



# Group Key Performance Indicators<sup>1)</sup>

Unless otherwise stated, all values in €m.

EARNINGS DATA	2020	2021	2022	2023	2024	Δ <sup>2)</sup>
Revenue	1,530	2,042	2,437	2,661	1,879	-29.4%
EBITDA	234	332	381	324	-481	>-100.0%
EBITDA margin	15.3%	16.3%	15.6%	12.2%	-25.6%	-37.8pp
EBIT	107	194	235	160	-1,184	>-100.0 %
EBIT margin	7.0%	9.5%	9.7%	6.0%	-63.0%	-69.0pp
Result for the period	69	143	171	76	-1,080	>-100.0%
Earnings per share (€)	1.56	3.34	5.03	2.37	-29.30	>-100.0%

BALANCE SHEET DATA	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024	Δ <sup>2)</sup>
Balance sheet total	1,686	2,034	2,551	2,953	2,396	-18.9%
Equity	654	766	914	909	-194	>-100.0%
Equity ratio	38.8%	37.6%	35.8%	30.8%	-8.1%	-38.9pp
Working capital employed	182	161	187	531	525	-1.1 %
Net debt	312	190	257	776	1,643	>100.0%
Gearing	47.8%	24.8%	28.1%	85.3%	847.9%	762.6pp

CASH FLOW, CAPEX AND R&D	2020	2021	2022	2023	2024	Δ <sup>2)</sup>
Cash flow from operating activities	313	367	280	-111	-436	>-100.0%
Cash flow from investing activities	-147	-195	-283	-302	-341	-12.7%
Free cash flow	166	172	-3	-413	-776	-88.0%
Cash flow from financing activities	-105	-28	-91	399	695	74.2%
Capital expenditures (CAPEX)	150	178	268	284	233	-18.0%
R&D expenses to revenue	9.0%	8.0%	8.7%	9.2%	12.5%	3.3pp

## SELECT NON-FINANCIAL KPI

	2020	2021	2022	2023	2024	Δ <sup>2)</sup>
Employees (headcount) <sup>3)</sup>	4,586	5,249	6,088	6,184	5,310	-14.1%
Share of female employees	22.4%	24.2%	25.4%	25.8%	25.1%	-0.7pp
Share of employees working in R&D	17.6%	18.6%	19.4%	21.1%	22.1%	1.0pp
Unit sales motorcycles <sup>4)</sup>	270,407	332,881	359,123	372,511	292,497	-21.5%
Unit sales e-bicycles	56,064	76,916	72,634	99,141	66,880	-32.5%
Unit sales bicycles (without electric drive)	17,213	25,837	43,987	56,718	39,431	-30.5%
Production motorcycles (units) <sup>5)</sup>	265,321	323,931	381,823	385,330	298,143	-22.6%
thereof in Mattighofen, Austria	140,252	178,992	222,041	217,160	146,934	-32.3%

1) See the Glossary for explanations of alternative performance measures.

2) Change 2024 to 2023 or Dec 31, 2024 to Dec 31, 2023; pp = percentage points

3) Number of employees on the reporting day (including temporary staff)

4) Including motorcycles sold by partner Bajaj

5) Includes all produced motorcycles in Austria, India, China, Spain and Italy



# PIERER Mobility at a glance

1,879 €m

REVENUE  
2024

-484 €m

EBITDA  
2024

5,310

EMPLOYEES  
December 31, 2024

292,497

MOTORCYCLES SOLD  
2024

174.6 €m

INVESTED IN PRODUCT  
DEVELOPMENT  
2024

One of Europe's leading  
motorcycle manufacturers

Focus on the  
premium segment

>510 world championship  
titles and numerous racing  
successes

Motorcycle market share of  
about 11% in Europe, the US  
and in China

Main production site in  
Austria

Strong global partners:  
Bajaj (India),  
CFMOTO (China)



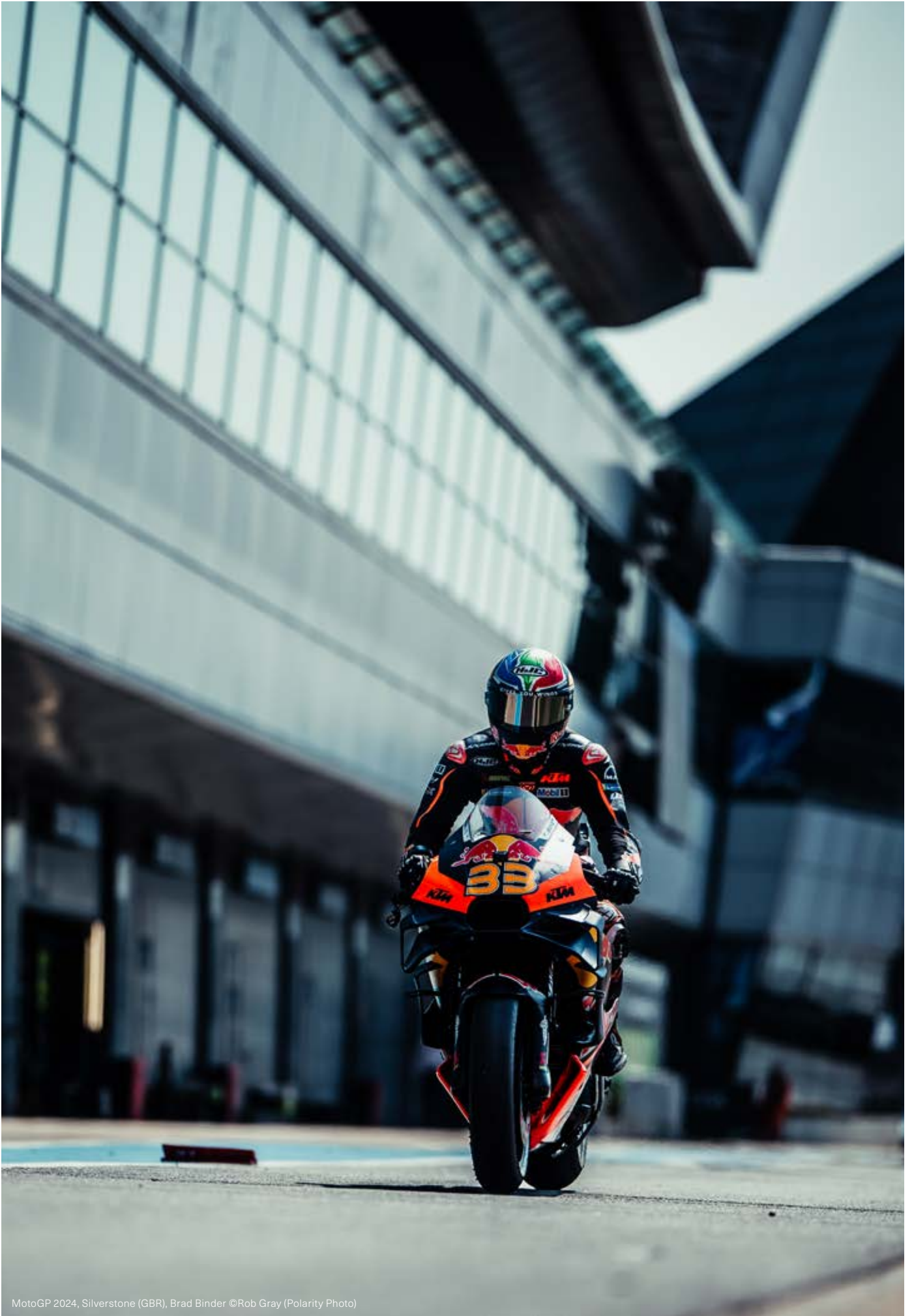


AMA Supercross 2025, Anaheim 1, Aaron Plessinger ©ALIGN MEDIA



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MotoGP 2024, Silverstone (GBR), Brad Binder ©Rob Gray (Polarity Photo)

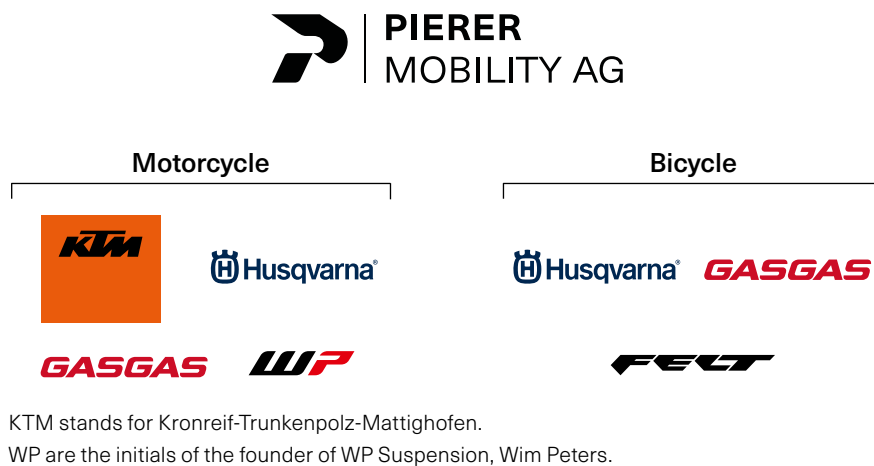


# About PIERER Mobility AG

PIERER Mobility AG is the holding company of KTM AG, a leading European motorcycle manufacturer. With a focus on the premium segment, the company unites the brands KTM, Husqvarna and GASGAS under one roof. The premium brand range also includes the high-performance components of the WP brand and the special KTM X-BOW high-performance sports cars.

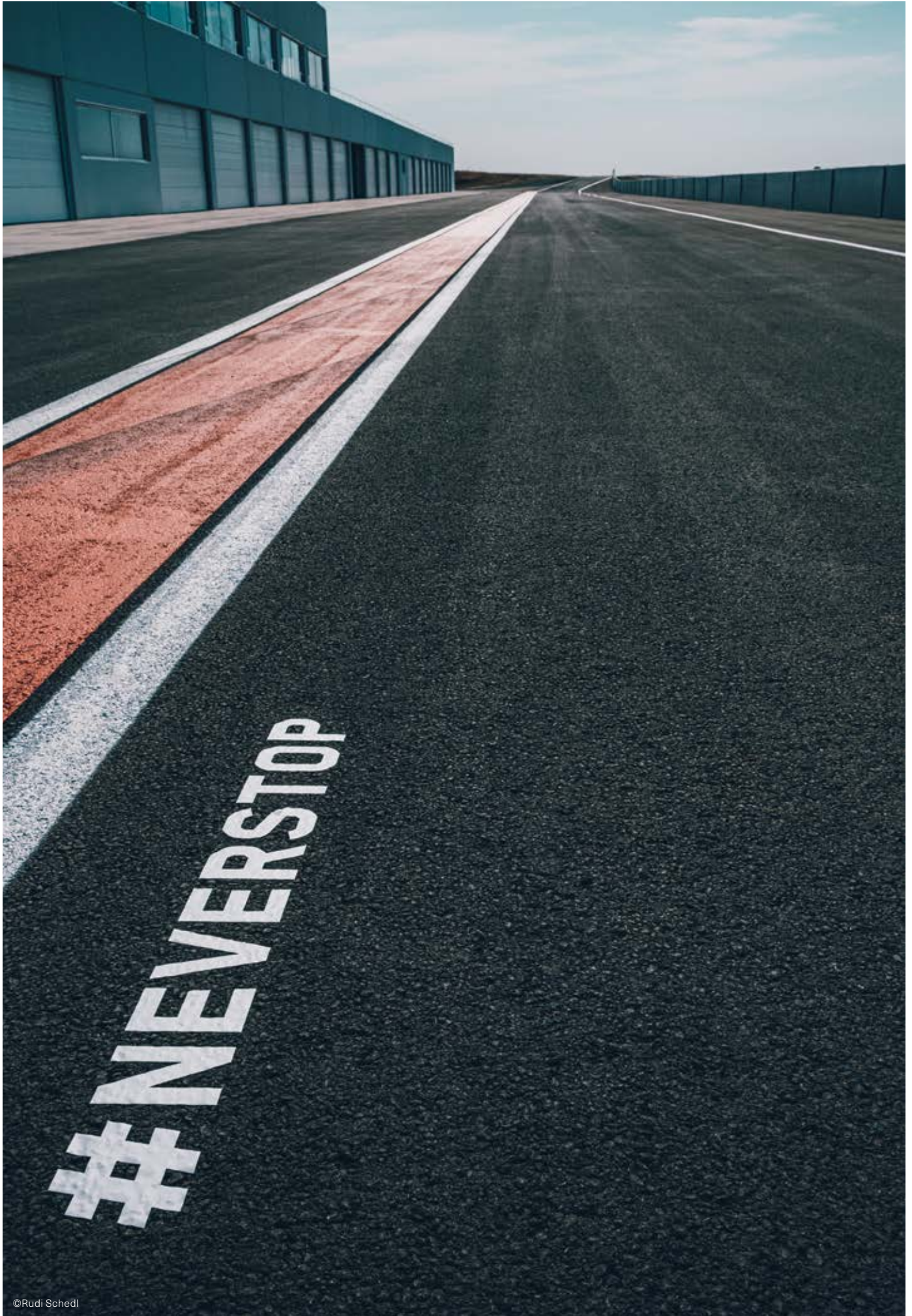
E-bicycles from Husqvarna and GASGAS as well as bicycles from the Felt brand round off PIERER Mobility's range of two-wheelers. However, the bicycle business will be discontinued in fiscal year 2025.

## CORE BRANDS BY REPORTING SEGMENT



## DEVELOPMENT OF THE GROUP

- |   |  |
|---|--|
| <b>1934:</b> Hans Trunkenpolz founds a metalworking and auto repair shop in Mattighofen.  | <b>2007:</b> Start of the partnership with Bajaj (India).  |
| <b>1953:</b> Start of industrial production of motorcycles.   | <b>2011:</b> Start of the partnership with CFMOTO (China).   |
| <b>1984:</b> Heinz Kinigadner becomes the first Austrian to win the Motocross World Championship on an Austrian racing motorcycle.                                | <b>2014:</b> Following the acquisition of the Husqvarna brand, it is merged with Husaberg and relaunched as Husqvarna Motorcycles. |
| <b>1992:</b> Stefan Pierer and his Cross Industries Group (now PIERER Mobility AG) take over the motorcycle business after bankruptcy and breakup of the company. | <b>2016:</b> Debut in Moto Moto GP™.<br>Listing of PIERER Mobility shares on the Swiss Stock Exchange.                             |
| <b>1994:</b> KTM presents its first street motorcycle, the 620 DUKE.  | <b>2018:</b> Listing of the shares on the Vienna Stock Exchange.   |
| <b>2001:</b> First victory for KTM at the Dakar Rally.  | <b>2020:</b> GASGAS joins the PIERER Mobility Group.<br>First Moto GP™ victory for KTM.  |





# Executive Board and Supervisory Board

## EXECUTIVE BOARD



### **Gottfried Neumeister, CEO**

(since January 23, 2025)

Born: 1977  
Appointed: 09/2024 – 08/2026

After completing his studies in International Business Administration at the University of Vienna, Gottfried Neumeister worked as a consultant for Siemens AG Austria. In 2003, he founded flyniki together with Niki Lauda and was responsible for the successful development of the aviation business (until the sale to Air Berlin). In 2012, Gottfried Neumeister moved to DO & CO Aktiengesellschaft, where he held various positions on the Management Board, most recently as Co-CEO (2021-2023). Gottfried Neumeister has been a member of the Executive Board of PIERER Mobility AG and KTM AG since September 1, 2024 and CEO since January 23, 2025.



### **Stefan Pierer, Co-CEO**

(since January 23, 2025)

Born: 1956  
Appointed: 06/2015 – 12/2025

After graduating from the Montan University of Leoben, Austria (Business and Energy Management), Stefan Pierer began his career in 1982 as a sales assistant at HOVAL GmbH in Marchtrenk, later becoming sales manager and authorized signatory. In 1987 he founded the PIERER Mobility Group, of which he is a shareholder and a member of the Executive Board. Stefan Pierer has been a shareholder of KTM AG since 1992 and was a member of the Executive Board from 2011 until March 2025. In 2011 he started to build up Pierer Industrie AG, of which he is the indirect sole shareholder and CEO.

## SUPERVISORY BOARD

### **Stephan Zöchling**

Born: 1972  
Appointed on: January 27, 2025  
Appointed until: AGM 2029

Chairman of the Supervisory Board;  
Audit Committee;  
Remuneration Committee (Chair);  
Committee for Compliance, Investor Relations and Sustainability

### **Rajiv Bajaj**

Born: 1966  
Appointed until: AGM 2027

Deputy Chairman of the Supervisory Board

### **Michaela Frieppess**

Born: 1972  
Appointed until: AGM 2027

Remuneration Committee;  
Committee for Compliance, Investor Relations and Sustainability (Chair)

### **Iris Filzwieser**

Born: 1971  
Appointed until: AGM 2027

### **Srinivasan Ravikumar**

Born: 1957  
Appointed until: AGM 2027

Audit Committee (Chair)

### **Friedrich Roithner**

Born: 1963  
Appointed until: AGM 2028

Audit Committee



# Introduction by the Executive Board

## Stefan Pierer

The 2024 financial year was more eventful and challenging than almost any previous year.

A look at the previous financial year 2023 shows record revenue and sales on the one hand, and high inventories of motorcycles, sharply rising production costs in Austria, higher interest rates and a persistently difficult environment in the bicycle segment on the other. Steps were therefore already taken in 2023, such as the reduction of production volumes in Austria, cost-saving measures and a realignment of the bicycle business towards the premium segment.

In June, we nevertheless had to revise our expectations for the year as a whole, as momentum in the core motorcycle markets (USA and Europe) slowed significantly. Nevertheless, we expected a better second half of the year, particularly from the high-margin offroad business in the USA.

However, the difficult macroeconomic conditions lasted longer than expected. The European economy stagnated, with the important German market in particular experiencing a recession. Although registration figures in Europe remained at the previous year's level until the fall, they were largely supported by increases in the low-price segment. In the USA, consumer purchasing power remained low due to the high cost of living and the long period of expensive consumer credit. Demand for motorcycles remained well below expectations.

In line with the significant reduction in production volumes in Austria from around 217,000 in 2023 to around 150,000 in 2024, we also had to significantly reduce the number of employees in Austria. Consequently, we also reduced the Executive Board to a dual leadership team. It now consists of Gottfried Neumeister - who joined us as Co-CEO in September - and myself.



In November, in the course of liquidity planning for the 2025 financial year, it became clear that the subsidiary KTM AG (responsible for more than 95% of the PIERER Mobility Group's revenue in H1 2024) had significant additional liquidity requirements to cover. Despite intensive efforts to resolve the situation out of court together with creditors and lenders, we had to file for court restructuring proceedings with self-administration for KTM AG and two of its subsidiaries on November 29.

In the weeks that followed, there were not only intensive negotiations on the restructuring plan and its financing, but also numerous other decisions, for example:

- Further staff reductions, primarily in Austria. Around 1,800 employees were cut across the Group in 2024 and early 2025.
- Production stop from December 13, 2024 until the end of February, finally extended until mid-March 2025.
- Sale of the MV Agusta stake.
- Decision to completely shut down the e-bicycle business.
- Stephan Zöchling was newly elected to the Supervisory Board (and subsequently appointed Chairman) at an Extraordinary General Meeting on January 27, 2025. Our long-standing Chairman of the Supervisory Board, Josef Blazicek, resigned from his position, thus enabling the election of Mr. Zöchling. I would like to take this opportunity to express my sincere thanks to Josef for his good and constructive cooperation and commitment.
- I finally decided to step aside and hand over the reins to Gottfried Neumeister. He has been the CEO since January 23, 2025, and I will continue to support him on the Executive Board as Co-CEO during the restructuring process.

## Gottfried Neumeister

I see it as an honor and an obligation to continue Stefan Pierer's life's work. We took an important step towards the future at the end of February 2025. The restructuring plan for KTM AG was accepted by the creditors with a large majority.

That was a great relief. At the same time, we are aware that the creditors' approval means painful and tough concessions for them: they have lent us money and trusted us to give it back. Our suppliers have supplied us with goods in the belief that we will pay them and our dealers have entered into obligations in the belief that we will

support them. In total, € 525 million had to be financed to service the quotas. Added to this were the costs associated with the restructuring process and the funds required to restart production. All in all, we had a financial requirement of around € 800 million.

Together with our long-time partner Bajaj Auto, we were able to work out a strategy to raise the necessary funds for the restart. This has given us the opportunity to continue the history of KTM.

Despite all the restructuring, we remain the world market leader in off-road motorcycles, one of the top producers of premium road motorcycles and, overall, one of the leading motorcycle manufacturers in Europe. The existing sites - in particular our main plants in Mattighofen and Munderfing - remain the basis for our future success. This means that we will continue to be an important employer for the entire region.

The past few months have confirmed the sustained high demand for our products: Stocks worldwide have been sold faster than originally forecast and we are very satisfied with end customer demand. I can assure you that we are doing everything possible to lead KTM and thus PIERER Mobility AG into a successful future again.

Wels, May 2025



Gottfried Neumeister  
CEO



Stefan Pierer  
Co-CEO

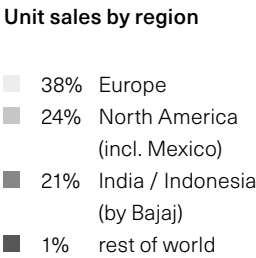
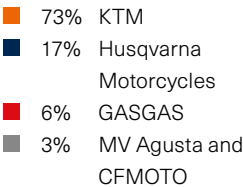
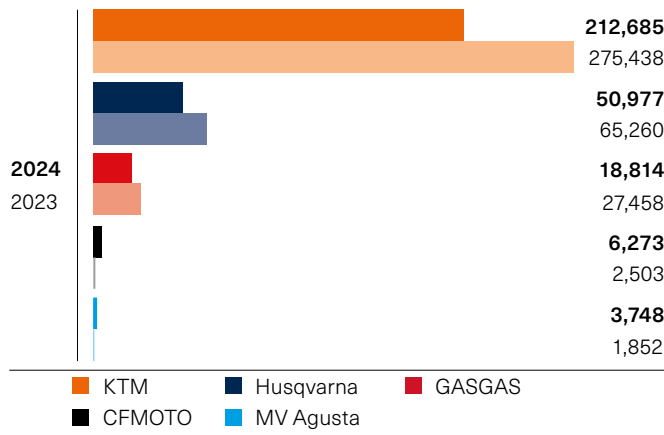
# Development of sales in 2024

Sales are defined as the number of motorcycles, e-bicycles and bicycles sold to dealers and importers.

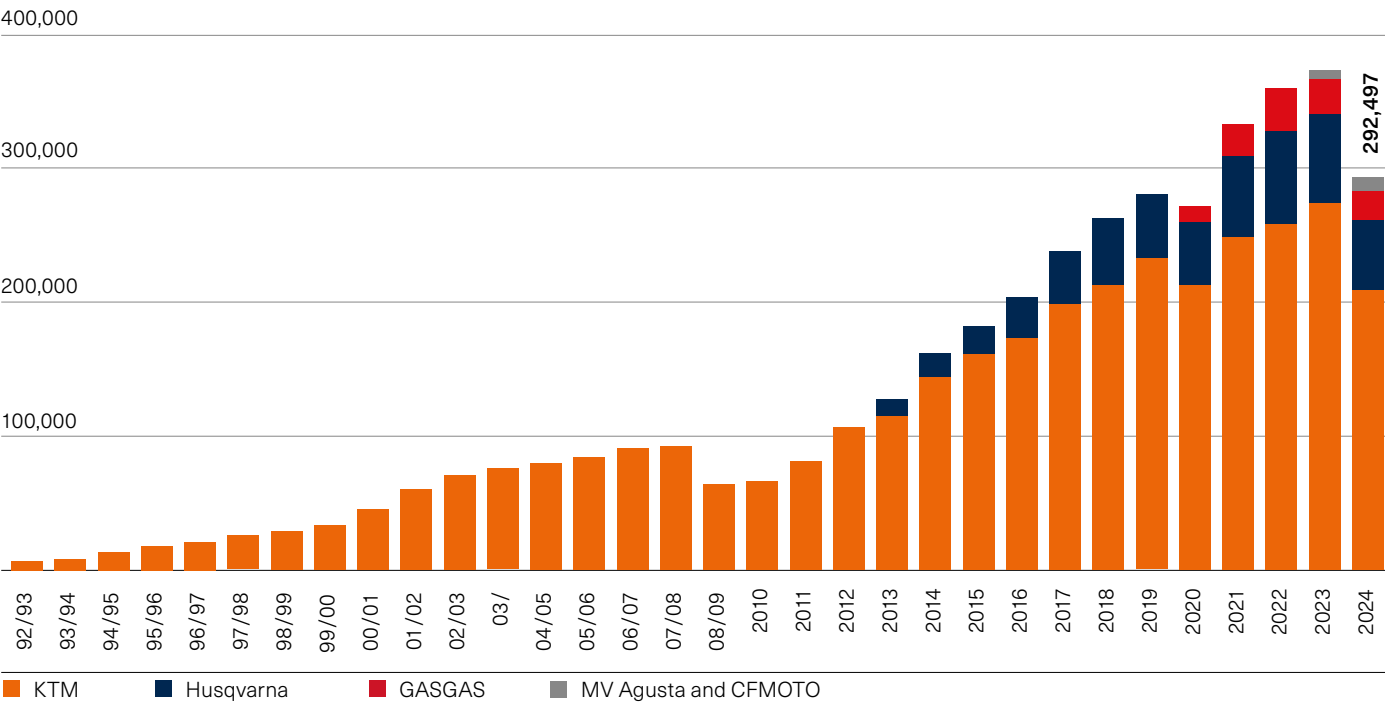
## MOTORCYCLES

In financial year 2024, the Group sold 292,497 motorcycles (-21%). This figure includes KTM and Husqvarna motorcycles sold by partner Bajaj in India and Indonesia.

Unit sales motorcycles 2024: 292,497  
Unit sales motorcycles 2023: 372,511



## Development of unit sales



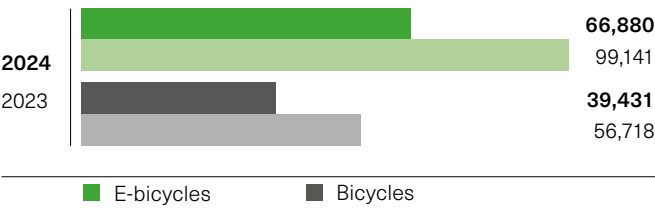


BICYCLES

In financial year 2024, the Group sold 106,311 (-32%) bicycles.

Unit sales (e-)bicycles 2024: 106,311

Unit sales (e-)bicycles 2023 155,859



The decline in sales was due to the divestment of the R Raymon brand at the end of 2023. The remaining core brands increased their sales:

- Husqvarna E-Bicycles +104%
- GASGAS +227%
- Felt +68%

Unit sales by region

- 45% DACH region
- 25% rest of Europe
- 30% rest of world



During the coronavirus pandemic, the demand for bicycles rose rapidly, leading to overheating in the bicycle market and disruption throughout the supply chain. Stock levels peaked as a result. The return of these stocks to normal levels continues, while at the same time there is massive pressure on sales prices. On the customer side, the increased cost of living in the core market of Europe led to a loss of purchasing power. This caused a decline in demand for premium e-bicycles and bicycles.

The PIERER Mobility Group will withdraw from the bicycle business in financial year 2025.



MotoGP 2024, Barcelona (ESP), Maverick Vinales ©Rob Gray (Polarity Photo)

# MOTORSPORT WORLD CHAMPIONS

# 512

TOTAL

WORLD CHAMPIONSHIP TITLES

 **352**

 **121**

 **39**



## RIDERS' CHAMPIONSHIPS 2024

12 WM + 3 USA Champions

CLASS	RIDER	BRAND
<b>FIM Moto3™</b>	<b>D. Alonso</b>	<b>CFMOTO KTM</b>
FIM JuniorGP	A. Carpe	HQV
<b>FIM Hard Enduro</b>	<b>M. Lettenbichler</b>	<b>KTM</b>
FIM SuperEnduro	B. Bolt	HQV
<b>FIM EnduroGP</b>	<b>J. Garcia</b>	<b>KTM</b>
FIM Enduro1	J. Garcia	KTM
<b>FIM Enduro2</b>	<b>A. Verona</b>	<b>GASGAS</b>
FIM MXGP	J. Prado	GASGAS
<b>FIM MX2</b>	<b>K. de Wolf</b>	<b>HQV</b>
AMA Supercross 250 EAST	T. Vialle	KTM
<b>AMA Supercross 250 WEST</b>	<b>RJ. Hampshire</b>	<b>HQV</b>
AMA Pro Motocross 450	C. Sexton	KTM
<b>FIM Junior Enduro</b>	<b>M. Ahlin</b>	<b>KTM</b>
FIM Youth Enduro	M. Verzeroli	KTM
<b>FIM Flattrack</b>	<b>S. Halbert</b>	<b>GASGAS</b>

## CONSTRUCTORS' 2024 CHAMPIONSHIPS 8

CLASS	BRAND
FIM EnduroGP	KTM
<b>FIM Moto3™</b>	<b>CFMOTO KTM</b>
FIM JuniorGP	KTM
<b>FIM Enduro1</b>	<b>KTM</b>
FIM SuperEnduro	HQV
<b>FIM MX2</b>	<b>HQV</b>
FIM Enduro2	GASGAS
<b>FIM Flattrack</b>	<b>KTM</b>

## 23 TOTAL:

WORLD CHAMPIONSHIP TITLES **20**  
USA CHAMPIONS IN 2024 **+3**

# New model highlights



## KTM 390 DUKE

### **NEW GEN\*:**

With a new engine and chassis, the KTM 390 DUKE sets a new power-to-weight benchmark in the A2 entry-level class.

## KTM 1390 SUPER DUKE R EVO

### **NEW GEN\*:**

Significantly improved engine with innovative CAMSHIFT system for power and torque control.

DUKE stands for KTM's Naked Bike segment and READY TO RACE character on the street: high performance, minimal weight, aggressive and sporty design.



\*NEW GEN = new model generation



### KTM 450 RALLY REPLICA

**NEW GEN\*:**

New frame, engine, bodywork

The foundation for ambitious rally racers and the factory racing model with which Daniel Sanders won the Dakar 2025.

### KTM 250 EXC-F CHAMPION EDITION

This replica model is based on the bike used by Josep Garcia in EnduroGP. With the factory machine, he secured the 2024 World Championship title.

The customer version impresses with competition-oriented



### KTM 85 SX

**NEW GEN\*:**

New frame and bodywork with improved ergonomics and engine performance.

The KTM 85 SX is the most powerful model in the 85cc class, perfect for young motocross racers.





### Husqvarna Svartpilen 401

**NEW GEN\*:**

New engine, modern electronics, and updated styling highlight the Husqvarna scrambler model.

Premium components (spoked wheels, fully adjustable suspension) and lightweight fairing design position the Svartpilen as a premium offering in the A2 entry-level class.



### Husqvarna Vitpilen 801

New model in the Husqvarna lineup: powerful engine, fully adjustable suspension, modern electronics, and futuristic styling make the Vitpilen a new price/performance benchmark in the mid-class street segment.



### Husqvarna TE 300 Heritage

The most popular (best-selling) Husqvarna off-road model celebrates the brand's long-standing icon in a characteristic blue and with graphics inspired by the 1980s.



### Husqvarna EE 5

#### **NEW GEN\*:**

The Integrated water cooling provides 30% more ride time in the highest power mode.

The new design and improved ergonomics enable it to compete effectively with combustion models in junior competitions.



### GASGAS MC 300

New model in the GASGAS lineup: With the most powerful 2-stroke engine in the moto-cross segment.



### GASGAS EC 300 GP

The GASGAS EC 300 GP stands out with competition-oriented specifications and celebrates GASGAS's racing heritage in the enduro segment.



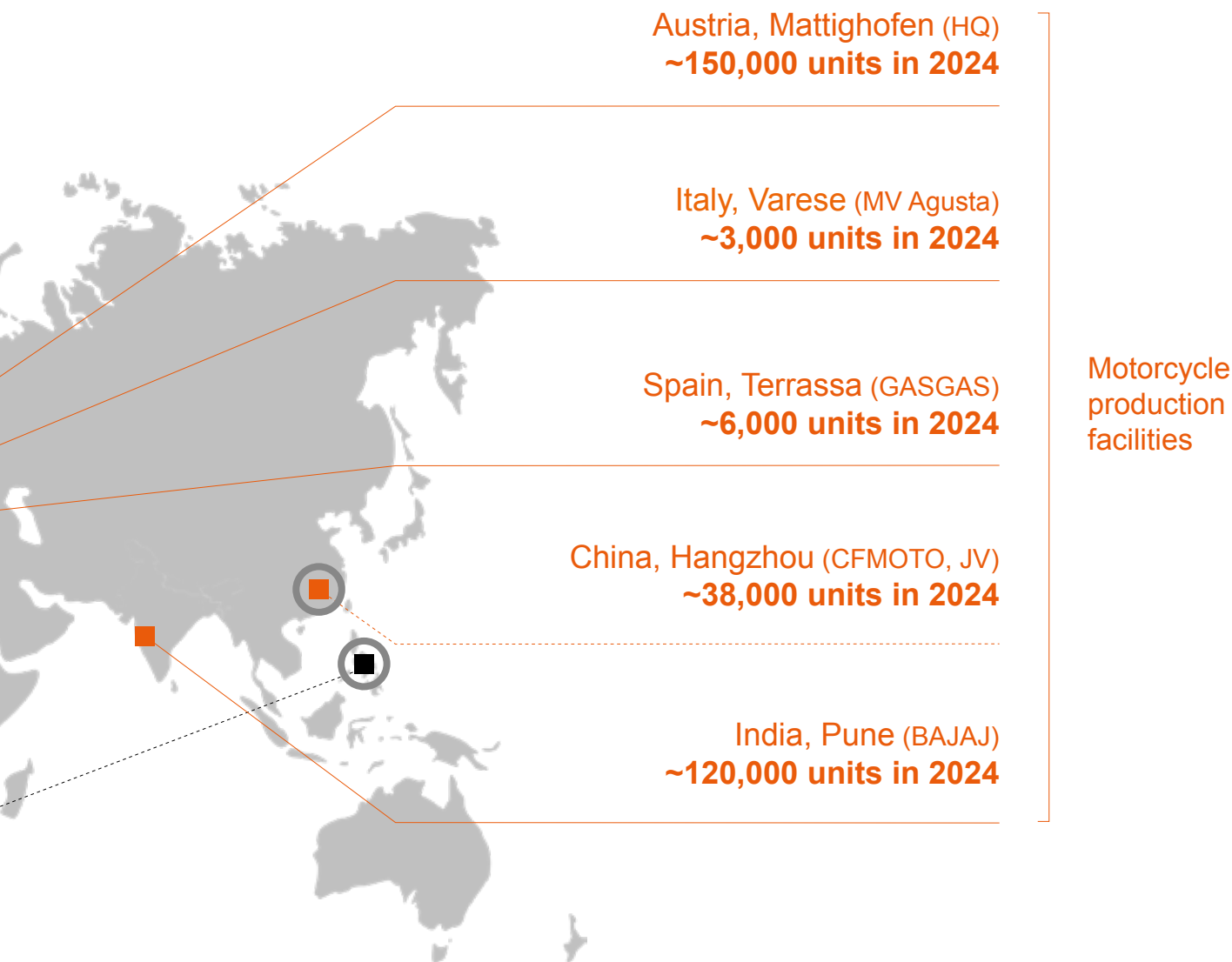
**\*NEW GEN** = new model generation

# Production facilities



CBU - Completely Built Up  
CKD - Completely Knocked Down





- Own facility
- JV

# Strong global partners

## BAJAJ AUTO LTD., INDIEN

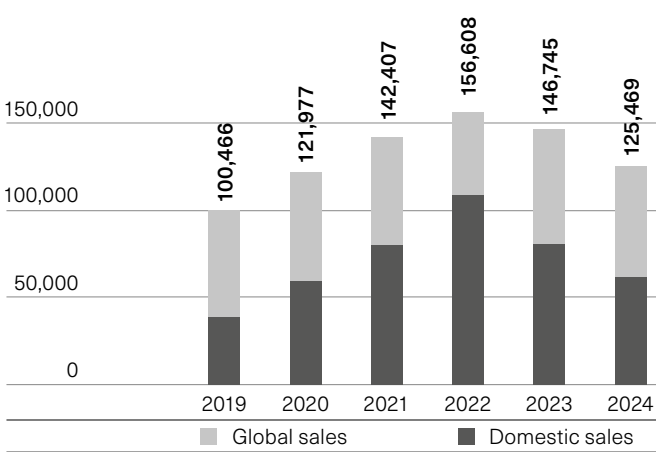
Bajaj Auto Limited is the world’s most valuable two and three-wheeler company. As a foremost motorcycle player and the largest manufacturer of three-wheelers, the Bajaj brand is present not just in India but in over 90 countries, making it truly “The World’s Favourite Indian”. It has subsidiaries in Thailand, Spain, Brazil, Netherlands, Indonesia, and strong distributor relationships across its global network.

While being a globally renowned name in the automotive sector, Bajaj Auto is a “Make in India” company – it designs, develops, and manufactures its products in India not just for the domestic market but for overseas markets (across Africa, South and South-East Asia, Latin America) as well. Its two-wheeler brands like Pulsar, Platina, Dominar and Chetak, along with RE and Maxima in three-wheelers are well established names in the industry, delighting many millions of customers over time.

Bajaj Auto is the largest exporter of two-wheelers and three-wheelers from India, accounting for half of the industry’s exports. In the last five years, it has exported nearly 9 million motorcycles (over 50% of industry exports) and over 1 million three-wheelers (nearly 60% of industry exports). This has made it a significant foreign exchange earner for the country - having generated inflows of over \$ 9 billion during this period. The company is listed on the BSE Ltd (Bombay Stock Exchange) and the National Stock Exchange of India (NSE).

Bajaj houses over 10 unique brands across segments. The flagship brand - Pulsar has sold nearly 1.8 million motorcycles in FY 2024. In addition, Bajaj Auto has also been producing Triumph brand motorcycles since 2023.

Number of motorcycles billed in India  
(KTM and Husqvarna)



## About the strategic partnership

Bajaj and KTM have been in partnership since 2007. At that time, Bajaj, through its wholly owned subsidiary Bajaj Auto International Holdings BV (BAIH BV), acquired a 14.5% stake in KTM Power Sports AG and launched the KTM brand in India. In the following years, Bajaj successively increased its stake to 48%. In 2021, Bajaj swapped its shares in KTM Power Sports AG for shares in PIERER Mobility AG. Since then, Pierer Industrie AG holds 50.1% and Bajaj holds 49.9% through its wholly owned subsidiary BAIH BV in the joint holding company Pierer Bajaj AG. This company in turn holds approximately 75% of the shares in PIERER Mobility AG. The Deputy Chairman of the Supervisory Board of PIERER Mobility AG, Mr. Rajiv Bajaj, is Managing Director and CEO of Bajaj Auto Ltd, Pune, India. Mr. Srinivasan Ravikumar, member of the Supervisory Board of PIERER Mobility AG, is a Director of Bajaj Auto International Holdings B.V., Amsterdam, Netherlands, and Chief Business Development Officer at Bajaj Auto Ltd, Pune, India.

In addition to the cooperation on a corporate level, Bajaj is an important supplier and sales partner for PIERER Mobility. At its plant in Chakan (Maharashtra state), Bajaj manufactures KTM and Husqvarna motorcycles (125cc – 390cc). Till date, over 1.2 million KTM motorcycles are produced in the Chakan facility of Bajaj. These are distributed via the Bajaj sales network in India and few other Asian countries (for which PIERER Mobility receives royalties, which are reported in revenue) as well as supplied to PIERER Mobility for worldwide distribution.



KTM 125 DUKE, MY24 ©Rudi Schedl

### ZHEJIANG CFMOTO POWER CO., LTD., CHINA

CFMOTO is a manufacturer of motorcycles, ORVs (Off-Road Vehicles) and electric motorcycles. The founders, the Lai family, are still the majority shareholder.

In 1989, Mr. Lai Guogui and his family opened a workshop for motorcycle spare parts in the city of Wenzhou, 400 km south of Shanghai. Initially, they produced components. The company has been manufacturing its own engines since 1997 and its own motorcycles since 2000. In the following years, CFMOTO expanded its production program to include ORVs (Off-Road Vehicles) and electric motorcycles. In 2006, CFMOTO moved to Hangzhou and established its brand as supplier of international power sports products. CFMOTO exports its products to various countries, including the USA, Europe and Australia.

#### About the joint venture

The partnership has existed since 2011, when CFMOTO started supporting KTM with the import and distribution of motorcycles in China. In 2018, the two companies founded a joint venture ("Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.") in Hangzhou. It enables the production and distribution of KTM motorcycles in China under the name "KTMR2R". KTM holds 49% of the joint venture, which commenced operations in the 2021 financial year.

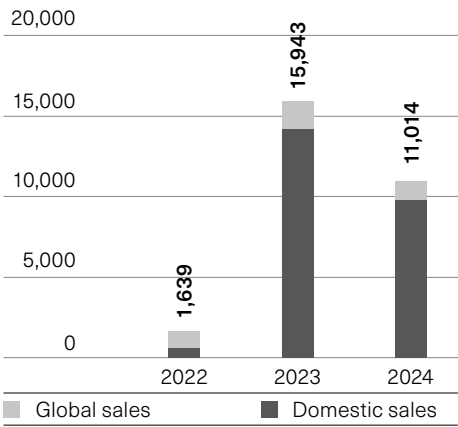
In 2023, the partnership was further intensified in the areas of product strategy, product development, industrialization and sales. CFMOTO increased its stake in PIERER Mobility AG to 2.0%.

The joint venture produces medium-displacement road motorcycles under the brands of KTM, KTMR2R (790 models) and CFMOTO (450, 800 and 950 models) and assembles off-road models for the local market (China). The road motorcycles produced are distributed by CFMOTO in China on the one hand and supplied to PIERER Mobility for worldwide distribution on the other. Besides, engines for the Husqvarna Svartpilen 801 and Vitpilen 801 are exported to the KTM assembly plant in Mattighofen.

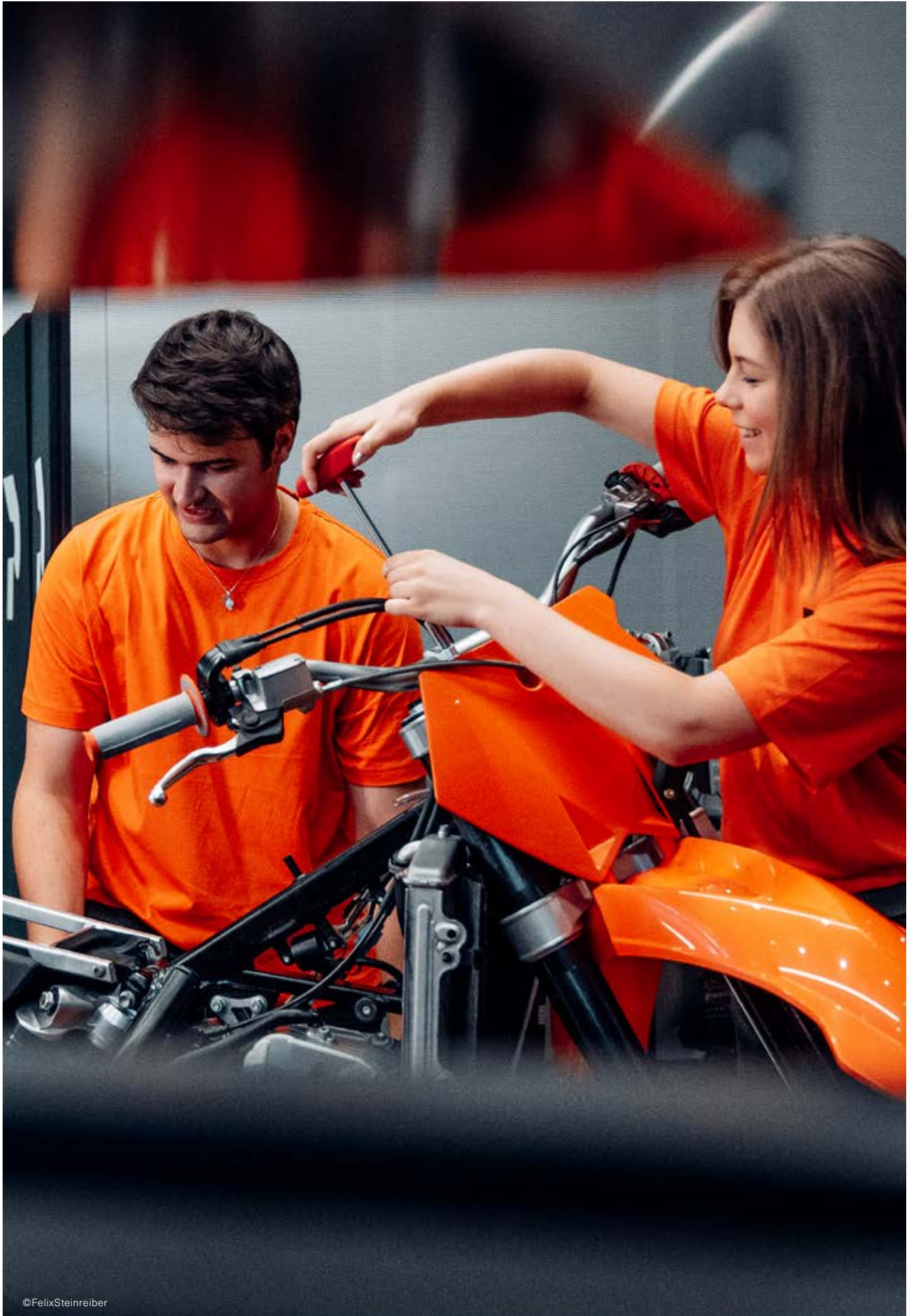
The joint venture's share of earnings is reported in the income statement under EBIT (as part of the earnings from at-equity holdings).



**Production volume of the joint venture**  
(KTM/KTMR2R motorcycles)







# Our employees

The commitment, loyalty and skills of our employees are a key factor in the success of the PIERER Mobility Group. In financial year 2024, the Group had to reduce its production capacity, which also meant that the number of employees in both production and administration had to be adjusted.

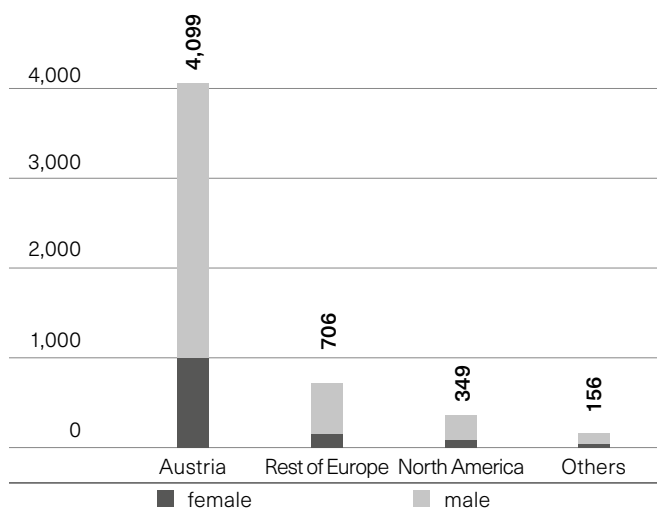
At the end of 2024, the Group employed 5,310 people (-14%). On the other hand, the first-time full consolidation of MV Agusta (Italy) added around 230 employees to the Group.

## Employees by employment type

Headcount	Dec 31, 2023	Dec 31, 2024	Δ
Employees (white collar)	3,472	3,216	-256
Workers (blue collar)	2,137	1,876	-261
Apprentices	222	214	-8
Externals (temporary workers, excl. foundation apprentices)	353	4	-349
Total	6,184	5,310	-874

More than 77% of all employees work in Austria. The PIERER Mobility Group continues to be one of the largest industrial employers in the federal state of Upper Austria. Approximately 25% of the employees are female.

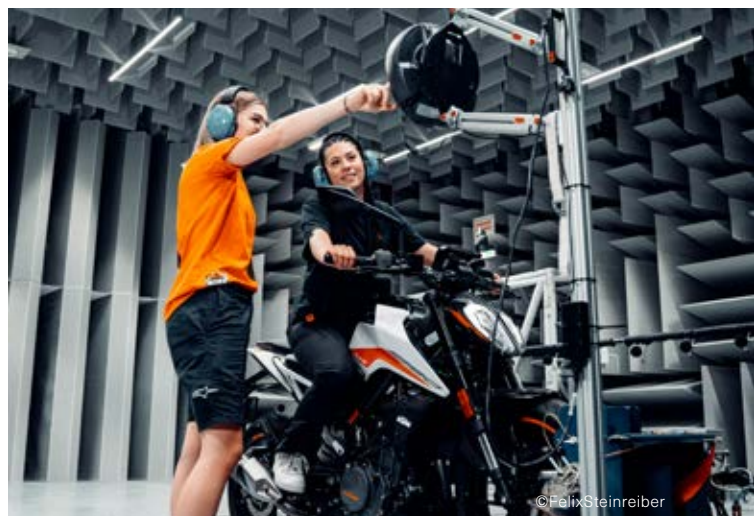
## Employees by region and gender



As part of the apprenticeship initiative, some 60 additional apprentices started their training in the new year. The Group currently has a total of 214 apprentices (28% of whom are women). A quarter of the workforce is under the age of 30.

## Age structure Dec 31, 2024

- 25% below 30 years
- 58% 30-50 years
- 17% above 50 years



# Capital market

## THE SHARE

<b>Ticker symbol:</b>	PKTM
<b>ISIN:</b>	AT0000KTM102
<b>Bloomberg:</b>	PKTM SW (SIX Swiss Exchange) PKTM AV (Vienna Stock Exchange)
<b>Reuters:</b>	PKTM.S (SIX Swiss Exchange) PKTM.VI (Vienna Stock Exchange)

The shares of PIERER Mobility AG have been listed in the International Reporting Standard of the SIX Swiss Exchange since November 14, 2016. The shares of PIERER Mobility AG were included in the Swiss Performance Index (SPI) of the SIX Swiss Exchange on March 29, 2017. Since September 19, 2022, the shares of PKTM are also included in the Sustainability Index of the SIX Swiss Exchange (SPI ESG / SPI ESG Weighted Indices).

Since March 1, 2022, the shares of PIERER Mobility AG have also been listed in the prime market segment of the Vienna Stock Exchange.

In order to support the liquidity of the share on the stock exchange, PIERER Mobility has concluded market maker agreements with the following companies

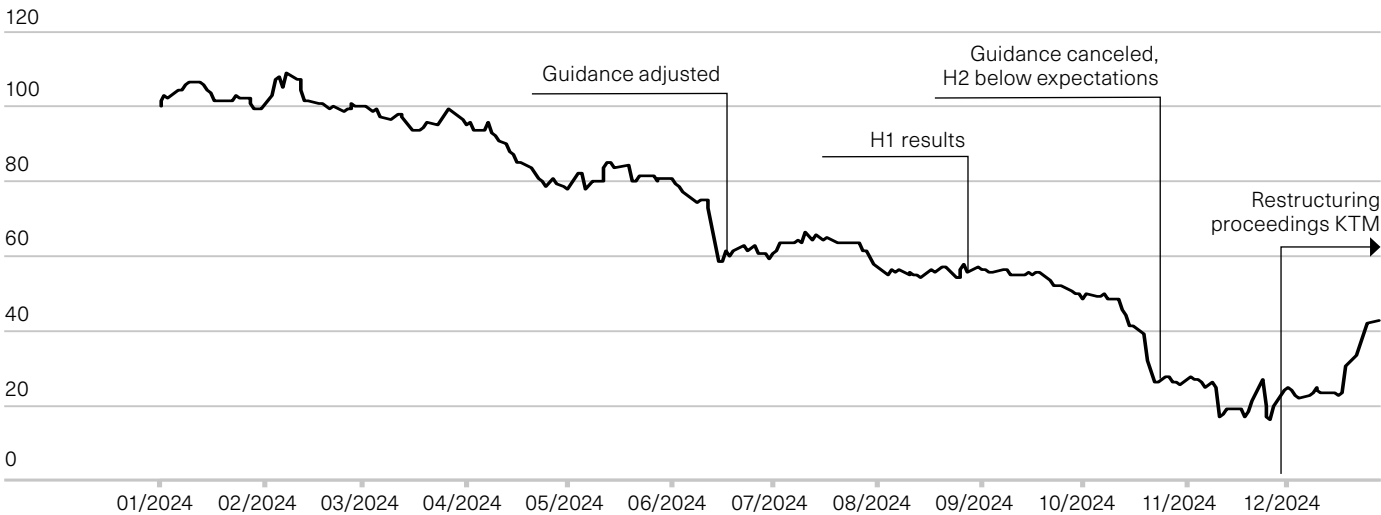
- Zürcher Kantonalbank (and Stifel Europe until the end of 2024) for the SIX Swiss Exchange
- Baader Bank for the Vienna Stock Exchange

## SHARE PRICE DEVELOPMENT 2024

The share price reflected the increasingly gloomy business and financial situation of the PIERER Mobility Group. On the SIX Swiss Exchange, the share reached an (intraday) high of CHF 50.80 on February 9 and an (intraday) low of CHF 6.10 on November 13. While the share lost 80% of its value up to the beginning of the voluntary restructuring process, it gained 117% by the end of the year. Overall, the share price fell by 57% in 2024.

Stock data	2023	2024
in CHF, unless otherwise stated		
High (intraday)	86.30	50.80
Low (intraday)	43.50	6.10
Closing price end of December	45.80	19.56
Share performance	-32%	-57%

## SHARE PRICE DEVELOPMENT 2024 (INDEXED)



## INVESTOR RELATIONS ACTIVITIES IN FINANCIAL YEAR 2024

The company attended investor conferences in Bad Ragaz (CH), Zürs (AT), Madrid (ES) and London (UK) in order to maintain an open dialog with shareholders and to present the business model and current developments. In addition, two roadshows were held in Zurich (CH). These trips were supplemented by numerous direct discussions with investors, analysts and interested parties by telephone, via digital communication channels or in person.

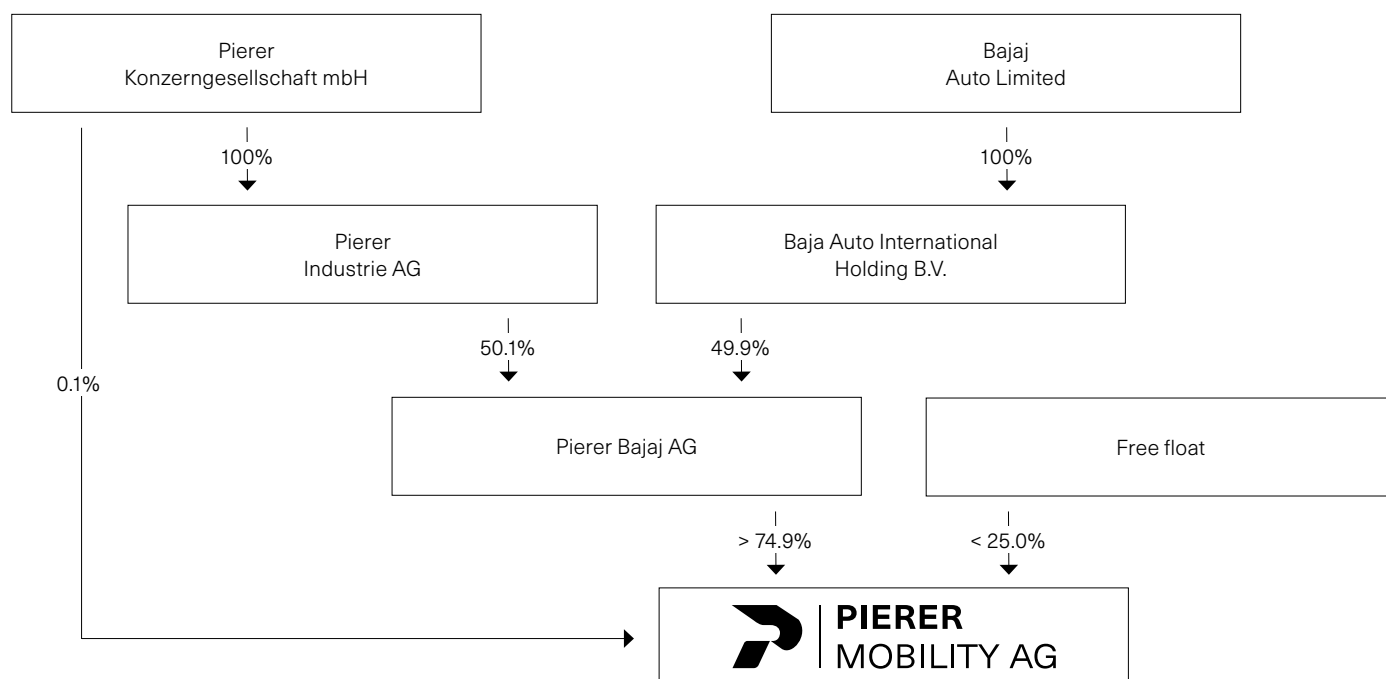
With the start of the restructuring process at the end of November 2024, active contact with investors was restructured. Traditional investor and capital market cultivation was replaced by a targeted search for investors to finance a liquidity requirement in the hundreds of millions. To this end, PIERER Mobility commissioned Citigroup Global Markets Europe AG to support the investor process in December 2024.

## ANNUAL GENERAL MEETING 2024

At the Annual General Meeting on April 19, 2024, the following resolutions were adopted

- Dividend of € 0.50 per share (total of approximately EUR 16.9 million)
- Approval of the actions of the members of the Executive Board and the Supervisory Board
- Remuneration of the members of the Supervisory Board in the total amount of EUR 22,000 for financial year 2023
- Remuneration report 2023 and remuneration policy for the Executive Board and the Supervisory Board
- Appointment of Deloitte Audit Wirtschaftsprüfungs GmbH as auditor and group auditor 2024
- Appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor for the non-financial statement 2024

## SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2024









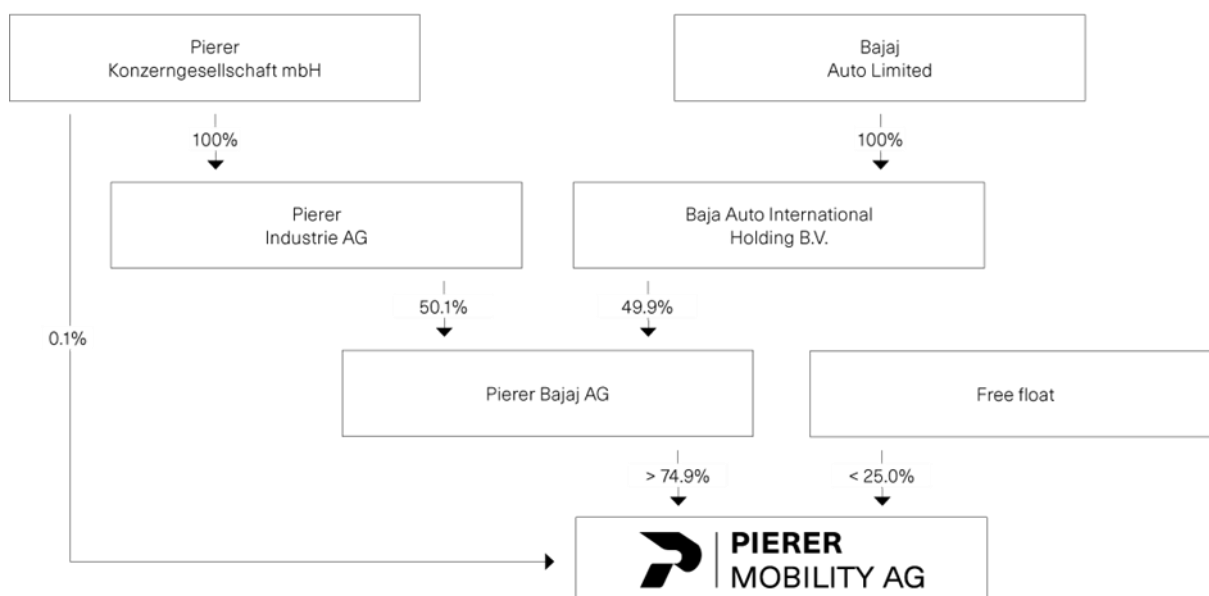
# CONSOLIDATED CORPORATE GOVERNANCE REPORT FOR 2024 IN ACCORDANCE WITH THE AUSTRIAN CODE OF CORPORATE GOVERNANCE (ÖCGK)

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This consolidated corporate governance report contains the relevant information pursuant to the Austrian Code of Corporate Governance for PIERER Mobility AG, including the required adjustments, to assess the position of the companies included in the consolidation.

Shares in PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) under the International Reporting Standard since November 14, 2016, and on the Official Market (segment: prime market) of the Vienna Stock Exchange since March 1, 2022. PIERER Mobility AG has issued 33,796,535 ordinary bearer shares with voting rights. Each ordinary share in PIERER Mobility AG grants one voting right. There are no shares with preferential rights and no restrictions on the shares in issue. The principle of “one share – one vote” thus applies.

The main shareholder of PIERER Mobility AG as of December 31, 2024 was Pierer Bajaj AG, a joint venture between Pierer Industrie AG and Bajaj Auto International Holdings B.V., which held approximately 75% of the shares. The shareholding structure is shown below:



## 1 ADHERENCE TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

The ÖCGK was presented to the public on October 1, 2002, and has since been adapted on multiple occasions. It is published by the Austrian Working Group for Corporate Governance and is available at <https://www.corporate-governance.at/>. The rules of the ÖCGK are divided as follows:

L-Rules (Legal Requirement): Relate to mandatory regulations

C-Rules (Comply or Explain): Any deviations must be explained and justified

R-Rules (Recommendation): Rules that serve as recommendations; failure to comply does not require notification or justification

PIERER Mobility AG declares its voluntary commitment to comply with the ÖCGK, as amended. The consolidated corporate governance report for 2024 is publicly available on the company's website ([www.pierermobility.com/en](http://www.pierermobility.com/en)) under the Investor Relations section.

**PIERER Mobility AG has complied with all the required provisions of the Austrian Corporate Governance Code in the version of January 2023 with the following declarations:**

C-Rule 18: The Executive Board and Supervisory Board do not consider the setup of an internal audit unit to be practical for PIERER Mobility AG. Due to the company's special shareholder structure – with a strong, core shareholder represented on the Executive Board – the Executive Board pursues a holistic approach and is closely involved with day-to-day operations. Therefore, the Executive Board has a sufficiently comprehensive and accurate picture of whether the rules and processes are being complied with and whether they are appropriate. Without an internal audit unit, there is no audit plan. The Supervisory Board is kept regularly informed of internal control mechanisms, risk management and the key outcomes of those control mechanisms.

C-Rule 26: Stefan Pierer holds more than four Supervisory Board seats outside the PIERER Mobility Group. He holds further Supervisory Board seats within the higher-level Pierer Konzerngesellschaft mbH Group ("Pierer Group"). Apart from this, Stefan Pierer is a Supervisory Board member of two further companies outside of the Pierer Group.

C-Rule 27: The variable annual remuneration components are unlimited in terms of their amount. Variable remuneration based solely on financial criteria. Due to the company's special shareholder structure – with a strong, core shareholder represented on the Executive Board – the Executive Board is not expected to make any short-term profit maximization to the detriment of the long-term performance of the company. Rather, the Supervisory Board acts on the assumption that the Executive Board takes a holistic approach in which non-financial matters are essential for sustainably successful management.

As the current term of office of Gottfried Neumeister is just two years, only fixed remuneration has been agreed.

C Rule 36: As a rule, the Supervisory Board conducts its self-evaluation at its December meeting. Due to the restructuring process of KTM AG, which was initiated at the end of November, and the extensive activities connected with it, no self-evaluation was carried out in financial year 2024 as an exception.

C-Rule 38: Gottfried Neumeister was appointed as a member of the Executive Board in the 2024 financial year. This was not preceded by a structured selection process. Rather, Mr. Neumeister was recognized for his long-term role as investor representative to the management and central members of the Supervisory Board. He was considered to be an ideal addition to the PIERER Mobility AG Executive Board.

C-Rule 49: Any contracts requiring approval are presented in detail in note 47 to the consolidated financial statements. Based on this reference, the Executive Board does not deem it necessary to provide these details again in this report.

C-Rule 83: Due to the ongoing restructuring proceedings in self-administration of KTM AG, a wholly-owned subsidiary of PIERER Mobility AG, an assessment of the effectiveness of risk management by the auditor and a corresponding report were not performed in the 2024 financial year due to the additional resources required. A new assessment is planned for the financial year 2025.



## 2 MEMBERS OF THE GOVERNING BODIES

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

### 2.1 EXECUTIVE BOARD

#### COMPOSITION OF THE EXECUTIVE BOARD

In the 2024 financial year, the Executive Board of PIERER Mobility AG was composed as follows:

NAME (YEAR OF BIRTH)	FUNCTION	INITIAL APPOINTMENT	END OF CURRENT TERM OF OFFICE
<b>Stefan Pierer</b> (1956)	Chairman (CEO)	Jun 2, 2015 <sup>1)</sup>	Dec 31, 2025
Areas of responsibility: Strategy, R&D, product management, human resources, real estate, motorsports, X-BOW, operations, quality management, supply chain management, purchasing, IT, sustainability			
<b>Gottfried Neumeister</b> (1977)	Deputy Chairman (Co-CEO)	Sep 1, 2024	Aug 31, 2026
Areas of responsibility: Finance & tax, risk management, global sales, customer service, legal, marketing, brand management, corporate communication, investor relations, sustainability, PG&A, joint ventures			
<b>Hubert Trunkenpolz</b> (1962)	Deputy Chairman Vorsitzender	Jan 1, 2018	Oct 31, 2024
<b>Florian Kecht</b> (1980)	Member	May 6, 2023	Oct 31, 2024
<b>Alex Pierer</b> (1981)	Member	May 6, 2023	Oct 31, 2024
<b>Rudolf Wiesbeck</b> (1979)	Member	May 6, 2023	Oct 31, 2024
<b>Viktor Sigl</b> (1974)	Member, CFO	Dec 19, 2019	Jul 11, 2024

- 1) Stefan Pierer has been on the Board of Management of CROSS Industries AG (FN 261823 i) since April 30, 2005. At the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG held on April 22, 2015, a resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company as part of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged with BF HOLDING AG. At the same time, the trading name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Stefan Pierer has therefore been a member of the Executive Board of CROSS Industries AG (since October 2019: PIERER Mobility AG).

#### Stefan Pierer (CEO)

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

Supervisory Board seats or similar functions in domestic and foreign companies that are not included in the consolidated financial statements of Pierer Konzerngesellschaft mbH:

- Member of the Supervisory Board of Mercedes-Benz Group AG
- Member of the Supervisory Board of Mercedes-Benz AG

Supervisory Board seats or similar functions in domestic and foreign companies of the Pierer Konzerngesellschaft mbH Group that are not included in the consolidated financial statements of PIERER Mobility AG:

- Chairman of the Supervisory Board of Pankl AG
- Chairman of the Supervisory Board of Pankl Racing Systems 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 Pierer Swiss AG

### **Gottfried Neumeister (Co-CEO)**

After completing his studies in International Business Management at the University of Vienna, Gottfried Neumeister worked as a consultant at Siemens AG Austria. In 2003, he founded flyniki together with Niki Lauda and in his capacity as General Manager was responsible for the successful development of the aviation business (until its sale to Air Berlin). In 2012, he moved to DO & CO Aktiengesellschaft, where he occupied various positions on the Executive Board, most recently (2021-2023) as Co-CEO. Since September 1, 2024, Gottfried Neumeister has been a member of the Executive Board of PIERER Mobility AG and KTM AG and has supported Stefan Pierer with his CEO responsibilities.

Supervisory Board seats or similar functions in domestic and foreign companies:

- Member of the Executive Board of the private foundation, Privatstiftung Lauda

### **Florian Kecht**

Florian Kecht began his professional career in sales at KTM Sportmotorcycle AG. He has been an authorized signatory (since 2012) and member of the Executive Board (since 2015) of KTM AG and, since 2014, General Manager of KTM Sportmotorcycle GmbH. Between May 6, 2023, and October 31, 2024, he was a member of the Executive Board of PIERER Mobility AG.

### **Alex Pierer**

Alex Pierer began his professional career as a General Manager at Pierer Konzerngesellschaft mbH in Wels. Since 2018, he has also been a General Manager of PIERER Innovation GmbH. He has held the role of General Manager at Kiska GmbH since the end of 2021. Between May 6, 2023, and October 31, 2024, he was a member of the Executive Board of PIERER Mobility AG.

### **Viktor Sigl, MBA**

Mr. Sigl was a member of the Executive Board of KTM AG from 2012, and from December 19, 2019, he was a member of the Executive Board of PIERER Mobility AG, where he held the position of CFO from April 21, 2023. Mr. Sigl left the Executive Board of PIERER Mobility AG on July 11, 2024.

### **Hubert Trunkenpolz**

Hubert Trunkenpolz has worked for the PIERER Mobility Group since 1992 and has been a member of the Executive Board of the KTM Group since 2004. From 2018 until October 31, 2024, he was a member of the Executive Board of PIERER Mobility AG, and was the Deputy Chair of the Executive Board from September 1, 2023. Mr. Trunkenpolz left the Executive Board on October 31, 2024.

### **Rudolf Wiesbeck**

After various domestic and foreign assignments, Rudolf Wiesbeck joined the Polytec Group in 2011. At the Polytec Group, he managed a group of plants and was the division manager responsible for digitalization and IT. He joined KTM AG as head of the Quality Management division, and since 2022 he has held the role of COO. Between May 6, 2023, and October 31, 2024, Rudolf Wiesbeck was a member of the Executive Board of PIERER Mobility AG.

## 2.2 SUPERVISORY BOARD

The Supervisory Board held four ordinary meetings during the 2024 financial year. Rajiv Bajaj did attend less than half of the Supervisory Board meetings in the 2024 financial year. In addition, there were further coordination discussions by telephone and resolutions passed by electronic, telephone, or written means. During the last quarter of 2024, the Supervisory Board or members of the Supervisory Board held numerous informal votes and meetings, also with Executive Board participation, due to KTM AG's economic situation.

### COMPOSITION OF THE SUPERVISORY BOARD

The company's Supervisory Board comprised the following members in the 2024 financial year:

NAME (YEAR OF BIRTH)	POSITIONS AT PIERER MOBILITY AG <sup>1)</sup>	INDEPENDENT ACCORDING TO C-RULE 53 ÖCGK	INITIAL APPOINTMENT	END OF CURRENT TERM OF OFFICE <sup>2)</sup>
<b>Josef Blazicek</b> (1956)	SB: Chairperson RC: Chairperson CfCIRS: Deputy Chairperson	Yes	2008	2026 <sup>3)</sup>
<b>Rajiv Bajaj</b> (1966)	SB: Deputy Chairperson	No	2022	2027
<b>Iris Filzwieser</b> (1971)	AB: Member	Yes	2022	2027
<b>Michaela Friepess</b> (1972)	SB: Member AC: Member RC: Deputy Chairperson CfCIRS: Chairperson	Yes	2022	2027
<b>Srinivasan Ravikumar</b> (1957)	SB: Member AC: Chairperson	Yes	2022	2027
<b>Friedrich Roithner</b> (1963)	SB: Member AC: Deputy Chairperson	No	2023	2028

1) SB = Supervisory Board, AC = Audit Committee, RC = Remuneration Committee, CfCIRS = Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)

2) Precisely: End of the Annual General Meeting in the year indicated, which decides on the previous financial year

3) Josef Blazicek resigned from the Supervisory Board effective at the end of the Extraordinary General Meeting on January 27, 2025.

The members of the Supervisory Board hold additional Supervisory Board seats or similar functions in other domestic and foreign listed companies as follows:

- Josef Blazicek: All for One Group SE (Germany)

## INDEPENDENCE OF THE SUPERVISORY BOARD

A member of the Supervisory Board shall be deemed as 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 is therefore suited to influence the behavior of the member. The independence of the Supervisory Board members is defined by the following guidelines:

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.
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.
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.
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.
5. The Supervisory Board member has not been on the Supervisory Board 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.
6. The Supervisory Board member is not a close family member (direct descendant, spouses, 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.

Rajiv Bajaj, Deputy Chairman of the Supervisory Board, is the Managing Director, CEO and shareholder of Bajaj Auto Ltd., Pune, India. A cooperation has existed since 2007 between Bajaj Auto Ltd. and KTM AG, a wholly owned subsidiary of PIERER Mobility AG. Bajaj Auto Ltd., in which Rajiv Bajaj has a significant economic interest, thus maintains a significant business relationship with a subsidiary of PIERER Mobility AG. Therefore, Rajiv Bajaj does not meet independence criterion 2.

Friedrich Roithner resigned from the company's Executive Board immediately before his election to the company's Supervisory Board at the 26<sup>th</sup> Annual General Meeting on April 21, 2023, and therefore does not meet independence criterion 1. He was elected as a member of the Supervisory Board on the basis of a proposal by the main shareholder Pierer Bajaj AG in accordance with Section 86 (4) (2) of the Austrian Stock Corporation Act and thus in accordance with the cooling-off stipulations of Austrian stock corporation law.

The other members of the Supervisory Board of PIERER Mobility AG pledge to abide by the criteria of independence according to C-Rule 53 and declare themselves to be independent. Mr. Blazicek represented the interests of a shareholder with a direct investment in the company, which is why the temporal restriction on Supervisory Board membership under criterion 5 does not apply to him.

Ms. Filzwieser is independent as per C-Rule 54.



### 3 INFORMATION ON THE WORKING PROCEDURES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

The Executive Board of PIERER Mobility AG and the individual Executive Board members, respectively, act on the basis of the laws, the company's 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 takes place at regular meetings, but also through informal exchanges of information. Matters discussed at the Executive Board meetings include the current operations and the company strategy. Additionally, pending leadership and management actions to be implemented by the responsible Executive Board members in accordance with the Rules of Procedure are discussed.

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

During the 2024 financial year, the Supervisory Board diligently performed the duties and tasks incumbent upon it under Austrian law, the Articles of Association, the ÖCGK, and the rules of procedure.

In accordance with the provisions of the Articles of Association, the Supervisory Board has elected a Chairman and a Deputy Chairman. The meetings are chaired by the Chairman or, in his absence, by his deputy.

Members of the Supervisory Board receive the agenda that has been agreed with the Chairman at least seven days before each meeting, together with comprehensive information concerning each item included on the agenda. In urgent cases, the Chairman of the Supervisory Board is permitted to shorten that period, provided it can be demonstrated 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 items on the agenda that resulted in the notice period being shortened shall be addressed.

A quorum of the Supervisory Board shall be deemed to exist when all members of the Supervisory Board have been duly invited and at least three Supervisory Board members, including the Chairman or a deputy, participate in the meeting.

Resolutions of the Supervisory Board are passed by a simple majority of the votes cast; in the event of a tied vote, the Chairman of the Supervisory Board has the casting vote. The transfer of ownership of shares or equity interests and capital increases of any kind with respect to KTM AG, PIERER New Mobility GmbH, Kiska GmbH and their subsidiaries, as well as the sale or transfer of ownership of all material assets of PIERER Mobility AG, KTM AG, PIERER New Mobility GmbH and Kiska GmbH and their subsidiaries, require the approval of all shareholders' representatives on the Supervisory Board.

The Supervisory Board shall be entitled to request written reports from the Executive Board at any time regarding the Company's affairs and management issues. As a rule, the Executive Board shall also attend the meetings of the Supervisory Board and the Audit Committee, unless the Chairman of the Supervisory Board decides otherwise. Members of the Executive Board do not have any voting rights.

At the Supervisory Board meeting, the members of the Executive Board provide a comprehensive explanation of the course of business and the development of the Group. Extensive discussions take place with the members of the Executive Board and among the members themselves. Resolutions on investments, acquisitions, and other motions in accordance with the rules of procedure of the Executive Board are another focus of every Supervisory Board meeting.

The committees formed by the Supervisory Board shall perform their tasks on behalf of the Supervisory Board. Each committee shall consist of at least two members. The Supervisory Board shall appoint a Chairman for each committee from among its members. The rules of procedure of the Supervisory Board shall apply with regard to the notice period, meetings and resolutions of a committee.

The Supervisory Board shall also have the right to appoint an individual member to supervise and audit individual business transactions. That member of the Supervisory Board must report to the Supervisory Board on its activities.

No new contracts requiring the approval of the Supervisory Board were concluded between the company and members of the Supervisory Board in the 2024 financial year (C-Rule 48 ÖCGK).

At Supervisory Board meetings, open discussions take place between members of the Executive Board and Supervisory Board.

### 3.1 COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board has established three committees:

- Audit Committee
- Remuneration Committee
- Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)

For reasons of efficiency, since the Supervisory Board is made up of no more than six members, the tasks of a Nomination Committee are performed by the full Supervisory Board.

#### AUDIT COMMITTEE

- Chair: Srinivasan Ravikumar
- Deputy Chair: Friedrich Roithner (financial expert)
- Member: Michaela Friepess

The Audit Committee is responsible for auditing and preparing the approval of the annual financial report, the proposal for the appropriation of profits and the management report, as well as for auditing the consolidated financial statements and the consolidated corporate governance report. The Audit Committee shall submit a proposal for the selection of the auditor and prepare the Supervisory Board's proposal for the election of an auditor at the Annual General Meeting. Pursuant to C-Rule 81a ÖCGK, the Audit Committee shall meet with the auditors to determine the process of mutual communication.

The Audit Committee held three meetings in the 2024 financial year, which were also attended by a representative of the auditors.

#### REMUNERATION COMMITTEE

- Chair: Josef Blazicek
- Deputy Chair: Michaela Friepess

The Remuneration Committee convened once in the 2024 financial year. At this meeting, it discussed the compensation report and general matters relating to the compensation of the Executive Committee.

#### **COMMITTEE FOR COMPLIANCE, INVESTOR RELATIONS (IR) AND SUSTAINABILITY (ESG)**

- Chair: Michaela Frieppess
- Deputy Chair: Josef Blazicek

The Committee for Compliance, IR and ESG convened once in the 2024 financial year. In addition, its members are in regular contact (usually every two weeks) with the ESG steering team of the Pierer Industrie Group. Among other things, the committee deals with the topics of the non-financial statement and regularly monitors the achievement of the goals pursued by PIERER Mobility AG in the areas of compliance, IR and ESG. For this purpose, the committee monitors the measures taken to achieve these goals and supports the implementation of such measures in all areas of PIERER Mobility AG. In addition, the committee regularly evaluates the objectives pursued.

## **4 MEASURES TO PROMOTE WOMEN**

The company is convinced that diverse teams produce better results and are more effective and innovative than homogeneous groups of people of the same gender. This principle applies equally to the company's executive and supervisory bodies. Equal treatment of female and male employees and equal career opportunities are a matter of course for PIERER Mobility AG.

PIERER Mobility AG supports and promotes the employment of women, especially in technical professions. One barrier to this is that many management positions require a technical education and, in many countries, especially in Austria, there are still significantly fewer women than men in technical professions and with technical degrees. Nevertheless, the Group aims to make employment in an industrial company more attractive to female employees, and to encourage even more women to enter technical professions, which will be even more sought-after in the future. To recruit female apprentices, the Human Resources department focuses on the key aspect of providing regular information in order to reach the target group and present the technical training courses in an accessible way.

The measures taken, which are particularly aimed at women interested in STEM professions, include participation in competitions such as the "Lehrlings-Hackathon" (apprentice hackathon) and "Austrian Skills," as well as various information events such as apprentice trade fairs and school visits. The aim is to encourage girls to explore new career fields and to make it easier for them to discover where their professional inclinations lie. For this reason, the KTM Group also took part in the EUREGIO Girls' Day in the 2024 financial year. In April 2024, 15 young women were given the opportunity to gain an insight into metal and automotive engineering and to gain practical experience in selected technical process steps at the Mattighofen site. The number of girls interested in technical apprenticeships is steadily rising. In the 2024 financial year, around 28.0% of the apprentices employed by the Group were female. The proportion of female industrial apprentices was 16.4%.

As of December 31, 2024, women represented 25.1% of the total workforce. There are currently no women on the Executive Board; the Supervisory Board has two female members. The proportion of women in management positions at PIERER Mobility was 9.5% (in Austria: 10.5%). Since 2018, the proportion of women in the Group has increased by around 9.4%, but has fallen by 0.7 percentage points compared to the previous year.

## 5 DESCRIPTION OF THE DIVERSITY CONCEPT

When appointing the members of the Supervisory Board, the General Meeting shall focus on the professional and personal qualifications of the members and ensure that the Supervisory Board has a professionally balanced composition that reflects the Company's structure and business activities. In addition, due consideration shall be given to the diversity aspects of the Supervisory Board in order to ensure that both genders and different age groups are represented and to ensure an international composition.

The Supervisory Board has adopted a diversity concept for the composition of the Executive Board and the Supervisory Board pursuant to Section 243c (2) (3) of the Austrian Commercial Code (UGB) which provides for the following:

### 5.1 COMPOSITION OF THE EXECUTIVE BOARD

#### CONCEPT

Candidates for an Executive Board position at PIERER Mobility AG are selected on the basis of their professional qualifications for the position applied for, their leadership qualities and past performance, as well as their knowledge of the Company.

When selecting and appointing members of the Executive Committee, the focus is on whether they have the skills and expertise required to lead an international industrial company. In addition, their educational and professional background as well as general aspects of their personality are taken into consideration. A person's age and gender play no role and do not lead to any preference or disadvantage in the selection process.

#### OBJECTIVES

The aim of the diversity concept is to ensure that the Executive Board is composed of personalities who complement each other on the basis of their different professional and life experiences, and who work well together. It is to 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 appointment of members of the Executive Board on the basis of the criteria set out in the diversity concept, taking into account the interests of the Company.

#### RESULTS IN THE REPORTING PERIOD

In the 2024 financial year, the Executive Board was reduced to two members. Gottfried Neumeister is a new member of the Executive Board and was appointed by the Supervisory Board in consideration of the diversity concept.



## 5.2 COMPOSITION OF THE SUPERVISORY BOARD

### CONCEPT

The Supervisory Board is composed of professionally and personally qualified persons. Care shall be taken to ensure a professionally balanced composition with regard to the structure and business areas of the PIERER Mobility Group. Diversity aspects of the Supervisory Board with regard to gender representation and age structure shall be given appropriate consideration. With an increasing number of Supervisory Board members, these criteria shall be given greater attention.

