance with which would lead to a premature repayment of the financial liabilities. All financial covenants were met in the reporting year.

The **equity ratio** is as follows:

EURk	12/31/2022	12/31/2021
Equity	914,396	765,551
Balance sheet total	2,550,635	2,033,719
Equity ratio	35.8%	37.6%

The **net financial debt** is defined on the basis of the current and non-current financial liabilities (bonds, loans, lease liabilities and other interest-bearing liabilities) minus cash and cash equivalents.

The objectives in this regard are to secure liquidity in the long term, the efficient use of external financing, and minimizing the financial risk while simultaneously optimizing returns.

EURk	12/31/2022	12/31/2021
Non-current financial liabilities	458,620	506,539
Current financial liabilities	76,635	56,847
	535,255	563,386
Cash and cash equivalents	-278,738	-373,509
Net financial debt	256,517	189,877

The key figures of “gearing” (ratio of net debt to equity) and “dynamic debt level” (ratio of net financial debt to EBITDA) for monitoring the capital are as follows:

EURk	12/31/2022	12/31/2021
Equity	914,396	765,551
Net financial debt	256,517	189,877
Gearing	28.1%	24.8%

EURk	12/31/2022	12/31/2021
Net financial debt	256,517	189,877
EBITDA	381,108	332,202
Dynamic debt level	0.7	0.6

IX. LEASES

47. LEASES AS LESSEE (IFRS 16)

The PIERER Mobility Group has concluded rental and lease agreements for the use of land, operating and administrative buildings, or office space and storage areas, machines (including CNC machines) and in respect of the vehicle fleet.

The PIERER Mobility Group also leases IT equipment with contractual terms of between one and five years. These rental and lease

agreements are short-term and/or for items of low value. The group has exercised the option under IFRS 16.5-8 and has not recognized any rights of use or leasing liabilities for these rental and lease agreements.

Furthermore, leases have been entered into for tools (special leasing) and machines with terms of 3-10 years.

Right-of-use assets and lease liabilities

The carrying amount of the right-of-use assets is as follows:

EURk	Land and buildings	Machinery	Plant & office furniture and equipment	Total
2022				
As of 1/1	29,269	17,527	16,090	62,886
- Depreciation and amortization	-10,170	-5,673	-7,313	-23,156
+ Additions right-of-use assets	14,825	3,645	7,407	25,877
- Disposals right-of-use assets	-574	0	-238	-812
+/- Currency effects, reclassifications	11	-1	184	194
Carrying amount as of 12/31/2022	33,361	15,498	16,130	64,989
2021				
As of 1/1	29,991	16,180	13,891	60,063
- Depreciation and amortization	-8,399	-5,429	-6,480	-20,308
+ Additions right-of-use assets	8,975	6,792	8,859	24,626
- Disposals right-of-use assets	-1,419	0	-285	-1,704
+/- Currency effects, reclassifications	121	-16	105	210
Carrying amount as of 12/31/2021	29,269	17,527	16,090	62,886

The cash value of the minimum lease payments is as follows:

EURk	Future minimum lease payments	Interest payments	Present value of future minimum lease payments
2022			
Up to 1 year	22,803	1,010	21,793
Longer than 1 year and up to 5 years	37,571	1,853	35,717
Over 5 years	13,530	3,150	10,380
Total	73,904	6,013	67,890
2021			
Up to 1 year	20,706	797	19,909
Longer than 1 year and up to 5 years	36,336	1,552	34,783
Over 5 years	14,069	3,319	10,750
Total	71,111	5,668	65,442

Payment obligations under leases are disclosed in the consolidated statement of financial position under financial liabilities, see Note 32.

