

# GROUP FIGURES

## KEY FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS <sup>1)</sup>		2017	2018	2019	2020	2021
Revenue	in m€	1,533.0	1,559.6	1,520.1	1,530.4	2,041.7
EBITDA	in m€	218.9	252.5	240.8	233.5	332.2
EBIT	in m€	132.5	161.2	131.7	107.2	193.5
EBITDA margin	in percent	14.3%	16.2%	15.8%	15.3%	16.3%
EBIT margin	in percent	8.6%	10.3%	8.7%	7.0%	9.5%

## OTHER FINANCIAL FIGURES:

EARNINGS RATIOS <sup>1)</sup>		2017	2018	2019	2020	2021
Earnings after taxes	in m€	83.9	114.2	95.7	69.5	142.9
Earnings after minorities	in m€	44.7	67.5	54.5	34.9	82.5

BALANCE SHEET RATIOS		12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Balance sheet total	in m€	1,465.2	1,353.9	1,613.9	1,686.0	2,033.7
Equity	in m€	528.6	550.8	618.6	654.1	765.6
Equity ratio	in percent	36.1%	40.7%	38.3%	38.8%	37.6%
Working capital employed <sup>2)</sup>	in m€	238.4	245.3	274.2	181.5	160.5
Net debt <sup>3)</sup>	in m€	375.0	323.3	395.8	312.4	189.9
Gearing <sup>4)</sup>	in percent	70.9%	58.7%	64.0%	47.8%	24.8%

CASH-FLOW AND CAPEX		2017	2018	2019	2020	2021
Cash flow from operating activities	in m€	161.3	85.5	257.4	312.8	367.4
Cash flow from investing activities	in m€	-154.0	-102.1	-165.7	-147.0	-195.1
Free cash flow <sup>5)</sup>	in m€	7.3	-16.7	91.6	165.8	172.2
Cash flow from financing activities	in m€	-118.0	-63.3	-20.6	-104.7	-27.6
Capital expenditure <sup>1) 6)</sup>	in m€	176.3	165.1	148.9	150.2	178.5

VALUE CREATION		12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
ROCE (Return on capital employed) <sup>7)</sup>	in percent	13.9%	16.6%	12.7%	9.7%	17.4%
ROE (Return on equity) <sup>8)</sup>	in percent	17.1%	21.2%	16.4%	10.9%	20.1%
ROIC (Return on invested capital) <sup>9)</sup>	in percent	10.4%	13.6%	10.6%	7.7%	13.0%

STOCK EXCHANGE RATIOS <sup>10)</sup>		12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Share price as of December 31; SIX Swiss Exchange <sup>11)</sup>	in CHF	7.39	60.60	54.00	71.10	94.00
Number of shares <sup>11)</sup>	in m shares	225.39	22.54	22.54	22.54	33.80
Market capitalization <sup>12)</sup>	in m CHF	1,665.61	1,365.84	1,217.09	1,602.50	3,176.87
Earnings per share <sup>13)</sup>	in €	1.98	2.99	2.42	1.56	3.34
Book value per share <sup>13) 14)</sup>	in €	23.45	24.44	27.45	29.02	22.65

## NON-FINANCIAL KEY PERFORMANCE INDICATORS:

		2017	2018	2019	2020	2021
Employees <sup>15)</sup>	Headcount	5,887	4,303	4,368	4,586	5,249
Unit sales motorcycles <sup>16)</sup>	Number of units	238,334	261,454	280,099	270,407	332,881
Unit sales e-bicycles	Number of units	-	-	-	56,064	76,916
Unit sales Powered Two-Wheelers (PTWs) <sup>17)</sup>	Number of units	238,334	261,454	280,099	326,471	409,797
Unit sales bicycles (without electric drive)	Number of units	-	-	-	17,213	25,837
Unit sales total: motorcycles and (e)-bicycles	Number of units	238,334	261,454	280,099	343,684	435,634

## OTHER NON-FINANCIAL FIGURES:

		2017	2018	2019	2020	2021
Production motorcycles worldwide <sup>18)</sup>	Number of units	243,442	259,051	260,564	265,321	323,931
Production motorcycles in Mattighofen <sup>19)</sup>	Number of units	151,645	171,297	160,098	140,252	178,992
t CO <sub>2</sub> -e per vehicle sold (Scope 1-3)	in t CO <sub>2</sub> -e	-	3.84	3.83	3.67	2.92
Fleet emissions motorcycles <sup>20)</sup>	Ø in g/km	-	81.82	79.09	78.67	79.36
Fleet emissions incl. e-bicycles	Ø in g/km	-	-	-	-	61.14
Fleet consumption	Ø in l/100 km	-	3.52	3.41	3.39	3.41
Employees in R&D as % of total employees	in percent	14.50	15.80	18.10	17.60	18.60
R&D expenses from revenue	in percent	8.30	8.70	9.10	9.00	8.00
Share of female employees	in percent	-	22.96	22.59	22.37	24.16

1) Previous years 2017 to 2018 also include the discontinued operation (Pankl-Group).

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

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

4) Gearing = net debt / equity

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

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

7) ROCE = EBIT / average capital employed

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

8) ROE = earnings after taxes / average equity

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

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

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

12) Calculation includes no treasury shares as of December 31st, 2021 (previous year 12/31/2020: 193,340 numbers)

13) Calculation in 2017 adjusted to the new number of shares after reverse stock split in a ratio 10:1

14) Equity / number of shares

15) Number of employees on the reporting day (including temporary staff); Previous year 2017 also includes the discontinued operation (Pankl-Group)

16) Including motorcycles sold by partner Bajaj

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

18) Including small-engine KTM and Husqvarna models produced by partner Bajaj in India; since 2020 including the number of units produced in Spain (2021: 2,532; 2020: 3,092)

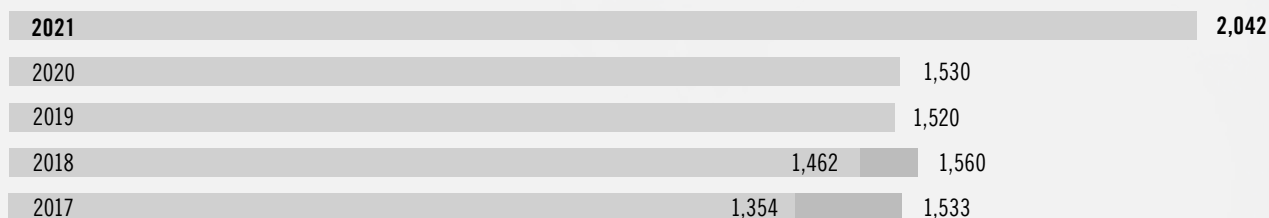
19) Annual production units at the headquarter in Austria

20) CO<sub>2</sub> fleet emissions increased by 0.69 g/km in the reporting year, due to the strong growth in sales of ICE models with medium and large displacements (> 500cc).

## Revenue

(in m€)

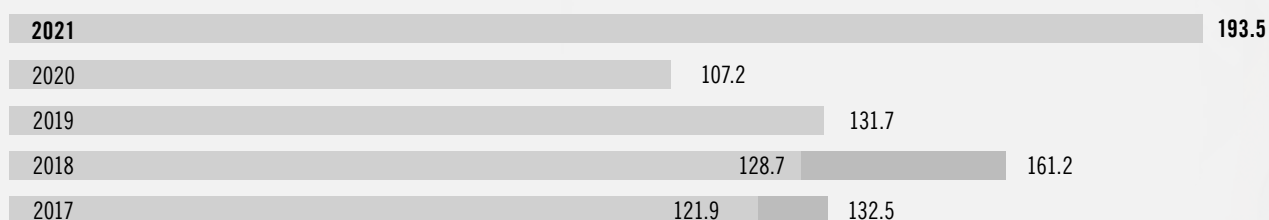
■ PIERER Mobility (continued operation)  
■ Pankl (discontinued operation)



## EBIT

(in m€)

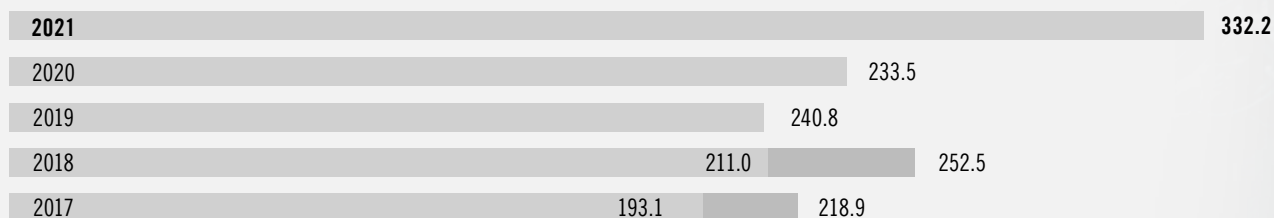
■ PIERER Mobility (continued operation)  
■ Pankl (discontinued operation)



## EBITDA

(in m€)

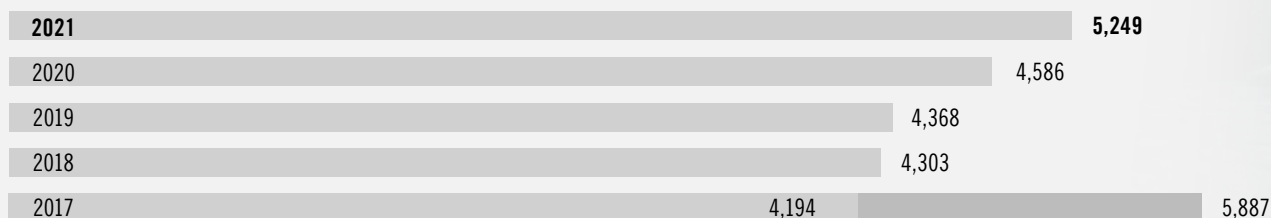
■ PIERER Mobility (continued operation)  
■ Pankl (discontinued operation)



## Employees

(number as of the reporting date)

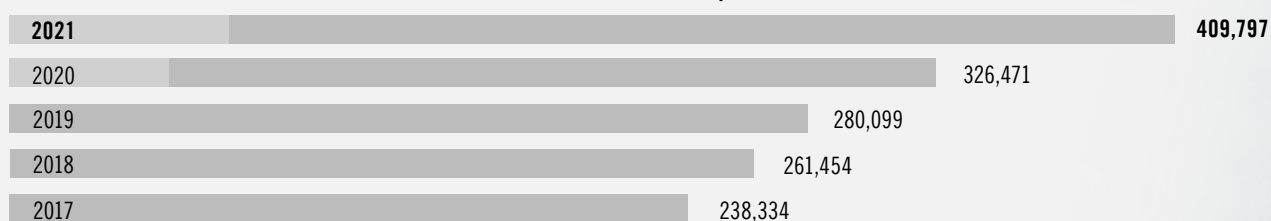
■ PIERER Mobility (continued operation)  
■ Pankl (discontinued operation)



## Sales PTWs

(units)

■ E-Bicycles  
■ Motorcycles





KTM RC 8C, MY22, Red Bull KTM Factory Racing Test Team  
© Rudi Schedl

# SUSTAINABILITY HIGHLIGHTS 2021 KEY FIGURES

**131 M€**

invested  
in product  
development

**61.14 G/KM**

fleet emissions <sup>1)</sup>

around

**2.3 M€**

invested in further  
education of employees

**8.4**

Lost Time Frequency

Injury Rate <sup>3)</sup>

**90%**

procurement volume  
within europe  
for series production

compliance cases,  
incidents with  
fine or penalty  
after recalls

**0**

**18.8 M€**

invested in  
alternative drive  
technologies

around

**124,000**

hours of further  
training of employees

**99.5%**

renewable energy  
share <sup>4)</sup>

1) Reduction in energy demand for products (motorcycles and e-bicycles: Ø Emission in g/km ; 2) Calculated from the units of motorcycles and e-bicycles sold (number of units).  
3) Rate excl. temporary workers; The LTIFR is the number of lost-time injuries (of at least one workday) per million hours worked, calculated using the formula:  $LTIFR = (\text{Number of lost-time injuries}) / (\text{Total hours worked in accounting period}) \times 1,000,000$ . 4) Electricity and district heating at the main company and production sites of KTM AG, KTM Technologies GmbH, PIERER Mobility AG; 5) t-CO<sub>2</sub>-e compared to the previous year, based on Scope 1 + 2 emissions "location based"

**18.4%**

unit sales

electrified

two-wheelers <sup>2)</sup>

**24.2%**

female

share

**-22.0%**

emissions

per vehicle sold <sup>5)</sup>



# KEY SUSTAINABILITY GOALS 2022 AND BEYOND

- Electrification of the car fleet - target 20%.
- Focus on the use of reusable packaging. Increase the reusable quota to 25%.
- Implement an ESG platform for supplier evaluation with regard to social and environmental criteria. Increase the share of verified series suppliers to 80%.
- Installation of further photovoltaic systems (logistics center 2, component production).
- Attract more women to technical professions and increase the proportion of female employees, especially in production.
- Continuous expansion of training and further education offers (KTM\_academy).
- Reduce the amount of residual waste by 10% in the coming years.
- Technology openness of the drive concepts.
- At least three electric platforms with several products will be introduced by 2024.
- From 2024, „blended fuels“ will be used in MotoGP (regular fuel with e-fuel added), and from 2027, motorsport will be run exclusively on e-fuels.
- By 2030, at least a third of the Group's sales will be generated with electrified two-wheelers.





# CONTENTS

GROUP FIGURES.....	2
SUSTAINABILITY HIGHLIGHTS 2021 KEY FIGURES .....	6
KEY SUSTAINABILITY GOALS 2022 AND BEYOND .....	8
DNA PIERER MOBILITY.....	10
GROUP STRUCTURE .....	11
FOREWORD FROM THE EXECUTIVE BOARD .....	12
BODIES OF THE COMPANY .....	16
REPORT OF THE SUPERVISORY BOARD .....	17
KTM.....	22
HUSQVARNA MOTORCYCLES .....	29
GASGAS.....	34
WP SUSPENSION .....	38
RESEARCH & DEVELOPMENT.....	41
PIERER INNOVATION.....	46
PIERER E-BIKES.....	50
KTM TECHNOLOGIES .....	52
EMPLOYEES AS A SUCCESS FACTOR .....	54
SUSTAINABILITY AT THE CENTER .....	58
SHARE & INVESTOR RELATIONS.....	60
CORPORATE GOVERNANCE REPORT 2021 (ÖCGK) .....	64
CORPORATE GOVERNANCE (DCG) OF THE SIX SWISS EXCHANGE.....	74
MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS .....	95
CONSOLIDATED FINANCIAL STATEMENTS .....	119
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	129
AUDITOR'S REPORT.....	194
STATEMENT BY THE EXECUTIVE BOARD.....	198
FINANCIAL CALENDAR .....	199

# DNA

PIERER MOBILITY

## CONTINUED GROWTH

~16% sales unit CAGR since 1992 resulting in EUR 2,042 million revenue in 2021.

## PREMIUM BRANDS

Strong brands secure sustainable profitability & market presence.  
Product leadership driving gains in market share.

## STRONG FOCUS ON RETURNS

EBITDA-Margin > 15% and strong Free-Cash-Flow generation.

## PIONEER IN POWERED TWO-WHEELER (PTW) ELECTRIFICATION

## E-MOBILITY SALES

EUR 181 million in 2021 ~ 60% Sales CAGR since 2019.

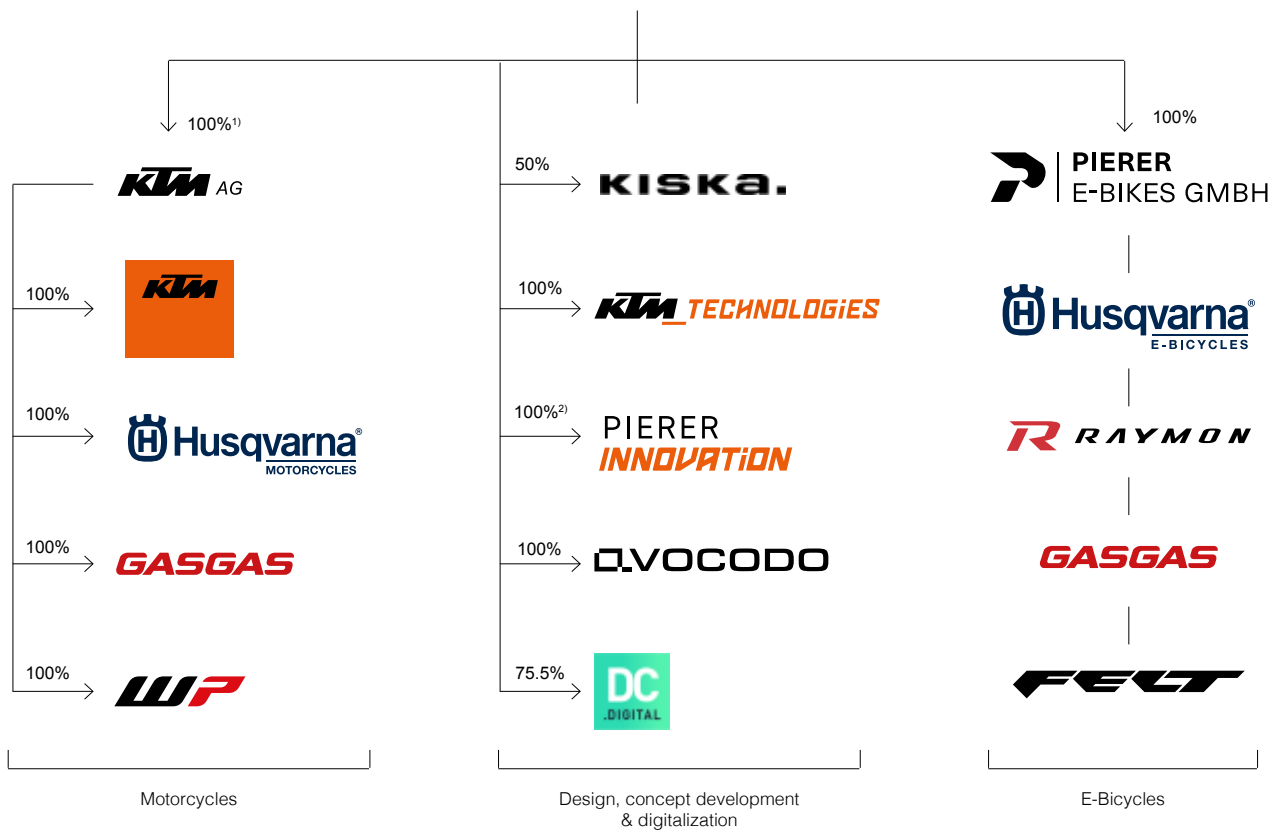
## HIGH INNOVATION RATE

Research and Development expenses are around 8 - 9% of revenues.



# GROUP STRUCTURE

SIMPLIFIED PRESENTATION AS OF DECEMBER 31, 2021



Other shareholdings: ACStyria Mobilitätscluster GmbH 12.3%; Platin 1483. GmbH 100%  
 1) Incl. squeeze-out in 2022 shareholding of 100%; as of Dec. 31, 2021 99.75%.  
 2) Formerly KTM Innovation GmbH, renamed in January 2022



# FOREWORD FROM THE EXECUTIVE BOARD

The PIERER Mobility Group can look back on a new record-breaking year in 2021. The main challenges for the successful continuation of our growth trajectory were the unstable international supply chains, securing the required production capacities as flexibly as possible and minimizing the risks arising from the COVID-19 PANDEMIC for the employees. In 2021, thanks to the high market demand for Powered Two-Wheelers (PTWs) and active management of the challenges outlined above, the PIERER Mobility Group achieved record growth in both sales and earnings despite the challenging situation.

With 332,881 motorcycles sold under the KTM, Husqvarna and GASGAS brands (previous year: 270,407), PIERER Mobility increased its sales by 23% in the 2021 financial year. This was driven by the high global demand for motorcycles. In Europe, unit sales were around 120,000 motorcycles and around two-thirds of the motorcycles (around 210,000) were sold in markets outside Europe, in particular in North America, India and Australia. In addition, the Bicycle Division with its Husqvarna, R Raymon and GASGAS brands achieved sales growth of more than 40%, selling 102,753 bicycles (previous year: 73,277) of which 76,916 were e-bicycles (previous year: 56,064).

The completion of the simplification of the ownership structure between the Pierer Group and the Indian Bajaj Group in Q4 2021 should be seen as an important milestone for the company. As planned, in a first step the Bajaj Group contributed a 46.5% share package in the operating subsidiary KTM AG to Pierer Bajaj AG, the majority shareholder of PIERER Mobility AG held by the Pierer Group. In return, Bajaj received a 49.9% stake in Pierer Bajaj AG. In a second step, this 46.5% KTM share package now held by Pierer Bajaj AG was contributed to PIERER Mobility AG as part of an almost 50% capital increase through contributions in kind. 11,257,861 new shares were issued in the process. This capital increase through contributions in kind from the authorized capital amounting to € 895 million, corresponding to exactly 49.9% of the existing share capital, was carried out with exclusion of subscription rights. Only Pierer Bajaj AG was admitted to subscribe.

As a result of this “uplifting project” including the capital increase, PIERER Mobility's stake in the operating KTM AG (after acquisition of the remaining approximately 1.5% KTM AG shares held by Bajaj) increased to 99.8% (previous year: 51.7%). In 2022, the remaining 0.2% will be transferred to the main shareholder PIERER Mobility AG in return for an appropriate cash settlement (squeeze-out). This means a clear structure will be created in the PIERER Mobility Group on a sustainable basis and, in the process, the minority interests (“Minorities”) will be reduced to a negligible level.

In the 2021 financial year, the bundling of the operating activities of the Bicycle Division was successfully completed in PIERER E-Bikes GmbH. An important highlight was the acquisition of the US brand “FELT” in November. FELT Bicycles was founded in 1991 in California, USA, and is known for manufacturing high-performance road, triathlon, track, cyclocross and gravel bikes. FELT bikes have been ridden to stage wins in Grand Tours and earned record-breaking triathlon world championship titles, Olympic gold medals and world championship titles on a variety of different terrains. The process of integrating the FELT brand into PIERER E-Bikes GmbH has already begun.

It is also worth noting the major successes in motorcycle racing in 2021. A total of 21 world championship titles were won under the three KTM, Husqvarna and GasGas brands in both road and off-road racing. Jeffrey Herlings secured the MX GP world championship crown riding a KTM bike, Coober Webb (also KTM) was crowned Supercross Champion and Billy Bolt (Husqvarna) won the Hard Enduro Series, to name just a few. In road racing, two KTM riders triumphed in Moto2™, Remy Gardner ahead of his teammate Raul Fernandez, both of whom are also moving up to MotoGP™ in 2022. In January 2022, Sam Sunderland won the prestigious Dakar Rally for the group riding GASGAS. Matthias Walkner, the reigning Cross Country Rallies World Champion, claimed the second podium spot, finishing third in the standings.

## BUSINESS PERFORMANCE

Despite experiencing supreme challenges in the supply chain, the PIERER Mobility Group improved its revenue in the 2021 financial year by around 1/3 and achieved record sales of € 2,042 million (previous year: € 1,530 million). The group increased EBIT by around 80% to € 193.5 million (previous year: € 107.2 million), which equates to an EBIT margin of 9.5%. The earnings before interest, taxes, depreciation and amortization (EBITDA) of € 332.2 million are around € 100 million higher than the previous year's figure of € 233.5 million. The EBITDA margin is 16.3%. Due to the excellent result and the low working capital level, a strong free cash flow of € 172.2 million was generated, equating to 8.4% of revenue. Accordingly, the key financial ratios improved, including the net debt by around € 120 million to around € 190 million with a gearing ratio of 24.8% (previous year: 47.8%). The equity ratio as at the reporting date was 37.6%.

With 249,290 KTM motorcycles, 60,801 HUSQVARNA motorcycles and 22,790 GASGAS motorcycles sold in the 2021 financial year, the Group sold a total of 332,881 motorcycles (+ 23% year-on-year) and thus consolidated its presence in the key motorcycle sales markets with its three motorcycle brands. In the European sales regions, unit sales were around 120,000 motorcycles (+23%). Significant growth was also recorded by the North American sales subsidiary with just under 66,000 motorcycles sold (+25%), and in Australia unit sales increased by 26% to approximately 21,000. The strongest growth potential was seen in South America (+62%) with 32,500 and in Asia (+56%) with 30,000 motorcycles sold.

A similar picture to wholesale is also reflected in the international retail market environment, where the European motorcycle market grew by approximately 8% to 740,000 units. The market share of all three brands was therefore 11.5% in 2021. Both the U.S. and Australian markets also performed positively, each recording significant double-digit market share figures of 11.3% and 19.7%, respectively. The Indian motorcycle market as a whole is on a slight upswing (+2%). Bajaj sold 60,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 7%.

In 2021, all three motorcycle brands made a clear statement with innovative upgrades and new models, both in the on-road and off-road segments. Both the new-generation KTM 1290 SUPER ADVENTURE R and the KTM 1290 SUPER ADVENTURE S set the benchmark in the large travel enduro segment. The 890 DUKE completes KTM's naked bike range, providing a direct successor to the extremely popular 790 DUKE. Numerous upgrades and further developments of the Motocross bikes and Enduros offer off-road enthusiasts the biggest and most attractive product range which directly incorporates the know-how gained from successfully competing in motorsport. With the reintroduction of the 450 SMR, KTM is now also offering a Super Moto Competition again. At Husqvarna, the focus at the end of 2021 was on the market launch of the NORDEN 901, which was first unveiled as a concept bike in 2019. This will expand Husqvarna's offering in the road segment and provide an outstanding adventure touring motorcycle. With the SVARTPILEN 125, Husqvarna is expanding the range of naked bikes and offering young riders a perfect model for entering the

world of Husqvarna road bikes. GASGAS Motorcycles confirmed the global availability of the latest MY 2022 TXT RACING and TXT GP trial models, and also expanded its dirt bike range to include the small-wheeled MC 85, two-stroke MC 250 and four-stroke MC 350F.

With 76,916 e-bicycles (+37%) and 25,837 non-e-bicycles (+50%), the Bicycle Division was able to achieve sales growth with the HUSQVARNA, R RAYMON and GASGAS brands of more than 40% in total and has already sold 102,753 bikes. Around 76% of sales were in the DACH region.

In the Bicycle Division, activities in 2021 focused on establishing the three Husqvarna E-Bicycles, R Raymon and GASGAS brands, as well as on further technical development and enhancing the quality of the product range. This segment will also be expanded with the FELT brand from 2022. R Raymon offers both bikes and e-bikes for different target groups: from children's bikes to racing bikes, from city e-bikes to sporty e-MTBs. Husqvarna's product range now covers the entire spectrum of e-mobility. GASGAS bikes were officially launched in April 2021. The Spanish own brand opened a new chapter in the field of e-mobility and now intends to give even more off-road enthusiasts the opportunity to share in the fun of off-road riding. With the four brands now established and the product range now even more broadly diversified, it will be possible to cater for this highly differentiated market in an optimum way.

## EMPLOYEES

In the past financial year, the number of employees was increased by 663. As of December 31, 2021, the PIERER Mobility Group employed a total of 5,249 people; 4,340 of them in Austria. Approximately 1,000 employees work in the area of research & development (equates to ~ 19% of the workforce). The proportion of female employees is now around 24% with an overall average age of 36 in the Group. There are currently around 200 apprentices undergoing training. In order to further enhance employee training, around € 2.5 million was invested in the company's own apprentice workshop.

## INVESTMENTS

In the 2021 financial year, around € 203.1 million including leasing (IFRS 16) was invested in further growth, of which around € 131.1 million was invested in product development & tools, € 47.4 million in plant & infrastructure, and € 24.6 million in leasing projects. Despite the COVID-19 PANDEMIC, investments in the (further) development of existing and new models and in electric mobility have top priority. Expenditure on investments in research and development will therefore remain at the already high level of previous years on a sustained basis and this represents one of the key factors for the Group's success. The research-spending ratio is in the range of 8 to 9% of revenue.

PIERER Mobility AG took further steps in the development of electric mobility in 2021. KTM participates in a consortium for motorcycles with swappable batteries with Honda Motor, Piaggio Group and Yamaha Motor for motorcycles and light electric vehicles. PIERER Mobility AG is moving

full speed ahead with its vision to become the world leader in the field of electrically powered two-wheelers (PTW). Focusing on the power range from 250 W to 11 kW, the Group is taking the next steps to intensify research & development (R&D) in the field of electric mobility. The investment volume for the 7,780 m<sup>2</sup> e-mobility center of expertise is EUR 20 million. This state-of-the-art facility can accommodate 150 employees and is located right next to Europe's largest independent industrial designer KISKA Designstudio, in Anif near Salzburg/Austria.

The biggest infrastructure investments in 2021 involved the expansion of the logistics center at the Munderfing site (scheduled for completion in 2022) and the expansion of the new GASGAS production site in Terrassa, Spain.

### STRATEGIC PARTNERSHIPS

As a pioneer in the electrification of motorized two-wheelers, the PIERER Mobility Group already generated sales revenues of around € 181 million (+55%) with electrically powered two-wheelers (e-motorcycles and e-bicycles) in 2021. In this context, the two strategic partnerships in the field of e-mobility which were entered into in 2021 with Bajaj on the one hand and VARTA on the other hand should be highlighted.

PIERER Mobility AG and Bajaj Auto Limited, India's second largest motorcycle manufacturer, have now consolidated their 15-year strategic partnership in the international motorcycle industry to include the development of electric products in the two-wheeler sector. This is in order to meet the growing demand for innovative e-mobility concepts. Both companies are exploring common themes, such as the zero-emission exhaust system, low maintenance and durability of light electric vehicles in urban environments and metropolitan areas. This strategy also includes an open approach to different battery solutions to make use of both integrated and removable batteries.

Another strategic cooperation for the development of high-efficiency battery systems in the electric two-wheeler sector was agreed in March 2021 by PIERER Mobility AG and VARTA AG, the leading European manufacturer of Li-ion cells and a global innovation and technology leader. VARTA and KTM are keen to send a strong signal both within and from Europe with highly efficient battery systems. The objective is to cooperate in the areas of research, development, production, marketing and sales as well as in the area of take-back, recycling and the 2<sup>nd</sup> life of batteries. The cooperation partners see great potential for the development of a platform battery for lightweight electric vehicles in the 48 volt range with peak performances of up to around 20 kW.

To expand the bicycle and e-bike production capacity, in 2021 a 50:50 joint venture was established with MAXCOM Ltd. for e-bike production in Plovdiv. A state-of-the-art e-bike production and assembly facility is being built over an area of 130,000 m<sup>2</sup>. International suppliers will also be given the opportunity to locate themselves at the site. Commissioning is scheduled for the second half of 2023. The annual production capacity will be around 350,000 units. PIERER Mobility AG is contributing all of its vehicle development and production expertise to the joint venture.

MAXCOM Ltd. is one of the largest bicycle manufacturers in Eastern Europe and a member of the MAXEUROPE Group in Bulgaria. Maxcom already produces R RAYMON bicycles for PIERER E-Bikes GmbH, and increasingly also Husqvarna E-Bicycles.

CFMOTO should also be mentioned as another important joint venture partner. The deeper cooperation with partner CFMOTO to establish an additional production facility and supply chain in China has started successfully with the assembly of around 10,000 mid-range motorcycles in 2021. At the joint venture factory in Hangzhou, the 790 cc twin-cylinder platform will be used to create a model family for new, affordable mid-range Duke and Adventure models. Around 25,000 motorcycles are set to be produced in 2022.

### OUTLOOK

For the 2022 financial year, the Executive Board anticipates renewed growth with earnings within the long-term range. However, challenges in the international supply chains must continue to be expected in 2022, as capacity and supply bottlenecks at individual suppliers and in international transport logistics may lead to delays with deliveries. Wide-ranging measures in the area of supply chain management and a high degree of flexibility in production planning are aimed at identifying and minimizing negative effects in good time. The expected challenges and their consequences are to be mitigated by the supplier risk assessment, which was revised last year, as well as the program implemented to provide advance warning of global events that directly or indirectly affect the supply chain. On the sales side, PIERER Mobility continues to view the market as consistently positive. Growth is expected to be driven primarily by the continued high global demand and the megatrend toward two-wheelers as well as increasing numbers of electric vehicles, especially in urban areas.

In line with the strategic objective of contributing to emissions reduction and neutrality, the focus of development work in the years to come will increasingly be on alternative drive systems in the range up to 15 kW. In the range above this, efforts will focus on the technological advancement of conventional forms of propulsion with synthetic fuels for avoiding CO<sub>2</sub>. The main goal is to fully exploit the innovation and development potential in the area of electric mobility and to help shape the growing market and secure market share with e-fuel-powered combustion engines as a global player with strong brands. At least three electric platforms with multiple products will be introduced by 2024.

While the focus in 2021 in the Bicycle Division was primarily on broadening the establishment of the Husqvarna E-Bicycles and R RAYMON brands in European markets and expanding the network of dealers in the core markets of Germany, Austria and Switzerland (DACH), the acquisition of the FELT brand opens up a new range of product, sales and development opportunities. This is because, with FELT, the existing range of bicycles has been expanded to include the racing segment in particular – a special, new appeal. In conjunction with the existing e-bike products, this creates a comprehensive product mix.

In line with the strategic goals from 2020, a stronger opening as well as positioning on the North American market is provided through FELT for all bicycle products. In addition to the DACH region, the North American market offers enormous growth and sales potential for the sale of e-bicycles. In addition, further expansion stages are to focus on the overseas market of Australia as well as Southern Europe. The dynamic growth trajectory will also be further advanced by adding the GASGAS brand to the e-bicycle product range and expanding e-bicycle sales in the existing motorcycle trade.

In the 2022 financial year, the PIERER Mobility Group will continue to focus on growth in all core areas, both motorcycles and (e-)bicycles, despite the challenges that exist in the supply chain. The Executive Board anticipates revenue growth of between 6% and 10% (2021 financial year: EUR 2,041.7 million) with an EBIT margin of 8 to 10% and an EBITDA margin of between 15 and 17%.

In addition, PIERER Mobility AG lists its shares in the official trading (prime market segment) of the Vienna Stock Exchange. The admission to trading on the prime market, the top segment of the Vienna Stock Exchange, took place on March 1, 2022.

Wels, March 2022



Stefan Pierer  
Chairman of the Executive Board



# BODIES OF THE COMPANY

## EXECUTIVE BOARD



**Stefan Pierer** CEO  
Appointed until December 31, 2023



**Friedrich Roithner** CFO  
Appointed until December 31, 2023



**Hubert Trunkenpolz**  
Appointed until December 31, 2023



**Viktor Sigl**  
Appointed until December 31, 2023

## SUPERVISORY BOARD

**Josef Blazicek**  
Chairman of the Supervisory Board

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

**Ernst Chalupsky**  
Deputy Chairman of the Supervisory Board

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

**Alfred Hörtenhuber**  
Member of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2022 financial year

**Klaus Rinnerberger**  
Member of the Supervisory Board

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



# REPORT OF THE SUPERVISORY BOARD



Dear Shareholders,

The second year of the pandemic year was also full of challenges, and international supply chains were affected by instability and delays in some places. Despite these difficulties, the PIERER Mobility Group can reflect on another record-breaking year and managed to improve its revenue by around 1/3 with an EBIT increase of around 80% in the 2021 financial year. Driven by the high global demand for motorcycles, a 23% increase in sales (KTM, Husqvarna, GASGAS) was achieved. In addition, the Bicycle Division sold over 100,000 (e-)bicycles (Husqvarna, R Raymon, GASGAS) – an increase of more than 40%. In the 2021 financial year, the PIERER Mobility Group was able to reaffirm the excellent vehicle registration figures of the previous year and maintain global registrations at a high level. The market environment of the motorcycle market rose by approx. 9% compared to 2020. The overall Indian motorcycle market, which was hit hard by the COVID crisis, is on a slight upswing (+2%). The completion of the simplification of the ownership structure between the Pierer Group and the Indian Bajaj Group in Q4 2021 was an important milestone for the company. The major successes achieved in motorcycle racing also deserve special mention. Under the three KTM, Husqvarna, and GASGAS brands, 21 world championship titles were won in both road and off-road racing. In January 2022, Sam Sunderland won the illustrious Dakar Rally riding a GASGAS motorcycle. Matthias Walkner, the reigning Cross Country Rallies World Champion, claimed the second podium spot, finishing third in the standings. An important highlight was the acquisition of the US brand “FELT” in November.

## SUPERVISORY AND ADVISORY ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board of PIERER Mobility AG performed the duties incumbent upon it under Austrian law, the Articles of Association and the Rules of Procedure, was involved in fundamental decisions at an early stage and advised the Executive Board. Within the context of its regular reporting to the Chairman of the Supervisory Board, and on the basis of comprehensive reports submitted in all meetings, the Executive Board of PIERER Mobility AG regularly informed the Supervisory Board of the present business and financial situation, the course of business and the position of the company including its Group companies during the 2021 financial year. Individual areas were dealt with in greater depth in the committees set up by the Supervisory Board, which in turn reported on their activities to the full Supervisory Board.

Furthermore, after careful review and consultation, the Supervisory Board approved many of the business transactions that were subject to its approval. In addition to financial and investment planning, these included cooperation projects, significant equity measures in Group companies, and the conclusion of contracts of particular importance to the company.

The simplification of the ownership structure between the Pierer Group and the Indian Bajaj Group was successfully implemented in the 4th quarter of 2021. As planned, in a first step the Bajaj Group contributed a 46.5% share package in the operating subsidiary KTM AG to Pierer Bajaj AG, the majority shareholder of PIERER Mobility AG held by the Pierer Group. In return, Bajaj received a 49.9% stake in Pierer Bajaj AG. In a second step, this 46.5% KTM share package now held by Pierer Bajaj AG was contributed to PIERER Mobility AG as part of an almost 50% capital increase through contributions in kind. 11,257,861 new shares were issued in the process. This capital increase through contributions in kind from the authorized capital amounting to € 895 million, corresponding to exactly 49.9% of the existing share capital, was carried out with exclusion of subscription rights. Only Pierer Bajaj AG was admitted to subscribe. As a result of this “uplifting project” including the capital increase, PIERER Mobility's stake in the operating KTM AG (after acquisition of the remaining approximately 1.5% KTM AG shares held by Bajaj) increased to 99.8% (previous year: 51.7%).

The Executive Board informed the Supervisory Board about a large number of other measures and business transactions and discussed with them in great detail and depth, for example the impact of the COVID-19 pandemic on the company and the countermeasures taken. There was no cause for additional audit measures by the Supervisory Board.

In 2021, all three motorcycle brands made a clear statement with innovative upgrades and new models, both in the on-road and off-road segments. In the Bicycle Division, activities in 2021 focused on establishing the three Husqvarna E-Bicycles, R Raymon and GasGas brands, as well as on further technical development and enhancing the quality of the product range. This segment will also be expanded with the FELT brand from 2022. In this context, the two strategic partnerships entered into in 2021 in the area of e-mobility firstly with Bajaj and secondly with VARTA, the leading European manufacturer of lithium-ion cells

and a global innovation and technology leader, should be highlighted. PIERER Mobility AG and Bajaj Auto Limited, India's second largest motorcycle manufacturer, have now consolidated their 15-year strategic partnership in the international motorcycle industry to include the development of electric products in the two-wheeler sector. This is in order to meet the growing demand for innovative e-mobility concepts. To expand the bicycle and e-bike production capacity, in 2021 a 50:50 joint venture was established with MAXCOM Ltd. for e-bike production in Plovdiv. CFMOTO should also be mentioned as another important joint venture partner. The deeper cooperation with partner CFMOTO to establish an additional production facility and supply chain in China has started successfully with the assembly of around 10,000 mid-range motorcycles in 2021.

On March 1st 2022, trading also commenced in official trading (segment: Prime Market) of the Vienna Stock Exchange, which means that the shares of PIERER Mobility AG are listed in the top segment of the Vienna Stock Exchange. This step is intended to satisfy the great level of interest among investors in Austria and abroad. In the 2021 financial year, all existing 193,340 treasury shares were sold to institutional investors.

#### WORKING CULTURE AND FOCUS OF THE SUPERVISORY BOARD MEETINGS

The Supervisory Board held seven meetings in the reporting year, some of which were conducted by telephone or video conference due to the pandemic. In addition, there were further coordination discussions by telephone and resolutions passed by electronic, telephone, or written means. Attendance by members was again at a very high level, as can be seen in the detailed overview at the end of this report. The Supervisory Board's work was characterized by an open and intensive exchange of views. At the meetings of the Supervisory Board, its members discussed the measures and transactions to be decided upon in detail with the Executive Board. The members of the Supervisory Board regularly prepared for upcoming resolutions on the basis of documents provided by the Executive Board.

In its meetings, the Supervisory Board regularly monitored the work of the Executive Board, was informed by the Executive Board about projects and the course of business and business planning - including non-financial performance indicators, and also advised the Executive Board on key strategic decisions. The Supervisory Board also dealt with the corporate governance of the company and compliance management. In the 2021 financial year, the Code of Conduct of the PIERER Mobility Group was also revised and published in the new version dated September 1, 2021. Other focal points of the Supervisory Board's activities included dealing with new legislation, the legal framework and new, pioneering technologies. Outside of the regular meetings, the Supervisory Board was notified about special events. In addition, the members of the Supervisory Board and the Executive Board held bilateral meetings to exchange views. The Executive Board also informed the Supervisory Board about the most important indicators of business development and existing risks by providing verbal reports.

At its first meeting on **February 24, 2021**, the Supervisory Board adopted the budget for the 2021 financial year. In line with the 2021 draft budget which was submitted in December 2020, this was assessed again and the 2021 budget was determined on the basis of the business development in the first two months of 2021 and the estimate for the 2021 financial year. The new medium-term planning was also presented to the Supervisory Board. Furthermore, a (virtual) Extraordinary General Meeting was held on February 26, 2021 and addressed and resolved on the amendment of the Articles of Association in Section 8 and the supplement to the Articles of Association by adding Section 17 relating to an opting-out clause in accordance with Swiss takeover law.

In the meeting on **March 23, 2021**, the Supervisory Board dealt primarily with the discussion and resolution on the audit and adoption of the 2020 annual financial statements, the 2020 management report, and the audit of the 2020 consolidated financial statements, the 2020 consolidated management report, the corporate governance report and the sustainability report (non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB)). Furthermore, the Supervisory Board dealt with the agenda and the proposed resolutions, as well as the COVID measures for the Annual General Meeting.

Out of a total of 238 reports (online and print version) examined in the Swiss Annual Report Rating 2021, PIERER Mobility AG was among the top 20 best-rated companies and came fifth in the "Value Reporting" category. The Swiss Annual Report Rating evaluates annual reports of those companies that are represented in the Swiss Performance Index SPI on the SIX Swiss Exchange, as well as the fifty Swiss companies that generate the highest revenue.