- The Supervisory Board shall have at least one financial expert.
- If possible, the Supervisory Board should include two members with international experience or special expertise in one or more markets outside of Austria that are important for the PIERER Mobility Group.
- If possible, the Supervisory Board should include a member who has detailed knowledge of PIERER Mobility AG based on previous experience.
- If possible, the Supervisory Board should include a member who can transfer ESG know-how within the PIERER Mobility Group due to his or her experience and knowledge.

### OBJECTIVES

The aim of the diversity concept is to ensure that the Supervisory Board is composed of individuals who complement each other due to their different professional and life experiences. The aim is to ensure that the Supervisory Board as a whole has the highest level of experience and professional qualifications to monitor the business activities of PIERER Mobility AG and the PIERER Mobility Group critically and from as many different perspectives as possible.

### IMPLEMENTATION

Proposals to the Shareholders' Meeting for the election of Supervisory Board members should take into account the criteria of the diversity concept. However, the nomination objectives of the Supervisory Board do not restrict the voting freedom of the General Meeting.

### RESULTS IN THE REPORTING PERIOD

In the 2024 financial year, there were no new appointments to the Supervisory Board of PIERER Mobility AG.

## 6 EXTERNAL EVALUATION

Pursuant to C-Rule 62 ÖCGK, the Company is required to commission an external evaluation of its compliance with the C-Rules of the Code regularly, every three years. The 2024 corporate governance report was evaluated externally by Oberhammer Rechtsanwälte GmbH. No objections were raised. The complete evaluation report for the 2024 financial year is available on the Company's website at <https://www.pierermobility.com/en/investor-relations/corporate-governance>.

## 7 CHANGES AFTER THE BALANCE SHEET DATE

### 7.1 CHANGES ON THE SUPERVISORY BOARD

Effective at the end of the Extraordinary General Meeting of January 27, 2025, Mr. Josef Blazicek, Chairman, resigned from the Supervisory Board. Mr. Stephan Zöchling was elected to the Supervisory Board by this General Meeting. At the subsequent Supervisory Board meeting on the same day, he was elected as the new Chairman of the Supervisory Board. The committees of the Supervisory Board were filled as follows:

	Audit Committee	Remuneration Committee	Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)
Chairperson	Srinivasan Ravikumar	Stephan Zöchling	Michaela Friepess
Deputy Chair	Friedrich Roithner	Michaela Friepess	Stephan Zöchling
Member	Stephan Zöchling	n.a.	n.a.

### 7.2 CHANGE IN THE EXECUTIVE BOARD

On January 23, 2025, Stefan Pierer handed over the role of CEO to Gottfried Neumeister. Mr. Pierer took up the role of Co-CEO.

Wels, May 2025

The Executive Board



Gottfried Neumeister (CEO)



Stefan Pierer (Co-CEO)

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# REPORT PURSUANT TO THE DIRECTIVE ON CORPORATE GOVERNANCE (DCG) OF THE SIX SWISS EXCHANGE

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As an Austrian company 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 boards of the company may therefore diverge from the rules applicable in Switzerland. 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 fulfill 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 the 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 instruction. 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.

## **GENERAL MEETING**

The 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 SHAREHOLDERS

## 1.1 GROUP STRUCTURE

PIERER Mobility AG is the holding company of KTM AG, one of Europe's leading motorcycle manufacturers. Focused on the premium segment, the company brings together brands such as KTM, GASGAS and Husqvarna under one roof. This premium array of brands also includes the high-performance components from WP and the special KTM X-BOW high-performance sports cars. Husqvarna and GASGAS e-bicycles, along with Felt bicycles, complement the PIERER Mobility Group's bicycle range.

PIERER Mobility AG has its registered office at Edisonstraße 1, 4600 Wels, Austria, 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 PIERER Mobility Group reports in the segments Motorcycle, Bicycle and Others.

The scope of consolidation of PIERER Mobility AG can be seen in the notes to the consolidated financial statements 2024, chapter XII „Group companies (Schedule of equity holdings)“. None of the subsidiaries is listed.

The organizational structure of the PIERER Mobility Group is headed 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. For further information on the management structure of the group, please refer to the sections on the Executive Board and Supervisory Board.

## 1.2 SIGNIFICANT SHAREHOLDERS

The shareholder structure of PIERER Mobility AG as at December 31, 2024 ("reporting date") was as follows (rounded values):

- Pierer Group: 75.0%
  - thereof Pierer Bajaj AG 74.9%
  - thereof Pierer Konzerngesellschaft mbH 0.1%
- Free float 25.0%

PIERER Mobility AG is not aware of any other shareholders who directly or indirectly hold more than 3% of the shares in PIERER Mobility AG.

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 Swiss Financial Markets Infrastructure Act (FinfraG) can be viewed on the publications platform of the Disclosure Office: [https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/.](https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/)

## 1.3 CROSS-SHAREHOLDINGS

There are no cross-shareholdings.

## 2 CAPITAL STRUCTURE

### 2.1 SHARE CAPITAL

PIERER Mobility AG has a (total) share capital of € 33,796,535, divided into the same number of bearer shares with voting rights.

The shares grant the rights that are due to shareholders under the Austrian Stock Corporation Act (AktG). These include in particular 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.

On the reporting date, PIERER Mobility AG held both conditional capital and authorized capital:

- Authorized capital: € 16,898,267, not yet utilized
- Conditional capital: € 4,375,000, not yet utilized

### 2.2 AUTHORIZED AND CONDITIONAL CAPITAL IN PARTICULAR

#### **AUTHORIZED CAPITAL (PROVISION OF THE ARTICLES OF ASSOCIATION)**

The Executive Board is authorized, 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, 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.

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

- (i) if the capital increase was made in return for cash contributions and the total arithmetical proportion of the company's share capital represented by the shares issued in return for cash contributions with exclusion of subscription rights does not exceed the limit of 10% (ten percent) of the company's share capital at the time of granting,
- (ii) if the capital increase is made against contributions in kind,
- (iii) to service 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 Annual General Meeting of PIERER Mobility AG held on April 21, 2023, authorized the Executive Board, with the consent of the Supervisory Board, up to April 21, 2028, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act, in particular convertible bonds, profit-sharing bonds and special dividend rights, with a nominal total of EUR 350 million, which may also grant subscription and/or conversion rights on the acquisition of up to a total of 4,375,000 shares in the company and/or are also organized in such a way that they may be reported as equity, also in multiple tranches and in different combinations, including indirectly by way of a guarantee for the issue of financial instruments by an affiliate of the company with conversion and/or subscription rights to shares in the company.

The Executive Board may use the conditional capital and/or treasury shares or a combination of conditional capital and treasury shares to fulfill options of conversion and/or subscription rights. The issue amount and issue conditions of the financial instruments are to be set by the Executive Board, with the consent 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. The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription right to financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act.

**Conditional capital (Provision of the Articles of Association)**

The company's share capital shall be increased by up to EUR 4,375,000.00 by issuing up to 4,375,000 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, as per the resolution adopted at the General Meeting of April 21, 2023, which are issued using the authorization granted in this 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 subscription rights on company shares. The issue amount and the conversion ratio are to be determined according to recognized mathematical methods used in finance and the price of shares 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 in the company. The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation 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.

Since no financial instruments were issued within the scope of the authorization to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act, this conditional capital will not be used to serve creditors of such financial instruments.

**Amendment of the authorization to issue financial instruments and of the conditional capital after the reporting date**

In the Extraordinary General Meeting of January 27, 2025, the authorization to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act and the conditional capital available for this purpose were supplemented.

Since that date, the Executive Board has been authorized, with the consent of the Supervisory Board, up to January 27, 2030, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act, in particular convertible bonds, profit-sharing bonds and special dividend rights, with a nominal total of up to EUR 900 million, which may also grant subscription and/or conversion rights on the acquisition of up to a total of 16,898,267 shares in the company. The remaining conditions are covered by the previous authorization, whereby, under that authorization, the Executive Board may only issue financial instruments that grant the creditor subscription rights on the acquisition of shares in the company in so far as, when exercising all subscription rights of those financial instruments and taking into consideration all shares that were or should have been issued from the 2022 authorized capital (as decided under agenda item 9 of the Annual General Meeting of April 29, 2022), no more than 16,898,267 new shares in the company are created.

The conditional capital for 2023 existing up to that point was replaced by a new conditional capital during the Extraordinary General Meeting of January 27, 2025. Section 5a "Conditional capital" of the Articles of Association of PIERER Mobility AG now reads as follows:

The company's share capital shall be increased in accordance with Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) by up to EUR 16,898,267.00 by issuing up to 16,898,267 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, as per the resolution adopted at the General Meeting of January 27, 2025, which are issued using the authorization granted in this 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 subscription rights on company shares. The issue price and the conversion and/or subscription ratio are to be determined according to customary mathematical methods used in finance and the price of shares in the company in a customary pricing



procedure (bases for calculating the issue price). The issue price may not be lower than the proportional share capital amount. 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 consent of the Supervisory Board, to determine the further details of the implementation 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.

## 2.3 CHANGES IN CAPITAL DURING THE LAST THREE FINANCIAL YEARS

No changes in share capital took place at PIERER Mobility AG over the last three reporting years.

The total consolidated equity was € 914.4 million as at December 31, 2022, € 909.3 million at December 31, 2023, and € -193.7 million at December 31, 2024. Information on changes in equity are shown in the consolidated statement of changes in equity in the consolidated financial statements.

## 2.4 / 2.5 / 2.6 / 2.7 SHARES AND PARTICIPATION CERTIFICATES/ DIVIDEND-RIGHT CERTIFICATES/CONVERTIBLE BONDS AND OPTIONS

PIERER Mobility AG has 33,796,535 ordinary bearer shares with voting rights. There are no restrictions on these ordinary shares, either in terms of exercising of shareholders' rights or in terms of transferability. There are also no corporate rules on nominee registrations.

The Company has issued no participation or profit-sharing certificates, nor conversion or option rights.

The rights associated with the PIERER Mobility AG shares can be seen in Appendix 1.

## 3 SUPERVISORY BOARD

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

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

The Supervisory Board is made up of at least three members who are separately elected by the Annual General Meeting, (shareholder representatives) and as many employee representatives as are required pursuant to Section 110 (1) of the Austrian Labor Relations Act (currently no employee representatives). The shareholder representatives are elected by the General Meeting for a term that shall not go beyond the end of the Annual 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. The shareholder representatives are generally (and always at the request of a shareholder) elected by the General Meeting individually and not “en-bloc”. Neither the Austrian Stock Corporation Act nor the company’s Articles of Association provide for the whole Supervisory Board to be replaced. Members are therefore usually elected to the Supervisory Board (unless the number is changed by the General Meeting or one member resigns) at the end of a term of office.

In the 2024 financial year, the Supervisory Board of PIERER Mobility AG consisted of six members as follows:

NAME (YEAR OF BIRTH)	POSITIONS AT PIERER MOBILITY AG	INITIAL APPOINTMENT	END OF CURRENT TERM OF OFFICE <sup>1)</sup>
<b>Josef Blazicek</b> (1956)	Chairman	2008	2026 <sup>2)</sup>
<b>Rajiv Bajaj</b> (1966)	Deputy Chairman	2022	2027
<b>Iris Filzwieser</b> (1971)	Member	2022	2027
<b>Michaela Frieppess</b> (1972)	Member	2022	2027
<b>Srinivasan Ravikumar</b> (1957)	Member	2022	2027
<b>Friedrich Roithner</b> (1963)	Member	2023	2028

1) Precisely: End of the Annual General Meeting in the year indicated, which decides on the previous financial year

2) Josef Blazicek resigned from the Supervisory Board effective at the end of the Extraordinary General Meeting on January 27, 2025.

**Josef Blazicek** (born 1964), an 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. This was followed by the position of Managing Partner of OCEAN Equities Ltd. in London until 2003. From 2000, he worked in various roles within the QINO Group. Josef Blazicek is also Chairman of the Supervisory Board of Pierer Industrie AG (Austria).

**Rajiv Bajaj** (born 1966), an Indian citizen, holds a Master of Science degree in Manufacturing Systems Engineering. He started his career working in the Streamlines Manufacturing Systems department at Bajaj Auto Ltd. in 1990. In 1995, Rajiv Bajaj switched department and worked as General Manager and Vice President in the R+D and Engineering department. In 2000, as Deputy Managing Director he started reorganizing the marketing, sales and service interfaces and promoted export initiatives. In April 2005, he became Managing Director of Bajaj Auto Ltd. Rajiv Bajaj is Managing Director, CEO and shareholder of Bajaj Auto Ltd., Pune, India. Bajaj Auto Ltd. has a significant business relationship with KTM AG, a subsidiary of PIERER Mobility AG. In this context, please refer to note 47 “Related party disclosures” to the consolidated financial statements 2024.

**Iris Filzwieser** (born 1971), an Austrian citizen, graduated from the Higher Technical Institute for Mechanical Engineering and Business Administration (HTL) in Wolfsberg to become a qualified engineer at the University of Leoben. In June 2005, she received her doctorate in mining engineering. Iris Filzwieser is the 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 board of directors of the Delta Academy at the University of Leoben. Iris Filzwieser also has other roles, including serving as a member of the jury at the Austrian research company FFG, a member of the delegates’ assembly of the FWF Science Fund and a member of the Board at Vienna University of Technology.

**Michaela Frieppess** (born 1972), an Austrian citizen, completed a degree in business studies and then began her professional career in 1998 working as a financial analyst and worked in the Business Development department at GE Capital Bank in Vienna and Paris. In September 2003, she joined the PIERER Group. Ms. Frieppess has extensive practical experience and is specialized in capital markets, corporate governance, compliance and sustainability. Most recently, she was a member of the Executive Board of Pierer Industrie AG, where she was responsible for Investor Relations, Compliance and Sustainability until October 2024. Ms. Frieppess is an authorized signatory of Pierer Konzerngesellschaft mbH.

**Srinivasan Ravikumar** (born 1957), an Indian citizen, has a Bachelor of Commerce degree and is a certified public accountant and tax consultant. He started his career in the Corporate Finance department at Bajaj Auto Ltd. in June 1984. In 1994, he took over the management of the Business Development department. Srinivasan Ravikumar is currently Chief Business Development Officer and 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 area of responsibility includes corporate strategy, business development, foreign collaborations and IP management.

**Friedrich Roithner** (born 1963), an Austrian citizen, graduated from the Johannes Kepler University of Linz with a degree in business administration and then began his career at Ernst & Young GmbH. After three years, he moved to Austria Metall AG, where he worked until 2006 (he became a member of the Executive Board in 2002). From March 2008 to June 2010, Friedrich Roithner was a member of the Executive Board at Invest AG. He joined the CROSS Group (now PIERER Mobility Group) in 2007 and was a member of the Executive Board from 2010 to 2023, serving as CFO from 2015 to 2023. Mr. Roithner was also a member of the Executive Board of Pierer Industrie AG from 2012 to 2024, before joining Pierer Konzerngesellschaft mbH as Managing Director on January 1, 2025. Until his election to the Supervisory Board, Friedrich Roithner served on the Executive Board and was thus part of the management of PIERER Mobility AG.

## **OTHER MAIN FUNCTIONS OF THE MEMBERS OF THE SUPERVISORY BOARD**

The rules of the Remuneration Ordinance are not applicable to the Articles of Association of PIERER Mobility AG as a company with its registered office in Austria, which is why the company's Articles of Association do not stipulate any restriction on the permissible activities for the Supervisory Board. However, a restriction arises from Section 86 of the Austrian Stock Corporation Act, which stipulates that anyone who is already a member of the Supervisory Board at ten corporations, whereby the role of Chair counts twice in calculating this maximum number, cannot be a member of this company's Supervisory Board. In addition, for listed companies such as PIERER Mobility AG, it is not possible for a person to join the Supervisory Board if they are already a member of the Supervisory Board at eight listed companies, whereby the role of Chair counts twice in calculating this maximum number.

A list of the relevant businesses and companies in which the current members of the Supervisory Board, to the best of the company's knowledge, were members of an administrative, management or supervisory body over the last three reporting periods can be found in Appendix 2. The members of the Supervisory Board also have no other material activities, vested interests or cross-interests.

## **3.5 INTERNAL ORGANIZATION**

### **DIVISION OF RESPONSIBILITIES ON THE SUPERVISORY BOARD**

In accordance with the Articles of Association, the Supervisory Board has one Chair and one Deputy Chair. The Supervisory Board meetings are presided over by the Chair, or, in the event of their absence, by the Deputy Chair.

The Supervisory Board performed the duties incumbent upon it under Austrian law, the Articles of Association and the rules of procedure, was involved in fundamental decisions made by the Executive Board at an early stage, and advised the Executive Board. 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.

The Supervisory Board held four ordinary meetings during the 2024 financial year. In addition, there were further coordination discussions by telephone and resolutions passed by electronic, telephone, or written means. During the last quarter of 2024, the Supervisory Board or members of the Supervisory Board held numerous informal votes and meetings, also with Executive Board participation, due to KTM AG's economic situation.

The Supervisory Board has established three committees:

- Audit Committee
- Remuneration Committee
- Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)

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



## **LIST OF MEMBERS OF ALL SUPERVISORY BOARD COMMITTEES, THEIR TASKS AND COMPETENCE, AND DELIMITATION**

### **Audit Committee**

- Chair: Srinivasan Ravikumar
- Deputy Chair: Friedrich Roithner (financial expert)
- Member: Michaela Frieppess

The Audit Committee has been established in accordance with the Austrian Stock Corporation Act (Aktiengesetz) and performs the required supervisory and control functions. It is responsible for auditing and preparing the approval of the annual financial report, the proposal for the appropriation of profits and the management report, as well as for auditing the consolidated financial statements and the consolidated corporate governance report. The Audit Committee shall submit a proposal for the selection of the auditor and prepare the Supervisory Board's proposal for the election of an auditor at the Annual General Meeting. Pursuant to C-Rule 81a ÖCGK, the Audit Committee shall meet with the auditors to determine the process of mutual communication.

The Audit Committee held three meetings in the 2024 financial year, which were also attended by a representative of the auditors.

### **Remuneration Committee**

- Chair: Josef Blazicek
- Deputy Chair: Michaela Frieppess

The Remuneration Committee convened once in the 2024 financial year. At this meeting, it discussed the compensation report and general matters relating to the compensation of the Executive Committee.

### **Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)**

- Chair: Michaela Frieppess
- Deputy Chair: Josef Blazicek

The Committee for Compliance, IR and ESG convened once in the 2024 financial year. In addition, its members are in regular contact (usually every two weeks) with the ESG steering team of the Pierer Industrie Group. Among other things, the committee deals with the topics of the non-financial statement and regularly monitors the achievement of the goals pursued by PIERER Mobility AG in the areas of compliance, IR and ESG. For this purpose, the committee monitors the measures taken to achieve these goals and supports the implementation of such measures in all areas of PIERER Mobility AG. In addition, the committee regularly evaluates the objectives pursued.

## **WORKING METHODS OF THE SUPERVISORY BOARD AND ITS COMMITTEES**

Members of the Supervisory Board receive the agenda that has been agreed with the Chairman at least seven days before each meeting, together with comprehensive information concerning each item included on the agenda. In urgent cases, the Chairman of the Supervisory Board is permitted to shorten that period, provided it can be demonstrated 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 items on the agenda that resulted in the notice period being shortened shall be addressed.

A quorum of the Supervisory Board shall be deemed to exist when all members of the Supervisory Board have been duly invited and at least three Supervisory Board members, including the Chairman or a deputy, participate in the meeting.

Resolutions of the Supervisory Board are passed by a simple majority of the votes cast; in the event of a tied vote, the Chairman of the Supervisory Board has the casting vote. The transfer of ownership of shares or equity interests and capital increases of any kind with respect to KTM AG, PIERER New

Mobility GmbH, Kiska GmbH and their subsidiaries, as well as the sale or transfer of ownership of all material assets of PIERER Mobility AG, KTM AG, PIERER New Mobility GmbH and Kiska GmbH and their subsidiaries, require the approval of all shareholders' representatives on the Supervisory Board.

As a rule, the Executive Board shall also attend the meetings of the Supervisory Board and the Audit Committee, unless the Chairman of the Supervisory Board decides otherwise. Members of the Executive Board do not have any voting rights.

At the Supervisory Board meeting, the members of the Executive Board provide a comprehensive explanation of the course of business and the development of the Group. Extensive discussions take place with the members of the Executive Board and among the members themselves. Resolutions on investments, acquisitions, and other motions in accordance with the rules of procedure of the Executive Board are another focus of every Supervisory Board meeting.

The committees formed by the Supervisory Board shall perform their tasks on behalf of the Supervisory Board. Each committee shall consist of at least two members. The Supervisory Board shall appoint a Chairman for each committee from among its members. The rules of procedure of the Supervisory Board shall apply with regard to the notice period, meetings and resolutions of a committee.

The Supervisory Board shall also have the right to appoint an individual member to supervise and audit individual business transactions. That member of the Supervisory Board must report to the Supervisory Board on its activities.

### 3.6 REGULATION ON RESPONSIBILITIES

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 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 it 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 shall be entitled to request written reports from the Executive Board at any time regarding the Company's affairs and management issues. As a rule, the Executive Board shall also attend the meetings of the Supervisory Board and the Audit Committee, unless the Chairman of the Supervisory Board decides otherwise. Members of the Executive Board do not have any voting rights.

At the Supervisory Board meeting, the members of the Executive Board provide a comprehensive explanation of the course of business and the development of the Group. Extensive discussions take place with the members of the Executive Board and among the members themselves. Resolutions on investments, acquisitions, and other motions in accordance with the rules of procedure of the Executive Board are another focus of every Supervisory Board meeting.

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

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 business development. 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.

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 processes this data and makes it available to the company's management electronically and in a timely manner. The Supervisory Board receives monthly and quarterly reports based on information in the management information system.

For further information on risk management, see chapter VII „Risk report“ of the notes to the consolidated financial statements 2024 and chapter 6 „Opportunities and risk report“ of the consolidated management report 2024.

### 3.8 CHANGES ON THE SUPERVISORY BOARD AFTER THE BALANCE SHEET DATE

Effective at the end of the Extraordinary General Meeting of January 27, 2025, Mr. Josef Blazicek, Chairman, resigned from the Supervisory Board. Mr. Stephan Zöchling was elected to the Supervisory Board by this General Meeting. At the subsequent Supervisory Board meeting on the same day, he was elected as the new Chairman of the Supervisory Board. The committees of the Supervisory Board were filled as follows:

	<b>Audit Committee</b>	<b>Remuneration Committee</b>	<b>Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)</b>
<b>Chairperson</b>	Srinivasan Ravikumar	Stephan Zöchling	Michaela Friepess
<b>Deputy Chair</b>	Friedrich Roithner	Michaela Friepess	Stephan Zöchling
<b>Member</b>	Stephan Zöchling	n.a.	n.a.

## 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.

In the 2024 financial year, the Executive Board of PIERER Mobility AG was composed as follows:

NAME (YEAR OF BIRTH)	FUNCTION	INITIAL APPOINTMENT	END OF CURRENT TERM OF OFFICE
<b>Stefan Pierer</b> (1956)	Chairman (CEO)	Jun 2, 2015 <sup>1)</sup>	Dec 31, 2025
Areas of responsibility: Strategy, R&D, product management, human resources, real estate, motorsports, X-BOW, operations, quality management, supply chain management, purchasing, IT, sustainability			
<b>Gottfried Neumeister</b> (1977)	Deputy Chairman (Co-CEO)	Sep 1, 2024	Aug 31, 2026
Areas of responsibility: Finance & tax, risk management, global sales, customer service, legal, marketing, brand management, corporate communication, investor relations, sustainability, PG&A, joint ventures			
<b>Hubert Trunkenpolz</b> (1962)	Deputy Chairman	Jan 1, 2018	Oct 31, 2024
<b>Florian Kecht</b> (1980)	Member	May 6, 2023	Oct 31, 2024
<b>Alex Pierer</b> (1981)	Member	May 6, 2023	Oct 31, 2024
<b>Rudolf Wiesbeck</b> (1979)	Member	May 6, 2023	Oct 31, 2024
<b>Viktor Sigl</b> (1974)	Member, CFO	Dec 19, 2019	Jul 11, 2024

- 1) Stefan Pierer has been on the Board of Management of CROSS Industries AG (FN 261823 i) since April 30, 2005. At the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG held on April 22, 2015, a resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company as part of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged with BF HOLDING AG. At the same time, the trading name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Stefan Pierer has therefore been a member of the Executive Board of CROSS Industries AG (since October 2019: PIERER Mobility AG).

**Stefan Pierer** (born 1956), an Austrian citizen, graduated from the University of Leoben (Business and Energy Management) and began his career in 1982 as a sales assistant at HOVAL GmbH in Marchtrenk, where he went on to become a sales manager and authorized signatory. In 1987, he founded the PIERER Mobility Group, where he acts as shareholder and Executive Board member. He has been a shareholder and Executive Board member of KTM AG since 1992. In 2011, he began building up Pierer Industrie AG, of which he is the indirect sole shareholder and Chairman of the Executive Board.

**Gottfried Neumeister** (born 1977), an Austrian citizen, completed his studies in International Business Management at the University of Vienna and began working as a consultant at Siemens AG Austria. In 2003, he founded flyniki together with Niki Lauda and in his capacity as General Manager was responsible for the successful development of the aviation business (until its sale to Air Berlin). In 2012,



he moved to DO & CO Aktiengesellschaft, where he occupied various positions on the Executive Board, most recently (2021-2023) as Co-CEO. Since September 1, 2024, Gottfried Neumeister has been a member of the Executive Board of PIERER Mobility AG and KTM AG and has supported Stefan Pierer with his CEO responsibilities.

**Florian Kecht** (born 1980), an Austrian citizen, began his professional career in sales at KTM Sportmotorcycle AG. He has been an authorized signatory (since 2012) and member of the Executive Board (since 2015) of KTM AG and, since 2014, General Manager of KTM Sportmotorcycle GmbH. Between May 6, 2023, and October 31, 2024, he was a member of the Executive Board of PIERER Mobility AG.

**Alex Pierer** (born 1981), an Austrian citizen, began his professional career as a General Manager at Pierer Konzerngesellschaft mbH in Wels. Since 2018, he has also been a General Manager of PIERER Innovation GmbH. He has held the role of General Manager at Kiska GmbH since the end of 2021. Between May 6, 2023, and October 31, 2024, he was a member of the Executive Board of PIERER Mobility AG.

**Viktor Sigl, MBA** (born 1974), an Austrian citizen, was a member of the Executive Board of KTM AG from 2012, and from December 19, 2019, he was a member of the Executive Board of PIERER Mobility AG, where he held the position of CFO from April 21, 2023. Mr. Sigl left the Executive Board of PIERER Mobility AG on July 11, 2024.

**Hubert Trunkenpolz** (born 1962), an Austrian citizen, has worked for the PIERER Mobility Group since 1992 and has been a member of the Executive Board of the KTM Group since 2004. From 2018 until October 31, 2024, he was a member of the Executive Board of PIERER Mobility AG, and was the Deputy Chair of the Executive Board from September 1, 2023. Mr. Trunkenpolz left the Executive Board of PIERER Mobility AG on October 31, 2024.

**Rudolf Wiesbeck** (born 1979), an Austrian citizen, joined the Polytec Group in 2011 after various domestic and foreign assignments. At the Polytec Group, he managed a group of plants and was the division manager responsible for digitalization and IT. He joined KTM AG as head of the Quality Management division, and since 2022 he has held the role of COO. Between May 6, 2023, and October 31, 2024, Rudolf Wiesbeck was a member of the Executive Board of PIERER Mobility AG.

Other main functions of the members of the Executive Board are listed in Appendix 3.

#### 4.3 NUMBER OF PERMITTED ACTIVITIES

The rules of the Remuneration Ordinance are not applicable to the Articles of Association of the Austrian PIERER Mobility AG. Therefore, the company's Articles of Association do not stipulate any restriction on the permissible activities. C-Rule 26 (Comply or Explain Rule) of the Austrian Code of Corporate Governance stipulates that Executive Board members may not hold more than four Supervisory Board seats (Chair counts as two seats) in stock corporations ("Aktiengesellschaften") outside of the Group. PIERER Mobility AG fulfills this rule with the following declaration: "Stefan Pierer holds more than four Supervisory Board seats outside the PIERER Mobility Group. He holds further Supervisory Board seats within the higher-level Pierer Konzerngesellschaft mbH Group ("Pierer Group"). Apart from this, Stefan Pierer is a Supervisory Board member of two further companies outside of the Pierer Group."

#### 4.4 MANAGEMENT CONTRACTS

There are no management contracts.

#### 4.5 CHANGES ON THE EXECUTIVE BOARD AFTER THE BALANCE SHEET DATE

On January 23, 2025, Stefan Pierer handed over the role of CEO to Gottfried Neumeister. Mr. Pierer assumed the role of Co-CEO.

### 5 COMPENSATION, SHAREHOLDINGS AND LOANS

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

Please refer to the statements in the Remuneration Report for the 2024 financial year.

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

#### 5.2 REMUNERATION REPORT CONSISTENT WITH ARTICLES. 14 TO 16 OF THE SWISS REGULATION TO COMBAT EXCESSIVE REMUNERATION IN LISTED STOCK CORPORATIONS (VEGÜV)

Please refer to the statements in the Remuneration Report for the 2024 financial year. No remuneration was paid and no non-cash benefits were granted to former members of the Supervisory Board or Executive Board in the 2024 reporting year, except for the payment of benefits already granted in financial year 2024.

The following current members of the Executive Board and Supervisory Board of PIERER Mobility AG held shares in the company as of December 31, 2024:

PERSON	SHAREHOLDING		NUMBER OF SHARES	VOTING RIGHTS <sup>1)</sup>
	DIRECT	INDIRECT		
Stefan Pierer	No	Yes <sup>2)</sup>	25,356,561	75.03%
Gottfried Neumeister	Yes	No	22,277	0.07%
Josef Blazicek	No	Yes	80,000	0.24%
Michaela Friepess	Yes	No	58,693	0.17%
Friedrich Roithner	Yes	No	93,700	0.28%

1) rounded

2) via Pierer Konzerngesellschaft mbH and Pierer Bajaj AG

The other members of the Supervisory Board (Rajiv Bajaj, Iris Filzwieser, Srinivasan Ravikumar) did not hold any shares in the Company, neither directly nor indirectly.

## 6 SHAREHOLDERS' PARTICIPATION RIGHTS

### 6.1 VOTING RIGHT RESTRICTIONS AND REPRESENTATION

Each ordinary share in PIERER Mobility AG grants one voting right. 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 also be exercised by proxy in the General Meeting.

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

### 6.2 STATUTORY QUORUMS

Unless the law prescribes a different majority, the General Meeting passes resolutions by a simple majority of the votes cast and, in cases where a capital majority is required, by a simple majority of the share capital represented at the passing of the resolution.

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

### 6.3 / 6.4 CONVOCAATION OF THE ANNUAL GENERAL MEETING, INCLUSION OF ITEMS ON THE AGENDA

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

Convocations should be announced no later than the 28th day before an Annual General Meeting, and no later than the 21st day before any other General Meeting. Convocations are announced via the electronic announcement and information platform of the Federal Government (Austria), via a European dissemination system, SWIFT and via CONNEXOR® (Switzerland) and made available on the website of PIERER Mobility AG.

General Meetings are normally convened by the Executive Board.

The Executive Board is also obliged to convene a Shareholder's 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 item thereon.

The Articles of Association may modify this statutory requirement by relaxing the formal requirements or reducing the minimum amount of share capital 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 requirements. 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

PIERER Mobility AG is subject to the provisions of the Austrian Takeovers Act. This Act provides for both mandatory and voluntary takeover bids. The Articles of Association of PIERER Mobility AG, in the version valid as of December 31, 2024, contain an opt-out clause within the meaning of the Swiss Financial Market Infrastructure Act (FinfraG).

On the reporting date, PIERER Mobility AG was subject to the provisions of the Swiss Financial Market Infrastructure Act (FinfraG) on public purchase offers. Article 135 (1) of the FinfraG stipulates that any party who acquires participation rights and thus exceeds the limit of 33 1/3% of the voting rights must, as a fundamental rule, submit a public purchase offer.

On February 26, 2021, the Extraordinary General Meeting of the company resolved to include an opt-out clause in accordance with Swiss takeover law in the company's Articles of Association. The background to the inclusion of the opt-out clause is the fact that, owing to the parallel listing on the SIX Swiss Exchange and the Vienna Stock Exchange, Swiss takeover law and Austrian takeover law would have to be applied to the company concomitantly. In order to avoid any conflict between different laws resulting from this, the company has included an opt-out clause in accordance with Swiss takeover law in the Articles of Association. Accordingly, there is no obligation to make an offer under the Swiss takeover law as long as there is no obligation to make an offer under the provisions of the Austrian takeover law. On the other hand, if a voluntary offer or a mandatory offer is made under Austrian law, the provisions of the Swiss takeover law must continue to be observed.

#### **MANDATORY OFFERS PURSUANT TO THE AUSTRIAN STOCK CORPORATION ACT**

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 Takeovers 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 Takeovers Commission without delay. The offer document must be submitted to the Takeovers 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 syndicate or other agreements. Shareholders acting in concert need not be related parties for company law purposes.

When calculating the control-relevant thresholds, treasury shares are not taken into consideration; their votes are suspended.

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



In order to protect the interests of shareholders, the Takeovers Act sets a twofold lower limit for the offer price in the event of a mandatory offer. 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 during the twelve months before the takeover offer.
- the average stock-exchange price of shares in the target company, weighted according to trading volumes, over the last six months.

#### **VOLUNTARY OFFER TO OBTAIN CONTROL PURSUANT TO THE AUSTRIAN STOCK CORPORATION ACT**

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

Where an offer could 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 PURSUANT TO THE AUSTRIAN STOCK CORPORATION ACT**

A voluntary offer is neither a legal consequence of nor a means of causing a change in 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 CHANGE OF CONTROL CLAUSES**

As at the reporting 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.

## **7A TRANSPARENCY ON NON-FINANCIAL MATTERS**

PIERER Mobility AG issued a consolidated “Non-financial Statement” in accordance with the European Sustainability Reporting Standards (ESRS). As of reporting year 2024, this statement constitutes a section of the consolidated management report (and is therefore a component of the Annual Financial Report) and is subject to external audit.

## 8 STATUTORY AUDITOR

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

During the Annual General Meeting of April 19, 2024, Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, was appointed as auditor of the financial statements and consolidated financial statements for the 2024 financial year. The lead audit partner is Dr. Matthias Kunsch; he first took up these duties for the 2024 financial year. Furthermore, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (FN 269725 f), Linz, was appointed as auditor of the non-financial statement (consolidated non-financial statement pursuant to Section 267a of the Austrian Commercial Code [UGB]). The lead audit partner is Mr. Alexander Gall. In the previous financial year (2023), he was the lead audit partner for the annual financial statements and consolidated financial statements.

### 8.2 / 8.3 AUDIT FEES/ADDITIONAL FEES

Please refer to notes to the consolidated financial statements 2024, chapter IV “Explanations regarding the consolidated income statement”, note 21 “Expenses for the auditor of the financial statements.”

### 8.4 INFORMATION INSTRUMENTS PERTAINING TO THE EXTERNAL AUDIT

During the reporting year, the auditor (external audit company) 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. 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 remuneration paid to the auditor is reviewed regularly for conformity to market terms and conditions. In accordance with Austrian and European legislation, the auditor responsible for carrying out this assignment may participate in the audit for a maximum uninterrupted period of seven years. The auditor responsible for carrying out this assignment must then change (different person, internal rotation). Following the implementation of Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, statutory auditors may be auditors of a public-interest entity for a maximum uninterrupted period of 10 years. The auditor must then be changed (external rotation).

## 9 INFORMATION POLICY

The company maintains an Investor Relations area on its website at <https://www.pierermobility.com>. This is freely accessible and serves as a permanent information source. All important information and documents for shareholders can be found here.

PIERER Mobility AG publishes its annual financial statements and interim financial statements for the first half-year, annual consolidated financial statements and an annual consolidated management report, the annual financial statements and management report of PIERER Mobility AG, the consolidated corporate governance report pursuant to the Austrian Code of Corporate Governance and the corporate governance report pursuant to the Swiss Directive on Corporate Governance, and the remuneration report. The company also voluntarily provides an annual report and investor presentation.

The Investor Relations section also contains information on managers' transactions and announcements regarding voting rights.

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 managers' transactions (that must be published under Article 17 of Regulation (EU) No. 596/2014). Inside information concerning PIERER Mobility AG is available on the websites <https://www.pierermobility.com/en/newsroom/ad-hoc-news> and <http://issuerinfo.oekb.at/startpage.html> and can also be obtained after registering at <https://www.pierermobility.com/en/investor-relations/ir-contact-newsletter> (Investor Relations Newsletter email subscription).

The financial calendar of PIERER Mobility AG with the most important dates of the current financial year can be found at <https://www.pierermobility.com/en/investor-relations/financial-calendar>.

The company's contact information can be found on the company's website at <https://www.pierermobility.com/en/contact>.

The management of PIERER Mobility AG and/or the Investor Relations team take part in numerous investor events (e.g. conferences and roadshows) to inform capital market participants personally about the business situation and strategy.

## 10 QUIET PERIODS

In the 2024 financial year, as its shares were admitted for trading on the Official Market (segment: prime market) of the Vienna Stock Exchange, PIERER Mobility AG was subject to the 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, MAR). This Regulation establishes a ban on trading for people who discharge managerial responsibilities. This ban relates to:

- (i) People who are members of an administrative, management or supervisory body of the company (members of the Executive Board and Supervisory Board) and
- (ii) People who, as senior managers, are not members of any of the aforementioned bodies, but regularly have access to inside information that relates directly or indirectly to that company and who are authorized to make corporate decisions regarding the company's future developments and business prospects.

The ban on trading extends to the closed period of 30 calendar days before the announcement of an interim financial report or year-end financial report that the company is obliged to publish. During this period, people who discharge managerial responsibilities may only conduct transactions involving company shares in individual cases, due to extraordinary circumstances and with the express authorization of the company.

In the 2024 financial year, PIERER Mobility AG established the following general closed periods for people who discharge managerial responsibilities:

- February 26, 2024, until publication of the annual financial statements for 2023 on March 27, 2024;
- July 27, 2024, until publication of the Interim Financial Statements for the first half-year for 2024 on August 27, 2023.

No exceptions to the general ban on trading were requested or granted for these periods.

Furthermore, insiders (as defined in the MAR) are subject to a ban on trading from the period during which inside information becomes known (as defined in the MAR) until its publication.



## APPENDIX 1: RIGHTS ASSOCIATED WITH THE SHARES OF PIERER MOBILTIY AG

### ASSET RIGHTS

#### **DIVIDEND RIGHTS / RIGHT TO PARTICIPATE IN PROFITS**

Every shareholder is entitled to receive a dividend from the net profit reported in the annual financial statements. The Annual General Meeting of PIERER Mobility AG is entitled to exclude all or part of the net profit from distribution on the basis of the provisions of the Articles of Association. If the Annual General Meeting resolves to exclude the profit from distribution, the shareholder has no claim to it, even if the Company generated a profit in the previous financial year and this is shown in the statement of financial position.

The shareholders' share in the profits of the company is determined by their share in the share capital. There are no restrictions for non-resident shareholders in this respect.

Dividends may only be paid from adjusted balance sheet profit as reported in the Company's annual financial statements (non-consolidated), as prepared in accordance with the Austrian Commercial Code (Unternehmensgesetzbuch) and approved by the Executive Board and the Supervisory Board.

Since shares entitled to dividends are held in a clearing system, dividends resolved by the General Meeting are paid in accordance with the rules of the relevant clearing system, less capital gains tax.

#### **PREFERENTIAL RIGHTS IN THE CASE OF SUBSCRIPTION OFFERS FOR SHARES OF THE SAME CLASS**

In the event of a capital increase, each shareholder may request to be allotted as many shares as correspond to his existing shareholding (subscription right). The subscription right may be excluded by a resolution of the General Meeting with a qualified majority of three quarters of the share capital represented at the time of the resolution. There must be an objective reason for the exclusion of the subscription right.

#### **RIGHT TO A SHARE OF THE BALANCE IN THE EVENT OF LIQUIDATION**

Each shareholder has a claim to the assets remaining after the settlement of all debts (liquidation proceeds) in the course of liquidation. To this extent, the shareholder is a creditor of the company; the claim may be enforced in court. The liquidation proceeds are to be distributed among the shareholders in proportion to their shareholdings and do not necessarily have to be in cash, but may also be distributed in kind.

The provisions on the dissolution of the company are based on the Austrian Stock Corporation Act.

### RIGHTS RELATION TO THE GENERAL MEETING

#### **RIGHT TO ATTEND**

Every shareholder has the right to attend the General Meeting, as shareholders exercise their rights at the General Meeting. The right to attend the General Meeting is based on the shareholding at the end of the tenth day before the date of the General Meeting (record date).

Shareholders do not have to attend the Annual General Meeting in person; they may also be represented by a duly authorized representative or grant a proxy to exercise their voting rights.

## **RIGHTS OF PETITION**

Pursuant to Section 109 of the Austrian Stock Corporation Act, shareholders whose cumulative shareholdings reach 5% of the share capital may, under certain circumstances, demand in writing that certain items be included on the agenda of the next General Meeting and announced.

Pursuant to Section 110 of the Austrian Stock Corporation Act, shareholders whose cumulative shareholdings reach 1% of the share capital may submit to the company in writing proposals for resolutions on any agenda item and may, under certain circumstances, request that these proposals be published on the company's website.

Pursuant to Section 119 of the Austrian Stock Corporation Act, every shareholder has the right to propose a motion on any item on the agenda at a General Meeting. If a proposal is made at the General Meeting itself, it does not need to be substantiated.

## **RIGHT TO INFORMATION / RIGHT TO ASK QUESTIONS**

Pursuant to Section 118 of the Austrian Stock Corporation Act, every shareholder is entitled to request information about the Company's affairs at the General Meeting, to the extent that such information is necessary for a proper evaluation of an agenda item and the provision of such information does not cause material damage to the Company or the provision of such information would be punishable by law. The right to information allows information to be obtained about the situation of the company and serves as a basis for decision-making by the company's shareholders.

## **RIGHT TO SPEAK**

Every shareholder has the right to express his or her opinion at the General Meeting. It is the information and discussion forum of the shareholders. Speaking time may be limited by the chairperson of the General Meeting at the beginning of the meeting or as required. The right to speak as such may not be completely excluded.

## **VOTING RIGHTS AND RIGHT TO CHALLENGE RESOLUTIONS**

Each shareholder has a voting right at the General Meeting in proportion to the numbers of shares held. Shareholders have three ways of exercising their voting rights: they may vote for a resolution, vote against a resolution or abstain from voting. In certain cases of bias on the part of the shareholder, the right to vote is suspended for the resolution in question. Unless the law prescribes a different majority, the General Meeting passes resolutions by a simple majority of the votes cast and, in cases where a capital majority is required, by a simple majority of the share capital represented at the passing of the resolution. Any shareholder has the right to challenge resolutions of the General Meeting, and a challenge may result in the subsequent rescission of a validly passed resolution. All resolutions that violate the law or the Articles of Association but are not null and void may be challenged. In order to be entitled to challenge a resolution, a shareholder must make an objection in the minutes.

## APPENDIX 2: ACTIVITIES OF MEMBERS OF THE SUPERVISORY BOARD ON ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES

The following table lists the names of the companies and organizations in which the members of the Supervisory Board of PIERER Mobility AG in office on the balance sheet date were – to the best of the Company's knowledge – members of an administrative, management or supervisory body of PIERER Mobility AG or a Group company of PIERER Mobility AG during the last three reporting periods. In addition, current roles in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law. The column headed "STILL SERVING" indicates whether membership in these boards or as a partner was still active on the balance sheet day:

MEMBER OF THE SUPERVISORY BOARD	COMPANY / ORGANIZATION	POSITION <sup>1)</sup>	STILL SERVING
<b>Josef Blazicek</b>	All for One Group SE	SB Chairman	Yes
	Leoni AG	SB member	Yes
	Pankl AG (formerly: Pankl SHW Industries AG) <sup>2)</sup>	SB member	Yes
	Pankl Racing Systems AG <sup>2)</sup>	Dep. SB Chairman	Yes
	Pierer Bajaj AG <sup>2)</sup>	SB member	Yes
	Pierer Industrie AG <sup>2)</sup>	Dep. SB Chairman	Yes
	swisspartners Group AG	BoD member	Yes
<b>Rajiv Bajaj</b>	KTM AG <sup>3)</sup>	Dep. SB Chairman	Yes
	Bajaj Auto Ltd.	MD	Yes
	Pierer Bajaj AG <sup>2)</sup>	Dep. SB Chairman	Yes
<b>Iris Filzwieser</b>	Pierer Bajaj AG <sup>2)</sup>	SB member	Yes
<b>Michaela Friepess</b>	Leoni AG	SB member	Yes
	Pierer Bajaj AG <sup>2)</sup>	SB member	Yes
	Schwäbische Hüttenwerke Automotive GmbH <sup>2)</sup>	SB member	Yes
	SHW AG <sup>2)</sup>	SB member	Yes
<b>Srinivasan Ravikumar</b>	KTM AG <sup>3)</sup>	SB member	Yes
	Pierer Bajaj AG <sup>2)</sup>	SB member	Yes
<b>Friedrich Roithner</b>	KTM AG <sup>3)</sup>	SB Chairman	Yes
	KTM Components GmbH <sup>3)</sup>	SB Chairman	Yes
	L1-Beteiligungs GmbH <sup>2)</sup>	MD	Yes
	Leoni AG	SB Chairman	Yes
	Pankl AG (formerly: Pankl SHW Industries AG) <sup>2)</sup>	SB member	Yes
	Pankl Racing Systems AG <sup>2)</sup>	SB member	Yes
	Pierer Bajaj AG <sup>2)</sup>	EB member	Yes
	Pierer Beteiligungs GmbH <sup>2)</sup>	MD	Yes
	Pierer Konzerngesellschaft mbH <sup>2)</sup>	MD	Yes
	Schwäbische Hüttenwerke Automotive GmbH <sup>2)</sup>	SB member	Yes
	SHW AG <sup>2)</sup>	SB member	Yes
	PIERER E-Commerce GmbH <sup>3)</sup> (formerly: HDC GmbH)	MD	No
	PIERER Mobility AG <sup>3)</sup>	EB member, CFO	No
	PIERER New Mobility GmbH <sup>3)</sup> (formerly: PIERER E-Bikes GmbH)	SB Chairman	No

- 1) SB = Supervisory Board, EB = Executive Board, BoD = Board of Directors, Dep. = deputy, MD = Managing Director, CFO = Chief Financial Officer
- 2) Part of the Pierer Konzerngesellschaft mbH Group
- 3) Part of the PIERER Mobility Group

## APPENDIX 3: MATERIAL ADDITIONAL FUNCTIONS OF THE EXECUTIVE BOARD MEMBERS

The following table lists the names of the companies and organizations in which the current members of the Executive Board of PIERER Mobility AG in office on the balance sheet date were – to the best of the Company's knowledge – members of an administrative, management or supervisory body of PIERER Mobility AG or a Group company of PIERER Mobility AG during the last five reporting periods. In addition, current roles in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law. The column headed "STILL SERVING" indicates whether the membership in these boards or as a partner was still active on the balance sheet day:

MEMBER OF THE EXECUTIVE BOARD	COMPANY / ORGANIZATION	POSITION <sup>1)</sup>	STILL SERVING
<b>Stefan Pierer</b>	European Association of Motorcycle Manufacturers	Deputy President	Yes
	Industriellenvereinigung Oberösterreich	President	Yes
	KTM AG	EB Chairman	Yes
	KTM Motorsports Inc.	EB member	Yes
	KTM North America Inc.	EB member	Yes
	Mercedes-Benz AG	SB member	Yes
	Mercedes-Benz Group AG	SB member	Yes
	P Immobilienverwaltung GmbH	MD	Yes
	Pankl AG (formerly: Pankl SHW Industries AG)	SB Chairman	Yes
	Pankl Racing Systems AG	SB Chairman	Yes
	PiMa Beteiligungsverwaltung GmbH	MD	Yes
	Pierer Bajaj AG	EB member	Yes
	Pierer Beteiligungs GmbH	MD	Yes
	PIERER IMMOREAL GmbH	MD	Yes
	Pierer Industrie AG	EB member, CEO	Yes
	Pierer Konzerngesellschaft mbH	MD	Yes
	Pierer Swiss AG	BoD member	Yes
	RM 2 Radbeteiligungs GmbH (formerly: PIERER 2 Radbeteiligungs GmbH) <sup>2)</sup>	MD	Yes
	Robau Beteiligungsverwaltung GmbH	MD	Yes
	RVG NewCo GmbH	MD	Yes
	Schwäbische Hüttenwerke Automotive GmbH	SB member	Yes
	SHW AG	SB member	Yes
	Kiska GmbH	MD	No
	PIERER E-Commerce GmbH (formerly: HDC GmbH)	MD	No
	PIERER New Mobility GmbH (formerly: PIERER E-Bikes GmbH)	SB member	No
	swisspartners Group AG	BoD member	No
<b>Gottfried Neumeister</b>	KTM AG <sup>3)</sup>	EB member, Co-CEO	Yes
	KTM Components GmbH <sup>3)</sup>	SB member	Yes
	KTM North America Inc. <sup>3)</sup>	EB member	Yes
	Privatstiftung Lauda	EB member	Yes

- 1) SB = Supervisory Board, EB = Executive Board, BoD = Board of Directors, Dep. = deputy, MD = Managing Director, CFO = Chief Financial Officer  
2) Part of the Pierer Konzerngesellschaft mbH Group  
3) Part of the PIERER Mobility Group

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# 1 DEVELOPMENT OF THE PIERER MOBILITY GROUP

## 1.1 THE COMPANY

PIERER Mobility AG is the holding company of KTM AG, one of Europe's leading motorcycle manufacturers. With a focus on the premium segment, the company combines brands such as KTM, Husqvarna and GASGAS under one roof. The premium brand range also includes the high-performance components of the WP brand and the special KTM X-BOW high-performance sports cars. Husqvarna and GASGAS electric bicycles as well as bicycles of the Felt brand complement the two-wheeler range of the PIERER Mobility Group (the "Group").

The shares of PIERER Mobility AG are primarily listed in the "Swiss Performance Index (SPI)" of the SIX Swiss Exchange in Zurich and are also listed in the prime market segment of the Vienna Stock Exchange.

## 1.2 RESTRUCTURING PROCEEDINGS KTM AG, KTM COMPONENTS GMBH AND KTM FORSCHUNGS & ENTWICKLUNGS GMBH

### SITUATION AND STATUS OF THE RESTRUCTURING PROCEDURES

KTM AG is a 100% subsidiary of PIERER Mobility AG and was responsible for more than 95% of the PIERER Mobility Group's revenue in H1 2024.

In November 2024, in the course of liquidity planning for the 2025 financial year, it became clear that KTM had to cover significant additional liquidity requirements. Despite intensive efforts to resolve the situation out of court together with creditors and lenders, on November 29th, a court "restructuring procedure with self-administration" was filed over the assets of KTM AG and its subsidiaries KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH. The aim of the proceedings was to agree on a restructuring plan with the creditors within the time frame provided for by law, specifically by February 25, 2025, and to continue the KTM Group after approval and fulfilment of this plan.

In addition to negotiations with creditors, the Group initiated a series of measures to reduce costs in the short term and redimension production in Austria in the long term. It was decided to interrupt production in Mattighofen/Munderfing from December 13, 2024 to March 2025 and then to continue in one-shift operation (previously in two-shift operation). This measure was accompanied by a further reduction in staff and a temporary (for the period of the interruption of production) reduction in working hours from the standard 38.5 hours per week to 30 hours per week. In addition to short-term cost reductions, this measure supported the accelerated reduction of high inventories. Further information on the measures initiated in the course of the restructuring process can be found in the chapter "Events after the accounting date".

The creditors accepted the restructuring plans of the three companies on February 25, 2025. A cash ratio of 30% has been agreed with the creditors of KTM AG, which had to be deposited with the restructuring administrator by May 23, 2025. The court is expected to confirm the restructuring plans in June 2025. After the legal entry into force, the restructuring proceedings of KTM AG as well as the two subsidiaries have come to an end.

The accounting in the notes to the consolidated financial statements and the reporting in the following Group management report were unchanged under the assumption that KTM would continue to operate. This assessment is based on current findings and developments in connection with the restructuring procedure. In principle, the restructuring procedure is therefore not accompanied by any change in the accounting principles applied and in accounting and valuation policies.

The resulting restructuring profit of 70% of the registered creditors' claims can only be realised by the KTM Group with the legally binding confirmation of the restructuring plan by the insolvency court and its prerequisites.

As of the balance sheet date, the restructuring proceedings did not change the respective character or maturities of the reported debts, and the debt-discharging effect of the restructuring plan is not to be recognised in the balance sheet until the 2025 financial year. Against this background, there is also no need to disclose contingent liabilities from this.

## **MAIN REASONS FOR OPENING RESTRUCTURING PROCEEDINGS UNDER INSOLVENCY LAW ABOUT KTM AG**

The causes of the insolvency of KTM AG can be traced back to a series of several circumstances and cannot be reduced to a single fact.

### **High inventories at dealers with lagging high production**

Until the end of 2023, the KTM Group's motorcycle business was characterized by steadily increasing production and sales volumes and consequently increasing sales. At the same time, production capacities were continuously expanded and increased. As dealer sales to end customers in 2023 could not increase to the same extent as KTM Group sales to dealers, there was a high dealer inventory at the end of 2023.

The year 2024 was a good year for the KTM Group in terms of end customer sales, but the KTM Group's sales figures paint a challenging picture. As a result, the turnover achieved fell short of expectations, as dealers and importers were unable to absorb any further quantities due to the tradition of the previous two years, and the KTM Group was subsequently only able to achieve limited sales. End customer demand was therefore increasingly met from the inventories of dealers and importers. In the USA, there was a general decline in demand for motorcycles and the economic development in Europe was unexpected and largely weak. The KTM Group therefore decided to discontinue all sales measures that had long payment terms in the fourth quarter of the 2024 financial year.

### **Comprehensive dealer financing**

The sales volumes of 2023 could only be achieved by granting particularly long payment terms of 270 to even 360 days towards the end. These extremely long payment terms have led to working capital requirements almost doubling. In addition, the interest had to be borne for these long financing periods.

### **Increase in production costs in Austria**

By far the largest production site of the group is Mattighofen/Munderfing. In the last three years, wage and salary costs in Austria have risen by around 25% and material costs by around 15%, not least due to collective agreements. This led to a loss of competitiveness on the world market. In addition, the reduced production volumes led to insufficient coverage of fixed costs. Cost increases could only be partially passed on to end customers, which led to falling contribution margins overall.

### **High R&D spending, scope and complexity of product portfolio**

Due to the growth of recent years and the multi-brand strategy pursued, the KTM Group has developed a diverse product portfolio with several brands. This resulted in an enormous effort for research and development (R&D). In the last two years alone, capitalized R&D expenses increased by € 288 million.

### **Relatively high expenditure on motorsport**

Motorsport is important for the KTM Group in several respects. On the one hand, motorsport is used by the KTM Group to gain essential insights into the further development of motorcycles and to test new technologies and developments under extreme conditions. On the other hand, racing successes vis-à-vis end customers underpin the brand positioning and contribute to brand awareness and sharpening. Nevertheless, the expenditure for the motorsport commitment was relatively high.

### **Loss-making business units: PIERER New Mobility and MV Agusta**

During the Corona pandemic, the demand for bicycles increased rapidly, which led to overheating in the bicycle market and distortions throughout the supply chain. As a result, inventories reached record levels. The reduction of these stocks to a normal level continues, while at the same time there is massive

pressure on sales prices. On the customer side, the increased cost of living in the core market of Europe led to a loss of purchasing power. This led to a decline in demand for premium (electric) bicycles. The resulting liquidity requirements from the resulting loss situation of the PIERER New Mobility subgroup were mainly covered by KTM AG.

In the 2024 financial year, the KTM Group sold the business with new mobility products bundled in the PIERER New Mobility GmbH subgroup to PIERER Mobility AG as of June 1, 2024. As of the balance sheet date of December 31, 2024, KTM AG had financial claims against PIERER New Mobility GmbH in the amount of € 372.0 million.

In the 2022 and 2024 financial years, KTM AG acquired a total of 50.1% of the shares in the loss-making motorcycle manufacturer MV Agusta Motor S.p.A., Varese, Italy, in two stages. The aim was to increase the production volume and adapt the product range in such a way that the profit zone could be reached as quickly as possible. The contracts provided for working capital financing and compensation to support MV Agusta Motor S.p.A.'s loss-making situation. The necessary liquidity of around € 220 million was ultimately raised by KTM AG.

#### **Unstable financing structure**

In the fall of 2024, it became apparent that the thresholds of the financial covenants could probably not be met at the end of the year.

The increase in working capital led to the full use of financing frameworks related to working capital credit lines, factoring or supply chain financing. Therefore, not enough new funds could be raised within the existing lines.

Overall, KTM's net debt, excluding receivables from financing activities, increased from € 444.8 million to € 1,607.1 million over the last 18 months. This increase is mainly due to the above-mentioned areas of financing of the PIERER New Mobility subgroup (approx. € 331 million), the MV Agusta financing (approx. € 217 million), the increase in investments in research and development and the build-up of working capital via working capital financing of approx. € 508 million.

### **1.3 CHANGES IN SHAREHOLDINGS**

KTM AG's previous stake in MV Agusta Motor S.p.A., Varese, Italy, was increased to 50.1% in March 2024, making the company a fully consolidated subsidiary. At the end of the 2024 financial year, the Executive Board of KTM AG passed a resolution to sell the shares held in all MV Agusta companies in the 2025 financial year. The related assets and liabilities were measured as a disposal group in accordance with IFRS 5 and reported separately.

PIERER Green Energy GmbH was acquired by PIERER Industrie AG, Wels, with effect from June 1, 2024. At the same time, the company was merged with KTM Immobilien GmbH.

PB Invest GmbH was acquired by KTM Components GmbH from PIERER Industrie AG with a legally effective contract dated September 2, 2024. PB Invest GmbH was a holding company whose only significant asset was its 100% shareholding in Vöcklabrucker Metallgießerei GmbH. Therefore, PB Invest GmbH was merged with KTM Components GmbH at the time of acquisition and Vöcklabrucker Metallgießerei GmbH became a fully consolidated subsidiary of the KTM Group. The date of the initial consolidation was September 1, 2024, and on December 13, 2024, the management of Vöcklabrucker Metallgießerei GmbH filed for bankruptcy proceedings. The bankruptcy proceedings were accompanied by the loss of control within the meaning of IFRS 10, as the company has since been liquidated by a court-appointed liquidator. Against this background, the KTM Group has simplified the deconsolidation of Vöcklabrucker Metallgießerei GmbH as of December 1, 2024, as no significant transactions or changes in the net assets, financial position or results of operations of Vöcklabrucker Metallgießerei GmbH occurred in the period between December 1 and 13, 2024.

For further changes in shareholdings, please refer to Note 9 "Changes in the scope of consolidation".

## 1.4 ACTIVITIES AND SUCCESSES IN RACING

### 20 WORLD TITLES AND MANY PRESTIGIOUS ACHIEVEMENTS IN 2024

The PIERER Mobility Group was represented in **MotoGPTM** by two factory teams: Red Bull KTM Factory Racing and Red Bull GASGAS Tech 3.

For both of them, the 2024 season was challenging but successful.

For the Red Bull KTM Factory Racing team, Brad Binder achieved a Grand Prix and a Sprint podium in Qatar. In the overall standings, he was the best MotoGP rider of the PIERER Mobility squad with 5th place. Development rider and MotoGP legend Dani Pedrosa competed in the Jerez sprint with a wildcard and celebrated an impressive podium finish. KTM finished the MotoGP season in 2nd place in the constructors' standings.

The Red Bull GASGAS Tech3 team and Pedro Acosta caused a stir in MotoGP: Acosta secured five podiums in Grand Prix and four in sprint races as "Rookie of the Year 2024". With his third place at the Portuguese GP, he became the third-youngest podium rider in MotoGP history (19 years). He will join the Red Bull KTM Factory Racing Team in 2025. The Tech3 team returns to the iconic orange colours of Red Bull KTM Tech3 for the 2025 season. The riders will be Enea Bastianini and Maverick Viñales.

In the **Moto3** World Championship, Colombian David Alonso dominated for CFMOTO KTM. With 14 victories in the season, he broke the record for the most victories per season.

In off-road motorcycle racing, Husqvarna factory rider Billy Bolt dominated the **2024 FIM SuperEnduro World Championship** and won his fourth consecutive title. In the **AMA Supercross series**, Chase Sexton finished third overall in the 450SX class and won the AMA Pro Motocross 450 Championship. Tom Vialle secured the AMA Supercross 250 East Division on KTM, while RJ Hampshire was successful in the West Division on his Husqvarna.

Manuel Lettenbichler triumphed again in the **FIM Hard Enduro World Championship**, despite a single injury-related retirement. Josep Garcia prevailed in the **FIM EnduroGP World Championship** and also won the Enduro1 World Championship. Garcia triumphed at the International Six Days of Enduro and secured a historic fourth overall victory.

At the **2024 Dakar Rally**, Kevin Benavides finished 4th for KTM, while Daniel Sanders made a comeback with a win at the **Rallye du Maroc** in October 2024.

Red Bull GASGAS Factory Racing's Jorge Prado became **FIM MXGP** World Champion in 2024 and Kay de Wolf won the **MX2** crown on Husqvarna. Other riders such as Sasha and Lucas Coenen, Liam Everts, Andrea Adamo and Simon Längenfelder celebrated podiums and victories.

For GASGAS Factory Racing, Jaime Busto celebrated podium finishes in the overall standings of the **TrailGP** and **X-Trail World** Championships.

## 2 ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT

### 2.1 NATIONAL ECONOMY

The difficult macroeconomic conditions at the beginning of the 2024 financial year have lasted longer than originally expected. Growth in the eurozone remained low, with the important German market in particular in recession. In the US, consumer purchasing power remained low due to the high cost of living and the long period of expensive consumer loans.



The outlook for the global economy remains gloomy. The impact of the Russian-Ukrainian war, which has been going on since 2022, the recent developments of the war in the Middle East and the ongoing tensions there, as well as significantly higher inflation rates, among other factors, have led to a slowdown in the global economy. Although global economic growth remains weighed down, the global economy as a whole has shown remarkable resilience. However, there are considerable regional and national differences.

In spring 2025, the new US administration implemented extensive and significant import tariffs that affect all major economic regions worldwide. At the time of writing, it is not foreseeable how much these new tariffs will have in place and what countermeasures will be taken by other economic areas. It is also unclear whether the tariffs will lead to new trade alliances. It is to be expected that tariffs will increase prices for consumers and reduce the disposable income of private households.

Furthermore, the US has made efforts to end the war in Ukraine. This was accompanied by a reduction in military aid to Ukraine. The European Union has responded and wants to mobilise up to €800 billion for rearmament. The EU deficit limits are to be relaxed in favor of an increase in the national defense spending of the member states.

In addition to these two topics, the situation in the Middle East (especially in and around Israel or in connection with the nuclear program in Iran and uncertainties of the transport route through the Gulf of Aden) as well as the tensions between China and Taiwan pose risks.

<b>IMF GROWTH FORECAST<sup>1)</sup></b>	<b>2025</b>	<b>2026</b>
World economy	2.8%	3.0%
Advanced economies	1.4%	1.5%
Eurozone	0.8%	1.2%
Germany	0.0%	0.9%
United States	1.8%	1.7%
Emerging and developing countries	3.7%	3.9%
China	4.0%	4.0%
India	6.2%	6.3%

<sup>1)</sup> IMF (International Monetary Fund), World Economic Outlook, April 2025

## 2.2 MOTORCYCLE MARKET

In the 2024 financial year, registration figures increased by 7% (+245,000 motorcycles). The different regions show a clearly differentiated picture.

In Europe, the market in terms of new registrations (i.e. exclusive motocross models) rose to more than 900,000 motorcycles (+14.3%), including a one-off effect of one-day registrations at the end of 2024 due to the changeover to Euro homologation on 1 January 2025. The effect of one-day registrations in Europe can be estimated at just under 10 percentage points, which reduces the real growth of the European motorcycle market to about 4 – 5%. Accordingly, the increase in registrations is particularly noticeable in the growth rates of the European core markets of Germany (+20.2%), Italy (+15.0%) and Spain (+18.3%). The KTM group's market share increased from 10.5% to 11.1% (measured by the three core brands KTM, Husqvarna and GASGAS).

In North America, sales (in contrast to Europe including motocross models) fell by 1.8% to 475,000 units sold. The market share of the KTM Group's three core brands fell from 12.8% to 11.3% in the 2024 financial year. Especially in the high-sales months of August and September, demand in the USA fell by 8.1% (August) and even by 14.6% (September). The segment of high-margin off-road motorcycles came under additional pressure in the USA (-6.8%).

The Australian and New Zealand markets continued to decline (-3.8%). It comprises a total volume of 65,000 motorcycles. The market share of KTM, Husqvarna and GASGAS fell to 18.6% (previous year: 21.0%).

The relevant Indian motorcycle market (S2/S3 segment) was once again clearly on the upswing in 2024 (+10.8%) and had a volume of around 1.35 million motorcycles sold. The strategic partner Bajaj sold over 60,000 KTM and Husqvarna motorcycles in India. The market share of these brands fell to 4.5% (previous year: 5.3%).

The Asian region was marked by significant losses in 2024 (-17.7%), with the markets in Thailand (-22.3%) and China (premium importer market; -28.8%) being particularly affected. In Japan (motorcycles >250cc), the decline was only 2.6% and thus noticeably smaller. Nevertheless, the market share of KTM's core brands in this important growth region has risen to 5.1% (previous year: 4.4%), indicating a market-related outperformance of the KTM brands. In China in particular, the market share of KTM brands increased to 11.3% in 2024 (previous year: 8.5%).

In addition, global economic uncertainties have significantly impacted the motorcycle market in 2024. Factors such as fluctuating exchange rates, rising production costs, and supply chain disruptions have created a challenging environment for manufacturers and consumers alike. These uncertainties have led to cautious spending and investment decisions in various regions, which has further influenced the market dynamics.

## 2.3 BICYCLE MARKET

During the Corona pandemic, the demand for bicycles increased rapidly, which led to overheating in the bicycle market and distortions throughout the supply chain. As a result, inventories reached record levels. The reduction of these stocks to a normal level continues, while at the same time there is massive pressure on sales prices. On the customer side, the increased cost of living in the core market of Europe led to a loss of purchasing power. This caused a decline in demand for premium electric bicycles and bicycles.

## 3 FINANCIAL PERFORMANCE INDICATORS

### 3.1 KEY FIGURES

Unless otherwise stated, all values in €m.

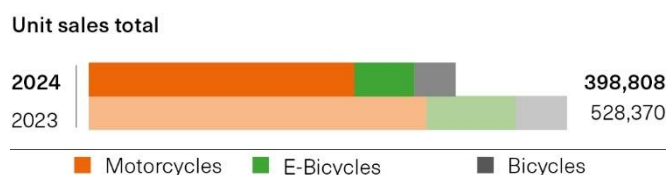
Explanations of the alternative performance measures can be found in the glossary.

<b>EARNINGS FIGURES</b>	<b>2023</b>	<b>2024</b>	<b>Δ</b>
Revenue	2,661	1,879	-29.4%
EBITDA	324	-481	>-100.0%
EBITDAmargin	12.2%	-25.6%	-37.7pp
EBIT	160	-1,184	>-100.0%
EBIT margin	6.0%	-63.0%	-69.0pp
Net income	76	-1,080	>-100.0%
Earnings per share (€)	2.37	-29.30	>-100.0%
<b>SEGMENT RESULTS</b>	<b>2023</b>	<b>2024</b>	<b>Δ</b>
<b>Motorcycle</b>			
Revenue	2,416	1,804	-25.4%
EBITDA	371	-221	>-100.0%
EBITDA margin	15.4%	-12.2%	-27.6pp
EBIT	214	-887	>-100.0%
EBIT margin	8.9%	-49.2%	-58.1pp
<b>Bicycle</b>			
Revenue	241	111	-53.7%
EBITDA	-42	-256	>-100.0%
EBITDA margin	-17.4%	-230.0%	-212.6pp
EBIT	-47	-291	>-100.0%
EBIT margin	-19.6%	-261.1%	-241.5pp
<b>BALANCE SHEET FIGURES AS OF DEC 31</b>	<b>2023</b>	<b>2024</b>	<b>Δ</b>
Balance sheet total	2,953	2,396	-18.9%
Equity	909	-194	>-100.0%
Equity ratio	30.8%	-8.1%	-38.9pp
Working capital employed	531	525	-1.1%
Net debt	776	1,643	>100.0%
Gearing	85.3%	847.9%	762.6pp
<b>CASH FLOW AND CAPITAL EXPENDITURES</b>	<b>2023</b>	<b>2024</b>	<b>Δ</b>
Cash flow from operating activities	-111	-436	>-100,0 %
Cash flow from investing activities	-302	-341	-12,7 %
Free cash flow	-413	-777	88,0 %
Cash flow from financing activities	399	695	74,3 %
CAPEX	284	233	-18,0 %

## 3.2 BUSINESS DEVELOPMENT AND ANALYSIS OF KEY EARNINGS FIGURES

### SALES

The total sales figures of motorcycles and (electric) bicycles of the PIERER Mobility Group are as follows:

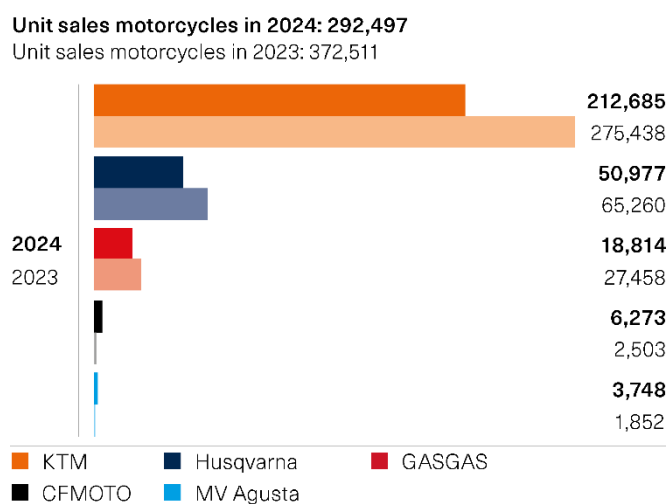


### Motorcycles

In the 2024 financial year, the Group sold 292,497 motorcycles (-21.5%). This figure includes KTM and Husqvarna motorcycles sold by partner Bajaj in India and Indonesia. Of total sales, 212,685 units were for the KTM brand (-22.8%), 50,977 units for the Husqvarna brand (-21.9%), 18,814 units for the GASGAS brand (-31.5%) and 3,748 units for the MV Agusta brand (+102.4%). In addition, the Group sold 6,273 CFMOTO motorcycles (+150.6%).

The KTM brand thus accounted for 72.7% of all motorcycles sold, Husqvarna 17.4%, GASGAS 6.4%, CFMOTO 2.1% and MV Agusta 1.3%.

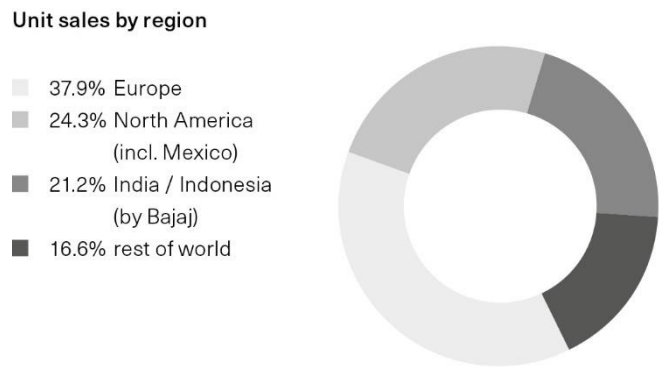
Sales of motorcycles with electric drive declined at a low level. 5,889 units were sold worldwide (-12.4%), almost exclusively (96.3%) in the off-road market segment. This means that 2.0% of the total motorcycles sold had an electric drive.



All relevant markets showed a decline in sales figures. The decline of 18.7% (-25,549 units) in Europe and 27.5% (-26,963 units) in North America deserves special mention.

The Group sold 37.9% of its motorcycles in Europe (+1.3 percentage points compared to the previous year), 24.3% in North America including Mexico (-2.0 percentage points compared to the previous year) and 21.2% via its partner Bajaj in India

and Indonesia (+3.4 percentage points compared to the previous year). A further 16.6% (-2.7 percentage points compared to the previous year) were sold in other regions.

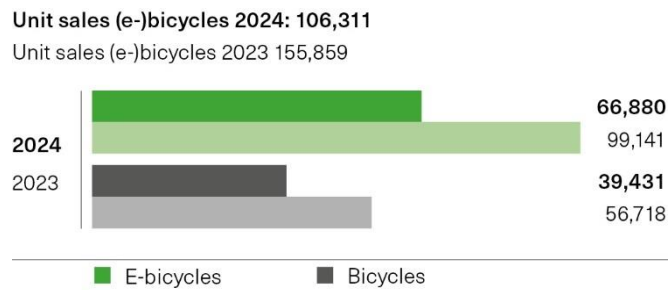


Bicycles

In the 2024 financial year, the Group sold 106,311 bicycles (-31.8%).

On the one hand, at the end of 2023, the group divested itself of the R Raymon brand, which accounted for 66.9% of total sales (104,336 units). In addition, the Johansson electric cargo bike business was sold on October 1, 2024. The Group sold 3,639 of these units in 2024 (previous year: 189 units). On the other hand, the remaining core brands increased their sales in the 2024 financial year: Husqvarna E-Bicycles (+104.1%), GASGAS (+227.2%) and Felt (+67.9%). As a consequence, sales of electric bicycles fell by only 32.5% to 66,880 units and that of bicycles by 30.5% to 39,431 units.

58.9% of the electric bikes sold were of the Husqvarna E-Bicycles brand and 37.5% were of the GASGAS brand. In the case of bicycles, almost all sales (91.3%) were accounted for by the Felt brand.



From a regional perspective, Europe, especially the DACH region, was the largest sales market in the 2024 financial year.





## RESULTS ANALYSIS

### Motorcycle segment

In the 2024 financial year, sales of € 1,803.8 million (previous year: € 2,416.4 million) were generated in the motorcycle segment (-25.4% compared to the previous year). EBITDA in the 2024 financial year amounted to € -220.6 million (previous year: € 371.0 million) and EBIT amounted to € -887.1 million (previous year: € 214.4 million). This corresponds to an EBITDA margin of -12.2% (previous year: 15.4%) and an EBIT margin of -49.2% (previous year: 8.9%).

In Europe, sales amounted to € 982.5 million (previous year: € 1,229.0 million) compared to the previous year's level, which corresponds to a 54.5% share of sales (previous year: 50.9%). In North America, the Motorcycle Division recorded sales of € 517.0 million (previous year: € 754.4 million). This accounted for 28.7% of sales in North America (previous year: 31.2%). In the other countries, sales decreased slightly year-on-year by 29.7% to € 304.3 million. The share of sales in the other countries was 16.9% (previous year: 17.9%).

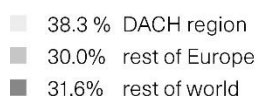
Revenue by region



### Bicycle segment

In the 2024 financial year, the bicycle division generated sales of € 111.5 million (previous year: € 240.7 million). This represents a 53.7% year-over-year loss in revenue. EBITDA in 2024 was € -256.4 million (previous year: € -41.8 million) and EBIT was € -291.1 million (previous year: € -47.1 million).

Revenue by region



### 3.3 BALANCE SHEET ANALYSIS

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

	December 31, 2023		December 31, 2024	
	in €m	Share	in €m	Share
Non-current assets	1,333.8	45.2%	947.5	39.5%
Current assets	1,615.4	54.7%	1,241.7	51.8%
Assets held for sale and disposal groups	3.7	0.1%	206.7	8.7%
<b>Assets</b>	<b>2,952.9</b>	<b>100.0%</b>	<b>2,395.8</b>	<b>100.0%</b>
Equity	909.3	30.8%	-193.7	-8.1%
Long-term debt	1,130.0	38.3%	196.1	8.2%
Short-term debt	913.6	30.9%	2,326.3	97.1%
Liabilities in connection with assets held for sale and disposal groups	0.0	0.0%	67.2	2.8%
<b>Equity and debt</b>	<b>2,952.9</b>	<b>100.0%</b>	<b>2,395.8</b>	<b>100.0%</b>

The PIERER Mobility Group's total assets decreased from € 2,952.9 million to € 2,395.8 million (18.9%) compared to the consolidated financial statements as of December 31, 2023.

Non-current assets decreased by € 386.3 million (-29.0%) to € 947.5 million (This decrease is mainly due to impairment losses made in the course of the impairment test in accordance with IAS 36: On the one hand, goodwill was fully impaired (€ -131.7 million) and on the other hand, property, plant and equipment and intangible assets (in particular development costs) were impaired on a pro rata basis (€ -131.7 million). 226.7 million). Property, plant and equipment decreased by € 114.6 million and intangible assets by € 192.3 million. Deferred tax assets increased by € 74.2 million in the 2024 financial year, mainly due to the capitalization of deferred taxes on loss carryforwards.

Within current assets, inventories in particular decreased by € 239.4 million. On the other hand, the main changes relate to the reduction of cash and cash equivalents in the amount of € 95.6 million. Overall, this led to a 23.1% reduction in current assets to € 1,241.7 million.

Current financial liabilities increased by € 1,640.7 million year-on-year to € 1,712.8 million. The increase is primarily due to the short-term funds raised to cover the identified financing needs, which ultimately led to the insolvency proceedings. To explain the background, please refer to the explanations under point 1.2 "Restructuring proceedings KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH".

Non-current liabilities decreased by 82.7% to € 196.1 million, mainly due to adjustments to the maturities of financial liabilities.

Equity decreased by € 1,103.0 million to € -193.7 million- in the 2024 financial year.

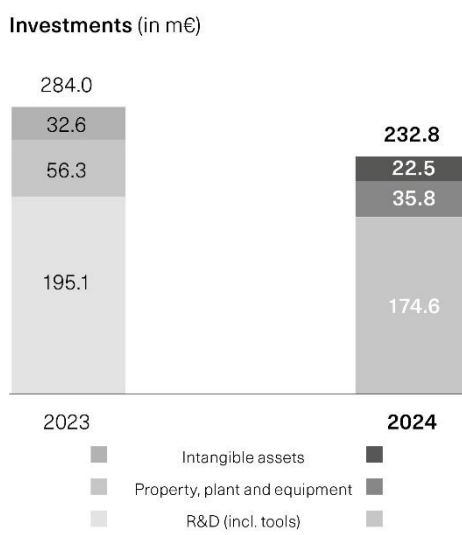
### 3.4 LIQUIDITY ANALYSIS

Cash flow from operations amounted to € 436.0 million in the 2024 financial year-, significantly below the previous year's figure of € -110.9 million, mainly due to the negative earnings trend. Cash outflow from investments amounted to € -340.5 million and is above the previous year's figure of € -302.1 million. This increase is mainly due to higher payouts for the acquisition of subsidiaries and companies accounted for using the equity method (effect of € -57.7 million). As a result, free cash flow amounted to € -776.5 million (previous year: € -413.0 million).

After taking into account the cash flow from financing activities of € 694.7 million, cash and cash equivalents decreased compared to December 31, 2023 by € 87.4 million (including foreign currency effects of € -5.6 million) to € 171.6 million

### 3.5 INVESTMENT

In the current financial year, total investments of € 272.0 million (previous year: € 316.5 million) including IFRS 16 lease additions of € 39.2 million (previous year: € 32.5 million) were made in the PIERER Mobility Group. Capital expenditures excluding leasing projects are distributed among development projects (including tools), property, plant and equipment and intangible assets as follows:



In the past financial year, as usual, high investments were made in series development projects (including tools). Investments in development projects (including tools) account for 75% of total capital expenditure, which is higher than the previous year's level (previous year: 69%). The high level of investment in series product development is one of the key success factors of the PIERER Mobility Group. At 15%, investments in infrastructure (property, plant and equipment) were also slightly below the previous year's level of 20%. A further 10% (previous year: 11%) was attributable to intangible assets (IT, licenses).

As in previous years, the main investment projects in 2024 are mainly development projects and the purchase of tools and equipment.

## 4 NON-FINANCIAL STATEMENT

This non-financial statement was prepared in accordance with Section 267a of the Austrian Commercial Code (UGB) as part of the management report of the consolidated financial statements in line with the requirements of the Austrian Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz", NaDiVeG). The non-financial statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the CSRD. In accordance with ESRS 1.136 comparative information is not reported. PIERER Mobility AG includes further information and metrics on the basis of the Taxonomy Regulation (EU) 2020/852.

The material topics of PIERER Mobility AG are discussed in greater detail in the following chapters *in accordance with the Austrian NaDiVeG*:

- Environmental information (*environmental issues*): E1 and E5;
- Social information (*social and employee issues, respect for human rights*): S1, S2 and S4;
- Governance information (*respect for human rights, fight against corruption and bribery*): G1.

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## 4.1 ESRS 2 – GENERAL DISCLOSURES

### BASIS FOR PREPARATION

#### BP-1 – General basis for preparation of sustainability statements

PIERER Mobility AG has prepared the non-financial statement on a consolidated basis. The scope of consolidation for the non-financial statement is the same as that of the 2024 consolidated financial statements with the exceptions given below (see chapter XII. “Group companies (schedule of equity holdings)” of the Notes). The content of the non-financial statement focuses on the activities of the PIERER Mobility Group (the “Group”). If required (for comprehensibility), information about the Group's up- and downstream value chain is, as far as possible, included. The Group's double materiality assessment took into consideration its entire value chain, focusing on direct business partners. Further information on the up- and downstream value chain, including with regard to disclosed concepts, measures and metrics, is given in the respective sections on the topical standards. Special attention was paid to completeness in the compilation of the information, in particular that relating to the company's own operations. However, no guarantee can be provided as to the completeness of the qualitative disclosures, in particular as with regard to future developments and know-how.