Amounts recognized in the income statement and statement of cash flows

2022 - Leases according to IFRS 16	EURk
Interest expenses on lease liabilities	1,087
Income from sublease of right-of-use assets	214
Expenses relating to short-term leases	5,556
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	14,102
2021 - Leases according to IFRS 16	
Interest expenses on lease liabilities	895
Income from sublease of right-of-use assets	208
Expenses relating to short-term leases	3,787
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	9,482

The expenses for leases for low-value assets relate to rental and lease agreements for IT equipment.

short-term and low-value leases as well as interest expenses and income from subleases of right-of-use assets and are presented in cash flow from operating activities.

The statement of cash flows recorded net cash outflows for leases amounting to EUR 43,945k (previous year: EUR 32,387k). Cash flow from financing activities included repayments of lease liabilities amounting to EUR 23,414k (previous year: EUR 18,431k). The remaining EUR 20,531k (previous year: EUR 13,956k) relate to

Options for prolongation

Some rental and lease agreements contain options for prolongation, which can be exercised by the group up to one year before the end of the fixed term. Wherever possible, the group seeks to include options for prolongation when concluding new rental contracts and leases in order to ensure operational flexibility. On the date of provision, the

group assesses whether the right to exercise options for prolongation is sufficiently certain. The group reassesses whether it is reasonably certain that an option for prolongation will be exercised if a material event or change in circumstances occurs that is within its control.

48. LEASES AS LESSOR (IFRS 16)

From the lessor's perspective, all leases are classified as operating leases, as they are structured in such a way that the PIERER Mobility Group essentially retains all the risks and opportunities associated with ownership.

This does not apply to one sublease which the group classifies as a finance lease. This relates to the sublease of a building which was reported as a right of use under property, plant and equipment. No

new sublease was concluded and recognized in the 2022 financial year. In addition, the group recognized interest income on leasing receivables in 2022 amounting to EUR 10k (previous year: EUR 8k). As of December 31, 2022, the leasing receivables from subleases amounted to EUR 763k (previous year: EUR 850k). Of these, EUR 251k (previous year: EUR 327k) is due in less than one year and EUR 511k (previous year: EUR 523k) is due in 1-5 years.

X. EXPLANATIONS REGARDING RELATED PARTIES AND THE CORPORATE BODIES

49. RELATED PARTY DISCLOSURES

According to the provisions of IAS 24, details of related party transactions are to be provided.

On the reporting date of Saturday, December 31, 2022, 73.82 % of the shares in PIERER Mobility AG were held by Pierer Bajaj AG, which is 50.10 % owned by Pierer Industrie AG. Furthermore, Pierer Konzerngesellschaft mbH holds 2.53 % of the shares in PIERER Mobility AG. Pierer Industrie AG is 100.00 % owned by Pierer Konzerngesellschaft mbH. The sole shareholder of Pierer Konzerngesellschaft mbH is Stefan Pierer.

Stefan Pierer held the following key positions in the Pierer Konzerngesellschaft mbH Group as of December 31, 2022:

- Chairman of the Executive Board of Pierer Industrie AG, Wels
- Chairman of the Executive Board of Pierer Bajaj AG, Wels
- Chairman of the Executive Board of PIERER Mobility AG, Wels
- Chairman of the Executive Board of KTM AG, Mattighofen
- Chairman of the Supervisory Board of Pankl AG, Kapfenberg
- Chairman of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg
- Member of the Supervisory Board of SHW AG, Aalen, Germany

In the PIERER Mobility Group, transactions with related parties are grouped according to "shareholder-related companies", "associates" and "other companies".

PIERER Mobility AG is part of the same group as Pierer Konzerngesellschaft mbH, the ultimate parent company of the group, and its subsidiaries and is included within the consolidated financial statements of that group. All the companies included within the consolidated financial statements of Pierer Konzerngesellschaft mbH and controlled by Pierer Konzerngesellschaft mbH are shown as related companies in the "shareholder-related companies" category.

Associates can be seen from the schedule of equity holdings (see Chapter XII) and concern all investments accounted for using the equity method.