The meeting on **May 28, 2021** focused on the course of business over the first four months of 2021, the reports of the group companies, and the financial status. Furthermore, the status of the "Uplifting Bajaj" project and the sale of treasury shares was reported. The Supervisory Board meeting on **August 26, 2021** focused on the 2021 half-year report, the status report on the "Uplifting Bajaj" project, and the revenue forecast for 2021. Due to the continued positive global demand for motorized two-wheelers (motorcycles and e-bicycles), the Executive Board announced on August 26, 2021 that it would again raise the revenue forecast for the 2021 financial year which was published in April 2021. At the meeting on **September 29, 2021**, the Supervisory Board was notified of a current interim assessment of the KTM AG Group, which provides the auditors with a basis for the planned contribution. The Supervisory Board meeting held on **October 19, 2021** dealt with the resolution on the approval of the utilization of the authorized capital and the implementation of the capital increase in return for a contribution in kind as part of the "Uplifting Bajaj" project as well as the resolution on the amendment of the Articles of Association as a result of the utilization of the authorized capital. The last meeting of the 2021 reporting year took place on **December 17, 2021** and dealt with the course of business after eleven months and the outlook for the 2021 financial year as a whole. The Group companies and the financial status were also reported on at this meeting. Furthermore, the budget for 2022 was

presented, discussed and approved. The earnings forecast for the current 2022 financial year of the Pierer Mobility AG Group was published on January 31, 2022.

With regard to the attendance of the Supervisory Board members at the meetings, it is noted that only one Supervisory Board member was excused from one Supervisory Board meeting; all members of the Supervisory Board were present at the other six Supervisory Board meetings. Due to the COVID situation, additional face-to-face meetings were not held in some cases, and resolutions were also discussed by telephone and passed by circular.

In the 2021 financial year, the Supervisory Board addressed the efficiency of its activities, in particular its organization and working method, and carried out a **self-evaluation** within the meaning of C Rule 36 of the Austrian Code of Corporate Governance (ÖCGK).

#### AUDIT COMMITTEE

The Audit Committee monitors in particular the accounting process, the effectiveness of the internal control system and the risk management system, as well as the final audit of the financial statements, the independence and qualification of the auditor and their services, including the commissioning of additional non-audit services. The Audit Committee consisted of three members in the 2021 financial year. The committee was chaired by Supervisory Board member Klaus Rinnerberger (financial expert). In addition, in the 2021 reporting year the Audit Committee included the Chairman of the Supervisory Board Josef Blazicek and the Deputy Chairman of the Supervisory Board Ernst Chalupsky. The Audit Committee held two meetings in the year under review. The Audit Committee dealt in detail with individual specialized issues and subsequently reported its findings to the Supervisory Board. Moreover, during the year the Audit Committee was in continuous dialog with the Executive Board and the auditor with regard to the significant topics of the annual and consolidated financial statements. In particular, discussions on the status and on important issues in the final audit were held with the auditor. The meeting in **March 2021** focused on the in-depth discussion of all topics in connection with the 2020 annual financial statements and consolidated financial statements. In addition, the appointment of the auditor for the 2021 annual financial statements and consolidated financial statements was initiated and submitted by the Supervisory Board – based on the recommendation of the Audit Committee – to the Annual General Meeting on April 29, 2021 as a proposal to be voted on. At the meeting in **December 2021**, the auditor provided an overview of the planned process and the focal points of the audit for the 2021 financial year. Furthermore, the provision of the non-audit services of the auditor and its network in the 2022 financial year up to an amount limit was approved in accordance with the Audit Law Amendment Act 2016 and Regulation EU/537/2014.

Furthermore, the Chairman of the Supervisory Board as well as the Chairman of the Audit Committee participated in the final meeting to discuss the audit of the annual and consolidated financial statements as of December 31, 2021 with the auditor.

A **Remuneration Committee** of PIERER Mobility AG was established at the meeting of the Supervisory Board of PIERER Mobility AG on December 20, 2021, and therefore held its inaugural meeting in the 2021 financial year. As the Supervisory Board consists of no more than six members, the tasks of the Nomination Committee are performed by the entire Supervisory Board.

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

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, (“KPMG”) was appointed by the Annual General Meeting of PIERER Mobility AG on April 29, 2021 as auditor of the financial statements and consolidated financial statements for the 2021 financial year. The Chairman of the Supervisory Board commissioned KPMG to conduct the audit. The annual financial statements and the management report for the 2021 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, together with the consolidated financial statements and the consolidated management report for the 2021 financial year. The audit did not give rise to any objections and the annual and consolidated financial statements for the 2021 financial year were granted an unqualified audit opinion.

The auditor confirmed that the company's annual financial statements as at December 31, 2021 are consistent with applicable laws, that they give a true and fair view in all material aspects of the net asset and financial position as at December 31, 2021, that the company's earnings position for the financial year ending on this reporting date is in accordance with the regulations under Austrian company law, and that the management report is consistent with the annual financial statements.

Furthermore, the auditor also certified that the consolidated financial statements are consistent with applicable laws and give a true and fair view in all material respects of the Group's net assets and financial position as at December 31, 2021, as well as of the earnings position and cash flows for the financial year ended in accordance with the International Financial Reporting Standards (IFRS), and that the consolidated management report is consistent with the consolidated financial statements.

The documents relating to the financial statements and the auditor's reports (including the “Supplementary Report to the Audit Committee on the audit of the annual financial statements in accordance with Art. 11 of EU Regulation No. 537/2014 as at December 31st 2021”) were discussed in detail with the auditors in the Audit Committee in the meeting held on March 22, 2022 and subsequently presented to the Supervisory Board pursuant to Section 96 (1) of the Austrian Stock Corporation Act (AktG) together with the management reports drawn up by the Executive Board, the corporate governance report and the sustainability report (non-financial report). The auditor reported on the results of its audit to the Audit Committee meeting. Its explanations, in particular on the net assets, financial position and earnings position of the company and the Group, were discussed in detail. All questions from the Audit Committee were answered. In addition, the Audit Committee was able to satisfy itself that there were no circumstances of bias on the part of the auditor. The Audit

Committee also exchanged information on other services provided by KPMG outside the scope of the final audit. The Audit Committee discussed and reviewed the summarized “non-financial report”. All questions relating to this were answered by the Executive Board. In addition, an independent limited assurance engagement on the consolidated non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB) was performed by KPMG again in the last financial year.

The **Audit Committee** stated in its report to the Supervisory Board that it agreed with the result from the auditor, and, following its audit of the annual financial statements and management report, together with the consolidated financial statements, the consolidated management report, the corporate governance report and the sustainability report for the 2021 financial year, it concluded that the documents submitted for auditing are correct and in compliance with the law, that the Executive Board’s decisions regarding accounting policy are cost-effective and appropriate, and there is no reason for any objections. In the 2022 financial year, risk reporting and reporting on CSR & sustainability will be further expanded in the Audit Committee.

The **Supervisory Board** agrees with the report of the Audit Committee and thereby with the result of the final audit. In its assessment of the situation of the company and the Group, the Supervisory Board concurs with the assessment expressed by the Executive Board in the consolidated management report and the management report. All questions posed by the Supervisory Board were answered by the auditor and the Executive Board. The final result of the Supervisory Board’s audit of the annual financial statements and the management report, as well as the consolidated financial statements, the consolidated management report, the corporate governance report and the sustainability report for the 2021 financial year, also gives no reason for any objections. Having been accepted by the Supervisory Board, the annual financial statements for the 2021 financial year can be deemed to have been approved pursuant to Section 96 (4) of the Austrian Stock Corporation Act (AktG). The Supervisory Board acknowledged the consolidated financial statements and the consolidated management report for the 2021 financial year. In the 2021 financial year, the Executive Board and Supervisory Board again paid attention to the further development of corporate governance at PIERER Mobility AG. Awareness of, as well as a commitment to, the principles set out in the Code of Conduct and Compliance Guidelines was consistently promoted and expanded over the course of the 2021 financial year.

The Supervisory Board examined and approved the corporate governance report and the sustainability report (non-financial report pursuant to Section 267a of the Austrian Commercial Code (UGB)) for the 2021 financial year. Furthermore, the Supervisory Board has prepared a remuneration report together with the Management Board pursuant to Section 78c of the Austrian Stock Corporation Act (AktG). The Supervisory Board concurs with the Executive Board with regard to the proposal concerning the distribution of the net profit achieved during the 2021 financial year.

Moreover, at the recommendation of the Audit Committee, a proposal for the appointment of the auditor for the 2022 financial year was prepared for the 25th Annual General Meeting. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, is proposed as auditor for the financial year commencing on January 1, 2022 and ending on December 31, 2022.

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

Wels, March 2022

Chairman of the Supervisory Board



Josef Blazicek





# READY TO RACE RIGHT FROM THE START

KTM is Europe's leading performance manufacturer of premium street and offroad powered two-wheelers, based in Mattighofen, Austria.

To describe KTM's brand philosophy in one phrase is simple: READY TO RACE. Long before any thought of producing competition motorcycles, KTM founder Hans Trunkenpolz and his son Erich were heavily involved in motorsports themselves. Originally running an automotive repair and spare parts fabrication workshop in Mattighofen, Austria, the family business soon expanded to include the sale of motorcycles. By the 1950s they had developed their own motorcycle design, with the first production models released in 1953 under the KTM name, competing successfully in local races from the very start. The KTM name stands for Kronreif, Trunkenpolz (the two original founders), Mattighofen (the town in which it all started and in which it continues to this day) and has been synonymous with the distinct READY TO RACE mentality since day one.

Over the years KTM has built a reputation as a fierce competitor on racetracks around the world. READY TO RACE is the brand's main identifying feature and hundreds of World Championship titles are the ultimate proof of KTM's irrefutable racing attitude. The brand's remarkable success on the world stage is reflected in every product it creates and in each direction it takes. With an iconic unrivaled presence in the offroad segments, KTM has progressed to become one of the world's most innovative manufacturers of street motorcycles, and now aims to be the world's biggest manufacturer of sport motorcycles while further expanding its position in the two-wheeled electric vehicles market across continents.

## **GLOBAL BRAND POSITIONING & MOTORSPORT AS A CENTRAL MARKETING INSTRUMENT**

Aside from its superb output and its distinct READY TO RACE philosophy, the foundation of the brand's success is rooted in its values: PURITY, PERFORMANCE, ADVENTURE, and EXTREME.

They lie at the heart of all KTM's endeavors and serve as a guiding compass to every product and activity the brand initiates. Empowered by this distinct and consistent positioning and communication, KTM is able to identify expansion opportunities all over the world and take swift advantage of them through a series of strategic actions. The growing global KTM brand presence, along with the company's continued focus on racing and impressive gains in the street and travel-enduro segments, are all part of its steady worldwide expansion.

Motorsport has been a core activity for both marketing and development (with knowledge and expertise from the track directly contributing to the development of consumer products). Since KTM first started twisting throttles with strategic goals, it has amassed a phenomenal tally of 327 FIM World Championship titles across most racing disciplines: from the epic majesty of the Dakar Rally to the global glamor of MotoGP™. KTM's notable achievements include eight premier class MXGP titles since 2010, five AMA 450SX Supercross championships, 18 consecutive years of Dakar dominance, a litany of titles across the classes in the varying categories of enduro and a rapid impact in Grand Prix road racing. KTM has snared five Moto3™ crowns since the inception of the series in 2012 and recently swept both Moto3™ and Moto2™ contests thanks to the talent in its 'KTM GP Academy'. 2021 marked only half a decade of action on the MotoGP™ grid but KTM has already taken its RC16 technology to five GP triumphs and more than 10 podium finishes. The spoils, effort, and entertainment are helping to create stories that move fans worldwide.

The ambitious objectives of the group therefore go hand-in-hand with a determined motorsport strategy, as this has a direct impact on KTM's global sales activities. Motorsport is, and remains, the central medium for communicating the brand and increasing a valuable emotional connection with the public.



Remy Gardner at Post-Season MotoGP™ IRTA Test 2021,  
Circuito de Jerez - Angel Nieto (ESP)  
© KTM/Rob Gray (Polarity Photo)



# READY TO RACE

PURITY  
PERFORMANCE  
ADVENTURE  
EXTREME

KTM 1290 SUPER ADVENTURE S, MY22  
© KTM/Rudi Schedl

## BRAVE, INNOVATIVE & DIVERSE PRODUCT DEVELOPMENT

Equally central to KTM's prolificacy is taking field-proven racing technologies and directly incorporating them into serial products. The brand's winning culture flows into the machinery and everything else done at KTM. An essential element of KTM's long-term growth strategy is to further extend the product range and open up new markets. The constant focus on research and development therefore ensures that KTM is well equipped to remain on the cutting-edge of the industry. With leading suppliers in the advanced technologies sector, as well as KTM both mutually benefiting by collaborating in pre-series development; KTM has acquired a foremost position as a development partner for high-performance rider assistance systems, electronics, and unrivalled steel chassis nuance.

In addition, the efforts to reflect the quality of the company across the entire sales network are increasing every year. The strengthening of regional trading structures through intensive training activities has long been an important element of KTM's business. Geared for the future, KTM successfully markets products that were developed with a great deal of craftsmanship. With its long history and unique motorsports program, KTM is continually striving to employ the highest development standards, improve its competitiveness, and make further inroads into global markets. Innovation is the decisive factor that will spur KTM on to realizing this vision.

In 2021 the street portfolio was boosted by the evolution of the KTM 1290 SUPER DUKE with the revised R model, the KTM 1290 SUPER DUKE R EVO and the long-awaited update for the sports-touring master: the KTM 1290 SUPER DUKE GT. Limited edition, track-based offerings such as the 500-unit exclusive KTM 1290 SUPER DUKE RR and 100-unit exclusive KTM RC 8C were sold out in under 48 minutes and under 4 minutes respectively via KTM's online sales channels (ktm.com). 25 Lucky KTM RC 8C owners had the opportunity to collect their bikes at an exclusive event in Jerez that included a race track experience with Red Bull KTM Factory Racing test riders Dani Pedrosa and Mika Kallio. As KTM continues to diversify and excite consumers, current and new – the brand intends to use its digital sales channel to repeat its exciting feat of selling out in record speed. In the travel-enduro segment, KTM's steadily growing ADVENTURE family, sets the industry benchmark. The release of the latest KTM 1290 SUPER ADVENTURE S and KTM 1290 SUPER ADVENTURE R models solidified KTM's position as the leader for performance, handling, and technology. The flagship KTM 1290 SUPER ADVENTURE S carried a fresh generation of semi-active suspension technology and other benefits such as Adaptive Cruise Control as standard. Underlining its leading role in the offroad sector once again, KTM presented a refined enduro line-up as well as an updated motocross range evolved directly from elite level racer feedback.



In support of the all-new flag ship model, KTM launched a season-opening Pan-European campaign titled 'Be the first to UNBOX the KTM 1290 SUPER ADVENTURE S' in March 2021. Over 400 dealers were given the spotlight as the bike's technical features and novelties were presented to more than 2,000 potential customers. In compliance with Covid-19 regulations, KTM's proprietary online registration platform assured only small groups would enter dealer showrooms at any one time. Beyond that, in effort to truly own 'adventure', KTM prepared two plans to activate the adventure community, in a time when other manufacturers were playing it safe. Plan A would be an on-ground event; Plan B would be virtual. In the end, KTM successfully executed both. Plan A manifested in the form of the KTM ADVENTURE RALLY in Greece where 150 KTM ADVENTURE-exclusive riders took on a three-day adventure ride spanning across 700km. Plan B was brought to life via THE WORLD ADVENTURE WEEK digital campaign which witnessed over 2,300 participants riding a total of 1.5 million km, 25,000 riding hours, with 735 group rides – all vouching to win a new KTM 1290 SUPER ADVENTURE S (which was eventually won by a Norwegian rider). The digital campaign resulted in thousands of adventure riders across brand spectrums visiting KTM dealerships and experiencing the brand firsthand.

ULTIMATE DUKE RIDER was another digital community-led campaign that generated buzz for KTM. DUKE riders were asked to post their KTM DUKEs on Social Media accompanied by why they think they are the ultimate DUKE rider. The campaign hashtag #ultimatedukerider generated over 8,500 impressions. The User Generated Content (UGC) gathered reached over 7 million people online. In the end, ten lucky winners were invited to Mattighofen, Austria for a trip of a lifetime. They were treated to a private KTM Motohall tour accompanied by Jeremy McWilliams and the KTM team; they also rode a selection of KTM DUKEs from famous routes in Austria, to a track day at Pannoniaring under the guidance of Jeremy McWilliams. To top it off, the winners were granted a VIP experience at the Austrian MotoGP™ where they witnessed Brad Binder take the win.

2021 can attest that the unique and successful events that took place in what was a tricky year for the world – were strategic, and successfully strengthened the KTM community.

### **RACING INTO THE FUTURE WITH ELECTRIC MOBILITY**

KTM has been leading the charge from the get-go with the KTM FREERIDE E-XC being the first commercially successful e-powered model. Building up on its success, KTM has been further expanding its e-mobility catalog. True to its brand values and in line with the distinct READY TO RACE mentality, KTM has developed key products to encourage new entrants to motorcycling and develop the next generation of racers.

The KTM REPLICA 12eDRIVE and 16eDRIVE electric balance bikes were engineered as the perfect entry-level platform for the smallest potential bikers. The practicality and versatility of electric powered bikes enables kids to revel in the excitement of power-assisted speed and raw instinct of motorcycling. Within its first year of being in KTM's product range, more than 9,000 KTM REPLICA electric balance bikes were sold.

In addition to that, young riders can emulate their Red Bull KTM Factory Racing heroes before developing to rip a track with the KTM SX-E 5 – developed to be comparable with the KTM 50 SX, it is an innovative electric motocrosser that 'grows' with a child. Engineered for aspiring riders, the model is designed to familiarize kids with the basics of bars, wheels, torque and balance. The extremely well-received KTM SX-E 5 ignited AMA Supercross' first all-electric class with the KTM Junior Racing Program. The program is embedded within the Supercross series allowing young and aspiring riders to take their first steps in competitive racing whilst showcasing the KTM SX-E 5 on the biggest platform in motocross racing. KTM aligned with MXGP to formulate the new European Junior e-Motocross series on the same principal and saw the first historic five-round educational contest take place on Grand Prix tracks in 2021 with future editions already in the planning stages.

KTM'S initiative on accelerating electric mobility goes beyond the European Junior e-Motocross series. In effort to inspire the public - a new special exhibition "THE FUTURE OF ELECTRIC MOBILITY" was opened at the KTM Motohall in Mattighofen in May 2021. The exhibition provides visitors with in-depth insights, as well as an exclusive introduction to current and future KTM product developments that will shape the world of electric mobility. The time limited exhibition also showcases the evolution of electric mobility and allowing visitors to experience the latest electrically powered two-wheelers. The exhibition will be open until the end of 2022.

Progressing into 2022, KTM continues to follow its successful e-mobility strategy with the aim of being a leading global provider of electric-powered two-wheelers. KTM Technologies GmbH's in-house e-mobility high-level expertise and new product launches will allow KTM to comprehensively exploit innovation and develop potentials in order to shape and helm the growing market. With unabated power in the offroad segment, prestige in the travel-enduro segment, a consequently extended street range, its irrevocable commitment to motorsports and one of the leading positions in the e-mobility market, KTM pushes forward confidently.



# MOTORSPORT

READY TO RACE is KTM's motto and mantra. It defines KTM's passion for innovation through competition and the desire to win. This company-wide philosophy has been prevalent in almost seventy years of its history, as the company strives to make the most rewarding motorcycling experiences for customers, riders, and race fans.

Through enduro, motocross, rally, road racing and supercross, KTM has amassed no less than 327 FIM World Championships to-date and has increased its prolificacy in the last ten years thanks to six core principles: leadership, the best staff in the right positions, optimum innovation & performance-technology for the track, key technical associations, collective belief & character, and investment in athletes. KTM race teams are driven by the thirst for glory and a hunger for excellence, frequently supported by partners with corresponding ambitions like Red Bull, WP Suspension, Pankl, Motorex and Akrapovič. This passion has established the company as one of the most proactive and unbeatable motorcycle sport brands in the world today.

## MOTOCROSS

The initial bright shoots of KTM's competitive glory lie in motocross. Russian Gennadij Moiseev was the company's first world champion while Heinz Kinigadner's two titles in the 1980s contributed an important racing chapter for the firm. KTM's first American champion was Trampas Parker. By the time Shayne King and Joel Smets were adding regular trophies to the cupboard at Mattighofen during the turn of the century, KTM were already cemented as a major player in the FIM Motocross World Championship, AMA Motocross and various national series around the globe. In the last two decades, KTM have coated FIM Grand Prix in orange. They claimed victory in the inaugural year of the MX2 class in 2004 with the KTM 250 SX-F and have won every season except for 2005-2007, 2015 and 2021 thanks to nine riders. When Tony Cairoli joined the Red Bull KTM Factory Racing team in 2010 he would bring the premier class crown – MXGP – to the factory for the first time. The legendary Sicilian managed to triumph with both the KTM 350 SX-F and the KTM 450 SX-F. Cairoli, teammate Jeffrey Herlings and starlet Jorge Prado have continued to build a legacy for KTM at the sharp end of FIM MXGP World Championship competition. Cairoli and Herlings dominated the 2018 MXGP term, allowing only one Grand Prix to escape their grasp from 20 rounds, while the graduation of Prado in 2020 meant that Red Bull KTM were the only team in MXGP to celebrate Grand Prix victory with all of their athletes. This was a feat they repeated across both MXGP and MX2 in 2021 with all six racers climbing the top step of the podium at one stage during the campaign. MXGP was tremendously close and was finally owned by Herlings for

the second time with the KTM 450 SX-F as Cairoli ended a phenomenal eighteen-year career with the distinction of winning at least one race every single season. Prado, in MXGP, and 2020 MX2 World Champion Tom Vialle dwarfed the field in terms of holeshots with Vialle setting a new personal record of 22 from 30 Motos with his KTM 250 SX-F.

## SUPERCROSS

KTM reorganized their efforts in the AMA Supercross at the beginning of the decade with the decision to create a structure at Murrieta in southern California – spearheaded by icon Roger de Coster. Ryan Dungey delivered KTM's first 450 Supercross victory in Phoenix, Arizona in 2012 and would rule the division for three years as the KTM 450 SX-F became a class-leading motorcycle. The team would fight for the crown with Marvin Musquin and then witness Cooper Webb clinch the title in his first season with KTM in 2019. Webb pushed hard to defend his number one plate in the 'interrupted' 2020 series and classified a close second but then elevated his performance once more to scoop title #2 in 2021.

## ENDURO | OFFROAD | RALLY

Other spoils have followed suit in the worlds of enduro, offroad and rally; names like Blazusiak, Coma, Cervantes, Despres, Garcia, Knight, Lettenbichler, Price, Salminen, Sunderland, Walker, Walkner and many more have not only made an impact on the results sheets but also the development arch of Austrian machinery to remain at the top of the disciplines. KTM's speed and reliability in arguably the hardest offroad race of them all – the Dakar Rally – led to a record 18 consecutive victories between 2001 and 2019 thanks to eight different individuals. In a complicated year for competition in 2020, KTM still enjoyed success. In 2021, Red Bull KTM Factory Racing's Manuel Lettenbichler sealed a third consecutive victory at the notoriously difficult Red Bull Romaniacs Hard Enduro and tussled for the FIM Hard Enduro World Championship until the last round. Teammate Josep Garcia seized the FIM Enduro2 World Championship in a return to EWC action, and was runner-up in the EnduroGP category aboard the KTM 350 EXC-F. Also in 2021, the Dakar rally was back in the Middle East for the second time in a row and attacked by Red Bull KTM Factory Racing's three rider line-up of Toby Price, Sam Sunderland and Matthias Walkner. Sunderland made the final podium. Walkner was able to shine on the KTM 450 RALLY later in the season by winning the FIM Cross-Country Rallies World Championship.

**ROAD RACING**

In the golden age of motorcycling and when technology surged on through the 1950s and '60s, KTM was using its first road models in the epic continental endurance races of the era. Speeding forward, the RC8 permitted presence and spoils in national Superbike series such as the precursor to AMA MotoAmerica and the popular IDM German championship. However, when KTM became serious towards the highest level of motorcycle road racing and Grand Prix then, they were typically quick away from the line.

KTM's two-stroke technology permitted a total of 22 wins in 125 and 250cc championships between 2004-2008. KTM re-entered the small cylinder classes with the advent of Moto3™ in 2012 and won at the outset with Sandro Cortese. The brand have remained in Moto3™ title contention ever since with the RC4 and lifted its fifth accolade since '12 in 2021 thanks to Spaniard Pedro Acosta. Achievement in Moto2™ came with nine victories in 2017 and 2018. In 2019 Brad Binder overcame a difficult start to the season to obtain five checkered flags and was runner-up in the series before moving to the premier class. In 2020 both Jorge Martin and Tetsuta Nagashima stood on top of the podium and 2021 demonstrated dominance as the Red Bull KTM Ajo duo of Remy Gardner and Raul Fernandez stood 1-2 on the rostrum seven times. The long-term association with the Red Bull KTM Ajo team means the Moto2™ class continues to be a fundamental part of the KTM GP Academy – a structure that nurtures burgeoning racing from schemes like the Red Bull MotoGP™ Rookies Cup and other Talent Cup initiatives.

2020 was a milestone year for KTM in MotoGP™ for what was only their fourth term on the grid with the KTM RC16. Red Bull KTM won for the first time at the Automotodrom Brno in the Czech Republic with rookie Brad Binder excelling in only his fourth Grand Prix. In the second season of collaboration with Red Bull KTM Tech3 – ensuring four KTM RC16s in action and in development – Miguel Oliveira would triumph twice, once on 'home' turf at the Red Bull Ring in Austria and then comprehensively at the Algarve International Circuit in Portugal. KTM ended a brilliant 2020 with three wins, eight podiums, three pole positions, four fastest laps and 27 top ten finishes from all four riders in just 14 rounds. They then increased the stats further in 2021 as Oliveira won the Gran Premi de Catalunya, Binder mastered the rain at the Red Bull Ring and four trophies in total were added. Binder also equalled the top speed record in MotoGP™ at 362.4 kmph around the curves of Mugello in Italy.



Brad Binder, MotoGP™ 2021, Red Bull Ring, Spielberg (AUT) © KTM/ Rob Gray



Pedro Acosta, Red Bull KTM, Moto3™, KTM RC4, Algarve International Circuit 2021 © KTM



Cooper Webb KTM 450 SX-F, 12th Rd. Supercross 2021 Arlington © KTM/Simon Cudby



# BROADENING THE HORIZONS OF THE BRAND'S RICH HERITAGE



With a history going back well over one hundred years, the Husqvarna brand is rooted in an extraordinarily rich tradition, with motorcycles shaped by their unique and distinct origins, where only the purest and smartest solutions could endure the rugged Scandinavian landscape. Never giving up on its promise and approach, Husqvarna Motorcycles remains committed to fulfilling its progressive vision of street and offroad motorcycling.

Leading the way when it comes to forward-thinking innovation, today the European premium manufacturer offers motorcycles that set the benchmark for quality, aesthetics and high performance. The ongoing expansion of the product range with completely new models for both onroad and offroad, sees Husqvarna Motorcycles reach record sales growth year after year. Ever since Husqvarna Motorcycles joined forces with KTM AG in 2013, it has achieved impressive annual growth and exceptional success in a very short time. 2022 will see further expansion into new segments and markets, with a clear objective of increasing market share and overall unit sales to new heights.

## FOR PIONEERS

Husqvarna motorcycles are designed for pioneers, for those who want to stay ahead of the crowd and want to make a statement. The brand's motorcycles are excitingly dynamic in their performance, delivered in a way that makes them appealing, easy-to-use and accessible to most riders, without sacrificing the serious performance-oriented elements that ensure a dynamic ride. Every motorcycle in the range is trimmed to the bare essence of the necessary functionality, yet still attractive, sophisticated and smart enough to appeal to discerning riders. The brand consistently applies a modern, innovative and fresh approach, without needing to prove the advancement and sophistication through any complicated or flamboyant embellishment. Riding a Husqvarna means recognising and enjoying a unique and dynamic motorcycle that was simply built for those who measure the bike by the ride itself.

The broadening of the model range and the expansion into new markets, matched to the strengthening of brand awareness and continuous expansion of the dealer network, result in a systematic increase in global sales and market share, allowing Husqvarna Motorcycles to realise the full potential of the brand.

## A SUCCESSFUL RETURN TO ROAD RACING SUPPORTED BY CONTINUING OFFROAD SUCCESS

The rich heritage of the brand is deeply rooted in motorsport success. Showcasing the ongoing commitment to consolidate the brand in the street segment, the return to the Moto3™ World Championship in 2020. Following two successful seasons in this most hard-fought race series, Husqvarna Motorcycles continues its collaboration with the Sterilgarda Max Racing Team for the 2022 season. In the offroad arena, the Husqvarna Factory Racing riders continue to shine with Billy Bolt claiming the 2021 FIM Hard Enduro World Championship.

Husqvarna Motorcycles demonstrates that traditional values and competition are not mutually exclusive through its presence in top-level onroad and offroad racing disciplines: from rally and extreme enduro, to supercross, cross-country and motocross as well as the Moto3™ World Championship.

Looking to the future, both in terms of riders and machinery, Husqvarna Motorcycles was one of the high-profile manufacturers supporting the all-new European Junior E-Motocross Series, run across five rounds starting with September's Motocross of Nations, then alongside the last four events of the 2021 FIM Motocross World Championship. Husqvarna Motorcycles EE 5 mounted Tobias Scharinger won the inaugural number one European Junior E-Motocross plate.

## TOP-CLASS, INNOVATIVE PRODUCT RANGE

Husqvarna Motorcycles remains committed to fulfilling a progressive vision of street motorcycling. From returning to the street segment with the 701 Supermoto and 701 Enduro in 2015 to the introduction and subsequent expansion of the exciting Vitpilen and Svartpilen family, more recently Husqvarna Motorcycles has now expanded the thrilling street line-up with the Norden 901, a unique travel motorcycle that features a twin-cylinder engine, advanced rider ergonomics and high performance based on years of rally experience, in a distinct modern design.

The explicit focus on product development is a consequence of the clear commitment to establish the Husqvarna Motorcycles brand across the world as a feisty and serious manufacturer in the road motorcycle segment. The brand strategy has been refined to better focus on street-oriented customers, considering its potentially huge sales prospects. At the same time, the commitment and the presence of the brand in the offroad sector is consolidated and strengthened by further innovations, such as 2-stroke fuel injection technology and advanced connectivity features that allow riders to manage incoming calls, music and turn-by-turn navigation on the Norden 901 or tailor the performance of their motocross motorcycles according to their riding skills and track conditions.

Extreme adventurer, Mike Horn and five-times Dakar Rally winner, Cyril Despres took on a life-changing journey through awe-inspiring Iceland and extensively tested Norden 901 prototypes in the challenging landscape.

In another high-profile partnership, Husqvarna Motorcycles ambassador and former world champion slalom and giant slalom skier, Marcel Hirscher is getting straight down to business by riding various Husqvarna machines and competing in various competitions such as the demanding Romaniacs Hard Enduro Rallye.

The logo of premium Italian casual clothing brand REPLAY has been proudly displayed on Husqvarna Motorcycles' official Moto3™ machines since 2020. In 2021, the collaboration inspired a limited edition of 10 machines with exclusive components and Husqvarna Motorcycles with REPLAY branding. The strictly one-off run featured the Vitpilen 701, 701 Supermoto and 701 Enduro LR. A new casual clothing collection also resulted from the alliance.

## ELECTRIC MOBILITY

In 2021, the company also presented the E-Pilen E-Motorcycle Concept and a Stand-up Scooter Concept in the field of electromobility. These three eco-friendly offerings bring the future of personal urban transport into the present. The brand already has electric motorcycle experience in the offroad segment with the Husqvarna EE 5 mini motocrosser, an early expression of the brand's commitment to deliver ground-breaking technology and performance to the world of motorcycling. To attract and encourage the two-wheel riders of tomorrow at the earliest possible age, Husqvarna Motorcycles also developed the Husqvarna Replica 12eDrive and 16eDrive electric balance bikes. These offer children their first taste of two-wheeled fun and freedom, while encouraging the development of essential riding skills.

Development of the E-mobility range is well-advanced, and Husqvarna Motorcycles' electric urban mobility offerings will demonstrate the same progressive design values that have seen the brand set benchmarks for quality, aesthetics and performance for more than a century.

Extensive R&D and design efforts will be concentrated in developing urban e-mobility solutions for the near future, stimulating the imagination of the global community, and offering a tantalising insight into the dynamic future activities of a brand that is constantly at the forefront of innovation.

SMART  
PROGRESSIVE  
DYNAMIC  
PURE DESIGN



Stand-up Scooter Concept © Husqvarna Motorcycles

SWEDISH ROOTS  
URBAN MOBILITY





# MOTORSPORT

Motorsport is an integral part of Husqvarna Motorcycles 118-year history and a driving factor in the continued development of its class-leading production motorcycles. Husqvarna Motorcycles remain resolute about achieving success at the highest levels of two-wheeled motorsport.

## FACTORY RACING

Having introduced the global Rockstar Energy Husqvarna Factory Racing team in 2015, Husqvarna Motorcycles further solidified its position as a dominant force in all offroad racing activities in 2021. Continuing to establish itself as a dominant force, Husqvarna Motorcycles has secured multiple championship titles in 2021, and, at the hands of the brand's elite racers across the globe, enjoyed several race wins and podium results in all disciplines.

## ENDURO | OFFROAD | RALLY

Following an intense, season-long battle for supremacy, Billy Bolt emerged victorious in the inaugural FIM Hard Enduro World Championship. With two wins during the season, Bolt was in impeccable form aboard his TE 300i with a crucial runner-up finish at the final round securing the Brit's third world title. His Rockstar Energy Husqvarna Factory Racing teammate, Alfredo Gomez, also impressed in 2021 with the Spaniard securing a memorable home win at the Hixpania Hard Enduro on his way to claiming sixth in the series standings.

Continuing to build his legacy as one of the world's most celebrated offroad riders, Colton Haaker claimed his fifth AMA EnduroCross title in 2021 – his fifth championship victory achieved together with Husqvarna Motorcycles.

American rally racer Skyler Howes joined Husqvarna Motorcycles for the 2021 FIM Cross-Country Rallies World Championship and secured a highly impressive second overall at the Silk Way Rally in July. With multiple stage wins throughout the season at a variety of events, it marked an impressive first season for Howes on the world stage and a sample of what's to come for Dakar Rally 2022.

## MOTOCROSS | SUPERCROSS

The 2021 MX2 World Championship once again saw Jed Beaton continue to establish himself as one of the best and most consistent racers in the division with the Australian ultimately placing fifth overall in the final standings. Joining Jed in MX2 and making a highly successful transition into the class after a strong EMX250 campaign in 2020, Kay de Wolf's rookie season was highlighted by a moto win at the MXGP of Belgium along with his five overall podium finishes. Progressing to the hotly contested MXGP class after three rewarding seasons in MX2 with Husqvarna Motorcycles, Thomas Kjer Olsen enjoyed a strong debut season to secure ninth place in the championship.

Following a strong end to the 2020 campaign where Zach Osborne, Jason Anderson, and Dean Wilson swept the podium at the final round, the 2021 AMA 450SX Championship brought a challenging season of racing for Rockstar Energy Husqvarna Factory Racing. With all three riders suffering from injury during the year, the series was highlighted by Jason's two podium results while Zach claimed third place at round seven. In the 250SX West division, both Jalek Swoll and supercross rookie Stilez Robertson secured the very first podium finishes of their young careers aboard their FC 250 machines.

The 2021 Pro Motocross season was marked by the rise to the occasion of our 250MX Class Riders. Swoll would enjoy further success by racing to his maiden 250MX class overall victory at round three, with RJ Hampshire claiming first overall at the Red-Bud National on his way to placing fourth in the 250MX series standings.

## ROAD RACING

Boosted by an incredible display of riding and victory at round 12 of the FIM Moto3™ World Championship, Romano Fenati enjoyed a positive season to secure fifth in the final championship standings for the Sterilgarda Max Racing Team. With the team leadership of Max Biaggi and Team Manager Peter Öttl, the team will overhaul their line-up for 2022 and welcome the sharp pace and potential of Ayumu Sasaki as well as the Grand Prix winning experience of John McPhee.





Billy Bolt, FIM Hard Enduro World Championship 2021  
© Husqvarna Motorcycles/Future7Media



# PERFORMANCE OFFROAD MOTORCYCLES THAT PUT THE FUN BACK INTO RIDING

Known globally for having a long and rich history in both trial and enduro sport, GASGAS is an offroad motorcycle manufacturer moving forward at a rapid pace. Securing multiple FIM trial and enduro titles since 1985, the brand thrives on passion, with the goal of putting the fun back into riding. Acquired and reinvigorated by PIERER Mobility AG in July 2020, GASGAS quickly capitalized on the group's proven technical platforms to successfully launch 23 high performance offroad models across the trial, enduro, and motocross segments for model year 2021. Throughout 2021, GASGAS continued to build momentum in the offroad world – securing three world titles in trial and enduro. Further successes were achieved in motocross and rally, underlining the brand's expertise across all offroad disciplines. For 2022, the offroad dirt bike range expands to 29 models – the largest ever for GASGAS, appropriately reflecting the brand's ambition, and confidence.

## A PROUD SPANISH HERITAGE

Embracing its Spanish heritage, GASGAS has a pronounced, daring and expressive character – always compelled to share its passion for all things two wheels. GASGAS' positive attitude, charisma and thirst for fun can be seen in its comprehensive product line-up – a range of bikes that ensure thrill seekers from around the world get the utmost enjoyment, without any fuss. Being incredibly passionate about its trial roots, the development of GASGAS' all-new facility is in Catalunya, Spain – housing R&D, production, as well as the GASGAS Factory Racing trial team.

## OFFROAD SPECIALISTS WITH FRESH ENERGY

GASGAS actively encourages riders to unite in the dirt and join in on the fun! The 'enabler' brand within PIERER Mobility AG with bikes in all sizes, for riders of all abilities, GASGAS' comprehensive range includes trial, enduro, motocross, and e-bikes – all of which delivers proven performance and serious offroad capabilities. In 2021, GASGAS launched the United in Dirt tour with the mission of ensuring industry players and consumers truly comprehend the GASGAS spirit and edge. The exclusive tour

saw GASGAS travel across Europe with a full model range, providing an immersive brand experience to specialist media and competition winners. With a number of GASGAS brand ambassadors in attendance, showcasing their skills at each event, the United in Dirt tour proved to be a massive hit with both the press and the public.

Also in 2021, GASGAS entered the exciting world of e-powered motorsports. In what was a monumental step for GASGAS, the brand played a significant role in the creation of the European Junior e-Motocross Championship. Taking place alongside five rounds of the 2021 MXGP World Championship, the series gave MC-E 5 racers the chance to compete at the same events as their racing heroes and proved to be incredibly popular. So popular in fact that GASGAS has committed to supporting the championship in 2022.

## A COMPREHENSIVE OFFROAD MODEL LINE-UP

GASGAS is positioned very differently compared to PIERER Mobility AG's KTM and Husqvarna Motorcycles. Utilizing the group's shared-platform technology, GASGAS dirt bikes combine proven performance with no-nonsense simplicity. Each bike across its trial, enduro, cross country, and motocross line-ups are completed with distinct signature styling. For 2022, four new models have been added to bridge the gaps within its existing range. There's now a big wheel MC 85 for junior racers, with an MC 250, MC 350F, and an EX 250 for adults. Along with GASGAS' electric balance bikes that allow kids as young as three years old to safely begin a lifetime of fun on two wheels – riders of all ages and abilities can now find the perfect bike from GASGAS comprehensive' line-up. In commemoration of both the brand's successful racing season debut in the USA in 2021, and the continued collaboration with Troy Lee Designs/Red Bull/GASGAS Factory Racing – GASGAS' first ever limited edition model, the MC 450F Troy Lee Designs, is available in dealerships since January 2022.

**GET ON THE GAS!**

**DARING  
CAPABLE  
VIBRANT  
INVITING**





# MOTORSPORT

## FACTORY RACING

If GASGAS went big in 2020 – enjoying successful results in MXGP and TrialGP, along with solid finishes in many international enduro events – in 2021 GASGAS went colossal! Solidifying its position as a dominant force in all offroad racing activities, GASGAS secured six world titles, and enjoyed many impressive race wins and podium results, across six disciplines, with 20 factory riders.

## MOTOCROSS | SUPERCROSS

GASGAS' first season of AMA Supercross in the United States is done and dusted. Riding under the Troy Lee Designs/Red Bull/GASGAS Factory Racing banner, the GASGAS team won several races, with stand-out performances by Justin Barcia who spear-headed GASGAS' efforts with his three-peat Anaheim 1 victory, and a very special third-place podium result at round eight that contributed to the first ever KTM AG Group podium.

The Troy Lee Designs/Red Bull/GASGAS Factory Racing also had plenty to celebrate in its first year of AMA Pro Motocross racing on American soil. With the line-up of Justin Barcia in the 450MX class, as well as Michael Mosiman and Pierce Brown competing in the 250MX category, the newly bonded team experienced it all in 2021. From the highs of first-time wins, through the tough breaks of injury – the guys were on the gas the whole season.

The 2021 MXGP season delivered a rollercoaster of emotions for GASGAS, with plenty of highlights such as podium results and race holeshots, not least Pauls Jonass' third overall at the infamously tough Grand Prix at Lommel in Belgium. The year also brought tougher times with a number of crashes and injuries, but in true GASGAS style, its riders bounced back to put in great performances throughout the year. Now, looking ahead to 2022, GASGAS is planning to come back stronger than ever before.

## ROAD RACING

In 2021 GASGAS took a giant step forward, taking on road racing for the first time ever. With the highly reputable Aspar Team fielding two young Spanish racers in Moto3™ – a union that created a strong Spanish connection to the roots of the brand – team rider Sergio Garcia ended GASGAS' first season in a fine third place. GASGAS Aspar Team recorded an excellent second overall in the Teams' Championship, and third in the Constructors' World Championship classifications following an exciting debut season featuring seven podiums and four wins. And if that wasn't enough, GASGAS lifted the FIM Moto3™ Junior World Championship in Valencia, wrapping a memorable first season in the road racing world championship action with Dani Holgado mastering the fiercely competitive FIM Moto3™ Junior series.

## ENDURO | OFFROAD | RALLY

GASGAS' headline results undoubtedly came from the FIM EnduroGP World Championship in 2021 with Italian Andrea Verona dominating the Enduro1 class while offroad legend Laia Sanz wrapped up the FIM EnduroGP Women World Championship in dramatic fashion. On top of this, Andrea Verona claimed the Enduro1 class victory at the 95<sup>th</sup> ISDE and led Italy to the World Trophy win on home soil.

In Rally, Daniel Sanders flew the flag for GASGAS in the FIM Cross-Country Rallies World Championship, honing his skills on his RC 450F as he competed in his first full year in the series. Day wins at the Silk Way Rally, the Rallye du Maroc, and the Abu Dhabi Desert Challenge secured his 2021 FIM bronze medal. Going into his second Dakar Rally next January, Chucky is all fired up.