The ESRS were applied voluntarily based on the prevailing legislation in Austria at the time at which the report was drawn up. The following group companies are not included (or are included only partially):

- Vöcklabruck Metallgießerei GmbH (VMG):<sup>1</sup> Due to the initiation of bankruptcy proceedings, this company was deconsolidated at the end of November 2024. Consequently, social and governance data are not included in this statement. Based on the environmental data available for 2023, calculations were established for 2024 using assumptions and estimations for the period from September to November 2024.
- PIERER IMMOREAL GmbH: this company was only part of the Group for a short period and was therefore not included in the scope of the non-financial statement.

The associated companies specified in chapter XII. “Group companies (schedule of equity holdings)” of the Notes are taken into consideration as follows:

COMPANY	PARTICIPATION (FY 2024)	OPERATIONAL CONTROL	PART OF THE VALUE CHAIN	CONSIDERATION IN NON-FINANCIAL STATEMENT	
				AS PART OF THE VALUE CHAIN	GHG BALANCES
Kiska GmbH	50%	No	Yes	Yes	In scope 3
KTM Asia Motorcycle Manufacturing Inc.	40%	Yes	Yes	Yes	In all relevant scopes
CFMOTO-KTMR2R Motorcycles Co.	49%	No	Yes	Yes	In scope 3
PIERER IMMOREAL GmbH	Not included in the scope of the non-financial statement.				
LX media GmbH	20%	No	Yes	Yes	in scope 3
AC styria Mobilitätscluster GmbH	12.3%	No	No	No	No (not relevant)

<sup>1</sup> Merged into the PIERER Mobility Group on September 1, 2024.



**BP-2 – Disclosures in relation to specific circumstances****Estimations and outcome uncertainty**

When compiling the non-financial statement, the Group paid particular attention to the completeness and accuracy of the data disclosed. Where possible, the Group used primary data to calculate quantitative information in relation to its own operations. Due to the limited availability of data in the upstream and downstream value chain and its high complexity, only a limited amount of primary data could be used to calculate the key figures. Consequently, assumptions and estimates were made. There is therefore a particularly high level of outcome uncertainty in relation to quantitative disclosures regarding the up- and downstream value chain, for example Scope 3 GHG emissions or the expected working life of the Group's products in comparison with industry data. Further information on the calculation and estimation of disclosures and the certainty of this can be found together with the data disclosed in the sections on the calculation principles and assumptions. In addition, some extrapolations had to be made on the basis of headcount or production figures. This applied in particular to figures for E1 and E5 and for companies with fewer than 50 employees. However, extrapolations were also used in other cases where the data was incomplete. Further information on the extrapolations can be found in the sections on calculation principles and assumptions.

**Changes in preparation or presentation of sustainability information**

In this non-financial statement, the Group is reporting in compliance with the ESRS for the first time. This has resulted in a material change from the way reporting was carried out previously, which included a separate sustainability report (non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB) prepared in accordance with the requirements of the Global Reporting Initiative (GRI). This change required multiple amendments to the processes and methods used for reporting and the data points to be collected. Due to the limited comparability of the information against the disclosures for previous periods, this non-financial statement for financial year 2024 does not provide comparative figures against previous years. In terms of the reporting pursuant to the EU Taxonomy Regulation, the process used in the previous year was followed. As a result of revaluations or new insights, minor adjustments were made to the reported figures. These are described in section 4.2 of this management report on EU Taxonomy.

**General information regarding disclosed figures and information**

The figures disclosed in this report have not been validated by an external body (with the exception of the audit). The consumption figures for the motorcycles, which have been used to establish the Scope 3.11 GHG emissions, are based on data calculated using the World-harmonized Motorcycle Test Cycle (WMTC). The collection of these values is monitored by TÜV Rheinland. This body and the German KBA review the data collected and issue a report. For further information, see E1-6 and the description of valuation principles and assumptions related to ESRS E1. The MDR-A requirements of ESRS 2 have only been fully implemented for significant actions.

The whole process of creating a product in motorcycle manufacturing – from market analysis, the idea for the product, design studies, construction and development, cooperation with suppliers, the procurement of components for series production, parts production, assembly of the engine and vehicle, through to packing and dispatch – is mapped by an integrated management system according to ISO 9001:2015 and ISO 14001:2015 and controlled using the KTM process management system. The scope of certification of ISO 9001:2015 covers the production sites in Mattighofen, Munderfing and Graz, KTM Forschungs & Entwicklungs GmbH, KTM Informatics GmbH, the logistics sites in Munderfing and Schalchen as well as the sales subsidiaries located in Mattighofen and Graz. The scope of certification of ISO 14001:2015 covered KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH, as well as the divisions at KTM AG's Austrian production and logistics sites in Munderfing and Mattighofen.

Further information on the BP-2 requirements is provided together with the disclosures to which it relates.

### **Information on the Group's current economic situation and its impacts on sustainability activities**

KTM AG is a principal subsidiary of the holding company PIERER Mobility AG. On November 29, 2024, restructuring proceedings were opened in respect of KTM AG and two of its subsidiaries. These proceedings had a direct impact on the economic situation of Avocado GmbH and PIERER E-Commerce GmbH, which led to insolvency of these two companies in January 2025. Against this background, the focus of the Executive Board members of PIERER Mobility AG, who are also members of the Executive Board of KTM AG, was on the continuation of the KTM Group in particular.

## **GOVERNANCE**

### **GOV-1 – The role of the administrative, management and supervisory bodies**

PIERER Mobility AG is an "Aktiengesellschaft" (stock corporation) under Austrian law. This legal form provides for a dual system with separation of corporate governance (Executive Board) and supervision (Supervisory Board) at the level of the governing bodies. As of December 31, 2024, the Executive Board consisted of Stefan Pierer (CEO) and Gottfried Neumeister (Co-CEO); the Supervisory Board consisted of six people. Neither body has any representatives of the employees or other members of the workforce. The Executive Board and Supervisory Board cooperate at regular intervals on the basis of open and transparent discussion.

The PIERER Mobility AG Executive Board manages the company, under its own responsibility, as required for the company's welfare, taking into consideration the interests of the shareholders, employees and the public interest. Executive Board members are appointed by the Supervisory Board.

The Supervisory Board is tasked with monitoring corporate governance. In certain business cases specified in the Austrian Stock Corporation Act (AktG), the Articles of Association and the rules of procedure, the Executive Board must seek the approval of the Supervisory Board.

The rules for proper corporate governance are set out in, among others, the Austrian Code of Corporate Governance (ÖCGK), to which PIERER Mobility AG is committed. As a company listed in Switzerland, PIERER Mobility AG is also subject to the rules of the Swiss Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange ("Swiss Directive on Corporate Governance").

The members of the Executive Board and the Supervisory Board as of December 31, 2024 were as follows:

#### **Executive Board**

**Stefan Pierer** has been a member of the PIERER Mobility AG Executive Board since June 2, 2015. In 1987, he founded the current PIERER Mobility Holding Group, where he acts as majority shareholder and Executive Board member. He has been a shareholder and Executive Board member of KTM AG since 1992. He is responsible for: strategy, research and development, product management, production, quality management, supply chain management, purchasing, IT, sustainability, personnel, property, motorsport and X-BOW.

**Gottfried Neumeister** has been Co-CEO of PIERER Mobility AG since September 1, 2024. Between March 2012 and June 2023, he held senior positions, including Co-CEO, at DO & CO Aktiengesellschaft. Prior to this, Mr. Neumeister founded flyniki together with Niki Lauda and in his capacity as General Manager was responsible for the successful development of the aviation business (until its sale to Air Berlin). He is responsible for: global sales, marketing, PG&A, customer service, brand management, finances and taxes, risk management, corporate communications, investor relations, sustainability, legal affairs and joint ventures.

#### **Supervisory Board**

**Josef Blazicek** was a member of the Supervisory Board from 2008 to 2025, serving as Chairman from 2015 to 2025. He worked in the banking sector until 2000 as a securities and capital market specialist. Since then, Josef Blazicek has been a partner in the QINO Group/Ocean Consulting GmbH. Josef Blazicek holds Supervisory Board seats in various Pierer Group companies.

**Rajiv Bajaj** has been a member and Deputy Chair of the Supervisory Board since 2022. He holds an MSc in manufacturing systems engineering and started his career working in the Streamlines Manufacturing Systems department at Bajaj Auto Ltd. in 1990. In 1995, Mr. Bajaj switched department and worked as General Manager and Vice President in the R+D and Engineering department. In 2000, as Deputy General Manager, he started reorienting the marketing, sales and service interfaces and promoted export initiatives. Mr. Bajaj has been General Manager of Bajaj Auto Ltd. since 2005.

**Iris Filzwieser** has been a member of the Supervisory Board since 2022. She holds a doctorate in mining engineering and is, among other things, the founder and General Manager of METTOP GmbH, president of Austrian Cooperative Research, a member of the managerial advisory board of the Delta Academy at the University of Leoben, a member of the jury for Austrian research company FFG, a member of the assembly of delegates of the Austrian Science Fund (FWF) and a Council Member at Vienna University of Technology.

**Michaela Friepess** has been a member of the Supervisory Board since 2022. After completing a degree in business studies, she started her career as a financial analyst and worked in the Business Development department at GE Capital Bank in Vienna and Paris. In September 2003, she joined the Pierer Group. Ms. Friepess is a specialist with comprehensive practical experience in the areas of capital market, corporate governance, compliance and sustainability. Most recently, she was a member of the Executive Board of Pierer Industrie AG, where she was responsible for Investor Relations, Compliance and Sustainability until October 2024. Ms. Friepess is an authorized signatory of Pierer Konzerngesellschaft mbH.

**Srinivasan Ravikumar** has been a member of the Supervisory Board since 2022. He started his career in the Corporate Finance department at Bajaj Auto Ltd. in 1984. In 1994, he took over the management of the Business Development department. Srinivasan Ravikumar is currently Chief Business Development Officer and 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 area of responsibility includes corporate strategy, business development, foreign collaborations and IP management.

**Friedrich Roithner** has been a member of the Supervisory Board since 2023. After obtaining a degree in business administration, he worked as an audit assistant at a tax consultancy and audit firm. From 1992 onwards, he was employed by Austria Metall AG, where he was a member of the Executive Board from 2002 to 2006. He joined the CROSS Group (now PIERER Mobility Group) in 2007 and was a member of the Executive Board from 2010 to 2023, serving as CFO from 2015 to 2023.

### **Composition and diversity**

**Executive Board:** Selection criteria for Executive Board members are their specialist qualification, leadership qualities, previous performance and knowledge of the company.

A person's age and sex play no role in the decision to appoint members of the Executive Board and do not lead to any preference or disadvantage in the selection process. The members of the Executive Board are all men (proportion of women: 0%) and were born between 1956 and 1977.

**Supervisory Board:** The Supervisory Board should comprise personnel with the requisite professional and personal qualities. Consideration must be given to ensuring a professionally balanced composition that reflects the structure and business activities of the Group. Appropriate consideration must be given to diversity aspects of the Supervisory Board to ensure that both genders and different ages are represented.

For supervisory boards of listed companies with at least six members, Austrian Law<sup>2</sup> provides a minimum gender quota of 30%. The Supervisory Board of PIERER Mobility AG is composed of two women and four men (proportion of women: 33%). The members of the Supervisory Board were born between 1957 and 1972. Four members are Austrian citizens and two are Indian citizens.

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<sup>2</sup> See: Austrian Act on Equality Between Men and Women on Supervisory Boards ("Gleichstellungsgesetz von Frauen und Männern im Aufsichtsrat" – GFMA-G), 2017

Furthermore, the Group's diversity policy stipulates the following for the Supervisory Board:

- A minimum of one financial expert must hold a seat on the Supervisory Board. This requirement is fulfilled by Friedrich Roithner.
- Wherever possible, the Supervisory Board should include a total of two 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. This requirement is fulfilled by Rajiv Bajaj and Srinivasan Ravikumar.
- Wherever possible, the Supervisory Board should include one member who, by virtue of his/her prior experience, has detailed knowledge of PIERER Mobility AG. This requirement is fulfilled by Josef Blazicek, Michaela Frieppess and Friedrich Roithner.
- Wherever possible, the Supervisory Board should include one member who, by virtue of his/her experience and knowledge, can transfer ESG expertise within the Group. This requirement is fulfilled by Michaela Frieppess and Iris Filzwieser.

Some members of the Supervisory Board perform management functions in other companies, in which they must likewise deal with the implications of European sustainability requirements. Furthermore, they expand their sustainability-related expertise through various training opportunities and ongoing information about the latest developments. There are currently no defined training measures for Supervisory Board members. The involvement of the Audit Committee and the Committee for Compliance, Investor Relations (IR) and Sustainability (ESG) in structuring and drawing up the non-financial statement is described in the "Supervisory Board Committees" section.

PIERER Mobility AG uses the Austrian Code of Corporate Governance to define the independence of the members of the Supervisory Board. Consequently, of the six members of the Supervisory Board, four are independent in accordance with C-Rule 53 (67%) and therefore do not have any business or personal relations with the company or its Executive Board that constitute a material conflict of interest. Furthermore, one member is independent under C-Rule 54 (17%).

#### **Channels for steering sustainability aspects**

**Sustainability Steering Committee (SSC):** A Sustainability Steering Committee (SSC) was set up at the level of PIERER Mobility AG in financial year 2024. It is led by the ESG & Risk Management lead and the Sustainability team of Pierer Industrie AG and includes representatives of the main specialist divisions of PIERER Mobility AG. This guarantees that the sustainability-related impacts, risks and opportunities (IROs) are made transparent and monitored and that there is coordination with the higher-level Pierer Industrie AG. A coordination meeting (ESG coordination meeting) takes place at least once every two weeks between the SSC leaders and any other participants attending for specific reasons, for example the Chair of the Committee for Compliance, IR and ESG. One of the tasks of the SSC is to implement the CSRD/ESRS within the Group. The ESG Management team, whose leadership is represented on the SSC, coordinates the preparation of the sustainability statement at an operative level and was responsible for conducting the double materiality assessment. During the assessment process, it carefully studied the Group's material IROs. The team has specialist expertise and many years of experience in the field of sustainability.

The SSC prepares the information required for the Executive Board of PIERER Mobility AG. Each Executive Board member is responsible for the sustainability issues, including defining measures and targets, in their own areas of the business at an operative level.

**Committees of the Supervisory Board:** The Supervisory Board of PIERER Mobility AG has three committees: the Audit Committee, the Remuneration Committee and the Committee for Compliance, IR and ESG. The Audit Committee is, among other things, responsible for the auditing and preparation for the approval of the management report. As of financial year 2024, the non-financial statement is a component of the management report. This means that the Audit Committee is responsible for auditing the non-financial statement. The Committee for Compliance, IR and ESG also focuses on the sustainability-related issues and regularly reviews whether the Compliance, IR and ESG objectives pursued by PIERER Mobility AG are being met. For this purpose, at least one representative from these committees attends the ESG coordination meetings, which generally take place once every two weeks.

The committees are therefore kept up to date with any developments in the field of sustainability and the process for structuring and drawing up the non-financial statement and may fulfill their oversight function during the course of the year.

**Steering by Executive Board members:** Sustainability aspects affect large areas of corporate planning and activity within the Group. The members of the Executive Board are (directly and indirectly) informed by the SSC, the other KTM AG Executive Board members and their division heads about the sustainability aspects that are relevant to their respective area of responsibility. There are currently no defined training measures for Executive Board members. However, various (company-internal and external) experts are available to the members of the Executive Board when required. Furthermore, the members of the Executive Board have the required expertise regarding sustainability-related components thanks to their management functions in other companies. Moreover, discussions take place (during the year, for example as part of the preparation of the annual financial statements) with members of the Supervisory Board, in particular members of the Audit Committee and the Committee for Compliance, IR and ESG. Further information on the steering of sustainability aspects can be found in section GOV-2.

#### **Changes after the end of the reporting period**

In the Extraordinary General Meeting of January 27, 2025, the Chair, Josef Blazicek, resigned his Supervisory Board seat and Mr. Stephan Zöchling was appointed. In the Supervisory Board meeting held later the same day, Mr. Zöchling was elected as the new Chair of the Supervisory Board and new members were appointed to the committees of the Supervisory Board.

On January 23, 2025, Stefan Pierer handed over the role of CEO to Gottfried Neumeister. Mr. Pierer took up the role of Co-CEO.

#### **GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

The material IROs of the Group and their management are discussed in the ESG coordination meetings and technical discussions held between the division heads, committees, and administrative and management bodies. Further information on the coordination meetings can be found in section GOV-1 "Channels for steering sustainability aspects."

The material IROs (see SBM-3) feed indirectly into the corporate strategy and associated transaction decisions. As almost all the identified material topics were relevant in the past (see for example the voluntarily audited sustainability report for 2023<sup>3</sup>), they are generally handled by the Group at operative level. In the case of strategic and relevant operational decisions, they are brought into the overall context. In connection with this incorporation of sustainability aspects into the strategy, please refer to section SBM-1. The material risks and opportunities were identified by the risk management as part of the materiality assessment (see IRO-1) and therefore are directly linked to the risk management process. This process includes reporting to the Executive Board of KTM AG, which, together with the PIERER Mobility AG Group Executive Board, is responsible for its monitoring. Further information on the process can be found in the management report in section 6 "Opportunities and risk report".

In financial year 2024, in addition to the sustainability topics addressed on an ongoing basis, the administrative, management and supervisory bodies also studied, in greater detail, topics surrounding climate change mitigation, in particular as part of the development of the decarbonization strategy, as well as the implications of the personnel strategy, and employee satisfaction.

Members of the Supervisory Board's Committee for Compliance, IR and ESG (see GOV-1) were involved in the work of the SSC. They were also informed by the Executive Board about projects, the course of business and business planning, including the non-financial performance indicators, and supported the Executive Board in an advisory capacity on material strategic decisions. The Supervisory Board also dealt with the corporate governance of the company and compliance management. In financial year 2024, the Supervisory Board examined new regulations and the current legal framework

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<sup>3</sup> Accessible at: <https://www.pierermobility.com/en/sustainability/publications>

conditions on sustainability issues. Before the non-financial statement is disclosed, it is presented to the Committee for Compliance, IR and ESG, the Audit Committee, and, finally, the entire Supervisory Board.

### **GOV-3 – Integration of sustainability-related performance in incentive schemes**

The variable remuneration of the Executive Board incorporates only financial figures (and therefore no specific sustainability-related targets and/or impacts). The remuneration of the Executive Board and Supervisory Board is based on the remuneration policy decided by the Annual General Meeting. The specific parameters for Executive Board remuneration are agreed between each member of the Executive Board and the company, represented by the Supervisory Board. The Remuneration Committee set up by the Supervisory Board deals with general questions relating to Executive Board remuneration. The Supervisory Board considers the established remuneration arrangements to be suitable for the Executive Board of PIERER Mobility AG. Due to the company's special shareholder structure – with a core shareholder represented on the Executive Board and Supervisory Board – the Executive Board is not expected to make any short-term profit maximization to the detriment of the long-term performance of the company. Rather, the Supervisory Board acts on the assumption that the Executive Board takes a holistic approach in which non-financial matters are essential for long-term successful management, which guarantees the company's existence and the sustainability of the business model.

Supervisory Board remuneration consists exclusively of an attendance fee for Supervisory Board and committee meetings. In order to guarantee impartial supervision of corporate governance by the Supervisory Board, the members of the Supervisory Board are not granted any variable remuneration.

### **GOV-4 – Statement of due diligence**

The table below shows the key steps in the process in place to ensure compliance with due diligence; the steps are described in this non-financial statement.

<b>CORE ELEMENTS OF DUE DILIGENCE</b>	<b>PARAGRAPHS IN THE SUSTAINABILITY STATEMENT</b>
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 SBM-2: Interests and views of stakeholders ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities ESRS 2 MDR-P: Policies adopted to manage material sustainability matters ESRS S1-2: Processes for engaging with own workers and workers' representatives about impacts ESRS S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns ESRS S2-2: Processes for engaging with value chain workers about impacts ESRS S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns ESRS S4-2: Processes for engaging with consumers and end-users about impacts ESRS S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns ESRS G1-1: Corporate culture and business conduct policies and corporate culture ESRS G1-3: Prevention and detection of corruption and bribery



Identifying and assessing adverse impacts	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model ESRS 2 IRO-1: Beschreibung des Verfahrens zur Ermittlung und Bewertung der wesentlichen Auswirkungen, Risiken und Chancen ESRS S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
Taking actions to address those adverse impacts	“Impact, risk and opportunity management” sections in the respective chapters on the thematic standards
Tracking the effectiveness of these efforts and communicating	„Metrics and targets“ sections in the respective chapters on the thematic standards

### GOV-5 – Risk management and internal controls over sustainability reporting

The Group's internal control system for sustainability reporting is responsible for ensuring the regularity and reliability of the information, compliance with the relevant regulatory requirements, and data protection.

Risks in connection with the non-financial statement are ascertained and monitored by the Group's ESG and risk management, taking into consideration the findings made during financial reporting. The identified risks that are considered to be relevant include incomplete or incorrect recording and presentation of relevant facts, errors in collecting evidence, and incorrect calculations. The implementation of new reporting standards increases the complexity in reporting and may lead to delays. There is also a risk of data being accessed by unauthorized persons or of data being manipulated, IT systems failing and data being lost.

The organizational structure of the Group forms the basis for the control environment and the internal control system within the company. Due to the number of divisions involved in drawing up the non-financial statement, the pooling of competences and responsibilities in the Group's ESG and risk management is important for supporting the divisions and for correct data consolidation. Comprehensive change management makes it possible to trace data sources and therefore the link between raw data and reported information. Regular reporting by ESG management to members of the SSC and the audit and approval of the entire non-financial statement by SSC members ensure the plausibility and validity of the data. A member of the Supervisory Board regularly attends SSC coordination meetings. IT risks are addressed by a stringent access management policy and back-up copies. In order to prepare for any delays, a project plan was drawn up, which takes these into consideration and allows the Group to react promptly. A detailed analysis of the requirements of the reporting standard has been carried out in order to identify any potential problem areas in good time and allow suitable preparatory steps to be taken. In the future, the internal control system for non-financial reporting will be further developed along the model of the internal control system for financial reporting.

## STRATEGY

### SBM-1 – Strategy, business model and value chain

PIERER Mobility AG is the parent company of the PIERER Mobility Group. It is one of Europe's leading motorcycle manufacturers, focusing on the premium segment. Until the initiation of the restructuring proceedings, the Group was broken down into the strategic core areas of (i) “Motorcycles”, (ii) “Bicycles”, (iii) “Design, R&D”, (iv) “Digital Transformation, IT” and (v) “Motorsport.” Its central motorcycle production sites are located in Austria, Italy and Spain. It also has strategic partnerships with companies in India (Bajaj) and China (CFMOTO). As at the reporting date of December 31, 2024, the Group had 5,310 employees, 4,805 of whom in Europe and 349 in North America (including Mexico). The exact distribution of the employees by country is shown in section S1-6.

**Value chain**

The Group has a global, highly fragmented value chain. Central input parameters include materials, semi-finished products and finished products used, for example, for motorcycle assembly. The goods purchased primarily include products made of steel, aluminum, plastic and rubber. Multi-use racks and cardboard packaging are often used for packaging and shipment. Further information on material flows can be found in section E5-4. Due to the complexity of the upstream value chain, it is difficult to trace the purchased goods back to their source. However, the central process steps of the upstream value chain are raw material mining, processing into primary and secondary products, and transport and storage processes. Furthermore, the reprocessing of end-of-life products and their recirculation is part of the up- and downstream product value chains. The majority of the purchasing volume for the series production of motorcycles in Austria are located in Europe (85%). As an OEM (Original Equipment Manufacturer), the Group works closely with its (mostly longstanding) partners.

The Group provides its customers, investors and stakeholders value in the following areas:

- Manufacture and marketing of KTM, Husqvarna, GASGAS and MV Agusta premium motorcycles
- Offer of Husqvarna and GASGAS e-bicycles and Felt bicycles
- Offer of IT solutions and online marketing products
- Metal cast parts (until insolvency of VMG on December 13, 2024)
- Jobs with high safety standards
- Employee benefits
- Dividends and interest on debt financing

In 2024, the majority of the Group's turnover was made in the motorcycle segment; for this reason, the focus of this sustainability report is on motorcycle assembly. The Group markets its products and services in numerous countries via a global network of dealers. Its largest sales markets are in Europe, North America (including Mexico) and India/Indonesia (via Bajaj). No material changes in the sales markets were seen in financial year 2024. In addition to the network of dealers, the Group works with numerous authorized dealers that are able to perform professional repairs and maintenance work and can therefore extend the working life of the vehicles. Once the products have reached the end of their life, it is assumed that they will be disassembled. Certain raw materials, for example metals, can then be returned to the material cycle.

**Sustainability position**

One of the Group's primary sustainability goals is to contribute to decarbonization. To this end, work began in financial year 2024 on the development of a decarbonization strategy for internal business activities, taking into consideration the up- and downstream value chain. This includes company sites in various regions and greenhouse gas emissions from all three scopes of the Greenhouse Gas Protocol (GHG protocol). Due to the complex (and in some cases multistage), globally fragmented up- and downstream value chain, far-reaching impacts on business activities are expected, from a geographical perspective. The focus of the decarbonization strategy is on the motorcycle segment, which accounts for the largest share of GHG emissions. Motorcycle emissions reduction measures have already been implemented in the past, with for example, the development and market introduction of electric battery-powered vehicles. Another part of the business concept in 2024 was the marketing of bicycles and e-bicycles, which constitute low-emission transport technology. However, the Group's sees its next steps toward decarbonization and the associated company developments as a challenge, for which additional measures will be required in the future. Some of these are described in E1-3. The sections under SBM-3 examine further sustainability risks and opportunities in the topical standards.

**SBM-2 – Interests and views of the stakeholders**

The presence of the products from the company's different divisions means that the Group has a range of stakeholders in the global market. Their interests and approaches are balanced as fairly as possible. The Group always strives to maintain a continuous dialog with its stakeholders.

The sustainability-related outcomes of the stakeholder dialog are taken into consideration in the Group's business processes and double materiality assessment and discussed in coordination meetings, as described in GOV-1 and GOV-2. The insights gained from this stakeholder involvement feeds into management decisions and plays a significant role in management action. From this, measures are derived, for example the long-term safeguarding of jobs, which underscore the role and profile of the Group as an attractive employer and one of the largest in the region; the successive reduction of emissions, in particular Scope 3 emissions, primarily in the usage phase of the motorcycles, as highlighted by the efforts made and initial steps taken to develop a decarbonization strategy; or correct and transparent governance of business relationships in the global markets in which the Group is active.

<b>KEY STAKEHOLDERS</b>	<b>INCLUSION</b>	<b>PURPOSE</b>	<b>RESULTS</b>
<b>Employees and their representatives</b>	Employee appraisals, training, works meetings, employee representatives, information events, written and verbal business correspondence, intranet, PITBOARD	PIERER Mobility places great value on the interests of its employees and endeavors to implement these where economically feasible. Respect for human and employment rights always has the highest priority and is taken into consideration in all processes.	This inclusion gives employees and their representatives the opportunity to gain information about the latest developments and contribute their knowledge. Employee representatives are always involved in far-reaching decisions so that the employees' interests can be taken into consideration as effectively as possible.
<b>User (end-user)</b>	Customer experience camps & adventure rallies, discussions with dealers, market research, test rides, software/tools, product data sheets, websites, Social media, written and verbal business correspondence	Including users should lead to a better understanding of their expectations and requirements. At the same time, users gain information about developments that are relevant to them.	Customer requirements and feedback feed into future product developments. Product quality and safety are of great importance.
<b>Suppliers</b>	Trade fairs, online tools, written and verbal business correspondence, supplier visits	Suppliers constitute a key pillar of the Group's day-to-day business. Through regular discussions, the suppliers receive the support they need, while the Group can ensure its requirements are met. Furthermore, suppliers constitute the interface with the upstream value chain.	By holding discussions with suppliers, long-term business relationships can be established. If possible, a local procurement strategy should be prioritized.
<b>Dealers</b>	Trade fairs, product presentations, software solutions, written and verbal business correspondence	Dealers form the interface with the end customers. The aim of the discussions here is to gain insights into the requirements of and challenges faced by the dealers as well as those of the customer.	Due to their special position in the downstream value chain, dealers are a significant stakeholder group. They receive support through, for example, software solutions and financing options.

<b>Capital market</b>	Financial reports (semi-annual, annual), Annual General Meeting, ESG ratings, events and roadshows, personal discussions, membership of and collaboration on (inter)national initiatives (e.g. CIRA, IR-Club Schweiz), website, social media, written and verbal business correspondence, financial media	The primary purpose of information transmission lies in the disclosure of (price-)relevant information for capital market representatives.	Capital market representatives are informed of the latest developments as regards the Group multiple times throughout the year. In addition, the Investor Relations team is always available for any questions or issues. Capital market representatives have the opportunity to communicate their interests and expectations at topic-specific and event-related meetings – this input is incorporated into the further development of communication tools/channels (e.g. reports, IR presentations, website). Through the provision of information for ESG ratings, capital market representatives are able to develop an independent picture of the Group's performance – at the same time, active exchange (with rating agencies, peers, industry representatives) helps to improve the score. (further information on ratings can be found below this table).
<b>Politicians, networks and associations</b>	Company representatives in networks and associations	The Group is represented in various networks and associations in order to ensure an exchange of experience and knowledge with other companies and organizations. The aim is the mutual sharing of expertise and the use of synergies.	European Association of Motorcycle Manufacturers (ACEM, Stefan Pierer is Vice-President); Presidency (Stefan Pierer) of the Federation of Upper Austrian Industry; at the PIERER Mobility Group sites, the management is in regular contact with relevant local/regional government officials and authorities (provision of company data, annual report and sustainability report); involvement in the association z.l.ö. – zukunft.lehre.österreich; cooperation with Hotspot (Lebensraum) Innviertel and Innovations- und Technologietransfer Salzburg; part of the regional advisory board at the Arbeitsmarktservice (AMS) in Braunau; cooperation with Arbeitsmedizinischer Dienst; Delta Academy at the University of Leoben (Stefan Pierer is a member of the management board); ESG activities are reinforced by membership of the "respACT-Austrian Business Council for Sustainable Development".

In its Code of Conduct (see section G1-1), the Group has established principles for fair, trusting and respectful cooperation and respect for human rights, both for itself and its business partners. The area of application of the Code of Conduct therefore includes the up- and downstream value chain and should help to protect workers in the value chain. No explicit inclusion of these workers took place. The interests and perspectives of the workers in the value chain are taken into consideration indirectly via the Value Chain Risk Analysis. Furthermore, they can also report their concerns to the Group via the whistleblower system. Further information on the workers in the value chain can be found in section ESRS S2. Consumers and end-users form a further key stakeholder group. Their interests feed into product and quality management, among other things, and therefore into the Group's business model. Attention is paid to the rights of consumers and end-users, including their human rights. Further information on how the Group handles consumers and end-users can be found in section ESRS S4.

### ESG ratings

ESG ratings are used to assess the sustainability performance of companies and institutions by considering their exposure to ESG risks and their impacts on the social and ecological environment.<sup>4</sup> The scores in the table below show the sustainability performance ratings of the Group, as assessed by various ESG ratings agencies (the data from financial year 2023 were used as the basis for the rating). Further information on the ESG ratings can be found on the company website.<sup>5</sup>

RATED BY	SCORE	UPDATE
EthiFinance (formerly Gaïa Research)	60	October 31, 2024
Inrate	C+	June 25, 2024
S&P Global CSA	46	December 18, 2024
Sustainalytics	10.4	May 23, 2024

### SBM-3 – Material impacts, risk and opportunities and their interaction with strategy and business model

During the double materiality assessment, 32 IROs were identified as being material. They are described in more detail in this non-financial statement. For improved readability, the IROs are presented in greater detail in the respective ESRS chapters. The IROs identified are mostly covered by the ESRS disclosure requirements. Individual, company-specific indicators have been used in a supplementary capacity and help to create a more comprehensive picture (these can be found in E1, E5, S1, S2, S4 and G1). This company-specific information has been identified separately in the chapters on the topical standards. No IROs were identified that were presented exclusively using company-specific information. The following IROs were assessed as material during the double materiality assessment:

<sup>4</sup> European Commission (2024), ESG rating activities, available at: [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/esg-rating-activities\\_en#:~:text=Ratings%20on%20environmental%2C%20social%20and,on%20people%20and%20the%20environment](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/esg-rating-activities_en#:~:text=Ratings%20on%20environmental%2C%20social%20and,on%20people%20and%20the%20environment)

<sup>5</sup> Available at: <https://www.pierermobility.com/en/sustainability/esg-ratings>

ESRS	TOPIC	IRO #	IRO	PRIMARILY RELATES TO <sup>6</sup>		ACTION TAKEN
				OO	VC	
E1 Climate change	Climate change mitigation	01	Greenhouse gas emissions (Scope 1 and 2)	X		Establishing climate change mitigation measures
		02	Greenhouse gas emissions (Scope 3)		X	
		03	New regulations in the field of sustainability focusing on fighting climate change	X		
	Climate change adaptation	04	Transitional risks due to the development toward a low GHG society, e.g. declining acceptance of combustion engines	X	X	Multiple sourcing & boosting independence
		05	Consumption of non-renewable energy in vehicle production	X		
	Energy	06	Consumption of non-renewable energy in the vehicle product usage phase		X	
		07	Production and use of renewable energy (Mattighofen and Munderfing)	X		
		08	Dependence on reliable energy supply for production and assembly activities	X		
E5 Use of resources and circular economy	Resources inflows, including resource use	09	Consumption of primary and secondary materials in production processes		X	
		10	Risk of delays in the supply chain and limited material availability	X	X	
	Resource outflows related to products and services	11	Long-term commitment of resources to products and a resource cycle that is not fully closed	X	X	Promoting the circular economy
		12	Restructuring can lead to uncertainties, redundancies and dissatisfaction	X		IROs arise from the current situation (see SBM-1)
S1 Own workforce	Secure employment	13	Temporary reduction in working hours	X		
		14	Risk to staff and lack of skilled workers	X		Improvement in working conditions
	Health and safety	15	Serious occupational accidents can occur in production and during test rides	X		
		16	Securing future prospects and developing employee skills through further training opportunities	X		
	Training and skills development	17	Intercultural cooperation and individual development	X		
		18	Gender disparity in pay and leadership positions	X		
	Equal treatment and equal opportunities for all	19	Risk of data loss or misuse	X		Data security, data protection
		20	Violation of data protection regulations and subsequent fines	X		

<sup>6</sup> OO: Own Operations; VC: Value Chain

<b>S2 Workers in the value chain</b>	Working conditions	21	Potentially poor working conditions in certain sectors of the upstream value chain		X	Contractual conditions with direct business partners and minimum requirements as regards ESG performance for suppliers in particular
	Other work-related rights	22	Potential occurrence of forced labor and child labor in certain sectors of the upstream value chain		X	
<b>S4 Consumers and end-users</b>	Personal safety of consumers and/or end-users	23	Product defects may lead to safety risks		X	Research and development, customer service activities
		24	Financial risks due to product defects		X	
		25	New technological innovations to protect end-users and other road users	X	X	
	Customer satisfaction	26	Customer satisfaction, increased resale and recommendation rates		X	Data security, data protection
	Data privacy	27	Risk of data loss or misuse	X	X	
		28	Risk of violation of data protection regulations and subsequent fines	X	X	
<b>G1 Business conduct</b>	Corporate culture	29	Promotion of a responsible corporate culture	X	X	Raising awareness, transparency
	Management of supplier relationships including payment practices	30	Quota-based payments to suppliers as part of restructuring proceedings		X	Ends upon/after conclusion of restructuring proceedings or in its aftermaths
	Protection of whistleblowers	31	Strengthening the trust and feeling of security of whistleblowers	X	X	Raising awareness, transparency
	Corruption and bribery	32	Risk of financial losses due to corruption and bribery	X	X	

The material IROs identified feed indirectly into the corporate strategy and business model. Further information on the action taken to handle the material IROs at the level of the administrative and management bodies can be found in sections GOV-1 and GOV-2. To date, no material changes have been made to the business model based on the IROs. The impact of material risks and opportunities on the business model was assessed by the Group's risk management as part of scenario analyses (e.g. the climate risk and vulnerability analysis) among others. The analyses focused on the short-term time horizon. In the case of long-term risks and opportunities, an additional analysis of their long-term influence on the business model was carried out. The respective influence of the individual risks and opportunities on the business model, and the way in which these and the material consequences are dealt with are shown in the respective descriptions in the chapters on the topical standards. For information on the general corporate strategy and resilience, see sections BP-2 and SBM-1. The current financial effects of the material risks and opportunities are mainly reflected in the income statement (primarily sales in the motorcycle segment, operating expenses) and the Group's capital expenditure and are validated as part of the risk assessment. As an example, in financial year 2024, the Group invested € 27.8 million in the research and development of alternative drive technologies in order to manage the impacts of IROs 03 and 04.

In addition, (potential) climate-related effects on the consolidated financial statements are evaluated. As stated in the 2024 consolidated financial statements under 7. "Estimates and discretionary decisions" in the Notes, climate-related factors, among others, are taken into account when assessing the impairment of assets.



**Changes to the non-financial statement**

In financial year 2024, the Group prepared a non-financial statement in line with the requirements of the ESRS for the first time. Although the 2023 materiality assessment was already based on the procedure given in the ESRS for determining material IROs, full transition took place in financial year 2024. The biggest change lay in identifying the relevant content of the IROs at a greater level of detail instead of the aggregated treatment of material topics that has been used to date. For this reason, it is only possible to conduct a limited comparison of the analyses and their outcomes. Financial year 2024 saw the following changes to the material topics and IROs compared with the previous year:

- Circular economy and resource outflow as new material topics,
- Waste is no longer a material topic,
- Identification of IROs in relation to workers in the value chain for the first time,
- New IROs in relation to business conduct identified based on detailed breakdown.

The materiality assessment is checked each year and amended if necessary to ensure it is up to date. The underlying inclusion of stakeholders (e.g. focus interviews) for determining IROs is planned for financial year 2027. This time scale may be shortened if required.

**IMPACT, RISK AND OPPORTUNITY MANAGEMENT****IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities****Material topics**

A double materiality assessment was carried out in 2024 to identify the material topics. It was split into the inside-out and the outside-in perspective. The inside-out perspective considers the influence of the Group on its surroundings and is based on an impact assessment conducted by the ESG management team. The outside-in perspective describes the influence of sustainability topics on the Group. Here, the focus was on financial risks and opportunities, taking into consideration dependencies, determined and assessed by the risk management team. In this way, sustainability risks were evaluated in the same way as other company risks. The survey process was integrated into the risk management process and derives from the knowledge gained. Throughout the materiality assessment process, regular exchanges took place between ESG and risk management to ensure that mutual influences could be taken into account.

1. PIERER Mobility Group context analysis
2. Identification of IROs throughout the value chains and divisions of the company
3. Assessment of the IROs determined across various time horizons

**Context analysis**

During the context analysis, the up- and downstream value chains and the Group's internal activities and sites were evaluated as effectively as possible in order to determine potential IROs. In addition, analyses were conducted of the peer group and the requirements of sector-specific sustainability reporting standards. The stakeholders (e.g. employees, capital market) were incorporated into the process by means of focus interviews and technical discussions. The identification of IROs was based on the ESRS 1 AR 16 long list. The topics were supplemented with the knowledge gained from the context analysis. Furthermore, publicly available studies and analyses<sup>7</sup> were used to identify IROs and assess these in a subsequent analytical step. This step was concluded via an initial selection of topics and IROs that are connected to the Group.

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<sup>7</sup> Natura 2000: <https://natura2000.eea.europa.eu/>; Key Biodiversity Areas: <https://www.keybiodiversityareas.org/sites/search>; Unesco World Heritage Convention: <https://whc.unesco.org/en/interactive-map/>; Aqueduct Water Risk Atlas: <https://www.wri.org/data/aqueduct-water-risk-atlas>; Swiss Re rds4c: <https://identity.swissre.com/>; CICES: <https://cices.eu/>; FEMA's international survey on motorcycle emissions: [https://www.femamotorcycling.eu/wp-content/uploads/documents\\_library/web\\_results\\_emissions\\_survey\\_fema2021.pdf](https://www.femamotorcycling.eu/wp-content/uploads/documents_library/web_results_emissions_survey_fema2021.pdf)

### Assessment of IROs

The next step was an assessment of the materiality of the individual IROs. This assessment of the impacts examined the criteria of scale, scope, reversibility and probability, each on a five-stage scale, defined using qualitative and quantitative parameters. In the case of positive IROs, the reversibility criterion was omitted without being replaced. In the case of actual impacts or impacts relating to human rights, a probability of 100% was adopted.

The assessment of the risks and opportunities examined the scale and probability (likewise using a five-stage scale), taking into consideration both implications of the material impacts and dependency situations. The Group's risk management approach, which involved assessing risks and opportunities using various simulation models and distributions (e.g. binomial distribution, PERT distribution), formed the basis for the assessment. This ensures that sustainability risks are considered in the same way as other company risks. Both the impacts and the risks and opportunities were assessed specifically for the time horizons applicable in each case. The period with the highest assessment was decisive for the subsequent categorization into material and non-material IROs on the basis of a materiality threshold. To be classified as material, the topic from the inside-out or outside-in perspective merely needed to exceed the threshold for materiality. The internal controls described in GOV-5 were also applied for the double materiality assessment.

	CRITERION	UNDERLYING QUESTIONS
<b>Impacts</b>	Scale	How severe is the impact on the environment, people affected or society, taking any measures already in existence into consideration? Planned measures were not taken into consideration.
	Scope	How far-reaching are the implications measured based on geographical scales or number of people affected?
	Reversibil-ity	How easily can the original situation be restored?
<b>Risks and opportunities</b>	Scale	How large and serious is the risk or opportunity, taking existing measures into consideration?
<b>Impacts, risks and opportunities</b>	Probability	How probable is the occurrence of the impact, risk or opportunity within a defined time period?

### Additions due to the topical requirements for the materiality assessment

#### E1 – Climate change

As a manufacturer of motorized vehicles, the Group contributes to climate change through greenhouse gas emissions. A large proportion of these GHG emissions occur in the downstream value chain, specifically in the vehicle usage phase (Scope 3.11 of the Greenhouse Gas Protocol, GHG protocol). When assessing the materiality of the GHG emissions, the Group took into consideration its GHG balances from previous years and used these to identify its primary emissions drivers. Further information on the current GHG balance can be found in section E1-6. Furthermore, external factors such as societal and regulatory change were also taken into consideration. When determining the climate-related physical risks, the Group used the climate risk and vulnerability analysis carried out at site level in financial year 2023. A dedicated software solution was used to analyze the physical climate-related impacts (chronic and acute) on the business. The first step was to assess which physical climate risks (e.g. heat, heavy precipitation, flooding) could potentially impact the Group's operations. Potential losses include damage to the Group's infrastructure and production interruptions due to physical climate events. The Group's production-relevant locations (mainly plants and warehouses) and the locations of strategic partners were then analyzed with regard to their current and future exposure to physical climate risks. The periods up to 2030 and 2060 as well as the climate scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5 were considered. The reasons behind selecting these time horizons and climate scenarios were, firstly, external factors, such as mandatory requirements in regulations or contracts. Secondly, these

horizons and scenarios provide a broadly diversified view of the potential risks, as marginal positions are considered in each case. The climate scenarios are defined as follows:<sup>8</sup>

- SSP1-2.6: Achieving net-zero emissions by 2070
- SSP2-4.5: no change in CO<sub>2</sub> emissions before mid-century compared to the current level of emissions
- SSP5-8.5: CO<sub>2</sub> emissions double by 2050

During the analysis, potential exposure and existing remedial action were evaluated. As part of the analysis, potential exposure and existing mitigation measures were assessed. Impacts and mitigation measures were assigned to all identified physical climate risks. The already implemented mitigation measures significantly reduce the impact of the climate risks and no further action is required at this time. Climate-related transition risks and opportunities were incorporated into the risk management process over various time periods. Climate scenarios were not taken into consideration here as the risk management methods already provide for a differentiated view. However, the assessments took into account the current climate policy situation in the European Union, which is aligned with the Paris Agreement. The analysis focused on business activities that could potentially be affected, and is set to be further expanded in line with the development of the decarbonization strategy. The initial results are expected to be published in the sustainability statement for financial year 2025.

### E2 – Pollution

The presence of waste management systems was taken into consideration in the assessment of the IROs associated with pollution. The hazardous working and operating materials used were analyzed and split into substances of high concern and substances of very high concern. Preventative measures aimed at preventing these substances from leaking were examined, taking into consideration the various departments and stakeholders. The analysis focused on the Group's production sites in Mattighofen and Munderfing. Furthermore, all production sites were reviewed as to their distance from particularly valuable environmental areas<sup>9</sup>. At sites located in the vicinity of such areas, supplementary protective measures had already been implemented in the past. Local communities were consulted at the Munderfing site via focus interviews.

### E3 – Water and marine resources

The Group conducted a database-supported site analysis into potential water risks. Water management was analyzed in the light of the site's activities in areas of increased water risk. These were sites in India, the United States and the Philippines. The site in the USA is an office site. The site in the Philippines is an assembly site. Neither activity is water-intensive and therefore the impacts and risks were assessed as immaterial. At the strategic partner's site in India, the partner has implemented a comprehensive water management system. Local communities were only consulted at the Munderfing site via focus interviews. No significant IROs related to water and marine resources were identified.

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<sup>8</sup> For further information, see: IPCC, 2023: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing team: H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, 184 pp., doi: 10.59327/IPCC/AR6-9789291691647

<sup>9</sup> Natura 2000: <https://natura2000.eea.europa.eu/>; Key Biodiversity Areas: <https://www.keybiodiversityareas.org/sites/search/>; Unesco World Heritage Convention: <https://whc.unesco.org/en/interactive-map/>

#### E4 – Biodiversity and ecosystems

The assessment of the impacts on biodiversity and ecosystems was based on a data-based<sup>10</sup> site analysis conducted using multiple databases, which aimed to identify sites in the vicinity of particularly valuable environmental areas. One site (Varese, Italy) was identified as being in the vicinity of a particularly valuable environmental area. This site had already implemented sufficient measures to protect against possible impacts on the valuable environment, meaning that no negative impacts on the area are expected in the short-, medium- or long-term. In addition, the Group looked at the impacts of raw material extraction on biodiversity in the upstream value chain.

Dependency on ecosystem services was taken into consideration by risk management on the basis of the Common International Classification of Ecosystem Services (CICES) V.5.2.<sup>11</sup> Dependency on ecosystem services 3.1.1.1 and 6.1.1.1 was identified. A serious deterioration in ecosystem services, in both the short- and long-term, is however considered to be unlikely and the dependency is therefore assessed as non-material. No further risks and opportunities were considered. Local communities were not consulted.

#### E5 – Use of resources and circular economy

To determine material IROs in connection with the use of resources and the circular economy, the Group considered its various business activities and its resource inflows and outflows in the previous year. For its resource inflows, the manufacture of vehicles and inflows for metal casting were identified as relevant. The vehicles are also relevant in terms of the resource outflow and the circular economy. In financial year 2024, the Group procured various (raw) materials, including steel, aluminum, plastic and rubber. An analysis of the materials used by weight can be found in section E5-4. Local communities were not consulted.

#### G1 – Business conduct

With the exception of the management of supplier relationships, there are no significant, relevant differences between the Group's companies, sites or business activities in terms of business conduct. Consequently, no distinction was made by site, activity, sector or structure of the transaction for the purposes of determining material IROs in connection with business conduct as the possible governance-related IROs at PIERER Mobility AG are holistically considered and defined by the legal department. In the analysis of the management of supplier relationships, the economic position of the respective companies was taken into consideration. IROs were identified specifically for those companies subject to restructuring proceedings.

#### **IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement**

In order to ensure comprehensive reporting, the ESRS data points were mapped with the material IROs.<sup>12</sup> Data points to which no material IROs could be allocated were analyzed as to their relevance for the Group and its stakeholders and, where applicable, reported. An overview containing the disclosure requirements addressed in this non-financial statement can be found in the appendix of this non-financial statement. Furthermore, the non-financial statement contains information based on other EU legal regulations. The summary drawn up in this regard can be found in the appendix, too.

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<sup>10</sup> Natura 2000: <https://natura2000.eea.europa.eu/>; Key Biodiversity Areas: <https://www.keybiodiversityareas.org/sites/search>; Unesco World Heritage Convention: <https://whc.unesco.org/en/interactive-map/>

<sup>11</sup> Accessible at: <https://cices.eu/>

<sup>12</sup> In this way, the requirements of ID 177 of the EFRAG SR TEG Meetings (July 1, 2024) in relation to the mapping of material topics with disclosure requirements were taken into consideration.

## 4.2 EU TAXONOMY: DISCLOSURES IN ACCORDANCE WITH ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

Within the framework of the EU Action Plan on Sustainable Finance, the redirection of capital flows into sustainable investments is a key objective. Considering this, the EU Taxonomy Regulation (Taxonomy Regulation, Regulation (EU) 2020/852) came into force in mid-2020 as a uniform and legally binding classification system that defines which economic activities are considered environmentally sustainable in the EU. In addition to this, the European Commission has also enacted various delegated regulations, in particular the “Disclosures Delegated Act” (EU) 2021/2178, the “Environmental Delegated Act” (EU) 2023/2486 (environmental objectives 3 to 6) and the “Climate Delegated Act” (EU) 2021/2139 in conjunction with (EU) 2023/2485 (environmental objectives 1 to 2).

The EU Taxonomy contains the following six environmental objectives:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

When classifying economic activities, a distinction is made between taxonomy eligibility and taxonomy alignment. An economic activity is taxonomy-eligible if it is listed in the catalog of the Taxonomy Regulation and therefore has the potential to contribute to the achievement of one or more environmental objectives. For taxonomy alignment, the cumulative test and fulfillment of the following three conditions must be demonstrated:

- The economic activity contributes substantially to one or more of the six environmental objectives.
- It does not significantly harm any of the other (one or more) environmental objectives (“Do No Significant Harm”, DNSH).
- The minimum standards with regard to social and governance criteria are complied with (minimum safeguards).

The results of this classification are to be reported annually on a company-specific basis. This includes the disclosure of defined key performance indicators in relation to revenue, capital expenditure (CapEx) and operating expenditure (OpEx). As the requirements for sustainable economic activities for the respective environmental objectives of the Taxonomy Regulation have been published gradually, reporting relief measures were applied in previous financial years. For financial year 2024, taxonomy eligibility and taxonomy alignment are reported in full for all six environmental objectives for the first time.

**REPORTING FOR FINANCIAL YEAR 2024**

Based on Article 8 (1) of the Taxonomy Regulation in conjunction with Section 243b and Section 267a of the Austrian Commercial Code (UGB), PIERER Mobility AG is obliged to apply the regulatory provisions of the Taxonomy Regulation. Pursuant to Section 245a (1) of the UGB, the consolidated financial statements of PIERER Mobility AG have been prepared in accordance with the IFRS as of reporting date December 31, 2024. The amounts used to calculate the revenue, CapEx and OpEx key performance indicators are based on the figures reported through full consolidation. Consequently, companies accounted for using the equity method are not included. The scope of consolidation is the same as that used for the financial reporting (for further information, see chapters II. "Scope of consolidation" and XII. "Group companies (schedule of equity holdings)" of the Notes).

The process for implementing the requirements pursuant to the Taxonomy Regulation is based on the assessment methodology used in financial year 2023. It includes criteria for clearly assigning the company's economic activities to the economic activities listed in the Taxonomy Regulation. In line with the principle of consistency of assessment, the methodology used in the previous year was continued for financial year 2024. This is reflected in the percentages of taxonomy-eligible or taxonomy-aligned revenue, capital expenditure and operating expenditure.

For financial year 2024, all environmental objectives were checked for taxonomy alignment for the first time. Due to investments, for example in the areas of waste management and building efficiency, new non-revenue-related economic activities were also identified (for example CE 2.7. "Sorting and material recovery of non-hazardous waste", CCM 7.5. "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings"). Furthermore, the company bicycles reported under operating expenditure could, for the first time, be classified as taxonomy-aligned (after full submission of evidence demonstrating alignment). They fall under economic activity CCM 6.4. "Operation of personal mobility devices, cycle logistics".

The Taxonomy Regulation requirements were processed primarily by the ESG Management department in collaboration with the Controlling, Accounting and Investor Relations departments. Additional departments were also involved where required (for example, Property Management, Quality Management and the Legal department). Taxonomy eligibility and alignment was ascertained in the following process steps:

7. Definition of the companies to be included
8. Analysis of revenue-related economic activities
9. Analysis of non-revenue-related economic activities
10. Assignment of activities to economic activities (taxonomy eligibility)
11. Fulfillment of technical screening criteria for a substantial contribution
12. Provision of evidence for DNSH criterion
13. Compliance with the minimum safeguards
14. Calculation of Taxonomy key performance indicators
15. Consolidation
16. Reporting, including notification forms

Regulatory developments and clarifications regarding interpretation on the part of the EU may, in future, lead to a need for adjustment and corresponding explanations when reporting pursuant to the Taxonomy Regulation. In the event of any changes to the assessment methodology, the comparative figures from the previous period are also recalculated for the purposes of comparability.

## ECONOMIC ACTIVITIES

The analysis of economic activities was split into the consideration of revenue-related and non-revenue-related economic activities.

- Revenue-related economic activities generate revenue for the company and include the entire product range as well as the associated investments and costs.
- Non-revenue-related economic activities relate to investments and costs that are not related to the business model and revenues, but that take place in the context of the business activity.

A key factor in analyzing and classifying the revenue-related activities, particularly in the Group's mobility sector, was differentiating the business model and the drive technology. The business model is divided up into "trade" and "manufacturing/assembly." If products were bought in and then resold without any significant change, they were assigned to the "trade" business model and accordingly reported as non-taxonomy-eligible (see section "Revenue-related economic activities"). Differentiating the drive technology into combustion engines and electric battery-powered vehicles is important for the assessment of taxonomy-alignment and is explained in more detail in section "Alignment conditions".

In the case of the PIERER Mobility Group, the following economic activities were analyzed:

### Revenue-related economic activities

The Group's business comprises the development, manufacture/assembly and sale of two-wheeled and four-wheeled motor vehicles. All activities directly related to this were assigned to the environmental objective "Climate change mitigation" and subsequently to economic activity CCM 3.3. "Manufacture of low carbon technologies for transport". The two-wheeled and four-wheeled motor vehicles were therefore classified as a taxonomy-eligible economic activity. The assignment to this economic activity does not include vehicles that are assembled by the Group's partners or purchased externally and have been identified as trade goods.

Another area of the Group's business is the trade in (electric) bicycles. These products are mostly purchased for trade purposes and were therefore not assigned to economic activity CCM 3.3. "Manufacture of low carbon technologies for transport". Following the sale of the Johansson cargo bike business on October 1, 2024, the cargo bikes were also completely excluded from the allocation.

Products that could not be directly assigned to an economic activity were classified as non-taxonomy-eligible. This included, among other things, the sale of PG&A items purchased for trade purposes, as well as chassis components and their technical accessories (for example WP products), as they do not result in an improvement in environmental performance. Furthermore, the business activities include services in the areas of research and development, and digital transformation, which are primarily used for internal purposes. Services provided to third parties in these areas could not be assigned to any economic activity and were therefore reported as not being taxonomy-eligible. The motorsport business segment was also classified as non-taxonomy-eligible.

For financial year 2024, the following substantial revenue-related economic activities were therefore analyzed in relation to the Taxonomy Regulation:

CODE	ECONOMIC ACTIVITY	DESCRIPTION
CCM <sup>1)</sup> 3.3.	Manufacture of low carbon technologies for transport	Assembly and sale of motor vehicles

<sup>1)</sup> CCM: Climate change mitigation



**Non-revenue-related economic activities**

The analysis of non-revenue-related economic activities is based initially on discussions with the specialist departments, focusing on Property Management. As part of the further analysis, the clear assignability of costs to the respective economic activity was verified in order to rule out double counting in the calculation.

For financial year 2024, the following substantial non-revenue-related economic activities were analyzed in relation to the Taxonomy Regulation:

CODE	ECONOMIC ACTIVITY	DESCRIPTION
CE <sup>1)</sup> 2.7. <sup>2)</sup>	Sorting and material recovery of non-hazardous waste	Karopack machine (see section E5-2)
CCM 6.4.	Operation of personal mobility devices, cycle logistics	Company bicycles (bicycle leasing)
CCM 6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	Company vehicles (passenger cars)
CCM 6.6.	Freight transport services by road	Heavy goods vehicles (HGVs)
CCM 6.13. <sup>2)</sup>	Infrastructure for personal mobility, cycle logistics	Bicycle racks, charging stations for pool e-bicycles (see section E1-3)
CCM 7.4.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	E-charging infrastructure for company vehicles
CCM 7.5. <sup>2)</sup>	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Smart meters, energy management, Computer-Aided Facility Management (CAFM; see section E1-3)
CCM 7.6.	Installation, maintenance and repair of renewable energy technologies	Photovoltaic systems (see section E1-3), energy ring to increase the amount of electricity generated by photovoltaic systems and used by the company
CCM 7.7.	Acquisition and ownership of buildings	Purchase, rental and leasing of buildings

<sup>1)</sup> CE: Transition to a circular economy

<sup>2)</sup> Identified as new economic activities in reporting year 2024.

In the previous year, the CAFM was assigned to the environmental objective “Transition to a circular economy” (economic activity CE 4.1. “Provision of IT/OT data-driven solutions”). Following a revaluation (for more information, see section E1-3), the CAFM was assigned in financial year 2024 to the environmental objective “Climate change mitigation” (economic activity CCM 7.5. “Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”).

**ALIGNMENT CONDITIONS****Substantial contribution**

In order to assess the fulfillment of the technical screening criteria for a substantial contribution to the environmental objective “Climate change mitigation”, the motor vehicles were classified by drive technology as either combustion engines or electric battery-powered vehicles for economic activity CCM 3.3. “Manufacture of low carbon technologies for transport”. Vehicles in the motorcycle segment (vehicles belonging to Class L) make a substantial contribution to achieving the environmental objective simply with their CO<sub>2</sub> exhaust emissions of 0 g of CO<sub>2</sub>-eq/km. By December 31, 2025, passenger vehicles (vehicles belonging to Class M1) may emit maximum CO<sub>2</sub> emissions of 50 g of CO<sub>2</sub>/km to fulfill the requirements. Based on these screening criteria, only the electric battery-powered motorcycles of the Group make a substantial contribution to achieving the environmental objective.

The non-revenue-related economic activities for the environmental objective “Climate change mitigation” meet the relevant technical screening criteria for a substantial contribution to the environmental objective. Exceptions include company vehicles and trucks in the vehicle fleet (economic activities CCM 6.5. “Transport by motorbikes, passenger cars and light commercial vehicles” and CCM 6.6. “Freight transport services by road”) and all activities from economic activity CCM 7.7. “Acquisition and ownership of buildings”. It was not possible to report a taxonomy-aligned percentage for these three economic activities as either there was a lack of corresponding evidence or the requirements regarding a substantial contribution to the environmental objective could not be met.

The Karopack machine shreds cardboard waste and processes it for reuse as filling material for shipping. This can then replace the majority of the filling material formerly used, which must be purchased. The machine was assigned to economic activity CE 2.7. “Sorting and material recovery of non-hazardous waste” and fulfills the requirements for a substantial contribution to the environmental objective “Transition to a circular economy”. Pursuant to Commission Notice C/2023/267, requirements arising from the technical screening criteria may be waived or considered to have been fulfilled if the economic activity does not fall within the scope of the formulated requirements. Following a detailed review of the Karopack machine (for example, analysis of activity and capacity), it was determined that the machine does not fall within the scope of the conclusions on the best available techniques (BAT) for waste treatment (Implementing Decision (EU) 2018/1147). Nevertheless, proper waste management was demonstrated via the internal waste management concept and practices.

### **Do No Significant Harm (DNSH)**

The DNSH criterion was examined for all economic activities that fulfilled the technical screening criteria for a substantial contribution to an environmental objective.

To avoid significant harm to the environmental objective “Climate change adaptation”, the PIERER Mobility Group carried out a climate risk and vulnerability analysis. In the course of the analysis, the climate impacts on the locations that are relevant to the economic activities were examined. First of all, the physical climate impacts were reviewed to assess their potential influence on the economic activities and climate projections were then used to identify current and future climate risks at the selected locations. Finally, the impacts on the economic activities and corrective measures were assigned. For more information, please refer to the section IRO-1. To be able to rule out any impairment of the other environmental objectives, the corresponding requirements were analyzed and information and evidence were provided if necessary. If no evidence is required or if the economic activity does not fall within the scope of the formulated requirements of the DNSH criterion, the requirement should be regarded as fulfilled.

The assessment of the DNSH criterion showed that the activities from the following economic activities met the requirements of the Taxonomy Regulation and that there was no substantially negative impact on any other environmental objective:

- CE 2.7. „Sorting and material recovery of non-hazardous waste“<sup>13</sup>
- CCM 6.4. „Operation of personal mobility devices, cycle logistics“
- CCM 6.13. „Infrastructure for personal mobility, cycle logistics“<sup>14</sup>
- CCM 7.4. „Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings“
- CCM 7.5. “Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”
- CCM 7.6. “Installation, maintenance and repair of renewable energy technologies”

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<sup>13</sup> Reference to Commission Notice C/2023/267: Requirements of the DNSH criterion for the environmental objective “Pollution prevention and control” are deemed to be fulfilled as the activity does not fall within the scope of Implementing Decision (EU) 2018/1147 and the machine is not a plastics recycling facility.

<sup>14</sup> Reference to Commission Notice C/2023/267: Requirements of the DNSH criterion for the environmental objectives “Transition to a circular economy” and “Pollution prevention and control” are considered to be fulfilled as the activities do not result in significant construction and demolition waste, nor in noise, dust, or pollutant emissions.

The Group was not fully able to provide the required evidence to meet the DNSH criterion relating to economic activity CCM 3.3. “Manufacture of low carbon technologies for transport”. As a result, no taxonomy alignment was achieved for this economic activity.

#### Minimum safeguards

Finally, it must be ensured that activities comply with the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ILO Core Labor Standards and the International Bill of Human Rights. This is guaranteed via the PIERER Mobility Group’s Code of Conduct, which lays down the framework conditions for the Group’s business activities and forms the basis for any collaboration both within the Group and with external partners.

In addition, as part of its corporate due diligence, the Group addresses relevant risks, for example in relation to human rights (including child labor and forced labor, employment rights and consumer rights), bribery, attempted bribery and extortion, taxation and fair competition. These efforts extend across all company locations and the supply chains to identify and address potential impacts on these areas. Further information on PIERER Mobility AG’s due diligence is available in section GOV-4.

### CALCULATION OF KEY PERFORMANCE INDICATORS

All fully consolidated companies were included in the calculation of the key performance indicators pursuant to the Taxonomy Regulation. Double counting was avoided as the assignment to an economic activity took place either directly or on the basis of an appropriate breakdown.

#### Revenue KPI

The revenue KPI is the ratio of revenue from taxonomy-eligible or taxonomy-aligned economic activities in a financial year to total revenues in this financial year. The amounts reported under this item in the consolidated income statement represent the basis for revenue (denominator).

REVENUES (€m)	2023 <sup>1)</sup>	2024
From customer contracts	2,647.9	1,866.9
Other revenues	13.3	12.1
<b>Total</b>	<b>2,661.2</b>	<b>1,879.0</b>

<sup>3)</sup> Amounts have been rounded in such a way that the row totals correspond to the grand total.

The total revenue in financial year 2024 of € 1,879.0 million (2023: € 2,661.2 million) (see chapter 3.1. “Group figures” in the management report on the consolidated financial statements 2024) forms the denominator for the Group’s revenue KPI in accordance with the Taxonomy Regulation. A detailed analysis of the revenues was used to allocate the respective revenue to the taxonomy-eligible economic activities. The relevant allocated percentages form the numerator of the revenue from the taxonomy-eligible economic activities for the financial year 2024.

Two- and four-wheeled motor vehicles, regardless of their drive technology, were assigned to economic activity CCM 3.3. “Manufacture of low carbon technologies for transport” and reported as taxonomy-eligible. The calculation of taxonomy-eligible revenue did not include economic activities that could not be assigned to any of the economic activities listed in the Taxonomy Regulation and were therefore not considered to be taxonomy-eligible. This relates, for example, to the sale of vehicles from outsourced production or the trade in PG&A products. Taxonomy alignment for economic activity CCM 3.3. “Manufacture of low carbon technologies for transport” could not subsequently be determined because the alignment conditions were not fully met.

Compared with the previous year, there was a decrease in revenue in financial year 2024 of around 29% (for further details, see chapter 3.2. “Business development and analysis of earnings ratios” in the management report on the consolidated financial statements 2024). This had an impact on the amount of taxonomy-eligible revenue, but did not, however, have any material impact on the proportion of taxonomy-eligible revenue as a share of total PIERER Mobility AG revenue (2024: 62.36%, 2023: 64.48%).

### CapEx KPI

The taxonomy-eligible or taxonomy-aligned CapEx indicates the proportion of capital expenditure (CapEx) that is either associated with taxonomy-eligible or taxonomy-aligned economic activities or with the acquisition of products and services from taxonomy-eligible or taxonomy-aligned economic activities.

In accordance with the Taxonomy Regulation, the basis for the capital expenditure (denominator) includes additions to property, plant and equipment and intangible assets before depreciation, amortization and any revaluations, and without any changes to the fair value. The denominator also includes additions to property, plant and equipment and intangible assets resulting from business combinations (application of IFRS (IAS 16, 38, 40, 41, IFRS 16) or national accounting policies if IFRS are not applied). Additions to goodwill are not to be included in the calculation.

<b>CAPITAL EXPENDITURE (€m)</b>	<b>2023<sup>1)</sup></b>	<b>2024</b>
IAS 16 Property, plant and equipment	96.8	206.9
IAS 38 Intangible assets	170.5	204.7
IFRS 16 Leases	32.5	44.6
<b>Total</b>	<b>299.8</b>	<b>456.2</b>

<sup>1)</sup> The values for “IAS 16 Property, plant and equipment” and “IFRS 16 Leases” for financial year 2023 were adjusted in the table in reporting year 2024 due to a corrected assignment. The adjustments were minimal and did not result in any change in total capital expenditure in financial year 2023.

The denominator for the Group’s CapEx KPI for financial year 2024 comprises additions to tangible and intangible assets and additions from capitalized rights of use to the aforementioned assets, amounting to € 456.2 million (2023: € 299.8 million) (see additions, changes in the scope of consolidation and transfers in Notes 24. “Intangible assets” and 25. “Plant, property and equipment”<sup>15</sup>). This includes additions from changes in the scope of consolidation, which amounted to € 193.9 million in financial year 2024 (2023: € 0.1 million) (for example MV Agusta; for details on the changes in the scope of consolidation, see Note 9. “Changes in the scope of consolidation”). This does not include additions from advance payments in respect of property, plant and equipment and intangible assets amounting to € 69.1 million (2023: € 32.6 million). However, related transfers to the tangible and intangible assets totaling € 47.4 million (2023: € 12.5 million) and € 9.6 million (€ 3.2 million), respectively, were included in the calculation.

To calculate the numerator, a detailed analysis of the capital expenditure of the denominator was conducted, in which the first step was to determine taxonomy eligibility through assignment of the capital expenditure to the economic activities. The second step was to assess the taxonomy-eligible capital expenditure for taxonomy alignment. The numerator includes capital expenditure for economic activities that are either associated with a taxonomy-eligible or taxonomy-aligned economic activity or constitute an acquisition of products and services from a taxonomy-eligible or taxonomy-aligned economic activity. Investments that could not be assigned to any economic activity (for example undeveloped land and daycare centers) were reported as non-taxonomy-eligible.

<sup>15</sup> The amounts from transfers and changes in the scope of consolidation reported in notes 24. “Intangible assets” and 25. “Property, plant and equipment” to the consolidated financial statements 2024 cannot be directly reconciled to the denominator of the CapEx KPI. For example, in accordance with the Taxonomy Regulation, non-current assets held for sale from transfers and disposals from changes in the scope of consolidation were not included in the denominator of the CapEx KPI.

Investments associated with economic activity CCM 3.3. "Manufacture of low carbon technologies for transport" include all activities related to a revenue-generating activity. These include, for example, production facilities, operational and business equipment, capitalized research and development costs, and tools. Investments that were directly assigned to a non-taxonomy-eligible revenue-related activity (for example motorsport, PG&A) were classified as non-taxonomy-eligible investments. Investments associated with bicycles were, as in the previous year, identified as taxonomy-eligible, as it would be possible to record them as taxonomy-eligible revenue if the company produced them itself. Due to the incomplete fulfillment of the alignment conditions, it was not possible to record any taxonomy-aligned percentages for the capital expenditure associated with the manufacture of motor vehicles.

Likewise, no taxonomy alignment could be recorded for investments in the fields of transport by motor vehicles (economic activities CCM 6.5. "Transport by motorbikes, passenger cars and light commercial vehicles" and CCM 6.6. "Freight transport services by road") and CCM 7.7. "Acquisition and ownership of buildings", as the alignment conditions were not fully met.

All activities from the following economic activities make a substantial contribution to the environmental objective "Climate change mitigation" and were recorded as taxonomy-aligned following a successful review of the alignment conditions:

- Capital expenditure for photovoltaic systems and in connection with the setup of a company-owned energy ring to increase the amount of electricity generated through photovoltaic systems and used by the company were assigned to economic activity CCM 7.6. "Installation, maintenance and repair of renewable energy technologies".
- Investments in systems for more efficient energy usage in buildings were assigned to economic activity CCM 7.5. "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings".
- The installation of charging stations for electric vehicles and the directly associated costs (e.g., excavation work) were assigned to economic activity CCM 7.4. "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)".
- Costs for the provision of new bicycle racks and the conversion of the charging stations for pool e-bicycles to foster environmentally friendly employee mobility were assigned to economic activity CCM 6.13. "Infrastructure for personal mobility, cycle logistics".

The Karopack machine, which was assigned to economic activity CE 2.7. "Sorting and material recovery of non-hazardous waste", makes a substantial contribution to the environmental objective "Transition to a circular economy". Capital expenditure for the Karopack machine was recorded as taxonomy-aligned as the alignment conditions were met.

The comparison of the financial years 2023 and 2024 shows an increase in investments for the denominator pursuant to the Taxonomy Regulation, primarily attributable to additions through business combinations. When considering the percentages of taxonomy-eligible capital expenditure in the total denominator capital expenditure, there is a slight drop in the proportion of non-taxonomy-aligned CapEx in comparison with the previous year (2024: 93.00%, 2023: 94.07%), while the proportion of taxonomy-aligned CapEx rose slightly (2024: 0.87%, 2023: 0.30%).

### **OpEx KPI**

The taxonomy-eligible or taxonomy-aligned OpEx indicates the proportion of operating expenditure (OpEx) within the meaning of the Taxonomy Regulation that is either associated with taxonomy-eligible or taxonomy-aligned economic activities or with the acquisition of products and services from taxonomy-eligible or taxonomy-aligned economic activities.

Pursuant to the Taxonomy Regulation, the basis for the operating expenditure (denominator) includes the direct, non-capitalized costs of research and development, building renovation measures, short-term leases, service and repair, and all other direct expenses for the ongoing maintenance of property, plant and equipment by the company or third parties that are necessary to ensure the ongoing and effective functioning of these assets (e.g., cleaning costs).

<b>OPERATING EXPENDITURE (€m)</b>	<b>2023</b>	<b>2024<sup>1)</sup></b>
Short-term leasing	26.0	34.3
Maintenance and repair	21.1	17.8
All other direct expenditure related to the daily maintenance of fixed property, plant, and equipment	2.7	2.7
<b>Total</b>	<b>49.8</b>	<b>54.8</b>

<sup>1)</sup> Amounts have been rounded in such a way that the row totals correspond to the grand total.

For the calculation of the denominator for the Group's OpEx KPI, operating expenditure for short-term rent and short-term leasing, maintenance and repair expenses and all cleaning costs were included as other direct expenses associated with the daily maintenance of fixed property, plant and equipment. Operating expenditure for the denominator amounts to € 54.8 million for financial year 2024 (2023: € 49.8 million).

The numerator was derived from the analysis of the expenses from the accounts specified for the denominator and their assignment to the economic activities, which first enabled the determination of taxonomy eligibility. The taxonomy-eligible operating expenditure was then assessed for taxonomy alignment. The same assessment methodology and logic was used as for the capital expenditure.

The largest proportion of taxonomy-eligible operating expenditure is associated with economic activity CCM 3.3. "Manufacture of low carbon technologies for transport", as these costs ensure the ongoing functioning of the company. Furthermore, costs for short-term leasing in the area of transport by motor vehicles (economic activities CCM 6.5. "Transport by motorbikes, passenger cars and light commercial vehicles" and CCM 6.6. "Freight transport services by road") and costs linked to the maintenance of the associated vehicles were classified as taxonomy-eligible. No taxonomy-aligned percentages could be recorded for the taxonomy-eligible operating expenditure of the three economic activities as either there was a lack of corresponding evidence or they did not fulfill the requirement of substantial contribution to an environmental objective.

Costs arising from the acquisition of company bicycles for employees (bicycle leasing), which are classified as low-value assets, were reported as operating costs and assigned to economic activity CCM 6.4. "Operation of personal mobility devices, cycle logistics". With this economic activity, the Group made a substantial contribution to the environmental objective "Climate change mitigation". In financial year 2024, all necessary evidence to meet the alignment conditions was provided for the company bicycles, representing a change compared to the previous year.

In comparison with financial year 2023, there were no material changes to the amounts in reporting year 2024. When considering the percentages of taxonomy-eligible operating expenditure in the total denominator operating expenditure, there is a slight drop in the proportion of non-taxonomy-aligned OpEx in comparison with the previous year (2024: 90.34%, 2023: 91.63%), while the proportion of taxonomy-aligned OpEx rose slightly (2024: 0.67%, 2023: 0.00%).

## EU TAXONOMY: NOTIFICATION FORMS IN ACCORDANCE WITH DELEGATED REGULATION (EU) 2023/2486

TEMPLATE FOR THE KPIS OF REVENUE <sup>1)</sup>																					
Financial year 2024	Year			Substantial contribution criteria						DNSH-Criteria ("Does Not Significantly Harm")											
Economic activities (1)	Code (2)	Revenue (3)	Proportion of revenues, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) revenue, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)		
		in €m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	0.00%				
Of which enabling		0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	0.00%	E			
Of which transitional		0.0	0.00%	0.00%						-	-	-	-	-	-	-	0.00%		T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Manufacture of low carbon technologies for transport	CCM 3.3.	1,171.7	62.36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											64.48%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,171.7	62.36%	62.36%	0.00%	0.00%	0.00%	0.00%	0.00%											64.48%	
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		1,171.7	62.36%	62.36%	0.00%	0.00%	0.00%	0.00%	0.00%											64.48%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES				<sup>1)</sup> Rounding differences have not been adjusted in the notification form.																	
Turnover of Taxonomy-non-eligible activities		707.3	37.64%																		
Total		1,879.0	100.00%																		

<sup>1)</sup> Rounding differences have not been adjusted in the notification form.



TEMPLATE FOR THE KPIS OF CAPEX (part 1) <sup>1)</sup>																			
Financial year 2024	Year			Substantial contribution criteria						DNSH-Criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in €m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Sorting and material recovery of non-hazardous waste	CE 2.7.	0.2	0.05%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	J	-		
Infrastructure for personal mobility, cycle logistics	CCM 6.13.	0.1	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	J	-	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0.1	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	J	0.01%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5.	0.1	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	J	-	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	3.5	0.77%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	J	0.29%	E	
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>3.9</b>	<b>0.87%</b>	<b>0.82%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.05%</b>	<b>0.00%</b>	<b>J</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.30%</b>		
Of which enabling		3.7	0.82%	0.82%	0.00%	0.00%	0.00%	0.00%	0.00%	J	Y	Y	Y	Y	Y	Y	0.30%	E	
Of which transitional		0.0	0.00%	0.00%						-	-	-	-	-	-	-	0.00%		T

TEMPLATE FOR THE KPIS OF CAPEX (part 2) <sup>1)</sup>																				
Financial year 2024	Year			Substantial contribution criteria						DNSH-Criteria ("Does Not Significantly Harm")										
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
		in €m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of low carbon technologies for transport	CCM 3.3.	360.8	79.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											77.68%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	7.7	1.69%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											3.58%
Freight transport services by road	CCM 6.6.	1.6	0.35%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											1.02%
Acquisition and ownership of buildings	CCM 7.7.	54.2	11.88%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											11.75%
Provision of IT/OT data-driven solutions	CE 4.1.	0.0	0.00%	-	-	-	-	-	-											0.03% <sup>2)</sup>
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		424.3	93.00%	93.00%	0.00%	0.00%	0.00%	0.00%	0.00%											94.07%
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		428.2	93.87%	93.82%	0.00%	0.00%	0.00%	0.05%	0.00%											94.37%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		28.0	6.13%																	
Total		456.2	100.00%																	
1) Rounding differences have not been adjusted in the notification form.																				
2) In financial year 2023, the Computer-Aided Facility Management (CAFM) was allocated to economic activity CE 4.1. and reported as a not taxonomy-aligned activity (A.2). Following a revaluation, for financial year 2024, the CAFM was assigned to economic activity CCM 7.5. and classified as a taxonomy-aligned activity (A.1).																				

TEMPLATE FOR THE KPIS OF OPEX (part 1) <sup>1)</sup>																			
Financial year 2024	Year			Substantial contribution criteria						DNSH-Criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in €m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4.	0.4	0.67%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.4	0.67%	0.67%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%		
Of which enabling		0.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	0.00%	E	
Of which transitional		0.0	0.00%	0.00%						-	-	-	-	-	-	-	0.00%		T

TEMPLATE FOR THE KPIS OF OPEX (part 2) <sup>1)</sup>																				
Financial year 2024	Year			Substantial contribution criteria						DNSH-Criteria ("Does Not Significantly Harm")										
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
		in €m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of low carbon technologies for transport	CCM 3.3.	46.8	85.34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											85.15%
Operation of personal mobility devices, cycle logistics	CCM 6.4.	0.0	0.00%	-	-	-	-	-	-											0.36% <sup>2)</sup>
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	2.7	4.91%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											5.58%
Freight transport services by road	CCM 6.6.	0.1	0.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											0.55%
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		49.5	90.34%	90.34%	0.00%	0.00%	0.00%	0.00%	0.00%											91.63%
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		49.9	91.01%	91.01%	0.00%	0.00%	0.00%	0.00%	0.00%	91.63%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES				1) Rounding differences have not been adjusted in the notification form.  2) In financial year 2023, the company bicycles (bicycle leasing) under economic activity CCM 6.4. were reported as a not taxonomy-aligned activity (A.2). Since all evidence required to meet the alignment conditions was																
OpEx of Taxonomy-non-eligible activities		4.9	8.99%																	
Total		54.8	100.00%																	

<sup>1)</sup> Rounding differences have not been adjusted in the notification form.

<sup>2)</sup> In financial year 2023, the company bicycles (bicycle leasing) under economic activity CCM 6.4. were reported as a not taxonomy-aligned activity (A.2). Since all evidence required to meet the alignment conditions was provided, the activity was classified as a taxonomy-aligned activity for the first time in financial year 2024 (A.1).

in %	PROPORTION OF REVENUE/TOTAL REVENUE		PROPORTION OF CAPEX/TOTAL CAPEX		PROPORTION OF OPEX/TOTAL OPEX	
	Taxonomy- aligned per objective	Taxonomy- eligible per objective	Taxonomy- aligned per objective	Taxonomy- eligible per objective	Taxonomy- aligned per objective	Taxonomy- eligible per objective
CCM	0.00%	62.36%	0.82%	93.82%	0.67%	91.01%
CCA	-	-	-	-	-	-
WTR	-	-	-	-	-	-
CE	-	-	0.05%	0.05%	-	-
PPC	-	-	-	-	-	-
BIO	-	-	-	-	-	-

## EU TAXONOMY: NOTIFICATION FORM IN ACCORDANCE WITH DELEGATED REGULATION (EU) 2022/1214

Following the delegated act in relation to nuclear and natural gas, which has expanded the EU Taxonomy Regulation, only the first table from Annex 7 is reported. Based on the current interpretation of the legal situation, the other notification forms do not have to be filled in and published if all the answers on notification form 1 are "No".

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES		
Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
<b>Fossil gas related activities</b>		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## 4.3 ESRS E1 CLIMATE CHANGE

## STRATEGY

## E1-1 Transition plan for climate change mitigation

A transition plan for climate change mitigation is currently in development. The aim is to complete this transition plan in financial year 2025 and to release it in the next sustainability statement.

**ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

TOPIC	IRO	MATERIAL IMPACTS, RISKS OR OPPORTUNITIES		TIME HORIZON		
				SHORT-TERM	MEDIUM-TERM	LONG-TERM
Climate change mitigation	01	<b>Greenhouse gas emissions (Scope 1 and 2)</b> The PIERER Mobility Group sites generate greenhouse gas emissions that contribute to climate change.	Negative (OO)	X	X	X
	02	<b>Greenhouse gas emissions (Scope 3)</b> Greenhouse gas emissions that contribute to climate change are generated in the Group's up- and downstream value chain. The majority of these emissions are generated during the usage phase of the vehicles (Scope 3.11).	Negative (VC)	X	X	X
	03	<b>New regulations in the field of sustainability focusing on fighting climate change</b> New regulations that have already been published or are still in development, along with any new regulations that may be issued in the future, may require the PIERER Mobility business model to be adapted and therefore constitute a climate-related transition risk.	Risk (OO)			
Climate change adaptation	04	<b>Transitional risks due to the development toward a low GHG society, e.g. declining acceptance of combustion engines</b> Societal developments due to climate change and growing environmental consciousness may require the PIERER Mobility business model to be adapted and therefore constitute a climate-related transition risk.	Risk (OO, VC)			
Energy	05	<b>Consumption of non-renewable energy in vehicle production</b> (Non-)renewable energy sources are used at the sites and, in particular, in vehicle assembly.	Negative (OO)	X	X	X
	06	<b>Consumption of non-renewable energy in the vehicle product usage phase</b> Combustion engines primarily run on fossil fuels.	Negative (VC)	X	X	X
	07	<b>Production and use of renewable energy (Mattighofen and Munderfing)</b> The Group has installed photovoltaic systems and the associated infrastructure at its sites in Mattighofen and Munderfing to generate and use renewable energy	Positive (OO)	X	X	X
	08	<b>Dependence on reliable energy supply for production and assembly activities</b> A failure in the energy supply may lead to restrictions in production and assembly processes.	Risk (OO)			

The analysis of the impact of climate change on the Group's strategy and business model was integrated into the Group's risk management. In this process, two significant transition risks were identified that may have an impact on the Group's business model (see IRO 03 and IRO 04). Here, analysis processes

as described in ESRS 2 SBM-3 and IRO-1 were applied. In addition, a climate risk and vulnerability analysis was carried out for the Group's production sites, which assessed physical climate risks with regard to three climate scenarios over two time periods. The analysis focused on producing business activities. Further information can be found in IRO-1 Additions due to the topical requirements for the materiality assessment and E1-Climate change. The analysis considered various physical climate risks that could have an impact on the Group's locations or its business activities (e.g. heatwaves, river flooding). In a further step of the analysis, the potential impact of physical climate risks on the Group and existing mitigation measures were taken into account. These significantly reduce the potential impact of physical climate risks, meaning that no further action is required for the time being and no significant risk has been identified.