Other companies are defined as all companies controlled by key management. PIERER Mobility AG principally defines key management as members of the Executive Board and Supervisory Board and, where appropriate, further managers in key positions who may exert a significant influence on the finance and business policy decisions of the group. In addition, family members of key management and their companies are also taken into account.

In the 2022 financial year and in the previous year, there were no material transactions with related parties (apart from Executive Board and Supervisory Board earnings, see Note 51.). The business transactions with related companies are represented as follows according to the grouping described:

EURk	Shareholder related companies		Associated companies		Other companies	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Receivables	26,887	32,013	44,669	11,494	3,884	2,474
Liabilities	-10,153	-12,890	-20,782	-2,752	-8,342	-9,849
Revenues	4,023	2,551	57,586	35,291	17,613	17,835
Expenses	-127,273	-118,548	-100,108	-32,365	-247,560	-223,712
Dividend	-25,371	-7,372	0	0	-72	0

All transactions with related companies were carried out at arm's length. Material business relationships are disclosed below:

SHAREHOLDER-RELATED COMPANIES:

Since the investment in 2014, PIERER Mobility AG has been a group member of Pierer Konzerngesellschaft mbH, Wels, in accordance with Section 9 of the Austrian Corporate Tax Act (KStG). KTM AG has been a member of this tax group within the meaning of the Austrian Corporate Tax Act since 2017. The taxable incomes of the group members are allocated to the group parent. The tax compensation between the group parent and each individual group member was regulated by a group taxation and tax transfer agreement. Tax losses are reserved at the level of the respective subsidiaries and can be offset at this level against future tax profits.

In the 2022 financial year, expenses totaling EUR 26,347k were incurred with Pierer Konzerngesellschaft mbH (previous year: EUR 33,078k) and interest income amounting to EUR 42k (previous year: EUR 2k) was accrued. Furthermore, as of the reporting date, there were outstanding liabilities amounting to EUR 4,017k (previous year: EUR 8,223k) and receivables of EUR 13,487k (previous year: EUR 257k).

Since October 1, 2018, Pierer Industrie AG has formed a tax group for VAT purposes with the PIERER Mobility Group. As of the reporting date, the PIERER Mobility Group had receivables totaling EUR 9,789k (previous year: EUR 8,933k), in particular from the tax group settlement with Pierer Industrie AG.

In the 2022 financial year, Pierer Bajaj AG received dividends amounting to EUR 24,781k (previous year: EUR 6,762k), and Pierer Konzerngesellschaft mbH received dividends amounting to EUR 590k (previous year: EUR 483k), from PIERER Mobility AG from the previous financial year. In the previous year, a dividend of EUR 128k was also paid to Pierer Industrie AG.

Other transactions with shareholder-related companies on the expenses side mainly concern the Pankl Racing Group, which acts as a supplier of purchased parts for the PIERER Mobility Group. The Pankl Racing Group is part of the Pierer Industrie Group and is controlled via Pankl AG.

ASSOCIATES:

For development and design services as well as services in relation to brand development for Kiska GmbH, expenses amounting to EUR 17,860k (previous year: EUR 14,210k) were incurred in the past financial year. As of December 31, 2022, accounts payable to Kiska GmbH stood at EUR 1,231k (previous year: EUR 2,752k).

Other transactions with associates relate to the companies which are explained below with an ongoing operating business relationship described in each case.

KTM Asia Motorcycle Manufacturing Inc. was jointly founded in June 2016 in partnership with Ayala Corp. The company began the CKD (completely knocked down) assembly of KTM motorcycles in the Philippines in mid-2017.

The joint venture in China conducted in partnership with CF Moto was established in the 2018 financial year under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd." Mid-range motorcycles have been produced in the Chinese city of Hangzhou since 2021.

With effect from November 15, 2022, 25.1 % of the shares in MV Agusta Motor S.p.A. were acquired. In addition, in the 2022 financial year the KTM Group concluded a cooperation agreement with the traditional Italian manufacturer MV Agusta, with its head office in Varese. Under this agreement, the KTM Group will take over the purchasing and global distribution of MV Agusta products.