Andrea Verona, EnduroGP 2021 © GASGAS/Future7Media

**TRIAL**

Continuing the commitment to top-level trial competition, GASGAS Factory Racing enjoyed a successful year in the 2021 FIM TrialGP World Championship. Determined not to let her competitive fire burn out, Laia Sanz returned to the feet-up world of trial and competed in the 2021 FIM Women's Trial World Championship. After eight years away from the Trial World Championship, Laia Sanz reclaimed the top spot of the podium once again, winning the final round of the 2021 season on her GASGAS TXT GP 300 to become TrialGP Women World Champion for an incredible 14<sup>th</sup> time. Also enjoying trial success on his GASGAS, talented British youngster Jack Dance wrapped up his 2021 season in style, winning the FIM Trial125 World Championship with victory at the final round.

**CLEAR FOCUS ON THE FUTURE**

And what a way to start 2022! GASGAS wins world's toughest rally-raid at just its third attempt and PIERER Mobility AG celebrates 19<sup>th</sup> Dakar Rally title. Sam Sunderland claimed overall victory at the 44<sup>th</sup> edition and set the bar high for the upcoming 2022 FIM Cross Country Rallies World Championship. In MXGP, in what is set to be GASGAS' third full season, GASGAS is approaching the series with a renewed focus and fresh energy. Racing efforts will now be channelled exclusively through one prestigious, championship winning team which primes GASGAS perfectly for further success in the FIM Motocross World Championship. To top it off, GASGAS' association with the Aspar Team expands with two new riders taking the brand onto the asphalt in Moto2™ for the very first time.

Heading into 2022, GASGAS is stronger than ever and incredibly proud to have official representation in all major offroad disciplines worldwide with the best teams, the best riders, and the best bikes out there.



# PERFORMANCE & INNOVATION FOR PREMIUM SUSPENSION COMPONENTS

WP Suspension GmbH is one of the world's leading manufacturers of premium suspension components in the powered two-wheeler and sports car sector. Due to the closeness to motorsports and the influence of the feedback of some of the best professional athletes, WP Suspension presents itself as a constantly growing and innovation-driving force behind numerous successful series in professional and amateur motorsports. The WP Suspension brand, with its worldwide recognition as a sector specialist with its strong development potential, relies on the close networking within the group. This enables to benefit from a wide range of synergies in recent years and to significantly increase its efficiency in the last financial year. Through the intensified and sustainable expansion of the basis of the globally active company, WP Suspension has been able to secure a pioneering position in the market and, by means of innovative product development, stabilize this position.

## INNOVATIVE PRODUCT DEVELOPMENT

Motorsport in all its facets is characterized by rapid change. Through direct contact with numerous successful teams in motorsport, WP Suspension is able to incorporate the latest experiences from the racetrack into product development and to address the fast-moving demands with innovative ideas. Due to intensive efforts in research and development, WP Suspension dominates in a highly competitive market.

With the introduction of the WP XPLOR PRO 6500 and WP XACT PRO 6500 cartridges in 2021, the foundation was laid to give newcomers in the world of top performance a tool to take their personal improvement into their own hands. The expansion of the product portfolio to include products for Kawasaki motorsport bikes is emblematic for opening the well-known and proven WP Technology to the entire motorsport community.

For the fiscal year 2022 the course has been set. WP Suspension will maintain its global pioneering position and significantly strengthen resources for the development of the latest technologies. This ensures that the brand will live up to its claim PERFORMANCE&INNOVATION in both the Offroad and Street sectors and will support professional racers as well as hobby-motorcyclists worldwide with premium suspension systems.

## SUCCESSES IN MOTORSPORTS

Thanks to tireless development work and high-quality standards, WP Suspension has clearly established itself as a successful brand in off-road motorsport, and hardly any race series is dominated without the participation and support of WP Suspension.

Several titles won with WP components, such as Jeffrey Herlings world championship title in the FIM MXGP 2021 or Courtney Duncan's taking her third world championship title with Kawasaki in the FIM WMXGP 2021, are testament to the technical superiority in motorsport.

With the support of WP Suspension, Billy Bolt became the world champion in the Hard World Enduro category in enduro. Manuel Lettenbichler followed him in the overall classification, taking home the silver medal. Later, Spanish enduro rider Josep Garcia took the world title in the FIM ENDURO2 category; the young rider already has two world titles to his name. And finally, Italian rider Andrea Verona, who already had three enduro world titles under his belt, added a fourth title, proclaiming himself FIM Enduro1 2021 World Champion.

Since their entry into the 2012 MotoGP™, riders in the road segment have also been able to write their own success story with WP Suspension products. KTM Red Bull Factory Racing Team riders Miguel Oliveira and Brad Binder have been on the podium several times, with young Pedro Acosta becoming world champion in the Moto3™ class.

Our results in all the elite categories in the world of motorsports are proof of our hard work to bring our advances, quality and performance to those riders who want to go one step further than the rest. Whether on the motocross track, on the street or in the mountains, our WP PRO COMPONENTS will make the difference.



**WP SUSPENSION**

### EXPANSION AND DEVELOPMENT OF SALES AND MARKETING

In 2021, the sales department continued to focus on expanding and developing the global WP Suspension dealer network. Despite the less-than-optimal conditions for many sectors of the economy, the sales structures of WP Suspension GmbH 2021 succeeded in acquiring additional sales partners and increasing the number of WP Authorized Centers to over 200 worldwide.

In 2021 the foundation was also laid to optimize the sales structures not only quantitatively but also qualitatively. The increase in marketing resources enable the company to support the dealer network with brand and product-specific marketing campaigns and to assist them with newly defined standards for brand communication. For 2022, this development paves the way for WP Suspension to strengthen its pioneering position in the market and to open up the brand to additional potential customer groups.

### FURTHER DEVELOPMENT & BUSINESS GOALS

WP Suspension has several significant unique selling points as a result of the company structure and its position within the group. This has enabled WP Suspension to serve the entire professional and amateur sports market with premium, forward-looking suspension components and the latest product development. The newly re-organized company, coupled with the momentum gained from product management from previous years grants WP Suspension the ability and agility to react even faster and more efficiently to spontaneous market developments, enabling better adaptation of its product portfolio to given circumstances in the following years.

The interests of the customer, regardless of motorcycle makes or level of riding skills, are the absolute focus of all efforts. In 2022, WP Suspension will continue to maintain and strengthen this identity as the link between the entire motorsport community. Also in 2022, the company's sales and marketing structure will continue to focus on increasing market share in the premium motorcycle aftermarket. The company's increased marketing resources will enable WP Suspension to further solidify its positioning as an absolute premium suspension manufacturer in the market - providing the entire motorsport community with access to the WP Suspension brand.



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

17.05.2019

18.05.2019

19.05.2019

20.05.2019

21.05.2019

22.05.2019

23.05.2019

24.05.2019

25.05.2019

26.05.2019

27.05.2019

28.05.2019

29.05.2019

30.05.2019

31.05.2019

1.06.2019

2.06.2019

3.06.2019

4.06.2019

5.06.2019

6.06.2019

7.06.2019

8.06.2019

9.06.2019

10.06.2019

11.06.2019

12.06.2019

13.06.2019

14.06.2019

15.06.2019

16.06.2019

17.06.2019

18.06.2019

19.06.2019

20.06.2019

21.06.2019

22.06.2019

23.06.2019

24.06.2019

25.06.2019

26.06.2019

27.06.2019

28.06.2019

29.06.2019

30.06.2019

1.07.2019

2.07.2019

3.07.2019

4.07.2019

5.07.2019

6.07.2019

7.07.2019

8.07.2019

9.07.2019

10.07.2019

11.07.2019

12.07.2019

13.07.2019

14.07.2019

15.07.2019

16.07.2019

17.07.2019

18.07.2019

19.07.2019

20.07.2019

21.07.2019

22.07.2019

23.07.2019

24.07.2019

25.07.2019

26.07.2019

27.07.2019

28.07.2019

29.07.2019

30.07.2019

31.07.2019

1.08.2019

2.08.2019

3.08.2019

4.08.2019

5.08.2019

6.08.2019

7.08.2019

8.08.2019

9.08.2019

10.08.2019

11.08.2019

12.08.2019

13.08.2019

14.08.2019

15.08.2019

16.08.2019

17.08.2019

18.08.2019

19.08.2019

20.08.2019

21.08.2019

22.08.2019

23.08.2019

24.08.2019

25.08.2019

26.08.2019

27.08.2019

28.08.2019

29.08.2019

30.08.2019

31.08.2019

1.09.2019

2.09.2019

3.09.2019

4.09.2019

5.09.2019

6.09.2019

7.09.2019

8.09.2019

9.09.2019

10.09.2019

11.09.2019

12.09.2019

13.09.2019

14.09.2019

15.09.2019

16.09.2019

17.09.2019

18.09.2019

19.09.2019

20.09.2019

21.09.2019

22.09.2019

23.09.2019

24.09.2019

25.09.2019

26.09.2019

27.09.2019

28.09.2019

29.09.2019

30.09.2019

1.10.2019

2.10.2019

3.10.2019

4.10.2019

5.10.2019

6.10.2019

7.10.2019

8.10.2019

9.10.2019

10.10.2019

11.10.2019

12.10.2019

13.10.2019

14.10.2019

15.10.2019

16.10.2019

17.10.2019

18.10.2019

19.10.2019

20.10.2019

21.10.2019

22.10.2019

23.10.2019

24.10.2019

25.10.2019

26.10.2019

27.10.2019

28.10.2019

29.10.2019

30.10.2019

31.10.2019

1.11.2019

2.11.2019

3.11.2019

4.11.2019

5.11.2019

6.11.2019

7.11.2019

8.11.2019

9.11.2019

10.11.2019

11.11.2019

12.11.2019

13.11.2019

14.11.2019

15.11.2019

16.11.2019

17.11.2019

18.11.2019

19.11.2019

20.11.2019

21.11.2019

22.11.2019

23.11.2019

24.11.2019

25.11.2019

26.11.2019

27.11.2019

28.11.2019

29.11.2019

30.11.2019

1.12.2019

2.12.2019

3.12.2019

4.12.2019

5.12.2019

6.12.2019

7.12.2019

8.12.2019

9.12.2019

10.12.2019

11.12.2019

12.12.2019

13.12.2019

14.12.2019

15.12.2019

16.12.2019

17.12.2019

18.12.2019

19.12.2019

20.12.2019

21.12.2019

22.12.2019

23.12.2019

24.12.2019

25.12.2019

26.12.2019

27.12.2019

28.12.2019

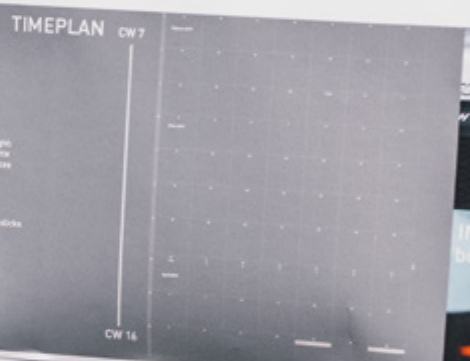
29.12.2019

30.12.2019

31.12.2019



...bike shall cause stir and attention. Design: better  
GOAL IS TO CREATE A PREVIEW OF THE NEW 2020 SDUKE. It is going to be the R



INSPIRATION  
bold CTG st







# RESEARCH & DEVELOPMENT

For PIERER Mobility AG, as the leading manufacturer of premium powered two-wheelers in Europe, it is our expressed goal to continue to expand our dominant role in sales and technology while further strengthening our image in the world of motorcycling. We have been particularly focused on the area of research and development for several years. Our strong commitment to development has always been part of our DNA and is an essential pillar of our success. Our progressive R&D strategy has produced innovative products, which meet our customers' high expectations in technology and performance. At the same time, it makes it possible for us to develop ongoing and lasting new markets.

We place special emphasis on the early identification of trends in the powered two-wheeler (PTW) segment and on further development of the functional and technical aspects of our products. We also make great efforts to recognize and fulfill the demands our customers place on our products and services so that we can continue to build on our pioneering position and guarantee a market-oriented product development strategy.

Thanks to our globally active research and development organization, we have a powerful network of highly qualified employees in the areas of design, calculation and simulation, just to name a few. This network is aided by an array of excellent on-site machinery and equipment which is responsible for the production, assembly, and validation of newly developed prototypes. This unique combination allows us to react with a high degree of flexibility should requirements change.

## SERIES TRANSITIONS

Although the far-reaching effects of the coronavirus pandemic had already demanded a high degree of flexibility and problem solving in the financial year 2020, it soon became clear that the now completed financial year 2021 was going to be no less challenging. Due to numerous travel restrictions and changes in everyday work, the group was greatly limited in its ability to function as an international organization. Given these unfavorable conditions, we are particularly proud of the result of our research and development activities in 2021. In addition to extensive basic development projects in various disciplines, the past financial year also included a range of series transition projects and series ramp-ups.

## STREET SEGMENT

One of the most important projects of last year for the street model platforms was the industrialization of KTM's spearhead in the street model portfolio – the 1290 SUPER ADVENTURE R and S models as well as the 1290 SUPER DUKE RR hyper-naked bike. Now, for the first time, the 2021 generation KTM 1290 SUPER ADVENTURE S/R comes with a standard, innovative adaptive cruise control. It was developed thanks to intensive research side-by-side with Bosch. It automatically maintains an appropriate distance to other road users in front of the motorcycle using radar sensors and can be set at five levels via the redesigned combination switch.

Further highlights include the series production of the KTM RC generation in the Supersport segment, the series ramp-up of the Husqvarna Norden 901 and the ramp-up of the KTM 1290 SUPER DUKE R and KTM 1290 SUPER DUKE GT models, which incorporate extensive updates. The starting point was the KTM 890 DUKE model derivative, based on the successful two-cylinder mid-class platform, which were able to make their series launch before the start of the motorcycle season in February. Both vehicles are further developed variants of previous KTM 790 DUKE and 890 DUKE R models, on which the developers made significant progress, particularly on the mechanics and performance but also on the emissions profile.

Starting in June, the completed series ramp-up of the KTM RC models in the Supersport segment from 125 cm<sup>3</sup> to 390 cm<sup>3</sup> set a key milestone in the last financial year. After an intensive test and trial phase – one that presented additional challenges for the entire project team due to the far-reaching effects of the COVID pandemic – we presented the fully revised model range to the international specialist press. Despite circumstances which made planning difficult this year, we finished strong with the successful launch of the reworked KTM 1290 SUPER DUKE R EVO and KTM 1290 SUPER DUKE GT models in the premium segment in December. While the KTM 1290 SUPER DUKE R EVO stands out in particular

for its redeveloped semi-active WP APEX suspension, the KTM 1290 SUPER DUKE GT package was improved, not just by the reworked chassis and other details, but by the HMI interface (dashboard, combination switch) already familiar from the KTM 1290 SUPER ADVENTURE.

With a prototype of a motorcycle in the mid-class Travel segment called “Norden”, Husqvarna Motorcycles created quite a stir in 2019 at the EICMA, the most important trade fair in the motorcycle segment. In November 2021, exactly two years after its presentation, the series ramp-up of this much anticipated model was launched. With its foundation rooted in the ingenious building blocks of the KTM 890 ADVENTURE/KTM 890 ADVENTURE R models, this model distinguishes itself significantly from its sisters in the group with its unique design, a reworked chassis and a range of other brand-typical detailed solutions.

## OFFROAD SEGMENT

The success story of our group brands is grounded in numerous impressive victories in offroad motorsports, which provide us with just that much more inspiration in our tireless efforts to further develop our off-road competition models. The high points of the previous research year therefore included the development and start of the transition to series production of our new KTM SX/SX-F and Husqvarna Motorcycles TC/FC Motocross model range in the full-size offroad segment. And because KTM's brand motto is “READY TO RACE”, not only were the prototypes of these bikes successfully subjected to comprehensive prototype tests but, due to our commitment to global motorsports, they were also put up against the toughest conditions. The most recent generation of models from our full-size off-road platform is the result of a complex platform strategy, the primary objective of which is to optimize the performance of all built-in components and at the same time ensure a high degree of efficiency.



## RESEARCH AND DEVELOPMENT IN THE FIELD OF ELECTRIC MOBILITY

As a pioneer in the field of electric mobility, PIERER Mobility AG has demonstrated extensive expertise in the area since 2014. It already offers fully electric powered vehicles across the spectrum of all group brands, such as the internationally successful KTM Freeride-E, the E-Mini and E-Bicycle products. Our in-house center of expertise in **Anif near Salzburg** is fully dedicated to further development in the area of electric mobility. In order to meet the growing demand for innovative e-mobility concepts and to achieve economies of scale regarding critical components, **PIERER Mobility AG** and its business partner **Bajaj Auto Limited** have also increased their cooperation mainly in their joint development of electrical drive platforms. This enables both companies to quickly and effectively adapt to ever-changing customer needs. Part of this strategy is an open approach to different battery solutions that take advantage of both integrated and removable batteries. The 2021 research year included a series of R&D projects in the field of purely electric powered vehicle concepts. While a large part of the basic and technological research, such as the development and testing of new energy accumulators and drive systems, is being carried out behind closed doors, a number of new vehicle concepts were presented to the public last year for the first time:

The **Husqvarna E-Pilen** concept is inspired by the design of the successful Husqvarna Vitpilen and Svartpilen models and the brand gives a tantalizing vision of what its future move into electric urban mobility will look like. It offers a well-rounded riding experience that appeals to new and experienced riders equally. With an output of 8 kW and a range of 100 kilometers, the vehicle was primarily developed for commuters and leisure riders. The **Stand-Up Scooter Concept**, also presented in 2021, can be folded up and carried easily into buildings or onto public transport. Riders stand upright as they glide on the noiseless and emission-free vehicle, reaching their destination in busy urban traffic in no time. Drivers stand upright as they glide on the noiseless and emission-free concept vehicle, reaching their destination in busy urban traffic in no time. The Stand-Up Scooter Concept will offer a range of 40 km and with the power output of 0.5 kW it will deliver a top speed of 20 km/h.

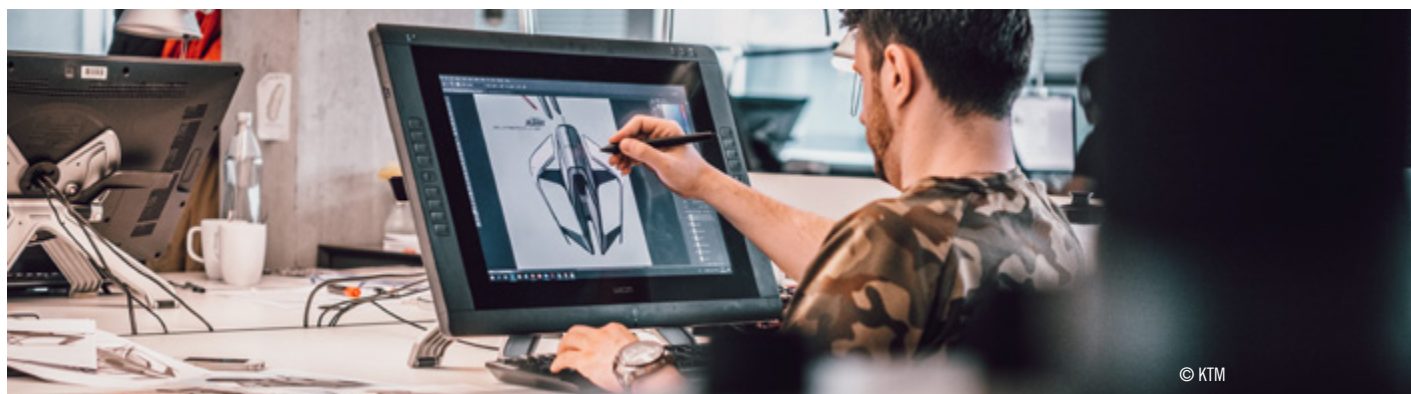
A further milestone in the previous research year was the strategic cooperation between PIERER Mobility AG and the battery manufacturer **VARTA**. The mission of this cooperation is to use highly efficient battery systems in the electric two-wheel sector to send a strong signal both within and outside of Europe. VARTA AG is the leading European manufacturer of Li-ion cells and a global leader in innovation and technology. The cooperation partners see great potential for the development of a **platform battery for lightweight electric vehicles** in the 48 volt range with peak performances of up to approx. 20 kW. The main focus of the cooperation is the development and industrialization of low-voltage battery platforms for long-range, high-performance vehicles with a peak power of 250 watts to 20 kilowatts. In particular, the partners are

looking to cooperate in the areas of research, development and production, joint marketing and sales activities, as well as return of vehicles, recycling and second life strategies for battery storage systems.

In addition, KTM AG formed a **consortium for motorcycles with exchangeable batteries** with Honda Motor, the Piaggio Group and Yamaha Motor. The aim of the consortium is to develop solutions to address customers' concerns regarding the future of electric mobility, such as range, charging time and infrastructure as well as costs. This is to be achieved while adhering to four main objectives: (a) development of common technical specifications for interchangeable battery systems; (b) confirmation of the joint use of battery systems; (c) promotion of the common specifications of the consortium in European and international standardization committees as well as their adoption as a standard; (d) worldwide application of the common specifications of the consortium. Signing this consortium contract is an important step in ensuring that PIERER Mobility AG can further advance its clear strategic vision for electric powered two-wheelers (PTW) and implement innovations quickly. Work is being carried out together with the consortium partners to develop an exchangeable battery system for low-voltage vehicles (48 V) with up to 11 kW of power, which is based on international technical standards.

## RESEARCH ON TECHNOLOGIES TO REDUCE CO<sub>2</sub> EMISSIONS FOR COMBUSTION ENGINES

In parallel to the initiatives mentioned above in the area of electric mobility, the PIERER Mobility Group is also working on technologies for further reducing the emissions profiles of motorcycles equipped with combustion engines. The development strategy of the PIERER Mobility Group in the area of combustion engines development has a clear target of reducing consumption and emissions. This includes R&D activities which address the further development of the thermodynamic system (electronic fuel injection, combustion) as well as exhaust aftertreatment systems (catalytic converters). Furthermore, approaches to using CO<sub>2</sub>-free or CO<sub>2</sub>-neutral fuels, which can be obtained from, among other things, the CO<sub>2</sub> in the atmosphere, are being studied. All engines in the displacement category over 500 cm<sup>3</sup> are already qualified for operation with synthetic fuels (e-fuels) – other engine platforms can be changed within short response times. With the particularly technology-driven racing series MotoGP™ and Moto3™, the use of blended fuels (40% consisting of non-fossil fuels) will also be tested beginning in the 2024 season. It currently looks like the premier class of the Motorcycle World Championship is planning to completely switch to synthetic fuels starting in the 2027 season.



© KTM

### DEVELOPMENT OF SAFETY AND ASSISTANCE SYSTEMS

In addition to **adaptive cruise control** unveiled with the new KTM 1290 SUPER ADVENTURE, its lean-dependent motorcycle **traction control** has been significantly advanced. This safety system now has two independent regulators (one for slip and one for rollover) that provide their own data and strategies. The cornering ABS and Offroad ABS systems as well as the adaptive cruise control system and new motorcycle stability control systems are based on the technological building blocks developed in collaboration with Bosch.

One of the most central innovation projects in the area of **suspension development** is the transition to series production of the latest generation of WP APEX chassis, featuring semi-active suspension. Over the course of intensive R&D work, the most important functional modules of the semi-active suspension were reworked – among them new solenoid valves, new programming and fine adjustment of the 6-D sensor as well as reworked suspension stroke sensors. The combination of all these technologies results in sensitive, real-time measurements of the road or track that are transmitted directly to the suspension control unit, which then adapts the motorcycle to the rider's needs within a fraction of a second. On the hardware side, the WP APEX fork of the semi-active suspension offers more classic damping, while providing all the advantages of an electrically controlled valve. This level of comfort is only possible thanks to a completely new electrical and electronic architecture, in which signals are transmitted more quickly, and to more efficient pulse-width modulation sensors. Depending on the KTM model (KTM 1290 SUPER DUKE GT or KTM 1290 SUPER ADVENTURE S), the WP APEX shock absorber in the semi-active suspension offers suspension travel in the range of 140 to 200 mm.

As part of its complete makeover, the KTM 1290 SUPER DUKE GT also features the first use of the new **Turn-by-Turn PLUS navigation system**, which will be available via KTM Connect. This system directly transfers current route information to the 7-inch TFT display, significantly improving navigation quality. The TBT+ navigation system will be used for the first time in the KTM 1290 SUPER DUKE GT. Further models will follow in the near future.

### THE SITE FOR INNOVATION – R&D HEADQUARTERS MATTIGHOFEN

The research and development department is a global organization, with decentralized locations in Europe (Austria, Spain), the US and Colombia. The development programs are centrally managed at the R&D headquarters in Mattighofen and in Munderfing, where the majority of our highly qualified employees from the research and development department are based. The Research and Development Center at the head office in Mattighofen is an innovation hub with a surface area of over 20,000 m<sup>2</sup>, where groundbreaking products for the Powersport segment are designed, developed and tested using state-of-the-art equipment. We see it as our mission to set new standards in the motorcycle segment – particularly in terms of safety, performance, and technology – in order to be able to offer our end customers an inspirational and emotional product experience.

In 2021, all R&D activities were combined and expanded further into their own research and development company, KTM Forschung & Entwicklung GmbH (KTM R&D GmbH), which will ensure that KTM is able to keep up with the ever-increasing pace of technological development in the future. A special focus of 2021 was making the move to the newly developed **R&D location in Anif near Salzburg**, which, in addition to the E-drive development division within R&D GmbH, also provides KTM Technologies GmbH with space for further growth. The investment volume for the 7,780 m<sup>2</sup> E-mobility center of expertise is EUR 20 million. The state-of-the-art facility provides space for more than 150 employees and is located right next to the design studio KISKA in Anif near Salzburg, Austria.

The development, testing and transition to series production of new concepts in the particularly technology-driven premium motorcycle segment require a steadily growing team of experts from different disciplines. This is also reflected in the fact that the number of employees in the Research and Development department of the PIERER Mobility Group continues to increase.

As of December 31, 2021, the PIERER Mobility Group employed 976 employees (previous year: 808), which is equal to 18.6% of the entire workforce in the area of research and development. In operational terms, excluding the ancillary effect of capitalizing and amortizing development expenses, 8.0% of total revenue was spent on research and development.

# TOGETHER WE ARE SHAPING THE FUTURE ON TWO WHEELS

## PIERER INNOVATION IS SHAPING THE DIGITAL INNOVATION & TRANSFORMATION OF THE TWO-WHEEL MARKET IN A MEANINGFUL AND SUSTAINABLE WAY

Digitalization is about more than the ongoing use of new technologies to increase efficiency in our companies. The digital world is constantly providing new opportunities and potential. Today most innovations are based on digital developments. Software dominates our world. This has resulted in unprecedented success for Big Tech companies, whose market capitalization is larger than that of many stock indices.

Many new technological developments have accelerated processes of change in product development, commerce and process optimization. These include connectivity and artificial intelligence (AI) in addition to the many new software technologies in general. Connectivity is a topic for everyone, and not just in the smart home. Consumer goods and vehicles are also becoming increasingly interconnected.

Today's innovation landscape therefore extends way beyond considering just the product. Increasingly, customer experiences and services need to be considered in the development. This requires greater transparency and the direct involvement of our dealers and customers in the processes.

In order to meet precisely this challenge, Pierer Innovation GmbH was founded and a number of digital companies such as Avocado GmbH, DC Digital GmbH, etc. were acquired. Pierer Innovation, with its now 50-plus-strong team, is addressing precisely this issue – and taking the digitalization drive to a new level. Together, Pierer Innovation GmbH with Avocado GmbH and DC Digital GmbH represent the competence center

for user experience design, software development, data science and new digital technologies and are shaping the digital future of Pierer Mobility AG. Scouting specialists work on a continuous exchange of technology and trend analyses to evaluate social and cultural changes and derive possible use and business cases. In this way, they are laying the foundation for the development of new concepts.

Pierer Innovation's Business Modeling Unit also aims to create added value from existing and new data sources and to design new products and services. This is where the Smart Commerce Stream comes in. It aims to take both the customer experience at every digital touchpoint and the motorcycling experience to a new level. This guarantees a stable and powerful innovation pipeline. The vision is to develop strong technology portfolios that demonstrate the innovation potential across the entire customer journey (online and onsite at the dealer) with targeted communication and services.

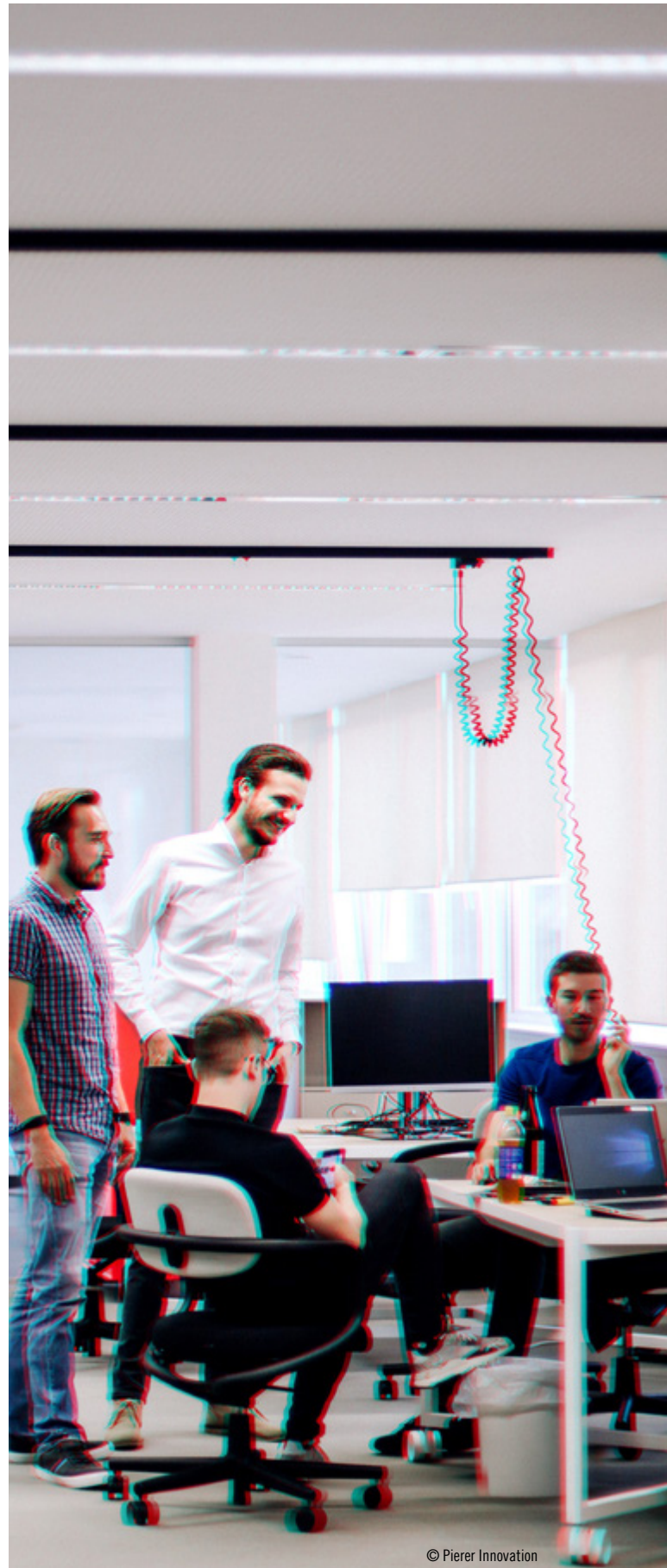
### **DATA AS AN OPPORTUNITY**

Software platforms are the invisible machines that have created, influenced or transformed nearly every major branch of industry over the last quarter of a century. They make cell phones, car navigation devices, search engines and web portals work. They create a huge benefit for the customer and are driving changes that will dwarf all previous technical and business developments.

Today we refer to a platform economy or GAFA economy. The acronym GAFA represents the first letters of Google, Amazon, Facebook and Apple. To illustrate the size, the GAFA economy contains more data than the whole of the old economy combined. It is bigger than the entire German stock market of the last 20 years and has also managed not only to collect the data, but also to monetize it. This is why it is also essential for PIERER Mobility AG to collect and utilize data. To support and protect our sales channels, the following skills and resources are needed:

- Software skills
- Handling large amounts of data
- Technology scouts with access to international networks for scouting
- Project managers who can handle complex software projects
- Product owners who can develop holistic products
- Business modelers who can translate data into new business models

Data comes firstly from the vehicles (keyword “Internet of Things”) or from business partners and end customers. Much of the data is linked in the customer profile in a specially developed solution (MotoHub), which represents, among other things, a self-service client portal of PIERER Mobility AG. This not only provides the customer with access to their data in the group ecosystem, but also the dealer and the company itself. The DealerHub (a unified dealer management system) then completes the end-to-end data chain at the point of sale.









### INNOVATION FOCUSING ON CUSTOMERS AND DEALERS

For Pierer Innovation, the emphasis is also on people – whether a dealer or customer – the focus is still on continuously improving customer and dealer satisfaction. As part of this, Pierer Innovation focuses on determining the needs of its customers using digital needs analysis as well. This will enable us to offer digital solutions that are tailored even more specifically to the needs of our customers in the future.

One of the most important effects of digitalization in the motorcycle industry is that the vehicle is also becoming the focal point of the digital customer experience. Pierer Innovation adapted to this at an early stage and is prepared to meet the expectations and wishes of its customers with expanding digital offerings. This is not just about developing and integrating new technologies and services for the motorcycle. The focus is on the customer and their demands for contemporary mobility. Digital services that customers are used to should also be available to them seamlessly and without restrictions away from the motorcycle. The ability to use services almost anywhere at any time is the basic prerequisite for a range of digital services that is focused solely on the customer and geared to the customer's personal needs.

### THE FUTURE IS NOW

In 2021, our eCommerce team focused strongly on the further development of online platforms. These online reservation platforms were used to help dealers to enable interested customers to reserve special editions of motorcycles, thus optimizing the margin in addition to saving process and logistics costs. The limited number of special editions were sold out within a few minutes. Great progress is being made with the development of a B2E store (our employee store) and this is scheduled to be launched on the Austrian market in the second quarter of 2022. This platform also takes a long-term view of the entire process chain.

The issue of predictive maintenance is being considered across all Pierer Innovation departments. This will make servicing the two-wheeler much easier for the customer in the future. The Tech Scouting Team is working on technologies that will allow wear and tear to be detected and transmitted in real time. To do this, our data scientists are developing special algorithms to evaluate this data and derive instructions for action. The eCommerce team ultimately utilizes these findings to develop a seamless maintenance experience for both the dealer and the customer.

Pierer Innovation GmbH and Avocado GmbH have set themselves a clear goal for 2022: to continuously produce innovative products, work on new groundbreaking technologies and further develop processes. To achieve this, both companies are investing in sustainable solutions and examining the possibilities of digitalization along the entire value chain. Our overarching PIERER Mobility approach to innovation is largely based on the open source idea – for us, the focus is on creative collaboration across all companies and entities to shape the future of two-wheeled vehicles for our customers and dealers.



# PIERER E-BIKES CHARGED UP FOR 2022

2021 was a monumental year for PIERER E-Bikes. Unwaivered from its mission to define and shape the next leap in electric-powered two-wheel mobility – the company continued to make strides in modernizing and strategically linking expertise and technology advancements acquired across its bicycle brands. In terms of expansion, PIERER E-Bikes experienced exponential growth in sales, segment share, product portfolio and innovation while making progress in supplier relations – all amidst a global pandemic.

As of July 31<sup>st</sup> 2021, PIERER E-Bikes GmbH finalized the integration of all of its subsidiaries – ultimately streamlining all processes, dealer contracts, SAP via the all-new DealerNet; a one-stop hub for all dealer-related requests, communications and tasks. The implementation came at an appropriate time as demand for e-bicycles surged, boosted by the pandemic's effect on society's perception towards mobility and changes in recreational behavior – all leading towards a higher appreciation for e-bicycles. In contrast, the pandemic continued to dampen the speed and delivery of the supply chain, which led to a shortage in products. Even then, PIERER E-Bikes sold over 100,000 units of bikes in 2021, a 40% increase from 2020.

The positive uptake can be attributed to a few new key progresses made; GASGAS Bicycles being distributed exclusively by GAS-GAS motorcycle dealers; and Husqvarna E-Bicycles marking its presence in North America. Whilst most of PIERER E-Bikes' focus in 2021 was in the EU, the process of internationalization will continue in 2022/23 with UK and Australia being the company's next new priority markets. As of October 2021, PIERER E-Bikes has a total of 1,028 Independent Bicycle Dealers and 294 Motorcycle Dealers across Europe and North America.

More key strategic moves were made in 2021 to fuel PIERER E-Bikes' momentum and trajectory. In November, PIERER E-Bikes successfully acquired US-based FELT Bicycles. FELT Bicycles has an established reputation for producing high-performance, drop-bar road, triathlon, track, cyclocross, gravel, and adventure bikes. The brand has also pioneered carbon fiber usage in bike design, set new standards in mountain bike suspension systems, and revolutionized aerodynamic development in the pursuit of the ultimate racing equipment. To top it off, FELT bikes have been ridden to stage wins at Grand Tours, earned record-breaking triathlon world titles, Olympic gold medals, and world championships on various terrain. By having FELT in its portfolio, PIERER E-Bikes is not only

making strong headways in North America, but has now gained access to insights and expertise from FELT's 30-year experience and R&D.

As a step to address the stunted status of global supply chains and to bring manufacturing back to Europe, PIERER Mobility AG formed a joint venture with Maxcom Ltd. for e-bicycle production in Bulgaria with the goal of expanding the company's bicycle and e-bicycle production capacity in Europe. Maxcom Ltd. is one of the largest bicycle manufacturers in Eastern Europe and is an existing supplier of PIERER E-Bikes, mainly for R Raymon and Husqvarna E-Bicycles. As part of the joint venture, a state-of-the-art e-bicycle production facility is being built on an area of 130,000 m<sup>2</sup>.

## HUSQVARNA E-BICYCLES

Conceived to introduce new possibilities and experiences within E-Mobility – Husqvarna E-Bicycles has set innovation as its status quo. In line with the brand's motivation to evolve and advance the segment towards becoming the future-forward bike company of the world, the brand expanded its reach to two new promising markets in 2021 – Spain and North America. In addition, Husqvarna E-Bicycles launched its new website in February with improved user interface and aligning its web experience with Husqvarna Motorcycles. The enhancement of user experience was also extended with the launch of the Ride Husqvarna Bicycle app – enabling riders to track their performance in real-time; ultimately giving riders the data and insights they need to zone-in and improve their skills and excursions.

On the media front, Husqvarna E-Bicycles radically amplified its visibility and reputation. The brand's newly forged partnership with Electric Mountain Bike Network (EMBN) as the official bike partner resulted in the creation of over 20 new videos that helped accumulated 500,000 views online within 5 months. Husqvarna E-Bicycles' inaugural entry to EWS-E in the Enduro World Series putting Husqvarna E-Bicycles within the immediate radar of serious, high potential audience.

What took the cake in 2021, were the different initiatives the brand made to preview its vision of the future, starting with the Husqvarna Model Year 2022 fleet. Boasting new offroad models with new signature frame designs and engineering advancements – the fleet's offering was encapsulated and manifested in the

form of the all-new Mountain Cross 6. Husqvarna E-Bicycles, alongside Husqvarna Motorcycle also presented its fleet of Urban Mobility vehicles, positioning the group as a holistic emission-free powered two-wheeler manufacturer at IAA Mobility, Munich.

In January 2022, Husqvarna E-Bicycles introduced its 'Legacy Edition' – a special fleet of MC5s with a renewed design.

## GASGAS

Riding on the action-led success and philosophy of GASGAS in the offroad motorcycle racing and trial competition segments, GASGAS Bicycles were launched simultaneously across Germany, Austria, Switzerland, Spain, France, Italy, Netherlands, and Belgium in April – creating a wave of excitement and anticipation. This was accompanied with full integration of GASGAS Bicycles on all GASGAS Motorcycles platforms including website, Social Media, media library, newsletter and press hub.

Syncing platforms aside, GASGAS Bicycles collaborated with GASGAS Motorcycles and kicked off the United in Dirt Tour – a strategic initiative meant to introduce and familiarize dealers, media and riders with the full line up of GASGAS products. Taking on six different locations, the United in Dirt Tour successfully brought together a total of 89 dealers, 102 journalists and 327 customers for an immersive GASGAS experience like no other. The synergy between GASGAS Bicycles and GASGAS Motorcycles does not end there, both brands share a host of amazing ambassadors like Adrian Guggemos, Laia Sanz, Taddy Blazusiak.

When it comes to bikes, the hero model for GASGAS Bicycles in 2021 was the Enduro Cross 9.0.

The Enduro Cross 9.0, along with GASGAS Bicycles' complete fleet was launched in Finland, the brand's newest market, in December 2021. In the meantime, the brand is already working on rolling out its new model range for 2022.

## R RAYMON

In 2021, R Raymon introduced a brand-new claim – “Ride here. Ride now.” as a reflection of the brand's attributes, growth and spirit. The “Ride here. Ride now.” mantra encapsulates the driving pleasure and pure emotions that come with every R Raymon ride and experience – fast, young and wild. As a classic fast follower in terms of innovation, technology and design, R Raymon supplies the specialist bicycle trade with an

extensive product range in the bike and e-bike sector. As a newcomer, R Raymon has established itself in the market within a very short time – a result of having an extensive range of bikes catered to a broad audience spectrum. But the buck does not stop there, the brand is taking steps to penetrate new markets and reach new audiences across Europe.

This comes as no surprise as the brand has diverse target groups. From young junior riders to professional athletes, city dwellers to mountain bikers – R Raymon offers a range of options with and without electric drive – all of which provides strong price-performance ratio. Yamaha was the brand's first partner, with Yamaha's different drive units powering R Raymon's entire e-mobility portfolio.

In 2022, R Raymon will once again expand its portfolio and enter the world of light e-MTBs. With the AirRay, R Raymon sets to change perspectives – combining the typical playfulness of a trail bike with solid performance and ideal battery capacity. Deliberately, the strongest motor torque and the maximum battery capacity were not chosen for the three models, but care was taken to harmoniously balance the three pillars – motor, battery and weight.

Further innovations can be expected in the coming year – with new frame platforms and concepts, R Raymon is pursuing to establish itself stronger in the sport segment. It is this very ability to be versatile that attracts top international athletes, such as Johannes Fischbach or Korbinian Engstler to R Raymon.

PREMIUM IN  
TECHNOLOGY &  
COMPONENTS

# KTM TECHNOLOGIES HIGH-END ENGINEERING AND CUTTING-EDGE TECH- NOLOGY FOR TOMORROW'S PRODUCTS

True to the motto "DRIVEN BY THE NEW", KTM TECHNOLOGIES GMBH in Anif near Salzburg develops inspiring vehicle concepts and innovative lightweight design solutions.