## **IMPACT, RISK AND OPPORTUNITY MANAGEMENT**

### **E1-2 Policies related to climate change mitigation and adaptation**

#### **Environmental policy**

The environmental policy provides the framework for environmentally friendly behaviour within the Group. It is regularly updated and published on the PIERER Mobility AG website, where it can be accessed at any time by internal and external stakeholders.<sup>16</sup> The environmental policy was developed within the framework of the ISO 14001:2015-certified environmental management system and applies to defined companies at the Mattighofen, Munderfing and Schalchen sites. Top-level responsibility lies with the Executive Board of KTM AG. The environmental policy covers topics such as managing resources, committing to comply with legal regulations (environmental, occupational health and safety, and climate laws, ordinances, regulations and official requirements), incorporating ecological criteria in procurement, and addressing greenhouse gas emissions over the entire product life cycle. (IRO 01, 02, 03, 04, 05, 06, 07, 08)

VMG produced premium-quality aluminum cast parts. VMG's quality and environmental policy covered how the company handled environmental and climate-relevant matters, its compliance with high quality demands and meeting customer expectations. VMG's environmental management was ISO 14001:2015 certified and managed by an appointed person for this purpose. Top-level responsibility for this lies with the VMG company management. The policy was accessible on the company's website. (IRO 01, 02, 03, 04, 05, 06, 07, 08)

#### **Environmental report**

The environmental report accessible on the Intranet covers the KTM AG company sites falling within the scope of ISO 14001 and is regularly updated. The report describes the environmental performance of the certified companies in relation to, for example, material flows, energy management and emissions into the environment. Objectives, measures and principles of action to improve environmental performance are defined. Top-level responsibility for the internal environmental report lies with the Executive Board of KTM AG. The report is drawn up by Group quality management. (IRO 01, 03, 05, 08)

#### **Code of Conduct**

The Group Code of Conduct forms the basis for a responsible and ethical corporate culture. It applies to all employees, managers and board members, as well as business partners, suppliers, customers and consultants (together referred to as "business partners"). It is also the basis for the business relationships with all business partners (in particular suppliers) and is an integral part of the contract. It describes, among other things, the Group's fundamental approach to sustainability, environmental and climate protection, and animal welfare. Further information on the Code of Conduct (such as its availability, scope of application and relevant responsibilities) can be found in section G1-1. (IRO 01, 02, 03, 04, 05, 06, 07, 08)

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<sup>16</sup> Available at: <https://www.pierermobility.com/en/sustainability/publications>



### E1-3 Actions and resources in relation to climate change policies

In financial year 2024, it was not possible to quantify the reduction in greenhouse gas emissions expected and achieved as a result of the measures taken. This quantification will be established as part of the development of the transition plan for climate change and is therefore expected to be published in financial year 2025. Financial, personnel, organizational and material resources were made available for the management of the material IROs associated with climate change and climate change adaptation in order that the measures listed could be initiated or implemented.

#### Research and development measures

As greenhouse gas emissions increase in the Earth's atmosphere and climate change advances at pace, the Group is well aware of its responsibility to contribute to decarbonization. The Group is committed to embracing new technology and is conducting research to develop new systems with lower greenhouse gas emissions and reduce the emissions of its current systems. (IRO 01, 02, 03, 04, 05, 06)

- **“LiONESS”**: KTM is working in cooperation with various research partners to further develop batteries for L-category vehicles while focusing on energy efficiency and safety. The “LiONESS” project, supported by FFG (an Austrian research promotion agency), aims to develop new simulation and measurement methods. Based on a multi-disciplinary assessment, these developments will make it possible to optimize these battery systems, taking into consideration efficiency, safety and sustainability. This includes, among other things, improving the energy density, the thermal stability and the recyclability of the batteries. Likewise, potential options for a secondary usage of the batteries are being considered. KTM is responsible for product management and for transitioning the targeted developments and methods into the company. Furthermore, there is also a need to incorporate the sustainability requirements developed as part of the project into the general product requirements. The project was launched in March 2024 with the aim of completion in January 2027.
- **“EMotion”**: The four-year research project entitled “EMotion” came to a conclusion in the first quarter of 2024. The aim of the project was to develop energy-efficient electric L-category vehicles. Two prototypes (4 kW and 8 kW) were developed, which enabled progress to be made in various areas including lightweight construction, powertrain efficiency and user-oriented HMI (Human Machine Interface). The final project phase focused on the field testing of the vehicles under real-world conditions. The vehicle tests showed a reduction in energy consumption when in use thanks to eco-coaching approaches, such as recuperation strategies. The acquired expertise and the knowledge gained will be used for further development work on series-production vehicles and in various work processes.
- **H<sub>2</sub>Genset test operation**: In financial year 2024, the Group tested the use of mobile hydrogen-powered generators. One possible area of application is on offroad circuits. Here, a sufficient energy supply for charging electric vehicles is not always guaranteed. Thanks to the mobile hydrogen fuel cell, power can be produced from hydrogen, thereby reducing reliance on local infrastructure. During the test, green hydrogen was used to enable environmentally friendly use of the generator. The test successfully showed that it is possible to use these generators to charge multiple vehicles at the same time. In addition to the lack of emissions, another positive aspect of the hydrogen fuel cell is its low noise pollution when compared with diesel units. In the future, this H<sub>2</sub>Genset generator could be used for test rides and races.
- **“LENS”**: KTM is an active partner of the LENS research project, which is supported by the “Horizon Europe” research and innovation program. The three-year research project (September 2022 – August 2025) supports authorities, cities and legislators in developing suitable measures to reduce noise and air emissions from L-category vehicles. Interventions and best practices to combat noise and pollutant emissions from lightweight vehicles are being developed and promoted. In addition, proposals are being developed for regulations to improve the performance of future vehicles, including emission control under real driving conditions and regulatory enforcement of measures to improve manipulation safety. KTM's contribution over the course of the reporting year included providing test motorcycles and its expertise, and supporting the project partners in preparing the outcome reports.

- **Exchangeable battery systems:** As part of the Group, KTM Forschungs & Entwicklungs GmbH continues its commitment as a founding member of the Swappable Batteries Motorcycle Consortium (SBMC). The consortium aims to make it easier to use L-category lightweight electric vehicles with swappable batteries and to promote the development and use of the charging infrastructure required for this. Common battery specifications facilitate the introduction of swappable battery stations. This is seen as key to the development of low-voltage electric mobility. While activities in 2023 primarily focused on building and validating functional prototypes, those for 2024 covered the transfer of the development results into standardization activities at CEN and ISO level. Another focus point was on preparing for field tests in collaboration with battery manufacturers and operators of battery-changing stations. The KTM research department is also a partner of the “Stan4SWAP” project supported by the EU as part of “Horizon Europe.” One of the aims of this project is to draw up a standardization roadmap for battery-changing systems in L-category vehicles by November 2025.

### **Electric battery-powered motorcycles**

The Group has been researching alternative drive technologies, such as electric battery-powered vehicles, for many years. The Group sells these under its KTM, Husqvarna and GASGAS core brands. Here, the research and development activities are broken down into High Volt (> 60 Volt) and Low Volt (< 60 Volt). In financial year 2024, accrued development costs for electric battery-powered vehicles were allocated to economic activity “3.3 Manufacture of low carbon technologies for transport” pursuant to the EU Taxonomy Regulation and reported as taxonomy-compliant. (IRO 02, 03, 04)

- **KTM FREERIDE E:** In the low-voltage area, financial year 2024 saw the introduction of the fully reworked 2025 KTM FREERIDE E, which is available for sale from financial year 2025 onwards. The newly developed lithium-ion battery has a capacity of 5.5 kWh and can easily be replaced. Full battery charging via a conventional household electricity supply is possible in around eight hours and gives an Enduro riding time of up to three hours. From model year 2026, a full charge should be possible using a 3.3 kW charger within two hours. The working life of the lithium ion batteries is over 1,000 charging cycles before it falls to 80% SoH (State-of-Health). The KTM Freeride E is road-legal and can be ridden with driver's license class A1.
- **GASGAS TXT (in development):** In the future, one of the research and development focus areas will be on further developing the GASGAS TXT model, which is already being used in racing situations at the TrialGP. In comparison with other electric motorcycles, one of the stand-out features is that this model has been developed with a gearbox, gears, a mechanical clutch and an oscillating weight. It is expected that the GASGAS TXT will be added to the Group's product range in the medium-term.
- **KTM E9 (in development):** The KTM E9, which is currently in development, represents a synergy between the fields of e-bikes and e-motocross and aims to attract a new target group. In financial year 2024, an initial vehicle prototype was built and tested both on the test bench and in the field. The plan for 2025 is to progress to series readiness and then transition to production. The KTM E9 will be available as a low-emission and low-noise offroad vehicle that will not require a driver's license.

### **Activities for vehicles with combustion engines**

Work to implement the EU5+ emissions standard for the Group's offroad and street motorcycles was completed. From financial year 2025 onwards, all newly registered vehicles in Europe will meet the EU5+ requirements. (IRO 02, 03, 06)

### **Property management measures**

In order to reduce climate and environmental impacts at its sites, the Group is taking measures to increase energy efficiency and promote the use of renewable energy. These activities focus on the Group's sites in Mattighofen, Munderfing and Schalchen, although measures will also be implemented at its other sites. (IRO 01, 02, 03, 05, 07, 08)

- **Smart meters, energy management & CAFM:** The Group has a smart meter network at its Austrian production sites, and selected other sites, that it plans to continuously develop. The smart meters record detailed energy and consumption data. These data are sent to an energy management software program with the aim of helping to achieve more efficient energy usage. This process is supported by Computer-Aided Facility Management (CAFM), which was newly implemented in financial year 2024. This introduction of CAFM enables more efficient facility management. When combined, these measures improve data availability and form the basis for efficiency and energy-saving measures, which should lead to a reduction in Scope 1 and 2 GHG emissions in future. The investments were identified as taxonomy-compliant and recorded accordingly in the “EU Taxonomy” chapter.
- **Renewable energy from photovoltaics:** Financial year 2024 saw the commissioning of photovoltaic modules on the roofs of the KTM motorsport building (approximately 375 kWp) and a logistics center (approximately 3,705 kWp) at the Munderfing site. The electricity generated is distributed to the Group’s attached plant via its internal energy network, which led to a high internal consumption rate of 80% in financial year 2024. The investments were identified as taxonomy-compliant and recorded accordingly in the “EU Taxonomy” chapter.
- **Conversion to LED lights:** The gradual installation of LED lights is increasing the Group’s energy efficiency. New LED lights were installed at the locations in Mattighofen, Munderfing, Schalchen and Anif in the 2024 financial year. At the same time, smart lighting concepts are being installed to enable usage-specific lighting. The aim of these measures is to continuously reduce energy consumption for lighting and bring about cost savings.
- **Bike and e-charging infrastructure:** To foster more environmentally friendly employee mobility, 120 bike and 12 scooter parking spaces were created at the Mattighofen site in financial year 2024. Furthermore, improvements were made to the charging infrastructure for the pool e-bikes and electric battery-powered company vehicles. These measures may help to reduce the Group’s Scope 3 GHG emissions. The investments were identified as taxonomy-compliant and recorded accordingly in the “EU Taxonomy” chapter.

#### **Further measures to increase efficiency**

Increases in efficiency are one of the key ways of reducing GHG emissions and the use of resources. In financial year 2024, the following measures were implemented (IRO 01, 02, 03, 05, 08):

- **Adaptive Control and Monitoring (ACM) suite:** In order to save energy, time and resources in engine production, the Group implemented the Siemens ACM suite in financial year 2024. The system detects the capacity utilization of linked machines and optimizes their feed speed. This enables machining times to be reduced by around 10% per component. This technology is being used on milling machines used to manufacture engine cases, cylinder heads and cylinders. In addition to increasing efficiency and reducing energy consumption per part, the software package also allows the tools used to be monitored.
- **Engine cold testing:** The introduction of cold tests in engine testing can reduce fuel consumption, maintenance costs, noise emissions and cycle times compared to warm tests. With the new test methods, the engines are no longer operated with fuel. The engine is simply turned over using an asynchronous motor and then the gears are switched through during the starter test. Error detection is similar to that used in the warm method, ensuring that product quality is maintained. Selected engine models are currently being tested using the cold test method. Decisions will be made in financial year 2025 as to whether other models will be switched to this method.

**Measures in aluminum casting at the Vöcklabruck site**

- **Aluminum produced with low GHG emissions:** Aluminum casting at the Vöcklabruck site only uses aluminum that has been produced using energy from renewable sources.
- **Increases in efficiency:** Investigations took place over the course of financial year 2024 into alternative materials with a view to reducing emissions in the manufacture of casting cores. In addition, machine parameters were adjusted, which led to a reduction in both the chemicals used and emissions. What's more, in aluminum casting, measures were successfully implemented to enable the company to react flexibly to changes in the order situation and capacity utilization. When capacity utilization was low, machines were switched off, which naturally brought with it a reduction in energy consumption. (IRO 01, 03)

**METRICS AND TARGETS****E1-4 Targets related to climate change mitigation and adaptation**

With the development of the decarbonization strategy, the Group is establishing targets related to climate change mitigation and adaptation. The strategy and targets are expected to be published in financial year 2025. The effectiveness of the policies and actions in relation to the material IROs is monitored individually by the responsible departments. However, there is not yet an overarching procedure for monitoring effectiveness.

**E1-5 Energy consumption and mix****ESRS E1-5, 37 - 38**

<b>ENERGY CONSUMPTION AND MIX</b>	<b>UNIT</b>	<b>2024</b>
(1) Fuel consumption from coal and coal products	MWh	0,00
(2) Fuel consumption from crude oil and petroleum products	MWh	13,214.16
(3) Fuel consumption from natural gas	MWh	32,048.97
(4) Fuel consumption from other fossil sources	MWh	1,311.00
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	2,449.00
<b>(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)</b>	<b>MWh</b>	<b>49,028.88</b>
Share of fossil sources in total energy consumption		63.34%
<b>(7) Consumption from nuclear sources</b>	<b>MWh</b>	<b>270.65</b>
Share of consumption from nuclear sources in total energy consumption		0.35%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	561.51
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	24,316.35
(10) The consumption of self-generated non-fuel renewable energy	MWh	3,232.46
<b>(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)</b>	<b>MWh</b>	<b>28,110.32</b>
Share of renewable sources in total energy consumption		36.31%
<b>Total energy consumption (calculated as the sum of lines 6, and 11)</b>	<b>MWh</b>	<b>77,409.84</b>

**Energy production (ESRS E1-5 39)**

ENERGY SOURCE	UNIT	2024
Renewable sources (photovoltaics)	MWh	4,276.87
Non-renewable sources	MWh	0.00

The energy intensity from activities in high climate impact sectors per net revenue (from activities in high climate impact sectors) was 0.04 MWh/kEUR in financial year 2024.

The average CO<sub>2</sub> emissions of the reported motorcycle fleet of 325,907 units were 96.12 g/km<sup>17</sup> in financial year 2024 (internal calculation by PIERER Mobility AG). Non-road-legal models were also included for the first time, which resulted in an observed increase in average consumption compared to the previous year. Excluding the non-road-legal models led to average emissions of 79.01 g/km (2023: 80.11 g/km). This therefore represents a 2.77% reduction in CO<sub>2</sub> emissions of road-legal models compared with base year 2016 (2023: 1.42%). A comparison of the entire fleet, including non-road-legal models, is not possible because non-road-legal models were not recorded for the base year. The average fuel consumption for road-legal models in comparison with 2023 fell by 0.05 l/100 km, sitting at 3.37 l/100 km in fuel consumption in financial year 2024.<sup>18</sup> The average fleet consumption for all models was 4.13 l/100 km. The fleet consumption of road-legal models fell by 3.63% compared with base year 2016 (2016: 3.5 l/100 km).

**Share of bikes without a combustion engine and investments in R&D for alternative drive technologies (company-specific figures)**

In financial year 2024, a total of 75,852 (previous year: 116,410) electric motorcycles, electric bikes and electric scooters were sold. The share of all bikes without a combustion engine was 33.9%.<sup>19</sup>

RESEARCH AND DEVELOPMENT (R&D)	UNIT	2024
Number of employees in R&D	Headcount	1,173
Share of employees in R&D of all employees		22.1%
R&D investments (rounded, development costs incl. tools)	€m	175
thereof investments in alternative drive technologies	€m	27.8
R&D expenditure from turnover		12.5%

<sup>17</sup> Since 01/2016, all L-category vehicles in the EU must be registered according to the new type test cycle WMTC. This concerns all two-, three- or four-wheel vehicles according to Article 4 and Annex I (Enduro motorcycles (L3e-AxE (x = 1, 2 or 3)), trial motorcycles (L3e-AxT (x = 1, 2 or 3)) and heavy off-road quads (L7e-B)) of EU Regulation 2013/168/EU, which are intended to be driven on public roads. The fleet value is based on the homologated test values according to WMTC.

<sup>18</sup> The consumption is based on the homologated test values according to WMTC.

<sup>19</sup> In financial year 2023, electric balance bikes were included in the list. Due to a system-side process adjustment, these are not reported in the 2024 list. The value for 2024 includes electric motorcycles, electric bicycles, e-scooters and non-e-bicycles.

**E1-6 Gross scopes 1,2,3 and total GHG emissions****ESRS E1-6, 48-52**

<b>SCOPE 1 GHG EMISSIONS</b>	<b>UNIT</b>	<b>2024</b>
Gross Scope 1 GHG emissions	t CO <sub>2</sub> e	13,172.63
thereof GHG emissions of fully consolidated companies	t CO <sub>2</sub> e	12,778.83
thereof GHG emissions of associated companies with operational control	t CO <sub>2</sub> e	393.80
Percentage of Scope 1 GHG emissions from regulated emission trading schemes		0.19%
<b>SCOPE 2 GHG EMISSIONS</b>		
Gross location-based Scope 2 GHG emissions	t CO <sub>2</sub> e	5,737.09
thereof GHG emissions of fully consolidated companies	t CO <sub>2</sub> e	3,993.26
thereof GHG emissions of associated companies with operational control	t CO <sub>2</sub> e	1,853.83
Gross market-based Scope 2 GHG emissions	t CO <sub>2</sub> e	3,394.62
thereof GHG emissions of fully consolidated companies	t CO <sub>2</sub> e	1,540.79
thereof GHG emissions of associated companies with operational control	t CO <sub>2</sub> e	1,853.83
<b>SIGNIFICANT SCOPE 3 GHG EMISSIONS</b>		
<b>Total Gross indirect (Scope 3) GHG emissions</b>	<b>t CO<sub>2</sub>e</b>	<b>1,647,470.40</b>
1 Purchased goods and services	t CO <sub>2</sub> e	285,666.53
2 Capital goods	t CO <sub>2</sub> e	26,494.11
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	t CO <sub>2</sub> e	Not significant
4 Upstream transportation and distribution	t CO <sub>2</sub> e	82,519.56
5 Waste generated in operations	t CO <sub>2</sub> e	Not significant
6 Business traveling	t CO <sub>2</sub> e	Not significant
7 Employee commuting	t CO <sub>2</sub> e	Not significant
8 Upstream leased assets	t CO <sub>2</sub> e	Not relevant
9 Downstream transportation	t CO <sub>2</sub> e	Not relevant
10 Processing of sold products	t CO <sub>2</sub> e	Not relevant
11 Use of sold products	t CO <sub>2</sub> e	1,252,790.20
12 End-of-life treatment of sold products	t CO <sub>2</sub> e	Not significant
13 Downstream leased assets	t CO <sub>2</sub> e	Not relevant
14 Franchises	t CO <sub>2</sub> e	Not relevant
15 Investments	t CO <sub>2</sub> e	Not significant
<b>TOTAL GHG EMISSIONS</b>		
Total GHG emissions (location-based)	t CO <sub>2</sub> e	1,666,382.14
Total GHG emissions (market-based)	t CO <sub>2</sub> e	1,664,039.66

**ESRS E1-6, 54**

<b>ENERGY INTENSITY PER NET REVENUE</b>	<b>UNIT</b>	<b>2024</b>
Total GHG emissions (location-based) per net revenue	t CO <sub>2</sub> e / €k	0.89
Total GHG emissions (market-based) per net revenue	t CO <sub>2</sub> e / €k	0.89

## CALCULATION PRINCIPLES AND ASSUMPTIONS

### Principles and assumptions for E1-5 Energy consumption and mix

DATAPOINT, DISCLOSURE	DESCRIPTION
<b>The PIERER Mobility Group's energy consumption and mix (E1-5 37 a-c, 38 a-e, 39)</b>	<p>Due to the complexity of the company structure, a bimodal approach was used to calculate energy consumption values. Consumption values and activities at the sites of the most relevant subsidiaries (selection criteria: number of employees &gt; 49 on reporting date 12/31/2024 or producing company) were recorded directly. Consumption values and activities at the sites of all other subsidiaries were calculated by extrapolation based on the data collected of internally comparable companies. Where the available consumption and activity data were incomplete, these were also determined by extrapolation. Energy consumption values of associates and investments were not included in the calculation.</p> <p>Depending on the site, the data collected were based on invoices or meter readings as well as internal evaluations. Care was taken to use comparable companies as a basis for the extrapolations. Consumption at VMG and the Graz site was estimated on the basis of the previous year's figures. Due to changes in the scope of consolidation, VMG was only included in the balance sheet of the Group for three months.</p>
<b>CO<sub>2</sub> emissions and fuel consumption of products pursuant to WMTC cycle (company-specific disclosure)</b>	<p>The calculation for CO<sub>2</sub> emissions and fuel consumption of the sold vehicle fleet is based on the specifications and assumptions of the World-Harmonized Motorcycle Test Cycle (WMTC). This method was chosen because it provides a globally harmonized approach. Previously, the calculations were based on the specifications and assumptions of the New European Driving Cycle (NEDC) or the voluntary commitment of the ACEM (European Association of Motorcycle Manufacturers). When the WMTC test cycle and the EURO 4 emissions standard were introduced on January 1, 2016, the reporting year 2016 was chosen as the base year. To allow better understanding, the vehicle consumption is not stated in joules, but as usual in l/100 km. Non-road-legal models were taken into account in the calculation for the first time in financial year 2024.</p>
<b>Energy intensity of activities in high climate impact sectors (E1-5 40)</b>	<p>The ESRS classification was followed to determine the energy intensity per net revenue in connection with activities in high climate impact sectors. In line with this, sectors in sections A to H and section L of Regulation (EU) 2022/1288 are considered to be high climate impact. When considering these sections and analyzing the Group's revenue-related economic activities, it is apparent that these activities generate external revenue in sectors specified in sections C (manufacturing), G (wholesale and retail trade; repair of motor vehicles and motorcycles) and L (real estate activities). The relevant business areas were taken into consideration in the assessment. This assessment included activities connected with manufacturing or trade, for example consumption in research and development. Therefore, only the subsidiaries Avocodo GmbH and PIERER Innovation GmbH were classified as non-climate-intensive. Due to a different segment definition in the financial reporting, a direct reconciliation is not possible. Net revenue can be found in section III "Segment reporting" of the Notes.</p>

## Principles and assumptions for E1-6 Gross GHG emissions

DATAPOINT, DISCLOSURE	DESCRIPTION
<b>Gross GHG emissions, general disclosures</b>	<p>The provisions of the GHG protocol formed the basis for calculating the Group's greenhouse gas emissions (GHG emissions). Particular attention was paid to the use of emission factors, which look at the climate-changing greenhouse gases CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>, collectively referred to as CO<sub>2</sub>e. Further information on the emission factors used can be found in direct connection with the scopes.</p> <p>Due to the complexity of the company structure, a bimodal approach to calculating GHG emissions was used, similar to that used for energy requirements (E1-37 a-c, 38a-e, 39). GHG emissions of associates were taken into consideration in the balance sheet, with a distinction made between companies with and without operational control, taking into account the position of the companies in the up- and downstream value chain. Investments (&lt;20% equity holding) without operational control and that are not part of the Group's value chain were not considered to be material to the GHG balance sheet and therefore not taken into consideration.</p> <p><b>Data accuracy and outcome certainty:</b> Due to the use of extrapolation, average sector data and emission factors, the GHG balance sheet is subject to a certain level of inaccuracy. The assumptions made are described in greater detail in the sections below.</p>
<b>Scope 1 greenhouse gas emissions (E1-6 48a-b, 50a-b)</b>	<p>Scope 1 GHG emissions include the Group's direct emissions (combustion processes). This includes emissions from local heating systems, test benches, coolants and the Group's vehicle fleet. Emission factors developed by the UK Government Department for Energy Security and Net Zero (DESNZ) were used to calculate the GHG emissions. The Scope 1 balance sheet also takes into consideration emissions subject to regulated emissions trading schemes. This relates to only 0,19% of total Scope 1 GHG emissions. For these emissions, the emission factor used in the emissions trading scheme was used. Biogenic emissions were taken into account through the choice of emission factors or calculated separately (e.g. pellets). The latter amounted to 12.03 tonnes of CO<sub>2</sub>e.</p>
<b>Scope 2 greenhouse gas emissions (E1-6 49a-b, 50 a-b)</b>	<p>The Scope 2 GHG emissions were determined using both market-based and location-based methods. These emissions sources include the Group's power consumption. Where possible, attention was paid to ensure the use of market-specific emission factors for the market-based method. It was contractually established to a certain extent at the Group's Austrian sites that energy comes from renewable sources. In some cases, the electricity source is not governed by contract, but the energy provider subsequently reports the power provided as renewable. The market-based emission factors were adjusted correspondingly. Market-based emission factors were not available for the other sites, as a result of which the emission factors of the location-based method were used. Location-based emission factors were used for 23% of consumed energy (in kWh) under the market-based method. For the location-based method, the DESNZ emission factors and factors from the Industrial Design &amp; Engineering MATerials database (IDEMAT) were used. The database does not show the proportion of biogenic emissions separately so these cannot be reported separately.</p>
<b>Scope 3 greenhouse gas emissions (E1-6 51)</b>	<p>The calculation of the Scope 3 GHG emissions is based on the PIERER Mobility Group's activity data and associated emissions in the up- and downstream value chain. No specific emissions data (0%) from suppliers were used to calculate the Scope 3 GHG emissions. Biogenic emissions are reported. After estimating the GHG emissions per sub-scope, a materiality threshold of 1% of total Scope 3 GHG emissions was set. This meant that only sub-scopes that accounted for more than 1% of the Scope 3 GHG emissions were reported and included in the overall balance. In addition, the relevance of the sub-scopes for individual companies was taken into account and these were identified as not material for some divisions.</p>
<b>3.1 Purchased goods and services</b>	<p>When determining the GHG emissions in connection with purchased goods and services, a method was used that differentiates between series purchasing for motorcycle production and non-series purchasing. In addition, flows of goods purchased for trade purposes were recorded by means of quantitative extrapolation. The GHG emissions from series purchasing were calculated based on groups of goods with DESNZ and IDEMAT emission factors and factors developed by the German Federal Office for Economic Affairs and Export Control (BAFA) (average data method). Due to the complex calculations, information by group of goods for the KTM Group is not available at the time of publication of this report. As a result, the relevant GHG emissions were calculated on the basis of data from the previous year and adjusted using production quantities. The expenditure-based approach was selected to calculate</p>



	emissions for non-series purchasing, using the emission factors developed by the UK Government Department for Environment, Food & Rural Affairs (DEFRA). <sup>20</sup>
3.2 Capital goods	GHG emissions from capital goods were calculated using the spend-based approach on the basis of CapEx data (excluding leases). DEFRA emission factors were used for this purpose.
3.3 Fuel and energy-related activities (not included in Scope 1 or 2)	Scope 3.3 was not considered material. Emissions were less than 1% of total Scope 3 GHG emissions.
3.4 Upstream transportation and distribution	GHG emissions from transport and logistics processes were calculated using the spend-based approach on the basis of the corresponding cost. DEFRA emission factors were used for this purpose.
3.5 Waste generated in operations	Scope 3.5 was not considered material. Emissions were less than 1% of total Scope 3 GHG emissions.
3.6 Business travel	Scope 3.6 was not considered material. Emissions were less than 1% of total Scope 3 GHG emissions.
3.7 Employee commuting	The estimated GHG Emissions were less than 1% of total Scope 3 GHG emissions.
3.8 Upstream leased assets	GHG emissions from the operation of leased assets are already included in Scope 1 and 2.
3.9 Downstream transportation and distribution	No relevant downstream transportation of the Group's products takes place. Emerging emissions are assigned to the product usage phase (Scope 3.11) or are reported under Scope 3.4.
3.10 Processing of sold products	No relevant processing of sold products takes place. In accordance with the GHG protocol, no emissions are reported in this category.
3.11 Use of sold products	Emissions from motorcycles, e-bikes and cars sold were calculated. For the motorcycles, the energy requirement in l/100 km or kWh/100 km is recorded directly using the WMTC cycle. DESNZ emission factors were used, with particular attention paid to recording well-to-wheel emissions. GHG emissions from e-bikes and cars were calculated using the average data method with Mobitool (v 3.0) emission factors. In some cases, assumptions were made regarding the lifetime mileage of the vehicles in order to calculate GHG emissions in the product usage phase. For non-homologated vehicles, assumptions were also made regarding consumption in l/100 km or kWh/100 km.
3.12 End-of-life treatment of sold products	Scope 3.12 was not considered material. Emissions were less than 1% of total Scope 3 GHG emissions.
3.13 Downstream leased assets	The offering of leased goods by the Group is not a material line of business. Any income resulting from this is low compared to the total revenue, and therefore, Scope 3.13 is not considered to be material and any resulting GHG emissions are not reported.
3.14 Franchises	The Group has no franchising. Consequently, no GHG emissions are reported for this sub-scope.
3.15 Investments	GHG emissions of associates without operational control with equity holdings ≥ 20% (see BP-1) were combined under Scope 3.15. GHG emissions for Kiska GmbH and LX media GmbH were recorded using a key based on headcount and included proportionately in the Group balance sheet. To calculate the GHG emissions of Zhejiang CFMOTO-KTMR2R Motorcycle Co., Ltd, Hangzhou City, a key was calculated on the basis of the quantities produced and emissions reported proportionately. Scope 3.15 was not considered material. Emissions were less than 1% of total Scope 3 GHG emissions.
<b>Greenhouse gas intensity of the products (E1-6 54)</b>	To calculate the GHG intensity per net revenue, the total GHG emissions (location-based and market-based) were used, taking into consideration all units of business as denominators. The numerators are composed of the total net revenue as given in section III. "Segment reporting" of the Notes.

<sup>20</sup> The emission factors were accessed at: [https://carbonsaver.org/tools/carbon\\_factors\\_database.php](https://carbonsaver.org/tools/carbon_factors_database.php)

## 4.4 ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

### STRATEGY

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with resource use and circular economy

TOPIC	IRO	MATERIAL IMPACTS, RISKS OR OPPORTUNITIES		TIME HORIZON		
				SHORT-TERM	MEDIUM-TERM	LONG-TERM
Resource inflows, including resource use	<b>09</b>	<b>Consumption of primary and secondary materials in production processes</b> Primary and secondary materials such as aluminum, steel and plastics are required for the manufacture of the PIERER Mobility Group's products.	Negative (VC)	X	X	X
	<b>10</b>	<b>Risk of delays in the supply chain and limited material availability</b> Delays in the supply chain and limited material availability may delay the production process.	Risk (VC, OO)			
Resource outflows related to products and services	<b>11</b>	<b>Long-term commitment of resources to products and a resource cycle that is not fully closed</b> Valuable resources and raw materials are tied up in the Group's products for long periods. Once the product life cycle has come to an end, the Group cannot guarantee that all raw materials will be fully returned to the cycle.	Negative (OO, VC)		X	X

### IMPACT, RISK AND OPPORTUNITY MANAGEMENT

#### E5-1 Policies related to resource use and circular economy

##### Code of Conduct

The Code of Conduct forms the basis for a responsible and ethical corporate culture and is binding for employees, managers, board members and business partners. It describes, among other things, the Group's fundamental approach to conflict minerals, chemicals and hazardous substances. Further information on the Code of Conduct (such as its availability, scope of application and relevant responsibilities) can be found in section G1-1. (IRO 09, 10, 11)

##### Environmental policy and internal environmental report

The environmental policy drawn up as part of the ISO 14001 certification and the associated internal environmental report describe how the Group monitors material flows and handles resources. Further information (such as availability, key contents, scope of application and relevant responsibilities) can be found in section E1-2. The same applies to the quality and environmental policy of the Group's aluminum foundry VMG. (IRO 09, 11)

So far, the Group's policies do not specifically address the shift away from the use of primary raw materials, including the increased use of secondary (recycled) resources.

**Guideline on responsible procurement of raw materials for aluminum casting**

Group company VMG does not use materials produced illegally or under ethically objectionable conditions. This is laid down in its guideline on responsible procurement of raw materials. Likewise, it does not use raw materials with conflict minerals subject to embargoes or import restrictions. The guideline, which is accessible internally, was under the responsibility of the VMG management. (IRO 09)

**E5-2 Actions and resources related to resource use and circular economy**

Conservation of natural resources is a multifaceted process that can be looked at from various perspectives: product design, use of materials and the process to be followed. The design of the Group's bikes and motorcycles fosters their reparability and recyclability. By replacing or maintaining individual components, product usage can be extended. The owner's manuals for the products provide customers and workshops with information about the service intervals to be observed. In addition, authorized workshops receive regular training on how to correctly perform the work required. Further information on this can be found in section S4 Figures and Targets. Using alternative raw materials (for example recycled plastics) can promote the circular economy.

**Promote circular economy through the use of secondary raw materials**

The Group endeavors to consider the impact of its products on the climate and environment at the design stage and throughout their life cycle. This means it creates more durable, easily repairable products that can, where possible, be broken down into reusable or recyclable parts and materials at the end of their useful life. (IRO 09, 10, 11)

- **Using recycled plastics:** In order to increase the proportion of recycled materials in products and promote the circular economy, an analysis of the plastic components used was carried out in the 2024 financial year, which were categorized into three requirement classes. The aim was to identify components that can be manufactured from recycled plastics available on the market without compromising their mechanical and visual properties. To date, prototype components of a plastic frame protector could be manufactured from ecologically and economically favorable recycled plastics. These prototypes have been tested on the test bench and during road tests.
- **Closed-loop recycling plastics:** The project entitled "closed-loop recycling plastics" is a further development of the general analysis into the use of recycled plastics and was also launched in financial year 2024. The division of the plastic components installed in series products into requirement classes, which has already been established, also serves as the basis for closed-loop recycling. The aim here is to identify suitable components that meet relevant requirements, such as material type, color, ability to be combined with other materials and ability to be dismantled. Internally available material sources that can be fed back into the cycle and are available in sufficient quantities were identified. In collaboration with external partners, the plastic waste identified was recycled into plastic compound for further use in component manufacture. In the subsequent step, the plastic compound was processed into new components. These components are currently undergoing material and component testing in the laboratory and road tests. The primary aim of the project is to provide insights into the technical feasibility of the closed-loop process.

**Conservation of resources in production and development processes**

Resources such as energy and metals are used in the development and manufacture of motorcycle components and in their assembly. The Group is continuously taking measures to reduce its resource consumption.

- **Karopack machine:** Following a trial of the Karopack machine in 2023, it was integrated into the Group's ongoing processes in financial year 2024. The machine at the Mattighofen site shreds cardboard waste and processes it for reuse as filling material for shipping. This can then replace the majority of the purchased filling material formerly used. Investments made in financial year 2024 were identified as taxonomy-compliant and recorded accordingly in the "EU Taxonomy" chapter. (IRO 09, 10, 11)
- **Promoting system simulations:** R&D is working on various simulation methods with the aim of increasing resource conservation and reducing greenhouse gas emissions in the development process. Through computer-aided component backups, functional checks and optimizations in the development process, fewer physical prototypes will be required in future. This leads to a reduction in material and energy consumption. Resource consumption can also be reduced in production thanks to the virtually optimized motorcycle and its components. Finally, simulations enable long-term considerations for the development of more durable products, through which we can reduce the demand for spare parts and new products. A comprehensive virtual prototype (digital twin) is currently in development as part of a development project. This can further minimize resource consumption by better connecting simulations and further synchronizing them with tests and physical prototypes. Due to the complexity of the digital twin, its entry into use is not expected for a few years (medium- to long-term time horizon). (IRO 09, 11)
- **Packaging management:** Optimizing material flows both to and from production in Mattighofen and Munderfing is a key aspect of efficient supply and disposal processes. Here, logistics planning plays a crucial role and packaging management becomes especially important. The aim is to design and optimize packaging and load carriers in such a way that processes run more smoothly and efficiently throughout the value chain. One promising approach here is the increased use of multi-use load carriers and packaging. Operationally, the use of multi-use packaging is being accelerated for local suppliers in particular. Packaging tests are being carried out to identify waste and develop universal packaging solutions for a range of items. Furthermore, the packaging regulations for supply partners are being reworked with the aim of serving as a useful guide when designing packaging for purchased parts.

The use of multi-use containers at the Vöcklabruck production site has also helped to promote the circular economy in the field of packaging. Selected supplied products were delivered in multi-use containers. The aluminum cast parts were transported in multi-use containers (gitterboxes and pallet boxes on Euro pallets) internally and even when they left the site. (IRO 09, 10, 11)

- **Energy-saving measures** are described in more detail in section E1-3.

**Measures for addressing the risk of delayed deliveries or limited material availability**

In order to reduce the procurement risk, the Group has defined the use of "second sources" in its purchasing strategy for certain groups of goods. The aim here is to diversify the supply chain. The purchasing strategy is supplemented by multiple goods group strategies, which are set to be further developed over the course of financial years 2024 and 2025. The Group also carries out supplier risk assessments of tier-1 suppliers, the results of which are incorporated into the product group strategies. (IRO 10)

## METRICS AND TARGETS

### E5-3 Targets related to resource use and circular economy

To date, no targets have been set for the IROs relating to resource use and circular economy. The effectiveness of the policies and actions in relation to the material IROs is monitored individually by the responsible departments. However, there is not yet an overarching procedure for monitoring effectiveness.

### E5-4 Resource inflows

#### Materials used by weight (entity-specific disclosure)

MATERIAL	UNIT	2024
Steel	t	15,188.49
Aluminum	t	14,085.50
Cardboard	t	5,324.96
Plastic	t	3,573.99
Rubber	t	1,995.78
Electronics	t	799.13
Carbon <sup>21</sup>	t	348.18
Copper	t	274.43
Accumulators <sup>22</sup>	t	264.72
Textile	t	134.32
<b>Total</b>	<b>t</b>	<b>41,989.49</b>

#### ESRS E5-4, 31a-c

	UNIT	2024
Total weight of products and materials used		
Proportion of sustainably sourced biological materials in total weight	t	0%
Weight of reused or recycled secondary components, products or materials used		
Proportion of reused or recycled secondary components, products or materials used	t	0%

### E5-5 Resource outflows

One of the Group's core activities is the assembly of two- and four-wheel vehicles. Both means of transport have a multi-year working life under normal usage and can be repaired and dismantled. In this way, a large amount of the materials used can be returned to the cycle. Particular attention is paid to lightweight construction for both motorcycles and cars. The Group's product range also includes (e-)bikes and IT solutions.

#### ESRS E5-5 36a-c

The expected working and useful life of the Group's vehicles depends on the way customers use and maintain the vehicles and can therefore vary widely. In the case of street motorcycles, the Group expects a lifetime mileage of around 70,000 kilometers. This figure is around 10,000 kilometers for offroad motorcycles. In the case of e-bikes, a lifetime mileage of 10,000–12,000 kilometers is expected. Similar values can be seen in industry comparisons. The industry comparison values are based on estimates and online research and are therefore subject to great uncertainty. The expected lifetime mileage of one of the Group's cars is around 14,000 kilometers. It is not possible to conduct an industry comparison here because there are barely any comparable products (road-legal high-performance sports cars) on the market. The Group's vehicles can be repaired easily. Spare parts are available. The Group's trained network of dealers and workshops also helps to extend the working life of the products. Further information on this can be found in section S4-4 and the associated figures and targets. Around xx% of products and their packaging (multi-use packaging not included here) can be recycled.

<sup>21</sup> This figure only represents the weight of the carbon components on bicycles.

<sup>22</sup> The figure given represents only the weight of the e-bicycle batteries. Motor batteries are listed in the electronics materials group.

## CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS DISCLOSURE REQUIREMENT	PARAGRAPH	DATAPOINT, DISCLOSURE	CALCULATION PRINCIPLES AND ASSUMPTIONS
Materials used by weight (entity-specific disclosure)			<p>The Group performs a material flow analysis annually to determine the materials used for motorcycle series production at its Mattighofen, Munderfing and Schalchen sites. Due to the complexity of the data, they will not be available until part-way through the next year. For this reason, the reported material flows were extrapolated on the basis of the quantities produced. In addition, material flows for motorcycles that were produced at other sites or procured externally, and the X-BOWs offered by the Group, were extrapolated based on quantities. Material flows in connection with supporting business processes and those due to bicycle trade (quantity-based extrapolation) were added. Non-series purchasing was not considered to be material in this context and was therefore not taken into consideration in this configuration.</p>
E5-4	30	Description of resource inflows	<p>For the method used to record the total weight of products and materials used, please refer to the entity-specific disclosure "materials used by weight".</p> <p>Primary data on the upstream value chain could not be included due to the complexity of the value chain. Attempts have been made to obtain a more comprehensive overview of the value chain by means of the Value Chain Risk Analysis. However, this has not yet been finalized.</p> <p>Information on the proportion of sustainably sourced biological materials could not be reported. To be classified as sustainable, a raw material must be certified in accordance with a recognized certification system. Due to the aggregation of the resource inflows at goods group level, this detailed assessment and subsequent reporting of the proportion of sustainably sourced biological materials was not possible.</p> <p>The reported value for reused or recycled components represents the proportion of secondary aluminum and secondary steel. The German aluminum/steel mix was used for this calculation. The proportion reported is therefore subject to a high degree of outcome uncertainty.</p>
E5-5	36a	Expected durability	<p>The expected durability of the vehicles marketed by the Group was estimated based on test data (e.g. working life of the engines) and assessments from customer service. The disclosures relating to the value chain are based on estimates and online research and are therefore subject to a high degree of outcome uncertainty. For cars, no comparison values are given as there are hardly any comparable products (road-legal high-performance sports cars) on the market. For IT solutions, the disclosure was not considered to be relevant.</p>
E5-5	36b	Reparability	<p>The vehicles marketed by the Group can be repaired easily. Spare parts are available.</p>
E5-5	36c	Recyclable proportion of products and packaging	<p>The materials steel, aluminum, plastic and cardboard have been classified as recyclable and their proportions in products and packaging have been reported accordingly.</p>

## 4.5 ESRS S1 OWN WORKFORCE

## STRATEGY

**ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with own workforce**

TOPIC	IRO	MATERIAL IMPACTS, RISKS OR OPPORTUNITIES		TIME HORIZON		
				SHORT-TERM	MEDIUM-TERM	LONG-TERM
Secure employment	12	<b>Restructuring has led and continues to lead to uncertainty, redundancies and dissatisfaction</b> Restructuring measures can lead to redundancies, uncertainties and dissatisfaction among an undertaking's own workforce. The negative impact arises from the Group's current economic situation. (one-off event)	Negative (OO)	X	X	
	13	<b>Temporary reduction in working hours<sup>23</sup></b> As part of cost reductions, a reduction in working hours and pay was agreed, which may have negative impacts on employees. (one-off event)	Negative (OO)	X		
	14	<b>Personnel risk and lack of skilled workers</b> High levels of staff turnover can lead to an outflow of knowledge and, in the long-term, a shortage of skilled workers.	Risk (OO)			
Health and safety	15	<b>Serious occupational accidents can occur in production and during test rides</b> Serious occupational accidents, especially those involving production employees or test riders, cannot always be prevented. (one-off event)	Negative (OO)	X	X	X
Training and skills development	16	<b>Securing future prospects and developing employee skills through further training opportunities</b> Through further training opportunities, the Group helps its employees to secure their future prospects and to develop their skills.	Positive (OO)	X	X	X
Equal treatment and equal opportunities for all	17	<b>Intercultural cooperation and individual development</b> The Group brings together people of many different nationalities and age groups, which creates fresh momentum and allows employees to learn from one another.	Positive (OO)	X	X	X
	18	<b>Gender disparity in pay and leadership positions</b> The Group has a greater proportion of male employees, both in the overall workforce and on the management team. The gender pay gap of the Austrian sites is 18.9%. <sup>24</sup> (systemic)	Negative (OO)	X	X	X
Data protection	19	<b>Risk of data loss or misuse</b> A potential loss or misuse of personal data affects the rights of data subjects. (systemic)	Negative (OO)	X	X	X
	20	<b>Violation of data protection regulations and subsequent fines</b> Violating data protection regulations can lead to heavy fines.	Risk (OO)			

<sup>23</sup> No policies, measures or targets have been established in relation to the temporary reduction of working hours and pay, as the impact of this change will only be temporary.

<sup>24</sup> Further information about the gender pay gap, including the calculation method, can be found in S1-16.

The Group's workforce was taken into account when determining material impacts, risks and opportunities and in the reporting for "ESRS 2 General disclosures". Potentially affected own workers were identified in the course of the double materiality assessment (see IRO-1), in which both the activities and the working environment were taken into account, as well as the characteristics of the workforce. Among other measures, discussions were held with personnel management experts and employee representatives during the assessment, in order to gain a better understanding of the potential impacts. There have been no negative impacts on own workers as a result of transition plans for reducing negative impacts on the environment and achieving greener and more climate-neutral operations, as the Group has not yet finalized transition plans (see also section E1-1). On the reference date of December 31, 2024, the Group employed a total of 5.310 people, 2.129 of which are blue-collar workers and 3.358 of which are white-collar workers. By the end of financial year 2024, all but four temporary workers in the Group had been reduced, meaning that IRO 12 in particular also applies to this group of employees. Further information about the workforce can be found in section "S1-6 Characteristics of the undertaking's employees".

**Information on the current economic situation:**

A special situation has arisen at the PIERER Mobility Group as a result of the restructuring proceedings initiated in November 2024 under the responsibility of its core holding KTM AG (and two subsidiaries). A restructuring plan had to be agreed with creditors within 90 days (by the end of February 2025). The continued existence of the Group was to be secured through a reduction in size. During the restructuring, there was a reduction in production volume and number of employees, which could lead to uncertainties and dissatisfaction among the Group's own workforce.

**IMPACT, RISK AND OPPORTUNITY MANAGEMENT****S1-1 Policies related to own workforce**

The Group has defined the following policies with regard to the IROs in connection with its workforce. The Group respects human rights and promotes fair working conditions. Employees can contact their managers, the works council, company doctors, occupational psychologists, the HR or legal department or safety specialists at any time or can communicate via the whistleblower system.

**Occupational Health and Safety Policy**

The Group strives to create a working environment in which employees are optimally protected from risks to their health or injury by means of suitable measures and processes. The Occupational Health and Safety Policy covers the most important principles and measures for protecting the health of its employees. In addition, numerous safety training sessions and courses have been introduced to maintain a high level of safety and to prevent accidents at work. The Occupational Health and Safety Policy is available on the Group's website.<sup>25</sup> The Health & Safety team is responsible for the targeted further development of occupational health and safety initiatives for KTM AG employees. It is supported by safety experts and occupational health and psychology specialists. At the top level, the Executive Board or management is responsible for implementing the policy.

Occupational health and safety at the Vöcklabruck production site (aluminum casting) was based on the principle of preventing/minimizing the risk before the implementation of technical, organizational and personal measures and was described in VMG's occupational health and safety guidelines. The policy described the prevention of hazards, the handling of chemicals and the organization of occupational health and safety. Company management at VMG was responsible for this internal policy. (IRO 14, 15)

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<sup>25</sup> Available at: <https://www.pierermobility.com/en/sustainability/publications>



**Diversity and Anti-Discrimination Policy**

The Diversity and Anti-Discrimination Policy governs how diversity is to be experienced and promoted within the Group and how different forms of discrimination and harassment are prevented. The policy does not just cover employees' workplaces, but also explicitly takes work-related settings and online situations into account. It applies to all employees, managers and board members worldwide. The policy defines relevant terms and helps employees to identify inappropriate behaviors. Nationality, skin color, ethnic or national origin, sex, sexual orientation, religion, age, ideology, culture, state of health or other aspects governed by local laws are mentioned as possible reasons for discrimination. Should violations of the guidelines occur, reporting options are outlined, such as the internal compliance contact point or the whistleblower system. The Group always strives to ensure complete confidentiality. No employee should suffer disadvantages as a consequence of reporting a violation of the policy in good faith. The Diversity and Anti-Discrimination Policy is available on the company's website.<sup>26</sup> The relevant managers and ultimately the Executive Board or company management are responsible for the implementation of the policy. (IRO 14, 17, 18)

**Guidelines on the use of the whistleblower system<sup>27</sup>**

The internal guidelines for whistleblowers, which can be accessed via the Intranet, set out the process structure and protect the whistleblower submitting a report via the whistleblowing system. The guidelines set out the reporting process and information about confidentiality and data protection. The guidelines have been created by the Group's Legal department and will be updated as necessary. The relevant managers and ultimately the Executive Board or company management are responsible for the implementation of the guidelines. (IRO 12, 14, 19, 20)

**Declaration on Modern Slavery and Human Trafficking**

The Declaration on Modern Slavery and Human Trafficking<sup>28</sup> summarizes the Group's approach to preventing modern slavery and human trafficking. As an accompanying document to the Code of Conduct, the Declaration also applies to contractual partners and should therefore also impact the value chain. It places particular focus on respect for human rights. Further information about this declaration (such as its availability and relevant responsibilities) can be found in section S2-1. (IRO 12, 14)

**Code of Conduct**

The Code of Conduct of the Group forms the basis for a responsible and ethical corporate culture that is binding for all employees, managers, board members and external contractual partners. Among other things, it describes principles relating to human rights, diversity, fair working conditions, occupational health and safety, forced and compulsory labor, child labor and human trafficking. The Group and its business partners are committed to complying with the applicable national and international laws, regulations and guidelines as well as the ILO core labor standards (in particular ILO C138 on the minimum age for admission to employment, ILO 182 on the prohibition and immediate action for the elimination of the worst forms of child labor, ILO 29 on forced or compulsory labor and ILO 105 on the abolition of forced labor). Further information on the Code of Conduct (such as its availability and relevant responsibilities) can be found in section G1-1. (IRO 12, 14, 15, 16, 17, 18, 19, 20)

**Data protection management system**

The Group has developed a comprehensive data protection strategy to ensure and consistently improve the protection of personal data. The strategy, which can be accessed via the Intranet, covers many different aspects of data protection, which are explained in more detail using specific guidelines. The data protection strategy also covers the up- and downstream value chain and all relevant geographical regions to the greatest extent possible. It is overseen by the Group's data protection team. The relevant managers and ultimately the Executive Board or company management are responsible for its implementation. The strategy includes the internal data protection policy for employees, which governs all of the Group's data processing activities, in particular with regard to all personal data of current and former employees, managers and board members. The Code of Conduct (see above and in section G1-1 regarding availability, responsibilities and scope of application) complies with the data protection regulations. Alignment with the strict European General Data Protection Regulation and other relevant

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<sup>26</sup> Available at: <https://www.pierermobility.com/en/sustainability/publications>

<sup>27</sup> Note: Although the guidelines have only been published internally, external parties can also submit reports via the whistleblower system. Further information can be found in sections G1-1, G1-3 and on the system's website: <https://pierermobility.integrityline.com/>

<sup>28</sup> Available at: <https://www.pierermobility.com/en/sustainability/publications>

national and international standards ensures that the Group meets legal requirements. Regular training courses, updates and communication of policies ensure that both internal and external stakeholder groups understand and comply with the data protection requirements. (IRO 19, 20)

### **Information Security Framework Directive**

The Group's internal Information Security Framework Directive was comprehensively revised in financial year 2024 and is based on the requirements of ISO 27001. The directive applies to all employees of the Group as well as to associated units and third parties that work with the corresponding IT systems and to all systems connected to the PIERER Mobility AG networks (e.g., mobile and network devices). The directive serves as a framework for ensuring information security within the Group. Information security is an essential part of data protection. In addition to the description of security governance, the directive includes measures to ensure IT security, such as data leak prevention, identity and access management, information risk management and the development of secure software. The IT Security & Risk Management team is responsible for implementing this directive. The Information Security Framework Directive, which can be accessed via the Intranet, is referenced in other documents, such as the data classification guidelines, the security governance policy and the IT emergency handbook. (IRO 19, 20)

### **S1-2 Process for engaging with own workforce and workers' representatives about impacts**

In the Group, 73.7% of the total workforce (headcount) is represented by the KTM AG, KTM F&E GmbH and KTM Components GmbH works councils. They are involved in the decision-making processes for personnel-related, far-reaching developments. Employees can contact the works councils at any time with their concerns, for advice or if they need representation. In addition, employees can discuss their concerns with their managers, company doctors, the HR or legal department and security specialists at any time, or can communicate via the whistleblower system. In addition, performance talks are held for employees<sup>29</sup> on an annual basis, allowing for structured discussion between employees and managers. The performance talks are coordinated by Human Resources. Further information about the performance talks can be found in section S1-13. 98.9% of Group employees are covered by collective agreements or have contracts with conditions similar to collective bargaining agreements. These govern the rights and obligations of employers and employees within the framework of the employment relationship.

In January 2024, the subsidiary Avocodo GmbH, working with ASZ ("Arbeitsmedizinische und Sicherheitstechnische Zentrum in Linz GmbH"), conducted an anonymous online employee survey among its permanent employees (response rate: 69.4%). It included questions about working conditions and mental health in the workplace as well as a general employee survey. The evaluation showed that Avocodo scored better than the industry average for 25 out of 26 questions. The survey results were presented to the management of Avocodo GmbH. Internal communication was identified as an area with potential for improvement. A kick-off workshop with the motto "NextGen Avocodo" was held in summer 2024 to identify and define common values.

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<sup>29</sup> The performance talks are aimed at employees in Austria.

**S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns**

The Group strives to prevent negative impacts on its own employees. Corresponding measures are described in section ESRS S1-4. Employees can also discuss their concerns with, for example, their managers, the works council, company doctors, the HR or legal department or safety specialists at any time, or can communicate via the whistleblower system. Information about these reporting options, such as the internal guideline on the whistleblower system or specific contact details, have been made available on the Intranet. The whistleblower system was specifically referred to in an employee communication (Intranet post, PITBOARD article) and in the Compliance and Code of Conduct e-learning course, which should increase internal awareness of the system. In addition, all employees receive a copy of the Code of Conduct, which refers to the whistleblower system, when they sign their contract, and they are notified of any changes to its content. Protection of whistleblowers is enshrined in company principles. Complaints are prioritized and tracked depending on the type of report and reporting channel. The legal department monitors incoming reports to the whistleblower system, thereby ensuring the effectiveness of the system. Further information on the whistleblower system, including the follow-up by the legal department or, if required, by external experts, can be found in sections G1-1 and G1-3. Employees at the Vöcklabruck production site can also (anonymously) submit information via a mailbox.

There were negative impacts on the Group's own workforce during the restructuring proceedings. The processes were overseen by the Chamber of Labor of Upper Austria and the works councils, which supported the workforce and mitigated the negative impacts. Care was taken to prevent cases of hardship.

**S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

Measures relating to working conditions and employee satisfaction, occupational health and safety, training and further training opportunities and diversity and equal opportunities were defined and implemented by the Group's Human Resources department. When identifying measures, internal specialists take into account both legal regulations and requirements and information from the specialist departments. Data protection measures are identified and overseen by the legal department, whereas the IT department is responsible for data security measures. The specialist departments are also responsible for monitoring the effectiveness of the measures. This can take the form, for example, of knowledge checks at the end of training courses or, in the case of cybersecurity measures, of the evaluation of data on fake phishing emails. After completing system-based training courses, employees have the opportunity to evaluate the training in terms of its content, methods and practical relevance. This is used to monitor the effectiveness of the training. A high score for practical relevance indicates that the training courses are particularly applicable to employees' everyday work. The annual performance talks also serve as an opportunity to provide feedback. Material, financial and personnel resources were allocated to the management of material IROs, allowing the stated measures to be initiated or implemented.

**Measures relating to working conditions and employee satisfaction**

PIERER Mobility sees itself as having a special responsibility toward its employees. Focus is therefore placed on fair and employee-friendly working conditions. Measures are managed, tracked and monitored by the Human Resources department. Employees can contact the HR department at any time with suggestions for improvement. (IRO 12, 14)

- **Culture:** The Group is relying on its resilient culture to provide the best possible support during company restructuring. Internal organizational development experts are working closely with teams and managers to develop solutions for challenges relating to structural, team and knowledge management. This includes, in particular, reflecting on tasks and processes within the teams, moderating workshops such as process analyses and actively encouraging discussion within the team and beyond the team with its interfaces. Based on current models and interventions, workshop settings are developed with the aim of achieving the greatest possible success. These are used on an ongoing basis during the current restructuring process.

- **Expansion of the new remuneration model:** In financial year 2023, the Group introduced an overtime flat rate as a pilot project, rolling it out further in 2024. The flat rate creates transparency regarding the remuneration of overtime, which is now paid quarterly. Overtime worked is recorded daily and then paid quarterly. This ensures that employees are compensated fairly and appropriately for any additional work they do.
- **Increased meals allowance:** In some divisions of KTM AG and KTM Components GmbH, a meal allowance is granted per active working day, on the basis of an agreement between the works council and the company representative. This was increased from € 2.00 to € 2.50 in August 2024. This aims to increase awareness of the company as an attractive employer and to improve employee retention and appreciation.
- **Negative impacts on the Group's own workforce during the restructuring proceedings of KTM AG.** The processes were overseen by the Chamber of Labor of Upper Austria and the works councils, which supported the workforce. Care was taken to prevent cases of hardship. These measures, plus the other measures listed in this section, are intended to mitigate the negative impacts.

#### **Measures to promote occupational health and safety (IRO 14, 15)**

The Group has set itself the goal of achieving a high level of performance when it comes to occupational safety at all its sites and in all areas of the business.

A regular review of workplaces and processes with regard to their safety, which can also be used to monitor and follow-up measures, is an essential part of occupational safety measures. Improvement measures are implemented if necessary. In addition to regular investigations, case-based analyses of accidents and near-misses are carried out in order to ensure continued safety in the workplace.

In addition to standardized measures on employee health and safety (these are summarized in PIERER Mobility AG's published Occupational Health and Safety Policy, see section S1-1), the following measures have been implemented in financial year 2024:

- **Health and safety software:** The implementation of the health and safety software (comprising modules on occupational safety, incident/accident management, management of hazardous materials) continued during financial year 2024, and the associated processes were gradually integrated into standard operations. This management system is used to digitize the documentation of activities relating to occupational health and safety and employee safety. This is intended to ensure systematic improvement and centralized control and to reduce human resources costs. The Human Resources Project Management Office is leading the project. Rollout to the Austrian sites in Mattighofen, Munderfing, Schalchen and Anif is planned for financial year 2025.
- **Improvement of ergonomics:** Measures and projects to improve workplace ergonomics are being implemented on an ongoing basis. In financial year 2024, for example, a review of fork production processes in the component plant and improvements to logistics processes in the engine plant were completed.
- **Quality seal for promotion of health in the workplace:** The subsidiary Avocodo GmbH (software development) has been certified under the Quality Seal for Promotion of Health in the Workplace (BGF) from the Austrian Health Insurance Fund (ÖGK) since 2013. The fourth recertification for the period 2025–2027 took place in financial year 2024, underlining Avocodo's ongoing commitment to the health and wellbeing of its employees.
- **Health Months:** In reporting year 2024, Avocodo developed a new initiative which focused on selected health topics (e.g. mental health, nutrition, movement) on a monthly basis. These "Health Months" served to boost employees' physical and mental health, to raise awareness of this important topic and to strengthen the community within the working environment and beyond.

- **Training sessions and training courses:** The continuous further development and adaptation of training courses relating to occupational health and safety to align them with company requirements is extremely important in the Group. In financial year 2024, the following training courses were adapted to company requirements and will run from now on:
  - Newly designed high-voltage training courses became part of a centralized training process in financial year 2024 and are intended to contribute to the implementation of safety standards when working with electric vehicles.
  - The “Ergonomics Workshop for Computer Workstations” pilot project ran successfully and will be integrated into the regular program from 2025. This meant that another measure could be introduced to preemptively prevent musculoskeletal disorders.
  - Special management training for Group sub-divisions (primarily in production and workshops) is at the conception stage and should be implemented in 2025. The aim is to create awareness of responsibility.
  - Dangerous goods training: a new online course was introduced during financial year 2024 on the principles of transporting dangerous goods and the applicable regulations. The learning objectives are the handling of dangerous goods and improvement of occupational safety. Annual participation in this online course is mandatory for all employees who are directly or indirectly involved in the transport of dangerous goods. Digitization of the training course means that it can not only be provided in multiple languages, but can also be completed at any time and in any location.
- **“Apprenticeship instead of emptiness” to support apprentices during their apprenticeship** PIERER Mobility AG attaches great importance to actively supporting the mental health of its apprentices throughout their training. Since November 2024, apprentices and trainees at the Austrian locations have been given the opportunity to consult with an apprentice coach for the first time. Once a week, external, trained consultants are available to discuss general difficulties or problems with self-organization. The aim is to help apprentices to master the challenges of demanding training and growing up. The program is fully funded by the Austrian Federal Ministry of Economics and Labor and its implementing partners.

#### **Training and further training opportunities**

The Group takes the approach of enabling employees to develop their career within the company and engage in lifelong learning by undertaking further training and education. The measures are managed, tracked and monitored by the KTM Academy team. Employees can contact the team with questions or suggestions for improvement at any time. The following new training courses were introduced in financial year 2024 (IRO 14, 16):

- **Skill orientation:** In 2023 and 2024, an intradisciplinary KTM project team spent 12 months exploring the issue of “competences” and trying to answer the following questions: “Which skills and competences should company employees possess, regardless of role?” “How do these skills manifest themselves in behavior?” Interviews were carried out, current job postings analyzed and a benchmark analysis conducted. Fourteen competences were identified as a result, which are used to define employees’ personal goals during annual performance reviews.
- **Leading through Change – empowering leaders in uncertain times:** In the ever-changing world of business, the ability to manage change effectively is critical. The KTM Academy offers a three-part webinar series entitled “Leading through Change”, which managers are free to attend whenever is convenient for them. The aim is to empower managers and give them the tools for leadership in times of crisis and change.

- **ProjectNET – network for project managers:** In June 2024, the KTM Academy organized its first network event for project managers. The primary aim of this event was to discuss practical issues and establish an interdisciplinary, internal company network. As a group, participants compiled a list of current issues and discussed the conflict between agile and conventional methods, drawing on their own experiences. They then worked together in small groups to explore how PMOs can support project managers in this task. A total of 39 project managers from various divisions of the company took part.
- **Supporting apprentices**
  - **Internships abroad:** Apprentices already have the opportunity to gain work experience abroad during their training period. From the second year of their apprenticeship, they are offered the chance to spend several weeks doing an internship abroad, either within the Group or at another company. In financial year 2024, seven apprentices began an internship abroad. In addition to expanding their technical knowledge, the aim of the internships abroad is to improve English skills and to promote an intercultural exchange of knowledge between apprentices.
  - **“Apprentice Hackathon” and “Austrian Skills”:** In order to consistently provide apprentices with new impulses in their training, the Group takes part in regional and national competitions. Three apprentices from the Group took part in the “Apprentice Hackathon”, focusing on the subject of app programming. They claimed second place in the overall standings and won the Community Award category. Apprentices are expected to receive another opportunity to prove their skills on the national stage in November 2025, in the “Motorcycle Technology” division of the “Austrian Skills” competition. The Group subsidiary KTM AG is also involved in the conception and design of the competition, and places considerable emphasis on the topic of compliance.

#### **Initiatives for promoting diversity and equal opportunities**

The Group regards it as particularly important for all employees to be treated with fairness and respect. The aim is to promote social justice while combating and preventing discrimination and inequality. Measures are managed, tracked and monitored by the Human Resources department. Employees can contact the Human Resources department with questions or suggestions for improvement at any time. (IRO 14, 17, 18)

- **Revision of the management structure:** As of spring 2024, the entire company’s management structure was redefined. The aim of this restructuring was to streamline the organization with flatter, clearly defined hierarchies in order to increase efficiency and be more effectively positioned to confront future challenges. The restructuring also focused on ensuring fairness, transparency and comparability within the company. Management levels have been redefined on the basis of quantitative and qualitative criteria.
- **Job architecture:** After data collection, preparation and validation in 2023, job architecture implementation at the Group began during financial year 2024. This involves categorizing jobs into 16 job families and 12 hierarchy levels. It makes it possible to compare positions with companies in related industries and facilitates the standardization of internal processes. Job architecture should, for example, lead to better and more objective comparability in the fields of strategic personnel planning, career development and remuneration, and thus increase fairness.
- **Offers for international employees:** Welcome to Austria: Since 2024, the Group has been offering an online course series entitled “Welcome to Austria” to new employees coming from abroad. Three e-learning units provide information about legal orientation and integration in Austria. The aim is to make arrival in Austria easier for new employees and to answer many open questions before their first working day. In financial year 2024, 66 employees completed one of the courses.
- **Girls’ Day:** The Group once again participated in the EUREGIO Girls’ Day in financial year 2024, giving female potential future employees the chance to learn more about new professional fields. In April 2024, 15 young women were given the opportunity to gain insights into metal and automobile technology and gain practical experience in selected technical process steps.

- **Summer break childcare:** In cooperation with the “Kinderfreunden” family organization and Schalchen elementary school, the Group has been offering a free childcare service for the past four years during the summer break. In financial year 2024, a total of 50 children took part in the vacation program, which included visits to the apprentice workshop and the KTM Motohall. The program is intended to make working life easier for parents during the summer break and is primarily aimed at employees at the Mattighofen, Munderfing and Schalchen sites.

#### **Data protection measures**

The mandatory “Data Privacy” e-learning course, which must be completed once a year, teaches all participating employees about data protection requirements. The e-learning course was fully revised in 2024 to meet all data protection requirements. Participation is assessed annually and follow-up action taken where appropriate. In addition to the mandatory e-learning course, the Group also offers additional training if necessary to cover specific requirements and scenarios that go beyond the content of the “Data Privacy” e-learning course. The training courses are supplemented by audits and risk assessments.

The Group’s data protection measures are preventive actions taken to ensure high standards in the handling of personal data. To date, there are no known cases in which an individual’s right to data protection has been significantly breached. The introduction of the mandatory e-learning course and the regular adaptation of the guidelines therefore serve to proactively prevent such cases. (IRO 19, 20)

#### **Cybersecurity measures**

The Group addresses IT and cyber risks through the continuous further development of security measures, the use of state-of-the-art technologies and a multilevel security concept. (IRO 19, 20)

- **Information security policies:** The Group’s information security policies were comprehensively revised and updated in financial year 2024. The policies are currently being rolled out to the individual divisions. The next step is to provide training on the Information Security Framework Directive. This will be integrated into existing IT security awareness training courses.
- **Security Operation Center (SOC):** In financial year 2024, the Group began revising the SOC. This work is expected to be completed in financial year 2025. An SOC is used to standardize and coordinate cybersecurity technologies and processes. The Group’s cybersecurity can be improved by changing providers and expanding the scope of application.
- **Anti-phishing:** IT security awareness training sessions were held in financial year 2024 and relevant information was published on the Intranet to raise awareness among the Group’s employees. To raise awareness, the IT security team simulated phishing emails as a hands-on exercise for employees. A Phish Alert button was enabled in email inboxes during financial year 2024, allowing suspicious emails to be analyzed in a regulated process and deleted if necessary.
- **TISAX-2 certification:** In August 2024, the Thalheim sites and the IT head office at the Mattighofen site were re-certified in accordance with the requirements of TISAX-2 (Trusted Information Security Assessment Exchange). The certification is valid for three years and demonstrates the high IT security standards met by the Group.

**METRICS AND TARGETS****S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

To date, no targets have been set for the IROs relating to company workers. The effectiveness of the policies and actions in relation to the material IROs is monitored individually by the responsible departments. Examples of how measures are monitored can be found in section S1-4. However, there is not yet an overarching procedure for monitoring effectiveness.

**S1-6 Characteristics of the undertaking's employees**

As at December 31, 2024, PIERER Mobility AG employed 5,310 people, 4,805 of which in Europe and 349 in North America. The corresponding figure in the consolidated financial statements can be found at 22. Employees. A total of 1,043 employees left the Group in the financial year. This represents a turnover of 18.6%. The fluctuation is partly due to the reduction of the workforce in the course of the restructuring proceedings of KTM AG. For more information about these restructuring proceedings, see section SBM-2 in the chapter on ESRS 2 and section SBM-3 in this topical standard.

**ESRS S1-6, 50 a**

<b>GENDER</b>	<b>NUMBER OF EMPLOYEES (HEADCOUNT)</b>
Male	3,976
Female	1,334
Other	0
Not disclosed	0
<b>Total employees</b>	<b>5,310</b>

**ESRS S1-6, 50 a**

<b>COUNTRY</b>	<b>NUMBER OF EMPLOYEES (HEADCOUNT)</b>
Austria	4,099
USA	306
Italy	277
Spain	175
Germany	86
Australia	47
Other	320

This means that 77.2% of the total workforce is employed in Austria.

**ESRS S1-6, 50 b**

<b>2024</b>				
<b>FEMALE</b>	<b>MALE</b>	<b>OTHER</b>	<b>NOT DISCLOSED</b>	<b>TOTAL</b>
<b>Number of employees (headcount)</b>				
1,334	3,976	0	0	<b>5,310</b>
<b>Number of permanent employees (headcount)</b>				
1,332	3,963	0	0	<b>5,295</b>
<b>Number of temporary employees (headcount)</b>				
2	13	0	0	<b>15</b>
<b>Number of non-guaranteed hours employees (headcount)</b>				
0	0	0	0	<b>0</b>



**S1-9 Diversity metrics****ESRS S1-9, 64a**

<b>GENDER</b>	<b>NUMBER OF EMPLOYEES IN MANAGEMENT (HEADCOUNT)</b>	<b>SHARE OF EMPLOYEES IN MANAGEMENT</b>
Male	86	90.5%
Female	9	9.5%
Other	0	0.0%
Not disclosed	0	0.0%
<b>Total</b>	<b>95</b>	

**ESRS S1-9, 64b**

<b>AGE GROUP</b>	<b>NUMBER OF EMPLOYEES (HEADCOUNT)</b>	<b>SHARE OF EMPLOYEES</b>
< 30 years	1,343	25.3%
30 – 50 years	3,053	57.5%
> 50 years	914	17.2%

**S1-13 Training and skills development metrics****ESRS S1-13, 83 a**

<b>GENDER</b>	<b>EMPLOYEES WITH REGULAR CAREER DEVELOPMENT REVIEWS (HEADCOUNT)</b>	<b>SHARE OF EMPLOYEES (TOTAL) WITH REGULAR CAREER DEVELOPMENT REVIEWS</b>
Male	1,473	37.0%
Female	497	37.6%
Other	0	0.0%
Not disclosed	0	0.0%
<b>Total</b>	<b>1,970</b>	<b>37.1%</b>

**ESRS S1-13, 83b**

<b>GENDER</b>	<b>AVERAGE NUMBER OF TRAINING HOURS PER YEAR (HOURS)</b>
Male	24.5
Female	25.9
Other	0.0
Not disclosed	0.0
<b>Total</b>	<b>24.8</b>

**Entity-specific disclosure: persons trained in data protection**

<b>TRAINING METHOD</b>	<b>NUMBER OF EMPLOYEES TRAINED IN DATA PROTECTION (HEADCOUNT)</b>	<b>SHARE OF EMPLOYEES TRAINED IN DATA PROTECTION</b>
Data protection training	3,763	70.9%

**S1-14 Health and safety metrics**

As at the reporting date of December 31, 2024, 73.7% of the Group's employees were covered by a health and safety management system. This corresponds to all employees at Austrian sites, with the exception of the sites of Avocado GmbH and PIERER Innovation GmbH.

**ESRS S1-14, 88b-d**

DATA POINT	UNIT	EMPLOYEES	NON-EMPLOYEES IN THE OWN WORKFORCE
Fatalities as a result of work-related injuries	Number	0	0
Fatalities due to work-related ill health	Number	0	0
Recordable work-related ill health	Number	0	0
Recordable work-related accidents	Number	43	0
Rate of recordable work-related accidents	Recordable work-related accidents / 1,000,000 working hours	3.9	0

**ESRS S1-14, 88e**

REASONS	NUMBER OF DAYS LOST (EMPLOYEES)	NUMBER OF DAYS LOST (NON-EMPLOYEES)
Reason 1: work-related injuries as a result of accidents at work	849	n/a
Reason 2: fatalities from work-related accidents	0	n/a
Reason 3: work-related ill health	0	n/a
Reason 4: fatalities from ill health	0	n/a
<b>Total</b>	<b>849</b>	<b>7</b>

**S1-16 REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)****ESRS S1-16, 97a-b**

REMUNERATION METRICS	2024
Gender-Pay-Gap (Austrian sites)	18.9%
Total remuneration ratio (Austrian sites)	25.9 : 1

The gender pay gap, defined as the difference between the average wage level of female and male employees expressed as a percentage of the average wage level of male employees, was 18.9% in Austria. This can largely be explained by positions within the group and part-time working arrangements. Outside of Austria, not all data was available in full, meaning that assumptions had to be made regarding gender-specific salary distributions per functional area, resulting in a gender pay gap of -5.7%.

The ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees in Austria (excluding the highest-paid individual) was 25.9 : 1. As with the gender pay gap, not all data was available for the non-Austrian companies, which is why estimates again had to be made regarding the salary distributions. The median per country was calculated from the average income per functional area and weighted per headcount. This value was set in relation to the remuneration of the highest-paid person (who is remunerated in Austria). The ratio of the highest-paid person to all non-Austrian employees was 25.3 : 1.

Work is underway to calculate the gender pay gap and the ratio of total annual remuneration for the non-Austrian companies (< 30% of the total number of employees) in the same way as for the Austrian companies in order to report a total figure for the Group in future.

More detailed descriptions of the calculation methods can be found in section calculation principles and assumptions of this topic standard.

### S1-17 Incidents, complaints and severe human rights impacts

#### ESRS S1-17, 102-104

DATAPOINT	UNIT	2024
Total number of incidents of discrimination, including harassment, reported in the reporting period	Number	3
Number of complaints filed through channels and, where applicable, to the National Contact Points for OECD Multinational Enterprises (excluding reported cases of discrimination and harassment)	Number	5
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints of discrimination disclosed	€	0
Number of severe human rights incidents	Number	0
Total amount of fines, penalties and compensation for damages for the severe human rights incidents	€	0

### CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS DISCLOSURE REQUIREMENT	PARAGRAPH	DATAPOINT, DISCLOSURE	CALCULATION PRINCIPLES AND ASSUMPTIONS
General information about the quantitative datapoints relating to PIERER Mobility Group employees			Unless otherwise specified, the evaluations were carried out using the Group's ERP system. Companies without ERP access (DealerCenter Digital GmbH, KTM Motohall GmbH) are excluded. Data for these companies were added manually where possible. Further information about this can be found in the rows below. With the exception of the turnover rate, all disclosures and calculations are based on data from the reporting date of December 31, 2024. The headcount includes six external workers, of which four are temporary workers and two are foundation apprentices.
S1-6	50a	Employees by gender and country	So far, no employee has specified their gender as "diverse". This selection option is available worldwide. Gender has been recorded for all employees. Data from DealerCenter Digital GmbH and KTM Motohall GmbH were added to the headcount manually.
S1-6	50b	Employee by type of contract	Temporary employment contracts were agreed with freelance service providers, interns, seasonal workers and temporary workers. All other employees had permanent contracts. The Group does not have any non-guaranteed hours employees (defined as employees without a guaranteed minimum number of working hours). Data from DealerCenter Digital GmbH and KTM Motohall GmbH were added to the headcount manually.
S1-6	50c	Employee turnover	The definition of turnover includes natural turnover. Departures due to fixed-term employment contracts reaching their term were not taken into account. The employee turnover rate was calculated on the basis of the average number of employees in financial year 2024.
S1-9	66a	Gender distribution at management levels	The definition of managers used here includes Board members (excl. members of the Executive Board of PIERER Mobility AG), general managers, division managers and subdivision managers. Only companies with ERP access were taken into account.
S1-9	66b	Distribution of employees by age group	See general information about the quantitative datapoints relating to Group employees. Data from DealerCenter Digital GmbH were added manually.
S1-13	83a	Employees with regular career	Performance talks are recorded in the ERP system. They are to be carried out annually for employees in Austria. Feedback meetings with apprentices also take place on a

		development reviews	regular basis. The figure represents the total number of performance talks carried out and apprentices who had feedback meetings.
S1-13	83b	Training hours per employee	Successfully completed training courses are monitored online by the KTM_academy team and by the Group's ERP system. To calculate the average hours of training per employee by gender, the total number of hours of training per gender was added up and divided by the gender headcount. Only companies with ERP access were taken into account.
Entity-specific disclosure		Data protection training figures	Successfully completed training courses are monitored online by the KTM_academy team and by the Group's ERP system. The system sends invitations to all employees. Only companies with ERP access were taken into account.
S1-14	88a	Health and safety management	The Group has an occupational health and safety management system in place at its Austrian sites (except for the sites of Avocodo GmbH and PIERER Innovation GmbH). All employees at the included sites are covered by this management system.
S1-14	88b, d, e	Occupational safety metrics	Metrics are recorded using a dedicated tool for the Austrian companies with the exception of Avocodo GmbH and PIERER Innovation GmbH, which is used to collect and analyse accident figures. Data for the excluded and non-austrian companies were extrapolated based on the headcount and the total number reported. In future, it is planned to collect the key figures for S1-14 for the companies not covered by the tool (<30% of the total number of employees). An estimate is currently still included. The figures for external workers were not extrapolated, as they were almost completely dismissed during the year.
S1-14	88c	Rate of recordable work-related accidents	Metrics are recorded using a dedicated tool for the Austrian companies with the exception of Avocodo GmbH and PIERER Innovation GmbH, which is used to collect and analyse accident figures. In calculating the rate of recordable work-related accidents, the number of recordable work-related accidents was divided by the total number of hours worked multiplied by 1,000,000 by the workforce and. The number of working hours for the rate of reportable work-related accidents was recorded using the ERP system.
S1-16	97a	Gender pay gap	The gender-specific total salaries and wages as well as working hours of the Austrian companies (taking all new hires and departures into account; with the exception of KTM Motohall GmbH and DealerCenter Digital GmbH; concerns 0.4% of the total workforce) were recorded using the ERP system. For all other countries (with the exception of KTM Sportmotorcycle India Private Limited; concerns: 0.5% of the total workforce), wages and salaries per functional area were also analysed using the ERP system and calculated per gender under the assumption that women and men are paid equally. The assumption was based on an evaluation in previous years, which showed comparable remuneration per gender and function. Gross salaries and wages (including bonuses, allowances, etc.) and benefits in kind were taken into account. In addition, only the average national normal working hours (taking part-time regulations into account) could be used to calculate the gender pay gap for the non-Austrian sites. The gender pay gap was calculated as a percentage of the average salary level of male employees.
S1-16	97b	Remuneration gap between all employees (without the	The wages and salaries of Austrian companies (taking all new hires and departures into account) were analysed using the Group's ERP system (with the exception of KTM Motohall GmbH and DealerCenter Digital GmbH;

		highest paid person) and the highest paid person	concerns 0.4% of the total workforce). When calculating total remuneration, gross salaries and wages (including bonuses, allowances, etc.) and benefits in kind were taken into account and the median of the employees' total annual remuneration was calculated. This value was set in relation to the total remuneration of the highest-paid person. For the other locations outside Austria, the median per country was calculated from the average income per functional area and weighted per headcount. This value was set in relation to the remuneration of the highest-paid person (who is remunerated in Austria).
S1-17	103 a – d, 104 a, b	Cases of discrimination and severe human rights incidents	The Legal department monitors reporting systems relating to discrimination and severe human rights incidents. The reasons for the three discrimination incidents mentioned were two times discrimination based on the person's ethnic origin and one time harassment.

## 4.6 ESRS S2 WORKERS IN THE VALUE CHAIN

### STRATEGY

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

TOPIC	IRO	MATERIAL IMPACTS, RISKS OR OPPORTUNITIES		TIME HORIZON		
				SHORT-TERM	MEDIUM-TERM	LONG-TERM
<b>Working conditions</b>	<b>21</b>	<b>Potentially poor working conditions in certain sectors of the upstream value chain</b> There may be shortcomings in occupational safety, discrimination/inequality and/or inadequate wages in certain sectors (especially the textile and electrical/electronics sectors) of the upstream value chain. (systemic)	Negative (VC)	X	X	X
<b>Other work-related rights</b>	<b>22</b>	<b>Potential occurrence of forced labor and child labor in certain sectors of the upstream value chain</b> There may be forced and/or child labor in certain sectors (especially the textile and electrical/electronics sectors) of the upstream value chain. (systemic)	Negative (VC)	X	X	X

The negative impacts identified are impacts that could potentially occur in the upstream value chain of the PIERER Mobility Group. They were identified as part of a Value Chain Risk Analysis (for more information, see section S2-4).