In addition, in December 2022 the group acquired 23 % of the shares in Vöcklabrucker Metallgießerei Dambauer GmbH, Vöcklabruck. The company produces aluminum castings and acts as a supplier of series material for KTM AG.

OTHER COMPANIES:

Cooperation with the Indian Bajaj group has been in place since 2007. The Bajaj Group is India's second largest manufacturer of motorcycles, selling approximately 4.3 million motorcycles and three-wheelers during the last financial year (reporting date: March 31, 2022). The cooperation focuses on the joint development of entry-level street motorcycles, which are produced in India and distributed under the KTM brand by both companies in their respective core markets.

The Deputy Chairman of the Supervisory Board of PIERER Mobility AG, Rajiv Bajaj, is Managing Director and CEO of Bajaj Auto Ltd., Pune, India. Srinivasan Ravikumar, a member of the Supervisory Board of PIERER Mobility AG, is a director of Bajaj Auto International Holdings B.V., Amsterdam, Netherlands, and President of Business Development and Assurance, Bajaj Auto Ltd., Pune, India. Following the simplification of the ownership structure in the 2021 financial year, Bajaj Auto International Holdings B.V., a subsidiary of Bajaj Auto Ltd., now owns 49.9 % of Pierer Bajaj AG, which in turn is the majority shareholder (73.82 %) of PIERER Mobility AG. As of December 31, 2022, there was a liability to Bajaj Auto Ltd. of EUR 7,788k (previous year: EUR 9,681k). The expenses in the category "Other companies" also largely relate to Bajaj Auto Ltd.

Third-party deliveries of motorcycles and spare parts were made to dealers (KTM Braumandl GmbH, MX - KTM Kini GmbH, SO Regensburg GmbH, KTM Wien GmbH). Revenues and receivables

from other companies mainly relate to transactions with these dealers. The minority interests in the dealers are held via Pierer Industrie AG.

50. CORPORATE BODIES OF PIERER MOBILITY AG

The following individuals were appointed as **members of the Executive Board** with collective power of representation:

Stefan **Pierer**, CEO
Friedrich **Roithner**, CFO
Hubert **Trunkenpolz**, CSO
Viktor **Sigl**, MBA

The following individuals were appointed as members of the **Supervisory Board**:

Josef **Blazicek**, Chairman
Rajiv **Bajaj**, Deputy Chairman
Dr. Iris **Filzwieser**
Michaela **Friepeß**
Srinivasan **Ravikumar**
Klaus **Rinnerberger**

51. EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

The **remuneration for the 2022 Executive Board** of PIERER Mobility AG includes salaries, benefits in kind, bonuses, severance payments as well as payments into the company's staff severance pay fund and amounted to EUR 7,451k (previous year: EUR 8,256k). Furthermore, earnings from previous periods for members of the Executive Board did not result in any subsequent payment. In addition, there are no agreements regarding a company retirement scheme for the Executive Board and no pension fund payments were made to the Executive Board in the 2022 financial year.

It is proposed that the **remuneration to be paid to the Supervisory Board** of PIERER Mobility AG for the 2022 financial year (payout in the 2023 financial year) shall amount to a total of EUR 40k (previous year: EUR 73k).

No loans or advances have been granted to the members of the Supervisory Board of PIERER Mobility AG as of the reporting date.

XI. EVENTS AFTER THE REPORTING DATE

Events that occurred after December 31, 2022 and are material for the measurement of the assets and liabilities have either been reflected in these financial statements or are not known.

XII. GROUP COMPANIES (SCHEDULE OF EQUITY HOLDINGS)

The schedule of equity holdings comprises all companies that have been included in the consolidated financial statements in addition to the parent companies.