KTM TECHNOLOGIES GMBH was established in 2007 when a small group of engineers with a keen interest in motorsport transformed the vision of the X-BOW super sports car into series production at KTM. The X-BOW with its lightweight carbon fiber chassis was way ahead of its time and is considered a milestone in KTM's history. Since this project, the experienced team has proven itself as PIERER Mobility AG's strategic development service provider in many exciting and challenging projects. In 2010, for example, they played a key role in the development of the "XL1" - Volkswagen's with their expertise in lightweight construction. This also heralded the start of electric mobility, which continued in 2012 with the development of the AUDI e-bike "Wörthersee" and in the years that followed with many more mobility projects. Highly qualified employees are the basis for satisfied customers and for ensuring the company's continuous success.

As early as 2014, KTM AG launched the "Freeride-E" electric motorcycle, its first purely electrically powered production bike. The trend toward sustainable and low-emission drives has now accelerated, not least thanks to continuous technological advances, especially in the area of battery storage technology. In line with this trend, KTM TECHNOLOGIES GMBH has also worked very hard in recent years on many e-mobility projects and built up know-how, resources, and infrastructure in this area. For this purpose, the site in Salzburg has been expanded to create a development center. This has resulted in offices, workshops and state-of-the-art test benches over 7,780 m<sup>2</sup> of floor space which can be used by the companies belonging to the Pierer Mobility Group.

As a service provider, the company also continues to work with third-party customers on strategically meaningful projects, thereby gaining valuable expertise that extends beyond the two-wheeler sector. The group of partners and customers includes automotive OEMs and suppliers as well as companies from other industries, such as mechanical engineering, aviation and electronics. Thanks to

the activities across different industries, the customers also benefit from broad know-how and the possibilities of technology transfer.

## SPECIALISTS IN THE DEVELOPMENT OF E-VEHICLES

The challenges in developing successful electric vehicles are complex and multifaceted. KTM TECHNOLOGIES GMBH has many years of experience in vehicle architecture and holistic development methods for designing vehicles that have low costs and offer a great benefit to the customer. It has a range of skills in the core areas of component and whole vehicle development. This applies in particular to requirements management, technology and concept development, simulation, prototype construction, and testing. It conducts research and development work with a strong application orientation and focuses on products with the highest possible potential marketability. The main focus is on products with low-voltage drive systems and maximum continuous power of up to 11 kW and peak power of up to around 20 kW. In addition to the existing e-products, work is being done on further e-vehicle models (such as e-motorcycle, e-(stand-up) scooter, light motorcycles licensed for use on the road to various sports vehicles for off-road use). The company works closely with KTM Forschungs und Entwicklungs GmbH and other companies in the PIERER Mobility Group, as well as with external partners and universities.

## TECHNOLOGICAL CHANGE

In the single-track vehicle segment with continuous power of up to approx. 11 kW corresponding to 50-125 cc, the electric powertrain will gradually replace the combustion engine over the coming years. Specifically in urban areas, with moderate speeds and comparatively short distances, the electric vehicle can demonstrate its advantages: high torque, low noise, largely maintenance-free and environmentally friendly. Also, legal restrictions on internal combustion engines in this segment can be expected in the future and this will further accelerate the change.

Cost-effectiveness considerations and current production volume scenarios call for the development and application of cross-vehicle



platforms and modular systems to enable the widest possible range of applications in different types of vehicles, from “naked”, light “adventure” or off-road vehicles to scooters. This will enable the high costs of development and investment to be spread across higher unit quantities.

The electric drive system, consisting of the motor, inverter, charger and battery system, accounts for a high proportion of the vehicle’s manufacturing costs and has a significant influence on the cost-benefit comparison with the combustion engine. Performance-optimized and cost-optimized, highly efficient and durable components, developed specifically for use with two-wheelers, are a key to the success.

This means that highly integrated approaches to solutions are necessary to achieve the best possible efficiency at the system level. Detailed system knowledge and a high level of in-house development expertise with the individual components make it possible to realize these goals. In order to optimize riding dynamics, performance and rideability, complex controllers and algorithms are developed at the system level in the area of functional development. The specialization in the test field means that components and systems can be qualified for series production on a customized basis. An automated cell and battery test field makes it possible to evaluate new technologies in the energy storage sector, as the key to increasing the energy density and thus range of e-vehicles.

#### **EXPERTS IN FUNCTIONAL LIGHTWEIGHT CONSTRUCTION, MATERIALS ENGINEERING AND SIMULATION**

KTM TECHNOLOGIES GMBH is one of the leading companies when it comes to developing lightweight, highly efficient and economical solutions for new vehicles and their components. What makes it successful is that it can handle the entire product development process from technology and component development, structure and process simulation, to industrialization. The company also has a very high level of expertise in the development and production of composite and 3D-printed components made from a wide range of different plastics, as well as combining them to make hybrid components.

Due to the growing need for energy savings and sustainability, lightweight construction is coming into even sharper focus. Economical lightweight construction is also an important component for electric vehicles because it ensures that they are as efficient as possible and also deliver impres-

sive driving dynamics.

To meet these requirements, the focus is on making the most targeted use of materials, based on the motto of “the right material in the right place”. The combination of a standard material and local reinforcement with a high-performance material is the goal. This allows a high level of mechanical performance and a high degree of integration to be achieved cost-effectively. Examples of use are structural and semi-structural applications such as rear frames of motorcycles, as well as passenger compartments of light vehicles and new aircraft such as drones. The company also develops and patents its own solutions for these applications, such as the “CONEXUS” technology, which enable different materials to be bonded together. Or the “CAVUS” technology which can be used to manufacture complex, one-piece and pressure-stable hollow components.

A major strength of KTM TECHNOLOGIES GMBH is ultimately its high level of expertise in the field of virtual development and the scope for realistic high-performance simulation. This includes, among other things, highly dynamic assignments for crash, aerodynamics and thermodynamics simulation. Virtual simulation methods are also used to evaluate the extent to which different concepts meet mechanical, thermal and electromagnetic requirements. These methods are particularly valuable for designing and optimizing battery systems for the specific requirement profiles of e-vehicles. Developments can therefore be designed and optimized virtually at an early stage and without the use of hardware. This delivers reductions in development times, minimizes risk, improves product characteristics and reduces costs.

In order to be able to test the developments under realistic conditions, fully functional prototypes are built in the company’s own workshops. Optimum conditions for doing this have been created in the new building and the provision of professional equipment in terms of test stands, measuring technology and analysis tools has been further expanded. This is where prototypes can be fine-tuned, tested and validated in-house in all phases of development. This is a great advantage, especially for the fast, safe and qualitatively flawless development of sophisticated and high-performance e-vehicles.

# EMPLOYEES AS A SUCCESS FACTOR

## EMPLOYMENT TREND

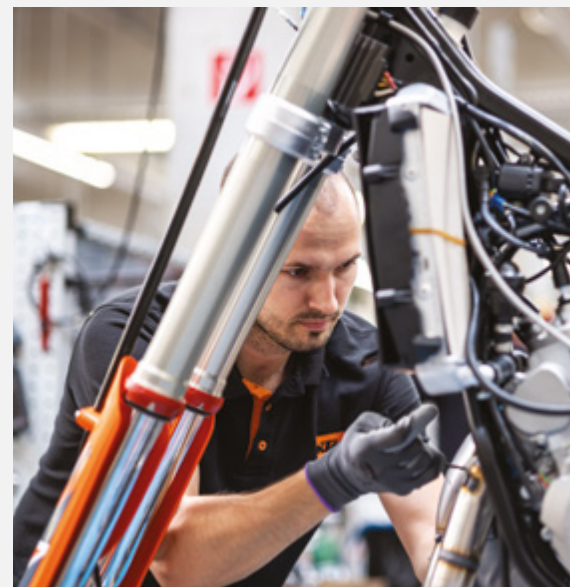
In 2021, around 83.1% of the employees of the PIERER Mobility Group were employed in Austria. The proportion of female employees was around 24.2%. Internal and external measures for increasing the attractiveness of the company as an employer are an essential element in conveying the prevailing spirit of the PIERER Mobility Group to potential new employees. Various cross-media employee campaigns enabled the company to largely meet its personnel requirements in the reporting year. As of December 31, 2021, the Group had 5,249 employees worldwide (previous year: 4,586), of which 4,340 were in Austria.

## RECRUITMENT AND RETENTION OF EMPLOYEES

Finding qualified employees and retaining them in the company over a long period of time poses a significant challenge, particularly for rural sites. Every employee in the PIERER Mobility Group forms part of the large team that drives the success of the company with dedication and enthusiasm. Attractive jobs offering exciting challenges and opportunities for training and career progression give employees the chance to demonstrate and expand their skills. Growing by embracing challenges is one of the premises in personnel development. The “Employees Recruit Employees” initiative was also launched in 2021 and symbolizes sustainable recruitment. These recommendations enabled a recruitment rate of 39,7% to be achieved. This means that one in 13 employees in production came via an employee referral.

The integration of non-Group companies goes hand in hand with the dynamic growth of the PIERER Mobility Group. In order to meet employee needs efficiently and sustainably, the focus was placed specifically on retaining these employees, and integration and organizational development were continuously monitored. In 2021, 209 temporary workers were taken on (concerns employees for the production site in Mattighofen and Munderfing/Austria).

In January 2021, a uniform procedure was defined for employees and managers in relation to internal job applications. This is because not only external employees have the opportunity to apply for advertised positions. An application portal exclusively for employees also provides the opportunity to publish positions exclusively for employees. PIERER Mobility AG consciously promotes the internal development of employees. For example, in 2021, about one third of the positions advertised in Austria were filled internally and two thirds of the management positions advertised enabled existing employees to take the next step in their career.





## EDUCATION AND TRAINING

With less education and training being offered in 2020 due to Covid, the PIERER Mobility Group got going again fully in 2021. The number of hours of education and training for employees in Austria was around 124,000 hours (previous year: around 29,000). The average number of hours per employee was 26 hours (previous year: around 7 hours). The costs of education and training amounted to around EUR 2,292,000 in the reporting year (including companies in Austria, Germany and Australia).

Structured personnel management as well as the constant pursuit of personnel development programs are designed to prevent the unwanted departure of employees from the company. A shortage of skilled workers at KTM is also being addressed with a comprehensive apprentice training program in our own apprentice workshop. In production, a qualification matrix is used to map the employees' ability to work. In addition, this matrix is used to continuously determine the employees' qualification requirements and to plan further training accordingly.

In particular, the PIERER Mobility Group will in future increasingly rely on online training to deliver education and training for its employees. This training is flexible in terms of time and location. Furthermore, we will focus on sharing knowledge internally through experts. This is also the reason why PIERER Mobility has defined its employees as the fourth pillar of its success alongside globalization, innovation and brands in the company, and constantly strives to reinforce this pillar by expanding the education and training it offers.

Since personal development is now characterized by huge changes in an age of digitalization, a web-based learning management system ("**KTM\_academy training portal**") was launched in 2019. This makes the education and training of employees even more attractive, efficient and transparent. In 2021, KTM Technologies GmbH was also connected to the learning management system. Partly due to the Covid-19 pandemic, many courses were successfully digitalized or carried out in hybrid form. This ensured that employees continued to receive education and training even in these turbulent times. In addition to further development of the learning management system, the mobile app for all employees of KTM AG was added to the existing desktop system at the end of 2021. The app gives employees even easier access to education and training opportunities. In the app, digital learning content can be accessed on the go and employees can browse through the training catalog. For managers, this means that managerial functions are also available at any time while traveling, for example on business trips.

In addition, access to the KTM\_academy training portal has also been extended internationally and is available to a large proportion of employees in the PIERER Mobility Group in German and English. For example, many employees worldwide have the opportunity to participate online in important courses such as "IT Security Awareness". For 2022, the plan is to expand the offer and also provide dedicated training content for the subsidiaries via the KTM\_academy training portal.

With the newly created **Production Academy** in Mattighofen, KTM AG is investing heavily in the education and training of production employees. In the new training center, production employees receive intensive support and training, from onboarding through to technical training. In 2021, more than 100 new employees from leasing companies and from AMS (Public Employment Service Austria) and apprentices have already been trained up for the various KTM production plants. In particular, special information days were organized with AMS to give interested parties an advance insight into production, possible areas of responsibility and the company.

In 2021, the focus was also on increasing employee awareness with regard to **IT security awareness**. To this end, KTM AG offered an online course for all employees. This is supplemented by face2face training sessions to clearly communicate the importance of the topic and the sphere of influence of each individual employee on the company's IT security.

## STEM PROFESSIONS

To support women in STEM professions, KTM AG has already implemented several measures (Girl's Day, technical apprenticeship) and these are constantly being expanded. Every year, KTM invites interested girls to gain an insight into the company's technical training. In addition, the PIERER Mobility Group's subsidiaries are seeking joint projects with universities and technical colleges. These range from various research projects and activities in the context of joint student research projects to special academic courses (KTM Intrapreneurship MBA, KTM Young Pioneers College, Delta Academy of Montanuni Leoben) as well as business-science cooperations (Upper Austria University of Applied Sciences, Wels University of Applied Sciences, HTL Leonding, Software Competence Center Hagenberg). In addition to addressing current issues such as sustainability, these activities also promote a closer working relationship with the training institutions in order to combat the lack of skilled staff and introduce joint measures if necessary.



## APPRENTICES

Apprentice training forms an important aspect of HR strategy, as the employees make a significant contribution to the company's success. This is why KTM AG is investing around € 2.5 million in expanding its apprentice workshop. This will lay the foundation for further increasing the number of apprentices in the future and for offering new apprenticeships. With the KTM\_academy, further emphasis is placed on the quality of the training as an apprentice. The aim is to enable the apprentices to obtain a qualification in their specialist area at high-school diploma level by taking specific additional courses offered by KTM. The KTM\_academy offers employees the opportunity to pursue an apprenticeship with a high-school diploma, university entrance qualification courses, foreman training and, subsequently, an academic career through dual study. There is still a guarantee of a job if they achieve 'good' or 'distinction' on their apprenticeship certificate.

As of the reporting date of December 31, 2021, we employed around 190 apprentices (previous year: around 170) who were training in 15 vocational training programs. It is a central aim to continue to employ apprentices when they have completed their training. This satisfies the company's requirement for skilled workers and at the same time enables young people to make good start to their professional lives. In 2021, KTM AG integrated 36 apprentice employees in various specialist areas.

The cornerstone of apprentice training is our own apprentice workshop. This is where the basic training in all technical apprenticeship trades and special training programs is delivered, and it enables our future technicians to familiarize themselves with the company as much as possible. Apprentices rotate through the various specialist departments in which they are trained. Great emphasis is placed on ensuring that staff training the apprentices have the right technical and teaching qualifications and social skills. Social and methodological skills are also promoted AG, in addition to specialist skills. Every year, all apprentices go through team building together. This involves them working on projects together and strengthening cooperation and mutual trust.

## OCCUPATIONAL SAFETY & EMPLOYEE HEALTH

The PIERER Mobility Group is committed to ensuring the safety of its employees at all times. Statistics are collected on accidents relating to cause, type, number, place/department and days on which the employee concerned was absent for the purpose of taking appropriate improvement measures. In order to achieve continuous improvement in the area of health and safety, preventive measures are taken to safeguard general safety in the workplace and employee health. These include fire safety briefings, machine safety, promotion of health in the workplace, general occupational health services (acute first aid, vaccination advice and

vaccination, maternity leave, eyesight tests), integration of employees with impairments, reintegration into work as well as precautions to ensure suitable and ergonomic workplaces, conflict management in the workplace and resolution of psychological stress. Our efforts focus in particular on the best possible way to prevent accidents during the course of test rides with prototype and production motorcycles. These test rides are required for operational purposes. Special riding training for test riders takes place at the KTM Riders Academy.

In order to further develop the topics of occupational safety and employee health in a targeted manner and, in particular, to also further expand health promotion and (company) sport, another important step was taken in November 2021 with the structural change and bundling together of the areas in a separate team („Health & Safety“). Existing synergies can be better utilized and the skills in the area can be expanded in a targeted manner. Under the team leadership, the safety specialist continues to be responsible for the area of occupational safety and health protection; this person is supported by occupational medical and safety technology specialists. Part of the team is also the COVID team, which was established in 2020 and, in particular, takes proactive and preventive measures to prevent the spread of possible COVID-19 infections in the companies of the PIERER Mobility Group. The plan for 2022 is to establish and expand the area of health promotion and sport.

## DIVERSITY

The PIERER Mobility Group regards it as particularly important for all employees to be treated with fairness and respect. In order to counteract the risk of unequal treatment, we create a working environment characterized by mutual trust, in which each individual is treated with dignity and respect, and in which people from diverse cultures and with different personal backgrounds are valued equally. As an international Group, PIERER Mobility values the diversity that is reflected in the origin, culture, language, and ideas of the employees. In the reporting year, employees from 59 nationalities were employed in the group. To promote and support the integration of foreign employees, there is cooperation with "Hotspot Innviertel" and with ITG (Innovations- und Technologietransfer Salzburg GmbH). In addition, measures are actively being taken to promote integration at all levels. To this end, a defined number of jobs are given to individuals with physical and/or mental disabilities. As of December 31, 2021, 48 individuals with disabilities were employed in total within the PIERER Mobility Group.

# SUSTAINABILITY AT THE CENTER

As a reliable employer, fair business partner and technology pioneer, we drive the development of sustainable mobility concepts and produce them in the most environmentally conscious way possible. In this way, we behave fairly and responsibly toward people, the environment and the economy and contribute to the achievement of the global Sustainable Development Goals (SDGs). We have assigned our key topics, which we review at least annually to ensure they are up to date<sup>1</sup>, to the following four ESG areas.

## Reliable employer

Our employees are the fourth pillar of success alongside globalization, innovation and brands. As one of the largest employers in Upper Austria, we have a special responsibility toward them. Our focus is on supporting decent work, providing education & learning opportunities, promoting potential and ensuring health and safety.

## Sustainable mobility

We secure our role as an innovation company through constant development work. As a primary goal, we focus on the highest quality and security for our customers and drive product and technology development in the area of sustainable mobility concepts such as electrified vehicles, reduction of noise and exhaust emissions.

## Environmentally conscious production

As a manufacturing company, we are aware of our environmental impact and rely on the safe and efficient use of resources. Our recycling strategy focuses on material cycles and high recycling quotes.

## Fair business practice

We contribute to sustainable economic growth. We operate in compliance with legal provisions and ethical principles in doing so. We are interested in long-term and trusting business relationships with business partners (especially suppliers) and are strongly anchored in the region.

## ESG Program

In the future, the ESG program will be an overview of all ESG measures used to address or achieve the key ESG topics and associated targets. The measures and targets in this ESG program will be reviewed, updated or redefined in annual workshops with the departments along the ESG topics which are identified as material. The ESG program will then be submitted to the Executive Board for approval. An initial version of the ESG program was prepared in 2021 in line with the future process and is published in detailed form in the Sustainability Report 2021.

## Governance

In response to increasing stakeholder interest in environmental, sustainability and governance issues, ESG management is being expanded. The ESG team, comprising employees from Risk Management, Quality Management and Investor Relations, is in regular consultation with ESG officers/responsible persons from all specialist departments. The managing directors/divisional heads of the respective business units/divisions are responsible for implementing the ESG process and for creating and achieving ESG targets. The targets are regularly monitored and approved by the Executive Board. Overall responsibility rests with the CEO. Further information on the members of the Executive Board and their areas of responsibility can be found from page 66 onward in this Annual Report.

<sup>1</sup> With the assistance of our stakeholders, a materiality analysis was last carried out in the 2020 reporting year, the results of which have been able to confirm unchanged for the current Sustainability Report

**Our contribution to the SDGs**

We want to help to achieve the global Sustainable Development Goals (focus SDGs) with our operating activities and ensure that its operating activities do not have any adverse effects on the issues and objectives (further SDGs):

- 3** BETTER HEALTH AND WELL-BEING



Reduction of avoidable motorcycle accidents by investing in R&D on future-oriented solutions for safer products (e.g. “motorcycle stability control” system, PTW bend warning system, “vehicle-to-vehicle (V2V) communication”). Safety and health contributions for employees, e.g. increasing safety standards in production, measures to reduce accidents in production, measures to foster physical and mental health of employees. Occupational health and safety policy. (focus SDG)

**8** DECENT WORK AND ECONOMIC GROWTH



Diversity and Anti Discrimination Policy, Code of Conduct and declaration on modern slavery and human trafficking. Focus on R&D activities to further expand the leading role in the European motorcycle market in terms of technology, sales and sustainability through steady growth. Creation of attractive and valuable jobs. Opportunities for further training and promotion for employees. Further development on sustainable business practices. (focus SDG)
- 4** QUALITY EDUCATION



Commitment to high quality education of current and potential staff, intensive cooperation with secondary education institutions. Extensive offerings for trainings and further education for employees, e.g. KTM\_academy, KTM Young Pioneers College, KTM Digital Intrapreneurship MBA, Production Academy. Promoting women in STEM professions.

**9** INDUSTRIAL INNOVATION AND INFRASTRUCTURE



Innovation leader in sports motorcycle segment. High innovation culture and progressive R&D strategy to be pioneer in European motorcycle market with respect to technology, sales and sustainability through constant growth. Competence center for e-mobility opened in 2021. (focus SDG)
- 5** GENDER EQUALITY



Promotion of equal opportunities, which is stated in the Diversity and Anti-Discrimination Policy. Code of Conduct to end discrimination. Flexible working arrangements. Focus on increasing the proportion of women in STEM professions. This is resulting in an increase in female apprentices in technical areas as well as an overall increase in the number of female employees in the company, not least in management positions.

**11** SUSTAINABLE CITIES AND COMMUNITIES



Development of alternative, low emission mobility solutions to reduce air pollution. Work with project partners on sustainable mobility concepts in urban areas. (focus SDG)
- 6** CLEAN WATER AND SANITATION



Focus on efficient water use. Solvent-based parts cleaning facility to avoid water pollution and cost intensive wastewater management.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



Efficient use of natural resources and measures to avoid, reduce and recycle waste. Full utilization of raw materials including return to the material cycle, e.g. engine oil reprocessing facility, reusable containers. Certified waste partners. Certified environmental management system in accordance with ISO14001:2015. (focus SDG)
- 7** AFFORDABLE AND CLEAN ENERGY



Photovoltaic installation for House of Brands in Munderfing. Roof area of logistics center in Munderfing to be rented out for further photovoltaic facilities of 40.000m<sup>2</sup> (power approx. 4,000 kWp, energy to be introduced into public grid). Increase energy efficiency.

**13** CLIMATE ACTION



ACEM strategy for decarbonization of Powered Two-Wheelers (PTWs) by 2050. Launch at least three electric platforms with several products by 2024. Reduction of emissions across entire product life cycle. First TCFD Report in 2021, results to be incorporated into definition of targets and measures going forward. (focus SDG)
- 16** PEACE, JUSTICE AND STRONG INSTITUTIONS



Committed to national anti corruption regulations and international guidelines (e.g. UNCAC, OECD Guidelines for multinational companies). Code of Conduct provides clear guidelines on dealing with corruption and bribery and is an integral part of the basis for concluding any contracts.

# SHARE & INVESTOR RELATIONS

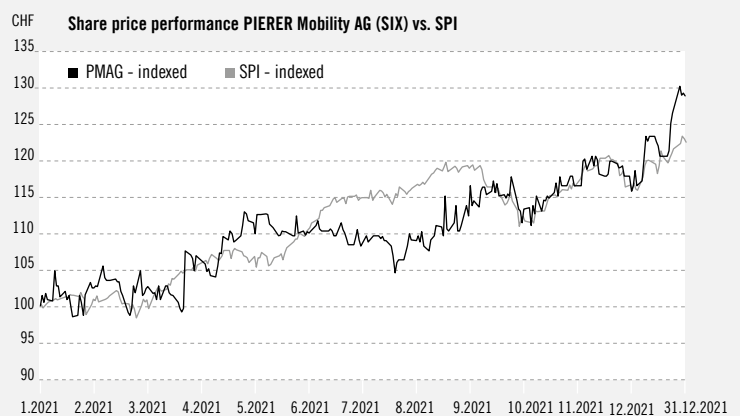
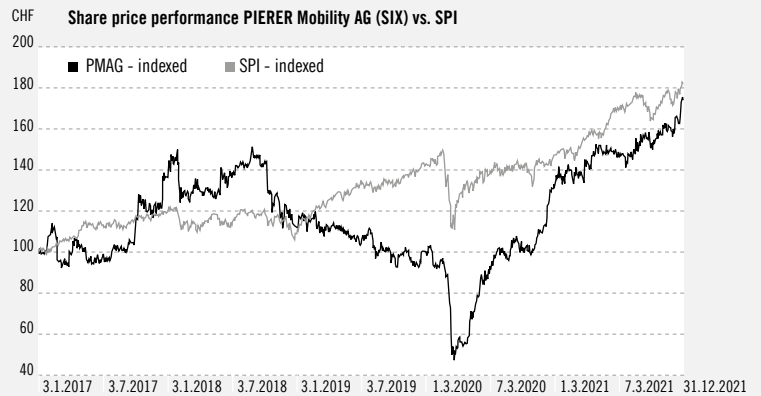
The current share capital of € 33,796,535 is divided into 33,796,535 no-par bearer shares with voting rights, where every ordinary share has an equal stake in the share capital. In the 2021 financial year, the Management Board of the company, with the consent of the Supervisory Board, utilized the authorised capital and increased the share capital by € 11,257,861 from € 22,538,674 to € 33,796,535 by issuing 11,257,861 new shares in return for a contribution in kind. In the context of this contribution in kind, the Indian Bajaj group contributed approximately 46.5% of its shares in KTM AG to the company via Pierer Bajaj AG. As a result, and after the acquisition of Bajaj's remaining 1.5% KTM AG shareholdings, the company's share in KTM AG has increased from previously around 51.7% to around 99.8%. In 2020, the remaining 0.2% will be transferred to the main shareholder PIERER Mobility AG in return for an appropriate cash settlement (squeeze-out).

The shares of PIERER Mobility AG have had a primary listing in the International Reporting Standard of the SIX Swiss Exchange since November 14, 2016 (opening price of CHF 4.90\*). The shares of PIERER Mobility AG were accepted into the Swiss Performance Index (SPI) of the SIX Swiss Exchange on March 29, 2017. Since March 3, 2020, the shares of PIERER Mobility AG have also been listed on the Regulated Market of the Frankfurt Stock Exchange (General Standard). Stifel Europe Bank AG (formerly MainFirst Bank AG) acts as the designated sponsor in Xetra trading. Baader Bank AG is the specialist on the trading floor of the Frankfurt Stock Exchange.

On its own initiative, Wiener Börse AG has included the shares of PIERER Mobility AG in the „global market“ of global companies with effect from October 1, 2020.

## LISTING IN THE PRIME MARKET OF THE VIENNA STOCK EXCHANGE

PIERER Mobility AG has applied for the admission of its shares to the Official Market (prime market segment) of the Vienna Stock Exchange. With PIERER Mobility AG as the leading European manufacturer of two-wheelers an important part of the Pierer Group joined the Vienna Stock Exchange with an additional listing. Trading in the prime market, the top segment of the Vienna Stock Exchange, commenced on 1 March, 2022. This step was taken following the great investor interest in Austria and abroad.



## PERFORMANCE OF THE PIERER MOBILITY SHARE

The PIERER Mobility share first started trading on the SIX Swiss Exchange on November 14, 2016, with an opening price of CHF 4.90\*. In the 2017 financial year, the share increased to CHF 7.39\* (closing price on 12/29/2017). In the 2018 financial year, the closing price on December 28, 2018, was CHF 60.6. The share closed at CHF 54.0 on the last trading day of the 2019 financial year (12/30/2021). The global spread of the coronavirus had a massive impact on the stock markets in the spring of 2020, resulting in major price losses on the stock exchanges. As a result, the PMAG share also fell sharply. It was able to recover significantly during the year 2020 and recorded a rising price trend until the end of the year 2020. Starting from a year-end price of CHF 71.1 on December 30, 2020, the stock market price of the PMAG share increased continuously in the 2021 financial year. The PMAG share closed at CHF 94.0 on the last trading day of the 2021 financial year (12/30/2021). The highest closing price on the SIX Swiss Exchange during the reporting year was CHF 95.0; the lowest was CHF 71.9. The market capitalization as at December 12, 2021 was CHF 3,176.9 million.

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

## RESEARCH COVERAGE

The support provided to PIERER Mobility AG by investment banks is an important component of the company's comprehensive investor relations work and is of particular importance to how investors perceive and rate the PMAG share. In addition to the coverage by Bank Vontobel AG, there is a cooperation in place with three other analyst firms. Stifel Europe Bank AG (formerly MainFirst Bank AG) in Frankfurt published its detailed initial analysis on March 4, 2020. Following its regular analyses in the past financial year, the most recent update was in February 2022. Stifel Europe Bank AG has set its price expectation at CHF 105 (90) and set its recommendation to „Buy“. Jefferies GmbH, with its seat in Frankfurt, also issued its analysis and a buy recommendation in November 2021 and set the target price at CHF 110. The Edison Group expects, that growth in motorbikes will continue moderately in the 2022 financial year and that strong growth in demand for e-bikes will continue. Bank Vontobel AG assumes a target price of up to CHF 108 in its latest valuation in February 2022 and has again issued a buy recommendation.

## BUYBACK AND USE OF TREASURY SHARES

Based on the resolution of the Extraordinary General Meeting of October 4, 2019, PIERER Mobility AG started a buyback of its own bearer shares at market price via the ordinary trading line on October 22, 2019. The buyback program was carried out by Bank Vontobel AG and ended early on January 20, 2021. The number of shares acquired was 224,043, or approximately 0.99 percent of the share capital, at a value of CHF 10,495,998.69 (highest equivalent value per share: CHF 56.60; lowest equivalent value per share: CHF 23.50; weighted average equivalent value of acquired shares: CHF 46.8481).

Based on the buyback and resale authorization for treasury shares granted by the Extraordinary General Meeting of October 4, 2019, the Executive Board of PIERER Mobility AG decided to dispose of 30,703 of these treasury shares (approximately 0.14 percent of the share capital) in August 2020. The purpose of this disposal was the use of treasury shares to settle the purchase price and the redemption amount for the shareholder loan of € 1,509,693.75 for the acquisition of the 35 percent equity holding in the digital trading platform DealerCenter Digital GmbH (DCD GmbH), Munich/Germany. The Supervisory Board granted its approval for this transaction on July 30, 2020. The remaining 193,340 treasury shares were sold over the counter during the 2021 financial year. As of the reporting date of December 31, 2021, the company does not hold treasury shares.

## DIVIDEND

A dividend of € 0.50 per share was distributed in the 2021 financial year. With regard to earnings per share of € 1.56, this corresponds to a pay-out ratio of 32.05%. The number of shares entitled to dividends amounted to 22,345,334 shares as of December 31, 2020.

According to the published announcement of March 10, 2022, the Management Board will propose to the Annual General Meeting on

April 29, 2022 the distribution of a dividend of € 1.-- per share. With regard to earnings per share of € 3.34, this corresponds to a pay-out ratio of 29.94%. The number of shares entitled to dividends as of 31 December, 2021 amounted to 33,796,535 shares. With 33,796,535 shares entitled to dividends, a total amount of approximately € 33.80 million will be distributed.

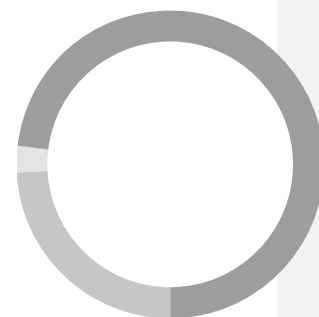
## INVESTOR RELATIONS ACTIVITIES

The management of PIERER Mobility AG endeavors to practice a policy of providing transparent, swift and comprehensive information to and communication with capital market participants as well as the general public. Information is therefore provided at regular intervals on the economic position as well as on the future development of the PIERER Mobility Group. To ensure transparency, service and currency, all financial reports, press releases, ad-hoc announcements, voting rights communications and corporate presentations are published on the company's website [www.pierermobility.com](http://www.pierermobility.com), therefore making them available to all shareholders at the same time. Despite the coronavirus pandemic, all scheduled events were held, either virtually or in person.

## SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2021

In the 2021 financial year, the Pierer Group, Austria held a stake amounting to around 75.9% of the company's share capital. Around 2.6% was owned by Pierer Konzerngesellschaft mbH, Austria.

- Pierer Bajaj AG, Austria: ~ 73.3%
- Pierer Konzerngesellschaft mbH, Austria: ~ 2.6%
- Free float: ~ 24.1%



## INFORMATION ABOUT THE PIERER MOBILITY

Investor Relations .....	Michaela Friepess
Phone .....	+43 7242 69 402
Fax .....	+43 7242 69 402 109
E-mail .....	<a href="mailto:ir@pierermobility.com">ir@pierermobility.com</a>
Website .....	<a href="http://www.pierermobility.com">www.pierermobility.com</a>
ISIN .....	AT0000KTMIO2
Security number (Switzerland) .....	41860974
Security abbreviation .....	PMAG
Reuters .....	PMAG.S
Bloomberg .....	PMAG SE, PMAG GY
Class of shares .....	No-par value ordinary bearer shares





## CORPORATE GOVERNANCE 2021 ÖCGK

<b>01 ADHERENCE TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE (ÖCGK)</b> .....	<b>64</b>
<b>02 MEMBERS OF THE CORPORATE BODIES</b> .....	<b>65</b>
WORKING PROCEDURES OF THE EXECUTIVE BOARD .....	65
COMPOSITION OF THE EXECUTIVE BOARD .....	66
WORKING PROCEDURES OF THE SUPERVISORY BOARD .....	68
COMPOSITION OF THE SUPERVISORY BOARD .....	69
COMMITTEES OF THE SUPERVISORY BOARD AND THEIR MEMBERS .....	69
INDEPENDENCE OF THE SUPERVISORY BOARD: .....	70
<b>03 MEASURES TO PROMOTE WOMEN</b> .....	<b>71</b>
<b>04 DESCRIPTION OF THE DIVERSITY CONCEPT</b> .....	<b>71</b>
<b>05 AUDITS AND EXTERNAL EVALUATION</b> .....	<b>73</b>
<b>06 CHANGES AFTER THE END OF THE REPORTING PERIOD</b> .....	<b>73</b>

<b>CORPORATE GOVERNANCE (DCG) OF THE SIX SWISS EXCHANGE</b> .....	<b>74</b>
---	-----------

## CORPORATE GOVERNANCE REPORT 2021 (ÖCGK)

The shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTMIG02). In addition, the shares of PIERER Mobility AG have been listed on the regulated market (General Standard) of the Frankfurt Stock Exchange since March 3, 2020 and on the Official Market (prime market segment) of the Vienna Stock Exchange since 1 March 2022.

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

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

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

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

The Corporate Governance Report for the 2021 financial year is publicly available on the homepage of the company ([www.pierermobility.com](http://www.pierermobility.com)) in the section Investor Relations > Corporate Governance > Corporate Governance Report.

As a result of this commitment, PIERER Mobility AG has to comply with more than just the legal requirements (“L-Rules”). This voluntary self-imposed obligation means that it must explain non-compliance with the so-called C-Rules (“comply or explain”) which go above and beyond the legal requirements. In accordance with this part of the Austrian Code of Corporate Governance, PIERER Mobility AG explains its nonconformity with C-Rules of the Code as follows:

“C-Rule 18”: In light of the company’s size, no separate internal audit department has been set up. However, the company has established an internal control and reporting system which enables the Executive Board to identify risks and quickly implement an appropriate response. The Supervisory Board, particularly the Audit Committee, is kept regularly informed about the internal control mechanisms and risk management in place across the group. Further information on risk management can be found in the notes to the consolidated financial statements as at December 31, 2021.

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

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

“C-Rules 39 and 41”: As the Supervisory Board of Pierer Mobility AG consisted solely of four members during the 2021 financial year, a Nomination Committee, as well as a committee that is authorized to make decisions in urgent cases, has not been established, as it would not lead to an increase in the efficiency of the Supervisory Board’s work. The tasks of the Nomination Committee are fulfilled by the entire Supervisory Board.

“C-Rule 49”: The conclusion of contracts with members of the Supervisory Board, by means of which such members are committed to performing a service for the company outside of their activities on the Supervisory Board in return for remuneration not of minor value, shall legally require the consent of the Supervisory Board. However, these shall not be published by the company in view of the associated company and business secrets. In addition, the notes to the consolidated financial statements contain notes regarding “Explanations regarding related parties and the corporate bodies”, which detail the remuneration of Supervisory Board members outside of their activities on the Supervisory Board.



“C-Rule 83”: The risk management in PIERER Mobility AG-Group is established on different levels. The company-specific risk management is established at the level of the affiliated companies. Due to the holding function of the company, the risk management of the affiliated companies is monitored as part of the participation-specific risk management. The nonconformity with C-Rule 83 is only given insofar, as an assessment of the risk management through the auditor has not taken place in the 2021 financial year. From the 2022 financial year onwards, it is planned that the auditor will carry out an independent assessment of the functionality of the risk management system in accordance with C-Rule 83.

In addition, PIERER Mobility AG also endeavors to comply, without exception, not only with the minimum requirements, but also with all of the Code's R-Rules (Recommendations).

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

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

## 02 MEMBERS OF THE CORPORATE BODIES

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

### WORKING PROCEDURES OF THE EXECUTIVE BOARD:

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

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

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

## COMPOSITION OF THE EXECUTIVE BOARD:

In the financial year 2021, the Executive Board of PIERER Mobility AG consisted of the following members (C-Rule 16 of the ÖCGK):

Name Year of Birth	Position	Initial Appointment	End of the current term of office	Areas of Responsibilities
<b>Stefan Pierer</b> born 1956	Member of the Executive Board (CEO)	June 2, 2015*	December 31, 2023	<ul style="list-style-type: none"> <li>▪ strategic overall management</li> <li>▪ product management</li> <li>▪ quality management</li> <li>▪ purchase</li> <li>▪ supply chain</li> <li>▪ international projects</li> </ul>
<b>Friedrich Roithner</b> born 1963	Member of the Executive Board (CFO)	June 2, 2015**	December 31, 2023	<ul style="list-style-type: none"> <li>▪ finance</li> <li>▪ (Group)accounting</li> <li>▪ tax affairs</li> <li>▪ legal affairs</li> <li>▪ risk management</li> </ul>
<b>Hubert Trunkenpolz</b> born 1962	Member of the Executive Board	January 1, 2018	December 31, 2023	<ul style="list-style-type: none"> <li>▪ sales</li> <li>▪ marketing</li> <li>▪ customer service</li> <li>▪ joint ventures</li> </ul>
<b>Viktor Sigl, MBA</b> born 1974	Member of the Executive Board	December 19, 2019	December 31, 2023	<ul style="list-style-type: none"> <li>▪ human resources</li> <li>▪ organisation</li> <li>▪ IT</li> </ul>

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

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

### STEFAN PIERER (CEO)

#### Professional Career:

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

#### Further main functions within the Group:

- Chairman of the Executive Board of KTM AG
- Member of the Supervisory Board of PIERER E-Bikes GmbH

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

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

**FRIEDRICH ROITHNER (CFO)****Professional Career:**

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

**Further main functions within the Group:**

- Chairman of the Supervisory Board of KTM AG
- Chairman of the Supervisory Board of KTM Components GmbH
- Chairman of the Supervisory Board of PIERER E-Bikes GmbH

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

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

**HUBERT TRUNKENPOLZ****Professional Career:**

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

**Further main functions within the Group:**

- Member of the Executive Board of KTM AG
- Managing Director of PIERER E-Bikes GmbH

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

- None.

**VIKTOR SIGL, MBA****Professional Career:**

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

**Further main functions within the Group:**

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

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

- None.

## WORKING PROCEDURES OF THE SUPERVISORY BOARD:

During the 2021 financial year, the Supervisory Board diligently performed the duties and tasks incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. All members of the Supervisory Board and its committees are free and independent according to the terms of the Austrian Code of Corporate Governance. The Supervisory Board held a total of seven meetings during the 2021 financial year. Only at one Supervisory Board meeting, one member of the Supervisory Board was excused; at the other six Supervisory Board meetings all members of the Supervisory Board were present. The meetings lasted approximately two to two and a half hours on average. In addition, two Audit Committee meetings were held; the meetings lasted approximately one hour on average. In its meetings in the financial year 2021, the Supervisory Board dealt with project monitoring, business development and business planning (forecast, budget and multi-year planning), including non-financial performance indicators.

In addition, the Supervisory Board focused in its meetings on discussing and passing resolutions on the review and approval of the 2020 annual financial statements, the review of the 2020 consolidated financial statements, the agenda and the proposed resolutions for the extraordinary General Meeting and the 24th Annual General Meeting, the financial status and Executive Board matters. The report by the Supervisory Board on the 2021 financial year provides further details.

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

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

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

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

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

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

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

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

The committees formed by the Supervisory Board shall carry out their tasks on behalf of the Supervisory Board. Each committee must comprise at least 2 members. For each committee formed, the Supervisory Board shall appoint a chairman from among the members of that committee. The rules of procedure of the Supervisory Board shall apply with regard to the notice period, the meetings and resolutions of a committee.

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

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

The Audit Committee has monitored the financial reporting processes (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements) as well as the effectiveness of the system of internal control, the risk management system and the audit system. The Audit Committee approved non-audit reviews by the auditor (auditor of the consolidated financial statements) up to EURk 1,500 per financial year. The approval is valid for the 2022 financial year and will be adjusted by the Audit Committee if necessary. Once a year, the Audit Committee is being informed about the actual non-audit reviews. Finally, the independence and the activities of the auditor (group financial auditor) was reviewed and monitored, with regard in particular to the additional services provided to the audited company.

In the financial year 2021, the Supervisory Board addressed the efficiency of its activities, in particular its organization and working methods, and carried out a self-evaluation within the meaning of C-Rule 36 ÖCGK.

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

## COMPOSITION OF THE SUPERVISORY BOARD:

In the financial year 2021, the Supervisory Board of the company consisted of the following members:

Name Year of Birth	Position	Initial Appointment	End of the current Term of Office	Further mandates on supervisory boards or similar functions in other foreign and domestic companies, listed on a stock exchange
<b>Josef Blazicek</b> born 1964	Chairman of the Supervisory Board	2008	Annual General Meeting which decides on the financial year 2025	All for One Steeb AG (Germany) SHW AG (Germany)
<b>Ernst Chalupsky</b> born 1954	Deputy Chairman of the Supervisory Board	2014	Annual General Meeting which decides on the financial year 2025	None
<b>Klaus Rinnerberger</b> born 1964	Member of the Supervisory Board	2015	Annual General Meeting which decides on the financial year 2024	SHW AG (Germany)
<b>Alfred Hörtenhuber</b> born 1955	Member of the Supervisory Board	2018	Annual General Meeting which decides on the financial year 2022	SHW AG (Germany)

## COMMITTEES OF THE SUPERVISORY BOARD AND THEIR MEMBERS:

The Audit Committee of the company comprises three members and is composed as follows:

### **Klaus Rinnerberger**

- Chairman, financial expert

### **Josef Blazicek**

- Deputy Chairman

**Ernst Chalupsky**

- Member

In accordance with the Stock Corporation Act, the Supervisory Board of PIERER Mobility AG established an Audit Committee to perform its scheduled supervisory and control functions.

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

The Audit Committee of PIERER Mobility AG held two meetings during the 2021 financial year, in which a representative of the certified public accountant also participated.