## IMPACT RISK AND OPPORTUNITY MANAGEMENT

### S2-1 Policies related to value chain workers

#### Declaration on Modern Slavery and Human Trafficking

The Declaration on Modern Slavery and Human Trafficking summarizes the Group's approach to preventing modern slavery and human trafficking within the Group and is also intended to apply to its value chain. Particular attention is paid to the respect for human rights, which are to be protected by the Code of Conduct, for example. In addition, the Group has established a sustainability assessment for its suppliers and places sustainability demands on its contractual partners. As an accompanying document to the Code of Conduct (see section G1-1), the Declaration on Modern Slavery and Human Trafficking is binding for all contractual partners and is published on the PIERER Mobility website.<sup>30</sup> The Declaration is regularly reviewed by the Group's Legal department and updated as required to meet the high standards. It is the responsibility of departmental managers and ultimately senior management to ensure that the policy is implemented. (IRO 21, 22)

#### Internal guideline on the whistleblower system

The Group has set up a global whistleblower system (see section G1-1 for information on the content of the internal guideline, its scope, responsibilities and availability), which is accessible to employees and third parties. Workers in the value chain can contact the whistleblower system at any time.

In financial year 2024, the Group used the SupplierAssurance platform to better monitor sustainability in the upstream supply chain. The self-assessment questionnaire assessing the sustainability of suppliers that can be found on that platform includes questions on their approach to human rights and working conditions. (IRO 22)

#### Code of Conduct

The Code of Conduct is the key document governing the conduct of PIERER Mobility and its business partners, including the Group's suppliers, and prohibits any form of child or forced labor. Among other things, it describes principles relating to human rights, respect, integrity, health protection and occupational safety. The Group and its business partners are committed to complying with the applicable national and international laws, regulations and guidelines as well as the ILO core labor standards (in particular ILO C138 on the minimum age for admission to employment, ILO 182 on the prohibition and immediate action for the elimination of the worst forms of child labor, ILO 29 on forced or compulsory labor and ILO 105 on the abolition of forced labor). Further information on the Code of Conduct (such as its availability, scope of application, responsibilities and references to international standards and guidelines) can be found in section G1-1. (IRO 21, 22)

If, despite the preventive measures, there is a violation of the Code of Conduct or the Declaration on Modern Slavery and Human Trafficking, the Group will take appropriate action. The central goal is to remedy and prevent violations and to actively and effectively improve the sustainability performance of business partners. In serious cases or if the business partner in question refuses to accept the measures imposed, the Group reserves the right to terminate the ongoing business relationship. No cases of non-compliance with the Code of Conduct in the up- or downstream supply chain were reported in financial year 2024. Further measures with regard to the rights and working conditions of workers in the up- and downstream value chain can be found in section S2-3.

### S2-2 Process for engaging with value chain workers about impacts

The Group currently does not have any processes for engaging with value chain workers about impacts. The potential impacts in the value chain were determined by means of the Value Chain Risk Analysis (for further information, see S2-4), which is regarded as indirect engagement with value chain workers. In addition, value chain workers can contact the established whistleblower system at any time (see G1-1). All information received by the whistleblower system is checked individually and follow-up measures are taken if necessary.

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<sup>30</sup> Available at: <https://www.pierermobility.com/en/sustainability/publications>

**S2-3 Process to remediate negative impacts and channels for value chain workers to raise concerns**

Options for value chain workers to report their concerns and other measures to promote the implementation of the Code of Conduct are described in detail in section G1-1. The reporting options are accessible to employees and third parties, including value chain workers. The follow-up process for submitted and reported issues is also described in detail in section G1-1 and is coordinated by the Group's Legal department. The internal guideline on the whistleblower system described in G1-1 defines regulations for the protection of whistleblowers. There are currently no procedures in place to promote the availability of the processes at the workplace of the value chain workers. To date, value chain workers have not been explicitly involved in implementing the reporting channels.

**S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**

- **Value Chain Risk Analysis:** The Group analyzes its value chain in order to identify potential sustainability risks in the value chain at an early stage. This analysis was comprehensively revised and refined in reporting year 2024. In addition to the abstract risk, which is based on publicly available indices and studies on sector and country risks, a specific risk is now also taken into account. The latter is made up of stakeholder-specific indicators and allows a more differentiated picture of the risks in the value chain. Also, the scope of the analysis was expanded. In addition to the upstream value chain, the company's own business areas and the downstream value chain are now taken into account as far as possible. The analysis focuses on the Group's immediate up- and downstream business partners. (IRO 21, 22)
- **Training on the Corporate Sustainability Due Diligence Directive (CSDDD):** In financial year 2024, a new training course was developed on the CSDDD and its scope of application, legal framework conditions and requirements, in order to prepare the affected employees in Purchasing and Quality Management for dealing with the Directive. The CSDDD describes the due diligence obligations of organizations in the up- and downstream value chain. The training explains the measures already taken by the Group and links them to the CSDDD. It is completed by taking a quiz that assesses the learning outcomes. (IRO 21, 22)

The Group will continue to monitor, evaluate and improve its efforts to meet its obligation of due diligence in relation to human rights. The Group takes reports received via the whistleblower system seriously and follows them up. To date, no reports of violations have been received that have led to legally relevant compliance cases. The measures are identified and supported by internal experts in Purchasing, Legal and Quality Management. Should violations of the Code of Conduct or other relevant, agreed compliance guidelines occur despite the measures described, the Group reserves the right to implement suitable measures. These are described in S2-1. The Code of Conduct forms the framework for the economic activities of the Group and its business partners and helps to avoid negative impacts of the Group's activities on workers in the value chain.

Material, financial and personnel resources were allocated to the management of material IROs, allowing the above-mentioned measures to be initiated or implemented.

METRICS AND TARGETS

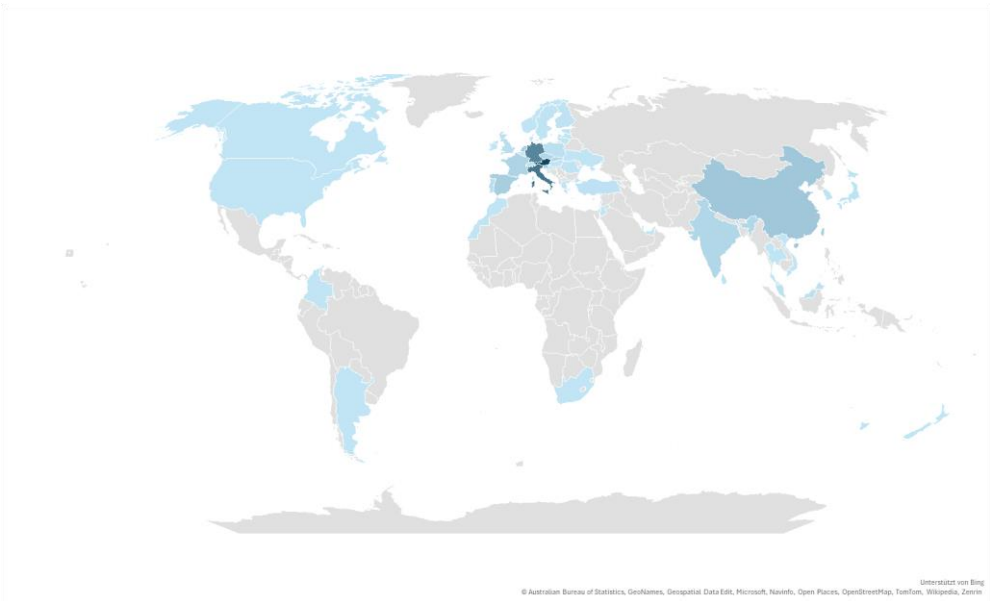
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, the Group has not set any targets for the IROs related to value chain workers. The effectiveness of the policies and actions in relation to the material IROs is monitored individually by the responsible departments. However, there is not yet an overarching procedure for monitoring effectiveness.

Entity-specific disclosures

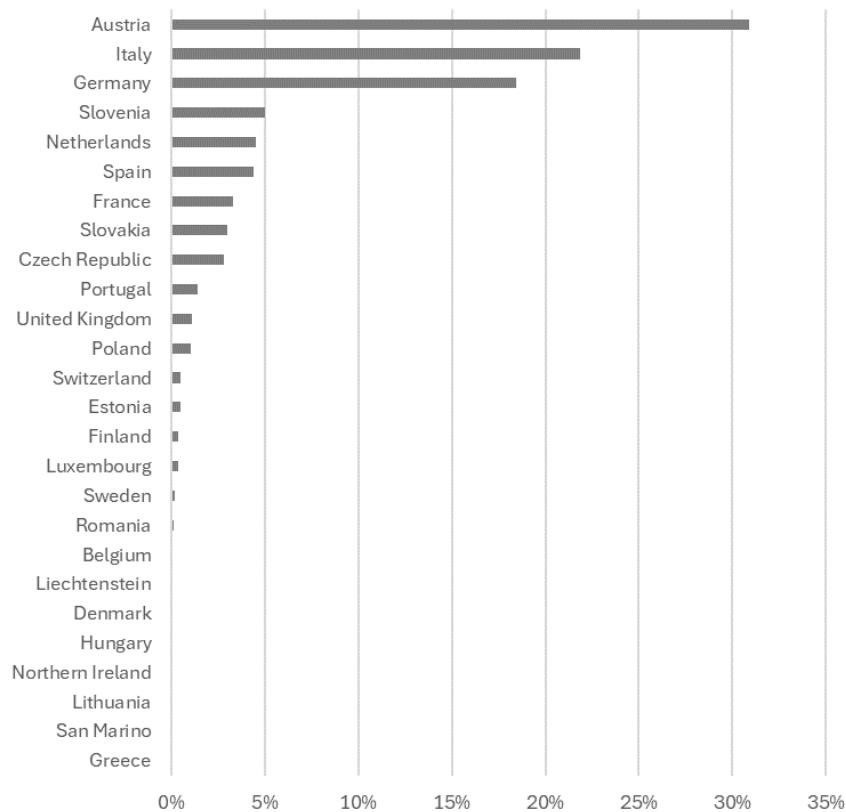
- Purchasing:** The identified impacts on workers in the value chain were potential negative impacts, that were identified in the process of the value chain risk analysis. The analysis took into account the probability of poor working conditions in the upstream value chain to the best of its ability, which was greatest in the textile and electrical/electronics sectors. Furthermore, the identified risk of child labor is highest in the textile sector. The analysis also showed that the risk of poor working conditions, child labor and forced labor is lower in European countries than in other regions of the world. A large proportion of the total volume of components purchased for motorcycle series production at the European sites comes from Europe. The purchasing volume for series production amounted to approx. € 803 million in financial year 2024 — geographical breakdown: 26% from Austria, 61% from Austria/Germany/Italy and 85% from Europe. In financial year 2024, the volume of indirect materials and services purchased for the plants in Austria was approx. € 207 million. The majority was procured within Austria: 62% within Austria, 81% within Austria/Germany/Italy and 97% within Europe. The risk of poor working conditions can therefore be reduced by sourcing a high proportion of components from Europe. (IRO 21, 22)

Purchase volume per continent (series purchasing)  
Europe 85%, Asia 12%, North America 2%



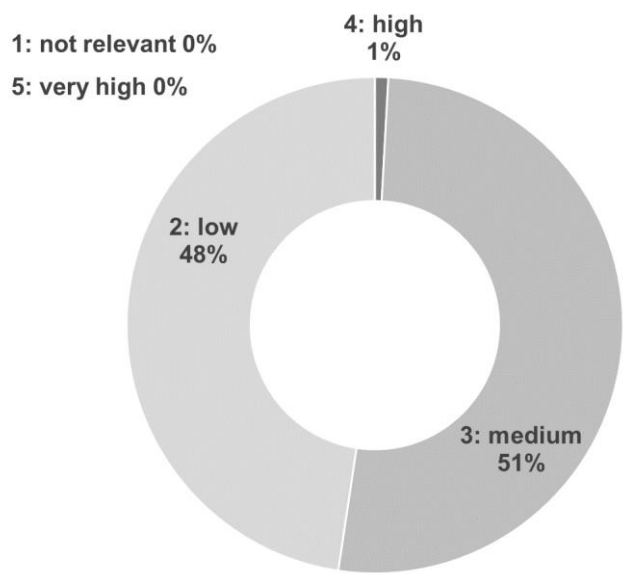


Purchase volume in Europe (series purchasing)



Identifying supplier-specific risks using the Value Chain Risk Analysis enables the Group to classify its suppliers according to their ESG performance in relation to the procurement volume: Suppliers are classified as insignificant, low, medium, high or very high risk. In financial year 2024, the distribution was as follows:

Total risks in the upstream supply chain (by share of procurement volume)  
(IRO 21, 22)



**Reported cases of non-compliance with the Code of Conduct in the up- and downstream value chain (ESRS S2-4, 36)**

<b>DATAPOINT</b>	<b>2024</b>
Number of reported cases of non-compliance with the Code of Conduct in the up- and downstream value chain	0
Number of reported cases of non-compliance with the Code of Conduct in the up- and downstream value chain that have led to compliance-relevant cases	0

**CALCULATION PRINCIPLES AND ASSUMPTIONS**

<b>ESRS DISCLOSURE REQUIREMENT</b>	<b>PARAGRAPH</b>	<b>DATAPOINT, DISCLOSURE</b>	<b>CALCULATION PRINCIPLES AND ASSUMPTIONS</b>
Geographical distribution of purchasing volume (entity-specific disclosure)			The evaluation is carried out using the Group's ERP system. A distinction is made between series purchasing, non-series purchasing and purchasing for the Group's bicycle segment.
Assessment of the ESG risk of suppliers (entity-specific disclosure)			The categorization of suppliers is based on the Value Chain Risk Analysis, taking into account the abstract and specific risk.
ESRS S2-4	36	Reported cases of non-compliance with the Code of Conduct	Cases received via the Group's whistleblower system were evaluated. This is monitored by the Legal department. The Legal Department also serves as the contact for the national contact point in connection with the OECD Guidelines. No complaints were forwarded to the Group via the OECD national contact point in financial year 2024.

## 4.7 ESRS S4 CONSUMERS AND END-USERS

## STRATEGY

**ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

TOPIC	IRO	MATERIAL IMPACTS, RISKS OR OPPORTUNITIES		TIME HORIZON		
				SHORT-TERM	MEDIUM-TERM	LONG-TERM
<b>Personal safety of consumers and/or end-users</b>	<b>23</b>	<b>Product defects may lead to safety risks</b> Product defects in the mobility products of the PIERER Mobility Group can lead to traffic accidents and injuries to users and other road users. (systemic)	Negative (VC)	X	X	X
	<b>24</b>	<b>Financial risks due to product defects</b> Product defects increase the risk of litigation. In addition, compensation payments, costs associated with recalls and reputational damage, and other financial losses may be incurred.	Risk (OO, VC)			
	<b>25</b>	<b>New technological innovations to protect end-users and other road users</b> The Group is continuously researching new technologies to increase the safety of its mobility products. This can have a positive impact on end-users and other road users by increasing road safety.	Positive (OO, VC)	X	X	X
<b>Customer satisfaction</b>	<b>26</b>	<b>Customer satisfaction, increased resale and recommendation rates</b> A high level of customer satisfaction increases the resale and recommendation rates.	Opportunity (VC)			
<b>Data protection</b>	<b>27</b>	<b>Risk of data loss or misuse</b> Potential data loss and misuse can result in a violation of the rights of data subjects. (systemic)	Negative (OO, VC)	X	X	X
	<b>28</b>	<b>Risk of violation of data protection regulations and subsequent fines</b> Violations of data protection regulations can result in heavy fines.	Risk (OO, VC)			

When determining the material IROs in relation to consumers and end-users, the double materiality assessment focused on motorcycle users, since these are by far the largest customer group of PIERER Mobility. The other business areas of the Group were also taken into account in the assessments; for example, IRO 26, 27 and 28 may affect all consumers and end-users of the Group. The potentially affected consumers and end-users were identified on the basis of a context analysis, which included an analysis of the value chains and business areas. The analysis is described in more detail in section IRO-1.

The increasing connectivity of motorcycles increases the risk of data loss or misuse, which includes issues relating to the right to privacy and the protection of personal data. The right to freedom of expression is not affected. Due to legal requirements, not everyone has access to the Group's products (e.g. driver's licenses required for vehicles in class L). In order to ensure the safe use of the Group's motorcycles, the Group publishes owner's manuals for each motorcycle model in several languages. The owner's manuals contain service schedules and information on the correct use of the motorcycles.

**IMPACT RISK AND OPPORTUNITY MANAGEMENT****S4-1 Policies related to consumers and end-users****Quality policy**

The Group's quality policy forms the basis of quality management at KTM AG level and reinforces the focus on the four pillars defined by the company: innovation, globalization, brands and people. Special emphasis is placed on the training and further education of employees. The quality policy is regularly updated and applies to companies covered by ISO 9001 at the Mattighofen, Munderfing, Schalchen and Graz sites. Further information on the quality policy (e.g., on its availability or responsibilities) can be found in section E1-2. More detailed information (availability, content, scope of application and responsibilities) on the quality and environmental policy of the aluminum foundry at the Vöcklabruck site can be found in section E1-2. (IRO 23, 24, 26)

**Code of Conduct**

The Code of Conduct is the key document governing the conduct of PIERER Mobility and its business partners. Among other things, it describes principles relating to human rights, respect and integrity. In particular, the "OECD Guidelines for Multinational Enterprises on Responsible Business Conduct" and the ILO core labor standards (in particular ILO C138 on the minimum age for admission to employment, ILO 182 on the prohibition and immediate action for the elimination of the worst forms of child labor, ILO 29 on forced or compulsory labor and ILO 105 on the abolition of forced labor) apply. The Group and its business partners do not condone human rights violations of any kind. Further information on the Code of Conduct (such as its availability, scope of application and relevant responsibilities) can be found in section G1-1. (IRO 23, 24, 25, 26, 27, 28)

The Group is not aware of any cases of non-compliance with the Code of Conduct and thus with the international standards listed therein in the up- or downstream value chain. Processes for engaging with consumers and end-users can be found in G1-1 and the SBM-3 sections of this topical standard and of ESRs 2.

**Cybersecurity policy**

The cybersecurity policy describes the Cybersecurity Management System (CSMS) of the Group and defines responsibilities. Particular attention is paid to the identification and assessment of risks. The objective of the CSMS is to protect all of the Group's series-production vehicles from cybersecurity risks throughout their entire product life cycle (see also S4-4). At the top level, the Executive Board of the Group is responsible for the policy accessible on the Intranet. (IRO 27, 28)

**S4-2 Process for engaging with consumers and end-users about impacts**

The views of consumers and end-users are taken into consideration in business decisions. For example, the Group's Customer Service is in touch with the dealers and workshops that are in direct contact with the consumers and end-users (especially motorcyclists and cyclists). In addition, the Group organizes events such as training sessions (street, offroad, race tracks) and tours every year, thus establishing direct links with motorcyclists. Furthermore, there is an ongoing dialog with consumers and end-users via newsletters and social media. All consumers and end-users can address their concerns to the Group's whistleblower system at any time (for more information on the availability of the system, its scope of application and responsibilities, see G1-1). The viewpoints and requirements of consumers and end-users are taken into account in the product specifications.

**S4-3 Process to remediate negative impacts and channels for consumers and end-users to raise concerns**

Options for consumers and end-users to report their concerns and other measures to promote the implementation of the Code of Conduct are described in detail in section G1-1. The Code of Conduct is published on the Group's website and is therefore accessible to consumers and end-users at all times. The whistleblower system, which is also described in G1-1, is accessible to all interested parties. In addition, a contact option has been set up on the websites of the core brands to allow potential cybersecurity vulnerabilities to be reported. The reporting options are available to employees and third parties, including consumers and end-users. There are currently no procedures in place to promote the availability of the processes for consumers and end-users. Nor have consumers and end-users been explicitly involved in the process of implementing the reporting channels to date. Measures for reducing negative impacts and promoting positive impacts can be found in section S4-4.

**S4-4 Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

The Group will continue to monitor, evaluate and improve its efforts to meet its obligation of due diligence in relation to human rights. This includes manufacturing safe products. The measures were identified and developed on the basis of the Group's many years of experience in the field of mobility and by analyzing legal requirements. Ongoing research and development activities can improve the characteristics of motorcycles, thereby reducing negative impacts on consumers and end-users and achieving positive impacts. No cases of non-compliance with the Code of Conduct and therefore violation of human rights in the downstream value chain were reported to the Group in the financial year. Material, financial and personnel resources were provided for the management of material IROs, allowing the measures mentioned to be initiated or implemented.

**Quality management**

The Group has set itself the goal of manufacturing particularly safe and high-quality products. A high level of quality enables products to be used reliably and safely. This is ensured by an ISO 9001:2015-certified quality management system at the KTM Group's relevant sites (such as Production, Logistics, and Research and Development). The measures described below focus on the production sites in Austria and Spain. (IRO 23, 24, 26)

- **Ongoing quality management measures:** Quality Management implements a number of measures to ensure high product quality and the early detection of non-conformities: regular internal system, process and product audits, in-process inspections, the implementation of FMEAs (failure mode and effects analyses) and the creation of production control plans. If deviations are detected in the product, process or system audits, the relevant department is notified immediately. The department in question carries out cause analyses and implements corrective measures and, if necessary, reassesses these during subsequent audits. Furthermore, Quality Management is responsible for document control, process and knowledge management and the coordination of quality control circles, which also contribute to the continuous improvement of product quality.
- **Assembly process & end-of-line test:** Each and every vehicle component is checked by experienced and trained employees according to an inspection plan. During vehicle assembly, all motorcycles are subjected to an end-of-line test (test bench run). This process step is secured by system so that no vehicle can leave production without being approved. If a malfunction is detected during the assembly process, it is recorded in the ERP system by the post-assembly personnel and then corrected. The data are evaluated daily and made available to the relevant employees and management. If it is determined that there is systematic non-compliance with product conformity, cause analyses are carried out on a case-by-case basis.

- **Supplier management:** In addition to monitoring in-house production processes, quality assurance in the upstream value chain is also important. This is continuously promoted by systematic supplier management including supplier evaluations and audits. In addition, the Group carries out incoming goods inspections in order to detect any deviations at an early stage. In the event of deviations, an action plan is drawn up and implemented, which also tracks the action taken.

### Improving customer satisfaction through customer service

Customer expectations have changed dramatically in recent years due to general market developments. In order to continue meeting expectations, customer service activities for all brands were further expanded in financial year 2024. The effectiveness of the customer service and quality management measures is monitored, among other things, by recording the warranty applications. (IRO 23, 24, 26)

- **Extended manufacturer's warranty:** The extension of the 24-month manufacturer's warranty for selected street models (LC8c models and LC8 Street and Travel models) by a further 12 or 24 months introduced in 2023 was also continued in financial year 2024, in order to strengthen trust in the reliability of the products, and the image of the premium brands. To benefit from this, customers simply need to make a service appointment with an authorized workshop. For more information, consumers and end-users can visit the Group's brand websites.<sup>31</sup> This measure can remediate negative impacts on consumers and end-users.
- **Internal task force for customer satisfaction:** In financial year 2024, a cross-divisional task force on customer satisfaction was set up within the Group.<sup>32</sup> Managers from Research and Development, Quality Management and Customer Service are proactively working on initiatives that positively impact customer satisfaction. Technical and structural challenges are identified and analyzed, and possible solutions are developed.
- **Training for two-wheeler mechanics:** The previous year's improvement measures regarding access to KTM's service world were continued in financial year 2024. New dealers and mechanics were given targeted training in how to use products, technologies, systems and processes efficiently and correctly (more information on the training can be found in the section on metrics and targets in this topical standard). The training program is revised annually and updated with regard to current models. In addition, several improvements were implemented during 2024, in particular:
  - Extension of the training concept to include product and sales training
  - Improved solution for assigning training materials to the relevant target groups
  - Introduction of an early-warning system for cross-departmental project monitoring for the timely delivery of training materials
  - Revision of the SAP training report to better illustrate market-specific requirements
- **Workshop evaluations:** As an important management tool for ensuring the quality of specialist dealer workshops and thus customer satisfaction with the service, the workshop evaluations for the main sales markets in Europe were also continued in financial year 2024. These ongoing evaluations focus on customer satisfaction with the service and cover four requirements that must all be met. Six different metrics relating to service quality, implementation of market campaigns, and customer loyalty are used to quantify workshop performance. They are an important management tool for identifying trends at an early stage and for being able to respond to them where necessary.

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<sup>31</sup> For example: <https://www.ktm.com/en-us/service/warranty.html>, <https://www.husqvarna-motorcycles.com/en-us/service/extended-warranty.html>

<sup>32</sup> No end date has yet been defined for the task force. For the time being, the intention is for it to continue indefinitely.

**Research and development for greater product safety**

The Group's Research and Development department is working on solutions to increase product and riding safety that can be incorporated into the Group's motorcycles after completion of the R&D activities and are thus available to consumers and end-users. In some cases, it is also possible to retrofit models that have already been sold. (IRO 25, 26)

- **Preventing accidents through wireless communication:** As part of its membership in the CMC (Connected Motorcycle Consortium), the Research and Development department continued to work with other motorcycle and car manufacturers to analyze accident scenarios and how to avoid them using wireless communication. The next generation of vehicles is ready for the retrofitting of wireless technology. The research activities in financial year 2024 focused on determining reaction times and deriving the necessary warning times. An agreement regarding the wireless standard is still pending. Once available, the Group's motorcycles can be equipped with the new technology, which will increase the safety of end-users.
- **Audible warning messages:** The project on audible warning messages that can be perfectly heard by all age groups, carried out in cooperation with the University of Dresden, was completed in financial year 2024. The visual warning messages on the dashboard will in future be supplemented by audible messages that are easier to hear. As communication systems become more widely used, the Group expects a growing number of users and thus an improvement in road safety. The implementation in selected series-production vehicles is planned with the new generation of electronics.
- **SOS signal:** Rapid and efficient assistance after accidents can be crucial. In financial year 2024, the Group developed audible and visual SOS signals that are triggered automatically after an accident in order to make it easier to locate the people involved. This alerts passers-by and rescue organizations and directs them to the accident site more quickly. At the same time, the risk of subsequent accidents can be reduced.

**IT security of the products**

In addition to the measures described in section S1-4 relating to the cybersecurity of the Group's systems, the Group is also focusing on the IT security of its motorcycles. (IRO 26, 27, 28)

According to current European law, the security of the IT systems in vehicles needs to be increased and more stringent cybersecurity protection needs to be guaranteed. A regulation requiring proof of cybersecurity for the entire product life cycle in order for type approval to be granted currently only applies to four-wheel vehicles. The RED DA (the delegated act to the European Union's Radio Equipment Directive), which comes into force in August 2025, also requires the use of corresponding components in powered two-wheelers (motorcycles, electric bicycles). Additional regulations in relation to cybersecurity – the Cyber Resilience Act (CRA), UNECE R155 – will need to be implemented for powered two-wheelers from 2027.

- **Cybersecurity Management System (CSMS):** As already defined in the Cybersecurity Policy, PIERER Mobility operates a CSMS in accordance with ISO/SAE 21434 in order to meet the legal requirements upon entry into force of the regulations. The CSMS is supported by the Vehicle Security team, which works closely with those responsible for research and development. By 2027, the system should be fully developed and ensure that newly developed components meet the EU requirements. A uniform cybersecurity interface has been created for managing requirements with existing and new suppliers, which will be rolled out gradually.
- **Vulnerability management:** The Group always endeavors to use the best available security measures. However, vulnerabilities in products, services or systems cannot be ruled out. To identify potential IT risks at an early stage, the Group has implemented a vulnerability management system. This system constantly governs the monitoring of external developments and steers the handling of warning messages that may be received via various communication channels, such as a specific tool for risk identification or through reports from Research and Development.

METRICS AND TARGETS

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, the Group has not set any targets with regard to material impacts, risks and opportunities in connection with consumers and end-users. The effectiveness of the policies and actions in relation to the material IROs is monitored individually by the responsible departments. However, there is not yet an overarching procedure for monitoring effectiveness.

Entity-specific disclosures

- Recalls:** In financial year 2024, there were no product recalls due to defects. Further information on recalls (including from previous years) can be found on the product websites.<sup>33</sup> As an additional safety feature, every KTM, Husqvarna and GASGAS motorcycle owner can find out whether their vehicle is affected by a recall or a safety warning under “Service and Safety Check”<sup>34</sup> on the corresponding product website. (IRO 23, 24, 26)
- Training for two-wheeler mechanics:** A year-over-year decrease in face-to-face training and a corresponding increase in online training was expected and observed in financial year 2024. In total, 73 (-12% year on year (YoY)) partially parallel face-to-face training courses took place on a total of 176 (-25% YoY) training days. In addition, 27 new courses were added to the online learning management system. 496 (-11% YoY) participants from 39 countries received face-to-face training. In financial year 2024, 806 new bronze-level mechanics were added to the network of dealers, meaning that 97.8% (+19% YoY) of dealers now employ a mechanic at this level in their workshop. The number of online training sessions completed was 71,408 (+31% YoY) by 5,478 participants from 2,007 dealers.

CALCULATION PRINCIPLES AND ASSUMPTIONS

ESRS DISCLOSURE REQUIREMENT		DATAPOINT, DISCLOSURE	CALCULATION PRINCIPLES AND ASSUMPTIONS
Recalls (entity-specific disclosure)			Recalls and safety warnings are coordinated by Customer Service.
Training for two-wheeler mechanics (entity-specific disclosure)			The training courses for two-wheeler mechanics are coordinated and monitored by the company's internal Dealer Training department. The evaluation is carried out in the Group's ERP system, taking into account the training courses completed.

<sup>33</sup> Motorcycles: <https://www.ktm.com/en-us/service/Safety.html>, <https://www.husqvarna-motorcycles.com/en-us/service/safety-information.html>, <https://www.gasgas.com/en-us/service/safety-information.html>; electric bicycles: <https://www.husqvarna-bicycles.com/en-us/support/safety-information.html>, <https://www.gasgas.com/bicycles/en-us/support/safety-information.html>

<sup>34</sup> See, by way of example: <https://www.gasgas.com/en-us/service/service-and-safety-check.html>



## 4.8 ESRS G1 BUSINESS CONDUCT

**ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**

TOPIC	IRO	MATERIAL IMPACTS, RISKS OR OPPORTUNITIES		TIME HORIZON		
				SHORT-TERM	MEDIUM-TERM	LONG-TERM
<b>Corporate culture</b>	<b>29</b>	<b>Promotion of a responsible corporate culture</b> in collaboration with internal workers and external business partners throughout the value chain.	Positive (OO, VC)	X	X	X
<b>Management of relationships with suppliers including payment practices</b>	<b>30</b>	<b>Quota-based payments to suppliers as part of restructuring proceedings<sup>35</sup></b> Due to the restructuring proceedings affecting KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH, quota-based payments may take place.	Negative (VC)	X	X	
<b>Protection of whistleblowers</b>	<b>31</b>	<b>Strengthening the trust and feeling of security of whistleblowers</b> By enabling multiple reporting options (some of which are anonymous) and promoting their use, the PIERER Mobility Group is strengthening the trust and feeling of security of whistleblowers.	Positive (OO, VC)	X	X	X
<b>Corruption and bribery</b>	<b>32</b>	<b>Risk of financial losses due to corruption and bribery</b> Breaches of anti-corruption and bribery regulations may lead to financial losses.	Risk (OO, VC)			

**IMPACT RISK AND OPPORTUNITY MANAGEMENT****G1-1: Corporate culture and business conduct policies****Code of Conduct**

The Group Code of Conduct forms the basis for a responsible and ethical corporate culture. It applies to all employees, managers and board members, as well as business partners. The Code of Conduct includes detailed guidelines for respecting human rights, environmental protection, fair working conditions and ethical business practices. At the same time, it compels strict compliance with international standards such as the OECD guidelines, ILO conventions (in particular ILO C138 on the minimum age for admission to employment, ILO 182 on the prohibition and immediate action for the elimination of the worst forms of child labor, ILO 29 on forced or compulsory labor and ILO 105 on the abolition of forced labor) and conventions against child and forced labor. The Code of Conduct is available on a permanent basis on the company's website,<sup>36</sup> where it is transparently and easily accessible for all relevant stakeholders.

<sup>35</sup> No policies, measures or targets have been established in relation to quota-based payments to suppliers during the restructuring proceedings, as the impact of this will only be temporary.

<sup>36</sup> Available at: <https://www.pierermobility.com/en/sustainability/publications>

In order to be able to identify and investigate concerns regarding potential breaches of the Code of Conduct effectively, the Group has established a system of internal and external reporting channels, including the anonymous whistleblower system. This allows employees and third parties to report breaches safely, confidentially and, if preferred, anonymously. Protection of whistleblowers is enshrined in company principles and sanctions against whistleblowers acting in good faith are not permitted. Here, the Group pays particular attention to compliance with national and international provisions on combating corruption (e.g. UNCAC, OECD Guidelines for Multinational Enterprises). See also further explanations given in section S1-3.

In order to guarantee that all employees (irrespective of position or function) understand the company's ethical standards and implement them in their day-to-day work, the Group has introduced an annual mandatory e-learning program on compliance and the Code of Conduct. The e-learning program is continuously updated. It requires employees to deal with specific examples of corruption and bribery in order to familiarize them with practical scenarios and foster their understanding of the potential risks. Furthermore, a guideline was established that contains clear guidelines on conduct and recommended actions to prevent corruption and bribery (see guidelines on dealing with invitations, G1-1). Employees are provided with the contact details of the Legal department as part of the e-learning program so that they can receive individual advice from the department in the event of specific queries or areas of uncertainty.

The Group strictly complies with national and international guidelines on combating corruption and has laid down a clear zero-tolerance policy toward corruption and bribery in its Code of Conduct. This policy is supported by training sessions for all employees, in particular managers. Certain functions, in particular senior positions with direct contact with external partners, are particularly exposed to the risk of corruption due to their decision-making powers. Corruption can begin with small, initially inconspicuous actions, meaning that, essentially, any function in the Group may potentially be at risk. This underlines the need for groupwide awareness-raising measures.

In the case of suspected breaches of the compliance guidelines, internal investigations are immediately initiated; these are conducted independently by the Legal department with support from external experts where required. As soon as a report is received, it is checked and undergoes an initial assessment by the Legal department. Specific steps are taken on a case-by-case basis. Firstly, relevant information is gathered and discussions held with the individuals concerned. If required, meetings are held with supervisors, HR and/or external experts. These discussions are used to comprehensively clarify the situation and plan the required measures. Next, suitable measures are taken, which may range from warnings to measures under employment law. Each measure is carefully coordinated with the relevant internal departments and implemented consistently. Further steps may be derived from the reports, for example the creation of new guidelines by the Legal department for the purposes of raising employee awareness. Managers are further required to take preventive measures to avoid risks and ensure safe working methods. The Code of Conduct is regularly reviewed by the Group's Legal department and updated as required to ensure it meets high standards. The departments, relevant managers and ultimately company management are responsible for ensuring that the Code of Conduct is implemented.

The Code of Conduct of the Group applies in principle to all group companies. Due to the integration into the corporate structure (under KTM Components GmbH) during the financial year 2024, VMG's own Code of Conduct was also in effect. This served as a guideline with clear principles governing the ethical business practices of VMG, its employees and all business partners. The Code of Conduct described regulations in relation to working conditions and human rights, occupational health and safety, business ethics and environmental protection. It was accessible on the VMG website and the management of VMG was responsible for it. (IRO 29, 31, 32)

**Guidelines on dealing with invitations**

The Group has internally accessible guidelines on dealing with invitations. In order to avoid conflicts of interest, clear, strict rules on issuing and accepting invitations have been established for workers of the Group. The aim here is to prevent bribery, corruption and other criminal offenses. Business partners are also required to make decisions exclusively on an objective basis, as laid down in the Code of Conduct. The guidelines have been created by the Group's Legal department and will be updated as necessary. The departments, relevant managers and ultimately the Executive Board or company management are responsible for promoting the implementation of the guidelines. They are aimed specifically at the company's own workers and their internal and external activities. (IRO 32)

**Guidelines<sup>37</sup> on the use of the whistleblower system**

The guidelines for whistleblowers, which are available on the Intranet, set out the process structure and protect the whistleblower submitting a report via the whistleblowing system. The guidelines set out the reporting process and information about confidentiality and data protection. The guidelines have been created by the Group's Legal department and will be updated as necessary. The relevant managers and ultimately the Executive Board or company management are responsible for the implementation of the guidelines. (IRO 29, 30, 32)

Further information on the establishment, development and promotion of internal corporate culture can be found in section S1-4 Measures relating to working conditions and employee satisfaction and section S1-4 Training and further training opportunities.

**G1-2 – Management of relationships with suppliers**

The Group has established standard terms and conditions of purchase that govern procurement and payment, including any associated conditions, such as quality. Here, the Group does not differentiate by size of supplier. In addition, specific arrangements may be made with suppliers. Supplier management takes place via a tool. To monitor social and ecological sustainability performance in the supply chain, the Group uses the Value Chain Risk Analysis, which is described in greater detail in section S2-4. Part of the process for assessing the specific risk took place in the form of a self-disclosure submitted by the suppliers via a dedicated software solution. The supplier ecological and social sustainability assessment feeds into the supplier selection process, for example as part of the supplier assessment or the Group's goods group strategy.

**G1-3 – Prevention and detection of corruption and bribery**

- **Updating the Code of Conduct and associated guidelines:** In 2024, the Code of Conduct, including the content on combating corruption and bribery, and the associated guidelines were revised and updated. Compliance with the Code of Conduct is mandatory for all employees and business partners. The "Compliance and Code of Conduct" e-learning course must be completed annually by all employees and supports employees in implementing the Code.

In 2025, the associated e-learning course is set to be revised and updated to ensure it continues to meet the latest requirements. Updates to the guidelines, policies and other online training courses will continue to take place in the future to ensure it is possible to react promptly to any changes affecting the Group.

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<sup>37</sup> Note: The guideline is an internal document; however, external parties can also submit reports via the whistleblower system. Further information can be found at: <https://pierermobility.integrityline.com/?lang=en>

	OWN WORKERS (EXCLUDING MANAGERS)	MANAGERS
<b>Training coverage</b>		
All	4,780	707
All trained individuals	2,921	609
Share	66.8%	51.6%
<b>Training method and duration</b>		
Computer-based training	Approximately 1h	Approximately 1h
<b>Frequency</b>		
How often must the training courses be completed?	Annually	Annually
<b>Topics covered</b>		
Definition of compliance	x	x
Code of Conduct and corporate culture	x	x
Human rights, respect and integrity, diversity, fair working conditions and sustainability	x	x
Fair competition and prohibition of cartels	x	x
Conflicts of interest, handling company property and trade secrets, data protection	x	x
Korruption and bribery, money laundering and financing of terrorism, export controls	x	x
Influence of the Code of Conduct on business relationships	x	x
Consequences of non-adherence to compliance regulations	x	x

Corruption and bribery can start on a small scale, which is why the Group takes a preventive approach: All employees of the Group are potentially exposed to such risks, regardless of their function or area. For this reason, the e-learning program is aimed at all employees of the Group who are connected to the system. The members of the Group Executive Board are also included in the figures for managers. In addition, the members of the Executive Board and the Supervisory Board receive training on all of the above points during the course of the year.

- **Measures to promote the whistleblower system:** To further promote the use of the whistleblower system, an additional reporting channel was set up in 2024, which allows external business partners and third parties to submit reports (anonymously). This was made publicly accessible via the Code of Conduct. Incidents reported are monitored and assessed by the Legal department directly in the system in order to ensure efficient oversight and quick processing. Further information on the follow-up process for reports and publication of the associated guidelines can be found in section G1-1. These measures are part of continuous efforts to improve the prevention of corruption and bribery and to more effectively structure company policy. Employee feedback received via the reporting channels provides insights into the trust in the corporate culture and ethical company management.

## METRICS AND TARGETS

The Group has defined parameters to accurately assess the performance and effectiveness of the measures taken in relation to key internal guidelines. These parameters enable it to monitor progress, in particular in the areas of corporate culture, protection of whistleblowers and prevention of corruption and bribery. The metrics and targets established by the Group are directly linked to the Code of Conduct and associated guidelines and should guarantee a responsible corporate culture, protection of whistleblowers and prevention of corruption and bribery. Specifically, an increase in the number of graduates of the Code of Conduct and Compliance e-learning programme and the revision of the training course were set as targets. Regular audits and evaluations help to ensure compliance with compliance guidelines. These validations increase trustworthiness and data reliability, which are used to assess target attainment.

**G1-4 – Incidents of corruption or bribery**

In financial year 2024, no breaches of corruption or bribery regulations or other compliance incidents that led to legal proceedings were identified. There were no cases that led to disciplinary consequences or dismissals. No contracts with business partners were terminated or not renewed as a result of breaches. Likewise, no public court proceedings resulting from corruption or bribery were initiated or concluded.

**ESRS G1-4, 24-25**

DATAPOINT	UNIT	2024
Number of convictions due to breaches of corruption and bribery regulations	Number	0
Total fines due to breaches of corruption and bribery regulations	€	0
Total number and type of confirmed incidents of corruption and bribery	Number	0
Number of confirmed incidents in which own workers were dismissed or disciplined as a result of corruption and bribery	Number	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to breaches in connection with corruption and bribery	Number	0

This absence of breaches reflects the efficiency of the preventive measures that are supported by regular training sessions and awareness-raising programs. In particular, the mandatory annual Compliance and Code of Conduct e-learning program ensures that all employees understand and can apply the company guidelines. During the reporting period, 66.5% of employees successfully completed this online training course. The aim here is to increase the number of people completing the training in the financial year 2025. A further goal is the comprehensive revision of the e-learning program on compliance and the Code of Conduct in the financial year 2025 to make it even more practical and easier to understand for all employees of the Group. (IRO 29, 31 32)

**Metrics and targets regarding the whistleblower system (entity-specific disclosure)**

In 2024, 17 incidents were reported via the whistleblower system, of which 17 were not compliance-relevant. Expanding the system to include third parties should lead to better integrity in future. Increased use is an indicator of a good level of acceptance of the system and trust from whistleblowers.

**G1-6 – Payment practices**

The Group has established standard terms and conditions of payment in its terms and conditions of purchase.<sup>38</sup> According to the standard terms and conditions if all requirements are met, the invoice will be paid within 90 days of receipt of the invoice to the bank account on file. In addition, specific arrangements may be made with suppliers. Payments were generally made on time (taking cash discounts in account). There were individual cases of payment deferrals in financial year 2024 in which invoices were paid after their due date. On average, it took 86 days for invoices to be settled prior to the initiation of the restructuring proceedings. No court proceedings were opened against the Group due to delayed payment during the financial year 2024.

<sup>38</sup> Available at: <https://ktmgroup.com/en/procurement/>

## CALCULATION PRINCIPLES AND ASSUMPTIONS

<b>ESRS DISCLOSURE REQUIREMENT</b>	<b>PARAGRAPH</b>	<b>DATAPOINT, DISCLOSURE</b>	<b>CALCULATION PRINCIPLES AND ASSUMPTIONS</b>
G1-3	21	Information on corruption and bribery training	Monitoring of successfully completed training courses on preventing corruption and bribery takes place online via the company's e-learning system. The system sends invitations to all employees who are connected to the e-learning system. The subsidiary DealerCenter Digital GmbH was not included in the analysis.
G1-4	24a	Legal steps resulting from breaches of corruption and bribery regulations	Monitoring of legal steps resulting from breaches of corruption and bribery regulations is conducted by the Legal department.
G1-4	25a	Confirmed incidents of corruption and bribery	Monitoring of corruption and bribery incidents is conducted by the Legal department
G1-4	Metrics regarding the whistleblower system (entity-specific disclosure)		Monitoring of the whistleblower system is conducted by the Legal department. The system is accessible to internal and external stakeholders.
G1-6	33a	Payment periods	The calculation of the average time in days for the payment of invoices has been carried out for KTM AG only for the period up to 31 October 2024. The reason for choosing this period is the start of the restructuring process in November 2024. For the calculation, the average accounts payable for goods and services were multiplied by 365 days and then divided by the expenses for material purchases, including VAT.
G1-6	33b	Standard payment terms	The standard payment terms are defined in the Group's terms and conditions of purchase. Due to the restructuring proceedings of KTM AG and two of its subsidiaries, it is currently not possible to evaluate the percentage of payments for which the standard terms are applied. In addition, individual payment terms are often agreed with suppliers, which would reduce the meaningfulness of the figure.
G1-6	33c	Legal proceedings for latepayments	Monitoring of legal steps resulting from delays in payment is conducted by the Legal department.

## 4.9 APPENDIX

## ESRS CONTENT INDEX (ESRS 2 IRO-2)

DISCLOSURE REQUIREMENTS		CHAPTER	OMISSION, EXPLANATION
ESRS 2 – General Disclosures			
BP-1	General basis for preparation of sustainability 36 statements	BP-1	The information can be found in chapter ESRS 2 BP-2 and in the chapters in the topic standards.
BP-2	Disclosures in relation to specific circumstances	BP-2	
GOV-1	The role of the administrative, management and supervisory bodies	GOV-1	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV-2	
GOV-3	Integration of sustainability-related performance in incentive schemes	GOV-3	
GOV-4	Statement on due diligence	GOV-4	The information can be found in chapter ESRS 2 SBM-3 and in the chapters in the topic standards.
GOV-5	Risk management and internal controls over sustainability reporting	GOV-5	
SBM-1	Strategy, business model and value chain	SBM-1	
SBM-2	Interests and views of stakeholders	SBM-2	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM-3	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	IRO-1	The information can be found in chapter ESRS 2 SBM-3 and in the chapters in the topic standards.
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	IRO-2	
ESRS E1 – Climate change			
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2 GOV-3	The information can be found in chapter ESRS 2 SBM-3 and in the chapters in the topic standards.
E1-1	Transition plan for climate change mitigation	E1-1	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3 E1 ESRS 2 SBM-3	
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	ESRS 2 IRO-1	
E1-2	Policies related to climate change mitigation and adaptation	E1-2	
E1-3	Actions and resources in relation to climate change policies	E1-3	Application of the option for phased-in implementation in accordance with ESRS 1 Annex C
E1-4	Targets related to climate change mitigation and adaptation	E1-4	
E1-5	Energy consumption and mix	E1-5	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	E1-6	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		

DISCLOSURE REQUIREMENTS		OMISSION, CHAPTER EXPLANATION
<b>ESRS E5 – Resource use and circular economy</b>		
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	ESRS 2 IRO-1
E5-1	Policies related to resource use and circular economy	E5-1
E5-2	Actions and resources related to resource use and circular economy	E5-2
E5-3	Targets related to resource use and circular economy	E5-3
E5-4	Resource inflows	E5-4
E5-5	Resource outflows	E5-5
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Application of the option for phased-in implementation in accordance with ESRS 1 Annex C
<b>ESRS S1 – Own Workforce</b>		
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2 SBM-2
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3 S1 ESRS 2 SBM-3
S1-1	Policies related to own workforce	S1-1
S1-2	Processes for engaging with own workers and workers' representatives about impacts	S1-2
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	S1-3
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5
S1-6	Characteristics of the undertaking's employees	S1-6
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Application of the option for phased-in implementation in accordance with ESRS 1 Annex C
S1-9	Diversity metrics	S1-9
S1-13	Training and skills development metrics	S1-13
S1-14	Health and safety metrics	S1-14
S1-15	Key figures for work-life balance	S1-15
S1-16	Remuneration metrics (pay gap and total remuneration)	S1-16
S1-17	Incidents, complaints and severe human rights impacts	S1-17
<b>ESRS S2 – Workers in the value chain</b>		
ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2 SBM-2
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3; S2 ESRS 2 SBM-3
S2-1	Policies related to workers in the value chain	S2-1
S2-2	Processes for engaging with workers in the value chain	S2-2
S2-3	Processes to remediate negative impacts and channels for workers in the value chain	S2-3
S2-4	Taking action on material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those actions	S2-4
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5



**ESRS S4 – Consumers and end-users**

ESRS 2 SBM-2	Interests and views of stakeholders	ESRS 2 SBM-2
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3 S4 ESRS 2 SBM-3
S4-1	Policies related to consumers and end-users	S4-1
S4-2	Processes for engaging with consumers and end-users about impacts	S4-2
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4-3
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4-4
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-5

**ESRS G1 Business Conduct**

ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	ESRS 2 GOV-1
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 IRO-1
G1-1	Corporate culture and business conduct policies and corporate culture	G1-1
G1-2	Management of relationships with suppliers	G1-2
G1-3	Prevention and detection of corruption and bribery	G1-3
G1-4	Incidents of corruption or bribery	G1-4
G1-6	Payment practices	G1-6

**LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION (ESRS 2 ANNEX B)**

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Yes	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Yes			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Yes	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Yes	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Yes	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Yes	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Yes			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Yes				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Yes		575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12.1 (d) to (g), and Article 12.2	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS E1-4 GHG emission reduction targets paragraph 34	Yes	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Yes	Indicator number 5 Table #1 and indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37	Yes	Indicator number 5 Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Yes	Indicator number 6 Table #1 of Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Yes	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Yes	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56	No				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Yes			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Yes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Yes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Yes			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRT Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	No	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	No	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	No	Indicator number 8 Table 2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	No	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	No	Indicator number 6.2 Table #2 of Annex 1			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	No	Indicator number 6.1 Table #2 of Annex 1			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	No	Indicator number 7 Table #1 of Annex 1			
ESRS 2- SBM 3 - E4 paragraph 16 (b)	No	Indicator number 10 Table #2 of Annex 1			
ESRS 2- SBM 3 - E4 paragraph 16 (c)	No	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	No	Indicator number 11 Table #2 of Annex 1			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	No	Indicator number 12 Table #2 of Annex 1			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	No	Indicator number 15 Table #2 of Annex 1			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Yes	Indicator number 13 Table #2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Yes	Indicator number 9 Table #1 of Annex 1			
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Yes	Indicator number 13 Table #3 of Annex I			
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Yes	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy commitments paragraph 20	Yes	Indicator number 9 Table #3 and indicator number 11 Table #1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Yes			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Yes	Indicator number 11 Table #3 of Annex I			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Yes	Indicator number 1 Table #3 of Annex I			
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Yes	Indicator number 5 Table #3 of Annex I			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Yes	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Yes	Indicator number 3 Table #3 of Annex I			
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Yes	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Yes	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Yes	Indicator number 7 Table #3 of Annex I			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Yes	Indicator number 10 Table #1 and indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Yes	Indicators number 12 and n. 13 Table #3 of Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17	Yes	Indicator number 9 Table #3 and indicator number 11 Table #1 of Annex 1			
ESRS S2-1 Policies related to value chain workers paragraph 18	Yes	Indicator number 11 and n. 4 Table #3 of Annex 1			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Yes	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Yes			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Yes	Indicator number 14 Table #3 of Annex 1			
ESRS S3-1 Human rights policy commitments paragraph 16	No	Indicator number 9 Table #3 of Annex 1 and indicator number 11 Table #1 of Annex 1			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MATERIAL	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	No	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S3-4 Human rights issues and incidents paragraph 36	No	Indicator number 14 Table #3 of Annex 1			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Yes	Indicator number 9 Table #3 and indicator number 11 Table #1 of Annex 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Yes	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Yes	Indicator number 14 Table #3 of Annex 1			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Yes	Indicator number 15 Table #3 of Annex 1			
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Yes	Indicator number 6 Table #3 of Annex 1			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Yes	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Yes	Indicator number 16 Table #3 of Annex 1			

## 5 RESEARCH & DEVELOPMENT (R&D) AND NEW MODELS

### 5.1 ORGANIZATION

The KTM Group's research and development department is globally positioned. The central development site is located in Mattighofen. In addition to carrying out numerous research and development projects, the R&D activities of the other locations are supported from here. Due to the local conditions, the research site in Terrassa, Spain, is well suited for testing off-road motorcycles. Accordingly, the research focus on site is also on off-road applications. The research activities in Varese, Italy, focused on the further development of the MV Agusta models. In the United States, the focus is on ensuring that products comply with the specifications specific to the North American market, as well as on complementary developments. The PIERER Mobility Group cooperates with research institutions, OEMs and start-ups from the motorcycle and automotive industries as well as from other branches of industry.

The central points of the R&D activities are the early recognition of trends in the motorcycle industry and customer requirements as well as the further development of the product portfolio from a technical and functional point of view. Key areas of R&D activities include digitalization – both in the area of R&D itself and product-related –, electromobility, the reduction of emissions, further developments in the areas of safety and assistance systems, and materials research. The R&D activities cover the entire product development process – from basic research in the field of material use, pre-development and prototype production to series production.

As of December 31, 2024, the company employed 1,173 people in research and development (previous year: 1,302), which corresponds to 22.1% of the total workforce. The decrease results from the various measures taken by the PIERER Mobility Group to reduce R&D costs. Operationally, excluding the capitalization and depreciation of development expenses, 12.5% of total sales were spent on research and development, which corresponds to € 235.1 million in absolute terms (previous year: € 244.4 million).

### COLLABORATION WITH CFMOTO AND BAJAJ

The Group's long-standing partnerships with Bajaj Auto, Pune, India, and CFMOTO, Hangzhou, China, were continued in the 2024 financial year. The majority of development activities will continue to take place at the Group's European research and development sites. In the future, the industrialization of developments will be increasingly supported by these international partners. The aim is to exploit synergies on both sides by relocating development and production processes. The cooperation with CFMOTO is primarily managed by the joint venture.

### 5.2 RESEARCH AND DEVELOPMENT ACTIVITIES

#### DIGITISATION

The virtualization and digitization of product development are important building blocks for reducing development times, costs and quality risks. Computer-aided component validation, function verification and optimization in the development process mean that fewer physical prototypes are required. Ultimately, the physical clearance testing of components and complete vehicles on appropriate test benches is an indispensable building block in the testing of new products.

In addition, long-term simulations can promote the development of more durable products. The findings of the simulation are summarized in the virtual prototype, the "digital twin". However, due to its complexity, the Group does not expect the digital twin to be used for a few years.



Connectivity functions that enable data exchange between the vehicle and, for example, smartphones have been intensively developed in recent years and are among the indispensable features, especially in the premium segment. In addition to the development of comfort functions (e.g. telephony and navigation), the development and testing of communication systems between the motorcycle and other vehicles as well as between the motorcycle and (traffic) infrastructure (e.g. traffic lights) are a central component of the activities of the reporting year. As part of its Connected Motorcycle Consortium (CMC) membership, KTM continued to work together with other motorcycle and passenger car manufacturers in 2024 on the analysis of accident scenarios and prevention through radio communication. This leads to an improvement in road safety. The next generation of vehicles is already prepared for the retrofitting of radio technology.

## **ACTIVITIES IN THE FIELD OF ALTERNATIVE DRIVE TECHNOLOGIES**

One of the key activities for decarbonization in the field of electromobility is the expansion of the product range. In order to meet its own performance standards, battery development is being pushed forward and focused on suitability for series production.

Since the market launch of the KTM Freeride E in 2014, the PIERER Mobility Group has been considered a pioneer in this field. The development of electrified motorcycle models is mainly carried out in the in-house competence centre in Anif near Salzburg. In the 2024 financial year, the fundamentally revised 2025 KTM Freeride E was introduced together with the newly developed, all-electric Husqvarna Pioneer (MY25). A lithium-ion battery has been specially developed for these two models, which has a capacity of 5.5 kWh and enables enduro riding times of up to three hours. In addition, the partially updated, all-electric minicross models of the KTM, Husqvarna and GASGAS brands were presented in the past fiscal year. These offer the next generation of drivers an entry point into electric mobility and are offered in various variants.

At the same time, the group is working on other electrical products that will complement the product portfolio in the future. The KTM E9 is intended to reach a new target group as a new hybrid of e-bikes and e-motocross motorcycles. The aim is to reach series production readiness with the developments in 2025 and to introduce the KTM E9 to the market in the 2026 financial year. The GASGAS TXE, which is also under development, has already been tested in racing situations at the TrailGP. What is special compared to other e-motorcycles is the development of this vehicle with a transmission, gears, a mechanical clutch and a flywheel.

In addition to product developments, the Group also engaged in research on subcomponents in the 2024 financial year. As a member of several research groups, KTM has been involved in environmentally friendly forms of mobility. The multi-year project "LiONESS", funded by the Austrian Research Promotion Agency (FFG), aims to develop new simulation and measurement methods for the further development of battery-powered vehicles of class L (class of motorcycles/motor vehicles). In doing so, the project takes into account the efficiency, safety and sustainability of the batteries. KTM is responsible for product management and the transfer of the sustainability requirements achieved into the general product requirements.

The "EMotion" research project was successfully completed in the 2024 financial year. In four project years, two prototypes of energy-efficient, electric L-category vehicles were developed and tested. Criteria such as lightweight construction and efficiency were taken into account. The know-how and all the knowledge gained through the innovative project will be used for further development work on production vehicles and in various work processes.

In addition, the Group continued to be active in the Swappable Batteries Motorcycle Consortium (SBMC) in the 2024 financial year. The aim of the consortium is to facilitate the use of L-category light electric vehicles through replaceable batteries and to promote the development and deployment of relevant charging infrastructure. Common battery specifications facilitate the introduction of stations to replace corresponding batteries. The activities are complemented by the EU-funded project "Stan4SWAP". In the course of this, a standardization roadmap for battery replacement of Category L vehicles is to be developed by November 2025.

## **DEVELOPMENTS IN THE FIELD OF NOISE AND POLLUTANT EMISSIONS**

In recent years, the noise emission behaviour of motorcycles has become an important acceptance criterion for this vehicle category. While the noise level for street-legal motorcycles is specified and progressively reduced by international homologation standards, there is no uniform regulation for off-road sports motorcycles.

The EU project "LENS" aims to reduce noise and pollutant emissions. In addition to best practice examples, proposals for regulations to improve the performance of future vehicles will also be developed. The project is scheduled to be completed in the 2025 financial year after a three-year project period. The contribution of KTM Forschungs & Entwicklungs GmbH in the past financial year included the provision of test motorcycles and expertise as well as support for the partners in the preparation of the results reports.

The implementation of the EU5+ emission requirement for the off-road and street models, which had been planned for several years, was completed in the 2024 financial year. In the future, all new models registered in Europe will meet these EU5+ requirements.

In the fiscal year, the development of the automated manual transmission (AMT) was completed by the Group. From the 2025 model year, this is to be used in selected premium models. The AMT gives the driver the flexibility to choose between manual or automated mode. Depending on the selected shift mode, the change to the next gear is automatic or manual by means of a gear lever or paddle shifter. In both modes, no manual clutch activation is required for starting and changing gears. In automatic mode, you can also choose between comfort and sport mode. In MotoGP™, a 40% share of non-fossil fuels was already used in the 2024 season. From 2027, this percentage will be increased to 100%. Testing in motorsport and the resulting and subsequent technology transfer into series production application is an important pillar for incorporating innovation from racing into future models of the Group. This will also enable the gradual introduction of e-fuels and thus gradual decarbonisation in the vehicle fleet.

## **FUNCTIONAL MATERIAL USE**

The use of high-quality materials in all vehicles, the resulting reduction in vehicle weight and the associated potential for reducing fuel consumption and emissions as well as improving driving characteristics are another pillar of the development philosophy pursued.

In the field of materials research, the focus in the 2024 financial year was on the development of a catalogue for the analysis of requirements for existing and potentially future materials. Plastic components used were assigned to different categories. Based on the requirements, components were identified that could potentially be made from recycled plastics. The first prototypes are in the test phase. If the results of the material and component tests are positive and proof of technical feasibility has been provided, the recycled plastics can be released for future series use. Building on the project, internal material sources for secondary plastics will also be analysed and an approach for closed-loop recycling will be developed.

## **SAFETY AND ASSISTANCE SYSTEMS**

The introduction of new safety and comfort functions in vehicles has been accompanied by a significant increase in the complexity of the electrical/electronic system of motorcycles in recent years. In fiscal 2024, the revised radar-based assistance systems were presented in cooperation with Bosch. The front radar system, called Adaptive Cruise Control (ACC), offers a wide range of advantages in terms of driving comfort and safety, such as keeping distances from road users in front. The rider has three different riding settings at his disposal: "Dynamic" with a quick response to changing traffic conditions, "Comfort" for smooth adjustments to changes in speed, and "Group Ride", which allows riders to ride in larger groups of motorcycles and focuses on the next object with lateral offset. In addition, the ACC offers an overtaking assistant, cornering speed control, brake assist and collision warnings, among other things.

The project on acoustically optimised warning messages for all age groups was completed in the 2024 financial year and a patent application was filed. The R&D team worked on acoustic warning messages that will enable the driver to recognize a critical situation in time and to be able to react to it in time. These new findings and developments were created through cooperation with the University of Dresden. With the increasing spread of headsets, the group expects a large user base and thus an improvement in safety for end customers.

If accident situations nevertheless occur, the group develops an SOS signal to make it easier to quickly find the injured motorcyclist. The aim is to attract the attention of passers-by and rescue organisations through acoustic and visual signals and to guide them faster and more precisely to the scene of the accident.

## **5.3 OUTLOOK 2025 AND BEYOND**

The company-wide digitalization initiatives will continue to address the influence of artificial intelligence, the expansion of connectivity and the strengthening of the dealer network with B2B2C technologies. In the future, an end-to-end data chain will be developed along the product-life and customer loyalty cycle, which follows the service orientation and the customer-centricity approach and will increase data quality and availability for the group and the motorcyclist. Furthermore, the Group will prioritize increasing efficiency in the value creation processes and actively monitor trends and technologies.

Through KTM Technologies GmbH and with its ongoing new projects in the third-party customer segment, a permanent build-up of know-how in the field of lightweight construction, composites, drive technologies and electromobility can also be ensured.

## 5.4 NEW MOTORCYCLE MODELS

### KTM

The KTM DUKE range celebrated its 30th anniversary in 2024. To mark this anniversary, KTM launched three new and heavily revised motorcycle models:

- **KTM 390 DUKE**  
With its unmistakable styling, it offers the power-to-weight ratio in its class.
- **KTM 990 DUKE**  
It impresses with many technical innovations, a new engine and chassis.
- **KTM 1390 SUPER DUKE R and KTM 1390 SUPER DUKE R EVO** The pinnacle of hyper naked bikes, offering improved peak performance with the usual aggressive design orientation.

Other new motorcycles are:

#### **KTM RC 8C 2024**

This motorcycle meets the needs of performance-oriented riders and experienced track racers alike.

#### **KTM 250 SX-F Adamo Edition 2025**

This collector's item is available in limited quantities and is dedicated to Andrea Adamo, the 2023 MX2 World Champion.

In addition, there have been numerous improvements in new generations of existing models:

#### **KTM XC and XC-F Series 2025**

Here, several technical updates contributed to improvements in handling and weight reduction.

#### **KTM 450 Rally Replica 2025**

This motorcycle is known from the Dakar Rally and is a symbol of rally raid championships. It received the most comprehensive updates to date.

#### **KTM EXC 2025 model range (2- and 4-stroke enduro range)**

Here, there were extensive improvements, especially in the chassis.

#### **KTM 125 XC-W 2025**

This motorcycle has been reintroduced specifically for the Junior Enduro category.

#### **EXC Champion Editions**

This limited model series celebrates the long-standing racing success and the KTM world champions in partnership with Red Bull.

#### **300 XC-W und 350 XC-F Factory Edition**

These limited-edition models offer the best platform for off-road racing through competitive specifications as used by the KTM Factory Racing Team.

#### **Freeride E**

This new generation of electric recreational enduro offers a significantly increased range with a WMTC rating of 137 km, a lightweight chassis and controllable performance through selectable riding and recuperation modes.

In addition, other new KTM road models were presented at the EICMA motorcycle show in Milan. These include the 990 RC R, 990 DUKE R, 1390 SUPER DUKE GT, 1390 SUPER ADVENTURE R, 390 ADVENTURE R and 390 SMC R.

## **HUSQVARNA**

### **Vitpilen and Svartpilen series 2024**

Since its launch in 2018, all machines have been completely redesigned with new engines, a new chassis, top-notch technology and a new style.

#### **Svartpilen 801**

This exceptional Scrambler-inspired bike sets a new standard for mid-weight road models with a focus on accessible performance and outstanding quality.

#### **Vitpilen 801**

This roadster model sets a new standard for middleweight road models with an emphasis on sporty performance and outstanding quality. A new characteristic headlight and eye-catching colors make it stand out from the competition.

#### **Norden 901 Expedition**

EU5+ and a color and graphics update make this premium model stand out in the Husqvarna Street lineup.

#### **TC 150 and TC 300**

These two new 2-stroke machines complete Husqvarna's motocross lineup for 2025.

#### **TE 125**

Following the reintroduction of this completely redesigned motorcycle, the 2025 Enduro model range includes four 2-stroke and four 4-stroke motorcycles.

#### **TE 300 / FE 350 PRO**

These limited-edition models offer the best platform for enduro racing through competitive specifications such as those used by Billy Bolt and the Husqvarna Factory Racing Team.

#### **Pioneer**

This new electric recreational enduro offers silent fun with a WMTC range of 137 km, an integrated charger and controllable power through selectable riding and recuperation modes.

#### **Heritage Models**

This limited-edition model range celebrates the brand's long-standing heritage with 1980s-inspired graphics in a signature blue.

## **GASGAS**

### **TXE**

This prototype of an electrically powered trial bike competed in the TrialGP World Championship for the first time in 2024.

### **TXT GP and TXT Racing Series 2025**

All six models of the trial bikes are equipped with more powerful components.

### **MC 150 and MC 300**

With these new 2-stroke machines, GASGAS completed the 2025 motocross line.

### **EC 125**

With the introduction of this 2-stroke machine, GASGAS has expanded the Enduro model range to seven bikes for 2025.

### **EC 300 GP**

This limited-edition model offers competitive specifications and celebrates GASGAS' racing heritage in the enduro segment.

### **KTM SX-E 5 / Husqvarna EE 5 / GASGAS MC-E 5**

The new generations of the electric sports minicycle offer 30% more riding time in the highest performance mode thanks to integrated water cooling and have a new design to compete with combustion engine competitors in junior competitions with the best platform.

## **MV AGUSTA**

### **Fast Enduro**

This new, exclusive and high-performance travel enduro impresses with its distinctive, dynamic character and harmonious lines.

### **F3 Competition**

This unique machine is characterized by pure sportiness, aesthetic sophistication and technical excellence. It pays homage to the racing concept and aims to redefine the standard in the SuperSport segment.

## **5.5 NEW BIKE MODELS**

PIERER New Mobility presented the new models and product developments of the Husqvarna and GASGAS brands at EUROBIKE in Frankfurt. Husqvarna was represented with its new-e-bike models: In addition to the Grand Towner 6, which is equipped with the Enviolo system, the Crosser, the Tourer and the Young Cross, an e-mountain bike for children, were presented. GASGAS showed the ECC and MXC series from the new eMTB generation as well as the stylish all-round cruisers, the MOTO 1 and MOTO 2.

## 6 OPPORTUNITY AND RISK REPORT

### 6.1 RISK MANAGEMENT SYSTEM

The main purpose of the PIERER Mobility Group's risk management is to secure and strengthen the company through a timely, complete and transparent assessment of financial, operational and strategic opportunities and risks.

The Group has an enterprise risk management system that centrally records the Group-wide opportunities and risks according to specialist areas and, if applicable, geographical areas. Operational responsibility and the assessment of Group-wide opportunities and risks is carried out by the "Risk Management & Dealer Financing" department of KTM AG, which is also responsible for coordination and in which ESG management is anchored, and the local management. These report directly to the Executive Board of KTM AG and are supervised by the latter and the Group Executive Board of PIERER Mobility AG.

A preventive analysis of possible events is also the task of risk management. In addition, it is important to actively manage opportunities and risks and to define and evaluate appropriate measures with the affected business units.

### 6.2 ENTERPRISE RISK MANAGEMENT (ERM)

The Group's ERM ensures a continuous, multi-stage process for managing all operational and strategic opportunities and risks. This process combines elements from the bottom-up and top-down approach and includes the identification and evaluation of opportunities and risks as well as the definition of measures as well as monitoring and reporting. This forms the basis for uniform reporting throughout the Group.

As part of holistic risk management, this process also takes into account the opportunities and risks associated with environmental, social and governance (ESG) issues.

#### **OPPORTUNITY AND RISK MANAGEMENT**

The main objective of opportunity and risk management is the active, continuous and controlled influence of opportunities and risks. The corporate strategy and questions of profitability are taken into account. The handling of risks and opportunities is defined on a case-by-case basis. Risks can be minimized, avoided or, in individual cases, consciously taken. Opportunities are evaluated and, if the result is positive, exploited through proactive action and targeted investments. Which of the strategies mentioned is chosen is determined by the risk owner. This is followed by an ongoing evaluation of the strategy. Risk management is regularly informed. Opportunities and risks with regard to sustainability issues are managed in cooperation with the relevant department. This process is carried out in particular by the upper and middle management levels of KTM AG and monitored by the Executive Board of PIERER Mobility AG, among others.

#### **IDENTIFICATION AND EVALUATION**

As part of the process, the ERM identifies and evaluates opportunities and risks in equal measure. A distinction is made between short-term opportunities and risks with a time horizon of up to one year and long-term, strategic opportunities and risks with a period of five years and more. In this way, ESG-relevant opportunities and risks with a longer time horizon are also identified and adequately evaluated.

After the structured identification of all opportunities and risks, the overall risk inventory is consolidated. A Monte Carlo simulation results in the overall risk position and the required key figures. In addition, the Group's greatest opportunities and risks are identified and evaluated.

## **REPORTING AND MONITORING**

As part of the ERM process, comprehensive reporting was implemented. Risk management reports directly to the Board of Management of KTM AG. In addition to further monitoring, a report including aggregation at Group level on the overall risk situation is regularly prepared for this and the Group Management Board of PIERER Mobility AG. In addition, the Audit Committee and the Supervisory Board are informed about the status quo and progress.

## **AD-HOC REPORTING OF RELEVANT RISKS**

In the event of changes in the risk situation, the risk owners report on an ad hoc basis to the risk management team and subsequently to the Executive Board of KTM AG. This allows a timely and transparent assessment of the current overall risk situation. In 2024, an increase in ad hoc reporting was observed.

## **6.3 PRESENTATION OF OPPORTUNITIES, RISKS AND MEASURES TAKEN**

The following tabular overview shows the main identified opportunities, risks and measures for 2024.

The macroeconomic conditions that occurred in the course of the second half of the year led to an unexpectedly high market and sales risk in the core markets, which also had a stronger impact than expected on planned measures. For the 2025 financial year, a liquidity risk has been identified for KTM AG due to the market and sales risk as well as the high level of inventory.

On November 29, 2024, KTM AG and its subsidiaries KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH filed for judicial restructuring proceedings with self-administration. The restructuring plan drawn up afterwards was accepted by the creditors on 25 February 2025. To finance the agreed cash quota of 30%, which is a condition precedent for the successful completion of the restructuring proceedings, it was possible to raise funds in the three-digit million range. The confirmation of the legal force of the restructuring plans is expected for mid-June 2025. After the legal effect has become final, the restructuring proceedings are terminated. For a further explanation of the financial risks arising from the restructuring proceedings and the resulting presentation in the consolidated financial statements, please refer to the more detailed explanations in the Notes to the Consolidated Financial Statements.

Despite the prompt updating of all opportunities and risks, short-term, unforeseeable events can lead to the fact that the presentation of the relevant opportunities and risks does not take into account all eventualities, in particular those of the failure of the investor talks and thus of the restructuring proceedings.



Opportunities/Risks	Description	Measures
INDUSTRY		
Regulations	<ul style="list-style-type: none"> <li>National and international legal framework conditions in the countries of sale influence the technical design, vehicle import, vehicle registration and vehicle use of both off-road and street motor bikes (e.g. regional emission regulations, regulations on driving licences and discussions on the regulation of vehicles with internal combustion engines in the EU)</li> <li>Climate protection efforts can lead to a tightening and expansion or to new regulations with an impact on the technical design and use of vehicles (e.g. lowering limit values for exhaust emissions- and driving noise and local driving bans in cities)</li> <li>Increasing research and development needs to comply with existing and future regulations</li> <li>Regulatory measures such as environmental zones or other local driving bans due to climate and air quality could make motorcycles more attractive as a lower-consumption alternative to cars</li> </ul>	<ul style="list-style-type: none"> <li>Market segmentation ensures that the relevant regulations- are optimally taken into account as early as the product development process.</li> <li>The additional monitoring and control by the "Regulatory Affairs" department supports the early identification and cross-functional assessment of risks, including reporting and suggestion systems for countermeasures - both operationally and strategically</li> <li>As an ACEM member (European Association of Motorcycle Manufacturers) at the level of KTM AG, PIERER Mobility AG supports the strategy for decarbonization. It is based on the goals of the European Green Deal and the Climate Protection Act as well as the European Commission's strategy for sustainable and intelligent mobility</li> <li>Development of low/zero-emission propulsion systems and products</li> </ul>
Product and Technology-development	<ul style="list-style-type: none"> <li>Technologies can prove to be uneconomical due to changed framework conditions and external influences</li> <li>Technical innovations (e.g. the development of alternative drive technologies) and the market launch of new products – both by the PIERER Mobility Group and by competitors – can influence the market position as well as the technology and innovation position</li> </ul>	<ul style="list-style-type: none"> <li>Strategic product management within the organization</li> <li>Introduction of product line control</li> <li>Global F&amp;E Organization</li> <li>Increasing use of digital tools and processes for efficient use of resources</li> <li>Proven product development process</li> <li>Development of lower/zero-emission drive systems and products</li> </ul>

Opportunities/Risks	Description	Measures
MARKET		
Modified Customers-behaviour	<ul style="list-style-type: none"> <li>Persistent inflation and economic uncertainty can lead to consumer restraint on the part of customers.</li> <li>Purchasing decisions in individual countries can be influenced by the restructuring and the associated reporting.</li> <li>The transition to new (lower-emission/zero-emission) technologies can change the existing market structure, and suitable strategies can increase the chances of opening up new market shares.</li> </ul>	<ul style="list-style-type: none"> <li>High quality standards, improvement of (end) customer service and clear positioning in the premium segment</li> <li>Expansion of cooperation with strategic development partners</li> <li>Further development and focus of strategic partnerships in the production area of the mid-range segment</li> <li>Consideration of customer requirements in the product development process to cover customer needs</li> </ul>
Market and Paragraph-developments	<ul style="list-style-type: none"> <li>The current economic situation results in a continuing sales risk, which will continue in 2025.</li> <li>The increased key interest rates in the core markets increase the likelihood of a recession and reduce the disposable household income of private individuals, especially in the USA.</li> <li>The volatile market environment is also characterized by geopolitical and country-specific political influences.</li> <li>KTM AG's most important individual sales markets are Europe, the USA and India. However, sales opportunities generally depend on the general economic situation in the countries and regions as well as possible politically motivated trade restrictions.</li> <li>A later start of production of the models for 2025 due to the business interruption and the associated challenges may affect the expected sales figures.</li> </ul>	<ul style="list-style-type: none"> <li>Stringent cost management throughout the Group</li> <li>Reduction of units produced in Mattighofen</li> <li>Intensification of cooperation with strategic partners</li> <li>Long-term successful market strategy – KTM AG as one of Europe's leading motorcycle manufacturers with a focus on its core business</li> <li>Strategic dealer network development</li> </ul>

Opportunities/Risks	Description	Measures
Customs-determinations	<ul style="list-style-type: none"> <li>Possible trade conflicts between the EU, the USA and China, especially in the field of electromobility, lead to changes in customs regulations, which can lead to higher costs and limited availability of products or product groups (such as aluminium)</li> <li>Short-term and retroactive changes in customs regulations may result in additional fees/costs</li> </ul>	<ul style="list-style-type: none"> <li>Optimization of the supply chain, establishment of long-term partnerships with suppliers and further development of existing strategic partnerships</li> <li>Additional monitoring and control by the specialist department</li> </ul>
IT		
Cyber Crime	<ul style="list-style-type: none"> <li>The number of cyber attacks on large companies has increased continuously in recent years. In particular, (spear) phishing and ransomware continue to pose a high risk potential</li> </ul>	<ul style="list-style-type: none"> <li>Further development of the internal emergency and crisis organization</li> <li>"Cyber Security" awareness measures</li> <li>Security and risk management system for the identification and control of information security risks</li> <li>Cybersecurity Management Systems for the Management of Vehicle-Specific IT Risks</li> </ul>
System and Service-Availability	<ul style="list-style-type: none"> <li>The availability of systems or services can be impaired and thus affect the production process</li> </ul>	<ul style="list-style-type: none"> <li>Regular security and risk assessments to identify and manage risks</li> </ul>
Regulative Requirements	<ul style="list-style-type: none"> <li>National and international regulations are increasingly affecting the IT and information security areas (e.g. NIS2).</li> </ul>	<ul style="list-style-type: none"> <li>Additional and early measures are taken to ensure compliance with existing and future national and international regulations with regard to IT and information security</li> </ul>

Opportunities/Risks	Description	Measures
FINANCES		
Financial risk, Risks of balance sheet preparation	For further explanations, including the specific measures to mitigate risks arising from the use of financial instruments (hedging of foreign currency positions with futures, swaps, etc.), please refer to Note 39 "Financial Risks".	
Claims- sortie	<ul style="list-style-type: none"> <li>Persistently high interest rates and low sales figures are increasing the pressure on retailers. This can lead to increased bad debts</li> </ul>	<ul style="list-style-type: none"> <li>Close coordination with dealers and support with targeted programs</li> <li>Bank guarantees for security</li> <li>Strategic dealer network development</li> </ul>
MR		
Workforce	<ul style="list-style-type: none"> <li>The attractiveness and general image of the employer as well as the guarantee of safety and health protection have a considerable influence on the decisions of employees and applicants, which can lead to advantages or disadvantages in employee retention, but also in the competition for talent on the labour market.</li> <li>Key employees could leave the company</li> </ul>	<ul style="list-style-type: none"> <li>Personnel development &amp; training offers for the further training of managers and project managers</li> <li>Programs for International Talents</li> <li>Comprehensive apprenticeship training programme in our own training workshop</li> <li>Continuous development of occupational health and safety</li> </ul>
Personal- cost	<ul style="list-style-type: none"> <li>As a result of collective bargaining agreements or as a result of macroeconomic developments, personnel costs may rise more sharply than planned</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing monitoring of personnel costs</li> <li>Adjustment of the number of employees</li> <li>Intensification of strategic partnerships</li> </ul>
Cultural change	<ul style="list-style-type: none"> <li>A persistent state of uncertainty as a result of the restructuring process and related restructuring of the organization</li> <li>The state of uncertainty also has an impact on identification with the organization and trust in the management</li> <li>Changes in the company's internal culture</li> </ul>	<ul style="list-style-type: none"> <li>Focus on governance and compliance</li> <li>Support and accompaniment of managers</li> <li>Increased communication and leadership visibility</li> <li>Internal support for organizational development</li> <li>Adaptation of the organizational and management structure</li> </ul>

Opportunities/Risks	Description	Measures
SOURCING AND PRODUCTION		
Materials and raw materials	<ul style="list-style-type: none"> <li>Political export restrictions and tariffs can have a negative impact on the price development of materials and raw materials</li> <li>Macroeconomic developments or climate-related measures can have a negative impact on the prices of energy-intensive resources such as steel and aluminium (increased use of renewable energies, which are currently still very limited, higher requirements for steel production, conversion of production systems, requirements for the use of recyclates, etc.).</li> <li>A sharp increase in demand for rare earths, for example for battery production for electromobility, could lead to resource bottlenecks in the market</li> <li>The ongoing Russia-Ukraine conflict shows that regional and locally limited conflicts can have a negative impact on the price development of materials and raw materials</li> <li>An escalation of the conflict between China and Taiwan would have serious implications for the security of supply of electronic components</li> <li>Technological development and the market maturity of new materials and raw materials with improved properties</li> </ul>	<ul style="list-style-type: none"> <li>Research on alternative materials and raw materials and on material reductions/functional lightweight construction ("Sustainable Engineering")</li> <li>Greater transparency in the cost structure through effective cost engineering</li> <li>Implemented market intelligence system for electronic components as well as the development of different sources of supply ("multiple sourcing")</li> <li>Hedging commodity prices through financial instruments on the futures markets</li> </ul>

Opportunities/Risks	Description	Measures
Logistics and Supply chain	<ul style="list-style-type: none"> <li>• Bottlenecks or delays in logistics can lead to impairments in production</li> <li>• Politically motivated unrest (for example in the Gulf of Aden, the Suez Canal or the Taiwan Strait) can have a negative impact on the supply situation and logistics costs</li> <li>• Supplier default risks can lead to supply bottlenecks in the short to medium term</li> <li>• The restructuring procedure and the associated liquidity risk lead to an increased risk of default on the supplier side, which can subsequently affect the entire supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Flexibility in the implemented production layout guarantees quick adaptation of production schedules</li> <li>• Long-term cooperation with existing supply partners as well as careful selection of efficient new suppliers</li> <li>• Maintaining supplier relationships</li> <li>• Promotion of short supply chains and local procurement strategies to shorten/secure delivery times</li> <li>• Increased risk management in the supply chain</li> <li>• Consistent signing of purchasing conditions with suppliers</li> <li>• Use of alternative supply chains and related activities to reduce costs</li> <li>• Protection through the use of "second sources" or additional supply chains for critical commodity groups</li> <li>• Logistical procurement structure to minimise transport routes and adjust the associated costs</li> </ul>
Supplies (esp. Electricity and tech. Gas)	<ul style="list-style-type: none"> <li>• The supply of electricity, gas and other energy sources is essential for production operations</li> <li>• Due to the current multiple sources of crisis, energy supply may be affected and the associated price fluctuations may occur</li> </ul>	<ul style="list-style-type: none"> <li>• Photovoltaic systems for your own power generation</li> <li>• Ongoing implementation of energy-saving measures</li> <li>• Participation in (citizen) energy communities, if formally feasible</li> </ul>
Operation-grounds	<ul style="list-style-type: none"> <li>• Impairment of the availability of systems due to technical faults or external influences such as storms, floods or other natural hazards. Such events can affect the production process.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance plans and optimized maintenance strategy</li> <li>• Regular inspections</li> <li>• Emergency and crisis management</li> <li>• Insurances</li> </ul>

Opportunities/Risks	Description	Measures
OTHER		
Product and liability	<ul style="list-style-type: none"> <li>As a manufacturer of premium products, quality is an essential feature on which PIERER Mobility focuses</li> <li>Product liability cases and related penalties pose a risk, especially in the U.S. market, due to the legal system</li> <li>In addition to existing possible causes of product-related lawsuits, further legal risks could be added by climate change-related regulations</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring high quality standards through suitable supplier selection procedures and the use of quality and process management systems and audits</li> <li>Insurances</li> </ul>
Climate and Environment-Risks and Opportunities	For further information, please refer to the Non-Financial Statement (Section 4 of this Management Comment). Relevant information can be found at the beginning of chapters E1 and E5 as well as in the corresponding sections on managing impacts, risks and opportunities.	
Strategic Odds and risks	<ul style="list-style-type: none"> <li>Strategic orientation with a focus on the core business of motorcycles, combined with a strong brand identity, provide a solid basis for future growth</li> <li>Deteriorating production conditions in Europe (costs, regulations, labour market) lead to competitive disadvantages.</li> <li>By using non-European production sites, the competitive disadvantages of a European location can be counteracted and development and industrialization processes accelerated.</li> </ul>	<ul style="list-style-type: none"> <li>Thanks to the strategic restructuring, KTM has the potential to emerge stronger from the crisis</li> <li>Focus on the premium segment and use of its own innovative strength</li> <li>Partial relocation of production and R&amp;D activities to global partners such as Bajaj Auto (India)</li> </ul>

Opportunities/Risks	Description	Measures
Compliance Risks	<p>Common challenges in the area of compliance:</p> <ul style="list-style-type: none"> <li>• Violation of the minimum standards defined in the Code of Conduct</li> <li>• Violation of national and/or international laws</li> <li>• Challenges in own business activities and in the supply chain</li> </ul> <p>Focus topics:</p> <ul style="list-style-type: none"> <li>• Human rights, respect, integrity, diversity, ethical recruitment, fair working conditions, health protection, occupational safety</li> <li>• Sustainability, environmental and climate protection, animal welfare</li> <li>• Fair competition, antitrust ban</li> <li>• Corruption, bribery, invitations, gifts</li> <li>• Money laundering, terrorist financing, export controls</li> <li>• Taxes, Tax Strategy, Tax Compliance, International Tax Guidelines</li> <li>• Conflicts of interest, prohibition of insider trading, political activities, donations, sponsorship</li> <li>• Dealing with company property and assets, business and trade secrets, data protection, intellectual property, AI tools</li> <li>• Supply chain compliance</li> <li>• Dealing with conflict minerals, chemicals, pollutants</li> </ul>	<p>Measures to ensure compliance:</p> <ul style="list-style-type: none"> <li>• Compliance with the Code of Conduct</li> <li>• Inclusion of employee interests through employee representatives</li> <li>• Review of progress</li> <li>• Implementation of measures to respect human rights</li> <li>• Expansion of the ESG platform "Supplier Assurance" (NQC)</li> <li>• Determination of minimum requirements as a basis for supplier relationships</li> <li>• Ensuring the minimum age of employment</li> <li>• Implementation of annual training and awareness programs</li> <li>• Availability of whistleblowing channels, extension of the anonymous whistleblowing system to third parties</li> <li>• Automated Compliance E-Learning</li> </ul>



## 7 DISCLOSURES PURSUANT TO SECTION 243A (PARA 1) UGB

1. The share capital amounts to EUR 33,796,535 and is divided into 33,796,535 no-par value bearer shares. Each no-par value share grants the same share in the share capital and the ordinary shareholder rights in accordance with the Austrian Stock Corporation Act. These include the right to pay the dividend resolved at the Annual General Meeting and the right to exercise voting rights at the Annual General Meeting. Since November 14, 2016, all shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard (ISIN AT0000KTM102). Since March 1, 2022, the shares have also been listed on the Vienna Stock Exchange (official trading). There was no change in the share capital in the 2024 financial year. Since PIERER Mobility AG did not acquire or sell any of its own shares, the company did not hold any treasury shares as of December 31, 2024.
2. A syndicate agreement (the "Syndicate Agreement 2021") has been in place since 29 September 2021 between Pierer Konzerngesellschaft mbH, Pierer Industrie AG and Pierer Bajaj AG 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"). This agreement regulates the rights and obligations of the two groups of companies with regard to the participation 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 stipulates that any transfer of ownership of shares in PIERER Mobility AG will require the approval of the Supervisory Board members of Pierer Bajaj AG nominated by Bajaj. Pierer Bajaj AG, which is economically attributable to DI Stefan Pierer, is therefore subject to restrictions on the sale of shares in PIERER Mobility AG. The Management Board is not aware of any other restrictions concerning voting rights or the transfer of shares.
3. To the knowledge of the Company, as of December 31, 2024, the following shareholding in the capital of PIERER Mobility AG amounted to at least 10 per cent:
  - Pierer Bajaj AG: 74.94% (direct participation);
  - Pierer Konzerngesellschaft mbH: 0.09% (direct participation) and 74.94% (indirect participation).
4. There are no shares with special control rights.
5. There are currently no employee participation models.
6. There are no provisions going beyond the law with regard to the appointment and dismissal of the members of the Management Board and the Supervisory Board and the amendment of the Articles of Association.
7. Ways to issue or buy back shares:

In a first step, the possibilities that were in place on the cut-off date of December 31, 2024 are presented. The changes to the instruments mentioned after the balance sheet date are described at the end of this item (see also the chapter on events after the balance sheet date):

Due to the authorization granted by the Annual General Meeting on April 29, 2022 and the amendment to the Articles of Association adopted at the same time, the Company's Articles of Association contain the following provision as Section 5 "Authorized Capital":

- a) In accordance with Section 169 of the German Stock Corporation Act (AktG), the Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital of EUR 33,796,535.00 by 29.04.2027, if necessary in several tranches, against cash and/or non-cash contributions of up to EUR 16,898,267.00 by issuing up to 16,898,267 no-par value bearer shares to up to EUR 50,694,802.00 and to determine the issue price as

well as the terms of issue and the further details of the implementation of the capital increase in agreement with the Supervisory Board and, if necessary, to offer the new shares to the shareholders for subscription by way of indirect subscription rights in accordance with Section 153 (6) of the German Stock Corporation Act (AktG).