Company	Initial consolidation date	12/31/22		12/31/21	
		Interest %	Consolidation type	Interest %	Consolidation type
Fully consolidated companies:					
KTM AG, Mattighofen	5/31/2005	100.00	FC	99.75	FC
KTM Immobilien GmbH, Mattighofen	5/31/2005	100.00	FC	99.75	FC
KTM North America, Inc., Murrieta, CA, USA	5/31/2005	100.00	FCA	99.75	FCA
KTM-Motorsports Inc., Murrieta, CA, USA	5/31/2005	100.00	FCA	99.75	FCA
KTM Japan K.K., Tokyo, Japan	5/31/2005	100.00	FCA	99.75	FCA
KTM-Racing AG, Frauenfeld, Switzerland	5/31/2005	100.00	FCA	99.75	FCA
KTM Sportcar GmbH, Mattighofen	5/31/2005	100.00	FC	99.75	FC
KTM Motorcycles S.A. Pty. Ltd., Midrand, South Africa	3/1/2009	100.00	FCA	99.75	FCA
KTM Sportmotorcycle Mexico C.V. de S.A., Lerma, Mexico	6/1/2009	100.00	FCA	99.75	FCA
KTM Sportmotorcycle GmbH, Mattighofen	3/31/2011	100.00	FC	99.75	FC
KTM-Sportmotorcycle India Private Limited, Pune, India	6/1/2012	100.00	FCA	99.75	FCA
Husqvarna Motorcycles GmbH, Mattighofen	1/1/2013	100.00	FC	99.75	FC
KTM Sportmotorcycle Deutschland GmbH, Ursensollen, Germany	12/31/2013	100.00	FCA	99.75	FCA
KTM Switzerland Ltd., Frauenfeld, Switzerland	12/31/2013	100.00	FCA	99.75	FCA
KTM Sportmotorcycle UK Ltd., Northamptonshire, UK	12/31/2013	100.00	FCA	99.75	FCA
KTM-Sportmotorcycle Espana S.L., Terrassa, Spain	12/31/2013	100.00	FCA	99.75	FCA
KTM Sportmotorcycle France SAS, Saint-Priest, France	12/31/2013	100.00	FCA	99.75	FCA
KTM Sportmotorcycle Italia S.r.l., Meran, Italy	12/31/2013	100.00	FCA	99.75	FCA
KTM-Sportmotorcycle Nederland B.V., Malden, Netherlands	12/31/2013	100.00	FCA	99.75	FCA
KTM Sportmotorcycle Scandinavia AB, Örebro, Sweden	12/31/2013	100.00	FCA	99.75	FCA
KTM-Sportmotorcycle Belgium S.A., Gembloux, Belgium	12/31/2013	100.00	FCA	99.75	FCA
KTM Canada Inc., Chambly, Canada	12/31/2013	100.00	FCA	99.75	FCA
KTM Hungária Kft., Budapest, Hungary	12/31/2013	100.00	FCA	99.75	FCA
KTM Central East Europe s.r.o., Bratislava, Slovakia	12/31/2013	100.00	FCA	99.75	FCA
KTM Österreich GmbH, Mattighofen	12/31/2013	100.00	FC	99.75	FC
KTM Nordic Oy, Vantaa, Finland	12/31/2013	100.00	FCA	99.75	FCA
KTM Sportmotorcycle d.o.o., Marburg, Slovenia	12/31/2013	100.00	FCA	99.75	FCA
KTM Czech Republic s.r.o., Pilsen, Czech Republic	12/31/2013	100.00	FCA	99.75	FCA
KTM Sportmotorcycle SEA PTE. Ltd., Singapore, Singapore	1/1/2014	100.00	FCA	99.75	FCA
Husqvarna Motorcycles North America, Inc., Murrieta, CA, USA	12/31/2013	100.00	FCA	99.75	FCA
Husqvarna Motorsports, Inc., Murrieta, CA, USA	4/1/2015	100.00	FCA	99.75	FCA
Husqvarna Motorcycles S.A. Pty. Ltd., Northriding, South Africa	4/1/2015	100.00	FCA	99.75	FCA
KTM Logistikzentrum GmbH, Mattighofen	9/16/2016	100.00	FC	99.75	FC
WP Suspension GmbH, Mattighofen	11/30/2016	100.00	FC	99.75	FC
WP Suspension North America, Inc., Murrieta, CA, USA	8/31/2017	100.00	FCA	99.75	FCA