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

**Josef Blazicek**

- Chairman

**Ernst Chalupsky**

- Member

The Remuneration Committee of PIERER Mobility AG was established at the meeting of the Supervisory Board of PIERER Mobility AG on 20 December 2021 and therefore held its first constituent meeting in the 2021 financial year.

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

**INDEPENDENCE OF THE SUPERVISORY BOARD:**

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

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

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

- **Criterion 1:** The Supervisory Board member was not a member of the Executive Board or a top executive of PIERER Mobility AG or a subsidiary of the company during the previous five-year period.
- **Criterion 2:** The Supervisory Board member does not or did not maintain any business relationships with the company or a subsidiary of the company in the previous year of a scope which may be considered significant for the Supervisory Board member. This also applies to business relationships with companies in which the Supervisory Board member has a considerable economic interest, but not to performing roles on committees within the Group. Approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 of the Austrian Code of Corporate Governance does not automatically disqualify the Supervisory Board member from being independent.
- **Criterion 3:** The Supervisory Board member was not an auditor of the company, a shareholder or employee of the auditing company during the previous three years.
- **Criterion 4:** The Supervisory Board member is not a member of the Executive Board of another company, in which a member of the Executive Board of PIERER Mobility AG serves on its Supervisory Board.

- **Criterion 5:** The Supervisory Board member has not been on the Supervisory Board of the company for more than 15 years. This does not apply to Supervisory Board members, who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.
- **Criterion 6:** The Supervisory Board member is not a close family member (direct descendant, spouse, common law spouse, parent, uncle, aunt, sibling, niece or nephew) of a member of the Executive Board of the company or of people who fulfill one of the other criteria described above.

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

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

## 03 MEASURES TO PROMOTE WOMEN

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

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

To support women in "MINT" professions, the KTM AG has already taken measures (Girl's Day, technical apprenticeship) which are continuously expanded. For the acquisition of female apprentices, the company focuses on the core aspect of regular information. To reach the target group, information events such as apprenticeship fairs or visits to schools are particularly important in order to enter into a dialogue with potential apprentices and to present technical apprenticeships in an accessible way. In this context, trial days in the company offer an ideal platform to prove one's manual skills or to find out one's inclinations in terms of professional orientation. At the same time, social media channels are used to target girls and share information and news. For example, the profession of metal technician with the main module welding technology is often chosen by girls as their preferred profession. At the same time, apprenticeships such as mechatronics or automotive engineering are very popular.

The increasing flexibility of work will also in future make it possible to reconcile work and family life and thus the return to the company and to maintain a lasting relationship with the company. The new flexitime agreement, which came into force in the financial year 2019, represents a major step forward in the area of flexible working hours in order to reconcile current life situations and work with family requirements.

As of December 31, 2021, the proportion of women in the total workforce stood at around 24.2%. At present, there are no women on the Executive Board or the Supervisory Board. At PIERER Mobility AG, 16% of executive positions are held by women (+1% compared to the previous year). Since 2018, the proportion of women in the Group has increased by approximately 28.3%. The Group also intends to make employment in an industrial company more attractive for female employees and inspire even more women to take up technical professions, which will be in even greater demand in the future. Thus, the Group aims to further increase the number of female employees, especially in production, in the coming years.

## 04 DESCRIPTION OF THE DIVERSITY CONCEPT

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

For the composition of the Executive Board and the Supervisory Board, the Supervisory Board has agreed a diversity concept pursuant to Section 243c (2) 3 UGB that provides for the following:

## COMPOSITION OF THE EXECUTIVE BOARD

### Concept:

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

### Objectives:

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

### Implementation:

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

### Results in the reporting period:

There were no changes to the composition of the Executive Board of PIERER Mobility AG in the 2021 financial year. At the end of the 2021 financial year, the Executive Board consists of 4 members who meet the requirements of the concept.

## COMPOSITION OF THE SUPERVISORY BOARD

### Concept:

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

### Objectives:

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

### Implementation:

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

### Results in the reporting period:

In the 2021 financial year, the Supervisory Board proposed to the 24th Annual General Meeting to re-elect Ernst Chalupsky and Josef Blazicek, who would have left the Supervisory Board at the end of the 24th Annual General Meeting, as members of the Supervisory Board. The election proposal of the Supervisory Board was made on the basis of the requirements of Section 87 para 2a AktG and the Corporate Governance Code and took into account the qualifications and experience of Ernst Chalupsky and Josef Blazicek and the excellent cooperation with them to date. The Annual General



Meeting followed the election proposal of the Supervisory Board and appointed Ernst Chalupsky and Josef Blazicek until the Annual General Meeting that decides on the discharge for the 2025 financial year. At the end of the 2021 financial year, the Supervisory Board consists of 4 members who meet the requirements of the concept.

**Outlook:**

It is intended to expand the Supervisory Board in the future and to propose 2 female candidates for election to the Supervisory Board.

## 05 AUDITS AND EXTERNAL EVALUATION

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, FN 269725 f, Kudlichstraße 41, 4020 Linz, was appointed by the 24th Annual General Meeting to serve as the auditors of the consolidated financial statements and annual financial statements of the company for the financial year from January 1, 2021 until December 31, 2021. In addition to this function, KPMG and partner offices around the world also sporadically provide tax and financial consulting services on behalf of the Group. The auditor's expenses are made up as follows: Audit of the consolidated financial statements (including subgroups) and audit of the annual financial statements of all individual companies EURk 550 (previous year: EURk 511). Other services amount to EURk 127.

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

## 06 CHANGES AFTER THE END OF THE REPORTING PERIOD

On 20 January 2022, a reduction of the corporate income tax rate to 24% from 2023 and to 23% from 2024 was passed in the third reading in the National Council. This has an estimated impact of approximately EUR 8 million on the assessment of deferred taxes in the form of a reduction in deferred tax liabilities in subsequent years.

PIERER Mobility AG announced on 27 January 2022 that it would apply for admission of its shares to the Official Market (prime market segment) of the Vienna Stock Exchange. The admission to trading on the prime market of the Vienna Stock Exchange took place on 1 March 2022, which means that PIERER Mobility AG is now also listed on the top segment of the Vienna Stock Exchange. As Europe's leading "Powered Two-Wheeler" (PTW) manufacturer with a market capitalization of more than EUR 3 billion, the PIERER Mobility Group thus joined the league of the 39 largest and most traded companies on the Vienna Stock Exchange. This step was taken in response to the great investor interest in Austria and abroad. The primary listing of the shares of PIERER Mobility AG (ISIN: AT0000KTM102) remains with SIX Swiss Exchange.

Wels, March 2022

The Executive Board



Stefan Pierer, CEO



Friedrich Roithner, CFO



Hubert Trunkenpolz



Viktor Sigmund, MBA

## CORPORATE GOVERNANCE (DCG) OF THE SIX SWISS EXCHANGE

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

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

- **Executive Board:** The Executive Board is responsible for the general management and representation of the company; it is the sole organ of general management and representation. The Executive Board is not bound by any instructions from the shareholders or the Supervisory Board; rather, it acts under its own responsibility and without being under orders. Only when undertaking certain extraordinary transactions is the Executive Board required to obtain the consent of the Supervisory Board. Where the Swiss Directive on Corporate Governance requires details of the “management”, details regarding the Executive Board will be provided accordingly. However, the function of the Executive Board does not precisely match that of the “management” in a Swiss company.
- **Supervisory Board:** The Supervisory Board appoints, dismisses and oversees the Executive Board. Its consent is also required for certain legal transactions. Where the Swiss Directive on Corporate Governance requires details of the “board of directors”, details regarding the Supervisory Board will be provided accordingly. However, the function of the Supervisory Board does not precisely match that of the board of directors of a Swiss company.
- **Annual General Meeting:** The Annual General Meeting, as the highest board of the company, appoints and dismisses the members of the Supervisory Board and appoints the auditor. Where the Swiss Directive on Corporate Governance requires details of the “general meeting of shareholders”, details regarding the General Meeting will be provided accordingly. Differences exist between Austrian and Swiss law with respect to general meetings.

## 1. GROUP STRUCTURE AND SHAREHOLDER BASE

### 1.1. GROUP STRUCTURE

PIERER Mobility AG, with registered office in 4600 Wels, Edisonstraße 1, Austria, has had its primary listing on the SIX Swiss Exchange since November 14, 2016 (ISIN: AT0000820659, Security Number: 504.289). PIERER Mobility AG has a share capital of EUR 33'796'535, divided into 33'796'535 voting bearer shares of no-par value. Every share has an equal stake in the share capital.

The object of PIERER Mobility AG is in particular to act as a holding company, with a particular focus on the acquisition and administration of industrial companies and holdings in such companies, the management of companies and holdings forming part of the PIERER Mobility Group, the implementation of the activities of Pierer Industrie AG in the field of mobility (Mobility) and the performance of services for these companies (group services), as well as corporate advisory services in general. This corporate object of the company is laid down in Section 2 of the articles of association, which can be found on the PIERER Mobility AG website ([https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)).

Management of the PIERER Mobility Group is carried out by a management team that includes divisional managers who are responsible for managing a particular product group within the framework of the strategy set by the Executive Board. Divisional managers report directly to the Executive Board of PIERER Mobility AG.

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

A description of the group structure and the operating segments of PIERER Mobility AG is included in the following sections of the notes to the Consolidated Financial Statements (I.1. Company Information) on page 130 in the Annual Report and in the Annual Report under “Group Structure” on page 11.

#### **KTM AG**

KTM AG has its registered office in Mattighofen, Austria. The share capital of KTM AG is EUR 10'678'706. PIERER Mobility AG held approximately 99.757% of KTM AG as of 31 December 2021. At the extraordinary general meeting of the shareholders of KTM AG on 16 February 2022, a squeeze out of the shareholders was resolved. After the execution of the proceeding, PIERER Mobility AG will be the sole shareholder of KTM AG.

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

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

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

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

#### **KTM Technologies / PIERER Innovation / KISKA / Avocado / DealerCenter Digital GmbH**

KTM Technologies GmbH develops innovative product concepts and focuses on new technologies for sports motorcycles and promising mobility solutions. In addition, the company specializes in the concept development of electrically powered vehicles and platforms.

PIERER Innovation GmbH focuses on digital transformation and innovation for the core product. This involves working in various technology fields, such as artificial intelligence, big data, blockchain and business modeling.

As Europe's largest independent and owner-operated design company, KISKA GmbH operates in the business segments of Consultancy in relation to marketing, brand and design, Transportation Design, Product Design and Environmental Design.

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

DealerCenter Digital GmbH develops digital consulting and sales systems that position themselves at the interface of online and offline retail.

**PIERER E-Bikes GmbH**

The E-Bicycle division of the PIERER Mobility Group with the brands HUSQVARNA E-Bicycles and R RAYMON, GASGAS and FELT Bicycles is bundled in PIERER E-Bikes GmbH.

**List of the active non-listed subsidiaries**

A detailed list of the active non-listed subsidiaries of PIERER Mobility AG can be found in the schedule of equity holdings (pages 191-193 in the Annual Report).

**1.2. SIGNIFICANT SHAREHOLDERS**

The shareholder structure of PIERER Mobility AG as at Tuesday, December 31, 2021 was as follows:

Pierer-Group:	
Pierer Bajaj AG	73.32%
Pierer Konzerngesellschaft	2.58%
Free float	24.1%

As at the reporting date of December 31, 2021, the Pierer Group thus held approximately 75.90.% of the share capital and voting rights of PIERER Mobility AG.

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

Notifications of significant shareholders and shareholder groups made to PIERER Mobility AG and the Disclosure Office of SIX Swiss Exchange AG pursuant to Art.120 et seq. of the Financial Markets Infrastructure Act (FinFraG) can be viewed on the publications platform of the Disclosure Office at <https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>.

**1.3 CROSS-SHAREHOLDINGS**

There are no cross-shareholdings.

**2. CAPITAL STRUCTURE****2.1 CAPITAL**

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

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

On the reporting date of December 31, 2021, PIERER Mobility AG held both, conditional capital and authorized capital. According to §5 of the Articles of Association the authorized capital amounts to EUR 11'269'337, of which an amount of EUR 11'257'861 has already been utilised. As of the reporting date 31 December 2021, there remains thus an authorized capital in the amount of EUR 11'476.

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

## 2.2 AUTHORIZED AND CONDITIONAL CAPITAL IN PARTICULAR

### Authorized capital:

As of the reporting date, PIERER Mobility AG had an authorized capital<sup>1</sup>.

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

#### § 5 Authorized capital

- The Executive Board is authorized in accordance with Section 169 of the Austrian Stock Corporation Act (AktG), to increase until 26.04.2023 the share capital of the company from EUR 22'538'674.00 by up to EUR 11'269'337.00 to up to EUR 33'808'011.00 with the consent of the Supervisory Board by issuing, in several tranches if necessary, up to 11'269'337 no-par-value bearer shares in return for cash contributions and/or contributions in kind and to determine the initial offering price and the terms and conditions of the issue and the further details of implementing the capital increase in agreement with the Supervisory Board and if need be to offer the new shares to the shareholders for subscription by way of the indirect subscription right pursuant to Section 153 (6) of the Austrian Stock Corporation Act (AktG).
- The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in full or in part
  - (i)(i) if the capital increase takes place in return for cash contributions and in total the proportion of the company's share capital which can be apportioned to the shares issued in return for cash contributions with no subscription right does not exceed the limit of 10% (ten per cent) of the share capital of the company at the time of granting,
  - (ii)(ii) if the capital increase takes place in return for contributions in kind,
  - (iii)(iii) to take up an over-allotment (greenshoe) option, and/or
  - (iv)(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.

The Executive Board of PIERER Mobility AG decided on September 29, 2021 to carry out a capital increase against contribution in kind from the authorized capital. During the process, 11,257,861 new shares were issued at an issue price of EUR 79.50 per share. The capital increase of PIERER Mobility AG was carried out exclusively against contribution in kind of the KTM shares by Pierer Bajaj AG and under exclusion of subscription rights of the other shareholders. During this capital increase against contribution in kind, the share capital of PIERER Mobility AG was increased by EUR 11'257'861 from EUR 22'538'674 to EUR 33'796'535. The capital increase was entered in the companies register on October 22, 2021. As a result of the partial utilization of the authorized capital, the remaining authorized capital amounts to EUR 11'476.

### Conditional capital:

The General Meeting of PIERER Mobility AG of April 27, 2017 has resolved a conditional capital.<sup>2</sup>

The following resolutions were adopted during the Annual General Meeting of April 27, 2017:

- a) The authorization of the Executive Board, subject to the agreement of the Supervisory Board, to issue financial instruments in the sense of Section 174 of the Austrian Stock Corporations Act until April 1, 2022, particularly convertible bonds, participating bonds and special dividend rights, with a nominal total of EUR 150 million, which may also grant pre-emption rights and/or option of exchange on the acquisition of up to 25 million shares in the Company and/or are organized in such a way that they may be reported as equity, also in multiple tranches and in different combinations.
- b) The Executive Board may use the conditional capital and/or treasury shares to fulfil options of exchange and or pre-emption rights.
- c) The issue amount and issue conditions of the financial instruments are to be set by the Executive Board, subject to the agreement of the Supervisory Board, whereby the issue amount is to be determined according to recognized mathematical methods used in finance and the price of shares in the Company in a recognized pricing procedure.

<sup>1</sup> Source: Articles of Association of PIERER Mobility AG, which is available to view on the website: [https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)

<sup>2</sup> The General Meeting of PIERER Mobility AG of April 27, 2017 has resolved a conditional capital.

- d) The Executive Board is authorized to exclude the pre-emption rights of shareholders to financial instruments in the sense of Section 174 AktG with the agreement of the Supervisory Board.
- e) The conditional increase of the Company share capital in accordance with Section 159, paragraph 2, no. 1 AktG by up to EUR 25 million by issuing up to 25 million no-par value bearer shares (ordinary shares) for issue to creditors of financial instruments in accordance with Section 174 AktG, which are issued using the authorization granted in this Annual General Meeting, in so far as the creditors of the financial instruments make use of their options of exchange and/or pre-emption rights on Company shares. The issue price and the conversion ratio shall be determined according to a recognized pricing procedure, following accepted financial mathematical methods and based on the company's share price. The newly issued shares of the conditional capital increase have the same dividend entitlement as the pre-existing shares of the Company. The Executive Board, subject to the approval of the Supervisory Board, is authorized to determine the further details of the execution of the conditional capital increase. The Supervisory Board is authorized to pass amendments to the articles of association that may arise due to the issue of shares from the conditional capital.

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

#### § 5a Conditional Capital

In accordance with § 159 (2) Z 1 AktG, the share capital of the Company is increased by up to EUR 25,000,000.00 by issuing up to 25'000'000 no-par value bearer shares of common stock (no-par value shares) to be issued to creditors of financial instruments in accordance with § 174 AktG, which are issued by the Company using the authorization granted at this Annual General Meeting.

The capital increase may only be carried out to the extent that the creditors of the financial instruments exercise their conversion and/or subscription rights to shares of the Company. The issue price and the exchange ratio shall be determined in accordance with recognized financial mathematical methods and the share price in a recognized pricing procedure. The newly issued shares of the conditional capital increase are entitled to dividends to the same extent as the existing shares of the Company. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to resolve on amendments to the Articles of Association resulting from the issue of shares from the conditional capital

### 2.3 CHANGES IN CAPITAL IN THE LAST THREE REPORTING PERIODS

The consolidated equity of PIERER Mobility AG was EUR 618.6 million on 31 December 31, 2019, EUR 654.1 million on 31 December 2020 and EUR 765.6 million on 31 December 2021. Information on changes in equity is set out in the consolidated statement of changes in equity in the Annual Report (pages 126-127).

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

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

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

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

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

The following rights attach to shares in PIERER Mobility AG:

#### **Rights over assets:**

##### Right to dividends / Right to participate in profit

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

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

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

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

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

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

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

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

#### **Rights in relation to Annual General Meetings:**

##### Right to attend

Every shareholder has the right to attend the Annual General Meetings, as shareholders exercise their rights at General Meetings. Shareholders are entitled to attend Annual General Meetings insofar as they hold shares on the evidence date, that is, at the end of the tenth day before the day of the General Meeting in question. A securities account confirmation as per § 10a of the Austrian Stock Corporation Act (AktG) suffices as evidence of a shareholding; pursuant to § 111 para 2 AktG this must be supplied to the company no later than the third working day before the Annual General Meeting. Shareholders do not need to attend the Annual General Meeting in person; they may also appoint a proxy to represent them or issue a voting instruction.

According to the Articles of Association<sup>3</sup> of PIERER Mobility AG, the Executive Board is authorized, with the consent of the Supervisory Board, to provide in the notice convening of the General Meeting that the General Meeting be transmitted in whole or in part acoustically and, if necessary, also optically in real time for the shareholders who are not present (transmission of the General Meeting pursuant to § 102 para 4 sentence 1 AktG). Provision may also be made for the General Meeting to be transmitted to the public (Section 102 para 4 sentence 2 AktG). If the Executive Board makes use of this authorization, the respective details shall be communicated in the notice convening the General Meeting.

<sup>3</sup> The Articles of Association are available to view on the PIERER Mobility AG website:  
[https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)

Due to the COVID-19 crisis, the 24th Annual General Meeting of PIERER Mobility AG was held as a virtual general meeting without the physical presence of the participants in order to prevent the further spread of the coronavirus and to protect the shareholders and other participants. Pursuant to the COVID-19 Ordinance under company law issued on the occasion of the COVID-19 crisis, the virtual general meeting of a public limited company must be able to be attended from any location by means of an acoustic and optical connection in real time, so that the individual shareholder can follow the course of the meeting. In addition, the shareholder must be enabled to make requests to speak during the meeting and to participate in voting. A special proxy is responsible for proposing resolutions, casting votes, and raising objections at the virtual shareholders' meeting. The Company must propose at least four suitable and independent persons for selection as special proxies. Shareholders are thus connected to the General Meeting by a livestream and exercise their right to propose, vote and object via this proxy; changes to instructions are possible up to the end of the general debate. Shareholders can submit questions electronically - also during the virtual shareholders' meeting - until the chairman of the meeting announces the end of the general debate.

#### Right of petition

Pursuant to § 109 of the Austrian Stock Corporation Act, shareholders whose cumulative holdings reach 5% of the share capital may demand in writing that certain points be placed on the agenda of the Annual General Meeting and announced. Each agenda point thus moved must include a proposal for a resolution and provide grounds. The petitioning shareholders must have held the shares for at least three months before the petition is submitted. The shareholders' demand must reach the company no later than the 21st day before an Annual General Meeting, or no later than the 19th day before any other General Meeting (§ 109, paragraph 2 of the Austrian Stock Corporation Act).

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

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

#### Right to information / Right of inquiry

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

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

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

#### Right to speak

Every shareholder has the right to express his opinion at the Annual General Meeting. The Annual General Meeting is the shareholders' forum for information and discussion. The chairman of the Meeting may restrict the right to speak from the start of the meeting or as required. The right to speak as such may not be set aside entirely.

#### Voting rights

Every shareholder has a right to vote at the Annual General Meeting in proportion to his shareholding. The Articles of Association<sup>4</sup> cannot generally grant a shareholder more votes than he has shares; however, it is permissible to restrict voting rights for equity holdings inter alia exceeding a certain size. Shareholders may exercise their voting right in three ways: they may vote for a motion, vote against the motion, or abstain. Voting rights in respect of specific resolutions are suspended in certain cases of a shareholder's conflict of interest.

<sup>4</sup> The Articles of Association are available to view on the PIERER Mobility AG website:  
[https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)



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

#### Right of objection

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

#### Right of avoidance

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

## 2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

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

## 2.7 CONVERTIBLE BONDS AND OPTIONS

PIERER Mobility AG has issued no convertible bonds or options.

## 3. SUPERVISORY BOARD

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

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

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

In the financial year 2021, the Supervisory Board of PIERER Mobility AG consisted of four members, as below:

Name Year of Birth	Position at PIERER Mobility AG	Initial Appointment	End of the current term of office	Management tasks for a group company of PIERER Mobility AG
<b>Josef Blazicek</b> born 1964	Chairman of the Supervisory Board	2008	Annual General Meeting which decides on the financial year 2025	
<b>Ernst Chalupsky</b> born 1954	Deputy Chairman of the Supervisory Board	2014	Annual General Meeting which decides on the financial year 2025	▪ KTM AG (Austria) (Member of the Supervisory Board)
<b>Klaus Rinnerberger</b> born 1964	Member of the Supervisory Board	2015	Annual General Meeting which decides on the financial year 2024	
<b>Alfred Hörtenhuber</b> born 1955	Member of the Supervisory Board	2018	Annual General Meeting which decides on the financial year 2022	

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

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

**Ernst Chalupsky** (born 1954), Austrian citizen, is an attorney and partner in the international law firm of SCWP Schindhelm. Ernst Chalupsky studied at the Johannes Kepler Universität, Linz and trained as an attorney at a highly reputed partnership in Upper Austria. He has been a practicing attorney in Wels since 1982. He was a partner in the firm of Chalupsky & Gumpoldsberger, which merged in 2000 with Saxinger & Baumann to form SCWP. Ernst Chalupsky completed a master's degree in European and International Commercial Law at the Universität St. Gallen in 1996 - 97. In addition, Ernst Chalupsky is chairman of the supervisory board of Pierer Industrie AG (Austria).

Ernst Chalupsky has been a member of the Supervisory Board since 2014. He currently serves as Deputy Chairman of the Supervisory Board of PIERER Mobility AG. His term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2025.

Ernst Chalupsky is partner and managing director of Saxinger, Chalupsky & Partner Rechtsanwälte GmbH. The PIERER Mobility Group is advised by Saxinger, Chalupsky & Partner Rechtsanwälte GmbH on legal affairs. The advisory services are provided in accordance with standard market terms and conditions. Ernst Chalupsky has no material business relationship with PIERER Mobility AG or any group company of PIERER Mobility AG.

**Klaus Rinnerberger** (born 1964), Austrian citizen, studied law in Vienna and began his career in 1987 as an auditor and consultant at Arthur Andersen & Co. He subsequently performed a variety of management roles in the automotive industry, including serving on the Executive Boards of Magna Automobiltechnik AG and Magna Steyr AG. In 2009, he joined the Executive Board of Polytec Holding AG, serving as CEO of the Peguform Group after its separation from Polytec until 2011. In addition, Klaus Rinnerberger is member of the Executive Board of Pierer Industrie AG (Austria). Klaus Rinnerberger has no material business relationship with PIERER Mobility AG or any group company of PIERER Mobility AG.

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

**Alfred Hörtenhuber** (born 1955), Austrian citizen, graduated from high school in 1975 and began his career as an assistant salesman at K. Rosenbauer KG in Leonding, later rising to be Head of Exports for Western Europe. He completed his management training at the MZSG St. Gallen and the IMD Lausanne. In 1985, he joined the Miba Group, initially as a marketing manager. In 1990, he became a member of the Executive Board at Miba Sintermetall AG, with responsibility for marketing, research and development. In 1998, he became CEO of the Miba Friction Group and a member of the Executive Board of Miba AG Holding. Alfred Hörtenhuber has been a member of the management team of the PIERER Mobility Group since February 6, 2008. Alfred Hörtenhuber was a member of the Executive Board of PIERER Mobility AG from June 2, 2015 to December 31, 2017. Alfred Hörtenhuber has no material business relationship with PIERER Mobility AG or any group company of PIERER Mobility AG.

Since April 26, 2018, Alfred Hörtenhuber is member of the Supervisory Board of the company. His term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2022.

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

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

SUPERVISORY BOARD	COMPANY	POSITION	STILL SERVING
<b>Josef Blazicek</b>			
	All for One Steeb AG	Chairman of the Supervisory Board	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Member of the Supervisory Board	Yes
	Pankl Racing Systems AG	Deputy chairman of Supervisory Board	Yes
	Pierer Industrie AG	Deputy chairman of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Supervisory Board	Yes
<b>Ernst Chalupsky</b>			
	KTM AG	Member of the Supervisory Board	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Member of the Supervisory Board	No
	Pierer Bajaj AG	Chairman of the Supervisory Board	Yes
	Pierer Industrie AG	Chairman of the Supervisory Board	Yes
	Pöttinger Landtechnik GmbH	Member of the Supervisory Board	Yes
	Saxinger, Chalupsky & Partner Rechtsanwälte GmbH	Managing Director	Yes
<b>Klaus Rinnerberger</b>			
	HDC GmbH	Member of the Supervisory Board	No
	Pankl AG (formerly Pankl SHW Industries AG)	Deputy chairman of the Supervisory Board	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Member of the Executive Board	No
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Chairman of the Supervisory Board	Yes
	SHW AG	Chairman of the Supervisory Board	Yes
<b>Alfred Hörtenhuber</b>			
	Pierer Industrie AG	Member of the Executive Board	No
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Deputy chairman of the Supervisory Board	Yes
	SHW AG	Deputy chairman of the Supervisory Board	Yes

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

### 3.5 INTERNAL ORGANIZATIONAL STRUCTURE

#### 3.5.1 Allocation of tasks within the Supervisory Board

Please refer to the Report under the Austrian Corporate Governance Code (Composition of the Supervisory Board, page 69).

#### 3.5.2 Members list, tasks and area of responsibility for each committee of the Supervisory Board

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

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

Please refer to the Report under the Austrian Corporate Governance Code (Committees of the Supervisory Board, pages 69-70).

### **3.5.3 Working methods of the Supervisory Board and its committees**

Please refer to the Report under the Austrian Corporate Governance Code (Working procedures of the Supervisory Board, pages 68-69).

In the financial year 2021, the Supervisory Board addressed the efficiency of its activities, in particular its organization and working methods, and carried out a self-evaluation.

### **3.6 DEFINITION OF AREAS OF RESPONSIBILITY**

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

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

The Supervisory Board held a total of seven meetings during the 2021 financial year. The meetings lasted approximately two to two and a half hours on average. Two meetings of the Audit Committee also took place; these meetings lasted approximately one hour on average (see also the Report under the Austrian Corporate Governance Code, Working procedures of the Supervisory Board, pages 68-69).

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

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

Under the internal control and reporting system, identifiable risks in numerous areas of the business are captured and evaluated on an ongoing basis; material results are assessed by the Executive Board and brought to the attention of the Supervisory Board. Further information on risk management can be found in the notes to the consolidated financial statements as at December 31, 2021.

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

## 4. EXECUTIVE BOARD

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

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

The Executive Board of PIERER Mobility AG consisted in the financial year 2021 of the following members:

Name Year of Birth	Position	Initial Appointment	End of the current term of office	Areas of Responsibilities
<b>Stefan Pierer</b> born 1956	Member of the Executive Board (CEO)	June 2, 2015*	December 31, 2023	<ul style="list-style-type: none"> <li>▪ strategic overall management</li> <li>▪ product management</li> <li>▪ quality management</li> <li>▪ purchase</li> <li>▪ supply chain</li> <li>▪ international projects</li> </ul>
<b>Friedrich Roithner</b> born 1963	Member of the Executive Board (CFO)	June 2, 2015**	December 31, 2023	<ul style="list-style-type: none"> <li>▪ finance</li> <li>▪ (Group)accounting</li> <li>▪ tax affairs</li> <li>▪ legal affairs</li> <li>▪ risk management</li> </ul>
<b>Hubert Trunkenpolz</b> born 1962	Member of the Executive Board	January 1, 2018	December 31, 2023	<ul style="list-style-type: none"> <li>▪ sales</li> <li>▪ marketing</li> <li>▪ customer service</li> <li>▪ joint ventures</li> </ul>
<b>Viktor Sigl, MBA</b> born 1974	Member of the Executive Board	December 19, 2019	December 31, 2023	<ul style="list-style-type: none"> <li>▪ human resources</li> <li>▪ organisation</li> <li>▪ IT</li> </ul>

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

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

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

#### Further main functions within the Group:

- Chairman of the Executive Board of KTM AG
- Member of the Supervisory Board of PIERER E-Bikes GmbH

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

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

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

**Further main functions within the Group:**

- Chairman of the Supervisory Board of KTM AG
- Chairman of the Supervisory Board of KTM Components GmbH
- Chairman of the Supervisory Board of PIERER E-Bikes GmbH

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

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

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

**Further main functions within the Group:**

- Member of the Executive Board of KTM AG
- Managing Director of PIERER E-Bikes GmbH

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

- None.

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

**Further main functions within the Group:**

- Member of the Executive Board of KTM AG
- Vice Chairman of the Supervisory Board of KTM Components GmbH
- Member of the Supervisory Board of PIERER E-Bikes GmbH

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

- None.

**SIGNIFICANT OTHER FUNCTIONS OF THE MEMBERS OF THE EXECUTIVE BOARD**

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

EXECUTIVE BOARD	COMPANY	POSITION	STILL SERVING
<b>Stefan Pierer</b>			
	HDC GmbH	Managing Director	No
	K KraftFahrZeug Holding GmbH (company dissolved)	Managing Director	No
	Kiska GmbH	Managing Director	No (since January 2022)
	KTM AG	Chairman of the Executive Board	Yes
	KTM Components GmbH	Deputy chairman of the Supervisory Board	No
	P Immobilienverwaltung GmbH	Managing Director	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Chairman of the Supervisory Board	Yes
	Pankl Racing Systems AG	Chairman of the Supervisory Board	Yes
	PB Gastro GmbH	Managing Director	No
	Pierer Bajaj AG	Member of the Executive Board	Yes
	PIERER IMMOBILIEN GMBH	Managing Director	Yes
	Pierer Beteiligungs GmbH	Managing Director	Yes
	PIERER E-Bikes GmbH	Member of the Supervisory Board	Yes
	PIERER IMMOREAL GmbH	Managing Director	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	Pierer Konzerngesellschaft mbH	Managing Director	Yes
	Pierer Liegenschaft GmbH	Managing Director	Yes
	Pierer Swiss AG	Member of the Supervisory Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Member of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
	Swisspartners Group AG	Member of the Supervisory Board	Yes
	W Verwaltungs AG (company dissolved)	Member of the Supervisory Board	No
	Westpark Wels AG (formerly: Wirtschaftspark Wels Errichtungs- und Betriebs-Aktiengesellschaft)	Chairman of the Supervisory Board	Yes
	Wohnbau-west Bauträger Gesellschaft m.b.H.	Managing Director	Yes
<b>Friedrich Roithner</b>			
	abatec Beteiligungsverwaltungs GmbH	Chairman of the Supervisory Board	No
	HDC GmbH	Managing Director	No
	K KraftFahrZeug Holding GmbH (company dissolved)	Managing Director	No

EXECUTIVE BOARD	COMPANY	POSITION	STILL SERVING
	KTM AG	Chairman of the Supervisory Board	Yes
	KTM Components GmbH	Chairman of the Supervisory Board	Yes
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Pankl AG (formerly Pankl SHW Industries AG)	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Executive Board	Yes
	Pierer Beteiligungs GmbH	Managing Director	Yes
	PIERER E-Bikes GmbH	Chairman of the Supervisory Board	Yes
	PIERER IMMOREAL GmbH	Managing Director	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
	W Verwaltungs AG (company dissolved)	Chairman of the Supervisory Board Deputy chairman of the Supervisory Board Member of the Executive Board	No No No
	Westpark Wels AG	Member of the Supervisory Board	Yes
<b>Hubert Trunkenpolz</b>			
	GASGAS Motorcycles GmbH	Managing Director	Yes
	HDC GmbH	Managing Director	Yes
	Husqvarna Motorcycles GmbH	Managing Director	Yes
	Husqvarna Motorcycles North America, Inc.	Managing Director	Yes
	KTM AG	Member of the Executive Board	Yes
	KTM Canada, Inc.	Managing Director	Yes
	KTM Japan K.K.	Managing Director	Yes
	KTM North America, Inc.	Managing Director	Yes
	KTM Österreich GmbH	Managing Director	No
	KTM Sportcar GmbH	Managing Director	Yes
	KTM Sportmotorcycle Deutschland GmbH	Managing Director	Yes
	KTM Sportmotorcycle GmbH	Managing Director	Yes
	KTM MOTOHALL GmbH	Managing Director	Yes
	KTM Racing GmbH	Managing Director	Yes
	PIERER E-Bikes GmbH	Managing Director	Yes
	W Verwaltungs AG (company dissolved)	Deputy chairman of the Supervisory Board	No
<b>Viktor Sigl, MBA</b>			
	HDC GmbH	Managing Director	Yes
	GASGAS Motorcycles GmbH	Managing Director	Yes
	Husqvarna Motorcycles GmbH	Managing Director	Yes
	KTM AG	Member of the Executive Board	Yes
	KTM Beteiligungs GmbH	Managing Director	Yes
	KTM Components GmbH	Deputy chairman to the Supervisory Board	Yes
	KTM Immobilien GmbH (formerly KTM Motorrad AG, formerly KTM-Sportmotorcycle AG)	Managing Director	Yes
	KTM Logistikzentrum GmbH	Managing Director	Yes



EXECUTIVE BOARD	COMPANY	POSITION	STILL SERVING
	KTM North America Inc.	Managing Director	Yes
	KTM Österreich GmbH	Managing Director	Yes
	KTM Sportmotorcycle GmbH	Managing Director	Yes
	KTM Forschungs & Entwicklungs GmbH	Managing Director	No
	PIERER E-Bikes GmbH	Managing Director	No
		Member of the Supervisory Board	Yes
	PIERER Innovation GmbH	Managing Director	Yes
	W Verwaltungs AG (company dissolved)	Member of the Executive Board	No

#### 4.3 MANAGEMENT CONTRACTS

There are no management contracts.

## 5. COMPENSATION, SHAREHOLDINGS AND LOANS

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

Please refer to the Remuneration Report for the 2021 Financial Year (pages 8-11).

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

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

Please refer to the Remuneration Report for the 2021 Financial Year (pages 11-20). No compensation was paid and no non-cash benefits were granted to former members of the Supervisory or Executive Boards in the 2021 reporting year.

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

PERSON	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	NUMBER OF SHARES	VOTING RIGHTS IN %*
Stefan Pierer	No	Yes**	25'653'860	75.90%
Friedrich Roithner	Yes	No	97'700	0.29%
Hubert Trunkenpolz	Yes	No	31'800	0.09%
Viktor Sigl	Yes	No	17'000	0.05%
Josef Blazicek	No	Yes	100'000	0.30%
Ernst Chalupsky	Yes	No	13'231	0.04%
Alfred Hörtenhuber	Yes	No	5'300	0.02%
Klaus Rinnerberger	Yes	No	79'874	0.24%

\* rounded

\*\* via Pierer Konzerngesellschaft mbH and Pierer Bajaj AG

## 6. SHAREHOLDERS' PARTICIPATION RIGHTS

### 6.1 VOTING RIGHTS RESTRICTIONS AND REPRESENTATION

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

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

### 6.2 QUORUMS REQUIRED BY THE ARTICLES OF ASSOCIATION

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

The Articles of Association of PIERER Mobility AG<sup>5</sup> do not set more stringent voting requirements than those set by the Austrian Stock Corporation Act.

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

The provisions regarding the convocation of the Annual General Meeting do not diverge from the provisions of the Austrian Stock Corporation Act.<sup>6</sup>

Convocation should be issued 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 published in the "Wiener Zeitung", made known via a European dissemination system and made available on the website of PIERER Mobility AG.

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

The Executive Board is also obliged to convoke a General Meeting if shareholders holding at least 5% of the share capital submit a written demand for convocation, stating the grounds for the demand and presenting an agenda and a proposed resolution for each point thereon. The articles of association may modify this statutory requirement by relaxing the formal requirements or reducing the minimum size of the shareholding required to demand convocation of a General Meeting. The Articles of Association of PIERER Mobility AG currently contain no such provisions that deviate from the statutory requirements<sup>7</sup>. The petitioning shareholders must have held their shares for at least three months before submitting the petition and retain them until a decision on the petition is made. If the convocation is not issued by the Executive Board, the Executive Board is obliged to assist as necessary with the proper convocation of and preparation for the General Meeting.

### 6.5 SHARE REGISTER

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

## 7. CHANGES OF CONTROL AND DEFENSE MEASURES

### 7.1 DUTY TO MAKE AN OFFER

Due to the admission of the shares to the Official Market of the Vienna Stock Exchange, the provisions of the Austrian Takeover Act are applicable to PIERER Mobility AG. The Austrian Takeover Act (ÜbG) recognises both mandatory and voluntary takeover offers. The Articles of Association of PIERER

<sup>5</sup> The Articles of Association are available to view on the PIERER Mobility AG website:  
[https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)

<sup>6</sup> The Articles of Association are available to view on the PIERER Mobility AG website:  
[https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)

<sup>7</sup> The Articles of Association are available to view on the PIERER Mobility AG website:  
[https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22\\_Articles-of-Association\\_PIERER-Mobility-AG.pdf](https://www.pierermobility.com/wp-content/uploads/2021/10/2021-10-22_Articles-of-Association_PIERER-Mobility-AG.pdf)

Mobility AG, as amended on 31 December 2021, contain an opting-out clause within the meaning of the Swiss Financial Market Infrastructure Act (FinFraG).

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

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

### **Mandatory offers**

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

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

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

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

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

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

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

### **Voluntary bid to acquire a controlling interest**

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

Where an offer would enable a bidder to obtain a controlling interest, the bidder must, by law, receive declarations of acceptance relating to over 50% of the permanent voting shares that are the object of the offer.

**Voluntary Offer**

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

**7.2 CLAUSES ON CHANGE OF CONTROL**

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

**8. AUDITORS****8.1 DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDIT PARTNER**

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, was appointed by the 24th Annual General Meeting to serve as the auditor of the consolidated financial statements and separate financial statements of the company for the 2021 financial year. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was first appointed as group and company auditor for the short accounting period from 10/01/2014 to 12/31/2014.

The lead audit partner is Mr. Helge Löffler, who first fulfilled this role for the short accounting period from 1/1/2019 to 12/31/2019.

**8.2 AUDIT FEE**

Please refer to the Report under the Austrian Corporate Governance Code (Audit and External Evaluation, page 73).

**8.3 ADDITIONAL FEES**

Please refer to the Report under the Austrian Corporate Governance Code (Audit and External Evaluation, page 73).

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

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

## 9. INFORMATION POLICY

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

With effect from May 2, 2017, the shares of the company moved to the standard market auction segment in the Official Market of the Vienna Stock Exchange. As a result, only annual and half-yearly financial reports had to be compiled and published. In the 2020 financial year, the shares of PIERER Mobility AG were admitted to the regulated market of the Frankfurt Stock Exchange. The Company's shares have been listed in the General Standard of the Frankfurt Stock Exchange since March 3, 2020. Since March, 1 2022 the shares of PIERER Mobility AG are again listed in the Official Market (prime market segment) of the Vienna Stock Exchange.

Due to the listing of the Company's shares on a regulated market in the sense of Article 4 para 1 No. 21 of the Directive 2014/65/EU, annual financial reports and half-year financial reports of PIERER Mobility AG were prepared and published in German and English in the 2021 financial year.

Overall, these steps have resulted in the fact that the Austrian-based PIERER Mobility AG, whose shares are now primarily listed in Switzerland and also listed in Germany, has to comply with Austrian as well as German and Swiss regulations and information requirements.

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

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

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

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

The company's contact details can be found in the imprint notice at the end of this Annual Report.

## 10. QUIET PERIODS

Due to the submission of shares to the regulated market (General Standard) of the Frankfurt Stock Exchange, PIERER Mobility was subject to provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation, MAR) in the 2021 financial year. Article 19 para 11 MAR stipulates a trading ban for persons discharging managerial responsibilities. Within the meaning of the provisions of MAR, the following persons are deemed to be persons discharging managerial responsibilities at PIERER Mobility AG: (i) persons who belong to an administrative, management or supervisory body of the company (members of the Executive Board and the Supervisory Board) and (ii) persons who, as senior executives, do not belong to any of these bodies but regularly have access to insider information directly or indirectly related to this company and are authorized to make business decisions about future developments and business prospects of the company.

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

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

In implementation of Article 19 para 11 MAR, PIERER Mobility AG has set up the following general quiet periods for persons discharging managerial responsibilities in the 2021 financial year:

- February 28, 2021 to March 30, 2021 (prior to publication of the annual financial report 2020 on March 30, 2021)
- August 1, 2021 to August 31, 2021 (prior to publication of the 2021 half-year financial report on August 31, 2021).