- b) The Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in whole or in part,
  - (i) if the capital increase is made against cash contributions and the total share of the Company's share capital attributable to the shares issued against cash contributions under exclusion of subscription rights does not exceed the limit of 10% of the Company's share capital at the time of grant,
  - (ii) if the capital increase is made against contributions in kind,
  - (iii) to serve an over-allotment option (greenshoe), and/or
  - (iv) for the settlement of fractional amounts.
- c) The Supervisory Board is authorized to pass resolutions on amendments to the Articles of Association resulting from the issue of shares from the authorized capital.

Due to the conditional capital created by the Annual General Meeting on April 21, 2023, and the amendment to the Articles of Association adopted for this purpose, the Company's Articles of Association contained the following provision as Section 5a "Contingent Capital" as of the balance sheet date:

In accordance with Section 159 (2) (1) of the German Stock Corporation Act (AktG), the Company's share capital will be increased by up to EUR 4,375,000,000.00 by issuing up to 4,375,000 ordinary bearer shares with no par value (no-par value shares) for issuance to creditors of financial instruments pursuant to Section 174 of the German Stock Corporation Act (AktG) within the meaning of the resolution of the Annual General Meeting of 21.04.2023, which will be issued by the Company using the authorization granted at this Annual General Meeting, increased. The capital increase may only be carried out to the extent that the creditors of the financial instruments make use of their exchange and/or subscription rights to shares in the Company. The issue price and the exchange ratio are to be determined in accordance with recognised financial mathematical methods and the share price in a recognised pricing procedure. The newly issued shares of the conditional capital increase are entitled to dividends to the same extent as the company's existing shares. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to pass resolutions on amendments to the Articles of Association resulting from the issuance of shares from conditional capital.

The conditional capital increase serves to service any convertible bond that may be issued and may expressly only be carried out to the extent that creditors of convertible bonds make use of their right to exchange and/or subscribe for shares in the Company.

This conditional capital increase serves to issue new shares to creditors of financial instruments in accordance with Section 174 of the German Stock Corporation Act (AktG), which will be issued by the Company using the authorization granted at the Annual General Meeting on April 21, 2023. This authorization granted by the Annual General Meeting on April 21, 2023, to issue financial instruments in accordance with Section 174 of the German Stock Corporation Act has not yet been used.

The Annual General Meeting on April 21, 2023, also passed the following resolutions with regard to the acquisition and sale of treasury shares:

- a) Pursuant to Section 65 (1) (8) of the German Stock Corporation Act (AktG), the Management Board is authorized for a period of 30 months from the date of the resolution to acquire treasury shares of the Company both on the stock exchange and over-the-counter, also to the exclusion of the shareholders' proportional tender rights and, without having to consult the Annual General Meeting again beforehand, to cancel these shares with the consent of the Supervisory

Board, if necessary. Trading in treasury shares is excluded as the purpose of the acquisition. The proportion of shares to be purchased may not exceed 10% of the share capital. The consideration per no-par value share to be acquired may not be more than 20% below or higher than the average unweighted closing price on the SIX Swiss Exchange over the past 10 trading days. The authorisation may be exercised in whole or in part or in several instalments and in pursuit of one or more purposes by the Company, its affiliated companies or by third parties on their behalf. The Supervisory Board is authorized to decide on amendments to the Articles of Association resulting from the cancellation of shares.

- b) For a period of five years from the date of the resolution, the Management Board is authorized, with the consent of the Supervisory Board, to sell or use treasury shares in any manner other than via the stock exchange or by public offering for any legally permissible purpose, including excluding the shareholders' proportional right to purchase (exclusion of subscription rights) and to determine the conditions of sale. The authorisation may be exercised in whole or in part or in several instalments and in pursuit of one or more purposes.

After the balance sheet date, there were significant changes in the options for issuing or repurchasing shares:

The PIERER Mobility Group is in a tense economic situation. Particularly at the level of KTM AG, a capital injection was required in the short term to meet the quota in the restructuring plan. The raising of fresh capital is therefore a key challenge for PIERER Mobility AG in order to provide its main subsidiary, KTM AG, with financial support.

The conditional capital increase (Conditional Capital 2023) resolved at the Annual General Meeting on April 21, 2023 was therefore revoked at the Extraordinary General Meeting on January 27, 2025 and a new authorization and a new Conditional Capital 2025, which is to correspond to 50% of the Company's current share capital in the future, was resolved. This gave the Management Board the necessary flexibility to be able to react at short notice to financing and/or liquidity requirements of the PIERER Mobility Group.

On January 27, 2025, the Extraordinary General Meeting resolved the following with regard to the exclusion of subscription rights (on agenda item 2):

- a) The Annual General Meeting revokes the authorization of the Management Board resolved at the Annual General Meeting on April 21, 2023, with the consent of the Supervisory Board, to issue financial instruments within the meaning of Section 174 of the German Stock Corporation Act (AktG) until April 21, 2028.
- b) The Management Board is authorized, with the consent of the Supervisory Board, until January 27, 2030, to issue financial instruments within the meaning of Section 174 of the German Stock Corporation Act (AktG), in particular convertible bonds, profit participation bonds and profit participation rights, with a total nominal value of up to EUR 900,000,000.00, which may also grant the subscription and/or exchange rights to acquire a total of up to 16,898,267 shares of the Company and/or are structured in such a way, that they may be disclosed as equity, even in several tranches and in different combinations, including indirectly by way of a guarantee for the issuance of financial instruments by an affiliate of the Company with exchange and/or subscription rights to shares of the Company.
- c) The Management Board may use the conditional capital and/or treasury shares or a combination of conditional capital and treasury shares to service the exchange and/or subscription rights.
- d) Within the scope of this authorisation, the Management Board may only issue financial instruments that grant the creditor subscription rights to acquire shares in the Company to the extent that, upon exercise of all subscription rights of these financial instruments and taking into account all shares that have been issued or are to be issued from the Authorised Capital 2022 (as resolved at the Annual General Meeting on 29 April 2022 on agenda item 9), no more than 16,898,267 new shares of the Company will be created.

- e) The issue price and terms and conditions of issue of the financial instruments are to be determined by the Executive Board with the consent of the Supervisory Board, whereby the issue price is to be determined in accordance with recognized financial mathematical methods and the price of the Company's shares in a recognized pricing process. The issue price of the shares to be issued upon conversion (exercise of the exchange and/or subscription rights) and the exchange and/or subscription ratio are to be determined taking into account customary financial mathematical methods and the price of the Company's shares (basis for calculating the issue price); the issue price of the shares to be issued may not be less than the pro rata amount of the share capital.
- f) The shareholders' subscription rights to the financial instruments within the meaning of Section 174 (4) of the German Stock Corporation Act are excluded.

Furthermore, the following resolutions were passed at the Extraordinary General Meeting on January 27, 2025 – with regard to the conditional capital increase (see agenda item 3):

- a) The Annual General Meeting revokes the conditional increase in the Company's share capital of up to EUR 4,375,000.00 resolved at the Annual General Meeting on April 21, 2023 in accordance with Section 159 (2) (1) of the German Stock Corporation Act (AktG) by issuing up to 4,375,000 ordinary bearer shares with no par value (no-par value shares) for issuance to creditors of financial instruments in accordance with Section 174 of the German Stock Corporation Act.
  - b) The Annual General Meeting resolves on the conditional increase of the Company's share capital by up to EUR 16,898,267.00 in accordance with Section 159 (2) (1) of the German Stock Corporation Act (AktG) by issuing up to 16,898,267 ordinary bearer shares with no par value (no-par value shares) for issuance to creditors of financial instruments pursuant to Section 174 of the German Stock Corporation Act (AktG), which are issued by the Company using the authorization granted at this Annual General Meeting, insofar as the creditors of the Financial Instruments make use of their right to exchange and/or subscribe for shares in the Company. The issue price and the exchange and/or subscription ratio are to be determined in accordance with customary financial mathematical methods and the price of the Company's shares in a customary market pricing procedure (basis for calculating the issue price). The issue price may not be less than the proportionate amount of the share capital. The newly issued shares of the conditional capital increase are entitled to dividends to the same extent as the company's existing shares. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to pass resolutions on amendments to the Articles of Association resulting from the issuance of shares from conditional capital.
  - c) In addition, a resolution was passed to amend the statutes in § 5a in accordance with the above-mentioned resolutions.
- 8. Agreements that become effective in the event of a change of control as a result of a takeover offer ("change of control clauses"), change or terminate, as well as their effects, are not disclosed by PIERER Mobility AG, as this would cause considerable damage to the company.
  - 9. There are no compensation agreements between the Company and its members of the Management Board and Supervisory Board or employees in the event of a public takeover offer.

## 8 KEY FEATURES OF THE INTERNAL CONTROL SYSTEM § 243A (PARA 2) UGB

The internal control system of the PIERER Mobility Group has the task of ensuring the regularity and reliability of financial reporting, compliance with the legal and internal regulations applicable to the company, as well as the effectiveness and profitability of the company's operations, including the protection of assets against losses due to damage and malversations. In the design of the elements of the internal control system, internationally recognized frameworks for internal control systems (e.g. COSO framework) were taken into account. The system includes:

- Group-wide accounting requirements
- Segregation of duties as an organisational measure
- System-supported and process-dependent controls
- Process-independent controls
- Management of balance sheet risks

The Group is committed to the continuous development and improvement of its internal control system. To this end, its functionality is regularly monitored through process and data analyses as well as independent, external auditing activities. The main features of the internal control system with regard to the accounting process are presented below.

### 8.1 CONTROL ENVIRONMENT

The organizational structure of the PIERER Mobility Group forms the basis for the control environment and the internal control system in the company. In the area of organizational structure in (group) accounting, there are clear areas of competence and responsibility at the various management and hierarchical levels of the Group. This applies on the one hand to the Group headquarters in Wels as well as to the Austrian and all international subsidiaries.

The Group's strong international orientation and the associated decentralised corporate and location structures will be countered by the centralisation of key corporate functions in the area of financial reporting at the Austrian locations (especially in Mattighofen). Particularly noteworthy for the responsibility for accounting and financial reporting are the areas of Finance, Controlling and Risk Management & Dealer Financing, which work closely together to develop the financial figures and are located directly under the Board of Management of KTM AG or the Group Board of Management. The administration, organisation and responsibility of these three divisions is the responsibility of the respective division managers. The strategy setting and monitoring of implementation is the responsibility of the Executive Board of KTM AG and the Group Executive Board.

In terms of process organization, the Group relies on a distinctive and comprehensive set of accounting, valuation and account assignment requirements. 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 Group's financial reporting. The requirements for accounting and accounting processes are reviewed on an ongoing basis and adjusted at least annually, more frequently, if necessary, in close coordination with the responsible areas of responsibility. Reporting with the associated results will then be published in the Notes to the Consolidated Financial Statements. Monitoring compliance with accounting-related regulations and controls is the responsibility of the relevant divisional management.

## 8.2 RISK ASSESSMENT

Risks related to the accounting process are collected and monitored by the respective divisional management and taken into account in the risk management process. The focus is on those risks that are to be considered material.

The main risks in accounting include the incomplete recording of accounting-relevant facts, errors in document entry and incorrect calculations. Complex accounting principles could lead to an increased risk of error, incorrect reporting and late balance sheet preparation. In addition, there is a risk of data access by unauthorized persons or data manipulation, failure of IT systems and data loss.

For the preparation of the financial statements, estimates must be made on a regular basis for which there is an inherent risk that future developments will deviate from these estimates. This applies in particular to the following items/items in the consolidated financial statements: social capital, outcome of legal disputes, impairment of receivables, shareholdings and inventories. In some cases, external experts are called in or publicly accessible sources are relied on in order to minimise the risk of misjudgement.

## 8.3 CONTROL MEASURES

The Group has integrated its controls directly into the (group) accounting processes. In addition to process-independent external control mechanisms, an essential element is the principle of separation of functions. To ensure complete, timely and correct balance sheet preparation, 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, detected and corrected. The group is always looking for technical-automated solutions to improve existing control mechanisms or implement new ones. On the one hand, the focus is on holistic applications that span the accounting process and, on the other hand, on detailed application automatisms, such as in the preparation of financial statements and in ongoing accounting. Furthermore, the application of internal company guidelines leads to a uniform treatment of business transactions as well as to uniform accounting and reporting.

Among other things, automated controls are integrated into the important IT systems with accounting relevance, which, among other things, are intended to prevent the incorrect recording of business transactions, to ensure the complete recording of business transactions or the evaluation of business transactions in accordance with accounting standards, or to support the verification of consolidation. In view of the increasing demands on IT systems in accounting and the constantly increasing technical possibilities, the Group regularly carries out 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 with regard to IT security are a cornerstone of the internal control system. For example, the separation of sensitive activities is supported by a restrictive assignment of IT authorizations. The ERP software used allows automated checks to take place, such as automated checks during invoice approval and invoice verification.

## 8.4 COMMUNICATION AND MONITORING

Responsibility for the effectiveness of the internal control system in the (group) accounting process is clearly regulated and lies with the responsible managers and process owners. In addition to the results of the company's internal assessment, the assessment of effectiveness also includes those of external audits, e.g. as part of the annual audit or external IT security audits, as well as those of the Supervisory Board and the Audit Committee. Weaknesses in the control system are corrected, taking into account their possible impact on accounting processes.

In addition to the legally required financial statements, which are made available to management levels, the Group has also implemented a comprehensive internal reporting system, which is prepared and distributed at different levels of aggregation depending on the recipient of the report. The aim is to simplify variance analyses, identify risks in the reporting process and enable strategic decisions through the standardisation in internal reporting.

Other key instruments of risk monitoring and control are the company-wide guidelines on the handling of material risks, planning and controlling processes, as well as ongoing reporting. The guidelines include the setting and control of limits, in particular with regard to the financial volume, staggered approval requirements up to the top management level, and procedures for limiting financial risks, e.g. the analysis of the financial stability of suppliers, as well as the strict requirement of the four-eyes principle for invoice and payment approvals.

In addition, the internal control system is based on precise information about the processes for accounting and financial reporting 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 to ensure that the results, which are transmitted to management in condensed report form, are analysed, evaluated and commented on.

The Executive Board and the Audit Committee are informed annually about the assessment of the effectiveness of the internal control system in accounting. In the event of significant changes in the effectiveness of the internal control system, immediate reporting is made to the Management Board and, if necessary, to the Supervisory Board, and adequate measures are taken to increase effectiveness.

## 9 EVENTS AFTER THE BALANCE SHEET DATE

For information on events after the balance sheet date, please refer to Chapter XI "Events after the Balance Sheet Date" of the Notes to the Consolidated Financial Statements.

## 10 OUTLOOK

### 10.1 BUSINESS DEVELOPMENT

KTM AG, KTM Forschungs & Entwicklungs GmbH and KTM Components GmbH were able to successfully conclude their reorganization proceedings with the timely deposit of the cash quota and the related court confirmation of the reorganization plan. The continued existence of the KTM Group has thus been secured, although uncertainties remain as described below. At no time during the reorganization proceedings did the management have any doubts as to the successful completion of the proceedings.

Nevertheless, uncertainties remain, as the going concern forecast is subject to certain assumptions and factors that are based on the occurrence of circumstances beyond the control of the KTM Group. In particular, the expected macroeconomic conditions should be noted. As explained in the introduction to the notes on the restructuring process, these circumstances represent a material uncertainty that may cast significant doubt on the KTM Group's ability to continue as a going concern. In this case, the KTM Group may not be able to realize its assets and pay its liabilities in the ordinary course of business. At least for the 2025 financial year, the Group expects the economic environment to remain challenging. This is already reflected in the expected economic growth figures in the core markets of Europe and the

USA, although uncertainties regarding current political developments and the imposition of US import tariffs on Group products have increased considerably. In addition to the high wage settlements and the consequences of persistently elevated inflation rates, interest rates are expected to remain essentially at the previous elevated level. Overall, the resulting volatilities affect the Group's sales expectations in the USA and Europe in particular.

Despite the difficult environment, the group has loyal customers. There is great demand for the motorcycle models presented in autumn 2024. Nevertheless, the top priority is to reduce inventories. To achieve this goal, production capacities will be reduced even further in the 2025 financial year and calibrated accordingly to meet demand, but at the same time sufficient new models will be available at dealerships. As a result of these measures, the Group expects its and dealers' inventories to normalise by the end of 2025. This is in line with the management's goal of developing the previous product-related push strategy in sales from the granting of discounts to a pull strategy in which customer demand is to be increased through targeted advertising measures.

Due to the persistently challenging economic environment, the Management Board expects revenue for the 2025 financial year to be below the level of the previous financial year. At the same time, some of the cost-cutting measures taken will take longer from their implementation to their effect, so that a positive EBIT is not expected until the 2027 financial year - with the exception of the financial year 2025, which will show a positive EBIT due to the expected restructuring profit. With the capital contributed expected by the future investors, as well as the release of working capital and the realisation of the restructuring profit in the 2025 financial year, the continued existence of the KTM Group can be expected until positive operating income is achieved again in the 2027 financial year. The strategic objective is to place a stronger focus on the core business of motorcycles with its premium brands KTM, GASGAS and Husqvarna. The MV Agusta brand and the associated companies and business relationships are already classified as held for sale in the present consolidated financial statements and management report; the management expects the sale to be finalised in the second quarter of 2025. In addition, work is also being done to sell the business of KTM Sportcar GmbH and thus of the X-BOW. The business activities of PIERER New Mobility GmbH and its subsidiaries are also to be discontinued by the end of 2025.

Against the background of the successful completion of the restructuring proceedings of KTM AG and the measures taken to focus and redimension, the management assumes that the Group thus has a stable operating and financial basis.

## 10.2 MOTORSPORT

The KTM Group had one of the most successful starts to a motorsport season. Winning the Dakar Rally at the beginning of 2024 was the first highlight, followed by the Superenduro World Championship title with seven victories out of a possible seven. This was followed by winning five out of a possible five Motocross MX-2 World Championship rounds, eight Supercross victories and two wins out of four races in Moto 3. In both the motocross, Supercross and Moto 3 constructors' championships, the KTM group leads.

The focus pursued is also evident in MotoGP: the orange colour scheme will once again showcase the MotoGP presence of the KTM Group in 2025. The Red Bull KTM Tech3 squad will join the Red Bull KTM Factory Racing team with Grand Prix winners Enea Bastianini and Maverick Viñales. The 26-year-old Italian and 29-year-old Spaniard will be fitted with a full KTM RC16 factory machine for the 2025 season as part of a multi-year agreement, forming an orange Red Bull quartet alongside stars Brad Binder and Pedro Acosta.



## 10.3 INVESTMENTS

The investments made in recent years have secured the necessary production capacities for the coming years. Against this background, the targeted investments were subjected to a comprehensive assessment with the aim of analysing their strategic relevance and operational necessity. It is expected that this will significantly reduce capital expenditure until operating profitability is achieved without restricting the company's substance or future viability. However, the focus of investments will continue to be on the (further) development of existing and new models.

## 10.4 FINANCING SITUATION

For the conclusion of the restructuring process, the KTM Group needed fresh equity from investors. In the course of the restructuring process, the Bajaj Group provided funds in the amount of € 800 million via the existing links with the PIERER Mobility Group. The KTM Group received the following funds until May 26, 2025

- Restructuring loan with a term of 3 years, i.e. until December 30, 2028, in the amount of € 450 million from Bajaj Auto International Holdings BV, Netherlands;
- Repayment of existing receivables from financing activities of KTM AG against PIERER New Mobility GmbH by PIERER Mobility AG in the amount of € 200 million.

The successful completion of the restructuring process significantly reduced the net financial debt of the KTM Group. The aim is to bring net financial debt to a sustainably healthy level following the ongoing restructuring of the KTM Group.

Wels, May 27, 2025

The Executive Board



Gottfried Neumeister (CEO)



Stefan Pierer (Co-CEO)

## Consolidated statement of financial position as at December 31, 2024

	Notes No.	12/31/2023 EURk	12/31/2024 EURk
<b>Assets:</b>			
<b>Non-current assets:</b>			
Goodwill	23	131,735	0
Intangible assets	24	668,967	476,707
Property, plant, and equipment	25	483,886	369,299
Investments accounted for using the equity method	26	33,870	14,130
Deferred tax assets	27	9,934	84,126
Other non-current assets	28	5,436	3,248
		<b>1,333,828</b>	<b>947,510</b>
<b>Current assets:</b>			
Inventories	29	857,255	617,852
Trade receivables	30	350,801	289,422
Receivables and other assets	31	146,087	154,719
Tax refund claims		2,272	16,262
Cash and cash equivalents	32	258,972	163,407
		<b>1,615,387</b>	<b>1,241,662</b>
<b>Assets held for sale and disposal groups</b>	<b>33</b>	<b>3,700</b>	<b>206,662</b>
		<b>2,952,915</b>	<b>2,395,834</b>

	Notes No.	12/31/2023 EURk	12/31/2024 EURk
<b>Equity and liabilities:</b>			
<b>Equity:</b>			
Share capital	34	33,797	33,797
Capital reserves	34	9,949	9,949
Other reserves including retained earnings	34	860,515	-240,509
<b>Equity of the owners of the parent company</b>		<b>904,261</b>	<b>-196,763</b>
Non-controlling interests	34	5,012	3,014
		<b>909,273</b>	<b>-193,749</b>
 <b>Non-current liabilities:</b>			
Financial liabilities	35	962,849	93,353
Liabilities for employee benefits	36	27,967	26,907
Deferred tax liabilities	27	120,665	893
Other non-current liabilities	37	18,517	74,924
		<b>1,129,998</b>	<b>196,077</b>
 <b>Current liabilities:</b>			
Financial liabilities	35	72,049	1,712,769
Trade payables	37	676,978	381,857
Provisions	38	21,871	91,715
Tax liabilities		1,824	2,959
Other current liabilities	37	140,922	136,973
		<b>913,644</b>	<b>2,326,273</b>
 <b>Liabilities in connection with assets held for sale and disposal groups</b>	<b>33</b>	<b>0</b>	<b>67,233</b>
		<b>2,952,915</b>	<b>2,395,834</b>

## Consolidated income statement for the financial year from 1/1/2024 through 12/31/2024

	Notes No.	2023 EURk	2024 EURk
Revenue	10	2,661,210	1,879,021
Production costs of the services provided to generate the revenue	11	-1,977,117	-1,929,980
<b>Gross profit from sales</b>		<b>684,093</b>	<b>-50,959</b>
Selling and racing expenses	12	-289,838	-299,368
Research and development expenses	13	-53,764	-80,437
Administration expenses	14	-185,742	-197,130
Other operating expenses	15	-799	-57,033
Expenses for impairments in accordance with IAS 36	15, 23	0	-360,660
Expenses for impairments in accordance with IFRS 5	15, 33	0	-147,311
Other operating income	16	3,736	17,703
Earnings from at-equity holdings	17	2,338	-9,022
<b>Result from operating activities</b>		<b>160,024</b>	<b>-1,184,217</b>
Interest income	18	10,669	25,837
Interest expenses	18	-73,940	-123,641
Other financial and investment income (expenses)	18	-4,620	5,423
<b>Result before taxes</b>		<b>92,133</b>	<b>-1,276,598</b>
Income taxes	19	-15,720	196,691
<b>Profit or loss for the financial year</b>		<b>76,413</b>	<b>-1,079,907</b>
thereof owners of the parent company		80,183	-990,265
thereof non-controlling shareholders		-3,770	-89,642
<b>Undiluted (=diluted) earnings per share (EUR)</b>	20	2.37	-29.30

## Consolidated statement of comprehensive income for the financial year from 1/1/2024 through 12/31/2024

	Notes No.	2023 EURk	2024 EURk
<b>Profit or loss for the financial year</b>		<b>76,413</b>	<b>-1,079,907</b>
<b>Items reclassified to profit or loss or which can be subsequently reclassified</b>			
Foreign currency translation re foreign subsidiaries	34	-4,195	3,560
Foreign currency translation re investments accounted for using the equity method	26, 34	-1,051	488
Valuation of cash flow hedges	34	-9,851	-8,154
Deferred tax on valuation of cash flow hedges	34	2,340	1,921
		<u>-12,757</u>	<u>-2,185</u>
<b>Items not reclassified to profit or loss</b>			
Revaluation of net debt from defined benefit plans	34, 36	-485	670
Tax effect	34	112	-154
		<u>-373</u>	<u>516</u>
<b>Other net result after tax</b>		<b>-13,130</b>	<b>-1,669</b>
<b>Total comprehensive income</b>		<b>63,283</b>	<b>-1,081,576</b>
thereof owners of the parent company		67,053	-991,934
thereof non-controlling shareholders		-3,770	-89,642

**Consolidated statement of cash flows  
for the financial year 1/1/2024 through 12/31/2024**

	Notes No.	2023 EURk	2024 EURk
<b>Operations</b>			
<b>Profit or loss for the financial year</b>		<b>76,413</b>	<b>-1,079,907</b>
+ (-) Interest expenses / interest income	18	63,271	97,805
+ Tax expenses	19	15,720	-196,691
+ Depreciation/amortization/impairment of property, plant and equipment and intangible assets	23, 24, 25	163,504	703,434
+ (-) Addition (reversal) of non-current liabilities for employee benefits		240	-582
(-) + Profit (loss) from equity consolidation	17	-2,338	9,022
(-) + Profit (loss) from the disposal of fixed assets	24, 25	0	109,453
+ (-) Other non-cash expenses (income)	VI	8,731	177,095
+ Interest received		9,630	28,293
- Interest payments		-67,623	-109,989
- Tax payments		-10,457	-17,292
+ Dividends received		943	599
<b>Gross cash flow</b>		<b>258,034</b>	<b>-278,760</b>
- (+) Increase (decrease) in inventories		-224,004	90,849
- (+) Increase (decrease) in trade receivables, advance payments, other current and non-current assets		-39,986	19,295
+ (-) Increase (decrease) in trade payables, advance payments and other current and non-current liabilities		-104,895	-267,346
<b>Increase (decrease) in the net current assets</b>		<b>-368,885</b>	<b>-157,202</b>
<b>Cash flow from operations</b>		<b>-110,851</b>	<b>-435,962</b>

	Notes No.	2023 EURk	2024 EURk
<b>Investing activity</b>			
- Payments for the acquisition of intangible assets and property, plant and equipment	24, 25	-312,950	-263,301
- Payments for the acquisition of investments accounted for using the equity method and other financial assets	9, 26	0	-12,490
+ Receipts from the sale of intangible assets and property, plant and equipment		13,124	3,774
+ Receipts from the disposal of investments accounted for using the equity method and other financial assets	26	932	0
- Acquisition of subsidiaries	9	-1,609	-45,222
- Payments from other assets		-1,637	-23,271
<b>Cash flow from investing activity</b>		<b>-302,140</b>	<b>-340,510</b>
<b>Free Cash-Flow</b>		<b>-412,991</b>	<b>-776,472</b>
<b>Financing activity</b>			
- Dividend payments to third parties		-68,093	-17,653
- Acquisition of non-controlling interests	34	-214	0
+ Contributions of equity to fully consolidated companies by non-controlling shareholders	32	2,556	0
+ Taking out non-current interest-bearing liabilities	35, VI	504,175	47,031
- Repayment of promissory note loan	35, VI	-24,027	0
- Repayment of research loan	VI	-2,400	-28,824
- Repayment of non-current interest-bearing liabilities	VI	0	-1,200
- Repayment of lease liability	VI, 45	-25,158	-22,612
+ (-) Change in other current financial liabilities	VI	11,823	717,935
<b>Cash flow from financing activity</b>		<b>398,662</b>	<b>694,677</b>
<b>Total cash flow</b>		<b>-14,329</b>	<b>-81,795</b>
+ Opening balance of liquid funds within the Group		278,738	258,972
+ Effect of foreign currency fluctuations		-5,437	-5,607
<b>Closing balance of liquid funds within the Group</b>		<b>258,972</b>	<b>171,570</b>

The Group's closing cash and cash equivalents in the above cash flow statement do not correspond to the closing cash and cash equivalents shown in the consolidated balance sheet. This is due to the cash and cash equivalents held in the disposal group of the MV Agusta companies in accordance with IFRS 5. For an explanation of the disposal group, please refer to the notes under Note 33 "Assets held for sale and disposal groups".

## Consolidated statement of changes in equity

Notes No.	Equity of the owners of the parent company						Shares of non- controlling shareholders EURk	Total consoli- dated equity EURk
	Share capital EURk	Capital reserves EURk	Reserves including total earnings EURk	Reserve in accordance with IFRS 9 EURk	Adjustment items currency translation EURk	Total EURk		
<b>Balance as of January 1, 2024</b>	<b>33,797</b>	<b>9,949</b>	<b>855,024</b>	<b>8,435</b>	<b>-2,944</b>	<b>904,261</b>	<b>5,012</b>	<b>909,273</b>
Change in accounting for puttable non-controlling interests (NCI put options)	0	0	3,250	0	0	3,250	-3,250	0
<b>Balance as of January 1, 2024 (adjusted)</b>	<b>33,797</b>	<b>9,949</b>	<b>858,274</b>	<b>8,435</b>	<b>-2,944</b>	<b>907,511</b>	<b>1,762</b>	<b>909,273</b>
Profit or loss for the financial year	0	0	-990,265	0	0	-990,265	-89,642	-1,079,907
Other comprehensive income	34	0	0	516	-6,233	4,048	0	-1,669
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-989,749</b>	<b>-6,233</b>	<b>4,048</b>	<b>-991,934</b>	<b>-89,642</b>	<b>-1,081,576</b>

### Transactions with shareholders

Dividends to third parties	20, 34	0	0	-16,899	0	0	-16,899	-754	-17,653
Acquisition/disposal of shares to subsidiaries	34	0	0	0	0	0	0	-65	-65
Gains and losses on hedging transactions and hedging costs reclassified to inventories		0	0	0	-121	0	-121	0	-121
Options on non-controlling interests	37	0	0	-95,574	0	0	-95,574	41,743	-53,831
Consolidation changes	9	0	0	0	0	0	0	49,968	49,968
Miscellaneous		0	0	254	0	0	254	2	256
<b>Balance as of December 31, 2024</b>		<b>33,797</b>	<b>9,949</b>	<b>-243,694</b>	<b>2,081</b>	<b>1,104</b>	<b>-196,763</b>	<b>3,014</b>	<b>-193,749</b>

Notes No.	Equity of the owners of the parent company						Shares of non- controlling shareholders EURk	Total consoli- dated equity EURk
	Share capital EURk	Capital reserves EURk	Reserves including total earnings EURk	Reserve in accordance with IFRS 9 EURk	Adjustment items currency translation EURk	Total EURk		
<b>Balance as of January 1, 2023</b>	<b>33,797</b>	<b>9,949</b>	<b>845,432</b>	<b>16,255</b>	<b>2,302</b>	<b>907,735</b>	<b>6,661</b>	<b>914,396</b>
Profit or loss for the financial year	0	0	80,183	0	0	80,183	-3,770	76,413
Other comprehensive income	34	0	0	-373	-7,511	-5,246	0	-13,130
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>79,810</b>	<b>-7,511</b>	<b>-5,246</b>	<b>67,053</b>	<b>-3,770</b>	<b>63,283</b>

### Transactions with shareholders

Dividends to third parties	20, 34	0	0	-67,593	0	0	-67,593	-500	-68,093
Acquisition/disposal of shares to subsidiaries	34	0	0	-214	0	0	-214	0	-214
Gains and losses on hedging transactions and hedging costs reclassified to inventories		0	0	0	-309	0	-309	0	-309
Options on non-controlling interests	37	0	0	-2,420	0	0	-2,420	0	-2,420
Capital increase by non-controlling shareholders without changing the shareholding structure	34	0	0	0	0	0	0	2,556	2,556
Consolidation changes	9	0	0	0	0	0	0	61	61
Miscellaneous		0	0	9	0	0	9	4	13
<b>Balance as of December 31, 2023</b>		<b>33,797</b>	<b>9,949</b>	<b>855,024</b>	<b>8,435</b>	<b>-2,944</b>	<b>904,261</b>	<b>5,012</b>	<b>909,273</b>



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# NOTES

FOR THE FISCAL YEAR 2024

## I. GENERAL INFORMATION

### 1. COMPANY INFORMATION

PIERER Mobility AG is the holding company of KTM AG, one of Europe's leading motorcycle manufacturers. With a focus on the premium segment, the company brings together brands such as KTM, Husqvarna, GASGAS and MV Agusta under one roof. The premium brand range also includes the high-performance components of the WP brand and the special KTM X-BOW high-performance sports cars. Husqvarna and GASGAS electric bicycles as well as bicycles of the Felt brand complete the two-wheeler range of PIERER Mobility.

Until the financial year 2024, PIERER Mobility AG was included in its consolidated financial statements by PIERER Industrie AG, Wels, and Pierer Konzerngesellschaft mbH, Wels. All companies included in the consolidated financial statements of Pierer Konzerngesellschaft mbH and controlled or significantly influenced by Pierer Konzerngesellschaft mbH are shown as related parties in the category "Shareholders related companies". The consolidated financial statements of PIERER Mobility AG are filed with the Regional Court of Wels under the number FN 78112 x. The consolidated financial statements of Pierer Konzerngesellschaft mbH are filed with the Regional Court of Wels under the number FN 134766 k.

The shares of PIERER Mobility AG are primarily listed in the "Swiss Performance Index (SPI)" of the SIX Swiss Exchange in Zurich and are also listed in the Prime Market of the Vienna Stock Exchange.

### 2. INFORMATION IN CONNECTION WITH INSOLVENCY PROCEEDINGS FROM MATERIAL SUBSIDIARIES

#### **Restructuring proceedings with self-administration of KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH**

As of November 29, 2024, after examining the alternatives, the Board of Management of KTM AG has filed an application for the opening of judicial restructuring proceedings with self-administration over the assets of KTM AG (file number 17 S 56/24b) and its subsidiaries KTM Components GmbH (file number 17 S 59/24v) and KTM Forschungs & Entwicklungs GmbH (file number 17 S 62/24k) at the Regional Court of Ried im Innkreis, Austria. The aim of the proceedings was to agree on a restructuring plan with the creditors and to continue the group after approval of this plan. This was to be made possible, among other things, by redimensioning the group to ensure its continued existence in the long term. The creditors of these three companies were finally offered a restructuring quota of 30% as a spot quota, payable by 23 May 2025.

The above-mentioned restructuring plan was finally accepted by a majority of the creditors on 25 February 2025. No appeals have been lodged by the creditors, which is why the determination of the 30% restructuring quota can no longer be legally challenged.

The restructuring proceedings of KTM AG and its two subsidiaries were formally concluded on 23 May 2025 by the deposit of the 30% spot quota of 22 May 2025 in the amount of EUR 525,000 thousand by the court confirmation of the restructuring plan. The final entry into force of the court confirmation will take place after the expiry of the statutory appeal period pursuant to Section 260 IO. Based on the information provided by legal experts, the management estimates the probability of a successful appeal to be low, even though an appeal represents a result outside the company's control. In the unlikely event of a successful appeal, there could be a significant delay in the completion of the restructuring proceedings and, if necessary, even sig-

nificant changes to the restructuring terms. This could also influence management's assessment of the going concern assumption and lead to further adjustments to the consolidated financial statements.

### **Going concern assumption**

These consolidated financial statements are prepared under the assumption of going concern. Management believes that the Company's continued existence is predominantly likely based on the following key assumptions:

- PIERER Mobility AG was able to successfully complete the search for investors and secure a total financing volume of EUR 800,000 thousand.
- By securing the financing, the court-determined quota of 30% was fully paid by the company on 22. May 2025 and the restructuring plan was subsequently confirmed by the court.
- On the basis of the information provided by legal experts, the management estimates the probability of a successful appeal to be low, although an appeal represents a result outside the control of the company and thus a material uncertainty.
- The management of PIERER Mobility AG and the management of Pierer New Mobility GmbH, KTM AG and selected subsidiaries have prepared going concern forecasts for the respective companies or (sub)groups. To ensure the quality and appropriateness of the going concern forecasts, the management has commissioned independent experts to assist in the preparation of the going concern forecasts and to review them. The cash flow planning for the next 18 months presented in the going concern forecast shows what the management considers to be an appropriate liquidity reserve. However, the successful implementation of the going concern forecast in line with planning is subject to uncertainties and is subject to exogenous and endogenous factors.
- The key assumptions for the successful implementation of the going concern forecast include:
  - Continued existence of the Group's individual companies, in particular KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH as well as the sales subsidiaries. These are of essential relevance for short-term solvency;
  - Solvent liquidation of Pierer New Mobility and ability to realize the inventories still available as of the reporting date as planned;
  - Resumption of internal service relationships, including settlements between the Group companies;
  - Unrestricted retention of existing financing by all investors on the agreed or current terms
  - Feasibility of the corresponding key plan premises, in particular the restoration of profitability and the implementation of significant cost-saving measures.

Although management and independent experts assume that the going concern assumption is predominantly probable at the time the planning assumptions materialize, certain assumptions and factors are subject to material uncertainties as they are based on the occurrence of circumstances beyond the Company's control. These include, in particular, the macroeconomic conditions expected to restore profitability, the provision of the financing granted at least in the medium term, and the compliance of investors with the relevant provisions. Those circumstances therefore constitute a substantial uncertainty which may raise significant doubts as to the company's ability to continue its business. In this case, the company may not be able to realize its assets and pay its debts in the ordinary course of business.

The management is responding to these significant uncertainties with increased monitoring of the implementation of the restructuring plan and additional initiatives to reduce costs and increase profitability. In the 2025 financial year, the company was already successful in restoring profitability and implementing cost-saving measures on a significant scale. The necessary postponement of the resumption of full production at the Mattighofen site from April 2025, which was planned at the beginning of the year, was taken into account in the management's going concern forecast and had no negative impact on cash flow planning as at the balance sheet date.

## **Impact of the restructuring proceedings on the valuation of assets and liabilities in the consolidated financial statements as of December 31, 2024**

On the basis of the assessments made by the management, the restructuring proceedings are generally not accompanied by any change in the accounting principles applied and the accounting and valuation policies (see above explanations on the assumption on the continuation of the company). The restructuring profit of 70% of the registered creditors' claims arising from the conclusion of the restructuring proceedings can only be realised by the Group once the restructuring plan becomes legally binding and thus only in the 2025 financial year (see Section XI "Events after the balance sheet date"). Due to the ongoing restructuring proceedings as of the balance sheet date of 31 December 2024 and the associated legal effect, the Group presents the formerly non-current financial liabilities subject to the restructuring proceedings as short-term. In the valuation of assets and the recognition of liabilities, the restructuring proceedings initiated in 2024 by both the KTM Group companies described above and the Group company described below and their consequences were taken into account on the basis of current knowledge at the time the balance sheet was prepared, although the court confirmation of the restructuring plan on May 23, 2025 and the associated debt relief represent events after the balance sheet date. The increased uncertainties regarding the planning assumptions as of December 31, 2024, were taken into account by applying safety discounts, in particular in the valuation of inventories and non-financial assets.

To the extent that specific accounting measures have resulted from the restructuring proceedings, these are explained in the relevant sections of the consolidated financial statements and management report.

### **Insolvency proceedings of other Group companies**

On December 13, 2024, the management of Vöcklabruck Metallgießerei GmbH filed an application for bankruptcy proceedings with the Regional Court of Wels (file number 20 S 140/24z). This does not result in any additional material risks for the KTM Group in connection with these consolidated financial statements and the reporting in the Group management report. The resulting risks are described together with the risks from the restructuring procedures of KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH. With the opening of bankruptcy proceedings, KTM AG lost control of Vöcklabruck Metallgießerei GmbH, which was therefore deconsolidated, as explained in more detail under point 9 "Changes in the scope of consolidation".

## **3. PRINCIPLES OF FINANCIAL REPORTING**

The consolidated financial statements as of December 31, 2023 and December 31, 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applied in the European Union. The additional requirements of Section 245a (1) of the Austrian Commercial Code (UGB) were also met. The financial statements were prepared on the assumption that the company will continue as a going concern, whereby reference is made in this regard to the explanations under point 2 "Ongoing restructuring proceedings, information in connection with insolvency proceedings".

The accounting of the companies included in the consolidated financial statements is based on uniform accounting standards. With the exception of newly applied standards and the adjustment of accounting for written put options on non-controlling interests described below, these are identical to those of the 2023 financial year and were applied by all companies included. The individual financial statements of all subsidiaries have been prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements are prepared in the functional currency of the parent company, the euro. Unless otherwise indicated otherwise, all amounts are rounded to the nearest EUR 1,000 (EUR thousand), although rounding-related differences may occur.

The consolidated balance sheet is divided into non-current and current assets and liabilities. The presentation of the consolidated income statement is based on the cost of sales method. The consolidated statement of cash flows is prepared using the indirect method.

All current assets and liabilities are generally realised or settled within a period of twelve months after the balance sheet date or a business cycle. All other assets and liabilities are generally realised or settled outside this period.

#### 4. CHANGES IN ACCOUNTING POLICIES

In the present consolidated financial statements, there were no further changes in accounting policies except for the newly applied standards and the adjustment of the written put options on non-controlling interests.

In the 2024 financial year, the KTM Group adjusted the accounting for callable non-controlling interests (NCI put options). The adjustment was made due to the acquisition of MV Agusta Motor S.p.A. described in Item 9 "Changes in the scope of consolidation", as the previously existing NCI put option, and the option liability recognized in connection with it were of minor importance. In order to ensure a better and more accurate presentation of NCI put options in the consolidated financial statements, the accounting has been adjusted as follows.

Previously, a financial liability was recognised for the callable non-controlling interests and the non-controlling interests continued to be recognised in equity. The adjusted presentation follows the so-called method of partial profit realisation, according to which the put options of the minority shareholders are regarded as equity providers of the Group during the year and are therefore taken into account accordingly in the appropriation of profits. On each reporting date, the corresponding non-controlling interests are derecognised against the purchase price liability and equity without affecting profit or loss. The non-controlling interests in equity are reclassified from the item "non-controlling interests" to the item "reserves including consolidated net profit" within equity.

As of December 31, 2023, this will result in a reclassification of EUR 3,250 thousand (as of December 31, 2022: EUR 5,296 thousand). As the change in accounting policy is limited to this point, the Group considers that the inclusion of a third column in the balance sheet does not provide any additional information value to the financial statements.

The change can be summarized as follows:

THOUS	12/31/2023 (not adapted)	12/31/2023 (adjusted)	1/1/2023 (not adapted)	1/1/2023 (adapted)
Share capital	33,797	33,797	33,797	33,797
Capital reserves	9,949	9,949	9,949	9,949
Reserves including consolidated net retained profit	855,024	858,274	845,432	850,725
Other reserves	5,491	5,491	18,557	18,557
<b>Equity attributable to shareholders of the company</b>	<b>904,261</b>	<b>907,511</b>	<b>907,735</b>	<b>913,031</b>
Non-controlling interests	5,012	1,762	6,661	1,365
<b>Total Equity</b>	<b>909,273</b>	<b>909,273</b>	<b>914,396</b>	<b>914,396</b>

## 5. NEWLY APPLIED STANDARDS AND INTERPRETATIONS

The following table shows the standards and interpretations that are mandatory for the first time, which have already been adopted by the EU Commission as of 31 December 2024:

First-time use	New Standards and Interpretations	Published by the IASB
1 January 2024		
	Amendment to IAS 1 – Classification of liabilities as current or non-current liabilities (including deferral of effective date and long-term liabilities with covenants)	October 31, 2022
	Amendments to IFRS 16 Leasing – Lease Liability in a Sale and Leaseback Transaction	September 22, 2022
	Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	May 25, 2023

All amended standards and interpretations are not relevant to the PIERER Mobility Group or have no material impact.

## 6. STANDARDS AND INTERPRETATIONS TO BE APPLIED IN THE FUTURE

The following table shows the **changes to standards and interpretations already adopted by the EU Commission**, which, however, were not yet mandatory at the balance sheet date and were not applied prematurely:

First-time use	New or Amended Standards and Interpretations	Published by the IASB
1 January 2025		
	Amendments to IAS 21 – Effects of Exchange Rate Changes Lack of Exchangeability	August 15, 2023

The IASB and the IFRIC have adopted further standards and interpretations, but these are not yet mandatory for the 2024 financial year as they have not yet been adopted by the EU Commission. The following standards and interpretations are included:

New or Amended Standards and Interpretations	Date of application IASB	Published by the IASB	EU-Endorsement?
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Changes to the Classification and Measurement of Financial Instruments	1/1/2026	5/30/2024	No
IFRS 18 Presentation and Disclosures in Financial Statements	1/1/2027	4/9/2024	No
IFRS 19 Non-Public Accountability Subsidiaries: Disclosures	1/1/2027	5/9/2024	No
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Contracts Relating to Nature-dependent Power	1/1/2027	12/18/2024	No

The standards or interpretations to be applied in the future are not expected to result in any material changes to assets, liabilities or other disclosures in the consolidated financial statements. The only exception is the first-time application of IFRS 18. The Group is currently assessing the potential impact of the new standard, in particular with regard to the structure of the income statement, the cash flow statement and the additional disclosure requirements for *management performance measures*. The group is also looking at the impact on the way information is grouped in the financial statements, including the items currently referred to as "other".

The PIERER Mobility Group assumes that there will be no material impact on the consolidated financial statements due to the standards to be applied in the future.

## 7. ESTIMATES AND DISCRETIONARY DECISIONS

To a certain extent, **estimates** and assumptions must be made in the consolidated financial statements that affect the assets and liabilities on the balance sheet, the disclosure of contingent liabilities at the balance sheet date and the presentation of expenses and income in the financial year. When making estimates, the Management Board considers empirical values and current forecasts. The amounts actually generated may differ from the estimates if assumed parameters develop contrary to expectations. If new circumstances become known, they will be taken into account accordingly and previous assumptions will be adjusted.

- In particular, assumptions are made to assess the recoverability of goodwill and intangible assets with an indeterminate useful life. Due to the impairment requirements identified in the 2024 financial year, no goodwill was recognised as of the balance sheet date (previous year: EUR 131,735 thousand). In addition, this impairment requirement also had an impact on the brands on the balance sheet: As of the balance sheet date, the brands "KTM" in the amount of EUR 61,103 thousand (previous year: EUR 61,103 thousand, no impact of the impairment requirement) and "GASGAS" in the amount of EUR 10,355 thousand (previous year: EUR 13,346 thousand) were recognised in the balance sheet. The "KTM" brand was not impaired in the 2024 financial year due to a liquidation value that exceeded the book value determined as part of a valuation report. The "MV Agusta" brand, which was acquired and held for sale in the 2024 financial year, was subject to an impairment and was completely impaired due to the classification as held for sale. In addition, the "FELT" brand was written off in full in the amount of EUR 3,700 thousand. Further explanations can be found in Item 24 "Intangible assets", Item 23 "Goodwill" and Item 33 "Non-current assets held for sale and disposal groups". Further information on impairment losses recognized can also be found in Note 15 "Other operating expenses and impairment losses" and Note 25 "Property, plant and equipment".
- Deferred tax assets on non-forfeitable tax loss carryforwards are recognised on the assumption that sufficient tax income will be generated in the future to realise the tax loss carryforwards. In the event of uncertainties in the assumptions, corresponding value adjustments are recognised. As of 31 December 2024, deferred tax assets on loss carryforwards amounting to EUR 207,461 thousand (previous year: EUR 19,968 thousand) were capitalized, which will be offset against the restructuring profit in 2025, provided that the restructuring plan is legally confirmed by the insolvency court. Pursuant to § 23a.2 of the Corporate Income Tax Act, corporation tax is not to be assessed to the extent that it exceeds the amount corresponding to the restructuring plan quota in the event of restructuring profits arising from the fulfilment of the restructuring plan quota after the conclusion of a restructuring plan. An assessment of the tax attributable to the restructuring profit (= differential amount) is to be refrained from to the extent resulting from the application of the percentage corresponding to the reduction of receivables (100% less the restructuring plan quota) to this difference amount (non-assessment amount). Further details on deferred taxes can be found in the explanatory notes under item 27 "Deferred tax assets".
- As part of cash flow hedge accounting, estimates are made of the occurrence and amount of future cash flows. The planning of future cash flows is derived from sales and order quantity planning, is reviewed monthly to ensure that targets are achieved and plausible based on past experience. As a result of the opening of the restructuring proceedings under insolvency law, the hedging transactions were terminated by the credit institutions with which the derivatives underlying these hedging relationships were concluded.



As a result, the Group incurred additional cash expenses and income totalling EUR -2,716 thousand. As of the balance sheet date of 31 December 2024, the Group has some remaining foreign currency derivatives in cash-flow hedge relationships. Details on the sensitivities that exist for currency and interest rate risks can be found in the explanatory notes in point VII "Financial risks".

- In addition, there are estimation uncertainties in the recognition and measurement of obligations for employee benefits. Assumptions are made on the following factors: expected values, demographic assumptions such as the retirement age of women/men and employee turnover, and financial assumptions such as the discount rate and future wage and salary trends. As of the balance sheet date, obligations for employee benefits amounted to EUR 26,907 thousand (previous year: EUR 27,967 thousand). Further information can be found in the explanations under point 36 "Obligations for employee benefits".
- In the case of provisions, estimates are made to assess the probability of occurrence and the expected amount for the valuation of the obligation. On the one hand, these assumptions mainly relate to provisions for guarantees and warranties. Based on empirical values, a direct correlation per product group was found between warranty and warranty expenses incurred and sales revenues. Based on many years of experience, the Management Board assumes that this relationship will remain constant. The average percentage of guarantee and warranty expenses as a percentage of revenue is reviewed several times a year and adjusted as necessary. The amount of the provision is thus calculated as an average share of guarantee and warranty expenses in revenue determined over a three-year observation period. As of December 31, 2024, provisions for guarantees and warranties in the amount of EUR 15,524 thousand (previous year: EUR 20,523 thousand) were recognized. In addition, a restructuring provision of EUR 31,424 thousand (previous year: EUR 0 thousand) was created as a result of the restructuring proceedings. This includes, in particular, the costs of external consultants, the restructuring administrators and conditionally registered claims for damages. In calculating the amount of the provision for damages, a realisation rate of 50% of the total amount was assumed, as it is not possible to make a more precise estimate at the balance sheet date as to which of these claims will be accepted by the Group and by the restructuring administrators. The development of provisions for guarantees and warranties can be found in item 38 "Provisions".
- The determination of the fair value of assets and liabilities acquired in a business combination and the useful lives of those assets is based on management's judgments.
- Leases  
In the case of leases, estimates are made about the economic useful life and interest rates. The economic useful life is assumed to be analogous to that of non-leased assets, as their operational use does not differ from each other. Essentially, the assumed economic useful life corresponds to the term of the leasing contract. The interest rates used are based on interest rate swap curves of different currencies and maturities based on the external rating of PIERER Mobility AG, which were used according to the duration of the leases. Further information on this can be found under Item 25 "Property, Plant and Equipment" and under Item 45 "Leases as lessees".
- In the case of inventories, estimates are made in connection with consumption follow-up procedures and range analyses. In addition, impairment requirements due to long storage periods and limited sales opportunities are recorded on a case-by-case basis. Due to the risks that have become apparent in the course of the restructuring proceedings, there is significant future uncertainty in the determination of the net realisable value in accordance with IAS 2 and thus in the valuation of inventories, which the calculation methodology used to date does not fully meet. In particular, the success of the reduction of the high stock levels via advertising and discount campaigns as well as an increased variability in customer demand, which may be uncertain with regard to their purchasing decisions due to the insolvency proceedings, can be seen as significant increased uncertainties, which are reflected in the valuation of inventories. Due to the maintenance of warranty services, the availability of spare parts, etc. Against this background, the Group recognized an additional impairment requirement for inventories in the 2024 financial year. Since a more detailed allocation is not possible due to the extraordinary nature of the insolvency law processes, the previous valuation methodology was adjusted on a flat-rate basis and the additional burden was reflected

in the regular model year devaluation based on empirical values. In order to reflect the above-mentioned risks, a management overlay was applied in addition to the previous valuation scheme, according to which the heuristic used for model year depreciation assumes a more advanced aging of the underlying inventory of finished motorcycle goods. Overall, the inventory of finished motorcycle goods was devalued more sharply by EUR 13,961 thousand.

- Furthermore, PIERER New Mobility Deutschland GmbH is subject to an ongoing tax audit in Germany. Due to claims identified by the tax audit, there is a fundamental risk of the company having to pay tax arrears. PIERER New Mobility GmbH considers the claim made by the tax authorities to be unfounded. Against this background, alternative courses of action are currently being explored, in particular a cross-border mutual agreement procedure between the tax authorities of Germany and Austria. Due to what PIERER New Mobility GmbH considers to be an unfounded claim and an estimated low risk of paying back taxes, this matter was not recognized in the 2024 consolidated financial statements.

The following **discretionary decisions** have been made in the application of accounting policies in the PIERER Mobility Group:

- **Development**  
Development costs are capitalized according to the accounting policy shown. The initial capitalisation of the costs is based on assumptions made by management to assess the future economic benefits of the expenditure incurred and the technical feasibility of the developed product or process as well as its marketability.
- **Derecognition of receivables under ABS and factoring agreements**  
Assessments are made on the derecognition requirements of IFRS 9. For more details, see Chapter VIII "Financial Instruments and Capital Management".
- **Supplier Finance**  
Estimates are made on the disclosure of liabilities under the Supplier Finance Program, whereby the Supplier Financing Program was discontinued due to the insolvency proceedings. For further information, see Section 37 "Other current and non-current liabilities and trade payables".
- **Consolidation**  
In determining whether control exists in accordance with IFRS 10, management exercises judgment in determining the relevant activities of the subsidiaries and whether the Group currently has the ability to direct the relevant activities based on existing rights to the subsidiaries. KTM AG and its subsidiaries were subject to restructuring proceedings with self-administration as at December 31, 2024 (see note 2). Due to the ongoing restructuring proceedings and the lack of financial resources of PIERER Mobility AG as at the balance sheet date, the management has assessed whether there are financial barriers preventing PIERER Mobility from exercising its rights as at December 31, 2024. As at the balance sheet date, the management of PIERER Mobility AG assessed a successful completion of the restructuring process of KTM AG while retaining control of PIERER Mobility AG as highly probable. The circumstances that occurred after the balance sheet date, such as the acceptance of the quota by the creditors and the court confirmation of the reorganization plan, confirm the assessment made on the balance sheet date from the management's point of view. Based on these facts, the management came to the conclusion that deconsolidation and recognition of a deconsolidation gain as of the balance sheet date and a new consolidation of KTM AG and its subsidiaries within the balance sheet preparation period would not lead to an appropriate presentation of the facts. The management of PIERER Mobility AG has therefore decided to continue to present KTM AG and its subsidiaries as fully consolidated companies in the consolidated financial statements as at December 31, 2024 and to disclose the procedure in the notes.

## Impact of climate-related issues on financial reporting

In preparing the consolidated financial statements, management has taken into account the effects of climate change, in particular in relation to the disclosures in risk reporting, non-financial reporting and the Group's stated sustainability targets. These considerations did not have a material impact on the financial reporting judgements and estimates. This is also in line with management's assessment that climate change is not expected to have a material impact on the assessment of going concern in the context of financial statements. The following points were taken into account:

- The Group continues to invest in new technologies, including the development of electric platforms, new climate-neutral forms of propulsion and the further development of battery technologies for two-wheelers.
- The Group continues to invest in on-site renewable energy generation solutions for our facilities.
- Management has factored the impact of climate change into a number of key estimates in the financial statements, including:
  - the estimates of future cash flows used in impairment assessments or to assess whether there are indications of impairment;
  - the carrying amount of non-current assets (e.g. intangible assets and goodwill);
  - the estimates of future profitability used in our assessment of the impairment of deferred tax assets; and
  - the long-term assumptions for the identification and determination of dismantling or replacement obligations.

# II. SCOPE OF CONSOLIDATION

## 8. CONSOLIDATION PRINCIPLES AND METHODS

All subsidiaries are included in the consolidated financial statements of PIERER Mobility AG by way of **full consolidation**. Subsidiaries are companies controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control begins and until the date on which control ends. Unless otherwise stated, the amount of non-controlling interests is recognised as the pro rata net assets of the acquired company excluding goodwill.

Shares in associates are reported in the balance sheet item „Financial **assets accounted** for using the equity method“.

The **reporting currency** of the PIERER Mobility Group is the euro. The subsidiaries and the investments accounted for using the equity method prepare the annual financial statements in their functional currency. Assets and liabilities included in the financial statements to be consolidated are translated using the mid-market exchange rate on the balance sheet date and the items in the profit and loss account are translated into the average foreign exchange rate for the financial year. The following exchange rates that are significant for the PIERER Mobility Group were used for the currency translation into the reporting currency:

	Closing		Average price	
	12/31/2024	12/31/2023	2024	2023
US-Dollar	1.0389	1.1050	1.0808	1.0829
Swiss franc	0.9412	0.9260	0.9534	0.9717
Japanese Yen	163.0600	156.3300	164.0558	153.1758
South African Rand	19.6188	20.3477	19.8325	20.0410
Mexican Peso	21.5504	18.7231	20.0134	19.0658
Australian dollar	1.6772	1.6263	1.6438	1.6347
Chinese renminbi	7.5833	7.8509	7.7733	7.6839

## 9. CHANGES IN THE SCOPE OF CONSOLIDATION

All subsidiaries that are under the legal or de facto control of PIERER Mobility AG are included in the present consolidated financial statements as of December 31, 2024. The number of companies in the scope of consolidation developed as follows in the 2024 financial year:

	Fully consolidated companies	At Equity companies
<b>Balance as of 12/31/2022</b>	<b>76</b>	<b>5</b>
Consolidation Group Additions	4	0
Disposals of consolidation group	0	-1
<b>Balance as of 12/31/2023</b>	<b>80</b>	<b>4</b>
Consolidation Group Additions	9	2
Disposals of consolidation group	-10	-1
of which disposals due to merger	-8	0
<b>Balance as of 12/31/2024</b>	<b>79</b>	<b>5</b>
of which foreign companies	54	2

PIERER Mobility AG, as the parent company of the PIERER Mobility Group, was not included in this list. The companies included in the consolidated financial statements and their first-time consolidation dates are listed in Chapter XII "Group companies (shareholdings)".

### CHANGES TO FULLY CONSOLIDATED COMPANIES

#### MV Agusta Motor S.p.A.

The Group's Management Board has already made the strategic decision to exercise the call option granted to the Group under the cooperation agreement with MV Agusta Motor S.p.A. until the end of the 2023 financial year and to acquire a further 25.0% of MV Agusta Motor S.p.A. in spring 2026. In February 2024, both parties agreed that this call option can be exercised immediately, increasing the Group's stake in MV Agusta Motor S.p.A., which was previously held at equity, to 50.1%. The agreement was completed in March 2024, making MV Agusta Motor S.p.A. a fully consolidated subsidiary of the Group as of March 1, 2024.

MV Agusta Motor S.p.A. holds 100% of the shares in its subsidiaries Centro Stile MV Agusta S.r.l., Borgo Maggiore, San Marino, and MV Agusta USA LLC, Pennsylvania, United States. These subsidiaries were also included in the Group's first-time consolidation. In addition, MV Agusta Motor S.p.A. holds 100% of the shares in MV AGUSTA Operations GmbH, Cologne, Germany, which has been in liquidation since February 2024. Due to the resulting restrictions on the company's control and immateriality, it was not included in the Group's scope of consolidation.

Until 29 February 2024, the stake in MV Agusta Motor S.p.A. in the Group was accounted for using the equity method, as the stake held was only 25.1%. Immediately before control is acquired, these previous shares must be remeasured at their fair value. This resulted in income of EUR 16,339 thousand, which is reported under other operating income. At the same time, it was recognised in profit or loss on the occasion of the fulfilment of existing business relationships (pre-existing relationship) on the basis of valuation transactions in other operating expenses (EUR 4,177 thousand) and on deferred tax income (EUR 961 thousand) based on them.

The agreed purchase price amounted to EUR 45,000 thousand (of which EUR 35,000 thousand in cash and EUR 10,000 thousand in shares of PIERER Mobility AG) plus EUR 70 thousand in foreign exchange transaction tax and an additional purchase price payment of at least EUR 5,000 thousand. The subsequent purchase price payment depends on the development of the enterprise value of the acquired company on the basis of an EBITDA multiple based on the annual financial statements for the 2026 financial year. Based on current planning, this earn-out liability was taken into account in the purchase price with an amount of EUR 4,242 thousand.

The contractual arrangements include put options for the remaining non-controlling interests in which the Group is the standstill. The value depends on the future development of MV Agusta Motor S.p.A., in particular the development of the enterprise value of the acquired company on the basis of an EBITDA multiple. The Group accounts for this right of tender of the minority shareholders according to the partial profit recognition method, according to which the minority shareholders are allocated a share of the result and recognized in the income statement. At the same time, the corresponding non-controlling interests are derecognised against the purchase price liability and equity at each balance sheet date. At the time of the first-time consolidation, the corresponding financial liability from this put option amounted to EUR 50,711 thousand according to the underlying planning.

The transaction was accounted for using the acquisition method in accordance with IFRS 3 using the full goodwill method.

The fair values of the identifiable assets and liabilities of MV Agusta Motor S.p.A. and its subsidiaries in the scope of consolidation at the time of initial consolidation (as at 1 March 2024) are as follows:

THOUS	
Non-current assets	88,094
Current assets	33,511
Of which receivables from consolidated subsidiaries	1,341
Long-term liabilities	13,279
Current liabilities	44,700
Of which liabilities to consolidated subsidiaries	25,405
<b>Net</b>	<b>63,626</b>
Fair value of shares previously accounted for using the equity method	27,575
Fulfilment of existing business relationships (pre-existing relationship)	12,311
Currency	35,070
Equity Instruments	10,000
Purchase price liability	4,242
<b>Consideration transferred</b>	<b>89,198</b>
Non-controlling interests	50,711
Net	-63,626
<b>Goodwill</b>	<b>76,283</b>
Consideration paid	-45,070
Cash and cash equivalents received	707
<b>Net outflow of cash and cash equivalents from the acquisition</b>	<b>-44,363</b>

The goodwill of EUR 76,283 thousand shown above (full goodwill method) results from the company's earnings potential, which is not to be allocated to individually capitalisable items in accordance with IFRS. In principle, the goodwill is to be allocated in its entirety to the cash-generating unit "KTM". Due to the temporal proximity between the initial consolidation and the classification as a disposal group within the meaning of IFRS 5, the scope of the transaction itself and the lack of realisation of the material and economic synergies arising from it, goodwill in the 2024 financial year was recognised and measured as part of the disposal group. The corresponding consequences of this, in particular the impairment of this goodwill, are described in more detail in point 33 "Assets held for sale".

With the full consolidation, the Group has also acquired the "MV Agusta" brand in its entirety. The fair value of the brand amounted to EUR 37,982 thousand. In addition, the Group has taken into account pre-existing relationships with MV Agusta Motor S.p.A., resulting in an expense of EUR 4,177 thousand due to the revaluation of these existing relationships and a derecognition of an intangible asset in the amount of EUR 20,166 thousand. The expenses incurred were recorded under other operating expenses (see above).

As part of the acquisition, fair values for trade receivables in the amount of EUR 1,947 thousand and other receivables and assets in the amount of EUR 14,741 thousand were acquired. The receivables that are likely to be irrecoverable are considered to be insignificant. Since full consolidation, MV Agusta Motor S.p.A. and its subsidiaries have contributed EUR 3,944 thousand to consolidated revenues and EUR 1,901 thousand to net income for the period (before consolidation effects). If the acquisition had already taken place on January 1, 2024, the contribution to consolidated sales would have remained unchanged and the contribution to net income for the period would have amounted to EUR 2,787 thousand. The unchanged effect on Group sales is due to the fact that MV Agusta S.p.A. generated sales exclusively with subsidiaries of the Group before full consolidation.

At the end of the 2024 financial year, the Executive Board of KTM AG passed a resolution to sell the shares held in all MV Agusta companies in the 2025 financial year. Your assets and liabilities have been measured and segregated as a disposal group in accordance with IFRS 5 requirements. The related information can be found under item 33 "Non-current assets held for sale and disposal groups".

## FELT Bicycles GmbH

PIERER New Mobility has acquired 50.1% of the shares in FELT Bicycles GmbH from Pierer 2 Radbeteiligungs GmbH with a purchase agreement dated July 1, 2024. FELT Bicycles GmbH and its 100% stake in FELT Bicycles North America Inc., based in California, USA, was previously held by PIERER New Mobility GmbH with a 19.9% stake using the equity method. The purchase price amounted to EUR 1,904 thousand and was paid by bank transfer.

The transaction was accounted for using the acquisition method in accordance with IFRS 3 using the partial goodwill method.

The fair values of the identifiable assets and liabilities of FELT Bicycles GmbH and its subsidiaries in the scope of consolidation at the time of initial consolidation (as of July 1, 2024) are as follows:

THOUS	
Non-current assets	3,700
Current assets	20,887
Long-term liabilities	29
Current liabilities	21,088
<b>Net</b>	<b>3,471</b>
Fair value of shares previously accounted for using the equity method	643
Currency	1,904
<b>Consideration transferred</b>	<b>2,547</b>
Non-controlling interests	1,041
<b>Net</b>	<b>-3,471</b>
<b>Goodwill</b>	<b>117</b>
Consideration paid	-1,904
Cash and cash equivalents received	43
<b>Net outflow of cash and cash equivalents from the acquisition</b>	<b>-1,861</b>

The goodwill of EUR 117 thousand shown above (partial goodwill method) results from the company's earnings potential, which is not to be allocated to individually capitalisable items in accordance with IFRS. Goodwill is allocated in its entirety to the cash-generating unit "PNM".

With the full consolidation, the PIERER Mobility Group has also fully acquired the "FELT" brand. The fair value of the stamp amounted to EUR 3,700 thousand.

As part of the acquisition, fair values for trade receivables in the amount of EUR 2 thousand and other receivables and assets in the amount of EUR 1,463 thousand were acquired. The receivables that are likely to be irrecoverable are considered to be insignificant. Since full consolidation, FELT Bicycles GmbH and its subsidiary have contributed EUR 8,362 thousand to consolidated sales and EUR 549 thousand to the net profit for the period (before consolidation effects). If the acquisition had already taken place on January 1, 2024, the contribution to consolidated sales would have remained unchanged and the contribution to net income for the period would have amounted to EUR 219 thousand. The unchanged effect on consolidated sales is due to the fact that FELT Bicycles GmbH and its subsidiary did not commence their operating activities until after full consolidation.

In addition, FELT Bicycles GmbH has acquired 100% of the shares in the newly founded FELT Bicycles Espana S.L.U, Barcelona, Spain, as of September 1, 2024. This did not result in any material effects on the net assets, financial position or results of operations

## Other

The entire shares in Pierer Green Energy GmbH were acquired by Pierer Industrie AG, Wels, with effect from June 1, 2024, with a purchase price of EUR 250 thousand. Immediately after the initial consolidation, Pierer Green Energy GmbH was merged into KTM Immobilien GmbH.

All of the shares in PB Invest GmbH were acquired by KTM Components GmbH from PIERER Industrie AG with a legally binding contract with effect from September 1, 2024. PB Invest GmbH also held a 100% share in Vöcklabrucker Metallgießerei GmbH. Both companies have therefore been fully consolidated by the Group. The purchase price amounted to EUR 600 thousand. Immediately after the initial consolidation, PB Invest GmbH was merged into KTM Components GmbH. On December 13, 2024, the management of Vöcklabrucker Metallgießerei GmbH filed an application for bankruptcy proceedings with the Regional Court of Wels (file number 20 S 140/24z). The bankruptcy proceedings were accompanied by the loss of control exercised by the Group within the meaning of IFRS 10. Against this background, the Group has simplified the deconsolidation of Vöcklabrucker Metallgießerei GmbH as of 1 December 2024.

## Other changes in the scope of consolidation

As part of the strategic decision to restructure and realign PIERER New Mobility GmbH, the sales subsidiaries of the bicycle division, PIERER New Mobility Suisse GmbH, PIERER New Mobility Espana S.L., PIERER New Mobility France SAS, PIERER New Mobility Italia S.r.l. and PIERER New Mobility Benelux SA, were merged with the KTM sales subsidiaries in the respective countries in the first half of 2024. Likewise, PIERER New Mobility Scandinavia AB, Örebro, Sweden was merged with one of the KTM sales subsidiaries on July 25, 2024.

## CHANGES IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

By contract dated October 4, 2024, 49.0% of the shares in PIERER IMMOREAL GmbH, Wels, Austria, were acquired by Pierer Konzerngesellschaft mbH. The purchase price amounted to EUR 10,879 thousand. At the same time, financial receivables against PIERER IMMOREAL GmbH in the amount of EUR 24,689 thousand were redeemed by PIERER Industrie AG. Due to the factual circumstances, the Group exerts significant influence, which is why the company is included in the consolidated financial statements using the equity method. Due to the temporal proximity and insignificant movements in the meantime, October 1, 2024, is used as the acquisition date of the investment in the consolidated financial statements.

# III. SEGMENT REPORTING

At PIERER Mobility AG, business activities are managed on the basis of the two divisions "Motorcycles" and "Bicycles". The individual divisions are managed separately and reported to PIERER Mobility AG in accordance with IFRS accounting standards. The key decision-maker relevant to the segment report is the full Board of Directors of PIERER Mobility AG. Segment reporting is carried out in accordance with the internal reports with the Motorcycle, Bicycle and Other segments.

## MOTORCYCLE:

The "Motorcycle" segment includes the development, production and sale of motorcycles under the "KTM", "Husqvarna Motorcycles" and "GASGAS" brands as well as components under the "WP" brand. As of December 31, 2024, the Motorcycle segment comprises 62 subsidiaries included in the consolidated financial statements in Austria, the United States, Japan, South Africa, Mexico, India, Australia and New Zealand, as well as in various other countries in Europe and Asia. It also holds shares in assembly companies in the Philippines and China.



**BICYCLES:**

PIERER New Mobility GmbH and its subsidiaries form the "Bicycle" segment of the PIERER Mobility Group. With the brands "Husqvarna E-Bicycles", "GASGAS Bicycles" and "FELT Bicycles", the focus is on the development, manufacture and trade of electric bicycles and bicycles. In total, the segment comprises 11 fully consolidated companies.

**OTHER:**

In the "Other" section, PIERER Mobility AG, PIERER Innovation GmbH, Avocado GmbH, PIERER E-Commerce GmbH, PIERER E-Commerce North America Inc., DealerCenter Digital GmbH and Platin 1483 GmbH are summarised.

None of the segments is dependent on external customers within the meaning of IFRS 8.34. Deliveries and services between the segments are made at arm's length. The segment control parameter EBIT describes the operating result for the period before financial result and income taxes. The investments relate to asset additions from property, plant and equipment and intangible assets (excluding lease additions in accordance with IFRS 16). Earnings accounted for using the equity method are included in EBIT in accordance with the structure of the consolidated income statement. Working capital employed is the sum of inventories and trade receivables less trade payables as of the reporting date. Net debt corresponds to the sum of current and non-current financial liabilities (including lease liabilities) less cash and cash equivalents as of the reporting date.

The segment information for the 2024 and 2023 financial years is broken down among the segments described as follows:

<b>2024</b>	<b>Motorcycles</b>	<b>Bicycles</b>	<b>Other</b>	<b>Consolidation</b>	<b>TOTAL</b>
<b>THOUS</b>					
Revenues (including revenues within the segments)	1,803,716	111,487	66,584	-102,766	<b>1,879,021</b>
External revenues	1,763,841	111,093	4,087	0	<b>1,879,021</b>
Result from operating activities	-887,121	-291,096	-2,689	-3,311	<b>-1,184,217</b>
Investments <sup>1)</sup>	231,237	1,295	261	0	<b>232,793</b>
Depreciation and amortization	-666,562	-34,723	-4,168	2,019	<b>-703,434</b>
thereof impairments in accordance with IAS 36	-334,684	-25,976	0	0	<b>-360,660</b>
thereof impairments in accordance with IFRS 5	-147,311	0	0	0	<b>-147,311</b>
Share in the result of companies accounted for using the equity method	-1,772	-217	0	-7,033	<b>-9,022</b>
	0	0	0	0	0
Balance sheet total	2,323,364	194,529	-705,279	583,220	<b>2,395,834</b>
Equity	-138,492	-306,691	-909,721	1,161,155	<b>-193,749</b>
Working Capital Employed	443,763	88,873	6,110	-13,329	<b>525,417</b>
Net debt	-1,607,117	-376,945	336,955	4,392	<b>-1,642,715</b>

<b>2023</b>	<b>Motorcycles</b>	<b>Bicycles</b>	<b>Other</b>	<b>Consolidation</b>	<b>TOTAL</b>
<b>THOUS</b>					
Revenues (including revenues within the segments)	2,416,376	240,741	62,410	-58,317	<b>2,661,210</b>
External revenues	2,415,979	240,681	4,550	0	<b>2,661,210</b>
Result from operating activities	214,442	-47,070	-8,030	682	<b>160,024</b>
Investments <sup>1)</sup>	256,458	26,996	504	0	<b>283,958</b>
Depreciation and amortization	-156,507	-5,227	-3,408	1,638	<b>-163,504</b>
thereof impairments in accordance with IAS 36	0	0	0	0	<b>0</b>
thereof impairments in accordance with IFRS 5	0	0	0	0	<b>0</b>
Share in the result of companies accounted for using the equity method	1,632	0	0	706	<b>2,338</b>
Balance sheet total	2,777,303	408,114	78,694	-311,196	<b>2,952,915</b>
Equity	930,245	-3,765	283,657	-300,864	<b>909,273</b>
Working Capital Employed	375,820	147,770	5,410	2,078	<b>531,078</b>
Net debt	-771,573	-222,519	217,095	1,071	<b>-775,926</b>

1) Excluding IFRS 16 (Leasing); Lease additions amounted to EUR 39,241 thousand in 2024 (previous year: EUR 32,546 thousand)

**INFORMATION ABOUT GEOGRAPHICAL AREAS:**

Non-current assets (excluding tax claims and financial instruments), broken down by geographical area, are as follows:

THOUS	Non-current assets	
	12/31/2024	12/31/2023
Austria	761,066	1,170,384
Europe (excluding Austria)	3,479	51,587
North America incl. Mexico	92,273	90,890
Other	3,318	5,597
<b>SUM</b>	<b>860,136</b>	<b>1,318,458</b>

The breakdown of sales revenue by geographical area can be found in point 10 "Revenues".

## IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement is prepared according to the cost of sales method.

### 10. REVENUES

Revenue is generally recognised after the transfer of risk in accordance with the terms and conditions (Inco-terms) or after the time of provision of the service, less cash discounts, customer bonuses and discounts.

The breakdown by geographical area of external sales is based on the location of the customers. Sales by geographic region of the Group are as follows:

THOUS	2023	2024
Austria	107,545	81,139
Europe (without Austria)	1,340,260	941,341
North America and Mexico	776,022	545,448
Other	437,383	311,093
	<b>2,661,210</b>	<b>1,879,021</b>

Variable considerations such as price discounts, sales bonuses and discounts are reported as revenue reductions. The obligations for variable consideration are reported as contractual obligations within the meaning of IFRS 15. The contractual obligations for variable consideration regarding price discounts, sales bonuses and discounts amounted to EUR 46,744 thousand as of December 31, 2024 (31.12.2023: EUR 60,956 thousand).

As warranty services are not sold separately, they are merely an assurance that the products sold will meet the agreed specifications. Since these warranty services do not go beyond the statutory or industry-typical warranty obligations in terms of time or content, this is a so-called assurance-type warranty, which does not represent a separate performance obligation. Accordingly, warranty services will continue to be recognised in accordance with IAS 37.

## 11. COST GOODS SOLD

The Group's cost of goods sold is made up as follows:

THOUS	2023	2024
Cost of materials and expenses for purchased services	1,727,180	1,487,058
Personnel costs	152,082	134,256
Depreciation and amortization of capitalized development costs	68,164	81,666
Depreciation and amortization of property, plant and equipment and other intangible assets	34,329	49,716
Other operating expenses and income	-4,638	177,284
	<b>1,977,117</b>	<b>1,929,980</b>

The cost of goods sold includes income from currency translation differences of EUR 846 thousand (previous year: expenses of EUR 22,136 thousand).