Company	Initial consolidation date	12/31/22		12/31/21	
		Interest %	Consolidation type	Interest %	Consolidation type
KTM do Brasil Ltda., Sao Paulo, Brazil	12/31/2017	100.00	FCA	99.75	FCA
KTM Components GmbH, Munderfing	11/30/2007	100.00	FC	99.75	FC
WP Immobilien GmbH, Munderfing	4/30/2005	100.00	FC	99.75	FC
KTM Beteiligungs GmbH, Mattighofen	4/30/2018	100.00	FC	99.75	FC
KTM Australia Holding Pty Ltd., Prestons, Australia	7/1/2019	100.00	FCA	99.75	FCA
KTM Australia Pty Ltd., Prestons, Australia	7/1/2019	100.00	FCA	99.75	FCA
HQVA Pty Ltd., Prestons, Australia	7/1/2019	100.00	FCA	99.75	FCA
KTM Motorcycles Distributers NZ Limited Wellington Central, New Zealand	7/1/2019	100.00	FCA	99.75	FCA
Cero Design Studio S.L., Barcelona, Spain	10/1/2019	50.01	FCA	49.88	FCA
GASGAS Motorcycles GmbH, Mattighofen	10/31/2019	100.00	FC	99.75	FC
GASGAS Motorcycles Espana S.L.U. (formerly: Canepa Investments S.L.), Terrassa, Spain	1/1/2020	100.00	FCA	99.75	FCA
KTM MOTOHALL GmbH, Mattighofen	1/1/2020	90.00	FC	89.78	FC
KTM Racing GmbH, Mattighofen	2/29/2020	100.00	FC	99.75	FC
KTM Forschungs & Entwicklungs GmbH, Mattighofen, Austria	3/31/2021	100.00	FC	99.75	FC
KTM Technologies GmbH, Anif ¹	10/1/2008	100.00	FC	99.75	FC
CFMOTO Motorcycles Distribution GmbH (formerly: CFMOTO Europa GmbH), Mattighofen	6/25/2022	100.00	FC	-	-
PIERER IMMOREAL NORTH AMERICA LLC., Murrieta, CA, USA	7/7/2022	100.00	FCA	-	-
KTM (SHANGHAI) MOTO CO., LTD., Shanghai, China	7/15/2022	100.00	FCA	-	-
MV Agusta Motorcycles GmbH, Mattighofen, Austria	9/21/2022	74.90	FC	-	-
MV Agusta Motorcycles North America, Inc., Murrieta, CA, USA	9/30/2022	100.00	FCA	-	-
MV Agusta Services S.r.l., Meran, Italy	10/24/2022	100.00	FCA	-	-
PIERER Produktion GmbH, Munderfing	11/26/2022	100.00	FC	-	-
PIERER New Mobility GmbH (formerly: PIERER E-Bikes GmbH), Munderfing	2/25/2020	100.00	FC	100.00	FC
PIERER New Mobility Deutschland GmbH (formerly: PIERER E-Bikes Deutschland GmbH), Schweinfurt, Germany	12/31/2019	100.00	FCA	100.00	FCA
PIERER E-Bikes Suisse GmbH, Frauenfeld, Switzerland	12/31/2019	100.00	FCA	100.00	FCA
PIERER E-Bikes Espana S.L., Terrassa, Spain	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility France SAS (formerly: PIERER E-Bikes France SAS), Saint-Priest, France	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility Italia S.r.l. (formerly: PIERER E-Bikes Italia S.r.l.), Meran, Italy	12/31/2013	100.00	FCA	100.00	FCA
PIERER E-Bikes Scandinavia AB, Örebro, Sweden	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility North America, Inc. (formerly: PIERER E-Bikes North America Inc.), Murrieta, CA, USA	10/1/2020	100.00	FCA	100.00	FCA
PIERER New Mobility UK Ltd. (formerly: PIERER E-Bikes UK Ltd.), Northamptonshire, UK	12/31/2013	100.00	FCA	51.71	FCA
PIERER New Mobility Benelux (formerly: PIERER E-Bikes Benelux), Gembloux, Belgium	11/29/2021	100.00	FCA	100.00	FCA
Felt GmbH, München, Germany	11/17/2021	-	-	100.00	FCA