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

# MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. DEVELOPMENT OF THE PIERER MOBILITY GROUP .....	96
2. ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT .....	99
3. FINANCIAL PERFORMANCE INDICATORS .....	100
4. NON-FINANCIAL STATEMENT.....	105
5. RESEARCH & DEVELOPMENT AND NEW MODELS .....	106
6. OPPORTUNITIES AND RISK REPORT .....	108
7. DISCLOSURES PURSUANT TO SECTION 243A (1) OF THE AUSTRIAN COMMERCIAL CODE (UGB) .....	113
8. MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM SECTION 243A (2) OF THE AUSTRIAN COMMERCIAL CODE (UGB) .....	116
9. OUTLOOK.....	118



# MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31<sup>ST</sup> 2021 OF PIERER MOBILITY AG, WELS

## 1. DEVELOPMENT OF THE PIERER MOBILITY GROUP

### THE COMPANY

The PIERER Mobility Group is Europe's leading manufacturer of powered two-wheelers (PTWs). With its KTM, HUSQVARNA Motorcycles, and GASGAS motorcycle brands, it is one of the technology and market leaders in Europe, especially when it comes to premium motorcycles. In addition to vehicles with combustion engines, the product range of the PIERER Mobility Group also includes zero-emission two-wheelers with electric powertrains (in particular e-motorcycles and e-bicycles). As a pioneer in electric mobility of two-wheelers, the group, with its strategic partner Bajaj, has created the basis for assuming a leading global role in the low-voltage range (48 volts). Establishing the (e-)bicycle division with PIERER E-Bikes GmbH was another important move in also stepping up its activities in the area of electric bicycle mobility. The bicycles will be marketed under the HUSQVARNA E-Bicycles, R Raymon, and GASGAS E-Bicycles brands and, from 2022, also under the FELT Bicycles brand in order to gain a share of the attractive market growth in this segment and to develop into a significant international player in this field.

Since November 14th 2016, the shares of PIERER Mobility AG have had a primary listing in the International Reporting Standard of the SIX Swiss Exchange. On March 29th 2017, the shares of PIERER Mobility AG were included in the Swiss Performance Index (SPI) of the SIX Swiss Exchange. Since March 3rd 2020, the shares of PIERER Mobility AG have also been listed on the regulated market of the Frankfurt Stock Exchange (General Standard). As of March 1st 2022, trading has also commenced on the Prime Market of the Vienna Stock Exchange, which means that the shares of PIERER Mobility AG are listed in the top segment of the Vienna Stock Exchange. This step is intended to satisfy the great level of interest among investors in Austria and abroad.

### DEVELOPMENT OF SALES AND REVENUE IN THE 2021 FINANCIAL YEAR

Despite supreme challenges in the international supply chains and the risks arising from the COVID-19 pandemic, the PIERER Mobility Group improved its revenue by about 1/3 and achieved record revenue of € 2,041.7 million (previous year: € 1,530 million). With 332,881 motorcycles sold under the KTM, HUSQVARNA and GASGAS brands (previous year: 270,407), PIERER Mobility increased its sales by 23%. This was driven by the high global demand for motorcycles. In addition, the Bicycle Division with its HUSQVARNA, R RAYMON and GASGAS brands achieved sales growth of more than 40%, selling 102,753 bicycles (previous year: 73,277) of which 76,916 were e-bicycles (previous year: 56,064).

In Europe, unit sales to dealers were 120,049 motorcycles and 101,437 bicycles. Almost two thirds of the motorcycles (212,832 units) were sold in markets outside Europe, and in particular in North America, India, and Australia. The implementation of the global product strategy and the expansion into further Asian and South American markets were pursued consistently over the past financial year.

A similar picture to wholesale is also reflected in the international retail market environment, where the European motorcycle market grew by approximately 8% to 740,000 units. The market share of all three motorcycle brands was therefore 11.5% in 2021. Both the U.S. and Australian markets also performed positively, each recording significant double-digit market share figures of 11.3% and 19.7%, respectively. The Indian motorcycle market as a whole is on a slight upswing (+2%). Bajaj sold around 60,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 7%. The PIERER Mobility Group thus reaffirmed the strong registration figures of the previous year and was able to maintain global registrations at a high level.

### ACQUISITION OF FELT BICYCLES

In the 2021 financial year, the bundling of the operating activities of the Bicycle Division was successfully completed in PIERER E-Bikes GmbH. An important highlight is this segment was the acquisition of the US brand "FELT" in November. FELT Bicycles was founded in 1991 in California, USA, and is known for manufacturing high-performance road, triathlon, track, cyclocross and gravel bikes. FELT bikes have been ridden to stage wins in Grand Tours and earned record-breaking triathlon world championship titles, Olympic gold medals and world championship titles on a variety of different terrains. The process of integrating the Felt brand into PIERER E-Bikes GmbH has already begun.

### SIMPLIFICATION OF THE OWNERSHIP STRUCTURE WITH BAJAJ

The completion of the simplification of the ownership structure between the Pierer Group and the Indian Bajaj Group in Q4 2021 should be seen as an important milestone for the company. As planned, in a first step the Bajaj Group contributed a 46.5% share package in the operating subsidiary KTM AG to Pierer Bajaj AG, the majority shareholder of PIERER Mobility AG held by the Pierer Group. In return, Bajaj received a 49.9% stake in Pierer Bajaj



AG. In a second step, this 46.5% KTM share package now held by Pierer Bajaj AG was contributed to PIERER Mobility AG as part of an almost 50% capital increase through contributions in kind. 11,257,861 new shares were issued in the process. This capital increase through contributions in kind from the authorized capital amounting to € 895 million, corresponding to exactly 49.9% of the existing share capital, was carried out with exclusion of subscription rights. Only Pierer Bajaj AG was admitted to subscribe. As a result of this “uplifting project” including the capital increase, Pierer Mobility’s stake in the operating KTM AG (after acquisition of the remaining approximately 1.5% KTM AG shares held by Bajaj) increased to 99.75% (previous year: 51.71%). The remaining 0.25% will be transferred to the main shareholder PIERER Mobility AG in 2022 in return for an appropriate cash settlement (squeeze-out). This means a clear structure will be created in the PIERER Mobility Group on a sustainable basis and, in the process, the minority interests (“Minorities”) will be reduced to a negligible level.

## STRATEGIC PARTNERSHIPS

As a pioneer in the electrification of motorized two-wheelers, the PIERER Mobility Group already generated sales revenues of around € 181 million (+55%) with electrically powered two-wheelers (e-motorcycles and e-bicycles) in 2021. In this context, the two strategic partnerships in the field of e-mobility which were entered into in 2021 with Bajaj on the one hand and VARTA on the other hand should be highlighted.

PIERER Mobility AG and Bajaj Auto Limited, India’s second largest motorcycle manufacturer, have now consolidated their 15-year strategic partnership in the international motorcycle industry to include the development of electric products in the two-wheeler sector. This is in order to meet the growing demand for innovative e-mobility concepts. Both companies are exploring common themes, such as the zero-emission exhaust system, low maintenance and durability of light electric vehicles in urban environments and metropolitan areas. This strategy also includes an open approach to different battery solutions to make use of both integrated and removable batteries.

Another strategic cooperation for the development of high-efficiency battery systems in the electric two-wheeler sector was agreed in March 2021 by PIERER Mobility AG and VARTA AG, the leading European manufacturer of Li-ion cells and a global innovation and technology leader. VARTA and KTM are keen to send a strong signal both within and from Europe with highly efficient battery systems. The objective is to cooperate in the areas of research, development, production, marketing and sales as well as in the area of take-back, recycling and the 2nd life of batteries. The cooperation partners see great potential for the development of a platform battery for lightweight electric vehicles in the 48 volt range with peak performances of up to around 20 kW.

To expand the bicycle and e-bike production capacity, in 2021 a 50:50 joint venture was established with MAXCOM Ltd. for e-bike production in Plovdiv. A state-of-the-art e-bike production and assembly facility is being built over an area of 130,000 m<sup>2</sup>. International suppliers will also be given the opportunity to locate themselves at the site. Commissioning is scheduled for the second half of 2023. The annual production capacity will be around 350,000 units. PIERER Mobility AG is contributing all of its vehicle development and production expertise to the joint venture. MAXCOM Ltd. is one of the largest bicycle manufacturers in Eastern Europe and a member of the MAXEUROPE Group in Bulgaria. Maxcom already produces R RAYMON bicycles for PIERER E-Bikes GmbH, and increasingly also Husqvarna E-Bicycles.

CFMOTO should also be mentioned as another important joint venture partner. The deeper cooperation with partner CFMOTO to establish an additional production facility and supply chain in China has started successfully with the assembly of around 10,000 mid-range motorcycles in 2021. At the joint venture factory in Hangzhou, the 790 cc twin-cylinder platform will be used to create a model family for new, affordable mid-range Duke and Adventure models. Around 25,000 motorcycles are set to be produced in 2022.

## INCREASE IN GLOBAL BRAND AWARENESS THANKS TO SENSATIONAL MOTORSPORT SUCCESSES

The major successes achieved in motorcycle racing in 2021 deserve special mention. Under the three KTM, Husqvarna, and GasGas brands, 21 world championship titles were won in both road and off-road racing.

Jeffrey Herlings secured the MX GP world championship crown riding a KTM bike, Cooper Webb (also KTM) was crowned Supercross Champion and Billy Bolt (Husqvarna) won the Hard Enduro Series, to name just a few. In road racing, two KTM riders triumphed in Moto2™, Remy Gardner ahead of his teammate Raul Fernandez, both of whom are also moving up to MotoGP™ in 2022.

In January 2022, Sam Sunderland won the prestigious Dakar Rally for the group riding GasGas. Matthias Walkner, the reigning Cross Country Rallies World Champion, claimed the second podium spot, finishing third in the standings.

## COVID-19 PANDEMIC

In the 2021 financial year, there were no significant interruptions to production at the Austrian production sites. However, the occasionally high infection rate and the resulting temporary absence of employees posed significant challenges for production and logistics. Due to the high flexibility of employees, an additional expansion of employee numbers and the introduction of additional shifts, these challenges were largely overcome.

There was some instability and some delays in international supply chains. The recovery of the global economy led to an increase in demand and bottlenecks in freight containers and therefore a significant increase in freight costs. The risk detection system (revised in the past year) for identifying global events with a direct or indirect impact on the supply chain, has been improved in a goal-oriented manner. The proven supply chain from supplier to production sites in Mattighofen and Munderfing is primarily intended to ensure parts availability at economically competitive costs, but also to create a basis for the parties involved as suppliers and customers to establish or expand long-term business relationships. In order to be able to achieve these goals, a wide range of employees from the purchasing, quality management and research & development departments contribute their expertise even before the award of a contract for a new purchased part to a supplier company in a selection process. These proven relationships played a major part in ensuring that the global shortage of resources and bottlenecks in the supply chains had only a minor impact on the business operations of the group.

Motorcycle production at our strategic partner Bajaj ran in a largely normal manner and ensured the supply of small-engine KTM and Husqvarna street motorcycles (up to 400 cm<sup>3</sup>) for the worldwide sales of the PIERER Mobility Group. Relaxation of the national lockdown measures in some countries resulted in partial reopening of the global dealer network. The continued high demand for powered two-wheelers has resulted from a significant change in consumer behavior with regard to the use of public transport and an unwillingness to travel. The recovery effects recorded in retail sales continued in the past year in all relevant sales markets.

The effects of the outbreak of the COVID-19 pandemic had already been recognized by management at an early stage in 2019. KTM responded in a consistently proactive manner to the COVID-19 crisis in line with national regulations to restrict the spread of the virus and implemented these regulations in full. Production in 2021 proceeded continuously and without any direct restrictions due to the COVID-19 pandemic, allowing motorsport and marketing activities to significantly increase once again. The lockdown measures at the end of 2021 had only a minor impact; production was able to continue due to the measures taken and expansion of working from home reduced the number of employees on site and therefore the risk of infection. The supply of spare parts to end customers was guaranteed at all times.

Temporary delays in investment and development projects, as occurred in the year before, were avoided in 2021. Liquidity developed in a very positive manner in the course of business. In addition to the issue of a registered bond in the amount of € 30 million in May 2021, liquidity was further strengthened by the taking out of a loan with the European Investment Bank amounting to € 50 million. Aided by the positive development of retail sales and the working capital optimizations established in previous years and pursued consistently since, a free cash flow of € 172.2 million (previous year: € 165.8 million) was generated. Net financial debt was further reduced by € 122.5 million to € 189.9 million (previous year: € 312.4 million).

In order to minimize the risk of the COVID-19 pandemic and to ensure that production capacities were kept running, a comprehensive prevention concept was developed in 2021. This is guided by and implements the required regulatory measures. Various other precautions were taken to protect the health of employees. These included social distancing rules, regular disinfection of work areas as well as hygiene measures and restrictions on access depending on status as vaccinated, recovered or having recently tested negative. Due to the positive reception of working from home, it was retained on a flexible basis. A wide range of COVID-19 vaccination measures were offered to employees that was maintained continuously over the entire financial year and was in high demand among employees.

## 2. ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT

SARS-CoV-2 continues to influence global economic activity. It was identified at the end of December 2019 and has been present in all countries of the world in particular since March 2020. Governments all over the world have taken measures to slow down or prevent the spread and to mitigate the economic consequences of the measures required to prevent infection.

Setbacks in the fight against the pandemic are not the only cause for concern, but also the associated shortages of resources in the supply chains, as well as the rising and continuing inflation figures. The global economic situation is highly uncertain, and the existing disruptions to economic recovery have increased, particularly in relation to the course of the pandemic and access to vaccines.

The current assessment of the International Monetary Fund (IMF) of January 2022 is similarly still subject to great uncertainty. According to this forecast, the global economy will grow by 4.4% in 2022. For industrialized countries, a growth rate of 3.9% for 2022 and 2.6% for 2023 is forecast. Growth of 3.9% is expected for the euro area in 2022. For 2023, the IMF anticipates global economic growth of 3.8%, and for the euro area growth of 2.5%.

For emerging markets and developing economies, a growth in economic output of 4.8% and 4.7% is expected for 2022 and 2023 respectively. For China, a growth rate of 4.8% for 2022 and 5.2% for 2023 is forecast. India is also expected to develop positively, with economic output expected to increase by 9.0% for 2022 and by 7.1% for 2023.

In the 2021 financial year, the PIERER Mobility Group was able to reaffirm the excellent vehicle registration figures of the previous year and maintain global <sup>1</sup> registrations at a high level. The motorcycle market environment increased by approx. 9% compared to 2020.

In **Europe** <sup>2</sup>, the motorcycle market grew to a volume of approx. 740,000 new registrations as of December 31st 2021, which corresponds to an increase of 8%. The market share of KTM, Husqvarna, and GASGAS motorcycles registered for road use is 11.5%. While Italy (+28%) and France (+12%) recorded increases both in the overall market and in group registrations (Italy +14%, France +10%), demand for motorcycles in Germany, one of the biggest relevant markets for the group in Europe, fell by 9%.

In the **USA** <sup>3</sup>, the largest single motorcycle market for PIERER Mobility, the motorcycle market continued the positive growth of the previous year and recorded a volume of around 440,000 motorcycles (previous year: approx. 398,000) in both offroad and road segments in 2021 – an increase of 10%. The three motorcycle brands of the PIERER Mobility Group once again enjoyed a significant double-digit market share of 11.3% (previous year: 11.6%). Developments in **Canada** were almost identical and brought about an increase of 10% in the motorcycle market, with a market share of 14.1% in the 2021 financial year (previous year: 14.5%).

Despite long-lasting lockdowns in **Australia**, this market also grew significantly both in relation to the motorcycle market as a whole (2021: +8%; previous year: +17.9%) and for KTM, Husqvarna, and GASGAS products (2021: +4%; previous year: +46.5%), which translates to a market share of 19.7% (previous year: 20.4%).

While the year before was heavily affected by the coronavirus pandemic, the situation in the market in India recovered significantly in 2021, with sales growing by 2% to around 9.6 million units in the overall motorcycle market. In the relevant S2/S3 segment, in which the KTM and Husqvarna Motorcycles brands have a market share of 7%, approximately 60,000 motorcycles were sold via the distribution channels of our strategic partner Bajaj, as was the case in the previous year.

The market environment for motorcycles in **Argentina and Colombia**, which are the core countries relevant to the group in South America, developed very positively (overall market: approx. 600,000 units). In the 2021 financial year, the motorcycle market in Argentina grew by 29%, with sales of KTM and Husqvarna brand motorcycles rising by almost 70%. This resulted in a market share of 4%. There was even stronger growth in Colombia, where the overall market grew by 43%. In the 2021 financial year, the PIERER Mobility Group's motorcycle brands recorded a 76% increase in registrations and a market share of 2% in Colombia.

<sup>1</sup> Related to the key sales markets of the KTM group: DE, FR, IT, UK, ES, SE, BE, NL, AT, CH, FL, DK, NO, GR, PL, SL, HU, BALTIC, USA, CAN, AUS, NZ, JP, SA.

<sup>2</sup> Motorcycles = 120 cm<sup>3</sup> excluding Motocross, scooters and ATVs, including electric motorcycles in the markets DE, FR, IT, UK, ES, SE, BE, NL, AT, CH, FI, NO, BALTIC

<sup>3</sup> Motorcycles = 120 cm<sup>3</sup> including Motocross, excluding scooters and ATVs, including electric motorcycles

The **e-mobility market** has great potential for growth. E-bicycles represent a healthy, sustainable, and individual mode of transport. They are an increasingly important component of modern mobility concepts. The popularity of e-bicycles, in particular, is growing dynamically and now encompasses all model groups in the bicycle sector. E-bicycles enable longer distances and higher average speeds, creating new mobility options in urban and rural areas. It is evident that high-quality brand-name products are also gaining ground in the bicycle market. Consumers are proving to be more quality aware and more environmentally aware, which directly results in higher demand on the bicycle market. This has proven to be a trend, especially in terms of data for the German sales market, which, according to recent scientific findings, depends not least on the changing population structure as well as the general level of education, which is becoming more aware of environmental issues.

According to reports from the German Two-Wheeler Industry Association (ZIV), 5.04 million units (e-bicycles and non-e-bicycles) were sold in Germany in 2020, a year-on-year increase of +16.9%. With conventional bicycles down by -7.2%, the strong growth was primarily attributable to the e-bicycles segment. In its report on the first half of 2021, ZIV confirms these positive trends for the e-bicycle market, while the forecast decline in the sales figures for bicycles overall is exclusively due to the decline in conventional bicycles. For example, ZIV reports that 1.95 million e-bicycles were sold in Germany in 2020 (2019: 1.36 million). Accordingly, the market share of e-bicycles in 2020 was 38.7% (2019: 31.5%). In the medium term, a market share of 40% to 50% of the total bicycle market in Germany is forecast for e-bicycles.

Similarly, a trend study by the auditing and consulting firm PwC indicates that the bicycle market will grow globally at an average rate of approx. 5.5% annually in the years ahead. This development is largely driven by the strong growth in the sales figures for e-bicycles (7.4% per annum according to the study). According to the study, the greatest potential for growth lies in the East Asian as well as the European and North American markets, with an estimated sales volume of approximately 210.4 million bicycles (e-bicycles and non-e-bicycles; estimated value of the sales volume: approximately EUR 80 billion) sold worldwide in 2025.

### 3. FINANCIAL PERFORMANCE INDICATORS

#### KEY FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS		2020	2021	CHANGE IN %
Revenue	in € million	1,530.4	2,041.7	33.4%
EBITDA	in € million	233.5	332.2	42.3%
EBITDA margin	in %	15.3%	16.3%	
Result from operating activities (EBIT)	in € million	107.2	193.5	80.5%
EBIT margin	in %	7.0%	9.5%	

#### OTHER FINANCIAL FIGURES:

EARNINGS RATIOS		2020	2021	CHANGE IN %
Earnings after taxes	in € million	69.5	142.9	>100.0%
Earnings after minorities	in € million	34.9	82.5	>100.0%

BALANCE SHEET RATIOS		12/31/2020	12/31/2021	CHANGE IN %
Balance sheet total	in € million	1,686.0	2,033.7	20.6%
Equity	in € million	654.1	765.6	17.0%
Equity ratio	in %	38.8%	37.6%	
Working capital employed <sup>1)</sup>	in € million	181.5	160.5	-11.6%
Net debt <sup>2)</sup>	in € million	312.4	189.9	-39.2%
Gearing <sup>3)</sup>	in %	47.8%	24.8%	

CASH-FLOW UND CAPEX		2020	2021	CHANGE IN %
Cash flow from operating activities	in € million	312.8	367.4	17.5%
Cash flow from investing activities	in € million	-147.0	-195.1	32.7%
Free cash flow <sup>4)</sup>	in € million	165.8	172.2	3.9%
Cash flow from financing activities	in € million	-104.7	-27.6	-73.6%
Capital expenditure <sup>5)</sup>	in € million	150.2	178.5	18.8%

VALUE CREATION		12/31/2020	12/31/2021
ROCE (Return on Capital Employed) <sup>6)</sup>	in %	9.7%	17.4%
ROE (Return on Equity) <sup>7)</sup>	in %	10.9%	20.1%
ROIC (Return on Invested Capital) <sup>8)</sup>	in %	7.7%	13.0%

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

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

3) Gearing = net financial debt / equity

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

5) Additions to property, plant and equipment and intangible assets as per statement of changes in non-current assets; excluding lease additions (IFRS 16) in the amount of € 24.6 million (previous year: € 19.5 million)

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

7) ROE = net result after tax / average equity

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

## BUSINESS DEVELOPMENT AND ANALYSIS OF EARNINGS RATIOS

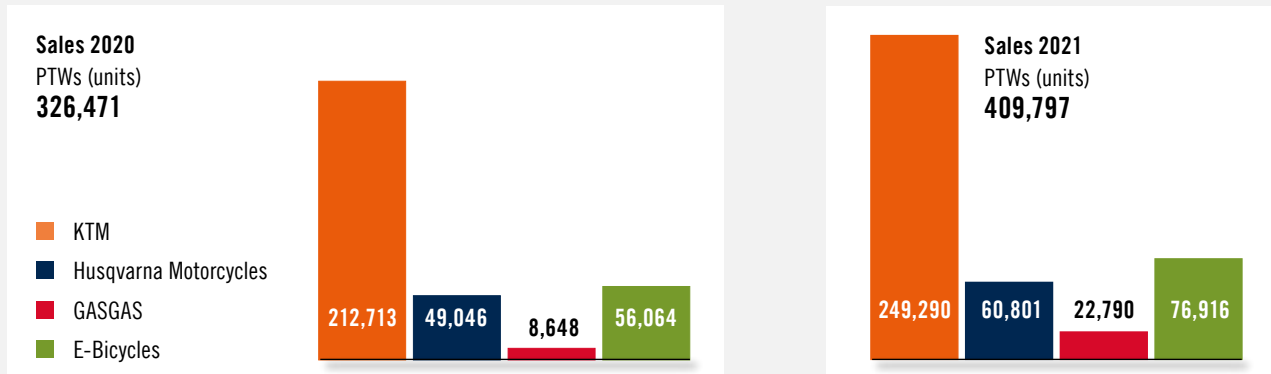
The PIERER Mobility Group can look back on a new record-breaking year in 2021. The main challenges for the successful continuation of our growth trajectory were the unstable international supply chains, securing the required production capacities as flexibly as possible and minimizing the risks arising from the COVID-19 pandemic for the employees. In 2021, thanks to the high market demand for Powered Two-Wheelers (PTWs) and active management of the challenges outlined above, the PIERER Mobility Group achieved record growth in both revenue and earnings despite the challenging situation.

In the 2021 financial year, the PIERER Mobility Group generated revenues of € 2,041.7 million (+33.4%), thus improving its revenue by € 511.3 million compared to the previous year. Approximately 95% of revenues were earned outside of Austria. Looking at different regions, 56.0% of revenues were generated in Europe (-1.2 percentage points year-on-year), 22.9% in North America including Mexico (-1.5 percentage points year-on-year), and 21.1% in the rest of the world (+2.7 percentage points year-on-year). Due to the high demand for motorcycles and e-bicycles worldwide, a total of 663 employees were added to the workforce in the past financial year, bringing the total number of employees at the end of the year to 5,249. Of these, 4,340 are employed in Austria.

The earnings before interest, taxes, depreciation and amortization (EBITDA) of € 332.2 million are around € 100 million higher than the previous year's figure of € 233.5 million. The EBITDA margin is 16.3%. The group increased EBIT by around 80% to € 193.5 million (previous year: € 107.2 million), which equates to an EBIT margin of 9.5%.

In addition, the net result after tax was more than doubled, reaching € 142.9 million in the 2021 financial year (previous year: € 69.5 million).

The sales figures for PTWs – motorcycles of the KTM, Husqvarna Motorcycles, and GASGAS brands as well as e-bicycles (excluding non-e-bicycles) – are distributed as follows:



The two segments “Motorcycles” and “E-Bicycles” represent the main operational areas of the PIERER Mobility Group, the development of which is discussed below.

## MOTORCYCLES

The revenue drops recorded in 2020 owing to interruptions to production caused by the COVID pandemic were compensated for in the 2021 financial year and total revenue was significantly increased. In the KTM group, revenue of € 1,876.4 million was achieved in the past financial year (previous year: € 1,414.0 million), which corresponds to an increase in revenue of 32.7%. KTM achieved EBITDA of € 325.2 million in the 2021 financial year (+44.1% compared to the previous year) and EBIT of € 192.8 million (+83.1% compared to the previous year). This corresponds to an EBITDA margin of 17.3% (previous year: 16.0%) and an EBIT margin of 10.3% (previous year: 7.4%). The net result after tax was € 146.1 million (previous year: € 71.2 million).

In North America, KTM recorded revenue growth of 24.8% to € 466.1 million. This meant that 24.8% of revenue was generated in North America (previous year: 26.4%). In Europe, revenue increased by 29.1% to € 980.8 million compared to the previous year, which corresponds to a share of 52.3% (previous year: 53.7%). Revenue also increased in other countries by 52.9% to € 429.4 million compared to the previous year. The share of revenue generated in other countries was 22.9% (previous year: 19.9%).

With 249,290 KTM motorcycles sold, 60,801 HUSQVARNA motorcycles sold and 22,790 GASGAS motorcycles sold in the 2021 financial year, the KTM group sold a total of 332,881 motorcycles (+23.1% year-on-year; taking into account the motorcycles sold in India and Indonesia by partner Bajaj), thereby consolidating its presence in the key motorcycle sales markets with its three motorcycle brands. In the European sales regions, unit sales were 120,049 motorcycles (+23.3%). Significant growth was also recorded by the North American sales subsidiary with 65,792 motorcycles sold (+24.6%), and in Australia sales increased by 25.7% to 20,811. The strongest growth potential was seen in South America (+62.5%) with 32,562 and in Asia (+55.8%) with 29,847 motorcycles sold.

### UNIT SALES BY REGIONS FY 2021

- 36.1% Europe
- 19.8% North America (incl. Mexico)
- 18.1% Indien / Indonesia (by Bajaj)
- 26.0% remaining global region



### REVENUE BY REGIONS FY 2021

- 52.3% Europe
- 24.8% North America (incl. Mexico)
- 22.9% remaining global region



In the 2021 financial year, 178,992 motorcycles were manufactured at the Mattighofen production site. Compared to the previous year, this constitutes an increase of 38,740 units, or +27.6%. Taking into account the small-engine KTM and Husqvarna models produced by our partner Bajaj Auto Ltd. in India and the GASGAS Trials produced in Spain, 323,931 vehicles (+22.1%) were manufactured worldwide.

**E-BICYCLES**

In the Bicycle Division, activities in 2021 focused on establishing the three Husqvarna E-Bicycles, R Raymon and GasGas brands, as well as on further technical development and enhancing the quality of the product range. R RAYMON offers bicycles as well as e-bikes for a variety of target groups: from children’s bikes to racing bikes, from city e-bikes to sports E-MTBs. Husqvarna’s product range now covers the entire spectrum of e-mobility. GASGAS bikes were officially launched in April 2021. The Spanish own brand opened a new chapter in the field of e-mobility and now intends to give even more off-road enthusiasts the opportunity to share in the fun of off-road riding. With the various brands and the product range now even more broadly diversified, it will be possible to cater for this highly differentiated market in an optimum way. The global COVID-19 pandemic has increased consumer demand for personal transportation and sports solutions. In addition, consideration of sustainability issues is making consumers focus more on the need for zero-emission transportation. E-bikes in particular are proving to be especially popular and attractive to customers. The PIERER E-Bikes Group was able to take advantage of this, hold its own with its brands in a highly competitive market and continue growing.

In the 2021 financial year, revenue of € 162.7 million was generated in the e-bicycles segment (previous year: € 112.5 million). This represents a year-on-year increase in revenue of almost 45%. EBITDA in 2021 was € 11.4 million (previous year: € 6.5 million) and EBIT was € 7.0 million (previous year: € 2.2 million). This corresponds to an EBITDA margin of 7.0% (previous year: 5.8%) and an EBIT margin of 4.3% (previous year: 2.0%). The net result after tax was € 5.0 million (previous year: € 0.3 million).

With 76,916 e-bicycles (+37.2%) and 25,837 non-e-bicycles (+50.1%), the Bicycle Division was able to achieve sales growth with the HUSQVARNA, R RAYMON, and GASGAS brands of more than 40% in total and has already sold 102,753 bicycles (previous year: 73,277). Of the e-bicycles sold in the 2021 financial year, 40.8% were sold under the Husqvarna E-Bicycles brand, 53.3% under the R RAYMON brand, and 5.9% under the GASGAS brand. The sales of non-e-bikes were entirely attributable to the R RAYMON brand. Around 76% of sales were in the DACH region.

**UNIT SALES BY REGIONS  
FY 2021**

- 76.1% DACH region
- 22.6% remaining Europe
- 1.3% remaining global region



**REVENUE BY REGIONS  
FY 2021**

- 7.0% DACH region
- 24.9% remaining Europe
- 2.1% remaining global region



## STATEMENT OF FINANCIAL POSITION ANALYSIS

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

	2020		2021	
	€ million	in %	€ million	in %
Non-current assets	942.0	55.9%	992.8	48.8%
Current assets	744.0	44.1%	1,040.9	51.2%
<b>Assets</b>	<b>1,686.0</b>	<b>100.0%</b>	<b>2,033.7</b>	<b>100.0%</b>
Equity	654.1	38.8%	765.6	37.6%
Non-current liabilities	581.4	34.5%	649.5	31.9%
Current liabilities	450.5	26.7%	618.7	30.4%
<b>Equity and liabilities</b>	<b>1,686.0</b>	<b>100.0%</b>	<b>2,033.7</b>	<b>100.0%</b>

The balance sheet total of the PIERER Mobility Group increased by 20.6% from € 1,686.0 million to € 2,033.7 million as of December 31st 2021 compared to the consolidated financial statements as of December 31st 2020.

Non-current assets increased from € 942.0 million to € 992.8 million in 2021, representing an increase of € 50.8 million or 5.4%. The increase was largely due to the level of investment being higher than depreciation and amortization, especially in the area of development projects, and the resulting increase in intangible assets.

Within current assets, cash in particular increased by € 155.2 million and stock by € 106.4 million. This was due in particular to the build-up of stock of unfinished products, raw materials and supplies. Overall, this resulted in a significant increase in current assets of 39.9% to € 1,040.9 million.

Current liabilities increased by € 168.2 million to € 618.7 million (+37.3%) in the past financial year. The increase is mainly due to the increase in trade payables amounting to € 133.5 million. Other increases related, among other things, to sales bonuses and employee benefits.

Non-current liabilities increased by 11.7% to € 649.5 million, largely as a result of borrowings. In May 2021, KTM AG issued registered bonds with a term of 12 years at a nominal value of € 30 million. In addition, a loan of € 50 million was taken out from the European Investment Bank in December 2021.

Equity increased by € 111.4 million to € 765.6 million in the 2021 financial year. On the one hand, equity was boosted by the pleasing net result after tax of € 142.9 million and the sale of treasury shares amounting to € 13.6 million. On the other hand, dividend payments amounting to € 24.4 million and the acquisition of shares in subsidiaries (increase in shares in KTM AG and KTM Technologies GmbH) totaling € 30.5 million led to a reduction in equity. The other effects mainly related to the recognition in equity of foreign currency differences, the valuation of financial instruments and the revaluation of the net defined benefit liability. At 37.6%, the equity ratio reported as of December 31st 2021 was lower than the previous year's figure of 38.8% due to the increase in the balance sheet total described above.

## LIQUIDITY ANALYSIS

Cash flow from operating activities amounted to € 367.4 million in the 2021 financial year, which was up 17.5% on the previous year's figure of € 312.8 million, and this was mainly attributable to the positive operating earnings development (EBITDA +€ 98.7 million compared to the same period in the previous year).

The cash outflow from investments amounted to € -195.1 million and was significantly higher overall than the previous year's figure of € -147.0 million. This increase was mainly due to the higher payments for the acquisition of intangible assets and property, plant and equipment (effect € -34.1 million).

Due to the excellent result and the low working capital level, a strong free cash flow of € 172.2 million was generated, corresponding to 8.4% of 'revenue. Free cash flow increased by a total of € 6.4 million compared to the same period in the previous year.

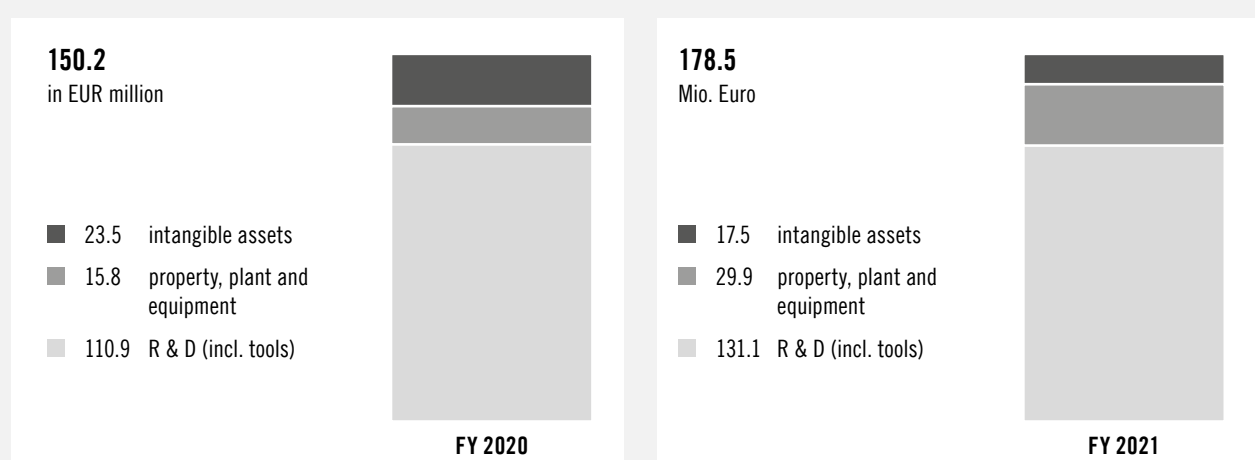


After taking into account the cash flow from financing activities of € -27.6 million, cash and cash equivalents increased by € 155.2 million (including foreign currency effects of € 10.6 million) to € 373.5 million compared to December 31<sup>st</sup> 2020.

Thanks to the strong equity base and long-term financing, sufficient liquidity reserves are available on a sustainable basis.

## INVESTMENTS

In the current financial year, total investments in the PIERER Mobility Group amounted to € 203.1 million (previous year: € 169.7 million) including IFRS 16 lease additions of € 24.6 million (previous year: € 19.5 million). The investments excluding leasing projects were divided between development projects (incl. tools), property, plant and equipment and intangible assets as follows::



Despite the COVID-19 pandemic, investments in the (further) development of existing and new models and in electric mobility have top priority. Expenditure on investments in research and development will therefore remain at the already high level of previous years on a sustained basis and this represents one of the key factors for the group's success. At 73%, the proportion of investments in development projects (incl. tools) compared to total investments is slightly below the previous year's figure of 74%. Investments in infrastructure (property, plant and equipment) accounted for 17% (previous year: 10%) of total investments. Intangible assets (trademark rights, IT, licenses) accounted for a further 10% (previous year: 16%). In the previous year, investments in intangible assets largely included the acquisition of the trademark rights to "GASGAS" amounting to around € 14 million.

The main expansions to infrastructure at our Austrian sites in the 2021 reporting year involved the expansion of the logistics center (scheduled completion in 2022) and the newly built training center at the Munderfing site. With the newly created "Production Academy" in Mattighofen, massive investments have also been made in the training and further education of production employees. In addition, the new GASGAS production site in Terrassa, Spain was expanded.

## 4. NON-FINANCIAL STATEMENT

The company prepared a consolidated non-financial report for the PIERER Mobility Group in accordance with Section 267a of the Austrian Commercial Code (UGB) for the 2021 financial year. This report contains information about concepts, non-financial risks, due diligence processes as well as results and performance indicators with regard to environmental, social and employee issues, respect for human rights, and the fight against corruption and bribery. This report has been reviewed by the Supervisory Board in accordance with Section 96 of the Austrian Stock Corporation Act (AktG) and is available online at <https://www.pierermobility.com/en/sustainability/sustainability-reports>.

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

## 5. RESEARCH & DEVELOPMENT AND NEW MODELS

PIERER Mobility AG intends to continue to expand its pioneering role in relation to technology, sales and image, especially in the motorcycle world. We have been particularly focused on the area of research and development for several years. The result of the R&D strategy we have pursued is innovative products, which meet our customers' high expectations in technology and performance. Thanks to the globally active research and development organization, the PIERER Mobility Group has a network of highly qualified employees – for instance in the construction, computation and simulation sectors. This network is supported by the in-house machinery and equipment that performs the production, construction and validation of newly developed prototypes.

Research and development expenses (before capitalization of development services) in the PIERER Mobility Group in the 2021 financial year amounted to € 162.4 million (previous year: € 137.7 million), which corresponds to 8.0% (previous year: 9.0%) of revenue. The products of all group companies operate at a very demanding performance level, which is why customers demand ongoing development and evolution. In the research and development department, the PIERER Mobility Group had as of December 31 in the 2021 financial year 976 employees (previous year: 808 employees), which corresponds to 18.6% of the total workforce. Around 6.4% of total revenue was invested in research and development (-0.8 percentage points compared to the previous year).

The research and development department is a global organization, with decentralized locations in Europe (in particular Austria and Spain), America and Colombia. The development programs are managed centrally at the research and development headquarters of KTM AG in Mattighofen and Munderfing. A large proportion of the employees from the research and development department are located here over a floor space of more than 20,000 m<sup>2</sup>. Focusing on the power range from 250 W to 11 kW, the group is taking the next steps to intensify research & development (R&D) in the field of electric mobility and is pressing ahead at full speed in pursuing its vision to become the global leader in the field of electrically powered two-wheelers (PTW). For example, in the reporting year all R&D activities were combined and expanded further into their own research and development company – KTM Forschungs & Entwicklungs GmbH (KTM F&E GmbH) – which will ensure that KTM is always able to keep up with the ever-increasing pace of technological development. A special focus of the past year was making the move to the newly developed R&D location in Anif near Salzburg, which, in addition to the E-drive development division within F&E GmbH, also provides KTM Technologies GmbH with space for further growth. The investment volume for the 7,780 m<sup>2</sup> e-mobility center of expertise is EUR 20 million. The state-of-the-art facility provides space for more than 150 employees and is located right next to the KISKA design studio in Anif near Salzburg, Austria.

In 2021, we also made further progress in the development of batteries. KTM participates in a consortium for motorcycles with swappable batteries with Honda Motor, Piaggio Group and Yamaha Motor for motorcycles and light electric vehicles. Over the next three years, the consortium will develop a common technical standard for a battery swap system including the corresponding battery swap stations.

The research and development function of PIERER E-Bikes GmbH is organized in decentralized locations across Europe (Austria, Germany, Spain). This facilitates a specific response to the mobility needs of the respective markets, whether this is urban mobility in Munich and Barcelona or the off-road or dual sport community in rural or even alpine areas around Schweinfurt, Salzburg, and Munderfing.

### MOTORCYCLES

In 2021, all three motorcycle brands made a clear statement with innovative upgrades and new models, both in the on-road and off-road segments.

One of the most important projects of last year for the street model platforms was the industrialization of KTM's spearheads in the street model portfolio – the 1290 SUPER ADVENTURE R and S models as well as the 1290 SUPER DUKE RR hyper-naked bike. Now, for the first time, the 2021 generation KTM 1290 SUPER ADVENTURE S comes with innovative adaptive cruise control as standard. It was developed thanks to intensive research side-by-side with Bosch. It automatically maintains an appropriate distance to other road users in front of the motorcycle using radar sensors and can be set at five levels via the redesigned combination switch.

Further highlights include the series production of the KTM RC generation in the Supersport segment, the series ramp-up of the HUSQVARNA Norden 901 and the ramp-up of the KTM 1290 SUPER DUKE R and KTM 1290 SUPER DUKE GT models, which incorporate extensive updates. The starting point was the KTM 890 DUKE model derivative, based on the two-cylinder mid-class platform, which had its series launch before the start of the motorcycle season in February 2021. The 890 DUKE adds the finishing touch to KTM's naked bike range, offering a direct successor to the extremely popular

790 DUKE, where the developers were able to make significant progress, particularly in terms of mechanics and performance as well as emissions behavior.

In 2019, HUSQVARNA Motorcycles introduced the “North” prototype of a motorcycle in the mid-range Travel segment. Exactly two years after its presentation, its series ramp-up took place in November 2021. With its foundation rooted in the building blocks of the KTM 890 ADVENTURE models, this model distinguishes itself significantly from its sisters in the group with its unique design, a reworked chassis and a range of other brand-typical detailed solutions. With the SVARTPILEN 125, Husqvarna expanded the range of naked bikes and now offers young riders a perfect model for entering the world of Husqvarna road bikes.

GASGAS Motorcycles confirmed the global availability of the latest TXT RACING and TXT GP Trial models of MY 2022. In addition, GASGAS Motorcycles has expanded its range of dirt bikes by adding the small-wheel MC 85, the MC 250 with a two-stroke engine, and the MC 350F with a four-stroke engine.

Another high point of the previous research year was the development and start of the transition to series production of the new KTM SX/SX-F and HUSQVARNA TC/FC Motocross model range in the full-size offroad segment. And because KTM's brand motto is “Ready to Race,” not only were the prototypes of these bikes successfully subjected to comprehensive prototype tests but, due to our commitment to global motorsports, they were also tested and validated in the toughest conditions. The most recent generation of models from the full-size off-road platform is the result of a complex platform strategy, the primary objective of which is to optimize the performance of all installed components and at the same time ensure a high degree of efficiency.

The research department is also working intensively on promising, sustainable mobility solutions. Part of the strategy pursued is an open approach to different battery solutions that take advantage of both integrated and removable batteries. The 2021 research year included a series of R&D projects in the field of purely electric powered vehicle concepts. In addition to the great efforts in the area of fundamental research and technological research, new vehicle concepts – the HUSQVARNA E-PILEN concept and the electric scooter concept the HUSQVARNA BLTZ – were presented to the public for the first time last year.

In addition, KTM AG formed a consortium for motorcycles with exchangeable batteries with Honda Motor, the Piaggio Group and Yamaha Motor. The aim of the consortium is to develop solutions to address customers' concerns regarding the future of electric mobility, such as range, charging time and infrastructure as well as costs. This is to be achieved while adhering to four main objectives: (a) Development of common technical specifications for interchangeable battery systems; (b) Confirmation of the joint use of battery systems; (c) Promotion of the common specifications of the consortium in European and international standardization committees as well as their adoption as a standard; (d) Worldwide application of the common specifications of the consortium. Work is being carried out together with the consortium partners to develop an exchangeable battery system for low-voltage vehicles (48 V) with up to 11 kW of power, which is based on international technical standards.