Other operating expenses and income in the 2024 financial year include EUR 101,853 thousand due to the discontinuation of development projects in the course of strategic realignments (previous year: other project discontinuations in the amount of EUR 2,619 thousand).

## 12. SELLING AND RACING EXPENSES

The Group's sales and racing expenses are made up as follows:

THOUS	2023	2024
Cost of materials and expenses for purchased services	46,120	44,098
Personnel costs	122,943	119,506
Depreciation and amortization of property, plant and equipment and intangible assets	13,881	12,977
Other operating expenses	157,516	175,468
Sponsorship and other operating income	-50,622	-52,681
	<b>289,838</b>	<b>299,368</b>

## 13. RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses are made up as follows:

THOUS	2023	2024
Cost of materials and expenses for purchased services	11,016	10,311
Personnel costs	40,682	43,915
Depreciation and amortization of property, plant and equipment and intangible assets	8,179	8,255
Other operating expenses	27,617	48,625
Subsidies and other operating income	-33,730	-30,669
	<b>53,764</b>	<b>80,437</b>

The types of expenses presented in research and development expenses include research costs and development costs that cannot be capitalized. Personnel expenses excluding effects from capitalized development costs amounted to EUR 116,134 thousand (previous year: EUR 109,329 thousand). Overall, research and

development expenses (before capitalized development costs) amounted to EUR 235,096 thousand (previous year: EUR 244,371 thousand) or 12.5 % (previous year: 9.2 %) of sales.

## 14. ADMINISTRATIVE EXPENSES

The Group's administrative expenses are made up as follows:

THOUS	2023	2024
Cost of materials and expenses for purchased services	3,569	11,146
Personnel expenses	71,852	80,892
Depreciation and amortization of property, plant and equipment and intangible assets	38,951	42,308
Other operating expenses	78,595	69,023
Other operating income	-7,225	-6,239
	<b>185,742</b>	<b>197,130</b>

## 15. OTHER OPERATING EXPENSES AND IMPAIRMENT LOSSES

Other operating expenses and impairments are made up as follows:

THOUS	2023	2024
Changes in the scope of consolidation	0	-10,369
Other other expenses	-799	-46,664
<b>Other operating expenses</b>	<b>-799</b>	<b>-57,033</b>
Expenses with impairments in accordance with IAS 36	0	-360,660
Expenses with impairments in accordance with IFRS 5	0	-147,311
<b>Expenses related to impairments</b>	<b>0</b>	<b>-507,971</b>
<b>TOTAL</b>	<b>-799</b>	<b>-565,004</b>

The expenses from the changes in the scope of consolidation relate to expenses of EUR 6,192 thousand from the deconsolidation of Vöcklabruck Metallgießerei GmbH, which is in bankruptcy proceedings, and expenses of EUR 4,177 thousand from the fulfilment of pre-existing business relationships in the course of the first-time consolidation of MV Agusta Motor S.p.A.

Other expenses in the 2024 financial year include various expenses that were incurred in connection with the restructuring proceedings, among other things, and could not be allocated to the other sub-areas. These are mainly expenses from legal, business and accounting consulting (EUR 18,869 thousand), expenses from claims conditionally registered in the course of the restructuring proceedings, which are included in the restructuring provision (EUR 12,804 thousand), as well as personnel expenses (EUR 6,380 thousand) and bank charges (EUR 2,850 thousand). In the previous year, this item consisted mainly of bank charges.

Expenses related to impairments include EUR 147,311 thousand from the classification of assets held for sale and disposal groups as well as EUR 360,660 thousand from the impairment test conducted in accordance with IAS 36. With regard to the impairment attributable to the disposal group, further information can be found under item 33 "Non-current assets held for sale and disposal groups". For a more detailed presentation of the allocation of impairment requirements under IAS 36, please refer to Section 23 "Goodwill and impairment test under IAS 36". Since this is a pro rata impairment of assets of the entire CGU "KTM" and the CGU "PIERER New Mobility", an allocation to the other functional areas would, in the Group's view, distort the causal presentation in the income statement. Further explanations can also be found under Section 23 "Goodwill and impairment test in accordance with IAS 36".

## 16. OTHER OPERATING INCOME

Other operating income is recognised if the economic benefit from the underlying contract is probable and there is a reliable determination of the income.

The Group's other operating income totalled EUR 17,703 thousand (previous year: EUR 3,736 thousand). In the 2024 financial year, these mainly relate to the revaluation of the shares in MV Agusta Motor S.p.A. previously held using the equity method in the amount of EUR 16,339 thousand.

## 17. EARNINGS FROM AT-EQUITY HOLDINGS

The profit and loss share of associates accounted for using the equity method is reported in the income statement as a separate item in the profit or loss of operating activities. Essentially, these are shareholdings that are integrated into the operational business activities of the PIERER Mobility Group as key suppliers or customers.

The result of companies accounted for using the equity method is as follows:

THOUS	2023	2024
Kiska GmbH	706	-7.033
KTM Asia Motorcycle Manufacturing Inc.	-199	-799
China Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.	6,993	-832
MV Agusta MOTOR SPA	-5,162	34
Other	0	-392
	<b>2,338</b>	<b>-9,022</b>

The significant decline in the acquired earnings of Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd. can be attributed to the write-down of receivables of 70% of the company's receivables, in particular against KTM AG, which is in restructuring proceedings. MV Agusta Motor S.p.A. was transferred to full consolidation as of March 1, 2024. The at-equity result of Kiska GmbH includes amortization of the company in the amount of EUR 6,142 thousand.

## 18. FINANCIAL AND INVESTMENT EARNINGS

The Group's financial and investment earnings is made up as follows:

THOUS	2023	2024
Interest income	10,669	25,837
Interest expenses	-73,940	-123,641
Other financial and investment income	-4,620	5,423
	<b>-67,891</b>	<b>-92,381</b>

The Group's other financial and investment income is made up as follows:

THOUS	2023	2024
Foreign currency valuation Bank deposits	-3,495	630
Foreign currency valuation of loans issued	-1,955	3,216
Hedging costs	830	1,718
Valuation of interest rate swap	0	-139
Other	0	-2
	<b>-4,620</b>	<b>5,423</b>

## 19. INCOME TAXES

The Group's income and expense are divided into current and deferred taxes as follows:

THOUS	2023	2024
Current tax	-12,982	-6,982
<i>of which from previous years</i>	<i>1,185</i>	<i>-2,601</i>
Deferred taxes	-2,738	203,673
	<b>-15,720</b>	<b>196,691</b>

Income taxes include taxes on income and income paid or payable in the individual countries as well as deferred taxes. The Austrian companies of the PIERER Mobility Group are subject to a corporate income tax rate of 23%.

As of 31.12.2024, deferred tax assets on loss carryforwards of domestic companies in the amount of EUR 206,742 thousand are recognised. The underlying loss carryforwards are to be offset against the restructuring profit in 2025. The change in deferred taxes relating to domestic loss carryforwards in the amount of EUR 187,825 thousand results from the derecognition of deferred tax assets on internal loss carryforwards capitalised on the previous reporting date in the amount of EUR 18,817 thousand and the capitalisation of deferred taxes on current losses in the amount of EUR 206,742 thousand.

Until 31.12.2023, PIERER Mobility AG, Wels, together with Pierer Konzerngesellschaft mbH, Wels, formed a group within the meaning of corporate income tax law. Since the 2024 financial year, PIERER Mobility AG, Wels, has been a group within the meaning of corporation tax law. The tax equalization of income between the group parent and the group member is regulated in the group and tax allocation agreement.

If positive income is attributed to the group parent by the group member, the positive tax allocation amounts to 23% of the attributed positive income. If losses are attributed, the group member does not receive a tax allocation. Losses that cannot be offset are kept in evidence for the group member for offsetting against its positive or positive overall group results in the future.

The calculation of foreign income taxes is based on the laws and regulations in force or passed in the individual countries. The income tax rates applied to foreign companies vary from 9% to 36.0%.

A reconciliation calculation between the expected tax income or tax expense for the financial year (application of the consolidated tax rate of 23% (previous year: 24%) to earnings before taxes) and the tax expense actually reported can be presented as follows:

THOUS	2023	2024
Earnings before income taxes	92,133	-1,276,598
Expected tax expense/income	-22,112	293,618
Non-temporary differences and other tax additions	-1,381	6,750
Recognition / Value adjustments / Consumption of loss carryforwards	-2,764	-89,869
Taxes from previous periods	750	-20,838
Effects of foreign tax rates	-839	2,498
Income from equity investments	809	-1,986
Investment Incentives	8,546	6,924
Tax rate changes	1,271	0
Other	0	-406
	<b>-15,720</b>	<b>196,691</b>

In the 2024 financial year, impairment losses were recognized due to accounting in accordance with IAS 36, which have an impact on the tax rate due to different foreign tax rates. The effects of foreign tax rates include EUR -2,737 thousand from the impairment.

In addition, the item "non-temporary differences" includes an impact of EUR -47,389 thousand from impairments of goodwill.

The non-temporary differences also include offsetting effects from intra-group write-downs and write-downs of intra-group receivables in the amount of EUR 45,868 thousand.

The reconciliation item "Recognition / valuation allowances / utilization of loss carryforwards" results from current losses and deductible temporary differences of companies outside the Austrian tax group for which no deferred tax assets are recognized due to a lack of recoverability.

Taxes from previous periods mainly relate to effects in connection with the change in the Austrian group structure.

### Global minimum taxation

The Group operates in various countries that have enacted new laws introducing the global minimum tax, in particular in Austria, where the Group's ultimate parent company is based. The Group expects to be subject to minimum tax in relation to its operations in Switzerland and Bulgaria, where the statutory tax rate is below 15%, as well as in Singapore, where taxation provides for a tax allowance that reduces our subsidiary's effective tax rate to below 15%. Since the new tax law in Austria came into force on 1 January 2024, this provision was applied for the preparation of the 2024 consolidated financial statements.

Profits from the Group's activities in Switzerland, Bulgaria and Singapore are subject to the minimum tax, and the tax payable on them represents an insignificant amount for the Group.

The Group applies the temporary mandatory exemption with regard to the accounting for deferred taxes resulting from the introduction of the global minimum taxation and recognises any taxes incurred in connection with the global minimum taxation as actual tax expense/income at the time of incurrence.



## 20. EARNINGS PER SHARE AND PROPOSAL ON THE APPROPRIATION OF NET PROFIT

Earnings per share amounted to EUR -29.30 in the current financial year 2024 (previous year: EUR 2.37) and are calculated as follows:

	2023	2024
Result - Owner of the parent company (in EUR thousand)	80,183	-990,265
Total number of shares (units)	33,796,535	33,796,535
Impact of treasury and new shares (shares)	0	0
Weighted average of stocks	33,796,535	33,796,535
<b>Basic (=diluted) earnings per share (EUR)</b>	<b>2.37</b>	<b>-29.30</b>

In accordance with the provisions of the German Stock Corporation Act, the separate financial statements of PIERER Mobility AG as of December 31, 2024, prepared in accordance with Austrian accounting standards, form the basis for the dividend distribution.

For the 2024 financial year, it is proposed not to pay a dividend. A dividend of EUR 16,899 thousand was paid out of the retained profit for 2023.

## 21. EXPENSES FOR THE AUDITOR OF THE FINANCIAL STATEMENTS

The expenses for the auditor Deloitte Audit Wirtschaftsprüfungs GmbH (previous year: KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft) attributable to the reporting period are as follows:

THOUS	2023	2024
Audit of the annual financial statements of all individual companies as well as audit of the consolidated financial statements	635	744
Other confirmation services	77	0
Other services	74	0
	<b>786</b>	<b>744</b>

## 22. EMPLOYEES

The number of employees is shown including temporary workers and external employees:

Balance as of 1/1/2024	6,184
Changes in the financial year	-874
<b>Balance as of 12/31/2024</b>	<b>5,310</b>

As of December 31, 2024, 3,290 employees (previous year: 3,553) and 2,020 workers (previous year: 2,631) were employed. As of December 31, 2024, 4,099 employees (previous year: 4,970) are employed in Austria and 1,211 employees (previous year: 1,214) abroad. On average, the group employed 5,887 people (previous year: 6,268), of which 3,482 were white-collar workers (previous year: 3,486) and 2,406 blue-collar workers (previous year: 2,782).

Total personnel expenses in the 2024 financial year, excluding effects from the capitalization of development costs, amounted to EUR 450,788 thousand (previous year: EUR 456,206 thousand).

## V. NOTES TO THE CONSOLIDATED BALANCE SHEET

### 23. GOODWILL AND IMPAIRMENT TEST ACCORDING TO IAS 36

In accordance with IAS 36 "Impairments", goodwill is not amortized as planned but is subject to an annual impairment test.

For the 2024 financial year, the impairment test carried out revealed a need for impairments in the cash-generating units "KTM", "PIERER New Mobility" (previous year: no impairment requirement).

The operating assets of the cash-generating units are compared with their value in use and depreciated to the lower value in use, unless there is a higher fair value less cost of sale. The value in use is determined using the discounted cash flow method, assuming a pre-tax WACC of 9.5% (2023: 11.1%) for KTM. For the "PIERER New Mobility" CGU, an after-tax WACC of 8.1% (2023: 8.6%) was used, as the input VAT WACC is not meaningful.

The forecast of cash flows is based on the financial budgets or forecast calculations approved by the management, taking into account the medium-term strategy goals. The medium-term planning includes a more detailed planning horizon of five years and is based on internal assumptions about future sales, price and cost developments, the future development of new markets and the composition of the product mix.

Subsequently, a rough planning phase of three years was consulted at the CGU "KTM", as at the end of the detailed planning phase no settled condition can be assumed due to the restructuring process in the KTM Group. A conservative sales development was assumed under the last periods of the detailed planning phase and the EBIT margin of the last detailed planning period was maintained unchanged. Depreciation and amortization and invested capital have been aligned. Subsequently, the cash flow of the last rough planning period was used to determine the estimated cash flows beyond this period by extrapolation, assuming constant evolution using a growth rate of 1% and going concern. The assumptions made are essentially based on many years of experience, historical development and management's assessment. In addition, the plausibility of the assumptions was analysed and assessed by external third parties in the course of the restructuring proceedings, whereby the results were in turn incorporated into the business planning.

As the impairment expense determined in this way amounts to EUR 334,684 thousand for CGU "KTM" in the current financial year (previous year: EUR 0 thousand) and EUR 25,976 thousand for CGU "PIERER New Mobility". This is initially attributable to the goodwill of the CGU "KTM" and the CGU "PIERER New Mobility", so that it was completely impaired. The excess amount was apportioned pro rata to the carrying amounts of the assets within the scope of IAS 36.

The breakdown of goodwill and its distribution among the respective CGUs is as follows:

THOUS	2023	2024
<b>Acquisition and production costs:</b>		
<b>Balance as of 01/01</b>	<b>150,632</b>	<b>151,725</b>
Disposal	0	-4,509
Changes in the scope of consolidation	1,567	79,341
Currency translation	-474	-384
<b>Balance as of 12/31</b>	<b>151,725</b>	<b>226,173</b>
<b>Accumulated depreciation and amortization:</b>		
<b>Balance as of 01/01</b>	<b>19,977</b>	<b>19,990</b>
Additions	0	206,232
Changes in the scope of consolidation	0	0
Currency translation	13	-49
<b>Balance as of 12/31</b>	<b>19,990</b>	<b>226,173</b>
<b>Balance as of 12/31</b>	<b>131,735</b>	<b>0</b>
KTM	109,766	0
PIERER New Mobility	19,457	0
Others	2,512	0

The recognized impairment charge for the CGU "KTM" for the 2024 financial year was distributed as follows:

THOUS	12/31/2024
<b>Determined impairment requirements in accordance with IAS 36</b>	<b>334,684</b>
Goodwill	109,399
<b>Impairment charges distributed pro rata</b>	<b>225,285</b>
<b>Fixed assets</b>	<b>105,933</b>
Plots	11,502
Building	49,083
Machines	25,742
Fixtures and fittings	13,946
Advance payments made and assets under construction	5,660
<b>Intangible assets</b>	<b>119,352</b>
Development	101,818
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	4,723
Advance payments made and assets under construction	9,820
Trademark rights	2,991

The impairment loss for the "PIERER New Mobility" CGU for the 2024 financial year was distributed as follows:

THOUS	12/31/2024
<b>Determined impairment requirements in accordance with IAS 36</b>	<b>25,976</b>
Goodwill	19,577
<b>Impairment charges distributed pro rata</b>	<b>6,399</b>
<b>Fixed assets</b>	<b>2,344</b>
Building	446
Machines	1,326
Fixtures and fittings	572
<b>Intangible assets</b>	<b>4,055</b>
Trademark rights	3,700
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	355

As already stated under item 15 "Other operating expenses and impairment losses", the Group has fully recognized the above impairment loss of EUR 360,660 thousand under other operating expenses or recognized separately in the income statement. In our view, the pro rata allocation of impairment required by IAS 36 does not lead to a causation-based allocation of impairment to individual assets. For this reason, the Group estimates the information benefit for the report reader in the current presentation of the income statement to be higher than if this impairment expense were allocated to the individual functional areas. If, however, an attempt was made to allocate this impairment expense to the functional areas on the basis of simplifying various assumptions, the following hypothetical breakdown would result:

THOUS	12/31/2024
<b>Determined impairment requirements in accordance with IAS 36</b>	<b>360,660</b>
<b>Attributed to other operating expenses</b>	<b>360,660</b>
<b>Simplified allocation in the case of causal allocability</b>	
Cost of production of services provided to generate sales	194,049
Selling and racing expenses	395
Research and development expenses	80
Infrastructure and administrative expenses	25,390
Other operating expenses	140,746

## 24. INTANGIBLE ASSETS

Intangible assets are capitalized at acquisition or production cost in the same way as property, plant and equipment and measured less depreciation. The scheduled depreciation is determined according to the straight-line depreciation method on the basis of the following useful lives:

Years	Service life
Software	3 - 5
Intangible assets created by the company	5

In the case of self-generated intangible assets, the production period is divided into a research, development and model maintenance phase. Costs incurred in the research and model update phase are recognised immediately in the income statement. Expenditure in the development phase is capitalised as intangible assets

if the criteria of IAS 38.57 are met. The intangible assets generated by the company are measured at cost less depreciation and amortization. Scheduled depreciation is carried out according to the straight-line depreciation method on the basis of a useful life of essentially five years. The useful life of five years, which is used in particular for the capitalized development costs, is based on empirical values in connection with the underlying product life cycles. The scheduled depreciation of capitalized development costs that can be clearly assigned to specific products or processes takes place with the start of series production.

In the 2024 financial year, development costs of EUR 135,392 thousand (previous year: EUR 156,877 thousand) were capitalized and a total of EUR 183,637 thousand was amortized, of which EUR 101,818 thousand was written down from impairment in accordance with IAS 36 (previous year: EUR 68,164 thousand, of which EUR 0 thousand was written down in accordance with IAS 36). As of 31.12.2024, development costs with a carrying amount of EUR 352,879 thousand (previous year: EUR 506,666 thousand) are included in intangible assets.

Intangible assets with an indefinite useful life, such as the "KTM" brands in the amount of EUR 61,103 thousand (previous year: EUR 61,103 thousand) and "GASGAS" in the amount of EUR 10,355 thousand (previous year: EUR 13,346 thousand) recognised as part of the "KTM" brands recognised by purchase price allocations, are not depreciated as planned, but are subject to an impairment test in accordance with IAS 36 and any necessary impairments are recognised in the income statement. The Management Board assumes an indefinite useful life of the trademarks, as the rights in the relevant sales markets are not subject to any temporal, legal or contractual restrictions and there is no economic devaluation due to the lasting recognition of the trademarks. In the 2024 financial year, the above-mentioned brands were impaired by EUR 2,991 thousand as part of the impairment test. The "KTM" brand was not impaired in the 2024 financial year due to a liquidation value that exceeded the book value determined as part of a valuation report.

The breakdown of intangible assets and their development in the 2024 and 2023 financial years are presented in the following tables:

THOUS	Concessions, industrial property rights and similar rights and benefits as well as resulting licenses	Customers, Brand values, Development cost	Advance payments	Total
<b>Acquisition and production costs:</b>				
<b>Balance as of 01/01/2024</b>	101,666	767,811	33,613	<b>903,090</b>
Additions	4,965	135,392	19,970	<b>160,327</b>
Disposals	-17,460	-165,292	-600	<b>-183,352</b>
Changes in the scope of consolidation	12,789	41,982	612	<b>55,383</b>
Currency translation	41	-2	0	<b>39</b>
Transfers	9,597	0	-9,771	<b>-173.7</b>
<b>Balance as of 12/31/2024</b>	<b>111,598</b>	<b>779,891</b>	<b>43,824</b>	<b>935,313</b>
<b>Accumulated depreciation and amortization:</b>				
<b>Balance as of 01/01/2024</b>	75,103	159,020	0	<b>234,123</b>
Additions	17,907	88,210	8	<b>106,125</b>
Depreciations	1,830	146,490	9838	<b>158,158</b>
Disposals	-14,123	-38,282	-17	<b>-52,422</b>
Changes in the scope of consolidation	12,455	120	-8	<b>12,567</b>
Currency translation	24	-4	1	<b>21</b>
Transfers	34	0	0	<b>34</b>
<b>Balance as of 12/31/2024</b>	<b>93,230</b>	<b>355,554</b>	<b>9,822</b>	<b>458,606</b>
<b>Carrying amount:</b>				
<b>Balance as of 12/31/2024</b>	<b>18,368</b>	<b>424,337</b>	<b>34,002</b>	<b>476,707</b>
Balance as of 12/31/2023	26,563	608,791	33,613	<b>668,967</b>

THOUS	Concessions, industrial property rights and similar rights and benefits as well as resulting licenses	Customers, Brand values, Development cost	Advance payments	Total
<b>Acquisition and production costs:</b>				
<b>Balance as of 01/01/2023</b>	90,640	675,834	14,561	<b>781,035</b>
Additions	9,081	158,177	22,241	<b>189,499</b>
Disposals	-1,240	-66,193	-146	<b>-67,579</b>
Changes in the scope of consolidation	0	0	0	<b>0</b>
Currency translation	-34	-7	0	<b>-41</b>
Transfers	3,219	0	-3,043	<b>176</b>
<b>Balance as of 12/31/2023</b>	<b>101,666</b>	<b>767,811</b>	<b>33,613</b>	<b>903,090</b>
<b>Accumulated depreciation and amortization:</b>				
<b>Balance as of 01/01/2023</b>	62,059	148,620	0	<b>210,679</b>
Additions	13,968	69,864	0	<b>83,832</b>
Disposals	-909	-59,462	0	<b>-60,371</b>
Changes in the scope of consolidation	0	0	0	<b>0</b>
Currency translation	-15	-2	0	<b>-17</b>
Transfers	0	0	0	<b>0</b>
<b>Balance as of 12/31/2023</b>	<b>75,103</b>	<b>159,020</b>	<b>0</b>	<b>234,123</b>
<b>Carrying amount:</b>				
<b>Balance as of 12/31/2023</b>	<b>26,563</b>	<b>608,791</b>	<b>33,613</b>	<b>668,967</b>
Balance as of 12/31/2022	28,581	527,214	14,561	<b>570,356</b>

With a transfer agreement dated 17.09.2013, KTM AG has acquired the license right for the use of the "Husqvarna" brand from PIERER Industrie AG for EUR 10,000 thousand. The license right is depreciated as planned over the remaining useful life of 3 years.

The additions to intangible assets were corrected in the cash flow statement by EUR 38,483 thousand (previous year: EUR 33,381 thousand) with regard to their ineffectiveness.

In the 2024 financial year, development costs of non-usable assets in the amount of EUR 101,835 thousand (previous year: EUR 2,625 thousand) were impaired. The main reasons for the discontinuation of the underlying development projects were the change in the economic environment as well as the insolvency law processes in the course of the restructuring proceedings and corresponding corporate realignments.

The application of IAS 36 resulted in an impairment loss in the 2024 financial year, which was allocated pro rata to intangible assets in the amount of EUR 119,352 thousand – after impairment of existing goodwill (financial year 2023: no impairment requirement identified). This allocation mainly related to development costs: In the 2024 financial year, an impairment of EUR 46,923 thousand was allocated to the development costs of non-usable assets in accordance with IAS 36. In total, the impairment in accordance with IAS 36 within development costs amounted to EUR 101,818 thousand (previous year: EUR 0 thousand). A corresponding list can be found under Section 23 "Goodwill and impairment test in accordance with IAS 36".

## 25. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at acquisition or production cost less depreciation. The scheduled depreciation is determined according to the straight-line depreciation method on the basis of the following useful lives:

Years	Service life
Building	10 - 50
Technical equipment and machinery	2 - 10
Fixtures and fittings	3 - 10

The calculation of the economic useful lives stated above is essentially based on empirical values on the wear and tear of the underlying assets in the course of their operational use. The above information on the useful life of the operating and office equipment has been changed from 3-8 years to 3-10 years compared to the previous year. From the Group's point of view, this newly mentioned period more accurately reflects the actual economic useful life of the underlying assets and does not lead to any changes in the assets, financial position and results of operations presented.

The production costs of self-built plants include the individual costs, including attributable material and manufacturing overheads. Financing costs arising from the direct allocation of debt capital or from the application of an average capitalisation interest rate to the expenses incurred are not capitalised in accordance with IAS 23 due to a lack of qualifying assets.

In accordance with IAS 20, investment grants from the public sector are to be treated as compensation for the associated depreciation. The net method according to IAS 20.24 (reduction of acquisition and production costs resulting in lower depreciation offset) is used. In the 2024 financial year, additions were reduced by a total of EUR 12,594 thousand (previous year: EUR 14,282 thousand), of which capitalized research and development expenses amounted to EUR 12,570 thousand (previous year: EUR 13,684 thousand).

The breakdown of property, plant and equipment and its development in the 2024 and 2023 financial years are presented in the following tables:



THOUS	Real Estate	Buildings	Technical plant and machinery	Operational and business equipment	Advance payments and investments in construction	Total
<b>Acquisition and production costs:</b>						
<b>Balance as of 01/01/2024</b>	52,731	351,511	336,627	191,724	18,629	<b>951,222</b>
Additions	1,887	21,128	24,094	17,888	49,167	<b>114,164</b>
Disposals	-39	-38,418	-111,753	-22,965	-6,142	<b>-179,317</b>
Changes in the scope of consolidation	39	33,580	96,838	8,595	10,527	<b>149,579</b>
Currency translation	847	2,824	11	1,838	277	<b>5,797</b>
Transfers	0	3,745	38,221	5,003	-47,202	<b>-233</b>
Reclassification held for sale	-3,735	-27,027	-466	-796	0	<b>-32,024</b>
<b>Balance as of 12/31/2024</b>	<b>51,730</b>	<b>347,343</b>	<b>383,572</b>	<b>201,287</b>	<b>25,256</b>	<b>1,009,188</b>
<b>Accumulated depreciation and amortization:</b>						
<b>Balance as of 01/01/2024</b>	1,032	109,580	234,389	122,335	0	<b>467,336</b>
Additions	270	21,795	42,853	26,996	0	<b>91,915</b>
Depreciations	11,541	63,022	41,516	15,229	0	<b>140,650</b>
Disposals	-39	-36,687	-107,736	-21,086	0	<b>-169,438</b>
Changes in the scope of consolidation	0	18,115	83,426	7,726	0	<b>109,475</b>
Currency translation	0	572	-6	1111	0	<b>1,675</b>
Transfers	0	-21	0	-146	0	<b>-167</b>
Reclassification held for sale	0	-1,108	-108	-341	0	<b>-1,557</b>
<b>Balance as of 12/31/2024</b>	<b>12,804</b>	<b>175,268</b>	<b>294,334</b>	<b>151,824</b>	<b>5,659</b>	<b>639,889</b>
<b>Carrying amount:</b>						
<b>Balance as of 12/31/2024</b>	<b>38,926</b>	<b>172,075</b>	<b>89,238</b>	<b>49,463</b>	<b>19,597</b>	<b>369,299</b>
Balance as of 12/31/2023	51,699	241,931	102,238	69,389	18,629	<b>483,886</b>

THOUS	Real Estate	Buildings	Technical plant and machinery	Operational and business equipment	Advance payments and investments in construction	Total
<b>Acquisition and production costs:</b>						
<b>Balance as of 01/01/2023</b>	49,328	323,605	304,099	172,244	21,456	<b>870,732</b>
Additions	3884	33,632	44,204	34,975	10310	<b>127,005</b>
Disposals	0	-7,374	-19,216	-15,976	-409	<b>-42,975</b>
Changes in the scope of consolidation	0	0	0	116	0	<b>116</b>
Currency translation	-481	-1,861	-5	-1,064	-53	<b>-3,464</b>
Transfers	0	3,509	7,545	1,429	-12,675	<b>-192</b>
<b>Balance as of 12/31/2023</b>	<b>52,731</b>	<b>351,511</b>	<b>336,627</b>	<b>191,724</b>	<b>18,629</b>	<b>951,222</b>
<b>Accumulated depreciation and amortization:</b>						
<b>Balance as of 01/01/2023</b>	781	94,959	220,475	110,805	0	<b>427,020</b>
Additions	252	20,208	32,714	26,498	0	<b>79,672</b>
Disposals	0	-5176	-18,799	-14,460	0	<b>-38,435</b>
Changes in the scope of consolidation	0	0	0	74	0	<b>74</b>
Currency translation	-1	-411	-1	-582	0	<b>-995</b>
Transfers	0	0	0	0	0	<b>0</b>
<b>Balance as of 12/31/2023</b>	<b>1,032</b>	<b>109,580</b>	<b>234,389</b>	<b>122,335</b>	<b>0</b>	<b>467,336</b>
<b>Carrying amount:</b>						
<b>Balance as of 12/31/2023</b>	<b>51,699</b>	<b>241,931</b>	<b>102,238</b>	<b>69,389</b>	<b>18,629</b>	<b>483,886</b>
Balance as of 12/31/2022	48,547	228,646	83,624	61,439	21,456	<b>443,712</b>

Additions to property, plant and equipment include investments in the amount of EUR 39,241 thousand (previous year: EUR 32,546 thousand) as additions from leases that were not cash effective at the balance sheet date. For further details, please refer to point 45 "Leases as lessee". The additions to other property, plant and equipment were corrected in the consolidated statement of cash flows by EUR -5,646 thousand (previous year: EUR -4,389 thousand) with regard to their ineffectiveness.

As of the balance sheet date, property, plant and equipment in the amount of EUR 103,500 thousand (previous year: EUR 103,500 thousand) were secured by pledge deeds entered and deposited in the land register, primarily for liabilities to banks.

The application of IAS 36 resulted in an impairment loss in the 2024 financial year, which was allocated to property, plant and equipment pro rata in the amount of EUR 108,277 thousand (2023 financial year: no impairment requirement identified). A corresponding list can be found under Section 23 "Goodwill and impairment test in accordance with IAS 36". In addition, impairment losses on property, plant and equipment in the course of the classification of MV Agusta companies as held for sale were recognised in the amount of EUR 32,373 thousand. Further information can be found under item 33 "Non-current assets held for sale and disposal groups".

## 26. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The companies accounted for using the equity method are associates and not joint ventures. The interests in associates that are included using the equity method are immaterial individually. As of December 31, 2024, the investments accounted for using the equity method are Kiska GmbH, KTM Asia Motorcycle Manufacturing Inc., CFMOTO-KTMR2R Motorcycles Co., Ltd., LX Media GmbH and PIERER IMMOREAL GmbH. The Changes in companies accounted for using the equity method can be found in Section 9 "Changes in the scope of consolidation".

Kiska GmbH is a design company that provides services in the field of development and design. The balance sheet date of Kiska GmbH is March 31, which was set before the acquisition of the stake. A change in the balance sheet date is not sought due to materiality considerations. For the purpose of accounting using the equity method, an unaudited interim financial statement as of December 31 was used in each case. In the current financial year 2024, impairment losses of EUR 6,142 thousand were recognized on the company.

KTM Asia Motorcycle Manufacturing Inc. was founded in June 2016 together with partner Ayala Corp. The company started the CKD (completely-knocked-down) assembly for KTM motorcycles in the Philippines in mid-2017.

KTM's joint venture in China with partner CFMOTO was established in fiscal year 2018 under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.". The company commenced operations in the 2021 financial year. In Hangzhou, China, mid-range motorcycles are produced. In the 2023 financial year, the KTM Group intensified its cooperation with CFMOTO and expanded production in the joint venture.

In the 2022 financial year, a cooperation agreement was concluded with the Italian motorcycle manufacturer MV Agusta. As part of that cooperation agreement, KTM AG acquired 25.1% of the shares in MV Agusta Motor S.p.A. based in Varese, Italy. In addition, at the beginning of March 2024, the Group acquired a further 25.0% stake in MV Agusta S.p.A. via an early exercise of an agreed call option. MV Agusta Motor S.p.A. thus became a fully consolidated subsidiary of the Group during the year, but its results for the months of January and February 2024 are still part of the accounting-equity accounting.

With a contract dated October 4, 2024, KTM AG has acquired 49.0% of the shares in PIERER IMMOREAL GmbH, Wels, Austria, from Pierer Konzerngesellschaft mbH, Wels, Austria. As at the balance sheet date, the shares were classified as held for sale, as explained in more detail in Note 33 "Assets held for sale".

The carrying amounts of financial assets accounted for using the equity method developed as follows in the financial year:

THOUS	2023	2024
Book value of investments on 1/1	33,341	33,870
Acquisition of holdings	0	14,679
Changes in the scope of consolidation (step acquisition)	0	-11,066
Classification as held for sale	0	-10,748
Sale of shares	-946	-3,753
Proportionate net income (minus eliminations of intercompany profits)	2,338	-2,736
Other interim result eliminations	1,131	214
Impairment of shareholdings	0	-6,286
Other comprehensive income	-1,051	488
Distribution	-943	-599
Other	0	67
<b>Book value of investments on 12/31</b>	<b>33,870</b>	<b>14,130</b>

## 27. DEFERRED TAX ASSETS

Deferred taxes on tax loss carryforwards are recognised considering their prompt realisation. Deferred tax assets and liabilities are shown on a net basis with the same tax jurisdiction and similar maturity. For the differences in the tax base of fully consolidated or equity-accounted shares to the corresponding Group equity, deferred taxes are only deferred if realisation is likely in the foreseeable future. The calculation is based on the income tax rate customary in the respective country at the time of the expected reversal of the difference in value.

In total, deferred tax assets and liabilities are calculated from the following balance sheet items:

THOUS	12/31/2023	12/31/2024
<b>Deferred tax assets:</b>		
Inventories	11,709	13,970
Financial assets	61	48,776
Personnel liabilities	2,888	2,498
Accruals	259	544
Accounts payable	15,172	17,368
	<b>30,089</b>	<b>83,156</b>
Netting	-40,123	-206,491
Loss carryforwards	19,968	207,461
	<b>9,934</b>	<b>84,126</b>
<b>Deferred tax liabilities:</b>		
Receivables and other current assets	-2,034	-108,607
Intangible assets	-158,754	-98,777
	<b>-160,788</b>	<b>-207,384</b>
Netting	40,123	206,491
	<b>-120,665</b>	<b>-893</b>

The temporary differences in deferred tax liabilities in intangible assets are mainly due to development costs that cannot be capitalized for tax purposes and differences in the "KTM" brand's approach.

As in the previous year, deferred tax assets on financial assets largely relate to outstanding sevenths in accordance with Section 12 (3) (2) of the Austrian Tax Act (Austrian Tax Act). In the current financial year, open sevenths from previous years amounting to EUR 197 thousand have been considered to reduce income. Deferred tax assets were recognised for all outstanding depreciation and amortisation in accordance with Section 12 of the Austrian Corporate Income Tax Act (ÖKtG), as the requirements of IAS 12.34 et seq. are met.

In addition, there are deferred tax assets on loss carryforwards of the Austrian PIERER Mobility AG Group in the amount of EUR 206,742 thousand (previous year: EUR 19,968 thousand) and the KTM Australia subgroup in the amount of EUR 719 thousand (previous year: EUR 0 thousand). Please refer to Note 19 "Income taxes" for further details, in particular in connection with the restructuring process.

The tax loss carryforwards available and capitalised in the PIERER Mobility Group can be summarised as follows:

THOUS	Loss carryfor- ward 12/31/2024	thereof not recognized 12/31/2024	Remaining loss carryforward 12/31/2024	Deferred tax as- set 12/31/2024
PIERER Mobility AG	898,880	0	898,880	206,742
PIERER E-Commerce GmbH	2,338	-2,338	0	0
Avocado GmbH	4,924	-4,924	0	0
Pierer Innovation GmbH	1,187	-1,187	0	0
Other	278,578	-276,179	2,399	719
	<b>1,185,907</b>	<b>-284,628</b>	<b>901,279</b>	<b>207,461</b>

THOUS	Loss carryfor- ward 12/31/2023	thereof not recognized 12/31/2023	Remaining loss carryforward 12/31/2023	Deferred tax as- set 12/31/2023
PIERER Mobility AG	85,202	-85,202	0	0
PIERER E-Commerce GmbH	11,506	-11,506	0	0
Other	86,817	0	86,817	19,968
	<b>183,525</b>	<b>-96,708</b>	<b>86,817</b>	<b>19,968</b>

The tax loss in Austria can be carried forward indefinitely.

Deductible temporary differences and unused tax losses (including outstanding seventh depreciation and interest carried forward) on which no deferred tax assets have been capitalized amount to EUR 328,259 thousand (previous year: EUR 96,708 thousand).

In addition, no deferred tax assets were recognized on loss carryforwards of subsidiaries in the amount of EUR 86,155 thousand (previous year: 2,829). Of this amount, losses of EUR 85,606 thousand (previous year: EUR 2,200 thousand) can be carried forward for an indefinite period of time and losses of EUR 549 thousand (previous year: EUR 629 thousand) can be carried forward for up to 5 years.

As of December 31, 2024 (and in the previous year), it was assumed that, due to the tax provisions currently in force, the differences between the tax participation approach and the proportionate equity of the subsidiaries included in the IFRS consolidated financial statements (outside-basis differences), in particular resulting from retained earnings or uncovered losses, could remain tax-free in the foreseeable future or that the reversal of the differences could be controlled by the Group.

Furthermore, it can be assumed that the differences between the tax participation approach and the carrying amount of the companies accounted for using the equity method (outside-basis differences) will remain tax-free in the foreseeable future, as no sale of these investments is planned.

In connection with investments in subsidiaries and financial assets accounted for using the equity method, no deferred tax deferrals were recognised in accordance with IAS 12.39 for taxable temporary differences in the amount of EUR 2,681 thousand (previous year: EUR 5,068 thousand).

Deferred taxes developed as follows in the financial year:

THOUS	2023	2024
Deferred taxes (net) on 1/1/	-110,646	-110,731
Change in the scope of consolidation	0	-11,109
Deferred taxes recognized through profit or loss	-2,738	203,673
Deferred taxes recognized in other comprehensive income	2,452	1,767
Deferred taxes recognised in equity	92	36
Deferred taxes from reclassification recognised through profit or loss (previous year)	62	63
Foreign currency	47	-466
<b>Deferred tax (net) at 12/31</b>	<b>-110,731</b>	<b>83,233</b>

## 28. OTHER NON-CURRENT ASSETS

THOUS	12/31/2023	12/31/2022
Receivables from financing activities	2,597	347
Lease receivables from subleases	515	515
Other	2,324	2,385
	<b>5,436</b>	<b>3,247</b>

The remaining non-current assets mainly include deposits and advance payments to suppliers.

## 29. INVENTORIES

Inventories are as follows:

THOUS	12/31/2023	12/31/2024
Raw materials, auxiliary materials and operating materials	174,633	96,859
Unfinished products	35,754	31,465
Finished products and goods	646,868	489,528
	<b>857,255</b>	<b>617,852</b>

THOUS	12/31/2023	12/31/2024
Gross inventories	909,411	770,272
- Allowances	-52,156	-152,420
<b>Net stock</b>	<b>857,255</b>	<b>617,852</b>

With regard to the underlying estimates for the valuation of inventories, please refer to the explanations under point 7 "Estimates and discretionary decisions".

### 30. TRADE RECEIVABLES

Gross trade receivables from third parties were reduced by individual value adjustments of EUR 27,957 thousand (previous year: EUR 7,406 thousand).

Impairments on receivables developed as follows:

THOUS	Trade receivables
<b>Balance as of 01/01/2023</b>	<b>5,049</b>
Currency conversion	-94
Additions to individual valuation allowances	3,430
Allocation of impairment for expected losses	111
Utilization	-305
Disbandment's	-785
<b>Balance as of 12/31/2023 = 01/01/2024</b>	<b>7,406</b>
Currency conversion	80
Additions to individual valuation allowances	22,458
Allocation of impairment for expected losses	493
Utilization	-1,582
Disbandments	-1,107
Reclassification held for sale	-75
Changes in the scope of consolidation	284
<b>Balance as of 12/31/2024</b>	<b>27,957</b>

Expenses for the full derecognition of trade receivables amounted to EUR 2,122 thousand (previous year: EUR 112 thousand).

### 31. CURRENT RECEIVABLES AND OTHER ASSETS

Subsidies will be considered as soon as there is certainty that they will flow to the PIERER Mobility Group and that the group can meet the requirements set.

THOUS	12/31/2023	12/31/2022
Receivables from derivative financial instruments	15,666	6
Asset Backed Securities Financing (ABS) / Factoring Financing	22,733	39,875
Receivables from affiliated companies	53	2,731
Other	12,403	16,420
<b>Other current financial assets</b>	<b>50,855</b>	<b>59,032</b>
Subsidies	26,288	25,769
Receivables due from tax offices	24,441	26,473
Receivables from value added taxes (from tax group settlement with Pierer Industrie AG)	8,583	3,600
Advance payments on inventories and other prepayments	35,782	34,373
Other	138	5,472
<b>Other current non-financial assets</b>	<b>95,232</b>	<b>95,687</b>
<b>Other current assets</b>	<b>146,087</b>	<b>154,719</b>

The receivables sold in connection with the existing ABS and factoring programme will be fully derecognised in accordance with the provisions of IFRS 9. As part of the ABS program, monthly revolving insured trade receivables up to a maximum volume of EUR 350,000 thousand (previous year: EUR 350,000 thousand) are sold. In June 2024, the KTM Group set up a similar factoring programme with Landesbank Baden-Württemberg, but its expiry was decided in the course of the restructuring proceedings. Further information on the ABS and factoring programme can be found under point 41 "Classification and fair values".

## **32. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash balances, bank deposits, cheques and fixed deposits with a maximum of three months (calculated from the date of purchase). For further details on the change in the cash position, please refer to the disclosures on the cash flow statement in Chapter VI of the Notes to the Consolidated Financial Statements. In addition, the disposal group also includes cash and cash equivalents, as described in item 32 "Non-current assets held for sale and disposal groups".

## **33. ASSETS HELD FOR SALE AND DISPOSAL GROUPS**

At the end of the 2024 financial year, the Management Board made a number of decisions on the sale of various non-current assets and associated liabilities, the impact of which on the net assets, financial position and results of operations of the Group (relates to the Motorcycle segment) is presented below in tabular form and then explanatory.



Overview of all assets held for sale and related liabilities				12/31/2024
THOUS	PIERER & MAXCOM MOBILITY OOD	PIERER IMMOREAL GmbH	MV Agusta	Sum
<b>Non-current assets:</b>				
Fixed assets	30,467	0	0	30,467
Companies accounted for using the equity method	0	10,704	0	10,704
Deferred tax assets	0	0	21,792	21,792
Other non-current assets and receivables	0	24,689	289	24,977
	<b>30,467</b>	<b>35,392</b>	<b>22,080</b>	<b>87,940</b>
<b>Current assets:</b>				
Supplies	0	0	76,912	76,912
Trade receivables	0	0	8,784	8,784
Advance payments	0	0	768	768
Tax assets	0	0	545	545
Other current assets and receivables	0	0	23,550	23,550
Cash and cash equivalents	0	0	8,162	8,162
	<b>0</b>	<b>0</b>	<b>118,722</b>	<b>118,722</b>
<b>Assets held for sale</b>	<b>30,467</b>	<b>35,392</b>	<b>140,802</b>	<b>206,662</b>
<b>Long-term debt:</b>				
Financial liabilities	0	0	435	435
Obligations for employee benefits	0	0	847	847
Deferred tax liabilities	0	0	0	0
Other long-term debt	0	0	1,864	1,864
	<b>0</b>	<b>0</b>	<b>3,146</b>	<b>3,146</b>
<b>Short-term debt:</b>				
Financial liabilities	0	0	29,899	29,899
Trade payables	0	0	21,507	21,507
Accruals	0	0	8,991	8,991
Tax liabilities	0	0	754	754
Advance payments	0	0	380	380
Other short-term debts	0	0	2,557	2,557
	<b>0</b>	<b>0</b>	<b>64,087</b>	<b>64,087</b>
<b>Liabilities in connection with assets held for sale</b>	<b>0</b>	<b>0</b>	<b>67,233</b>	<b>67,233</b>

### Building, equipment and land of PIERER & MAXCOM MOBILITY OOD

Not least due to the complete withdrawal of PIERER Mobility AG from the business of PIERER New Mobility GmbH, the Executive Board of KTM AG made the decision to sell the constructed building, the land and the associated assets of PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria. As of the balance sheet date of December 31, 2024, negotiations with a potential buyer were already well advanced, so that it can be assumed that the sale will be sufficiently secure in the course of the 2025 financial year. Based on the negotiated purchase price, a fair value of EUR 35,000 thousand was determined for the building with associated equipment and the property as of December 31, 2024 (previous book value: EUR 30,467 thousand). Due to the fact that fair value exceeded the carrying amount, no measurement difference had to be recognised under IFRS 5. The related assets were classified as held for sale.

### At equity shares in PIERER IMMOREAL GmbH and related financial receivables

In addition, the 49.0% stake in PIERER IMMOREAL GmbH, Wels, Austria, acquired on October 4, 2024, was recognized as a non-current asset held for sale as of the balance sheet date. The shares were sold back to the

original seller, Pierer Konzerngesellschaft mbH, on 3 January 2025. The purchase price corresponded to the original purchase price by KTM AG (EUR 10,879 thousand). There was no need for a write-down in accordance with IFRS 5, as the carrying amount of the financial asset (EUR 10,704 thousand) is below the fair value (EUR 10,879 thousand) due to the losses of PIERER IMMOREAL GmbH assumed proportionately using the at-equity method. At the same time, financial receivables against PIERER IMMOREAL GmbH in the amount of EUR 24,689 thousand were classified as held for sale, as they were acquired together with the shares in October 2024 and finally sold again together with the shares in January 2025.

## MV Agusta

The shares in MV Agusta Motor S.p.A., Varese, Italy, as well as the shares in the other MV Agusta companies of the KTM Group, were also the subject of ongoing negotiations on their sale as of the balance sheet date of December 31, 2024. The sale was considered highly likely as of the balance sheet date, PIERER Mobility AG finally announced on January 31, 2025, that a corresponding agreement had been reached with the previous minority shareholder of MV Agusta Motor S.p.A., Art of Mobility S.A. The sale is expected to be completed in the first half of 2025. The sale agreement covers the following companies and their assets and liabilities, which are grouped together in a disposal group:

- MV Agusta Motorcycles GmbH, Mattighofen, Austria;
- MV Agusta Services S.r.l., Meran, Italian;
- MV Agusta Motorcycles North America, Inc., Murrieta, CA, USA;
- MV Agusta Motor S.p.A., Varese, Italy;
- MV Agusta S.r.l. Style Center, Borgo Maggiore, San Marino;
- MV Agusta USA LLC, Pennsylvania, United States.

In this disposal group, impairment losses were incurred on capitalized goodwill (EUR 76,283 thousand, see also Note 9 "Changes in the scope of consolidation") and on property, plant and equipment and intangible assets to the lower of their carrying amount and fair value less costs to sell (EUR 71,028 thousand), which were recognized under impairment losses in accordance with IFRS 5. As a result, the depreciable fixed assets of the above-mentioned companies were devalued to zero. No cumulative income or expenses related to the disposal group are included in other comprehensive income.

The assets and related liabilities of the "MV Agusta" disposal group as of December 31, 2024 can be found in the introductory table above. The cash and cash equivalents included in the disposal group represent a reconciliation item to the cash ending balance determined in the cash flow statement.

## 34. CONSOLIDATED EQUITY

The development of consolidated equity in the 2024 financial year and in the 2023 financial year is presented in Appendix I/7.

The Company's **share capital** amounts to EUR 33,796,535 and is divided into 33,796,535 no-par value bearer shares, each of which represents an equal shareholding in the share capital. The shares grant the ordinary rights to which shareholders are entitled under the Austrian Stock Corporation Act. These include the right to payout the dividends resolved at the Annual General Meeting and the right to exercise voting rights at the Annual General Meeting. All shares were paid up in full. The share capital reported in the consolidated financial statements corresponds to the share capital reported in the individual financial statements of PIERER Mobility AG.

The IFRS 9 reserve 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 they are subsequently recognised in profit or loss or recognised directly in the cost or carrying amount of a non-financial asset or liability.

The **reserve for hedging costs** shows the profits and losses of the portion excluded from the designated hedging transaction that relates to the forward element of the foreign exchange forward transaction. These are initially recognised as other comprehensive income and, like the gains and losses, are recognised in the reserve from hedging transactions.

The development of the cash flow hedge reserve and the reserve for hedging costs is explained under item 43 "Hedges".

Non-controlling **interests** comprise third-party interests in the equity of the consolidated subsidiaries:

<b>2024</b>	<b>KTM AG</b>	<b>Other</b>	<b>Total</b>
<b>THOUS</b>			
Revenues	1,802,554	76,467	1,879,021
Profit/Loss	-1,083,001	3,094	-1,079,907
Other comprehensive income	-1,695	26	-1,669
<b>Total</b>	<b>-1,084,696</b>	<b>3,120</b>	<b>-1,081,576</b>
<b>Profit/Loss attributed to non-controlling interests</b>	<b>-89,896</b>	<b>254</b>	<b>-89,642</b>
<b>Other comprehensive income assigned to non-controlling interests</b>	<b>-89,896</b>	<b>254</b>	<b>-89,642</b>
Non-current assets	1,023,980	-76,470	947,510
Current assets	1,298,073	150,251	1,448,324
Long-term debt	-192,831	-3,246	-196,077
Short-term debt	-2,269,275	-124,231	-2,393,506
Net	-140,053	-53,696	-193,749
<b>Carrying amount of non-controlling interests</b>	<b>1,692</b>	<b>1,322</b>	<b>3,014</b>
Cash flow from operating activities	-418,956	-17,006	-435,962
Cash flow from investing activity	-338,971	-1,539	-340,510
Cash flow from financing activity	696,684	-2,007	694,677
<b>Total Cash Flow</b>	<b>-61,243</b>	<b>-20,552</b>	<b>-81,795</b>
<b>Dividends to non-controlling interests</b>	<b>754</b>	<b>0</b>	<b>754</b>

2023	KTM AG	Other	Total
THOUS			
Revenues	2,657,157	4,053	2,661,210
Profit/Loss	94,249	-17,836	76,413
Other comprehensive income	-13,080	-50	-13,130
Total	81,169	-17,886	63,283
<b>Profit/Loss attributed to non-controlling interests</b>	<b>-4,612</b>	<b>842</b>	<b>-3,770</b>
<b>Other comprehensive income assigned to non-controlling interests</b>	<b>-4,612</b>	<b>842</b>	<b>-3,770</b>
Non-current assets	1,268,966	64,862	1,333,828
Current assets	1,547,203	71,884	1,619,087
Long-term debt	-1,081,711	-48,287	-1,129,998
Short-term debt	-894,346	-19,298	-913,644
Net	840,112	69,161	909,273
<b>Carrying amount of non-controlling interests</b>	<b>3,690</b>	<b>1322</b>	<b>5,012</b>
Cash flow from operating activities	-102,840	-8,011	-110,851
Cash flow from investing activity	-308,158	6,018	-302,140
Cash flow from financing activity	384,256	14,406	398,662
<b>Total Cash Flow</b>	<b>-26,742</b>	<b>12,413</b>	<b>-14,329</b>
<b>Dividends to non-controlling interests</b>	<b>500</b>	<b>0</b>	<b>500</b>

The non-controlling interests of KTM AG include non-controlling interests of subsidiaries of KTM AG and concern the companies CERO Design Studio S.L., KTM MOTOHALL GmbH, MV Agusta Motorcycles GmbH and PIERER & MAXCOM MOBILITY OOD.

In addition, the non-controlling interests were increased by EUR 50,711 thousand as a result of the first-time consolidation of MV Agusta Motor S.p.A. and its subsidiaries in the course of the first-time consolidation. Equity and non-controlling interests were also changed due to existing NCI put options. In this regard, the Group has changed its accounting methodology, as explained in detail in point 4 "Changes to accounting policies". Accordingly, the affected NCI is completely derecognized when the option liability is booked at the same time as the equity as the clearing item.

For the levels of participation, please refer to the list of participations in Chapter XII.

The impact of the transactions with non-controlling interests and the change in shareholders' equity during the financial year is as follows:

THOUS	12/31/2023	12/31/2024
Carrying amount acquired (-) or disposed of (+) for non-controlling interests	0	65
Purchase price received from (+) / paid (-) to non-controlling shareholders	214	0
<b>Differential amount recognised in equity</b>	<b>214</b>	<b>65</b>

The **development of other earnings** after tax in consolidated equity was as follows:

THOUS	Provision as per IFRS 9	Reserves including total earnings	Foreign currency translation reserve	Total	Interests non- controlling shareholders	Total consoli- dated equity
<b>2024</b>						
Currency Conversion Differences	0	0	4,048	<b>4,048</b>	0	<b>4,048</b>
Hedging of cash flows	-6,233	0	0	<b>-6,233</b>	0	<b>-6,233</b>
Remeasurement of net debt from defined benefit plans	0	516	0	<b>516</b>	0	<b>516</b>
	<b>-6,233</b>	<b>516</b>	<b>4,048</b>	<b>-1,669</b>	<b>0</b>	<b>-1,669</b>
<b>2023</b>						
Currency Conversion Differences	0	0	-5,246	<b>-5,246</b>	0	<b>-5,246</b>
Hedging of cash flows	-7,511	0	0	<b>-7,511</b>	0	<b>-7,511</b>
Remeasurement of net debt from defined benefit plans	0	-373	0	<b>-373</b>	0	<b>-373</b>
	<b>-7,511</b>	<b>-373</b>	<b>-5,246</b>	<b>-13,130</b>	<b>0</b>	<b>-13,130</b>

### 35. FINANCIAL LIABILITES

THOUS	12/31/2024	12/31/2024	12/31/2024	12/31/2024
	Nominal	Carrying amount	Term < 1 year	Term > 1 year
Promissory note loans	495,000	495,000	495,000	0
Registered bond	110,000	110,000	110,000	0
Liabilities owed to credit institutions	359,445	359,445	330,613	28,832
Liabilities from factoring program	63,415	63,415	63,415	0
between group companies				
Liabilities from supplier finance program	15,871	15,871	15,871	0
between group companies				
Lease liabilities	87,796	87,796	23,275	64,521
Other interest-bearing liabilities	674,595	674,595	674,595	0
<b>Total financial liabilities</b>	<b>1,806,122</b>	<b>1,806,122</b>	<b>1,712,769</b>	<b>93,353</b>

THOUS	12/31/2023	12/31/2023	12/31/2023	12/31/2023
	Nominal	Carrying amount	Term < 1 year	Term > 1 year
Promissory note loans	495,000	493,680	0	493,680
Registered bond	110,000	109,630	0	109,630
Liabilities owed to credit institutions	335,820	335,820	29,892	305,928
Liabilities from factoring program between group companies	5,373	5,373	5,373	0
Liabilities from supplier finance program between group companies	4,904	4,904	4,904	0
Lease liabilities	73,282	73,282	19,671	53,611
Other interest-bearing liabilities	12,209	12,209	12,209	0
<b>Total financial liabilities</b>	<b>1,036,588</b>	<b>1,034,898</b>	<b>72,049</b>	<b>962,849</b>

Due to the opening of KTM AG's restructuring proceedings under insolvency law on November 29, 2024, there have been no further interest or principal payments since then, as they are serviced via the offered restructuring quota, specifically as a spot quota. The restructuring proceedings also had the consequence that deferred transaction costs had to be reversed.

Regarding companies undergoing restructuring proceedings, the maturities of financial liabilities, with the exception of lease liabilities, were reclassified to short-term items in the course of the opening of insolvency proceedings. An analogous reclassification was not carried out in the case of lease liabilities, as these were essentially registered by the creditors on a conditional basis. If the group continues the leases, the lease liabilities are not part of the restructuring quota and the original payment terms are retained. Since the leased assets in question are essentially assets necessary for operations, the Group assumes that the leases will be continued accordingly.

Only with the successful completion of the restructuring proceedings does the debt-discharging effect of the financial liabilities become legally binding.

In April 2024, the Group took out an investment loan in the amount of EUR 35,000 thousand to finance the acquisition of shares in MV Agusta Motor S.p.A. from Raiffeisen Bank International AG. In June 2024, a loan of EUR 3,500 thousand was taken out from Oberbank AG, which replaced the loan of the same amount received via the acquisition of PIERER Green Energy GmbH. In addition, EUR 17,059 thousand in research loans were repaid in the 2024 financial year.

In the 2024 financial year, the Group raised numerous short-term funds to cover liquidity requirements. Particularly noteworthy are the raising of funds via export bill credits (EUR 88,737 thousand) as well as working capital lines (EUR 553,839 thousand).

In addition, debt capital was raised through the supplier financing program by using it to call up intra-group invoices between subsidiaries of the Group on an advance basis. The supplier financing program was discontinued in the course of the opening of the restructuring proceedings. Since the advance trade payables at maturity to the Group's suppliers by the credit institutions with which the programme was concluded could not be settled by the Group, these trade payables became the Group's financial liabilities. In the 2024 financial year, the amount amounted to EUR 54,721 thousand, of which EUR 15,391 thousand came from regular relationships between Group companies and EUR 39,330 thousand from relationships between Group companies that are in the restructuring process – specifically KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH (previous year: EUR 0 thousand). For further explanations, please refer to item 37 "Other current and non-current liabilities and trade payables".

### 36. LIABILITIES FOR EMPLOYEE BENEFITS

The liabilities for employee benefits are made up of obligations for severance pay and anniversary bonuses:

THOUS	12/31/2023	12/31/2024
Severance	20,548	19,618
Anniversary bonuses	7,419	7,289
	<b>27,967</b>	<b>26,907</b>

#### Special features in the course of the restructuring procedure

The opening of the restructuring proceedings on November 29, 2024 of KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungen GmbH resulted in some special features in the accounting of obligations for employee benefits, which are due in particular to national legal regulations, as explained below. The salaries for November and the pro rata outstanding special payments were taken over by the Insolvency Remuneration Fund (IEF) and recognized in full, i.e. at their settlement amount, as liabilities.

In accordance with Section 25 (1c) IO, redundancies to the extent of 200 employees of KTM AG and 50 employees of KTM Components GmbH were planned on the basis of the restructuring plans within one month of the public announcement of the opening decision (29.11.2024) with the consent of the restructuring administrator. Further redundancies within one month pursuant to Section 25 (1b) sentence 2 IO after the reporting date (20.12.2024) were planned: 200 employees of KTM AG, 250 employees of KTM Forschungs & Entwicklungen GmbH and 50 employees of KTM Components GmbH.

The resulting claims of the terminated employees, including salaries and severance pay, were treated differently in the balance sheet depending on the date of termination: Claims from terminations until 31.12.2024 were recognized as a liability due to their fixed nature, while claims from terminations between 01.01.2025 and 19.01.2025 were recognized as provisions in the consolidated financial statements as of 31.12.2024 due to uncertainties regarding the amount and due date.

In addition, the provisions for claims of the dismissed employees existing at the time of the opening of insolvency proceedings were reclassified into liabilities. The background is the assumption of the obligation by the IEF. Provisions for claims whose basis for claims have ceased to exist as a result of the termination, e.g. in the case of anniversary bonuses, were recognised in other operating income through profit or loss.

#### Dispatches

Due to legal regulations, the PIERER Mobility Group is also obliged to make a severance payment to all employees in Austria whose employment relationship began before January 1, 2003, upon termination by the employer or at the time of retirement. The amount of this performance-based obligation depends on the number of years of service and on the relevant salary at the time of severance pay. For all employment relationships established in Austria after December 31, 2002, the company pays 1.53% of the gross monthly salary monthly into a company employee provision fund, in which the contributions are invested in an employee's account and paid out to the employee upon termination of the employment relationship or passed on as an entitlement. The company is only obliged to pay the contributions that are recognised in the expense for which they were paid in the financial year for which they were paid (defined contribution obligation). For employees of Austrian group companies who entered employment on or after 1 January 2003, contributions for severance payments to a statutory employee provision fund amounting to 1.53% of wages or salaries were paid. In the past financial year, premiums totalling EUR 4,688 thousand (previous year: EUR 3,595 thousand) were paid.

Net debt from defined benefit severance plans developed as follows in the fiscal year:

THOUS	12/31/2023	12/31/2024
<b>Conditional benefit:</b>		
Balance as of 01/01	19,548	20,548
Length of service	509	416
Interest expense	793	960
Payments made	-861	-1.233
Actuarial gain/loss (other comprehensive income)	485	670
Reclassification held for sale	0	-847
Other	74	-896
<b>Balance as of 12/31</b>	<b>20,548</b>	<b>19,618</b>

The weighted remaining terms (duration) of the severance pay obligations as of December 31, 2024, are 9 years (previous year: 10 years).

Actuarial profit/loss is made up of the following factors:

THOUS	12/31/2023	12/31/2024
Change in expected values	174	234
Change in demographic assumptions	2	38
Change in financial assumptions	309	398
<b>Actuarial gain / loss</b>	<b>485</b>	<b>670</b>

The valuation of the obligation is based on the following assumptions:

	12/31/2023	12/31/2024
Discount rate	3.51%	3.41%
Wage / salary trend	3.50%	2.75%
Retirement age (years) Women / men with transitional arrangements	65 years	65 years

The actuarial interest rate was set taking into account the average terms and average remaining life expectancy. The discount rate is the yield earned on the market for senior fixed income industrial bonds on the balance sheet date. Employee turnover is determined on a company-specific basis and taken into account depending on age / length of service. The actuarial assessments are based on country-specific mortality tables. The statutory retirement age for each country was chosen as the retirement age.

A change (+/- 0.5 percentage points) in the parameters "actuarial interest rate" and "wage/salary trend" would have had the following impact on the present value of future payments as of December 31, 2024:

Parameter	Change-0.50%	Alteration +0,50%
Discount rate	4.6%	-4.3%
Wage / salary trend	-4.3%	4.6%



A change (+/- 0.5 percentage points) in the parameters "actuarial interest rate" and "wage/salary trend" would have had the following effects on the present value of future payments as of December 31, 2023:

Parameter	Change-0.50%	Alteration +0,50%
Discount rate	4.9%	-4.5%
Wage / salary trend	-4.6%	4.9%

### Anniversary bonuses

On the basis of collective agreements, the companies of the PIERER Mobility Group are obliged to pay anniversary bonuses to employees in Austria in accordance with the achievement of certain years of service (from 25 years of service) (performance-based obligation). Interest is recognised in other financial income. The obligations for claims from anniversary bonuses developed as follows:

THOUS	12/31/2023	12/31/2024
Balance as of 01/01	6,606	7,419
Length of service	601	587
Interest expense	288	371
Payments made	-160	-111
Actuarial gain/loss (through profit or loss)	84	-245
Reclassification held for sale	0	12
Other	0	-744
<b>Balance as of 12/31</b>	<b>7,419</b>	<b>7,289</b>

The disposals in the 2024 financial year include EUR 86 thousand from the consequences of the departures in the course of the insolvency proceedings described above.

## 37. OTHER CURRENT AND NON-CURRENT TRADE PAYABLES AND PAYABLES

The other **long-term** liabilities are essentially made up as follows:

THOUS	12/31/2023	12/31/2024
Deposits	10,881	7,338
Options on non-controlling interests	5,816	61,445
Purchase price liabilities	0	4,616
Other financial liabilities	3	118
Other long-term financial liabilities	16,700	73,517
Other long-term non-financial liabilities	1,817	1,408
Other long-term liabilities	18,517	74,925

The options on non-controlling interests relate to MV Agusta Motor S.p.A., Varese, Italy, on the one hand, and PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria, on the other. They are based on the contracts concluded. As part of this, a reclassification between equity, non-controlling interests and financial liabilities is carried out without affecting profit or loss, as explained in more detail under item 4 "Changes in accounting policies".

The other **short-term** liabilities are essentially as follows:

THOUS	12/31/2023	12/31/2024
Sales bonuses	54,230	31,113
Discounts	6,726	15,631
Liabilities from derivative financial instruments	2,590	222
Other financial liabilities	9,342	8,854
Other short-term financial liabilities	72,888	55,820
Personnel liabilities	49,117	60,960
Advance payments	5,178	6,399
Liabilities of tax offices	10,049	13,915
Other non-financial liabilities	3,690	-121
Other short-term non-financial liabilities	68,034	81,153
<b>Other short-term liabilities</b>	<b>140,922</b>	<b>136,973</b>

Short-term personnel liabilities mainly include liabilities for unused vacations, liabilities for employee bonuses, liabilities to regional health insurance funds and liabilities from wages.

#### Supplier Financing Agreements:

Until the opening of the insolvency restructuring proceedings, companies within the PIERER Mobility Group, including KTM AG, had established revolving programs for financing supplier liabilities (Supplier Finance Programs) with two credit institutions. This gave suppliers the opportunity to sell their receivables from the PIERER Mobility Group to the bank before maturity. In this agreement, the credit institution agreed to pay invoice amounts owed by the PIERER Mobility Group to participating suppliers and to receive compensation for this from the PIERER Mobility Group later. PIERER Mobility Group has not been released from the original legal obligation. In both quantitative and qualitative terms, there was no material change in the terms of the contract and no significant extension of the payment terms. The PIERER Mobility Group did not incur any additional interest on the payment of supplier liabilities to the respective bank. Since the nature and function of the financial liability corresponded to the other trade payables, the original liabilities were not derecognised but continued to be shown under trade payables. All liabilities subject to the supplier financing agreements were and will be reported as current as of December 31, 2024, and 2023, respectively.

The supplier financing programs were discontinued with the opening of the insolvency restructuring proceedings in mid-November. As of the balance sheet date of December 31, 2024, only those amounts are still part of the PIERER Mobility Group's supplier financing program for which suppliers have already taken advantage of the option of early settlement of their receivables by the credit institutions.

Against this background, the PIERER Mobility Group has also incurred financial liabilities from the supplier financing programs, which, however, do not influence the above assessment and description of the programs. This applies to the following facts, which have specific reasons:

- On the one hand, prior to the opening of the restructuring proceedings, intra-group invoices between subsidiaries of the PIERER Mobility Group were transferred to the supplier financing programs and advanced by the credit institutions. From the Group's point of view, interest-bearing debt capital was raised and the PIERER Mobility Group received the corresponding liquidity. At the end of the 2024 financial year, the amount amounted to EUR 15,871 thousand (previous year: EUR 0 thousand).
- On the other hand, the supplier financing agreements were discontinued in the course of the opening of the restructuring proceedings. Since the PIERER Mobility Group could not settle the advance trade payables by the banks with which the programme was concluded at maturity to the suppliers of the PIERER Mobility Group, these trade payables became financial liabilities of the PIERER Mobility Group. As of 31, December 2024, the amount amounts to EUR 39,330 thousand (previous year: EUR 0 thousand).

All liabilities subject to the Supplier Finance programs are reported as current as of December 31, 2024, and 2023, respectively. As of December 31, 2024, these supplier finance programs affect trade payables of EUR 59,204 thousand (previous year: EUR 349.065 thousand). This corresponds to 15.5% (previous year: 51.6%) of total trade payables as of the reporting date.

This decline is due on the one hand to the fact that the purchasing volumes of the bicycle segment were significantly reduced in the 2024 financial year (as of the balance sheet date in the supplier financing program: EUR 26,705 thousand; previous year: EUR 119,140 thousand). On the other hand, the supplier financing programs were discontinued with the opening of the insolvency restructuring proceedings in the motorcycle segment in mid-November, as explained above.

Further information can be found in the table below.

THOUS	12/31/2024	12/31/2023
<b>Carrying amount of financial liabilities subject to supplier financing agreements</b>		
Reported as part of trade payables and other liabilities	59,204	349,065
Of which trade payables for which suppliers have already received payments from the financial services provider	59,204	- *
Reported as part of other current financial liabilities	39,330	- *
Of which other current financial liabilities for which suppliers have already received payments from the financial service provider	39,330	- *
<b>Range of payment terms (in days after invoice date)</b>		
Trade payables covered by supplier financing agreements	10-90	- *
Comparable trade payables not covered by supplier financing agreements	45-90	- *

\* The PIERER Mobility Group has made use of the opportunities to facilitate the initial application of the standard adaptation "Amendments to IAS 7 *Statements of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – Supplier Financing Arrangements" and has waived comparative information for the first year of application.

The payments made by a credit institution to a supplier that is part of a supplier financing agreement are irrelevant to the PIERER Mobility Group's balance sheet and are not cash effective.

The payments to the respective credit institution are included in the cash flow from operating activities because they continue to be part of the normal operating cycle of the PIERER Mobility Group and their essential character remains operational, i.e. they represent payments for the purchase of goods and services.

### 38. PROVISIONS

The Group sets aside provisions for guarantees and warranties for known, expected individual cases. Expected expenses are primarily based on past experience and are recognized at the time the products are sold.

The estimation of future expenses is associated with uncertainties, which may lead to an adjustment of the provisions recognized in the future. It cannot be ruled out that the actual expenditure for these measures will exceed or fall short of the provisions created for them in an unforeseeable manner.

The development of provisions in the financial year was as follows:

THOUS	Balance as of 1/1/2024	Additions	Disolutions	Utilization	Change in the scope of consolidation	Balance as of 12/31/2024
<b>Current provisions</b>						
Provisions for guarantee and warranty	20,523	15,492	0	-21,110	619	15,524
Provisions for restructuring	0	31,424	0	0	0	31,424
Provisions for legal actions	1,199	1,540	0	-8,347	7,726	2,118
Other provisions	149	40,540	0	-206	2,166	42,649
	<b>21,871</b>	<b>88,996</b>	<b>0</b>	<b>-29,663</b>	<b>10,511</b>	<b>91,715</b>

The new provisions for restructuring created in the 2024 financial year mainly relate to expected expenses for external consulting services particularly during the restructuring proceedings, for the remuneration of the restructuring administrators and for conditionally registered claims for damages. In calculating the amount of the provision for damages, a realisation rate of 50% of the total amount was assumed, as it is not possible to make a more precise estimate at the balance sheet date as to which of these claims will be accepted by the Group and by the restructuring administrators.

## VI. NOTES ON THE STATEMENT OF CASH FLOWS

Changes in the balance sheet items presented in the statement of cash flows cannot be derived directly from the balance sheet, as non-cash effects are neutralized. Other non-cash expenses (income) mainly include valuations of foreign currency receivables and liabilities, impairments on receivables and inventories, and non-cash income from subsidies. The effects of changes in the scope of consolidation have been eliminated and are reported in the cash flow from investing activities. Significant non-recurring effects in the 2024 financial year under other non-cash expenses largely relate to write-downs on inventories and the restructuring provision recognized as a result of the reorganization process; for further information, see Note 7 "Estimates and measurement decisions." The effects of changes in the scope of consolidation were eliminated and are reported under cash flow from investing activities.

A reconciliation between the change in the balance sheet of financial liabilities and the values presented in the statement of cash flows can be presented as follows:

THOUS	Balance as of 1/1/2024	Changes affecting cash flow	Changes not affecting cash flow					Carrying amount 12/31/2024
			Acquisition	Reclassification	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	52,378	687,911	0	933,478	5,417	0	10,310	1,689,494
Non-current financial liabilities	909,238	47,031	0	-933,478	3,500	2,542	0	28,833
Current lease liabilities	19,671	-22,612	0	26,775	-559	0	0	23,275
Non-current lease liabilities	53,611	0	37,006	-26,775	1,072	0	-393	64,521
<b>Total</b>	<b>1,034,898</b>	<b>712,330</b>	<b>37,006</b>	<b>0</b>	<b>9,430</b>	<b>2,542</b>	<b>9,917</b>	<b>1,806,123</b>

THOUS	Balance as of 1/1/2023	Changes affecting cash flow	Changes not affecting cash flow					Carrying amount 12/31/2023
			Acquisition	Reclassification	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	54,842	-14,604	0	7,708	0	0	4,432	52,378
Non-current financial liabilities	412,523	504,175	0	-7,708	0	248	0	909,238
Current lease liabilities	21,793	-25,158	0	23,036	0	0	0	19,671
Non-current lease liabilities	46,097	0	30,650	-23,036	0	0	-100	53,611
<b>Total</b>	<b>535,255</b>	<b>464,413</b>	<b>30,650</b>	<b>0</b>	<b>0</b>	<b>248</b>	<b>4,332</b>	<b>1,034,898</b>

## VII. RISK REPORT

### 39. FINANCIAL RISKS

The PIERER Mobility Group is subject to credit, market, currency and liquidity risks with regard to its assets, liabilities and planned transactions. The aim of financial risk management is to manage and limit these risks. The Management Board and the Supervisory Board are regularly informed about risks that could have a significant impact on business development.

The principles of financial risk management are defined and monitored by the Supervisory Board and the Executive Board.

In the 2024 financial year, liquidity risks and ultimately the lack of liquidity of KTM AG led to the opening of restructuring proceedings under insolvency law. As a result, the PIERER Mobility Group's financial risk management goals of ensuring solvency and financial flexibility at all times were missed. The restructuring plans

of the companies KTM AG, KTM Forschungs- und Entwicklungs GmbH and KTM Components GmbH were finally approved by the creditors in court on February 25, 2025. The resulting restructuring profit of 70% of the registered creditors' claims can only be realised by the PIERER Mobility Group with the legally binding confirmation of the restructuring plan by the insolvency court and its prerequisites. Only this court order constitutes the legal act giving rise to value based on national insolvency law provisions. As of the balance sheet date of December 31, 2024, the Group presents the formerly non-current financial liabilities subject to the restructuring procedure as current due to their associated legal classification. However, the debt-discharging effect of the restructuring plan is not to be recognised in the balance sheet until the 2025 financial year. However, the successful implementation of the going concern forecast in line with planning is subject to uncertainties and is subject to exogenous and endogenous factors.

These consolidated financial statements continue to be prepared on a going concern basis, as does the Group management report. This assessment is based on various reasons, but in particular the timely filing of the restructuring quota, as explained in more detail in section 2 "Ongoing restructuring proceedings, information in connection with insolvency proceedings". Further background information can also be found in these explanations.

The opening of the restructuring proceedings under insolvency law, in particular of KTM AG, resulted in the derivatives used in hedging relationships being terminated by the offering banks. This terminated all cash flow hedge relationships of the PIERER Mobility Group that were based on interest rate derivatives. The PIERER Mobility Group recycled the reserves in equity through profit or loss, as the hedging relationship hedged fluctuations in variable interest rates on loans and loans taken out and the resulting future cash flows will no longer occur due to the restructuring proceedings. Cash flow hedge hedges on foreign currencies, which were primarily used in the sales subsidiaries KTM Sportmotorcycle GmbH and Husqvarna Mobility GmbH as well as their subsidiaries, remained unaffected by the termination by the banks.

In addition, the PIERER Mobility Group had a cash flow hedge on the interest rate risk on the foreign currency USD from future sales volume in the USA. The underlying hedging transaction was already terminated by the PIERER Mobility Group in October 2024, before the restructuring proceedings were opened. Since the PIERER Mobility Group continues to anticipate the occurrence of the underlying cash flows, i.e. revenue in the USA, the associated reserve in equity could not be recognised in profit or loss when the hedging transaction was terminated. The PIERER Mobility Group recognises this reclassification on a P&L basis on a pro rata basis over the actual remaining term of the hedging transaction until April 2025.

## • CURRENCY RISKS

As a globally active company, the PIERER Mobility Group is influenced by global economic parameters such as changes in currency parities or developments on the financial markets. In particular, the exchange rate development of the US dollar, which represents the highest individual risk in foreign currency risk, is important for the development of sales and earnings. Due to the increasing importance of the USD in purchasing, the foreign currency risk for the USD is significantly reduced ("natural hedge"). In the 2024 financial year, around 25% of sales (previous year: 26%) were generated in US dollars. Currency hedging measures, especially hedging strategies, can largely offset these currency shifts over at least one model year.

The Group also faces currency risks if financial assets and liabilities are settled in a currency other than the local currency of the respective company. The majority of the Group's companies' invoice in local currency and are largely financed in local currency. Investments are mainly made in the local currency of the investing Group company. For these reasons, of course, currency positions usually result in closed.

The main causes of ineffectiveness in currency hedging transactions are:

- the impact of counterparty and Group credit risk on the fair value of the FX futures contracts, which is not reflected in the change in the fair value of hedged cash flows due to changes in exchange rates, and
- Changes in the transaction date of hedged items.

A sensitivity analysis is carried out for currency risk. The effects of the change in the exchange rate of +/- 10% on profit and loss, other comprehensive income and equity are shown. The affected bank balances, receivables and liabilities of the Group as well as future receipts and payments in foreign currency as at the balance sheet date and the planned purchases and sales in foreign currency for the 2024 financial year were used as a basis. It was assumed that the risk on the balance sheet date essentially represents the risk during the financial year. The Group tax rate of 23% was used as the tax rate. It was also assumed in the analysis that all other variables, in particular interest rates, remain constant. The analysis included those currency risks of financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature.

Currency risks from euro positions in subsidiaries whose functional currency differs from the euro were allocated to the currency risk of the functional currency of the respective subsidiary. Risks from foreign currency positions other than the euro were aggregated at Group level. Exchange rate-related differences from the translation of financial statements into the Group currency were not taken into account.

The PIERER Mobility Group bases its analysis on the following assumptions:

- For the sensitivity of profit and loss, bank balances, receivables and liabilities of the Group, as well as future deposits and withdrawals in foreign currency that are not accounted for in the functional currency of the Group company, are taken into account. The open derivatives of the cash flow hedge, the underlying transaction of which has already been realised as of the balance sheet date (income recognition), are also used.
- For the sensitivity of other comprehensive income, open derivatives of the cash flow hedge whose hedged item has not yet been realised as of the balance sheet date are taken into account (not recognised in earnings). The nominal value of the open derivatives corresponds to the exposure.

Increase (+) / decrease (-) THOUS	10% increase		Devaluation of 10%	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Change in earnings (after tax)	-20.905	-33.302	25.550	40.702
Change in currency-related cash flow hedge reserve	0	6.866	0	-8.392
<b>Change in equity</b>	<b>-20.905</b>	<b>-26.436</b>	<b>25.550</b>	<b>32.310</b>

#### • INTEREST RATE RISKS

Some of the financial instruments have variable interest rates on both the assets and liabilities. The risk therefore consists of rising interest expenses or decreasing interest income, which result from an adverse change in market interest rates. The information below relates to the characteristics of financial instruments as of the balance sheet date and does not take into account the outcome of the restructuring proceedings of the companies concerned as a value-giving event in the 2025 financial year.

As explained in the introduction, the opening of insolvency restructuring proceedings resulted in the termination of derivatives used in hedging relationships by the banks offering them. Cash flow hedges on foreign currencies, which were primarily used in the sales subsidiaries KTM Sportmotorcycle GmbH and Husqvarna Mobility GmbH and their subsidiaries, remained unaffected by the termination by the banks. The interest rate swaps previously used to hedge interest rate risks were no longer in place as at the reporting date of December 31, 2024.

Interest rate risks thus result mainly from original floating rate financial instruments (cash flow risk). Sensitivity analyses were carried out for the interest rate risks of these financial instruments, which show the effects of hypothetical changes in the market interest rate level on earnings (after tax) and equity. The affected portfolios as of the balance sheet date were used as a basis. It was assumed that the risk at the balance sheet date essentially represents the risk during the financial year. The group tax rate of 23% was used as the tax rate. In addition, the analysis assumed that all other variables, especially exchange rates, remain constant.

The main causes of ineffectiveness in the context of interest rate hedging are:

- the impact of counterparty and group credit risk on the fair value of interest rate derivatives, which is not reflected in the change in the fair value of hedged cash flows due to changes in interest rates, and
- Differences in parameters (e.g. interest rate adjustment dates) between derivatives and hedged items

A sensitivity analysis was carried out for interest rate risk. This shows the changes in the interest rate of +/- 50 basis points on profit and loss, other comprehensive income and equity.

Increase (+) / decrease (-) THOUS	Increase by 50 BP		Reduction of 50 BP	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Change in earnings (after tax)	-5,691	-2,362	5,691	2,361
Change in interest-related cash flow hedge reserve	0	1,113	0	-1,120
<b>Change in equity</b>	<b>-5,691</b>	<b>-1,249</b>	<b>5,691</b>	<b>1,241</b>

#### • DEFAULT RISKS (CREDIT OR CREDIT RISKS)

The risk of default is the risk of financial loss if a client or the contracting party to a financial instrument fails to meet his or her contractual obligations. The risk of default generally arises from trade receivables. The maximum payment terms granted in the financial year and in the previous year ranged from 270 to 360 days, and even 360 days towards the end of the 2024 financial year.

On the assets side, the reported book values also represent the maximum default risk. With the exception of the set-off agreement described in item 42 of the notes to the consolidated financial statements, there are no general set-off agreements.

#### Trade receivables

The default risk for receivables from customers can still be considered low overall, as the creditworthiness of new and existing customers is constantly checked and collateral is requested.

Risk management carries out an analysis and assessment of new customers. First, these are analysed individually with regard to their creditworthiness and standardised contracts are concluded with customers throughout the Group. The analysis includes external ratings, where available, as well as annual financial statements, credit agency information and bank information. Sales limits are set for each customer and continuously reviewed. All transactions that exceed these limits require the approval of the risk management department.

Default risks of receivables from customers are hedged in the Group by bank collateral (guarantees, letters of credit). The default risks are defined in internal guidelines and continuously monitored based on this.