Company	Initial consolidation date	12/31/22		12/31/21	
		Interest %	Consolidation type	Interest %	Consolidation type
PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria	12/2/2021	50.00	FCA	50.00	FCA
PIERER E-Bikes Asia Ltd., Taichung City, Taiwan	5/25/2022	100.00	FCA	-	-
PIERER NEW MOBILITY AUSTRALIA PTY LTD, New South Wales, Australia	10/13/2022	100.00	FCA	-	-
PIERER E-Commerce GmbH, Munderfing (formerly: HDC GmbH, Wels)	12/31/2016	100.00	FC	100.00	FC
PIERER E-Commerce North America Inc., Murrieta, CA, USA	6/21/2022	100.00	FCA	-	-
PIERER Innovation GmbH, Wels	3/31/2018	100.00	FC	100.00	FC
DealerCenter Digital GmbH, Landshut, Germany ¹	7/31/2021	75.46	FCA	75.46	IEA
Avocado GmbH, Linz	4/30/2019	100.00	FC	100.00	FC
Platin 1483. GmbH, Schweinfurt, Germany	12/31/2019	100.00	FCA	100.00	FCA
Associated companies:					
KTM Asia Motorcycle Manufacturing Inc., Binan, Laguna, Philippines	-	40.00	IEA	39.90	IEA
Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Hangzhou City, Zhejiang, China	-	49.00	IEA	48.88	IEA
MV Agusta Motor S.P.A., Varese, Italy	25.10	IEA	-	-	-
Vöcklabrucker Metallgießerei Dambauer GmbH, Vöcklabruck	-	23.00	IE	-	-
Kiska GmbH, Anif	-	50.00	IE	50.00	IE
Other non-current financial assets:					
AC styria Mobilitätscluster GmbH, Grambach	-	12.33	-	12.33	-

Legend:

FC Full Consolidation, Austria

FCA Full Consolidation, abroad

IE Inclusion at-equity, Austria

IEA Inclusion at-equity, abroad

¹ held via the PIERER Mobility AG in the previous year

XIII. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Executive Board on March 22nd 2022 (previous year: March 23rd 2021) for review by the Supervisory Board, for submission to the annual

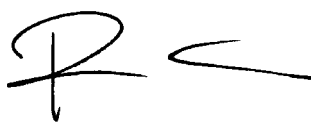
general meeting and for subsequent publication. Within the scope of the review it is required to perform, the Supervisory Board may require changes to be made to the consolidated financial statements.

Wels, March 15th 2022

The Executive Board of PIERER Mobility AG



Stefan Pierer



Friedrich Roithner



Hubert Trunkenpolz



Viktor Sigl



Auditor's Report

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINION

We have audited the consolidated financial statements of

PIERER Mobility AG, Wels, Austria,

and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

BASIS FOR OUR OPINION

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Recognition of Development Costs

Refer to note 22

Risk for the Consolidated Financial Statements

In the consolidated financial statements of PIERER Mobility AG, development costs of EUR 421 million are reported under the balance sheet item "Intangible assets" and therefore represent a significant portion of the group's assets. According to IAS 38, the Group recognizes research costs as expenses, while development costs for future serial products are capitalized if the capitalization requirements according to IAS 38.57ff. are fulfilled.