In parallel to the initiatives mentioned above in the area of electric mobility, the KTM group is also working on technologies for further reducing the emissions profiles of motorcycles equipped with combustion engines. The development strategy in the area of combustion engines development is clearly orientated towards a reduction in consumption and emissions. This includes R&D activities which address the further development of the thermodynamic system (electronic fuel injection, combustion) as well as exhaust aftertreatment systems (catalytic converters). Furthermore, approaches to using CO-free or CO-neutral fuels which can be obtained from, among other things, the CO in the atmosphere are being studied. All engines in the displacement category over 500 cm<sup>3</sup> are already qualified for operation with synthetic fuels (e-fuels) – other engine platforms can be changed within short response times. The MotoGP™ and Moto3™ racing series, that are particularly technology driven, will test the use of blended fuels (which consist of less than 40% fossil fuels) from the 2024 season onwards. It currently looks as though the premier class of the Motorcycle World Championship is planning to completely switch to synthetic fuels starting in the 2027 season.

## E-BICYCLES

In the Bicycle Division, activities in 2021 focused on establishing the three Husqvarna E-Bicycles, R Raymon and GasGas brands, as well as on further technical development and enhancing the quality of the product range.

The Husqvarna fleet of models can expect a number of innovations in 2022. Of particular significance is the new off-road model division with its own

frame designs and technical innovations, which is represented above all by the brand new Mountain Cross 6 (MC 6). The MC 6 proves that Husqvarna E-Bicycles takes kinematics, design, and technology seriously and is aimed at a new generation of riders. Together with Husqvarna Motorcycles, Husqvarna E-Bicycles also presented its fleet of urban mobility vehicles, and the group positioned itself on this basis at the IAA Mobility 2021 in Munich as a holistic, zero-emission manufacturer of motorized two-wheelers. In January 2022, HUSQVARNA E-Bicycles also presented the 'Legacy Edition', an upgraded edition of the Mountain Cross 5 with an updated design.

In 2021, GASGAS Bicycles presented the Enduro Cross 9.0 as the top model. It combines the well-known robust aluminum frame, shaped in enduro geometry, with a Rock Shox ZEB 160 fork and a Rock Shox SDS+ shock absorber, as well as wheels in the 29" front and 27.5" rear formats for perfect handling and excellent agility. With its SRAM SX Eagle 12-speed drive, 4-piston Tektro brakes, a Yamaha PW-X2 motor with an advanced Quad Sensor System, 250 W power, and an integrated 630 Wh battery in the down tube, it embodies everything the GASGAS Bicycles brand represents.

In 2021, R RAYMON introduced its claim "Ride here. Ride now." that expresses the brand's attributes of growth and spirit. A typical example of this is the all-round TourRay E 5.0 with a sporty Yamaha PWST drive with 60 Nm of torque and the semi-integrated Yamaha battery with 500 Wh. The trekking power of the TourRay made it the absolute best seller in the e-bike range of 2021. With its 27.5" inch wheels, disc brakes, and an SR Suntour suspension fork with 75 millimeters of suspension travel, the TourRay E 5.0 offers plenty of comfort and traction on all types of terrain. In 2022, R RAYMON will once again expand its portfolio and enter the market of light e-mountain bikes. With the AirRay, R RAYMON will change perceptions – it combines the typical fun of a trail bike with solid performance and an ideal battery capacity. The highest torque motors and highest battery capacities were deliberately not selected for these three models. Instead, the focus was on achieving a balance between the three pillars of motor, battery, and weight. Equipped with the AIR DRIVE motor powered by Yamaha (50 Nm torque), a slim 2.8 kg carbon fiber frame, agile handling and riding dynamics at the highest level, the lightweight e-mountain bike R RAYMON AirRay 29" weighs less than 20 kilograms with a suspension travel of a full 150 mm. Further innovations can be expected in the coming year, which will include new frame platforms and concepts, while at the same time R RAYMON intends to establish itself more firmly in the sports segment.

## 6. OPPORTUNITIES AND RISK REPORT

As Europe's leading "Powered Two-Wheeler" (PTW) manufacturer, the PIERER Mobility Group with its KTM, HUSQVARNA Motorcycles, and GASGAS motorcycle brands is among the European technology and market leaders. The business activities of the PIERER Mobility Group are characterized by ongoing changes. Exploiting the opportunities that these changes present is the essential cornerstone of the success of the PIERER Mobility Group. In order to secure the future success of the business and exploit the opportunities that arise, the group must consciously take risks.

The management of opportunities and risks is the basis for responding appropriately to changes in the underlying political, economic, technical or legal conditions. Where it is likely that the opportunities or risks identified will occur, they have already been incorporated into the statements made in the notes to the consolidated financial statements and the group management report. The following statements include possible future developments or events that could lead to a positive (opportunities) or negative (risks) deviation from the company forecast for the PIERER Mobility Group.

As part of risk management, all individual and cumulative risks that could jeopardize the success of the company are monitored and controlled. Risks that could jeopardize the company as a going concern are generally avoided. The scope of risk consolidation corresponds to the scope of consolidation of the consolidated financial statements of the PIERER Mobility Group.

### RISK MANAGEMENT SYSTEM

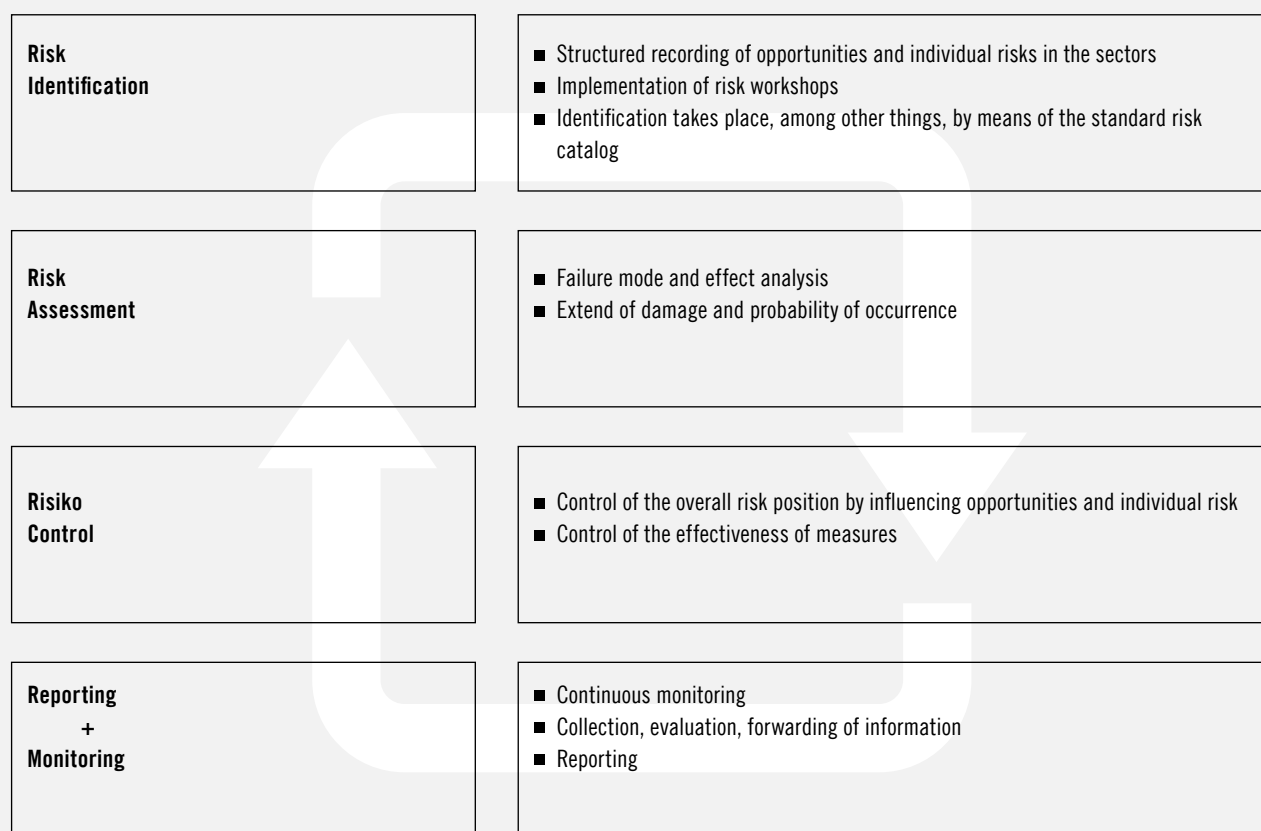
The main purpose of the PIERER Mobility Group's risk management system is to safeguard and strengthen the company by correctly and transparently assessing financial, operational and strategic risks. In this context, the Executive Board, together with the management of the main group companies, in particular KTM AG, performs extensive management and controlling tasks within the framework of an internal, integrated control system that covers all major sites. Recognizing, evaluating and responding to strategic and operational risks promptly is an essential part of the management activities of these units and adds significant value to the company. The basis for this is a uniform, group-wide reporting system established on a monthly basis, and ongoing monitoring of operational and strategic plans.

The PIERER Mobility Group has a multi-level risk management system in which group-wide risks are identified by location or geographical area. Operational responsibility and the assessment of group-wide risks is carried out by the risk management of KTM AG and local management and is reported directly to and monitored by the Executive Board and the Group Executive Board.

Preventive analysis of potential or near-miss events is another aim of risk management. In addition, risk management is also responsible for actively controlling risks and evaluating appropriate measures with the business units concerned.

### RISK MANAGEMENT STRATEGY

The PIERER Mobility Group bases its risk management strategy on risk analysis and risk assessment according to the COSO® framework. Accordingly, the group has defined the following core areas of the risk management strategy:



Risk management established at the level of KTM AG regularly conducts risk analyses for selected production and distribution sites. Only risks outside the consolidated statement of financial position and the consolidated income statement are presented.

### RISK MITIGATION

Depending on the impact on the company, efforts are made to minimize or avoid risks by taking appropriate measures or, in certain cases, to deliberately take them.

### RISK ASSESSMENT

The aim of risk assessment is to perform continuous, qualitative and quantitative evaluation of all identified opportunities and risks in order to prioritize risk control measures. Opportunity and risk assessment at the PIERER Mobility Group should meet the following requirements:

- **Objectivity:** The assessment should be performed according to standards that are as objective as possible.
- **Comparability:** To allow the opportunities and risks to be compared with each other, a quantitative assessment is made using uniformly defined values (where reasonable and possible)

## ASSESSMENT METHODOLOGY

Opportunities and individual risks are assessed on the basis of their likelihood of occurrence and their significance for the net assets, financial position and earnings position of the group. This assessment is based on information about a) risks that have actually occurred in the past, b) benchmark values from the industry or c) realistic expert estimates prepared by the group itself.

The quantitative assessment follows a scenario-based approach, distinguishing between the following categories: Best Case (BC), Most Likely Case (MLC), and Worst Case (WC). This is a classic triangular distribution. For isolated risks, a qualitative assessment can additionally be used, if necessary, or alternative distributions (normal distribution, etc.) can be used for fluctuating risks. The choice of the respective distribution depends on the type of risk.

## RISK MONITORING / CONTROL

The essence of operational risk management is to identify, evaluate and control significant risks arising from operations. This process is carried out in particular by the senior and middle management levels of KTM AG and monitored by the Executive Board of PIERER Mobility AG.

## OPPORTUNITIES AND RISK REPORT

The following overview provides a general summary of all identified risks and opportunities and highlights their significance for the PIERER Mobility Group. Overall, the PIERER Mobility Group has not identified any risks that could jeopardize its continued existence as a going concern, neither on the reporting date nor at the time that the financial statements were prepared.

### ▪ MARKET RISKS

#### Cyclical risk

The KTM group operates primarily in the motorcycle sector and the PIERER E-Bikes Group in the bicycle sector. Sales opportunities are determined by the general economic situation in the countries and regions in which the PIERER Mobility Group is represented with its products. As recent years have shown, the motorcycle sector in particular is cyclical and subject to large fluctuations regarding demand. This risk is counteracted by relevant market research and market forecasts, which are then taken into account in the planning process. Due to the change in mobility behavior, the global motorcycle market continues to grow, in particular in the most important sales regions year-on-year.

#### Competition and pricing pressure

Competition on the motorcycle market in industrialized countries is particularly intense; KTM's strongest competitors are four Japanese and three European manufacturers and, on a slightly smaller scale, a U.S. manufacturer, some of which have greater financial resources, higher sales figures and market shares. Price pressure in the street motorcycle market is very high, and new competitors are trying to enter the market using low-price strategies. Thanks to its successful market strategy, KTM is Europe's leading manufacturer of powered two-wheel vehicles. The full integration of GASGAS as the third motorcycle brand and the further development of the dealer network has also contributed to this. Thanks to our innovative strength, we see ourselves as the technology leader in the two-wheeler sector in Europe. The strategic partnership with Bajaj, India's second-largest motorcycle manufacturer, consolidates our competitiveness in global markets.

#### Sales risk

The largest individual sales markets of the PIERER Mobility Group are the European market and the U.S. market. A slump in these markets could have a negative impact on business activities. Entering new markets involves a major cost risk as, in some of these markets, the trend of sales as well as the geopolitical conditions are difficult to assess. By collaborating with its strategic partner Bajaj Auto Ltd., Pune, India, the company is working steadily toward implementing a global product strategy in the motorcycle sector. In order to diversify the sales risk, the Bicycle Division is also pursuing the goal of expanding successfully in other markets.

## Geopolitical risks

It is also important to keep a closer eye on geopolitical risks. In particular, the war in Ukraine will have a negative impact on the global economy. The PIERER Mobility Group is not directly affected by the military conflicts in Ukraine. Indirectly, however, as is the case for industry as a whole, the risk increases for the PIERER Mobility Group in particular of further increases in energy and raw material costs as well as negative effects on the capital markets.

## ▪ INDUSTRY-SPECIFIC RISKS

### Restrictions relating to motorcycling

The revenue of the group depends, inter alia, on the possible offroad uses of motorcycles and is therefore considerably influenced by the national legal framework regulating offroad motorsport, motorcycle registration and driver's licenses in the countries where the vehicles are sold.

Due to the introduction of the Euro 5 emissions standard on January 1st 2020, updating the entire Street motorcycle product range to meet the new regulatory requirements was the focus of R&D activities and was completed in 2020. During the 2020 calendar year, all models intended for the EU region and for operation on public roads were newly type-approved according to the "Euro 5" regulations or their type approval was upgraded from "Euro 4" to "Euro 5" by an amendment. Series production of the first "Euro 5" model took place in July 2020 (sample series of KTM 890 Adventure models). The last "Euro 4" model for the EU region was produced in December 2020. From January 1st 2021, only "Euro 5" vehicles have been produced for the EU region and for operation on public roads.

### Procurement risk

In the current situation, the procurement risk faced by the KTM group is principally failing to receive ordered components or receiving them on dates other than those originally agreed. In order to ensure the best possible availability of components, KTM focuses on long-term cooperations with our supply partners as well as the careful selection of excellent new suppliers in accordance with established criteria. The KTM group works continuously on developing its relationships with its suppliers. From the perspective of KTM, a deep mutual understanding of the processes is essential here. As the quality of KTM's products is strongly determined by the quality and properties of the sourced subcomponents, particular attention is paid to suitable operating facilities and production processes of suppliers, as well as their financial strength and compliance with ecological, social and ethical standards.

In the second year following the outbreak of the COVID-19 pandemic, the KTM group faced increasing difficulties with regard to the supply of semiconductors and the associated shortages of electronic components. In order to support its suppliers in this situation, KTM AG actively intervened in the procurement of electronic components and was thus able to prevent major shortages both at suppliers and at our own production sites. In addition to the shortage of electrical components, there were also bottlenecks in the supply of raw materials such as aluminum and plastic granulate, but these only had immaterial effects on KTM AG due to intensive cooperation in the supply chain.

For 2022, KTM AG expects the situation to worsen – at least in the first two quarters. The difficult supply situation for suppliers, capacity bottlenecks at suppliers themselves and interruptions to logistical processes will continue to require close coordination. To reduce risk, among other things, stock at suppliers was built up in 2022, a market intelligence system for electronic components was introduced, and the logic of our scheduling agreement releases adapted to the changed situation.

In the PIERER E-Bikes Group, the procurement of components and bikes is planned for the medium term. Short-term fluctuations can also be offset by appropriate storage capacities. The products are priced on the basis of fixed negotiated purchase prices. Prices and capacities are agreed with suppliers in advance and secured. The PIERER E-Bikes Group has several suppliers from different countries for e-bikes in its portfolio to reduce the risk of dependency, as far as possible, and increase the stability of the supply chains. The timely availability of frames and drive components as a risk places increased demands on the suppliers of e-bikes.

### Research and development, racing

Technical innovations and the introduction of new products are largely responsible for the PIERER Mobility Group's position in the market. To this end, new trends must be identified promptly. To counteract the risk, our own products' innovative capacity must be ensured. Racing achievements are not only an important marketing instrument for the company but also form the basis for product development and set standards for series development. Valuable experience is gathered whenever products can be tested in racing conditions at racing events. Before being introduced into series production, all technical innovations are moreover subjected to comprehensive testing by the quality management system so as to eliminate, to the greatest extent possible, any technical defects that could have a negative effect on earnings development.

In order to further expand our role as a technological pioneer and also to keep pace with major competitors, the PIERER Mobility Group pursues a very intensive research and development strategy. This also explains the relatively high research-spending ratio – currently around 8-9% of revenue.

#### ▪ IT RISKS

The PIERER Mobility Group has implemented an IT security and risk management system for the purpose of identifying and managing company-relevant risks in the area of information security. For further information on IT risks, please refer to the notes to the consolidated financial statements (Chapter VII) of PIERER Mobility AG.

#### ▪ FINANCIAL RISKS

For further information on the risk report and on financial instruments, including the specific measures to mitigate risks through the use of financial instruments (e.g. hedging of foreign currency positions with futures, swaps, etc.), please refer to the notes to the consolidated financial statements (Chapters VII and VIII) of PIERER Mobility AG.

#### ▪ OTHER RISKS

##### Risks due to the legal framework

As the PIERER Mobility Group distributes motorcycles and e-bicycles or non-e-bicycles to a large number of countries through its stakes in the KTM group and PIERER E-Bikes Group, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income and foreign exchange restrictions, as well as the risk of political, social and economic instability, and inflation and interest rate fluctuations. Motorcycles registered for road use must comply with corresponding provisions concerning noise and exhaust gas emissions in order to be approved for marketing in the respective country. The possible offroad uses of motorcycles are also considerably influenced by the national legal framework in the countries where the vehicles are sold. In order to counteract the risk and to be able to act promptly in the event of changes in national legal frameworks, the respective country-specific regulations are thoroughly reviewed and monitored on an ongoing basis prior to market entry.

##### Business and environmental risk

Environmental risks may relate to products, production, procurement and non-operating factors. With regard to the products, risks arise in relation to emissions such as noise and pollutants or the leakage of harmful substances such as fuel or oil. In order to minimize these risks that may be caused by potential malfunctions, the homologation requirements are strictly observed in addition to other measures, each vehicle tested for its functionality and compliance with all limit values on our own test benches, and a laboratory is in operation to test the interaction of materials used with people and the environment. In addition, the development of emission-free alternative drive systems and products is becoming an increasingly important focus.

In production, environmental risks arise due to the potential leakage of substances, waste and material residues on the premises. Numerous measures are implemented to prevent them. These include waste management concepts, an engine oil treatment plant, emergency plans for each site and professional extraction systems for metal chips that deposit them in the container provided for this purpose. Emissions from operating the test benches are also caught by extraction systems.

Environmental risks in procurement may result from the environment-related shortage and rising prices of resources, cooperation with suppliers that do not operate with sufficient environmental measures, and emissions from delivery routes. In order to minimize these risks, measures are taken that include auditing suppliers, optimizing procurement channels, prioritizing regional procurement, and the use of resource-saving, modern production technology.



In addition, environmental risks arise from weather-related and climate-related phenomena, such as floods and other natural disasters. Although it is not possible to completely rule out the risk of natural disasters, efforts are made to minimize the risk of production processes being impaired by having suitable emergency plans and insurance policies.

#### Personnel-related risks

Risks may arise if key staff leave the company, in particular with regard to the course for growth. Efficient personnel management as well as the ongoing implementation of personnel development programs are designed to counteract the risk of key staff leaving the company. The risk of a shortage of skilled staff is countered, among other things, by a comprehensive apprentice training program in the company's own apprentice workshop. The aim is to recruit employees from the region and to retain them in the long term.

Internal and external measures to increase employer attractiveness are an essential element in conveying the predominant spirit of the PIERER Mobility Group to potential new employees. With various cross-media employee campaigns, the company was able to largely cover its personnel requirements in the reporting year. When it came to APPRENTICESHIPS, attention was not only given to addressing the right target groups, but a dedicated area was also created for the parents of future apprentices in order to provide information about opportunities and possibilities at an early stage and to prevent any uncertainties.

The PIERER Mobility Group has taken numerous measures to protect its employees since the outbreak of the coronavirus pandemic in Austria. Government measures and regulations were implemented comprehensively and quickly and, due to the forward-looking approach and constant engagement with the authorities, some of them were integrated into the day-to-day business even before they were legally required. It was therefore possible to prevent large-scale spread within the company.

## 7. DISCLOSURES PURSUANT TO SECTION 243A (1) OF THE AUSTRIAN COMMERCIAL CODE (UGB)

1. The share capital amounts to EUR 33,796,535. It is divided into 33,796,535 no-par-value bearer shares with voting rights, with each ordinary share participating in the share capital to the same extent. The shares grant the customary rights due to stockholders under the Austrian Stock Corporation Act [Aktiengesetz]. These include the right to payout of the dividends resolved upon at the Annual General Meeting as well as the right to vote at the Annual General Meeting. The shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14th 2016 (ISIN AT0000KTMIG02). In addition, the shares of PIERER Mobility AG have been listed on the regulated market (General Standard) of the Frankfurt Stock Exchange since March 3rd 2020. Since March 1st 2022, the shares of PIERER Mobility AG have additionally been listed on the Vienna Stock Exchange (Official Market). In the 2021 financial year, the Executive Board of the company, in the context of utilizing the authorized capital, resolved with the consent of the Supervisory Board to increase the share capital in exchange for a contribution in kind of EUR 22,538,674 by EUR 11,257,861 to EUR 33,796,535 by issuing 11,257,861 new shares. In this context, the majority shareholder Pierer Bajaj AG contributed its block of shares amounting to approximately 46.5 percent of the share capital of KTM AG to PIERER Mobility AG. The corresponding amendment to the articles of association was entered in the commercial register on October 22nd 2021. No treasury shares were acquired in the 2021 financial year. On January 20th 2021, the share buyback program of PIERER Mobility AG was terminated prematurely. On January 21st 2021, the company decided to offer the treasury shares for sale to selected institutional investors and/or strategic business partners from February 8th 2021. This meant that all 193,340 existing treasury shares were sold in the 2021 financial year. The change in non-restricted capital reserves from EUR 194,593,484.41 by EUR 891,996,720.59 to EUR 1,086,590,205.00 resulted on the one hand from the sale of 193,340 treasury shares and on the other hand from a capital increase through a contribution in kind of 5,042,925 KTM AG shares by Pierer Bajaj AG (formerly: PTW Holding) AG.
2. On September 29th 2021, a syndicate agreement was concluded 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") (the "2021 Syndicate Agreement"), which governs the rights and obligations of the two groups of companies with respect to the shareholding of Pierer Industrie AG and Bajaj Auto International Holdings B.V. in Pierer Bajaj AG as majority shareholder of PIERER Mobility AG. The 2021 Syndicate Agreement provides that the rules of procedure for the Executive Board and the Supervisory Board of Pierer Bajaj AG require the approval of the Supervisory Board members of Pierer Bajaj AG nominated by Bajaj in the event of a transfer of ownership of shares in PIERER Mobility AG. Pierer Bajaj AG, which is economically attributable to Stefan Pierer, is thus subject to restrictions on disposal in light of the syndicate agreement at the level of Pierer Bajaj AG. The Executive Board is not aware of any other restrictions affecting voting rights or the transfer of shares.

3. To the company's knowledge, as of December 31st 2021, the following direct or indirect equity holding in the capital of PIERER Mobility AG amounting to at least 10 percent existed:

- Pierer Bajaj AG (formerly: PTW Holding AG): 73.32% (direct equity holding);
- Pierer Industrie AG: 73.32% (indirect equity holding);
- Pierer Konzerngesellschaft mbH (direct and indirect equity holding): 2.58% (direct equity holding) and 73.32% (indirect equity holding).

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 members of the Executive Board and Supervisory Board and amendments to the articles of association.

7. Options to issue or buy back shares:

The following resolutions were adopted at the Annual General Meeting on April 27th 2017:

- a) To authorize the Executive Board, with the approval of the Supervisory Board, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG), in particular convertible bonds, income bonds and profit participation rights, with a total nominal value of EUR 150,000,000.00 until April 1st 2022, which may also grant subscription and/or conversion rights to acquire a total of up to 25,000,000 shares in the company and/or are structured in such a way that they can be reported as equity, also in several tranches and in different combinations.
- b) The Executive Board may use the conditional capital and/or treasury shares to service the conversion and/or subscription rights.
- c) The issue price and terms of issue of the financial instruments shall be determined by the Executive Board with the approval of the Supervisory Board, whereby the issue price shall be determined in accordance with recognized methods of financial mathematics and the price of the shares of the company in a recognized pricing procedure.
- d) The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights to financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG).
- e) The conditional increase of the share capital of the company pursuant to Section 159 para. 2 no. 1 of the Austrian Stock Corporation Act (AktG) by up to EUR 25,000,000.00 by issuing up to 25,000,000 no-par-value ordinary bearer shares for issuance to creditors of financial instruments pursuant to Section 174 of the Austrian Stock Corporation Act (AktG), which are issued by the company using the authorization granted in this Annual General Meeting, to the extent that the creditors of the financial instruments exercise their conversion and/or subscription rights to shares in the company. The issue amount and the exchange ratio are to be determined in accordance with recognized methods of financial mathematics and the share price in a recognized pricing procedure. The newly issued shares of the conditional capital increase are entitled to dividends to the same extent as the existing shares in the company. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to resolve amendments to the articles of association resulting from the issue of shares from the conditional capital.
- f) Pursuant to Section 65 para. 1 no. 8 and para. 1a and 1b of the Austrian Stock Corporation Act (AktG), the Executive Board is authorized to acquire no-par-value bearer shares of the company representing up to 10% of the share capital of the company for a period of 30 months from the date of the resolution, both on and off the stock exchange, whereby the lowest price may not be more than 20% below and the highest price may not be more than 10% above the average closing price on the last three trading days prior to the acquisition of the shares. Trading in treasury shares is excluded as a purpose of the acquisition. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes by the company, by subsidiaries or by third parties for the account of the company.
- g) The Executive Board may decide to acquire shares on the stock exchange, but the Supervisory Board must be informed of this decision afterward. Off-market acquisitions are subject to the prior approval of the Supervisory Board.

- h) The Executive Board is authorized for a period of five years from the date of the resolution pursuant to Section 65 para. 1b of the Austrian Stock Corporation Act (AktG), with the approval of the Supervisory Board, to decide on a method of disposal or use of treasury shares other than via the stock exchange or by means of a public offer, applying mutatis mutandis the provisions on the exclusion of shareholders' subscription rights, and to determine the terms and conditions of disposal. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes by the company, by a subsidiary or by third parties for the account of the company, in particular in return for the acquisition of companies, businesses, parts of businesses or shares in one or more companies in Austria or abroad.
- i) The Executive Board is also authorized, with the approval of the Supervisory Board, to reduce the share capital, if necessary, by redeeming these treasury shares without a further resolution adopted at the General Meeting pursuant to Section 65 para. 1 no. 8, last sentence in conjunction with Section 122 of the Austrian Stock Corporation Act (AktG). The Supervisory Board is authorized to adopt amendments to the articles of association resulting from the redemption of shares.

The following resolutions were adopted at the Annual General Meeting on April 26th 2018:

- a) Pursuant to Section 169 of the Austrian Stock Corporation Act (AktG), the Executive Board is authorized until April 26th 2023, with the approval of the Supervisory Board, to increase the share capital of the company from EUR 22,538,674.00, in several tranches if necessary, in exchange for cash contributions and/or contributions in kind, by up to EUR 11,269,337.00 by issuing up to 11,269,337 no-par-value bearer shares to up to EUR 33,808,011.00, and to determine the issue price, the terms and conditions of the 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 pursuant to Section 153 (6) of the Austrian Stock Corporation Act (AktG).
- b) The Executive Board is authorized, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights in whole 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 a contribution in kind,
  - (iii) to service an over-allotment option (Greenshoe), and/or
  - (iv) for the settlement of fractional amounts.

This authorization was utilized by the Executive Board of PIERER Mobility AG to carry out the capital increase in return for contributions in kind in October 2021 in the amount of EUR 11,257,861.00 by issuing 11,257,861 no-par-value bearer shares.

The following resolutions were adopted at the Extraordinary Annual General Meeting on October 4th 2019:

- a) Pursuant to Section 65 para. 1 no. 8 of the Austrian Stock Corporation Act (AktG), the Executive Board is authorized for a period of 30 months to acquire treasury shares of the company both on and off the stock exchange, also excluding the shareholders' right to offer shares on a quota basis, and, without having to refer the matter to the Annual General Meeting again in advance, to retire these shares if necessary with the approval of the Supervisory Board. Trading in treasury shares is excluded as a purpose of the acquisition. The proportion of shares to be acquired may not exceed 10% of the share capital. The value received per no-par-value share to be acquired may not be more than 20% below or above the average unweighted closing price on the SIX Swiss Exchange over the past 10 trading days. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes by the company, by affiliated companies or by third parties for the account of the company. The Supervisory Board is authorized to adopt amendments to the articles of association resulting from the redemption of shares.
- b) The Executive Board is authorized for a period of five years, with the approval of the Supervisory Board, to sell or use treasury shares in a way other than via the stock exchange or by means of a public offer for any legally permissible purpose and in so doing also to exclude the shareholders' quota-based purchase right (exclusion of subscription rights) and to determine the terms and conditions of disposal. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes.

8. Agreements of the company which take effect, change or end in the event of a change of control as a result of a takeover bid, as well as their effects, will not be disclosed by the company as this would significantly harm the company.

9. There are no compensation agreements between the company and its Executive Board and Supervisory Board members or employees in the event of a public takeover bid.

## 8. MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM SECTION 243A (2) OF THE AUSTRIAN COMMERCIAL CODE (UGB)

The internal control system of the PIERER Mobility Group has the task of ensuring the correctness and reliability of financial reporting, compliance with the legal and internal regulations applicable to the company, as well as the effectiveness and efficiency of operating activity, including the protection of assets from losses caused by damages and malversations. Internationally recognized frameworks for internal control systems (e.g. COSO framework) were taken into account in designing the elements of the internal control system. The system includes:

- Group-wide specifications for financial reporting
- Segregation of duties as an organizational measure
- System-based and process-dependent controls
- Process-independent controls

The PIERER Mobility Group is committed to the continuous development and improvement of the internal control system. To this end, its functionality is regularly monitored through process and data analyses as well as independent, external audit activities. The main features of the internal control system with regard to the financial reporting process are presented below.

### CONTROL ENVIRONMENT

The organizational structure of the PIERER Mobility Group forms the basis for the control environment and the internal control system within the company. In terms of the organizational structure in (group) financial reporting, there are clear areas of competence and responsibility at the various management and hierarchical levels of the group. On the one hand, this relates to the group headquarters in Wels as well as the Austrian and all international subsidiaries. Treasury and Business Process Finance are located in the operating areas of the group, with duties and responsibilities also being clearly divided here.

The strong international orientation of the PIERER Mobility Group and the associated decentralized structures of the company and different sites are taken into account by centralizing key corporate functions in the area of financial reporting at the Austrian sites (especially in Mattighofen). The performance and management of national business activities is the responsibility of the respective local management and is monitored by the Executive Board of KTM AG and the Group Executive Board.

In terms of process organization, the PIERER Mobility Group relies on a distinctive and comprehensive set of accounting, valuation and account assignment rules. This provides an appropriate basis for a strong control environment and control system. New accounting standards are assessed with regard to their impact on the financial reporting of the PIERER Mobility Group. The specifications for financial reporting and financial reporting processes are reviewed on an ongoing basis and adjusted at least annually, or more frequently if necessary. Monitoring compliance with the controls and regulations relating to financial reporting is the responsibility of the relevant management.

### RISK ASSESSMENT

Risks relating to the financial reporting process are identified and monitored by management. The focus is placed on those risks that are typically to be regarded as material.

Material risks in the area of financial reporting include incomplete recording of facts relevant to accounting, errors in document recording, and incorrect calculations. Complex accounting principles could lead to an increased risk of error, incorrect reporting, and late preparation of financial statements. There is also a risk of data being accessed by unauthorized persons or of data being manipulated, IT systems failing, and data being lost.

For the preparation of the financial statements, estimates have to be made on a regular basis and there is an inherent risk that future developments may deviate from these estimates. This applies in particular to the following matters/items in the consolidated financial statements: Social capital,

outcome of legal disputes, recoverability of receivables, investments and stocks. In some cases, external experts are consulted or publicly available sources are used to minimize the risk of incorrect estimates.

## CONTROL MEASURES

The PIERER Mobility Group has integrated its controls directly into the (group) financial reporting processes. An essential element of this, in addition to process-independent external control mechanisms, is the principle of segregation of duties. To ensure complete, timely and correct preparation of the financial statements, quality assurance and control measures have been implemented in all areas involved in the accounting process. All control measures are applied in the ongoing business process to ensure that potential errors in financial reporting are prevented or are detected and corrected. Furthermore, the application of internal company guidelines results in consistent handling of business transactions as well as consistent accounting and reporting.

Controls are integrated in the key IT systems with a relevance for financial reporting which prevent, among other things, the incorrect recording of business transactions, ensure the complete recording of business transactions or the measurement of business transactions in accordance with the financial reporting requirements, or support the verification of consolidation. In view of the increasing demands on IT systems in financial reporting as well as the constantly growing technical possibilities, the PIERER Mobility Group regularly conducts IT-supported analyses of the effectiveness of the measures taken in order to identify and subsequently eliminate any control weaknesses that may have occurred.

Control measures relating to IT security are a cornerstone of the internal control system. For example, the separation of sensitive activities is supported by restricting the allocation of IT authorizations. Automated checks take place through the ERP software used, such as the automated checks for invoice approval and invoice verification.

## COMMUNICATION AND MONITORING

Responsibility for the effectiveness of the internal control system in the (group) financial reporting process is clearly defined and lies with the responsible managers and process owners. In addition to the results of the internal assessment, the assessment of effectiveness also includes the results of external audits, e.g., as part of the audit of the annual financial statements or external IT security audits, as well as those of the Supervisory Board and the Audit Committee. Weaknesses in the control system are remedied taking into account their potential impact on the financial reporting processes.

In addition to the financial statements required by law, which are made available to management levels, the group has also implemented a comprehensive internal reporting system that is prepared and distributed at different levels of aggregation depending on the recipient of the report.

Other central instruments of risk monitoring and control are the company-wide guidelines on dealing with significant risks, the planning and controlling processes, and ongoing reporting. The guidelines include the setting and control of limits and actions to limit financial risks, as well as the strict specification of the dual control principle for invoice and payment approvals.

In addition, the internal control system is based on precise information about the accounting and financial reporting processes and also includes their upstream business processes, e.g. purchase requisitions or logistics processes. The effectiveness of the internal control system is reviewed by management in that the results, which are submitted to management in condensed reporting form, are analyzed, evaluated and commented on by management.

The Executive Board and the Audit Committee are informed annually about the assessment of the effectiveness of the internal control system in financial reporting. In the event of significant changes in the effectiveness of the internal control system, a report is immediately submitted to the Executive Board and, if necessary, to the Supervisory Board, and suitable measures are taken to increase its effectiveness.

## 9. OUTLOOK

For the 2022 financial year, the Executive Board anticipates renewed growth both for motorcycles and bicycles with earnings within the long-term range. However, challenges in the international supply chains must continue to be expected in 2022, as capacity and supply bottlenecks at individual suppliers and in international transport logistics may lead to delays with deliveries. Wide-ranging measures in the area of supply chain management and a high degree of flexibility in production planning are aimed at identifying and minimizing negative effects in good time. The expected challenges and their consequences are to be mitigated by the supplier risk assessment, which was revised last year, as well as the program implemented to provide advance warning of global events that directly or indirectly affect the supply chain. On the sales side, PIERER Mobility continues to view the market as consistently positive. Growth is expected to be driven primarily by the continued high global demand and the megatrend toward two-wheelers as well as increasing numbers of electric vehicles, especially in urban areas.

In line with the strategic objective of contributing to emissions reduction and emissions neutrality for motorcycles, the focus of development work in the years to come will increasingly be on alternative drive systems in the range up to 15 kW. In the range above this, efforts will focus on the technological advancement of conventional forms of propulsion with synthetic fuels for avoiding CO<sub>2</sub>. The main goal is to fully exploit the innovation and development potential in the area of electric mobility and to help shape the growing market and secure market share with e-fuel-powered combustion engines as a global player with strong brands. At least three electric platforms with multiple products will be launched by 2024.

While the focus in 2021 in the Bicycle Division was primarily on broadening the establishment of the Husqvarna E-Bicycles and R RAYMON brands in European markets and expanding the network of dealers in the core markets of Germany, Austria and Switzerland (DACH), the acquisition of the FELT brand opens up a new range of product, sales and development opportunities. With FELT, the existing range of bicycles has been expanded, in particular by adding the racing division, and this will provide a stronger opening as well as positioning on the North American market for all bicycle products. In addition to the DACH region, the North American market offers enormous growth and sales potential for the sale of e-bicycles. In addition, further expansion stages are to focus on the overseas market of Australia as well as Southern Europe. The dynamic growth trajectory will also be further advanced by adding the GASGAS brand to the e-bicycle product range and expanding e-bicycle sales in the existing motorcycle trade.

In the 2022 financial year, the PIERER Mobility Group will continue to focus on growth in all core areas, both motorcycles and (e-)bicycles, despite the challenges that exist in the supply chain. The Executive Board anticipates revenue growth of between 6% and 10% (2021 financial year: EUR 2,041.7 million) with an EBIT margin of 8 to 10% and an EBITDA margin of between 15 and 17%.

In addition, PIERER Mobility AG listed its shares in the official trading (prime market segment) of the Vienna Stock Exchange. The admission to trading on the prime market, the top segment of the Vienna Stock Exchange, took place on March 1st 2022.

In addition, it is also important to keep a closer eye on geopolitical risks. In particular, the military conflicts in Ukraine will have a negative impact on the global economy. The exchange rate environment is expected to remain volatile in the regions important to PIERER Mobility.