There are largely long-standing business relationships with dealers and importers. By continuously monitoring the risk of default or the creditworthiness of the customers, each receivable is individually checked for the need for a value adjustment.

A summary of the risk of default for trade receivables as of December 31, 2024, is presented in the table below.



Trade receivables THOUS	Not impaired in creditworthiness	Creditworthin- ess impaired	Total
Not overdue	220,448	0	220,448
Overdue 1-30 days	34,188	0	34,188
Overdue 31-60 days	5,446	0	5,446
Overdue 61-90 days	4,583	0	4,583
Overdue > 90 days	3,309	49,460	52,769
<b>Total gross carrying amount</b>	<b>267,974</b>	<b>49,460</b>	<b>317,434</b>
Impairment loss	-794	-27,218	-28,012
<b>Total</b>	<b>267,180</b>	<b>22,242</b>	<b>289,422</b>

A summary of the risk of default for trade receivables as of December 31, 2023, is presented in the table below.

Trade receivables THOUS	Not impaired in creditworthiness	Creditworthin- ess impaired	Total
Not overdue	297,836	0	297,836
Overdue 1-30 days	18,404	0	18,404
Overdue 31-60 days	11,213	0	11,213
Overdue 61-90 days	3,145	0	3,145
Overdue > 90 days	16,594	10,916	27,510
<b>Total gross carrying amount</b>	<b>347,192</b>	<b>10,916</b>	<b>358,108</b>
Impairment loss	-301	-7,006	-7,307
<b>Total</b>	<b>346,892</b>	<b>3,910</b>	<b>350,801</b>

To determine the impairment requirements for trade receivables that have not been individually value-adjusted, the defaults of recent years were evaluated in the PIERER Mobility Group. The analysis has shown that there is only a negligible risk for receivables with a certain overdue date. The assessment of loss ratios is based on historical default rates related to overdue dates and taking into account forward-looking information.

With regard to the balance of financial delivery and other receivables that are neither impaired nor in arrears, there are no indications at the balance sheet date that the debtors will not meet their payment obligations. There are no concentration risks.

### **Estimation of expected credit losses**

On the basis of the defaults actually observed in the past, an average default rate of 0.2% (previous year: 0.07%) of trade receivables was determined. The increase is mainly due to the fact that macroeconomic uncertainties and persistently high interest rates have led to a difficult market environment. An additional risk is posed by the insolvency reorganization proceedings of KTM AG in particular, which not only entails payment difficulties for the KTM Group vis-à-vis dealers, but also uncertainties for end customers with regard to the warranty services offered, product reliability, supply of spare parts, reputational damage and the like. Against this backdrop, the risk premium for future-related developments was adjusted for the 2024 financial year. An addition of EUR 493 thousand (previous year: EUR 111 thousand) was recognized as an allowance for expected losses on trade receivables.

The impairment charge for expected losses as of December 31, 2024 in the PIERER Mobility Group amounts to EUR 794 thousand (previous year: EUR 301 thousand).

### **Development of impairments**

The development of value adjustments in respect of trade receivables and receivables is described in the notes under item 30 "Trade receivables".

### **Cash and equivalents, other assets and derivatives**

Credit losses on cash and cash equivalents and other financial assets are calculated based on average default rates and the rating of the instrument. A significant change in credit risk is determined based on rating and late payment. Taking into account the short-term nature of these positions and in view of the good rating of the banks, the Group expects that these holdings are financial instruments with a low risk of default and that the expected losses are not material.

In the case of derivative financial instruments with a positive market value, the default risk is limited to their replacement costs, whereby the default risk can be classified as low, as the counterparties are exclusively banks with a high credit rating. There is no evidence of additional impairment requirements for financial assets.

#### **• LIQUIDITY RISK**

As already described in the introduction to this capital, the liquidity risks and ultimately the lack of liquidity of KTM AG in particular led to the opening of restructuring proceedings under insolvency law in the 2024 financial year.

The liquidity risks of the PIERER Mobility Group are primarily since the payments from sales revenues are below the planned assumptions due to a weakening of demand. The PIERER Mobility Group countered this risk by maintaining a liquidity reserve in the form of unused credit lines and, if necessary, in the form of cash holdings at banks with a high credit rating. Due to the prolonged phase of sales revenues below expected levels, KTM AG was no longer able to maintain and guarantee the necessary liquidity through further borrowed funds.

As described in Note 41, the Group participates in a factoring program whose purpose is to enable efficient payment processing and interim financing. This enables the Group to centralize payments from trade receivables while maintaining flexibility in liquidity management. The restructuring process has not increased the liquidity risk associated with the factoring program in relation to the receivables already purchased, as receivables purchased have not been called in due to the termination of certain programs by the financial services provider in the meantime, but incoming payments from the properly purchased receivables must be forwarded to the financial services provider, meaning that this process is generally liquidity-neutral. The factoring agreements that continue to exist contain, among other things, extraordinary termination clauses that take effect in certain cases (e.g. in the event of insolvency proceedings or a change of control). In the event of extraordinary termination, liquidity risks may arise for the Group, as new receivables can no longer be sold via this program and alternative measures may have to be taken to regain the existing flexibility in liquidity management.

With the opening of insolvency restructuring proceedings, in particular for KTM AG, covenants contained in loan agreements also became obsolete. The loan agreements of Pierer Mobility AG contain covenants that allow for early repayment. The company concluded standstill agreements with the lenders prior to the reporting date, thus suspending the maturity date until May 31, 2025. The liabilities are classified as current in the consolidated financial statements as at December 31, 2024. Repayment will be made from existing cash and cash equivalents by May 31, 2025.

The future safeguarding of the KTM Group's liquidity after the successful completion of the restructuring proceedings is to be ensured primarily by an equity grant and the necessary follow-up financing in the form of a restructuring loan. In addition, the management initiated and implemented various measures, not least in the course of the restructuring process, to minimise future liquidity risks. In particular, adjustments to production capacities, cost-cutting and sales measures should be mentioned. In addition, the management has initiated

and implemented various measures to minimize future liquidity risks, not least as part of the restructuring process. These include, in particular, adjustments to production capacities and management, cost-cutting and sales measures. In addition, direct cash flow planning is carried out on a weekly basis and expenditure is strictly controlled via internal approval processes against the background of the analysis of transactions necessary for operations.

Free cash flow is a key performance indicator of the PIERER Mobility Group. The contractually agreed (undiscounted) cash flows (interest and principal payments) and the remaining maturities of the financial debt are made up as shown below. The information on payment terms refers to the status of contractual obligations as of December 31, 2024; due to the insolvency proceedings, the debts subject to the proceedings were made due immediately in accordance with legal requirements, but their execution and interest were suspended.

THOUS	Carrying amount 12/31/2024	Cash flow 2025			Cash flow 2026 to 2029			Cash flow from 2030		
		Fixed inte- rest	Vari- able in- terest	Repay- ment	Fixed inte- rest	Vari- able in- terest	Repay- ment	Fixed inte- rest	Vari- able in- terest	Repay- ment
<b>Financial liabilities meas- ured at fair value</b>										
<b>Fair value - hedging in- struments</b>										
Other financial liabilities - derivatives with negative market value that have al- ready been assigned to re- ceivables	188	0	0	188	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	34	0	0	34	0	0	0	0	0	0
<b>Total</b>	<b>222</b>	<b>0</b>	<b>0</b>	<b>222</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial liabilities not measured at fair value<sup>1)</sup></b>										
<b>At amortized cost</b>										
Interest-bearing liabilities	1,718,326	14,494	21,904	913,833	42,775	53,404	481,487	32,794	12,207	340,226
Trade payables	381,857	0	0	381,857	0	0	0	0	0	0
Other financial liabilities (current and non-current)	129,115	0	0	129,115	0	0	0	0	0	0
<b>Total</b>	<b>2,229,298</b>	<b>14,494</b>	<b>21,904</b>	<b>1,424,805</b>	<b>42,775</b>	<b>53,404</b>	<b>481,487</b>	<b>32,794</b>	<b>12,207</b>	<b>340,226</b>
<b>Total</b>	<b>2,229,520</b>	<b>14,494</b>	<b>21,904</b>	<b>1,425,027</b>	<b>42,775</b>	<b>53,404</b>	<b>481,487</b>	<b>32,794</b>	<b>12,207</b>	<b>340,226</b>

1) Of which in insolvency proceedings: Financial liabilities EUR 943,488 thousand; liabilities from leases under conditional claim filing EUR 58,380 thousand; trade payables EUR 196,411 thousand; promissory note loans EUR 495,000 thousand; other current and non-current financial liabilities EUR 174 thousand

THOUS	Carrying amount 12/31/2023	Cash flow 2024			Cash flow 2025 to 2027			Cash flow from 2028		
		Fixed interest	Vari- able in- terest	Repay- ment	Fixed inte- rest	Vari- able in- terest	Repay- ment	Fixed inte- rest	Vari- able in- terest	Repay- ment
	0	0	0	0	0	0	0	0	0	0
<b>Financial liabilities meas- ured at fair value</b>										
<b>Fair value - hedging in- struments</b>	0	0	0	0	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value that have al- ready been assigned to re- ceivables	419	0	0	419	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,707	0	0	1,707	0	0	0	0	0	0
<b>Total</b>	<b>2,126</b>	<b>0</b>	<b>0</b>	<b>2,126</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial liabilities not measured at fair value</b>										
<b>At amortized cost</b>										
Interest-bearing liabilities	961,616	14,447	26,773	45,743	47,971	75,308	560,402	34,031	18,810	350,806
Trade payables	676,978	0	0	676,978	0	0	0	0	0	0
Other financial liabilities (current and non-current)	87,462	0	0	87,462	0	0	0	0	0	0
<b>Total</b>	<b>1,726,056</b>	<b>14,447</b>	<b>26,773</b>	<b>810,183</b>	<b>47,971</b>	<b>75,308</b>	<b>560,402</b>	<b>34,031</b>	<b>18,810</b>	<b>350,806</b>
<b>Total</b>	<b>1,728,182</b>	<b>14,447</b>	<b>26,773</b>	<b>812,309</b>	<b>47,971</b>	<b>75,308</b>	<b>560,402</b>	<b>34,031</b>	<b>18,810</b>	<b>350,806</b>

## VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

### 40. BASIC PRINCIPLES

The PIERER Mobility Group holds original and derivative financial instruments. **Primary financial instruments** mainly include trade receivables, credit balances with credit institutions, liabilities to credit institutions, trade payables and financial liabilities. The holdings of the original financial instruments are shown in the consolidated balance sheet or in the notes to the consolidated financial statements. **Derivative financial instruments** are generally used to hedge existing interest rate and foreign currency risks. The use of derivative financial instruments is subject to appropriate authorisation and control procedures within the Group. The commitment to a hedged transaction is mandatory, trading transactions are not permitted. The purchases and sales of all Financial Instruments are recorded on the Settlement Date.

With the opening of the restructuring proceedings under insolvency law, in particular of KTM AG, the majority of the derivatives held were terminated by the financial service providers, as explained in the introduction to Chapter VII "Risk Report". This essentially explains the significant changes in the representations in this subsequent chapter.

### ACCOUNTING POLICIES

The categorization is carried out depending on the contractual cash flows and the underlying business model. The following measurement categories are represented by IFRS 9:

- AC category: At amortised cost using the effective interest method
- FVOCI category: Fair value, changes in fair value are recognised in other comprehensive income
- FVPL category: Fair value, changes in fair value are recorded in the income statement

For equity instruments (such as shares in unlisted companies), the FVOCI option can be exercised. As a result, changes in fair value are recognised in other comprehensive income and the changes in fair value accumulated in other comprehensive income can no longer be subsequently reclassified to the income statement. If this option is not exercised, it is allocated to the FVPL category, with all changes in fair value recognised in profit or loss in profit or loss.

Receivables and other assets are measured at fair value at the time of acquisition and at amortised cost in subsequent periods. Foreign currency receivables are converted at the exchange rate on the cut-off date. Financial receivables are assigned to the category "at amortized cost" and are measured at amortized cost.

The part of trade receivables that is part of the ABS or factoring program is assigned to the Fair Value through Profit and Loss (FVPL) category.

Financial liabilities are measured at amortized cost. Financial debt is assigned to the category "at amortized cost". A difference between the amount received and the repayment amount is distributed over the term according to the effective interest method and recognized in the financial result. The cash procurement costs incurred in connection with financing taken out are amortized through profit or loss using the effective interest method. Liabilities are measured at amortized cost. Foreign currency liabilities are converted at the exchange rate on the reporting date.

All financial instruments in the FVPL category are measured at fair value through profit or loss on the basis of the criteria of IFRS 9 (business model or SPPI test). The fair value option was not exercised.

## Depreciations

Trade receivables do not have a significant financing component. Therefore, the simplified procedure for determining the expected credit loss is applied, according to which allowance for credit losses in the amount of the expected losses over the remaining term must be recognised for all instruments, regardless of their credit quality. In the case of trade receivables, this is less than twelve months and therefore corresponds to the 12-month loss. Explanations of the amount can be found under point 39 "Financial risks".

To determine the expected credit loss, historical default data on receivables from the last eight to ten years was collected and segmented by geographical region. Current economic factors and forecasts are also taken into account.

Individual value adjustments of financial assets are made when they are considered irrecoverable or partially irrecoverable. Indicators of individual value adjustments include financial difficulties, insolvency, breach of contract or significant late payment by customers. The individual value adjustments are made up of numerous individual items, none of which is material when viewed alone. A direct derecognition of the financial assets only takes place if the contractual rights to payments from the financial assets no longer exist (especially in the event of insolvency). If the amount of the impairment decreases in one of the following periods and this reduction can be objectively attributed to a situation that occurred after the impairment was recognised, the previously recognised impairment allowance is reversed by adjusting the impairment account.

## Hedge accounting

The hedge accounting requirements are applied in accordance with IFRS 9. Under IFRS 9, the fair value of an option, the forward component of a futures contract, and any foreign currency basis spreads may be excluded from the designation of a financial instrument as a hedging instrument and may be accounted for as the cost of hedging. Fluctuations in the value of these optionally non-designated components are recognised as hedging costs in other comprehensive income and reclassified to the income statement if the hedged item has an impact on earnings.

## 41. CLASSIFICATION AND FAIR VALUES

The **time value of a financial instrument** is determined by quoted market prices for the identical instrument on active markets (level 1). If no quoted market prices are available on active markets for the instrument, the fair value is determined using valuation methods whose essential parameters are based exclusively on observable market data (level 2). Otherwise, the fair value is determined on the basis of valuation methods for which at least one essential parameter is not based on observable market data (level 3).

Reclassifications between the levels are taken into account at the end of the reporting period. There were no shifts between the levels in the fiscal year.

The following table shows the measurement technique used to determine fair value and the material; unobservable inputs used.

Financial instruments measured at fair value			
Type	Evaluation technique	Significant, not Observable Input	Relationship between significant unobservable inputs and measurement at fair value
Forward currency transactions and interest rate swaps	Fair values are based on market values (discounted cash flows) determined by recognised financial mathematical models. These are regularly plausible.	Not applicable	Not applicable
Other financial assets (Securities)	The current stock market price on the balance sheet date is used to value securities.	Not applicable	Not applicable

Financial instruments measured at fair value			
Type	Evaluation technique	Significant, unobservable inputs	
Promissory note loans, financial Accounts payable	Discounted cash flows	Risk premium for own Credit risk	
NCI Put Options and Purchase Price Liabilities	Discounted cash flows or value based on contractual agreements at strike prices	Planned values of target agreements	





THOUS	Fair value						Carrying amount 12/31/2023				
	Carrying amount 12/31/2023	Fair value 12/31/2023	Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without re- cycling)	FVPL Fair Value through P&L	Fair value - hedging in- struments
<b>Financial assets measured at fair value</b>											
Other current assets - derivatives with positive market value (cash flow hedge)	4,685	4,685	-	4,685	-	4,685	-	-	-	-	4,685
Trade receivables	17,939	17,939	-	-	17,939	17,939	-	-	-	17,939	-
Other financial assets	216	216	-	-	216	216	-	-	216	-	-
<b>Total</b>	<b>33,821</b>										
<b>Financial assets not measured at fair value</b>											
Cash and cash equivalents	258,972	-	-	-	-	-	258,972	-	-	-	-
Trade receivables	332,862	-	-	-	-	-	332,862	-	-	-	-
Other financial assets	40,410	-	-	-	-	-	40,410	-	-	-	-
<b>Total</b>	<b>632,244</b>										
<b>Total</b>	<b>666,065</b>										

The receivables sold in connection with the existing ABS and factoring programme will be fully derecognised in accordance with the provisions of IFRS 9. As part of the ABS program, monthly revolving insured trade receivables up to a maximum volume of EUR 350,000 thousand (previous year: EUR 350,000 thousand) are sold. In the 2024 financial year, the Group also launched a new factoring programme, which, however, was terminated by the financial service provider in the course of the restructuring proceedings under insolvency law, which means that no new receivables will be purchased via this, and its remaining holdings will be dissolved upon receipt of payment of the receivables by the financial service provider. As of December 31, 2024, EUR 27,406 thousand in receivables were written off via this program.

As of the balance sheet date, trade receivables totalling EUR 251,339 thousand (previous year: EUR 432,867 thousand) were sold to third parties. Up to a contractually defined amount, the Group continues to bear a risk from credit risk-related defaults. As of December 31, 2024, the resulting maximum risk of loss amounted to EUR 2,648 thousand (previous year: EUR 8,459 thousand). At the time of sale, the expected loss is generally recognised as a liability. The carrying amount of the ongoing

exposure amounted to EUR 2,648 thousand as of December 31, 2024 (previous year: EUR 8,459 thousand) and is reported under other current liabilities. The carrying amount is the fair value of the ongoing exposure. In the period under review, EUR -842 thousand (previous year: EUR 197 thousand) and EUR 2,648 thousand (previous year: EUR 8,459 thousand) cumulative since the start of the transaction were recognised in profit or loss.

The decline in receivables sold is primarily due to the reduction in the volume of receivables sold during the 2024 financial year, which resulted from lower sales revenues and increased interest charges.

The Group does not exercise control over the ABS or factoring investee companies, as it lacks the rights to influence the relevant activities of these companies. This specifically includes the selection and financing of receivables to be purchased, as well as the collection of non-performing receivables.

The table below shows the carrying amounts and fair values of financial liabilities (liabilities-side financial instruments), separated by class or measurement category in accordance with IFRS 9. The fair value of those liabilities subject to insolvency proceedings was approximated by assuming 30% of the carrying amount. The reason for this convergence is the offer made by the company's management to the creditors to pay a 30% spot quota at the balance sheet date, which was accepted by the creditors on 25 February 2025. If the fair value or the level of financial liabilities that have not been measured at fair value is not disclosed below, in particular with regard to the previous year, the carrying amount represents a reasonable approximation of the fair value.

THOUS	Carrying amount 12/31/2024	Fair va- lue 12/31/2024	Fair value				Carrying amount 12/31/2024				
			Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without re- cycling)	FVPL Fair Value through P&L	Fair value - hedging in- struments
Financial liabilities measured at fair value											
Fair value - hedging instruments											
Other financial liabilities - derivatives with negative market value that have already been assigned to re- ceivables	188	188	-	188	-	188	-	-	-	-	188
Other financial liabilities - derivatives with negative market value (cash flow hedge)	34	34	-	34	-	34	-	-	-	-	34
Total	222										
Financial liabilities not measured at fair value <sup>2)</sup>											
At amortized cost											
Interest-bearing liabilities	1,718,326	712,236	-	-	712,236	712,236	1,718,326	-	-	-	-
Trade payables	381,857	-	-	-	-	-	381,857	-	-	-	-
Options on non-controlling interests	61,445	-	-	-	-	-	-	61,445 <sup>1)</sup>	-	-	-
Other financial liabilities (current and non-current)	67,670	-	-	-	-	-	67,670	-	-	-	-
Total	2,229,298										
Total	2,229,520										

1) Valuation is not carried out via OCI, but via the other reserves in equity, see point 37 for further information.

2) Of which in insolvency proceedings: Financial liabilities of EUR 943,488 thousand; liabilities from leases subject to conditional claims registration of EUR 58,380 thousand; Trade payables EUR 196,411 thousand; promissory note loan of EUR 495,000 thousand; Other short- and long-term financial liabilities EUR 174 thousand

	Carrying amount 12/31/2023	Fair va- lue 12/31/2023	Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without re- cycling)	FVPL Fair Value through P&L	Fair value - hedging in- struments
<b>Financial liabilities measured at fair value</b>											
<b>Fair value - hedging instruments</b>											
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	419	419	-	419	-	419	-	-	-	-	419
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,707	1,707	-	1,707	-	1,707	-	-	-	-	1,707
<b>Total</b>	<b>2,126</b>										
<b>Financial liabilities not measured at fair value</b>											
<b>At amortized cost</b>											
Interest-bearing liabilities	961,616	979,384	-	-	979,384	979,384	961,616	-	-	-	-
Trade payables	676,978	-	-	-	-	-	676,978	-	-	-	-
Options on non-controlling interests	5,816	-	-	-	-	-	-	5,816 <sup>1)</sup>	-	-	-
Other financial liabilities (current and non-current)	81,646	-	-	-	-	-	81,646	-	-	-	-
<b>Total</b>	<b>1,726,056</b>										
<b>Total</b>	<b>1,728,182</b>										

<sup>1)</sup> Valuation is not carried out via OCI, but via the other reserves in equity, see point 37 for further information.

Net income from financial instruments by measurement categories in accordance with IFRS 9 includes net gains/losses, total interest income/expense and reduction losses and is composed as follows:

<b>2024</b> <b>THOUS</b>	<b>From In- terest</b>	<b>From subse- quent measurement to fair value</b>	<b>From allo- wance</b>	<b>From disposal income</b>	<b>From foreign exchange valuation</b>	<b>Net in- come (to- tal)</b>
Financial assets - amortized cost (AC)	25,755	0	-26,967	0	630	-582
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	0	-139	0	0	0	-139
Other financial liabilities - amortized cost (AC)	-118,164	0	0	0	3,216	-114,948
<b>Total</b>	<b>-92,409</b>	<b>-139</b>	<b>-26,967</b>	<b>0</b>	<b>3,846</b>	<b>-115,669</b>

<b>2023</b> <b>THOUS</b>	<b>From Interest</b>	<b>From subsequent measurement to fair value</b>	<b>From allo- wance</b>	<b>From disposal income</b>	<b>From foreign exchange valuation</b>	<b>Net in- come (to- tal)</b>
Financial assets - amortized cost (AC)	10,669	0	-2812	0	-3,494	4,363
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	0	0	0	0	0	0
Other financial liabilities - amortized cost (AC)	-76,708	0	0	0	-1,955	-78,663
<b>Total</b>	<b>-66,039</b>	<b>0</b>	<b>-2,812</b>	<b>0</b>	<b>-5,449</b>	<b>-74,300</b>

Changes in impairment and amortisation of financial assets are recognised in other operating expenses in the respective overhead areas. The remaining components of net income are included in financial income and financial expenses.

## 42. SET-OFF OF FINANCIAL ASSETS AND LIABILITIES

The Group concludes offsetting agreements with banks in connection with derivatives. In principle, the amounts owed under such agreements by each counterparty on a single day in respect of all outstanding transactions in the same currency shall be combined into a single net amount payable by one party to the other. In certain cases – for example, if a credit event such as a default occurs – all outstanding transactions under the agreement will be terminated, the value will be determined at the end and only a single net amount will be payable to offset all transactions. There is no offsetting in the balance sheet, as there is usually no net settlement of several transactions from such framework agreements.

The following tables show actual offset financial assets and liabilities as well as un-offset amounts that are subject to a set-off agreement but do not meet the set-off criteria under IFRS.

THOUS	Financial Assets- values (Gross)	Offset Balance sheet Amounts (Gross)	Reported Financial Assets- Values (net)	Effect of Offsetting Framework As- sociation- Agreements	Net amounts
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#### Financial assets 2024

Other financial assets - Derivatives  
with a positive market value that  
have already been allocated claims

Forward currency transactions	6	0	6	0	6
Interest rate swaps	0	0	0	0	0
<b>Sum</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>

#### Financial assets 2023

Other financial assets - Derivatives  
with a positive market value that  
have already been allocated claims

Forward currency transactions	4,238	0	4,238	-1,630	2,608
Interest rate swaps	11,428	0	11,428	0	11,428
<b>Sum</b>	<b>15,666</b>	<b>0</b>	<b>15,666</b>	<b>-1,630</b>	<b>14,036</b>

THOUS	Financial Owe (Gross)	Offset Balance sheet Amounts (Gross)	Reported Financial Owe (net)	Effect of Offsetting Framework As- sociation- Agreements	Net amounts
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#### Financial debt 2024

Other financial liabilities - Deriva-  
tives with a negative market value  
that are already allocated receiva-  
bles

Forward currency transactions	222	0	222	0	222
Interest rate swaps	0	0	0	0	0
<b>Sum</b>	<b>222</b>	<b>0</b>	<b>222</b>	<b>0</b>	<b>222</b>

#### Financial debt 2023

Other financial liabilities - Deriva-  
tives with a negative market value  
that are already allocated receiva-  
bles

Forward currency transactions	2,590	0	2,590	-1,630	960
Interest rate swaps	0	0	0	0	0
<b>Sum</b>	<b>2,590</b>	<b>0</b>	<b>2,590</b>	<b>-1,630</b>	<b>960</b>

### 43. HEDGES

The derivative financial instruments entered into by the Group (forward currency transactions and interest rate swaps) are concluded to hedge foreign currency and interest rate risk. The aim of the use of derivative financial instruments is to compensate for the differentiation of cash flows from future transactions. The expected sales revenues and material purchases in foreign currency serve as the basis for planning future cash flows.

With the opening of the restructuring proceedings under insolvency law, in particular of KTM AG, the majority of the derivatives held were terminated by the financial service providers, as explained in the introduction to Chapter VII "Risk Report". At this point, reference should be made to the statements there, which also relate to the effects on the Group's cash flow-hedge relationships.

As a matter of principle, the Group only recognises changes in the spot component of forward currency transactions as a hedging instrument in the hedging of cash flows. The change in the forward component is accounted for separately as hedging costs and placed in equity in a reserve for hedging costs or reclassified to the income statement (as part of the financial result) if the hedged item has an effect on earnings.

In accordance with intra-group agreements (see Section 40 "Basics" for explanation), the Group applies the rules of cash flow hedge accounting in accordance with IFRS 9 to derivative financial instruments held. Due to the termination of all hedging transactions based on interest rate derivatives by the respective financial service providers in the course of the opening of the insolvency restructuring proceedings, in particular of KTM AG, the reserves formed in equity were recognised in profit or loss in the 2024 financial year. Excluded from this is a cash flow hedge on the interest rate risk on the foreign currency USD of future sales volume in the USA: In this case, the Group continues to assume the occurrence of the underlying cash flows, i.e. the sales revenues in the USA, so that the Group makes an instalment, profit or loss recognition over the actual remaining term of the hedging transaction until April 2025.

The essential contractual criteria of hedged items and the hedging instruments used are basically identical but designed in opposite directions ("critical terms match"), so that an economic connection of the hedging relationship is guaranteed. As of December 31, 2024 (as in the previous year), there are no derivative financial instruments for which a hedging relationship could not be established.

To measure the effectiveness of currency hedging, hedged and hedging transactions are combined into maturity bands for each hedged risk. The maturity bands should cover a maximum of one quarter. Prospective effectiveness is assessed at the beginning of the hedging relationship and reviewed at each valuation date and in the event of a significant change in the framework conditions that influence the criteria for assessing effectiveness. In the case of interest rate hedging, the prospective effectiveness is measured using a sensitivity analysis and the retrospective effectiveness test is carried out using the dollar offset method.

The basis for the valuation of the derivatives is the market data available at the balance sheet date (interest rate, exchange rates, etc.). The forward exchange rate on the balance sheet date is used to value forward currency transactions. In the case of positive market values, the creditworthiness of the contractual partner is included in the assessment by means of a credit value adjustment (CVA). In the case of negative market values, a Debit Value Adjustment (DVA) is discounted in order to take into account the company's own default risk. Own models are used to estimate the valuation. These are plausible by means of bank valuations.

The following derivative financial instruments used as **hedging instruments** were used as of 31 December 2024 and 31 December 2023 respectively:

12/31/2024	Currency	Notional amount in 1000 local currency	Market va- lues values in THOUS	Gross Exposures in THOUS	Term up to 1 year	Average foreign exchange rate	Term 1 - 5 years	Average foreign exchange rate
Forward cur- rency transactions	GBP	11,500	-216	0	11,500	0.85	0	-
	CHF	2,500	0	0	2,500	0.93	0	-
		Notional amount in 1000 local currency	Market values in THOUS	annually Exposures in THOUS	Term up to 1 year	Average interest rate	Term 1 - 5 years	Average interest rate
Interest rate swaps		0	0	0	0	0.00%	0	0.00%

12/31/2023	Currency	Notional amount in 1000 local currency	Market va- lues values in THOUS	Gross Exposures in THOUS	Term up to 1 year	Average foreign exchange rate	Term 1 - 5 years	Average foreign exchange rate
Forward cur- rency transactions	USD	137,000	3,076	131,715	137,000	1.08	0	-
	JPY	6,600,000	-511	-38,510	6,600,000	155.69	0	-
	CAD	65,000	522	71,074	65,000	1.45	0	-
	GBP	37,000	-93	101,892	37,000	0.88	0	-
	CHF	37,000	-1503	35,156	37,000	0.95	0	-
	CNY	132,000	138	-58,675	132,000	7.89	0	-
		Notional amount in 1000 local currency	Market values in THOUS	annually Exposures in THOUS	Term up to 1 year	Average interest rate	Term 1 - 5 years	Average interest rate
Interest rate swaps		164,706	11,428	0	0	0.00%	164,706	-2.71%

Due to the consequences of the opening of insolvency restructuring proceedings, in particular of KTM AG, as of December 31, 2024, with the exception described above, only future operating foreign currency cash flows, the receipt and exit of which are planned to be received and outsourced in the next twelve months, will be hedged as part of cash flow hedge accounting.



As of the balance sheet date, the amounts relating to items designated as hedged **items** are as follows.

THOUS	Cash flow hedge re- serve	Costs of hedging hedge reserve	Balances remaining in the cash flow hedge re- serve from hedging relationships for which hedge accounting is no longer applied
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**12/31/2024****Foreign currency risk**

Sales and receivables	0	0	0
Inventory purchases	0	0	0

**Interest rate risk**

Variable-rate instruments	1,965	0	0
<b>Total</b>	<b>1,965</b>	<b>0</b>	<b>0</b>

**12/31/2023****Foreign currency risk**

Sales and receivables	-621	-130	0
Inventory purchases	136	-51	0

**Interest rate risk**

Variable-rate instruments	8,986	0	0
<b>Total</b>	<b>8,501</b>	<b>-181</b>	<b>0</b>

The hedging transactions **designated as of the balance sheet date** are as follows:

THOUS	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets	Liabilities	

**12/31/2024****Foreign currency risk**

Foreign currency forwards - sales and receivables	15,823	6	-222	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	0	0	0	Other current assets, other current liabilities

**Interest rate risk**

Interest rate swaps	0	0	0	Other current assets
<b>Total</b>	<b>15,823</b>	<b>6</b>	<b>-222</b>	

**12/31/2023****Foreign currency risk**

Foreign currency forwards - sales and receivables	235,018	3,772	-1,719	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	75,765	466	-871	Other current assets, other current liabilities

**Interest rate risk**

Interest rate swaps	164,706	11,428	0	Other current assets
<b>Total</b>	<b>475,489</b>	<b>15,666</b>	<b>-2,590</b>	

The **cash flow hedge reserve** and the **reserve for hedging costs** (after tax) have deteriorated as follows:

THOUS	Reserve for hedging costs	Cash flow hedge reserve	Total
As of 1/1/2023	-541	16,677	16,136
<b>Amount reclassified to the income statement</b>			
Realization of hedged item (recognized in revenues - currency risk)	541	-2,639	-2,098
Realization of hedged item (recorded in net interest income - currency risk)	0	0	0
Realization of hedged item (recorded in net interest income - interest rate risk)	0	929	929
<b>Inventories</b>			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-309	-309
<b>Change in fair value</b>			
Addition - interest rate risk	0	-5,667	-5,667
Addition - currency risk	-177	-494	-671
Cash flow hedge reserve from initial consolidation	0	0	0
<b>Balance as of 12/31/2023 = balance as of 1/1/2024</b>	<b>-177</b>	<b>8,497</b>	<b>8,320</b>
<b>Betrag, der in die Gewinn- und Verlustrechnung um- gegliedert wurde</b>			
Realization of hedged item (recognized in revenues - currency risk)	177	613	790
Realization of hedged item (recorded in net interest income - currency risk)	0	0	0
Realization of hedged item (recorded in net interest income - interest rate risk)	0	-4,013	-4,013
<b>Inventories</b>			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-121	-121
<b>Change in fair value</b>			
Addition - interest rate risk	0	-3,011	-3,011
Addition - currency risk	0	0	0
Cash flow hedge reserve from initial consolidation	0	0	0
<b>As of 12/31/2024</b>	<b>0</b>	<b>1,965</b>	<b>1,965</b>

As of December 31, 2024, ineffective components of derivative financial instruments classified as cash flow hedges resulted in a net result (after tax) of EUR 0 thousand (previous year: EUR 0 thousand).

## FORWARD CURRENCY TRANSACTIONS

The forward foreign exchange contracts concluded by the PIERER Mobility Group are concluded in foreign currencies to hedge future intended sales and material expenses against the risk of exchange rate fluctuations.

## INTEREST RATE SWAPS

The opening of the restructuring proceedings under insolvency law, in particular of KTM AG, led to the termination of the hedging transactions by the respective financial service providers and thus to the termination of all cash flow hedge relationships of the group based on interest rate derivatives. As a result, the reserves formed were recognised in equity through profit or loss. The accounting exception to this has already been described above, in the context of which a reversal must be carried out in instalments. As of December 31, 2024, the remaining amount recognized from this title in the reserves of equity amounts to EUR 1,493 thousand.

## 44. CAPITAL MANAGEMENT

The objective of capital management is to maintain an adequate capital base so that a return for the shareholders commensurate with the company's risk situation, the future development of the company can be promoted, and benefits can also be created for other interest groups. As already stated in Chapter VII "Risk Report", this fundamental objective was also missed in the course of the opening of the restructuring proceedings under insolvency law. With the restructuring proceedings opened on November 29, 2024, the focus is on satisfying the interests of creditors.

The management considers only the Group's book equity in accordance with IFRS to be capital. The aim is to ensure that all Group companies can operate under the going concern assumption. As at the balance sheet date, the Group equity ratio amounted to -8.1% (previous year: 30.8%). The change in equity is shown in the statement of changes in equity.

The resulting restructuring profit of 70% of the registered creditors' claims can only be realised by the Group with the legally binding confirmation of the restructuring plan by the insolvency court and its prerequisites. The fiduciary deposit of the cash quota of 30% was made on May 22, 2025. This still requires a corresponding positive court ruling, which is expected in mid-June 2025. Only this court ruling will constitute the legal act establishing the value on the basis of national insolvency law provisions.

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 local requirements. Capital management is mainly managed on the basis of the key figure's equity ratio, net debt, gearing and dynamic debt.

The **equity ratio** is as follows:

THOUS	12/31/2023	12/31/2024
Equity	909,273	-193,749
Balance sheet total	2,952,915	2,395,834
<b>Equity ratio</b>	<b>30.8%</b>	<b>-8.1%</b>

**Net financial debt** is defined as short- and long-term financial liabilities (bonds, loans, lease liabilities and other interest-bearing liabilities) less cash and cash equivalents. The objective is to secure long-term liquidity, efficiently draw on debt financing and limit financial risk while optimising returns.

THOUS	12/31/2023	12/31/2024
Non-current financial liabilities	962,849	93,353
Current financial liabilities	72,049	1,712,769
	1,034,898	1,806,122
Cash and cash equivalents	-258,972	-163,407
<b>Net financial dept</b>	<b>775,926</b>	<b>1,642,715</b>

The “**gearing**” key figures (ratio of net debt to equity) and the “**dynamic debt**” key figure (ratio of net debt to EBITDA) for monitoring capital are as follows:

THOUS	12/31/2023	12/31/2024
Equity	909,273	-193,749
Net financial dept	775,926	1,642,715
<b>Gearing</b>	<b>85.3%</b>	<b>-847.9%</b>

THOUS	12/31/2023	12/31/2024
Net	775,926	1,642,715
EBITDA	323,528	-480,783
<b>Dynamic debt</b>	<b>2.4</b>	<b>-3.4</b>

## IX. LEASES

### 45. LEASES AS LESSEE (IFRS 16)

The PIERER Mobility Group has concluded rental and leasing agreements for the use of land, operational and administrative buildings, offices and storage areas, machines (including CNC machines) and for the vehicle fleet.

The PIERER Mobility Group also rents IT equipment with contractual terms of between one year and five years. These rental and leasing agreements are either short-term or (or and) they are based on items of low value. The Group has exercised the option under IFRS 16.5-.8 and has not recognized any right-of-use or lease liabilities for these lease and lease agreements.

Furthermore, leasing contracts for tools (special leasing) and machines are concluded with a term of 3-10 years.

With the opening of the insolvency restructuring proceedings of KTM AG, KTM Components GmbH and KTM Forschungs und Entwicklungs GmbH, leasing liabilities of these three companies, analogous to the other financial debts, were due immediately in accordance with legal requirements, but their execution and interest were also suspended. Since the underlying leased assets are assets necessary for the group of operating assets, the Group intends to continue essentially all leasing contracts. Against this background, the associated claims of the creditors were only registered conditionally, i.e. the creditor's claim essentially expires if the group continues the leasing contracts. However, this has no influence on the presentation below of future minimum leases, interest rates and the present value of future minimum lease payments.

**Rights of use and lease liabilities**

The book value of the rights of use is as follows:

THOUS	Land and buildings	Machinery	Plant & office furniture and equipment	Total
<b>2024</b>				
As of 1/1	29,755	19,611	21,078	70,444
-Depreciation	-11,133	-6,313	-8,008	-25,454
- Impairment losses	-7,368	-7,016	-4,576	-18,960
+ Access to rights of use	16,224	18,567	6,822	41,613
- Assignments of rights of use	-1,329	-723	-1,362	-3,414
+/- Currency effects, reclassifications	-302	-1	-210	-513
<b>Carrying amount as of 12/31/2024</b>	<b>25,847</b>	<b>24,125</b>	<b>13,744</b>	<b>63,716</b>

THOUS	Land and buildings	Machinery	Plant & office furniture and equipment	Total
<b>2023</b>				
As of 1/1	33,361	15,498	16,130	64,989
-Depreciation	-11,139	-5,720	-8,185	-25,044
+ Access to rights of use	9,302	9,839	13,405	32,546
- Assignments of rights of use	-1,659	-6	-220	-1,885
+/- Currency effects, reclassifications	-110	0	-52	-162
<b>Carrying amount as of 12/31/2023</b>	<b>29,755</b>	<b>19,611</b>	<b>21,078</b>	<b>70,444</b>

In the 2024 financial year, depreciation and amortization of right-of-use assets includes impairments of EUR 17,673 thousand due to the impairment test in accordance with IAS 36 (previous year: EUR 0 thousand).

The present value of the minimum lease payments is as follows:

THOUS	Future minimum lease payments	Interest payments	Present value of future minimum lease payments
<b>2024</b>			
< 1 year	25,651	2423	23,288
> 1 to 5 years	53,815	4,412	49,403
> 5 years	18,931	3,827	15,104
<b>Total</b>	<b>98,397</b>	<b>10,662</b>	<b>87,795</b>

THOUS	Future minimum lease payments	Interest payments	Present value of future minimum lease payments
<b>2023</b>			
< 1 year	21,541	1870	19,671
> 1 to 5 years	44,519	3,395	41,123
> 5 years	15,938	3,451	12,487
<b>Total</b>	<b>81,998</b>	<b>8,716</b>	<b>73,281</b>

The payment obligations arising from leases are shown in the consolidated balance sheet under financial liabilities, see item 35.

### Amounts recognized in the income statement and cash flow statement

2024 - Leasing agreements	THOUS
Interest expenses on lease liabilities	3,908
Income from sublease of right-of-use assets	245
Expenses relating to short-term leases	5,978
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	25,281

2023 - Leasing agreements	THOUS
Interest expenses on lease liabilities	1,923
Income from sublease of right-of-use assets	245
Expenses relating to short-term leases	6,636
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	18,223

The expenses for leases of an asset of low value relate to rental and leasing contracts for IT equipment.

Net cash outflows for leases in the amount of EUR 57,562 thousand (previous year: EUR 51,676 thousand) were recognised in the cash flow statement. The cash flow from financing activities included repayments of lease liabilities in the amount of EUR 22,640 thousand (previous year: EUR 25,139 thousand). The remaining EUR 34,922 thousand (previous year: EUR 26,537 thousand) relates to short-term and lower-value leases as well as interest expense and income from subleases of right-of-use leases and is represented in the cash flow from operating activities.

### Renewal Options

Some rental and leasing agreements contain extension options that can be exercised by the Group up to one year before the end of the non-terminable contract term. Where possible, the Group aims to include extension options when concluding new leases and leases in order to ensure operational flexibility. On the date of provision, the Group assesses whether the exercise of extension options is sufficiently secure. The Group shall re-determine whether the exercise of an extension option is reasonably certain in the event of a material event or change in circumstances within its control.

## 46. LEASES AS LESSOR (IFRS 16)

From the lessor's point of view, all leases are classified as operating leases, as they are structured in such a way that the PIERER Mobility Group retains essentially all risks and opportunities associated with ownership.

This does not apply to a sublease, which the Group classifies as a finance lease. This concerns the subletting of a building that has been shown as a right of use in the property, plant and equipment. In the 2024 financial year, no new sublease was concluded and accounted for. In addition, the Group recognised interest income on lease receivables in the amount of EUR 10 thousand (previous year: EUR 10 thousand) in 2024. As of December 31, 2024, lease receivables from subleases amounted to EUR 767 thousand (previous year: EUR 767 thousand). Of this amount, EUR 253 thousand (previous year: EUR 253 thousand) is due in less than one year and EUR 514 thousand (previous year: EUR 514 thousand) in 1-5 years.

## X. EXPLANATORY NOTES ON RELATED PARTIES AND ON THE EXECUTIVE BODIES

### 47. RELATED PARTY DISCLOSURES

According to the requirements of IAS 24, disclosures must be made about related party transactions.

As of December 31, 2024, 74.94% of the shares of PIERER Mobility AG are held by Pierer Bajaj AG, which is 50.10% owned by Pierer Industrie AG. The remaining 49.9% is held by Bajaj Auto International Holdings B.V., a subsidiary of Bajaj Auto Ltd. Furthermore, Pierer Konzerngesellschaft mbH holds 0.09% 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 Dipl.-Ing. Stefan Pierer.

Dipl.-Ing. Stefan Pierer held the following key executive functions in the Pierer Konzerngesellschaft mbH Group as of December 31, 2024:

- Chairman of the Board of Pierer Industrie AG, Wels
- Chairman of the Board of Pierer Bajaj AG, Wels
- Member of the Board of Directors of PIERER Mobility AG, Wels
- Member of the Board of Management 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

Transactions with related parties are grouped in the PIERER Mobility Group according to "Shareholders", "Associated Companies" and "Other Companies".

Until the financial year 2024 PIERER Mobility AG was included in its consolidated financial statements by PIERER Industrie AG, Wels, and Pierer Konzerngesellschaft mbH, Wels. All companies included in the consolidated financial statements of Pierer Konzerngesellschaft mbH that are controlled or significantly influenced by Pierer Konzerngesellschaft mbH are reported as related parties in the "Related parties" category.

Associates can be found in the statement of participations (see Chapter XII) and relate to all financial assets accounted for using the equity method.

Other companies are defined as all companies that are controlled by key management. In principle, PIERER Mobility AG defines key management as members of the Management Board and Supervisory Board and, if applicable, other managers in key positions who can exert a significant influence on the Group's financial and business policy decisions. In addition, family members of key management and their companies are also taken into account.

In the 2024 financial year and in the previous year, there were no material transactions with related parties (except for the remuneration of the Management Board and the Supervisory Board, see item 49). The transactions with related parties are as follows according to the grouping described:

THOUS	Shareholder related companies		Associated companies		Other companies	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
<b>Receivables</b>	23,055	46,352	7,487	25,041	4,772	5,627
<b>Liabilities</b>	-10,349	-8,667	-7,405	-16,597	-5,188	-7,300
<b>Revenues</b>	6,281	89,411	5,547	25,458	20,192	23,528
<b>Expenses</b>	-104,645	-152,823	-84,393	-220,654	-154,858	-222,886
<b>Dividend</b>	-12,514	-50,583	0	0	-36	-144

All related party transactions were carried out at arm's length. Key business relationships are explained below:

#### SHAREHOLDER-RELATED COMPANIES:

Since the 2024 assessment, PIERER Mobility AG has formed its own tax group in accordance with Section 9 of the Corporate Income Tax Act (KStG) and is no longer a member of the tax group of Pierer Konzerngesellschaft mbH within the meaning of the Austrian Corporate Income Tax Act. Since the 2024 financial year, the KTM Group has also been part of this steering group. Furthermore, in the 2024 financial year, the VAT group was terminated in the course of the restructuring proceedings under insolvency law for the KTM Group. Furthermore, as of the balance sheet date, receivables from tax apportionments against Pierer Konzerngesellschaft mbH in the amount of EUR 0 thousand (previous year: EUR 4,932 thousand) and claims from VAT credits against PIERER Industrie AG in the amount of EUR 0 thousand (previous year: EUR 8,583 thousand) are outstanding. As of 31.12.2024, there is a total outstanding receivable of EUR 13,806 thousand (previous year: EUR 4,932 thousand) against Pierer Konzerngesellschaft mbH.

In the 2024 financial year, Pierer Bajaj AG received dividends of EUR 12,503 thousand (previous year: EUR 49,982 thousand), and Pierer Konzerngesellschaft mbH received dividends of EUR 11 thousand (previous year: EUR 601 thousand) from PIERER Mobility AG from the retained profit of the previous financial year.

On the expense side, the transactions with companies close to the shareholders mainly affect the Pankl Racing Group and, to a lesser extent, the abatec Group, which acts as suppliers of purchased parts for the PIERER Mobility Group. The Pankl Racing Group and the abatec Group are part of the Pierer Industrie Group. In addition, in the 2024 financial year, expenses were incurred vis-à-vis Pierer Konzerngesellschaft mbH and Pierer Industrie AG from the on-billing of services. Most of these expenses relate to group levies vis-à-vis Pierer Industrie AG.

#### ASSOCIATES:

In the past financial year, expenses of EUR 20,166 thousand (previous year: EUR 19,795 thousand) were incurred for development and design services as well as services in the area of brand development at Kiska GmbH. As of December 31, 2024, Kiska GmbH had outstanding liabilities of EUR 3,389 thousand (previous year: EUR 1,573 thousand).

The shares in MV Agusta Motor S.p.A., Varese, Italy, previously held using the equity method, were increased in the 2024 financial year, making the company a fully consolidated subsidiary of KTM AG. This explains the significant decline in expenses vis-à-vis associates.

Other transactions with associates relate to the companies described below with the ongoing operating business relationship described in each case.

KTM Asia Motorcycle Manufacturing Inc. was founded in June 2016 together with partner Ayala Corp. Since mid-2017, the company has been responsible for the CKD (Completely Knocked-Down) assembly for KTM motorcycles in the Philippines. In the 2024 financial year, the Group generated revenues of EUR 2,269 thousand (previous year: EUR 12,334 thousand) and expenses of EUR 7,837 thousand (previous year: EUR 14,714 thousand).

The joint venture in China with partner CF Moto was established in fiscal year 2018 under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.". Since 2021, mid-range motorcycles have been produced in



Hangzhou, China. In the 2024 financial year, the Group generated revenues of EUR 3,208 thousand (previous year: EUR 13,057 thousand) and expenses of EUR 56,390 thousand (previous year: EUR 58,490 thousand).

MV Agusta Motor S.p.A., which was held as an associate in the previous year, was consolidated for the first time as of March 1, 2024, due to an increase in the number of shares from 25.1% to 50.1% and included in the consolidated financial statements of PIERER Mobility AG.

In the 2024 financial year, the Group acquired 49.0% of the shares in PIERER IMMOREAL GmbH from Pierer Konzerngesellschaft mbH by contract dated October 4, 2024. The company's line of business is real estate development and management. The purchase price amounted to EUR 10,879 thousand. At the same time, financial receivables against PIERER IMMOREAL GmbH in the amount of EUR 24,689 thousand were repaid. As of December 31, 2024, the shares and financial receivables were classified as held for sale. For further explanations, please refer to item 33 "Assets held for sale" and item XI "Events after the balance sheet date". In the 2024 financial year, the Group incurred a total of EUR 5,459 thousand in expenses vis-à-vis PIERER IMMOREAL GmbH (previous year: EUR 6,873 thousand).

#### **OTHER COMPANIES:**

Since 2007, there has been a cooperation with the Indian Bajaj Group. The Bajaj Group is the second-largest motorcycle manufacturer in India with sales of around 4.3 million motorcycles and three-wheelers in the last fiscal year (balance sheet date March 31, 2024). The focus of the cooperation is the joint development of entry-level street motorcycles, which are produced in India and sold under the KTM brand by both companies in their home markets.

The Deputy Chairman of the Supervisory Board of PIERER Mobility AG, Mr. Rajiv Bajaj, is Managing Director and CEO of Bajaj Auto Ltd., Pune, India. The member of the Supervisory Board of PIERER Mobility AG, Mr. Srinivasan Ravikumar, is Director of Bajaj Auto International Holdings B.V., Amsterdam, Netherlands, and President of Business Development and Assurance of Bajaj Auto Ltd., Pune, India. Following a simplification of the shareholding structure in the 2021 financial year, Bajaj Auto International Holdings B.V., a subsidiary of Bajaj Auto Ltd., now holds 49.9% of Pierer Bajaj AG, which in turn is the majority shareholder in PIERER Mobility AG. As of 31.12.2024, there are liabilities to Bajaj Auto Ltd. in the amount of EUR 5,157 thousand (previous year: EUR 7,033 thousand). Furthermore, expenses of EUR 151,015 thousand (previous year: EUR 218,787 thousand) and income of EUR 5,681 thousand (previous year: EUR 6,992 thousand) were generated with Bajaj Auto Ltd. in the 2024 financial year, mainly from the purchase of street motorcycles and parts.

Dealers (KTM Braumandl GmbH, MX – KTM Kini GmbH, SO Regensburg GmbH, KTM Wien GmbH) were supplied with arm's length motorcycles and spare parts. Proceeds or receivables from other companies mainly relate to transactions with these merchants. The minority shares in the dealers are held by Pierer Industrie AG.

## **48. GOVERNING BODIES OF PIERER MOBILITY AG**

The following individuals were appointed **as members of the Board of Directors with collective representation**:

Gottfried **N e u m e i s t e r** (since 1.9.2024)  
 Ing. Stefan **P i e r e r**, Co-CEO  
 Hubert **T r u n k e n p o l z** (until 31.10.2024)  
 Viktor **S i g l**, MBA, CFO (until 11.7.2024)  
 Florian **K e c h t** (until 31.10.2024)  
 Alex **P i e r e r** (until 31.10.2024)  
 Rudolf **W i e s b e c k** (until 31.10.2024)

The following individuals were appointed **as members of the Supervisory Board**:

Stephan **Z ö c h l i n g**, Chairman (since 7.2.2025)

Josef **B l a z i c e k**, Chairman (until 27.1.2025)

Rajiv **B a j a j**, Deputy Chairman

Iris **F i l z w i e s e r**

Michaela **F r i e p e ß**

Srinivasan **R a v i k u m a r**

Friedrich **R o i t h n e r**

## 49. EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

The **remuneration for the Management Board** of PIERER Mobility AG in 2024 includes salaries, benefits in kind, bonuses, severance payments and benefits to the company employee provision fund and amounted to EUR 2,607 thousand (previous year: EUR 4,822 thousand). Furthermore, remuneration for members of the Management Board from previous periods did not result in any additional payment. In addition, there are no agreements on a company pension scheme for the Management Board and no pension fund payments were made to the Management Board in the 2024 financial year.

For the 2024 financial year (payment in the 2025 financial year), a **total of EUR 20 thousand (previous year: EUR 22 thousand) is proposed to the Supervisory Board of PIERER Mobility AG.**

As of the balance sheet date, there were no loans or advances to the members of the Supervisory Board of PIERER Mobility AG.

## XI. EVENTS AFTER THE BALANCE SHEET DATE

Events after 31 December 2024 that are material for the measurement of assets and liabilities are either included in the present financial statements or are not known.

As already explained in Section I "General Disclosures", the underlying restructuring plan of KTM AG, KTM Components GmbH and KTM Forschungs und Entwicklungs GmbH was approved by the required majority of creditors on February 25, 2025. The restructuring proceedings of KTM AG and its two subsidiaries were therefore formally concluded on 23 May 2025 by the deposit of the 30% cash quota of 22 May 2025 in the amount of EUR 525,000 thousand by the court confirmation of the restructuring plan. The final entry into force of the court confirmation will take place after the expiry of the statutory appeal period pursuant to Section 260 IO. After the entry into force of law, the group will have an expected restructuring profit of approx. EUR 1,200,000 thousand. This will be recognised in the income statement for the 2025 financial year in other operating income. For further information on management's assessment of the likelihood of a potential appeal, see Section I above.

In the course of preparations for the allocation of the funds required to meet the restructuring quota, the Bajaj Group has provided financial resources of EUR 800,000 thousand to the PIERER Mobility AG Group through the existing corporate interdependencies. Of this amount, the Group received the following funds by 26 May 2025:

- Financing loan to PIERER Mobility AG in the amount of EUR 350,000 thousand with a term of 3 years from the inflow date in 5 tranches as follows:  
1st tranche: EUR 50,000 thousand on February 28, 2025  
2nd tranche: EUR 50,000 thousand on March 31, 2025  
3rd tranche: kEUR 50,000 on April 3, 2025  
4th tranche: kEUR 50,000 on May 15, 2025  
5th tranche: EUR 150,000 thousand on May 22, 2025

The financing loans were fully subordinated with a declaration dated May 21, 2025.

- Restructuring loan with a maturity of 3 years, i.e. until 30.12.2028, in the amount of EUR 450,000 thousand by Bajaj Auto International Holdings BV, Netherlands;
- Redemption of existing receivables from financing activities of KTM AG vis-à-vis PIERER New Mobility GmbH by PIERER Mobility AG in the amount of EUR 200,000 thousand.

In addition, the Bajaj Group intends to take over the shares in PIERER Bajaj AG in full. To this end, a call option agreement was concluded between PIERER Industrie AG and Bajaj Auto International Holdings BV on 22 May 2025, which enables Bajaj Auto International Holdings BV to acquire the 50.1% shares in PIERER Bajaj AG held by PIERER Industrie AG by the end of May 2026 and thus indirectly gain control of PIERER Mobility AG and consequently also of the KTM Group. Such a change of control requires regulatory approvals. Only after all regulatory approvals have been obtained can shares be transferred to Bajaj Auto International Holdings BV under this call option.

In addition to the restructuring plan quota, the Group has used the funds to finance the resumption of production as of March 17, 2025, among other things, in order to finish producing the existing remaining stocks. Starting on May 1, 2025, the group has once again suspended production. This is mainly due to long delivery times of certain production-critical raw materials or components that could not be reordered from suppliers due to a lack of timely access to free liquidity. Despite intensive efforts, these factors of production could not be substituted elsewhere, so that a further suspension of production became unavoidable.

In the course of the restructuring proceedings, the Executive Board of KTM AG underwent further far-reaching changes in the 2025 financial year. Thus, the board was reduced to two people, namely Mr. Gottfried Neumeister and Verena Schneglberger-Grossmann. In addition, Dipl.-Ing. Stefan Pierer will also leave the Management Board of PIERER Mobility AG after the complete completion of the restructuring procedure in June 2025. The Supervisory Board also appoints Verena Schneglberger-Grossmann as a new member of the Management Board.

On 03.01.2025, the share in PIERER IMMOREAL GmbH held for sale was sold to Pierer Konzerngesellschaft mbH. The Group realized a gain of EUR 175 thousand from this, as the sale price was fixed with the original purchase price and the Group valued the shares in 2024 using the equity method. At the same time, the financial receivables of EUR 24,689 thousand, which were also held for sale, were repaid.

In addition, in March 2025, the assets of PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria, which were also held for sale, were sold for the purchase price of EUR 35,000 thousand. The Group received these funds in March 2025 and were immediately transferred to a fiduciary account with which the outstanding bank loans of PIERER & MAXCOM Mobility OOD with DSK Bank (as of 31.03.2025: EUR 37,705 thousand) are to be repaid for the most part. The realized gain on the sale amounts to EUR 4,385 thousand. This gain on the sale deviates by EUR 148 thousand from the expected value as of the balance sheet date of December 31, 2024, as a detailed list of purchased assets was only prepared and agreed upon retrospectively. Non-sold assets relate in particular to leased commercial vehicles and IT equipment.

On 7 January 2025, restructuring proceedings without self-administration were opened for the two subsidiaries Avocado GmbH and Pierer E-Commerce GmbH in the Linz and Ried Regional Courts, respectively. The equity of Avocado GmbH amounted to EUR -2,840 thousand as of 31.12.2024. The equity of Pierer E-Commerce GmbH amounted to EUR -981 thousand as of 31.12.2024.

## XII. GROUP COMPANIES (SCHEDULE OF EQUITY HOLDINGS)

The list of shareholdings includes all companies that have been included in the consolidated financial statements in addition to the parent companies.

Society	First conso- Song time	12/31/24	12/31/23		
		Percentage %	Consolida- tion- Type of	Percentage %	Consolida- tion- Type of
Fully consolidated companies:					
KTM AG, Mattighofen	5/31/2005	100.00	KVI	100.00	KVI
KTM Immobilien GmbH, Mattighofen	5/31/2005	100.00	KVI	100.00	KVI
KTM North America, Inc., Murrieta, CA, USA	5/31/2005	100.00	KVA	100.00	KVA
KTM-Motorsports Inc., Murrieta, CA, USA	5/31/2005	100.00	KVA	100.00	KVA
KTM Japan K.K., Tokyo, Japan	5/31/2005	100.00	KVA	100.00	KVA
KTM Sportcar GmbH, Mattighofen	5/31/2005	100.00	KVI	100.00	KVI
KTM Motorcycles S.A. Pty. Ltd., Midrand, South Africa	3/1/2009	100.00	KVA	100.00	KVA
KTM Sportmotorcycle Mexico C.V. de S.A., Lerma, Mexiko	6/1/2009	100.00	KVA	100.00	KVA
KTM Sportmotorcycle GmbH, Mattighofen	3/31/2011	100.00	KVI	100.00	KVI
PIERER New Mobility Scandinavia AB, Örebro, Sweden	12/31/2013	-	-	100.00	KVA
KTM-Sportmotorcycle India Private Limited, Pune, Indien	6/1/2012	100.00	KVA	100.00	KVA
Husqvarna Mobility Motorcycles GmbH (formerly: Husqvarna Motorcycles GmbH), Mattighofen	1/1/2013	100.00	KVI	100.00	KVI
KTM Sportmotorcycle Deutschland GmbH, Ursen- sollen, Deutschland	12/31/2013	100.00	KVA	100.00	KVA
KTM Switzerland Ltd., Frauenfeld, Schweiz	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle UK Ltd., Northamptonshire, Great Britain	12/31/2013	100.00	KVA	100.00	KVA
KTM-Sportmotorcycle Espana S.L., Terrassa, Span- ien	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle France SAS, Saint-Priest, Frankreich	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle Italia S.r.l., Meran, Italien	12/31/2013	100.00	KVA	100.00	KVA
KTM-Sportmotorcycle Nederland B.V., Malden, Netherlands	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle Scandinavia AB, Örebro, Schweden	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle Benelux S.A., Gembloux, Bel- gium	12/31/2013	100.00	KVA	100.00	KVA
KTM Canada Inc., Chambly, Kanada	12/31/2013	100.00	KVA	100.00	KVA

Society	First conso- Song time	12/31/24	Consolida- tion- Type of	12/31/23	Consolida- tion- Type of
		Percentage %		Percentage %	
KTM Sportmotorcycle Hungária Kft., Budapest, Hungary	12/31/2013	100.00	KVA	100.00	KVA
KTM Central East Europe s.r.o., Bratislava, Slovakia	12/31/2013	100.00	KVA	100.00	KVA
KTM Österreich GmbH, Mattighofen	12/31/2013	100.00	KVI	100.00	KVI
KTM Nordic Oy, Vantaa, Finland	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle d.o.o., Marburg, Slovenia	12/31/2013	100.00	KVA	100.00	KVA
KTM Czech Republic s.r.o., Pilsen, Tschechien	12/31/2013	100.00	KVA	100.00	KVA
KTM Sportmotorcycle SEA PTE. Ltd., Singapore, Singapore	1/1/2014	100.00	KVA	100.00	KVA
Husqvarna Motorcycles North America, Inc. (vormals: Husqvarna Motorcycles North America, Inc.), Murrieta, CA, USA	12/1/2013	100.00	KVA	100.00	KVA
Husqvarna Motorsports, Inc., Murrieta, CA, USA	4/1/2015	100.00	KVA	100.00	KVA
KTM Logistikzentrum GmbH, Mattighofen	9/16/2016	100.00	KVI	100.00	KVI
WP Suspension GmbH, Mattighofen	11/30/2016	100.00	KVI	100.00	KVI
WP Suspension North America, Inc., Murrieta, CA, USA	8/31/2017	100.00	KVA	100.00	KVA
KTM do Brasil Ltda., Sao Paulo, Brasilien	12/31/2017	100.00	KVA	100.00	KVA
KTM Components GmbH, Munderfing	11/30/2007	100.00	KVI	100.00	KVI
Vöcklabruck Metallgießerei GmbH, Vöcklabruck <sup>1)</sup>	-	100.00	-	-	-
WP Immobilien GmbH, Munderfing	4/30/2005	100.00	KVI	100.00	KVI
KTM Beteiligungs GmbH, Mattighofen	4/30/2018	100.00	KVI	100.00	KVI
KTM Australia Holding Pty Ltd., Prestons, Australia	7/1/2019	100.00	KVA	100.00	KVA
KTM Australia Pty Ltd., Prestons, Australien	7/1/2019	100.00	KVA	100.00	KVA
HQVA Pty Ltd., Prestons, Australia	7/1/2019	100.00	KVA	100.00	KVA
KTM Motorcycles Distributors NZ Limited Wellington Central, New Zealand	7/1/2019	100.00	KVA	100.00	KVA
GASGAS GmbH (formerly: GASGAS Motorcycles GmbH), Mattighofen	10/31/2019	100.00	KVI	100.00	KVI
GASGAS Motorcycles España S.L.U., Terrassa, Spain	1/1/2020	100.00	KVA	100.00	KVA
KTM MOTOHALL GmbH, Mattighofen	1/1/2020	90.00	KVI	90.00	KVI
CFMOTO Motorcycles Distribution GmbH, Mattighofen	6/25/2022	100.00	KVI	100.00	KVI
PIERER IMMOREAL NORTH AMERICA LLC., Murrieta, CA, USA	7/7/2022	100.00	KVA	100.00	KVA
KTM (SHANGHAI) MOTO CO., LTD., Shanghai, China	7/15/2022	100.00	KVA	100.00	KVA
MV Agusta Motor S.P.A., Varese, Italy	3/1/2024	50.10	KVA	25.10	KEA

Society	First conso- Song time	12/31/24	Consolida- tion- Type of	12/31/23	Consolida- tion- Type of
		Percentage %		Percentage %	
Centro Stile MV Agusta S.r.l., Borgo Maggiore, Italian	3/1/2024	50.10	KVA	-	-
MV Agusta USA LLC, Pennsylvania, USA	3/1/2024	50.10	KVA	-	-
MV Agusta Motorcycles GmbH, Mattighofen, Austria	9/21/2022	74.90	KVI	74.90	KVI
MV Agusta Motorcycles North America, Inc., Mur- rieta, CA, USA	9/30/2022	100.00	KVA	100.00	KVA
MV Agusta Services S.r.l., Meran, Italian	10/24/2022	100.00	KVA	100.00	KVA
PIERER Produktion GmbH, Munderfing	11/26/2022	100.00	KVI	100.00	KVI
KTM Informatics GmbH, Mattighofen	7/13/2023	100.00	KVI	100.00	KVI
KTM Forschungs & Entwicklungs GmbH, Mattigh- ofen,	3/18/2021	100.00	KVI	100.00	KVI
Cero Design Studio S.L., Barcelona, Spain	10/1/2019	50.01	KVA	50.01	KVA
KTM Racing GmbH, Mattighofen	2/29/2020	100.00	KVI	100.00	KVI
KTM-Racing AG, Frauenfeld, Schweiz	5/31/2005	100.00	KVA	100.00	KVA
KTM Racing North America Inc., Murrieta, CA, USA	6/16/2023	100.00	KVA	100.00	KVA
PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bul- garia	1/1/2022	50.00	KVA	50.00	KVA
PIERER New Mobility GmbH, Munderfing	2/25/2020	100.00	KVI	100.00	KVI
PIERER New Mobility Deutschland GmbH, Schweinfurt, Deutschland	12/31/2019	100.00	KVA	100.00	KVA
PIERER New Mobility Suisse GmbH, Frauenfeld, Switzerland	12/31/2019	-	-	100.00	KVA
PIERER New Mobility España S.L., Terrassa, Spain	12/31/2013	-	-	100.00	KVA
PIERER New Mobility France SAS, Saint-Priest, Frankreich	12/31/2013	-	-	100.00	KVA
PIERER New Mobility Italia S.r.l., Merano, Italy	12/31/2013	-	-	100.00	KVA
PIERER New Mobility North America, Inc., Murrieta, CA, USA	10/1/2020	100.00	KVA	100.00	KVA
PIERER New Mobility UK Ltd., Northamptonshire, United Kingdom	12/31/2013	100.00	KVA	100.00	KVA
PIERER New Mobility Benelux SA, Gembloux, Bel- gium	11/29/2021	-	-	100.00	KVA
PIERER New Mobility Asia Ltd., Taichung City, Tai- wan	5/25/2022	100.00	KVA	100.00	KVA
PIERER NEW MOBILITY AUSTRALIA PTY LTD, Prestons, Australien	10/13/2022	100.00	KVA	100.00	KVA
PIERER NEW MOBILITY BULGARIA OOD, Plovdiv, Bulgaria	3/30/2023	100.00	KVA	-	-
PIERER New Mobility S.A. Pty. Ltd. (formerly: Husqvarna Motorcycles S.A. Pty. Ltd.), Midrand, South Africa	4/1/2015	100.00	KVA	100.00	KVA

Society	First conso- Song time	12/31/24	Consolida- tion- Type of	12/31/23	Consolida- tion- Type of
		Percentage %		Percentage %	
Felt Bicycles GmbH, Munderfing	7/1/2024	70.00	KVI	-	-
Felt Bicycles North America Inc., Murrieta, CA, USA	7/1/2024	100.00	KVA	-	-
Felt Bicycles Espana S.L.U., Barcelona, Spanien	9/1/2024	100.00	KVA	-	-
PIERER E-Commerce GmbH, Munderfing,	12/31/2016	100.00	KVI	100.00	KVI
PIERER E-Commerce North America Inc., Murrieta, CA, USA	6/21/2022	100.00	KVA	100.00	KVA
KTM Technologies GmbH, Anif	10/1/2008	100.00	KVI	100.00	KVI
PIERER Innovation GmbH, Wels	3/31/2018	100.00	KVI	100.00	KVI
DealerCenter Digital GmbH, Landshut, Deutschland	7/31/2021	75.46	KVA	75.46	KVA
Avocodo GmbH, Linz	4/30/2019	100.00	KVI	100.00	KVI
Platin 1483. GmbH, Schweinfurt, Germany <sup>2)</sup>	12/31/2019	100.00	KVA	100.00	KVA
<b>Associates:</b>					
Kiska GmbH, Anif	-	50.00	AND	50.00	AND
PIERER Immoreal GmbH, Wels <sup>3)</sup>	-	49.00	AND	-	-
Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Hangzhou City, Zhejiang, China	-	49.00	KEA	49.00	KEA
KTM Asia Motorcycle Manufacturing Inc., Binan, Laguna, Philippinen	-	40.00	KEA	40.00	KEA
LX Media GmbH, Wels	-	20.00	AND	74.00	KVI
<b>Other non-current financial assets:</b>					
AC styria Mobilitätscluster GmbH, Grambach	-	12.33	-	12.33	-

<sup>1)</sup> Company is in bankruptcy proceedings

<sup>2)</sup> Company is in liquidation

<sup>3)</sup> Purchase contract to be rescinded in January 2025

**Legend:**

KVI Full consolidation, domestic

AND Inclusion of at-equity, domestic

KVA Full consolidation, abroad

KEA Inclusion of at-equity, foreign

### **XIII. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements will be approved by the Executive Board in May 2025 (previous year: 20.3.2024) for review by the Supervisory Board, for submission to the Annual General Meeting and for subsequent publication. The Supervisory Board may initiate an amendment to the consolidated financial statements as part of its audit.

Wels, 27 May 2025

The Executive Board of PIERER Mobility AG



Gottfried Neumeister, CEO



Stefan Pierer, Co-CEO



# **Courtesy translation of the Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the consolidated financial statements of PIERER Mobility AG, Wels (the Company), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

## **Basis for Opinion**

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

## **Material Uncertainties Related to Going Concern**

KTM AG, as the main subsidiary of PIERER Mobility AG, and two of its subsidiaries were in restructuring proceedings with self-administration within the meaning of the Austrian Insolvency Code as of the balance sheet date December 31, 2024. The requirement for the 30% cash quota and the procedural costs were imposed on the restructuring administrator on 22 May 2025. Taking into account the appeal period, the insolvency creditors are expected to receive the 30% cash quota required to fully satisfy their claims within 14 days. The Management Board estimates the probability of a successful appeal to be low, but the result remains beyond the Company's control. In the event of a successful appeal, there could be significant changes to the restructuring conditions, which may also result in adjustments to the consolidated financial statements.

In addition, the assumption of going concern is based on a going concern forecast, the implementation of which depends on endogenous and exogenous factors, some of which

are beyond the Company's control, and the development of which is significant for the fulfilment of the going concern forecast. These include macroeconomic volatility and compliance with conditions agreed with investors.

These circumstances represent material uncertainties related to going concern of the company. We refer to the Management's comments in sections "Assumption on going concern" and "Impact of the restructuring proceedings on the valuation of assets and liabilities in the consolidated financial statements as of December 31, 2024" in the chapter "2. Information in connection with insolvency proceedings from material subsidiaries" of the notes to the consolidated financial statements.

Management concluded that the assumption of the going concern of the company is to be regarded as predominantly likely.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters which, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon them, and we do not provide a separate opinion on these matters.

In addition to the matters described in the section "Material uncertainties related to Going Concern", we have determined the matters described below to be the key audit matters to be communicated in our report.

1. Recognition and derecognition of development costs
2. Recoverability of the cash-generating units "KTM" and "Pierer New Mobility"

## **1. Recognition and derecognition of development costs**

### **Description and Issue**

In the consolidated financial statements as of December 31, 2024, capitalized development costs in the amount of MEUR 353 are reported under the balance sheet item "Intangible assets" and therefore represent a significant part of the Group's assets.

In the 2024 financial year, the Group capitalized development costs of MEUR 135. Due to the restructuring proceedings of KTM AG opened on November 29, 2024 and the associated restructuring, Management has decided to discontinue certain development projects and in the course of this has written off development costs of not ready for use assets in the volume of MEUR 102.

We refer to the disclosures on development costs in the notes to the consolidated financial statements under "24. Intangible assets".

Research costs are treated as expenses, while development costs for future serial production are capitalized, provided that the recognition criteria under IFRS are met.

Essential prerequisites for recognizing development costs are the feasibility of the development projects (including the technical feasibility, the intention to complete and the ability to use them) and the generation of future economic benefits. The assessment of the feasibility of the project – also in connection with the corporate realignment and the associated discontinuation of individual development projects – played a significant role in the accounting process, especially due to the ongoing restructuring proceedings of the subsidiary KTM AG, and is subject to increased judgement. Proof of compliance with the recognition criteria is judgemental and requires estimates by Management. We have therefore identified the recognition and derecognition of development costs as a key audit matter.

### **Our Response**

We assessed the recognition and derecognition of development costs, in particular by performing the following audit procedures:

- We gained an understanding of the process of Management to differentiate research and development costs and evaluate the recognition requirements of development costs.
- We evaluated the design, implementation and effectiveness of Management's key process-related controls on the recognition as well as on the derecognition of development costs due to the discontinuation of development projects and reviewed Management's project feasibility documentation.
- We reconciled the appropriateness of capitalized expenses on a sample basis by matching them with external invoices and internal time tracking. The hourly rates used in this case were verified.

- We have assessed whether the derecognition of development costs is in line with IFRSs.

## **2. Recoverability of the cash-generating units "KTM" and "Pierer New Mobility"**

### **Description and Issue**

In the 2024 financial year, the Group identified indications of an impairment of the cash-generating units "KTM" and "Pierer New Mobility" and determined the recoverable amount in accordance with IFRS for each of the two cash-generating units. On this basis, an impairment expense of EUR 335m (of which MEUR 110 is goodwill) was recognised in the consolidated income statement for the cash-generating unit "KTM" and an impairment expense of EUR 26m (of which MEUR 20 is goodwill) for the cash-generating unit "Pierer New Mobility".

We refer to the disclosures on the impairment test in the notes to the consolidated financial statements under "23. Goodwill and impairment test according to IAS 36".

The measurement of the recoverable amount of cash-generating units requires assumptions and estimates, such as estimating future cash inflows and determining the discount rate to be applied. We have therefore identified the recoverability of the cash-generating units "KTM" and "Pierer New Mobility" as a key audit matter.

### **Our response**

We have assessed the impairment tests prepared by the Company with the involvement of our valuation specialists as follows:

- In order to assess the appropriateness of the internal planning used, we gained an understanding of the planning process and discussed the assumptions about growth rates and operational results with the relevant senior executives in the company as well as the Management's experts. We have reconciled the planning data on which the valuation is based with the current going concern forecast of Management and the reports of the experts.
- To ensure the quality and appropriateness of the going concern forecast, Management has commissioned independent experts to assist in the preparation of the going concern forecast or to review it. We assessed the competence, capabilities and objectivity of the Management experts, gained an understanding of their work and assessed the suitability of the experts' work for our substantive audit procedures. We have considered the analyses and results presented in the experts' reports on the adequacy of the planning calculations in our conclusions.
- We have carried out an analysis of the sales and earnings assumptions made by the management of KTM AG and PIERER New Mobility GmbH and assessed whether the results and revenues actually achieved in the past were adequately considered when determining the planning assumptions.

- We have evaluated the methodology of the impairment tests carried out and assessed whether they meet the relevant standards. Our valuation specialists compared the assumptions used to determine the cost of capital with market- and industry-specific benchmarks and checked the mathematical correctness of the calculation scheme. Furthermore, our valuation specialists carried out sensitivity analyses and additional scenario calculations to assess the effects of changes and additional scenarios in the material assumptions.
- In addition, we reconciled the impairment loss of cash-generating units recognized in the consolidated financial statements with the results of the impairment tests and reviewed whether the recognition of impairments complies with IFRS requirements.
- Furthermore, we assessed whether the disclosures on impairments and impairment tests of the cash-generating units "KTM" and "Pierer New Mobility" are appropriate.

### **Other Matter – Audit of the Consolidated Financial Statements of the Previous Year**

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on March 14, 2024.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the consolidated management report and our auditor's report thereon. We received the annual report (excluding the report of the Supervisory Board) before the date of the auditor's report, and the report of the Supervisory Board is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Audit Committee for the Consolidated Financial Statements**

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 for the Audit of the Consolidated Financial Statements**

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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

### **Report on the Audit of the Consolidated Management Report**

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements. With respect to the consolidated non-financial statement included in the consolidated management report, our responsibility is to determine whether it had been prepared, to read it and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

### **Opinion**

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

### **Statement**

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

### **Emphasis of matter**

With regard to the material uncertainties related to going concern, we refer to the sections "Restructuring proceedings KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH" and chapter "6th Opportunity and Risk Report" in the Group Management Report, which describe the analysis of the company's situation. Furthermore, we refer to section "10th outlook" in the Group management report, which deals with the expected development of the company.

### **Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014**

We were appointed as auditors by the annual general meeting on April 19, 2024 and commissioned by the supervisory board on July 1, 2024 to audit the consolidated financial statements for the financial year ending December 31, 2024. We have been auditing the Group since the financial year ending December 31, 2024.



We confirm that our opinion expressed in the section “Report on the Audit of the Consolidated Financial Statements” is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

### **Engagement Partner**

The engagement partner responsible for the audit is Dr. Matthias Kunsch.

Vienna

May 27, 2025

**Deloitte Audit Wirtschaftsprüfungs GmbH**

(signed by:)  
Dr. Matthias Kunsch  
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

This English language assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

## Independent assurance report on the non-financial reporting pursuant to Section 267a UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting”) for the financial year 2024 of the

**Pierer Mobility AG,  
Wels**

(hereinafter also referred to as „Pierer Mobility” or „Company” for short).

### Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting in the group management report in section 4 is not prepared, in all material respects, in compliance with:

- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (267a of the Austrian Commercial Code (UGB)),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation”),
- the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as „ESRS”), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process”); with the description set out in disclosure “4.1 ESRS 2 – GENERAL INFORMATION IMPACT, RISK AND OPPORTUNITY MANAGEMENT IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities”

in the currently valid version.

### Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance (“limited assurance engagement”) is substantially less in scope than an

independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting” section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

#### **Other information**

Management is responsible for the other information. The other information comprises all information included in the Annual Financial Report 2024 but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

#### **Responsibility of the management**

Management is responsible for the preparation of a non-financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 267a UGB, [including compliance with the ESRS,
- inclusion of disclosures in the [consolidated] non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

#### **Inherent limitations in the preparation of non-financial reporting**

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

#### **Responsibility of the auditor of the consolidated non-financial reporting**

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### **Procedures - Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

**Limitation of liability, publication and terms of engagement**

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at <https://ksw.or.at/berufsrecht/mandatsverhaeltnis/>). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting contained in section 4 section of the group management report and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

**Auditor responsible for the assurance engagement**

The auditor responsible for the assurance engagement of the non-financial reporting is Mag. Alexander Gall

Linz

May 27, 2025

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:  
Mag. Alexander Gall  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)

# 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.

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.

Wels, May 2025

The Executive Board of PIERER Mobility AG

A handwritten signature in blue ink, appearing to read 'G. Neumeister', with a stylized, flowing script.

Gottfried Neumeister (CEO)

A handwritten signature in blue ink, appearing to read 'Stefan Pierer', with a stylized, flowing script.

Stefan Pierer (Co-CEO)

# Glossary

ACEM	European Association of Motorcycle Manufacturers
AktG (Aktiengesetz)	Austrian Stock Corporation Act
Capital expenditures (CAPEX)	Additions to property, plant and equipment and intangible assets and investments in development projects (incl. tools) according to the schedule of investments, excluding right of use additions according to IFRS 16
cc	cubic centimeter
CCM	Code abbreviation in relation to the Taxonomy Regulation for: Climate Change Mitigation
CE	Code abbreviation in relation to the Taxonomy Regulation for: Transition to a Circular Economy
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO <sub>2</sub>	Chemical formula of carbon dioxide
CO <sub>2</sub> e	CO <sub>2</sub> -equivalent
CSRD	Corporate Sustainability Reporting Directive
D&O insurance	Directors' and Officers' liability insurance
DACH region	The countries Germany, Austria and Switzerland
DCG	Directive on Corporate Governance of the SIX Swiss Exchange
DNSH	Do Not Significantly Harm
Earnings per share	Result for the period attributable to equity holders of the parent / number of shares outstanding (weighted average)
EBIT	Earnings Before Interest and Tax: EBIT equals the operating income (loss) according to IFRS and is the operating income (loss) before financial result and income taxes
EBIT margin	EBIT / revenue
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization: EBIT + depreciation
EBITDA margin	EBITDA / revenue
EBT	Earnings Before Tax
€k // €m	Thousand euro // million euro
Equity ratio	Total equity / total assets
ESRS	European Sustainability Reporting Standards
FCF	Free Cash Flow
EURK	Thousand euro
Free cash flow	Cash flow from operations + cash flow from investing activity
Gearing	Net debt / total equity
GHG	Greenhouse Gas(es)
GRI	Global Reporting Initiative: a non-profit foundation that has developed standards for sustainability reporting
Group	PIERER Mobility Group
IASB	International Accounting Standards Board, an independent, private sector body that develops and approves IFRS.
IFRS	International Financial Reporting Standards
IRO	Impacts, Risks and Opportunities in the context of sustainability reporting
KTM	Kronreif-Trunkenpolz-Mattighofen
Net debt	Financial liabilities (current and non-current) - cash and cash equivalents
Note(s)	Note(s) to the consolidated financial statements 2024



ÖCGK (Österreichischer Corporate Governance Kodex)	Austrian Code of Corporate Governance
PG&A	Parts, Garments, and Accessories
pp	percentage point(s)
R&D	Research & Development
SIX Swiss Exchange	Swiss stock exchange
SPI	Swiss Performance Index, a stock index of the SIX Swiss Exchange
t	Metric ton (unit of weight)
UGB (Unternehmensgesetzbuch)	Austrian Commercial Code
Working capital employed	Inventories + trade receivables - trade payables


## CONTACT

Hans Lang and Melinda Busáné Bellér  
Investor Relations | Compliance | Sustainability  
E-mail: [ir@pierermobility.com](mailto:ir@pierermobility.com)  
Website: [www.pierermobility.com/en](http://www.pierermobility.com/en)

## DISCLAIMER

This report

- has been prepared with the greatest possible care and the correctness of the data has been checked. However, minor differences may occur in the addition of rounded amounts and percentages. There may also be typographical and other errors.
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In this report,  stands for KTM AG, which, as the owner of the KTM brand, manufactures and/or distributes motorcycles and motorcycle 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, the PIERER Mobility Group does not produce or distribute bicycles and bicycle accessories under the KTM brand, but under brands such as Husqvarna, GASGAS or Felt.

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