The main requirements for recognizing development costs as assets are the feasibility of the development projects (including the possibility of technical realization, the intention to complete and the ability to use) and the expected achievement of future economic benefits. The complexity of research and development projects is increasing due to the group's technology leadership as the leading powered two-wheeler manufacturer in Europe and the associated new development projects (including investments in electromobility and a range of zero-emission products). The assessment of project feasibility plays an important role in this context and is subject to discretionary decisions by management.

In addition to meeting the recognition requirements in accordance with IAS 38.57ff. the recording of time and cost for development projects also plays an important role in accurately calculating development costs.

Our Response

We assessed the recognition of development costs as follows:

- We obtained an understanding of management's process for the distinction between research and development costs and the evaluation of the recognition requirements of development costs according to IAS 38.57ff.
- We evaluated the design, establishment and effectiveness of management's process-related controls over the capitalization of development costs, including review of management's project feasibility documentation.
- We assessed, on the basis of random samples, whether a proper distinction has been made between research and development costs capitalized as intangible assets.
- We evaluated, on a sample basis, the adequacy of capitalized expenses by reconciling material costs, overheads and accumulated engineering hours to external invoices and internal time-sheets and payslips.

OTHER INFORMATION

Management is responsible for other information. Other information

is all information provided in the annual re-port, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If, on the basis of our work on the other information obtained before the date of the auditor's report, we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always

detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

GROUP MANAGEMENT REPORT

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 AP REGULATION

We were elected as auditors at the Annual General Meeting on 29 April 2022 and were appointed by the supervisory board on 22 June 2022 to audit the financial statements of Company for the financial year ending on 31 December 2022.

We have been auditors of the Company, without interruption, since the consolidated financial statements as at 31 December, 2014.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

ENGAGEMENT PARTNER

The engagement partner is Mr Dr. Helge Löffler.

Linz, 15 March 2023

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Dr. Helge Löffler Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Statement by the Executive Board

Pursuant to Section 124 (1) (3) of the Austrian Stock Exchange Act

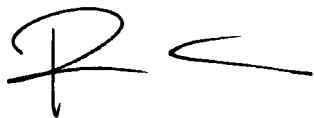
We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial and earnings position of the Group as required by the applicable accounting standards and that the consolidated management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Wels, March 2023
Executive Board

We confirm to the best of our knowledge that the annual financial statements of the parent company give a true and fair view of the assets, liabilities, financial and earnings position of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the parent company, together with a description of the principal risks and uncertainties the parent company faces.



Stefan Pierer



Friedrich Roithner



Hubert Trunkenpolz



Viktor Sigl

Financial calendar

January 31, 2023	Announcement of preliminary annual results 2022
March 28, 2023	Publication of annual financial statements 2022
April 11, 2023	Record date annual general meeting
April 21, 2023	26 th annual general meeting
April 26, 2023	Ex-dividend date
April 27, 2023	Record date „dividends“
May 2, 2023	Dividend payment date
August 29, 2023	Report on the 1 st half-year 2023

IMPRINT

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Photos: KTM archive, Husqvarna Motorcycles archive, WP archive, Husqvarna E-Bicycles archive, GASGAS archive, R Raymon-archive, FELT archive, KISKA archive,

The present report has been prepared with the utmost care and the correctness of the data was checked. Nevertheless, slight differences in the calculations may arise as result of the summation of rounded amounts and percentages, and typographical and printing errors cannot be ruled out.

References to persons such as "employees" or "staff members" are intended to be gender-neutral and insofar as the contrary appears this is solely for purposes of legibility.

This half-year report and the forward-looking statements it contains were prepared on the basis of all the data and information available at the time of going to press. However, we are must point out that various factors may cause the actual results to deviate from the forward-looking statements given in the report.

This report is published in German and English. In case of doubt, the German version shall prevail.