Wels, March 11th 2022

The Executive Board of PIERER Mobility AG



Stefan Pierer



Friedrich Roithner



Hubert Trunkenpolz



Viktor Sigl, MBA

**Consolidated financial statements  
Download**

# CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position .....	120
Consolidated income statement .....	122
Consolidated statement of comprehensive income.....	123
Consolidated statement of cash flows.....	124
Consolidated statement of changes in equity.....	126



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

EURk	Notes No.	12/31/2021	12/31/2020
<b>Assets:</b>			
<b>Non-current assets:</b>			
Goodwill	21	130,711	131,034
Intangible assets	22	473,561	426,835
Property, plant, and equipment	23	361,330	356,219
Investments accounted for using the equity method	24	13,562	13,252
Deferred tax assets	25	9,617	11,518
Other non-current assets	26	4,033	3,137
		<b>992,814</b>	<b>941,995</b>
<b>Current assets:</b>			
Inventories	27	405,174	298,744
Trade receivables	28	150,861	144,887
Receivables and other assets	29	110,801	81,621
Tax refund claims		560	517
Cash and cash equivalents	30	373,509	218,270
		<b>1,040,905</b>	<b>744,039</b>
		<b>2,033,719</b>	<b>1,686,034</b>



EURk	Notes No.	12/31/2021	12/31/2020
<b>Equity and liabilities:</b>			
<b>Equity:</b>			
Share capital	31	33,797	22,539
Capital reserves	31	9,949	9,949
Other reserves including retained earnings	31	716,396	327,767
<b>Equity of the owners of the parent company</b>		<b>760,142</b>	<b>360,255</b>
Non-controlling interests	31	5,409	293,864
		<b>765,551</b>	<b>654,119</b>
<b>Non-current liabilities:</b>			
Financial liabilities	32	506,539	456,089
Liabilities for employee benefits	33	28,763	28,665
Deferred tax liabilities	25	99,977	86,940
Other non-current liabilities	34	14,187	9,735
		<b>649,466</b>	<b>581,429</b>
<b>Current liabilities:</b>			
Financial liabilities	32	56,847	74,594
Trade payables	34	395,581	262,099
Provisions	35	23,105	17,979
Tax liabilities		9,852	9,198
Other current liabilities	34	133,317	86,616
		<b>618,702</b>	<b>450,486</b>
		<b>2,033,719</b>	<b>1,686,034</b>

# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR FROM 1/1/2021 THROUGH 12/31/2021

EURk	Notes No.	2021	2020
Revenue	8	2,041,730	1,530,382
Production costs of the services provided to generate the revenue	9	-1,448,631	-1,103,550
<b>Gross profit from sales</b>		<b>593,099</b>	<b>426,832</b>
Selling and racing expenses	10	-237,847	-192,216
Research and development expenses	11	-33,330	-23,391
Administration expenses	12	-128,857	-102,645
Other operating expenses	13	-1,990	-164
Other operating income	14	744	5
Earnings from at-equity holdings	15	1,666	-1,180
<b>Result from operating activities</b>		<b>193,485</b>	<b>107,241</b>
Interest income	16	1,864	1,629
Interest expenses	16	-12,858	-15,213
Other financial and investment income (expenses)	16	9,097	-2,833
<b>Result before taxes</b>		<b>191,588</b>	<b>90,824</b>
Income taxes	17	-48,716	-21,369
<b>Profit or loss for the financial year</b>		<b>142,872</b>	<b>69,455</b>
thereof owners of the parent company		82,540	34,911
thereof non-controlling shareholders		60,332	34,544
<b>Undiluted (=diluted) earnings per share (EUR)</b>	18	3.34	1.56

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR FROM 1/1/2021 THROUGH 12/31/2021

EURk	Notes No.	2021	2020
<b>Profit or loss for the financial year</b>		<b>142,872</b>	<b>69,455</b>
<b>Items reclassified to profit or loss or which can be subsequently reclassified</b>			
Foreign currency translation re foreign subsidiaries	31	4,492	-4,176
Foreign currency translation re investments accounted for using the equity method	24, 31	425	-100
Valuation of cash flow hedges of subsidiaries	31	3,008	-1,435
Deferred tax on valuation of cash flow hedges	31	-752	359
		7,173	-5,352
<b>Items not reclassified to profit or loss</b>			
Revaluation of net debt from defined benefit plans	31, 33	759	908
Tax effect	31	-190	-227
		569	681
<b>Other net result after tax</b>		<b>7,742</b>	<b>-4,671</b>
<b>Total comprehensive income</b>		<b>150,614</b>	<b>64,784</b>
thereof owners of the parent company		88,054	31,829
thereof non-controlling shareholders		62,560	32,955

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR 1/1/2021 THROUGH 12/31/2021

EURk	Notes No.	2021	2020
<b>Operations</b>			
<b>Profit or loss for the financial year</b>		<b>142,872</b>	<b>69,455</b>
+ (-) Interest expenses / interest income	16	10,994	13,584
+ Tax expenses	17	48,716	21,369
+ Depreciation/amortization of property, plant and equipment and intangible assets	22, 23	138,717	126,289
+ (-) Addition (reversal) of non-current liabilities for employee benefits		554	-100
(-) + Profit (loss) from equity consolidation	15	-1,666	1,180
(-) + Profit (loss) from the disposal of fixed assets	22, 23	12,286	2,471
+ (-) Other non-cash expenses (income)	VI	-13,284	5,060
+ Interest received		1,855	1,621
- Interest payments		-11,954	-14,807
- Tax payments		-31,048	-4,087
+ Dividends received		1,022	606
<b>Gross cash flow</b>		<b>299,064</b>	<b>222,641</b>
- (+) Increase (decrease) in inventories		-104,641	17,128
- (+) Increase (decrease) in trade receivables, advance payments, other current and non-current assets		298	25,618
+ (-) Increase (decrease) in trade payables, advance payments and other current and non-current liabilities		172,642	47,432
<b>Increase (decrease) in the net current assets</b>		<b>68,299</b>	<b>90,178</b>
<b>Cash flow from operations</b>		<b>367,363</b>	<b>312,819</b>

EURk	Notes No.	2021	2020
<b>Investing activity</b>			
- Payments for the acquisition of intangible assets and property, plant and equipment	22, 23	-181,922	-147,856
- Payments for the acquisition of investments accounted for using the equity method and other financial assets	7, 24	-773	-150
+ Receipts from the sale of intangible assets and property, plant and equipment		599	631
+ Receipts from the disposal of investments accounted for using the equity method and other financial assets	24	0	0
+ (-) Changes to the scope of consolidation	7	934	290
+ (-) Payments/receipts from other assets		-13,961	76
<b>Cash flow from investing activity</b>		<b>-195,123</b>	<b>-147,009</b>
<b>Free cash flow</b>		<b>172,240</b>	<b>165,810</b>
<b>Financing activity</b>			
- Dividend payments to third parties		-24,448	-26,744
- Acquisition of own shares		0	-4,569
+ Sale of own shares	31	13,595	0
+ (-) Disposal/acquisition of non-controlling interests	31	-27,906	-1,005
+ Taking out a research loan	VI	50,000	0
+ Taking out non-current interest-bearing liabilities	32, VI	29,528	0
- Repayment of promissory note loan	32, VI	-3,500	-6,000
- Repayment of research loan	VI	-25,368	-13,174
- Repayment of non-current interest-bearing liabilities	VI	-11,101	-10,384
- Repayment of lease liability	VI, 47	-18,431	-18,821
+ (-) Change in other current financial liabilities	VI	-9,990	-23,992
<b>Cash flow from financing activity</b>		<b>-27,621</b>	<b>-104,689</b>
<b>Total cash flow</b>		<b>144,619</b>	<b>61,121</b>
+ Opening balance of liquid funds within the Group		218,270	160,864
+ Effect of foreign currency fluctuations		10,620	-3,715
<b>Closing balance of liquid funds within the Group</b>		<b>373,509</b>	<b>218,270</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURk	Notes No.
<b>Balance as of January 1, 2021</b>	
Profit or loss for the financial year	
Other comprehensive income	31
<b>Total comprehensive income</b>	
<b>Transactions with shareholders</b>	
Dividends to third parties	18, 31
Acquisition/disposal of shares to subsidiaries	31
Changes to the scope of consolidation	7
Gains and losses on hedging transactions and hedging costs reclassified to inventories	
Disposal of own shares	31
Capital measures	
Miscellaneous	
<b>Balance as of December 31, 2021</b>	

EURk	Notes No.
<b>Balance as of January 1, 2020</b>	
Profit or loss for the financial year	
Other comprehensive income	31
<b>Total comprehensive income</b>	
<b>Transactions with shareholders</b>	
Dividends to third parties	31
Acquisition/disposal of shares to subsidiaries	31
Changes to the scope of consolidation	
Gains and losses on hedging transactions and hedging costs reclassified to inventories	
Acquisition of own shares	31
Disposal of own shares	31
Miscellaneous	
<b>Balance as of December 31, 2020</b>	

Equity of the owners of the parent company							Total	Shares of non-controlling shareholders	Total consolidated equity
Share capital	Capital reserves	Reserves including total earnings	Reserve in accordance with IFRS 9	Adjustment items currency translation	Reserves for own shares				
<b>22,539</b>	<b>9,949</b>	<b>339,548</b>	<b>-1,318</b>	<b>-2,016</b>	<b>-8,447</b>	<b>360,255</b>	<b>293,864</b>	<b>654,119</b>	
0	0	82,540	0	0	0	82,540	60,332	142,872	
0	0	206	1,871	3,437	0	5,514	2,228	7,742	
<b>0</b>	<b>0</b>	<b>82,746</b>	<b>1,871</b>	<b>3,437</b>	<b>0</b>	<b>88,054</b>	<b>62,560</b>	<b>150,614</b>	
0	0	-11,173	0	0	0	-11,173	-13,275	-24,448	
0	0	309,876	660	-548	0	309,988	-340,458	-30,470	
0	0	0	0	0	0	0	2,784	2,784	
0	0	0	156	0	0	156	0	156	
0	0	5,148	0	0	8,447	13,595	0	13,595	
11,258	0	-11,258	0	0	0	0	0	0	
0	0	-733	0	0	0	-733	-66	-799	
<b>33,797</b>	<b>9,949</b>	<b>714,154</b>	<b>1,369</b>	<b>873</b>	<b>0</b>	<b>760,142</b>	<b>5,409</b>	<b>765,551</b>	

Equity of the owners of the parent company							Total	Shares of non-controlling shareholders	Total consolidated equity
Share capital	Capital reserves	Reserves including total earnings	Reserve in accordance with IFRS 9	Adjustment items currency translation	Reserves for own shares				
<b>22,539</b>	<b>9,949</b>	<b>305,078</b>	<b>-140</b>	<b>203</b>	<b>-5,220</b>	<b>332,409</b>	<b>274,800</b>	<b>607,209</b>	
0	0	34,911	0	0	0	34,911	34,544	69,455	
0	0	352	-1,215	-2,219	0	-3,082	-1,589	-4,671	
<b>0</b>	<b>0</b>	<b>35,263</b>	<b>-1,215</b>	<b>-2,219</b>	<b>0</b>	<b>31,829</b>	<b>32,955</b>	<b>64,784</b>	
0	0	0	0	0	0	0	-13,739	-13,739	
0	0	-660	0	0	0	-660	-345	-1,005	
0	0	0	0	0	0	0	158	158	
0	0	0	37	0	0	37	34	71	
0	0	0	0	0	-4,569	-4,569	0	-4,569	
0	0	0	0	0	1,342	1,342	0	1,342	
0	0	-133	0	0	0	-133	0	-133	
<b>22,539</b>	<b>9,949</b>	<b>339,548</b>	<b>-1,318</b>	<b>-2,016</b>	<b>-8,447</b>	<b>360,255</b>	<b>293,864</b>	<b>654,119</b>	





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 2021 FINANCIAL YEAR

I. GENERAL INFORMATION.....	130	30. Cash and cash equivalents.....	151
1. Company information.....	130	31. Consolidated equity.....	151
2. Principles of financial reporting.....	130	32. Financial liabilities.....	154
3. Newly applied standards and interpretations.....	131	33. Obligations for employee benefits.....	155
4. Standards and interpretations to be applied in the future.....	131	34. Other current and non-current liabilities and trade payables.....	157
5. Estimates and discretionary decisions.....	132	35. Provisions.....	159
II. SCOPE OF CONSOLIDATION.....	133	VI. NOTES TO THE STATEMENT OF CASH FLOWS.....	159
6. Consolidation principles and methods.....	133	VII. RISK REPORT.....	160
7. Changes in the scope of consolidation.....	134	36. Risk management.....	160
III. SEGMENT REPORTING.....	135	37. Market risks.....	161
IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT.....	137	38. Industry-specific risks.....	162
8. Revenues.....	137	39. IT risks.....	163
9. Cost of sales.....	137	40. Financial risks.....	163
10. Selling and racing expenses.....	138	41. Other risks.....	170
11. Research and development expenses.....	138	VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT.....	171
12. Administrative expenses.....	138	42. Basic principles.....	171
13. Other operating expenses.....	139	43. Classification and fair value.....	173
14. Other operating income.....	139	44. Set-off of financial assets and liabilities.....	178
15. Earnings from at-equity holdings.....	139	45. Hedges.....	180
16. Financial and investment earnings.....	139	46. Capital management.....	184
17. Income taxes.....	140	IX. LEASES.....	185
18. Earnings per share and appropriation of net profit.....	141	47. Leases as lessee (IFRS 16).....	185
19. Expenses for the auditor of the financial statements.....	141	48. Leases as lessor (IFRS 16).....	187
20. Employees.....	141	X. EXPLANATIONS REGARDING RELATED PARTIES AND THE CORPORATE BODIES.....	188
V. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	142	49. Related party disclosures.....	188
21. Goodwill.....	142	50. Corporate bodies of PIERER Mobility AG.....	190
22. Intangible assets.....	142	51. Executive Board and Supervisory Board remuneration.....	190
23. Property, plant and equipment.....	144	XI. EVENTS AFTER THE REPORTING DATE.....	190
24. Investments accounted for using the equity method.....	146	XII. GROUP COMPANIES (SCHEDULE OF EQUITY HOLDINGS).....	191
25. Deferred tax assets.....	147	XIII. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS.....	193
26. Other non-current assets.....	149		
27. Inventories.....	149		
28. Trade receivables.....	150		
29. Current receivables and other assets.....	151		

# I. GENERAL INFORMATION

## 1. COMPANY INFORMATION

The PIERER Mobility Group is Europe's leading "Powered Two-Wheeler" (PTW) manufacturer with a focus on highly innovative sports motorcycles and electric mobility.

With its KTM, HUSQVARNA Motorcycles, and GASGAS motorcycle brands, it is one of the technology and market leaders in Europe, especially when it comes to premium motorcycles. In addition to vehicles with combustion engines, the product range also includes zero-emission two-wheelers with electric powertrains (e-motorcycles, e-bicycles). As a pioneer in electric mobility for two-wheelers, the group, with its strategic partner Bajaj, has created the basis for assuming a leading global role in the low-voltage range (48 volts). Establishing the (e-)bicycle division with PIERER E-Bikes GmbH was another important move in also stepping up its activities in the area of electric bicycle mobility. The bicycles will be marketed under the HUSQVARNA E-Bicycles, R Raymon, GASGAS E-Bicycles and FELT Bicycles brands in order to gain a share of the attractive market growth in this segment and to develop into a significant international player in this field.

PIERER Mobility AG has its headquarters at Edisonstraße 1, 4600 Wels, and is registered in the commercial register at the Provincial Court of Wels in its capacity as Commercial Court, under the registration number FN 78112 x. The company is part of the same group as Pierer Konzerngesellschaft mbH, Wels (ultimate parent company of the group) and its affiliated companies, and is included within the consolidated financial statements of that group. These consolidated financial statements are filed with the Provincial Court of Wels in its capacity as Commercial Court under file number FN 134766 k and are the consolidated financial statements for the largest scope of consolidation.

The shares of PIERER Mobility AG are listed in the "Swiss Performance Index (SPI)" of the SIX Swiss Exchange in Zurich and since March 3<sup>rd</sup> 2020 have also been listed in the regulated market of the Frankfurt Stock Exchange. As of March 1<sup>st</sup> 2022, trading has additionally commenced on the Prime Market of the Vienna Stock Exchange, which means that the shares of PIERER Mobility AG are listed in the top segment of the Vienna Stock Exchange.

## 2. PRINCIPLES OF FINANCIAL REPORTING

The consolidated financial statements for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) insofar as they are applied in the European Union. The additional requirements stipulated by Section 245a (1) of the Austrian Commercial Code (UGB) were also met in this context.

The companies included in the consolidated financial statements are established on the basis of uniform financial reporting provisions. These provisions were applied by all consolidated entities. The companies included in the annual financial statements have prepared their financial statements as of the consolidated balance sheet date of December 31<sup>st</sup>.

The financial statements of all major domestic and foreign companies included in the consolidated financial statements, which are subject to mandatory auditing in accordance with national regulations, were audited by independent auditors and received an unqualified audit opinion.

The figures in the consolidated financial statements are reported in the functional currency of the Group parent, the euro. Unless otherwise specifically indicated, all amounts are rounded to the nearest 1,000 euros (EUR k), which may give rise to rounding differences. The use of automated calculating tools may result in rounding differences with accumulation of rounded figures and with percentages.

### 3. NEWLY APPLIED STANDARDS AND INTERPRETATIONS

The following table shows the standards and interpretations whose application is mandatory for the first time and which have also already been adopted by the European Commission as of December 31<sup>st</sup> 2021:

First-time application	New or amended standards and interpretations	Published by the IASB
January 1 <sup>st</sup> 2021		
	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark reform phase 2	August 27 <sup>th</sup> 2020
	Amendments to IFRS 4 – Extension of temporary exemption from IFRS 9	November 21 <sup>st</sup> 2012
April 1 <sup>st</sup> 2021		
	Amendments to IFRS 16: Rent Concessions related to the coronavirus pandemic after June 30, 2021	March 31 <sup>st</sup> 2021

All amended standards and interpretations are either irrelevant to the PIERER Mobility Group or have no material impact.

### 4. STANDARDS AND INTERPRETATIONS TO BE APPLIED IN THE FUTURE

The following table shows the amendments to standards and interpretations that have already been **adopted by the European Commission**, but whose application was not yet mandatory on the reporting date and which have also not been applied early:

First-time application	New or amended standards and interpretations	Published by the IASB
January 1 <sup>st</sup> 2022		
	Amendments to IFRS 3 – Reference to the framework concept	May 14 <sup>th</sup> 2020
	Amendments to IAS 16 Property, Plant and Equipment – Revenue before intended use	May 14 <sup>th</sup> 2020
	Amendments to IAS 37 Onerous contracts – Settlement costs of contracts	May 14 <sup>th</sup> 2020
	Improvements to IFRS 2018 – 2020 Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	May 14 <sup>th</sup> 2020
January 1 <sup>st</sup> 2023		
	IFRS 17 Insurance contracts (including amendments to IFRS 17)	May 18 <sup>th</sup> 2017
	Amendments to IAS 1 and IFRS Practice Statement 2 – Indication of accounting and valuation methods	February 12 <sup>th</sup> 2021
	Amendments to IAS 8 – accounting and valuation methods, Amendments in estimates and errors – Definition of accounting estimates	February 12 <sup>th</sup> 2021

The IASB and the IFRIC have passed further standards and interpretations, the application of which was not mandatory during the 2021 financial year and/or which have **not yet been adopted by the European Commission**. These are the following standards and interpretations:

New or amended standards and interpretations	Date of application of IASB	Published by the IASB	EU-Endorsement?
IAS 1 – Classification of liabilities as current or non-current (including postponement of the date of entry into force)	January 1 <sup>st</sup> 2023	January 23 <sup>rd</sup> 2020	No
Amendments to IAS 12 Income taxes – Deferred taxes, relating to assets and liabilities arising from a single transaction	January 1 <sup>st</sup> 2023	May 7 <sup>th</sup> 2021	No
Amendments to IFRS 17 Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information	January 1 <sup>st</sup> 2023	December 9 <sup>th</sup> 2021	No

The PIERER Mobility Group assumes that there will be no material impact on the consolidated financial statements from the standards to be applied in the future.

## 5. ESTIMATES AND DISCRETIONARY DECISIONS

In the consolidated financial statements, certain **estimates** and assumptions must be made that affect the recognized assets and liabilities, the disclosure of contingent liabilities as at the reporting date, and the presentation of income and expenses for the financial year. In making estimates, the Executive Board takes account of empirical values and current forecasts. The amounts actually arising may differ from the estimates if assumed parameters develop contrary to expectations. If new conditions become known, they are duly taken into account and previous assumptions are revised.

- In particular, assumptions are made to assess the recoverability of goodwill and intangible assets of indeterminate useful life. Goodwill of EUR 130,711k (previous year: EUR 131,034k) was recognized at the reporting date, along with the “KTM” brand, which is valued at EUR 61,103k (previous year: EUR 61,103k), the “GASGAS” brand, which is valued at EUR 13,346k (previous year: EUR 13,346k), and the “FELT” brand, which is valued at EUR 3,707k (previous year: EUR 0k). For further information, see the explanatory notes in Note 21. “Goodwill” and Note 22. “Intangible assets”.
- Deferred tax assets on tax loss carryforwards not subject to expiration are recognized based on the assumption that sufficient taxable income will be generated in the future to allow them to be utilized. Suitable allowances are made in the event of uncertainties in the assumptions. As of December 31<sup>st</sup> 2021, deferred tax assets for loss carryforwards of EUR 3,077k (previous year: EUR 7,721k) were capitalized. Based on current tax planning, management expects that the loss carryforwards recognized as of December 31<sup>st</sup> 2021 will be utilized over the next five years. For further details on deferred taxes, see the explanatory notes in Note 25. “Deferred tax assets”.
- In cash flow hedge accounting, assessments are made regarding the occurrence of future cash flows. These cash flows could occur differently in terms of their amount and timing and therefore have an impact on cash flow hedge accounting.
- Furthermore, there is some uncertainty as to the estimation for the recognition and measurement of liabilities for employee benefits. Assumptions are made concerning the following factors: Empirical values, demographic assumptions such as the retirement age of women/men and staff turnover, as well as financial assumptions such as the discount rate and future wage and salary trends. Liabilities for employee benefits of EUR 28,763k (previous year: EUR 28,665k) were recognized at the reporting date. For further information, see the explanatory notes in Note 33. “Liabilities for employee benefits”.
- Estimates for provisions mainly relate to provisions relating to guarantees and warranties. To determine the amount of the provisions, a direct correlation was established for each product group between revenues and the guarantee and warranty expenses incurred. The percentage value of guarantee and warranty expenses in terms of revenue is checked several times a year and adjusted if necessary. As at December 31<sup>st</sup> 2021 provisions relating to guarantees and warranties of EUR 20,000k (previous year: EUR 14,612k) were recognized.
- The determination of the fair values of assets and liabilities acquired as part of a business combination and the useful lives of these assets is based on assessments by the management.
- Leases  
Assessments of the term and interest rates are made. Further details are provided under Note 23. “Property, Plant and Equipment” and Note 47. “Leases as lessee”.
- Estimates are made for inventories in connection with inventory valuation and analysis of coverage. In addition, allowance requirements are recorded on a case-by-case basis due to long storage periods and limited sales possibilities.

The following **judgments** were made in respect of the application of accounting policies in the PIERER Mobility Group:

- Development costs  
Development costs are capitalized in accordance with the accounting policy presented. The initial capitalization of costs is based on management assumptions for assessing the future economic benefit of the expenses incurred and the technical feasibility of the developed product or process, as well as its marketability.
- Derecognition of receivables in connection with ABS and factoring agreements  
Evaluations were made with respect to the conditions for derecognition under IFRS 9. For further details, please refer to Section VIII. “Financial instruments and capital management”.

- **Supplier finance**  
Assessments were made regarding the disclosure of liabilities in relation to the supplier finance program. For further details, please refer to Note 34. "Other current and non-current liabilities and trade payables".
- **Consolidation**  
In determining whether control exists in accordance with IFRS 10, management exercises judgments in determining the relevant activities of the subsidiaries.

#### **Climate-related assumptions:**

When preparing the consolidated financial statements, management took account of the effects of climate change, in particular in connection with the disclosures in risk reporting, in non-financial reporting, and the declared sustainability targets of the PIERER Mobility Group. These considerations did not have any material effect on the judgments or estimates of financial reporting. This is also in line with management's assessment that climate change will not have any material impact on the assessment of the going concern as part of the preparation of the financial statements. The following specific points were taken into account:

- The group continues to invest in new technologies, including the development of electric platforms, new climate-neutral drive types and the further development of battery technologies for two-wheelers.
- The group continues to invest in solutions for the local production of renewable energy for our facilities.
- Management has taken account of the effects of climate change on a number of important estimates in the annual financial statements, including:
  - The estimates of future cash flows used for recoverability assessments or assessing whether there are any indications of impairment
  - The carrying amount of non-current assets (e.g. intangible assets and goodwill)
  - The estimates of future prospects used in our assessment of the recoverability of deferred tax assets
  - The long-term assumptions for the identification and determination of decommissioning or replacement obligations.

## II. SCOPE OF CONSOLIDATION

### 6. CONSOLIDATION PRINCIPLES AND METHODS

All subsidiaries are **fully consolidated** in the consolidated financial statements of PIERER Mobility AG. Subsidiaries are companies controlled by the group. The financial statements of subsidiaries are included in the consolidated financial statements from the moment control begins and until the moment control ends. Unless otherwise stated, the amount for non-controlling interests is recorded with the pro rata net assets of the acquired company without goodwill.

Investments in associates are included in the balance sheet item "Investments accounted for using the **equity method**".

The **reporting currency** of the PIERER Mobility Group is the euro. The subsidiaries and the holdings accounted for using the equity method prepare their annual financial statements in their functional currency. In this context, assets and liabilities included in the financial statements to be consolidated are translated using the average exchange rate on the reporting date and the income statement items are translated using the mean rate of exchange for the financial year. The following significant exchange rates for the PIERER Mobility Group were used for currency translation into the reporting currency:

	Closing rate		Average rate	
	12/31/2021	12/31/2020	2021	2020
US-dollar	1.1326	1.2271	1.1816	1.1470
Swiss franc	1.0331	1.0802	1.0799	1.0709
Japanese yen	130.3800	126.4900	130.3200	121.8842
South African rand	18.0625	18.0219	17.5922	18.9139
Mexican peso	23.1438	24.4160	24.0516	24.7300
Australian dollar	1.5615	1.5896	1.5783	1.6567

## 7. CHANGES IN THE SCOPE OF CONSOLIDATION

All subsidiaries under the legal or de facto control of PIERER Mobility AG are included in the consolidated financial statements as of December 31<sup>st</sup> 2021. The number of companies included in the scope of consolidation changed as follows in the 2021 financial year:

	Fully consolidated companies	At-equity companies
Balance as of 12/31/2020	66	4
Additions to the scope of consolidation	5	0
Eliminations from the scope of consolidation	-4	-1
<b>Balance as of 12/31/2021</b>	<b>67</b>	<b>3</b>
thereof foreign companies	47	2

PIERER Mobility AG, as the parent company of the PIERER Mobility Group, has not been included in this list. The entities included in the consolidated financial statements and their dates of initial consolidation are listed in Section XII. "Group companies (schedule of equity holdings)".

### CHANGES IN THE FULLY CONSOLIDATED ENTITIES

#### ▪ Additions to the scope of consolidation:

In March 2021, KTM Forschungs & Entwicklungs GmbH, with its registered office in Munderfing, was newly established and initially consolidated.

In July 2021, PIERER Mobility AG acquired an additional 30.46% of the shares in DealerCenter Digital GmbH, Landshut, Germany. At the time of the sale, PIERER Mobility AG held 45% of the company and now holds a total stake of 75.46% as of December 31<sup>st</sup> 2021. The shares previously held were included using the equity method. Immediately before control was obtained, the previous shares were remeasured at their fair value. The initial consolidation resulted in an expense of EUR 1,258k, which is reported under other operating expenses.

The initial consolidation of the newly established PIERER E-Bikes Benelux, Gembloux, Belgium, took place in November 2021.

With effect from November 17<sup>th</sup> 2021, PIERER E-Bikes GmbH acquired 100% of the shares in FELT GmbH, Munich, Germany.

PIERER E-Bikes GmbH, Munderfing, Austria, together with MAXCOM LTD, Plovdiv, Bulgaria, established PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria, a joint venture that will manufacture bicycles for PIERER E-Bikes GmbH, in December 2021. PIERER E-Bikes GmbH holds 50% of the shares in this company and has a controlling interest within the meaning of IFRS 10. The initial consolidation of PIERER & MAXCOM MOBILITY OOD took place on December 2<sup>nd</sup> 2021.

Net assets of EUR 901k were acquired from all additions to the consolidated group. The net outflow from the acquisitions amounted to EUR -13k.

▪ **Disposals from the scope of consolidation:**

With effect from January 16<sup>th</sup> 2021, PEXCO FRANCE SAS, Saint-Priest, France, was liquidated and deconsolidated, which had no impact on the consolidated financial statements.

With effect from June 7<sup>th</sup> 2021, the shares held by PIERER E-Bikes GmbH in bikes&wheels 2 Radhandels GmbH, Wels, were sold to Pierer Industrie AG, Wels. The company was deconsolidated as of May 31<sup>st</sup> 2021.

With effect from September 16<sup>th</sup> 2021, the shares held by Husqvarna Motorcycles GmbH in Husqvarna Motorcycles Deutschland GmbH, Ursensollen, Germany, were sold to PIERER IMMOREAL GmbH, Wels.

KTM Sportmotorcycle MEA DMCC, Dubai, was liquidated with effect from September 30<sup>th</sup> 2021. The company was deconsolidated as of August 25<sup>th</sup> 2021.

All disposals from the scope of consolidation resulted in a net inflow of EUR 947k. The net assets disposed of amounted to EUR 1,401k. In total, there were disposal losses of EUR 304k.

**CHANGES IN ENTITIES ACCOUNTED FOR AT EQUITY**

In July 2021, KTM AG, Mattighofen increased its stake in KTM Asia Motorcycle Manufacturing Inc., Philippines, from 34 % to 40% in July 2021 as a result of a capital increase designated as disproportionate of EUR 428k. This situation means that KTM AG continues to exercise significant influence over KTM Asia Motorcycle Manufacturing Inc., and so the equity measurement will be continued.

Another change relates to DealerCenter Digital GmbH, which is now fully consolidated in the consolidated financial statements (see comments above under “Additions to the scope of consolidation”).

## III. SEGMENT REPORTING

In PIERER Mobility AG, business activities are managed on the basis of the two business segments “Motorcycles” and “E-Bicycles”. The individual business groups are managed separately and reported to PIERER Mobility AG in accordance with IFRS accounting standards. The chief operating decision maker relevant for the segment report is the full Executive Board of PIERER Mobility AG. Segment reporting is based on the internal reports with the segments Motorcycles, E-Bicycles (formerly: E-Bikes) and Others.

**MOTORCYCLES:**

The KTM subgroup forms the “Motorcycles” segment. KTM AG is the parent company of the KTM Group, which develops, produces and sells motorized leisure equipment (power sports), in particular under the “KTM”, “Husqvarna Motorcycles”, “GASGAS” brands, and “WP” brand components. As of December 31<sup>st</sup> 2021, the KTM group included 49 subsidiaries, located in Austria, the United States, Japan, South Africa, Mexico, India, Brazil, Australia and New Zealand and in various other European and Asian countries, which are included within the consolidated financial statements. In addition, the KTM group has equity holdings in assembly companies in the Philippines and China.

**E-BICYCLES:**

The PIERER E-Bikes subgroup forms the “E-Bicycles” segment. PIERER E-Bikes GmbH, which was newly founded in 2020, is the parent company of the PIERER E-Bikes Group. With the “Husqvarna E-Bicycles”, “R RAYMON”, “GASGAS E-Bicycles” and “FELT Bicycles” brands, the focus is on the development, manufacturing and trading of e-bikes and bicycles. In total, the segment comprises 12 fully consolidated companies.

**OTHERS:**

The “Others” segment encompasses PIERER Mobility AG, HDC GmbH, KTM Technologies GmbH (formerly: KTM E-Technologies GmbH), PIERER Innovation GmbH (formerly: KTM Innovation GmbH), Avocado GmbH, DealerCenter Digital GmbH and Platin 1483. GmbH.

None of the segments has a dependency on external customers within the meaning of IFRS 8.34. Goods and services between the segments are provided on an arm's length basis. The segment performance indicator EBIT describes the operating result for the period before the financial result and income taxes. The investments relate to additions to property, plant and equipment and intangible assets (excluding lease additions in accordance with IFRS 16). Income accounted for using the equity method is included in EBIT in accordance with the classification of the consolidated income statement. Working capital employed corresponds to the total of stock and trade receivables less trade payables at the reporting date. Net financial debt corresponds to the total of current and non-current financial liabilities (including lease liabilities) less cash at the reporting date.

The segment information for the 2021 and 2020 financial year breaks down among the segments described as follows:

<b>2021</b>	<b>Motorcycles</b>	<b>E-Bicycles</b>	<b>Other</b>	<b>Consolidation</b>	<b>TOTAL</b>
<b>EURk</b>					
Revenues (including revenues within the segments)	1,876,418	162,719	54,433	-51,840	<b>2,041,730</b>
External revenues	1,876,222	162,717	2,791	0	<b>2,041,730</b>
Result from operating activities	192,763	7,032	-7,713	1,403	<b>193,485</b>
Investments <sup>1)</sup>	166,652	9,859	1,974	0	<b>178,485</b>
Depreciation and amortization	-132,482	-4,348	-1,888	0	<b>-138,718</b>
Share in the result of companies accounted for using the equity method	256	0	0	1,410	<b>1,666</b>
Balance sheet total	1,891,760	110,409	362,274	-330,724	<b>2,033,719</b>
Equity	730,894	40,623	306,513	-312,479	<b>765,551</b>
Working Capital Employed	156,136	-4,904	7,743	1,479	<b>160,454</b>
Net debt	-174,517	6,589	-22,806	857	<b>-189,877</b>
<b>2020</b>	<b>Motorcycles</b>	<b>E-Bicycles</b>	<b>Other</b>	<b>Consolidation</b>	<b>TOTAL</b>
<b>EURk</b>					
Revenues (including revenues within the segments)	1,413,978	112,497	36,141	-32,234	<b>1,530,382</b>
External revenues	1,413,959	112,424	3,999	0	<b>1,530,382</b>
Result from operating activities	105,304	2,216	-179	-100	<b>107,241</b>
Investments <sup>1)</sup>	147,949	1,513	718	0	<b>150,180</b>
Depreciation and amortization	-120,357	-4,333	-1,599	0	<b>-126,289</b>
Share in the result of companies accounted for using the equity method	-1,359	0	0	179	<b>-1,180</b>
Balance sheet total	1,561,592	102,505	296,378	-274,441	<b>1,686,034</b>
Equity	634,969	32,810	246,213	-259,873	<b>654,119</b>
Working Capital Employed	173,982	4,299	-460	3,711	<b>181,532</b>
Net debt	-281,786	-3,347	-34,738	7,458	<b>-312,413</b>

<sup>1)</sup> Excluding IFRS 16 (Leases); lease additions amounted to EUR 24,626k in 2021 (previous year: EUR 19,484k)



## IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement is prepared according to the cost of sales method. The grants received in the previous year for short-time working were offset against the related expenses of the respective functional areas of cost of sales, selling and racing expenses, research and development expenses, and administrative expenses in personnel benefit expenses.

### 8. REVENUES

Revenues, minus cash discounts, customer bonuses, and rebates, are generally recorded upon the passing of the risk as per the terms of the transaction (Incoterms) or at the time when performance was rendered.

The breakdown by geographical area of external revenues is based on the location of the customers. The revenues by geographical regions of the group are made up as follows:

EURk	2021	2020
Europe	1,142,492	875,257
North America and Mexico	468,188	373,618
Other	431,050	281,507
	<b>2,041,730</b>	<b>1,530,382</b>

Variable forms of consideration such as discounts, sales bonuses, and cash discounts are reported as revenue reductions. Variable consideration commitments are reported as contractual obligations within the meaning of IFRS 15. Contractual obligations for variable consideration relating to price discounts, sales bonuses and cash discounts amounted to € 50.4 million as of December 31<sup>st</sup> 2021 (December 31<sup>st</sup> 2020: € 35.6 million).

As warranties are not sold separately, they only provide assurance that the products being sold meet the agreed specifications. As these warranties do not depart from the statutory warranty obligations or those that are typical of the industry in terms of their duration or their content, they are deemed to be assurance-type warranties, which do not constitute a separate performance obligation. Accordingly, the warranties continue to be recognized in accordance with IAS 37.

### 9. COST OF SALES

The group's cost of sales is made up as follows:

EURk	2021	2020
Cost of materials and purchased services	1,219,340	935,018
Personnel expenses	112,491	84,103
Amortization charged to capitalized development costs	59,839	50,705
Depreciation/amortization of property, plant and equipment and other intangible assets	28,031	28,362
Other operating expenses	28,930	5,362
	<b>1,448,631</b>	<b>1,103,550</b>

Cost of sales includes expenses from foreign currency translation differences of EUR 5,518k (previous year: income of EUR 14,959k), measured at fair value through profit and loss. These exclude differences arising from the measurement of financial instruments.

## 10. SELLING AND RACING EXPENSES

The group's selling and racing expenses are made up as follows:

EURk	2021	2020
Cost of materials and purchased services	39,737	33,291
Personnel expenses	95,017	73,282
Depreciation/amortization of property, plant and equipment and other intangible assets	13,537	10,188
Other operating expenses	130,136	106,633
Sponsorship money and other operating income	-40,580	-31,178
	<b>237,847</b>	<b>192,216</b>

## 11. RESEARCH AND DEVELOPMENT EXPENSES

The group's research and development expenses are made up as follows:

EURk	2021	2020
Cost of materials and purchased services	8,534	4,432
Personnel expenses	29,210	24,238
Depreciation/amortization of property, plant and equipment and other intangible assets	8,420	8,008
Other operating expenses	3,384	966
Subsidies and other operating income	-16,218	-14,253
	<b>33,330</b>	<b>23,391</b>

Expenses disclosed under research and development expenses comprise research costs and non-capitalizable development costs. Personnel expenses before the effects of capitalizing development costs were EUR 77,374k (previous year: EUR 61,614k). In total, research and development expenses (before capitalized development costs) amounted to EUR 162,361k (previous year: EUR 137,713k) and thus 8.0% (previous year: 9.0%) of revenue.

## 12. ADMINISTRATIVE EXPENSES

The group's administrative expenses are made up as follows:

EURk	2021	2020
Cost of materials and purchased services	3,300	1,571
Personnel expenses	52,082	45,911
Depreciation/amortization of property, plant and equipment and other intangible assets	28,891	29,026
Other operating expenses	46,572	28,199
Other operating income	-1,988	-2,062
	<b>128,857</b>	<b>102,645</b>

### 13. OTHER OPERATING EXPENSES

Other operating expenses totaled EUR 1,990k (previous year: EUR 164k).

Other operating expenses mainly relate to effects of changes in the scope of consolidation amounting to EUR 1,562k. The other miscellaneous expenses include bank charges.

### 14. OTHER OPERATING INCOME

Other operating income is realized when the economic benefit arising from the underlying contract becomes probable and a reliable determination of the income can be made.

The group's other operating income is made up as follows:

EURk	2021	2020
Income from the disposal of assets	254	5
Consolidation changes	142	0
Other remaining income	348	0
	<b>744</b>	<b>5</b>

### 15. EARNINGS FROM AT-EQUITY HOLDINGS

The share of the profit/loss of associates accounted for using the equity method is shown in the income statement as a separate item in the result from operating activities. These are mainly equity holdings that are involved in the operating activities of the PIERER Mobility Group as major suppliers or customers.

The earnings from the companies accounted for using the equity method are made up as follows:

EURk	2021	2020
Kiska GmbH	1,485	207
KTM Asia Motorcycle Manufacturing Inc.	280	33
China Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.	-24	-1,392
DealerCenter Digital GmbH	-75	-28
	<b>1,666</b>	<b>-1,180</b>

### 16. FINANCIAL AND INVESTMENT EARNINGS

The group's financial and investment earnings are made up as follows:

EURk	2021	2020
Interest income	1,864	1,629
Interest expenses	-12,858	-15,213
Other financial and investment income (expenses)	9,097	-2,833
	<b>-1,897</b>	<b>-16,417</b>

The group's other financial and investment income is made up as follows:

EURk	2021	2020
Foreign exchange valuation of bank deposits	8,652	-2,158
Cost of hedging	71	83
Valuation interest swap	365	-262
Impairment of non-current financial assets	0	-494
Gain / Loss from the disposal of non-consolidated subsidiaries	9	-2
	<b>9,097</b>	<b>-2,833</b>

## 17. INCOME TAXES

The group's income tax expense and income are attributable to current taxes and deferred taxes as follows:

EURk	2021	2020
Current tax	-34,933	-11,824
Deferred tax	-13,783	-9,545
	<b>-48,716</b>	<b>-21,369</b>

Income taxes comprise taxes on income and earnings payable in each country as well as deferred taxes. The Austrian companies of the PIERER Mobility Group are subject to a corporate income tax rate of 25.0%. The calculation of foreign income taxes is based on the laws and regulations that are in force or have been adopted in the individual countries. The income tax rates applicable to foreign entities vary from 9.0% to 37.8%.

A reconciliation between the expected tax expense for the financial year (application of the group tax rate of 25.0% to earnings before taxes) and the actual tax expense recognized can be presented as follows:

EURk	2021	2020
Profit before income taxes	191,588	90,824
Expected tax expenses / income	-47,897	-22,706
Non-temporary differences and other tax additions	-3,935	-93
Recognition / allowances / utilization of loss carryforwards	211	-4
Non-taxable results in consequence of consolidation changes	-776	-163
Taxes in relation to prior periods	-1,081	-1,058
Effects of foreign tax rates	-408	-827
Earnings from equity holdings	488	-219
Investment benefits	3,850	3,932
Miscellaneous	832	-231
	<b>-48,716</b>	<b>-21,369</b>

## 18. EARNINGS PER SHARE AND APPROPRIATION OF NET PROFIT

Earnings per share in the current 2021 financial year amounted to EUR 3.34 (previous year: EUR 1.56) and are calculated as follows:

	2021	2020
Earnings - owner of parent company (EURk)	82,540	34,911
Total number of shares (units)	33,796,535	22,538,674
Effect of own and new shares (units)	-9,048,544	-194,376
Weighted average of shares	24,747,991	22,344,298
<b>Undiluted (=diluted) earnings per share (EUR)</b>	<b>3.34</b>	<b>1.56</b>

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statement of PIERER Mobility AG as of December 31<sup>st</sup> 2021, prepared in accordance with Austrian accounting standards, forms the basis for the dividend distribution.

For the 2021 financial year, it is proposed to distribute a dividend of EUR 1 per share (corresponding to a total of EUR 33,797k) from the retained earnings of PIERER Mobility AG amounting to EUR 142,257k and to carry forward the remaining amount. A dividend of EUR 11,173k was distributed from the retained earnings for 2020.

## 19. EXPENSES FOR THE AUDITOR OF THE FINANCIAL STATEMENTS

The expenses for the auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft attributable to the reporting period break down as follows:

EURk	2021	2020
Annual audit for each individual company and the consolidated financial statements	550	511
Other assurance services	51	22
Other services	127	112
	<b>728</b>	<b>645</b>

## 20. EMPLOYEES

Employee numbers as stated include agency and external staff:

Balance as of 1/1/2020	4,586
Changes during the financial year	663
<b>Balance as of 12/31/2020</b>	<b>5,249</b>

As of December 31<sup>st</sup> 2021, there were 2,862 white-collar employees (previous year: 2,158) and 2,387 manual workers (previous year: 2,428). As of December 31<sup>st</sup> 2021, 4,340 employees (previous year: 3,822) were employed in Austria and 909 employees (previous year: 764) were employed abroad. On average, the group employed 4,948 people (previous year: 4,406), of which 2,660 were white-collar employees (previous year: 2,417) and 2,289 manual workers (previous year: 1,989).

Total personnel expenses for 2021 financial year before the effects of capitalizing development costs were EUR 336,964k (previous year: EUR 264,910k).

## V. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 21. GOODWILL

In accordance with IAS 36.99, the detailed calculation of the recoverable amount as of December 31<sup>st</sup> 2020 was used for the impairment test of the cash-generating units (CGUs) "KTM" and "PIERER E-Bikes". Since the last calculation of the recoverable amount, the assets and liabilities of the CGUs have not changed materially; the last calculation showed a material excess of the carrying amount of the CGUs. Based on an analysis of the events that have occurred and changed circumstances since December 31<sup>st</sup> 2020, management believes that there is an extremely remote likelihood that the recoverable amount would be less than the carrying amount in a current calculation.

The calculation as of December 31<sup>st</sup> 2020 was performed using the following method: The forecast of cash flows is based on financial budgets approved by management and/or forecasting, taking into account the medium-term strategy targets. The estimated cash flows are based on the medium-term strategy targets approved by management. Estimated cash flows beyond this period are calculated by extrapolation of budget/forecast values, whereby constant further development based on a growth rate of 1% is assumed from the third year onwards.

The breakdown of goodwill and its development as well as its allocation to the respective CGUs is as follows:

EURk	2021	2020
<b>Acquisition and production costs:</b>		
<b>Balance as of 01/01</b>	<b>150,995</b>	<b>150,289</b>
Changes in the scope of consolidation	-569	679
Currency translation	255	27
<b>Balance as of 12/31</b>	<b>150,681</b>	<b>150,995</b>
<b>Accumulated depreciation and amortization:</b>		
<b>Balance as of 01/01</b>	<b>19,961</b>	<b>19,978</b>
Changes in the scope of consolidation	0	0
Currency translation	9	-17
<b>Balance as of 12/31</b>	<b>19,970</b>	<b>19,961</b>
<b>Balance as of 12/31</b>	<b>130,711</b>	<b>131,034</b>
KTM	110,309	110,063
PIERER E-Bikes	19,457	20,026
Avocado	945	945

### 22. INTANGIBLE ASSETS

Intangible assets are capitalized in the same way as property, plant and equipment, at acquisition or production cost and valued less amortization. Depreciation is calculated in accordance with the straight line method and is based on the following expected useful lives:

Useful life	in years
Software	3 - 5
Intangible assets generated internally	5

For intangible assets generated internally, the production period is subdivided into research, development and model update phases. Costs incurred during the research and model update phases are immediately recognized in profit and loss. Capitalized development costs that can be clearly attributed to projects are amortized from the commencement of series production.

In the 2021 financial year, development costs of EUR 112,959k (previous year: EUR 93,752k) were capitalized and a total of EUR 59,839k (previous year: EUR 50,705k) were amortized. As at December 31<sup>st</sup> 2021, development costs with a carrying amount of EUR 353,856k (previous year: EUR 308,617k) were included in intangible assets.

Intangible assets with an indeterminate useful life, such as the brands “KTM” in the amount of EUR 61,103k and “GASGAS” in the amount of EUR 13,346k, which were recognized in the original purchase price allocation, and the brand “FELT” in the amount of EUR 3,707k, which was acquired in the current 2021 financial year, are not amortized but subjected to an impairment test in accordance with IAS 36. The Executive Board assumes an indeterminate useful life for the brands because the rights are not subject to any restrictions as to time, in law or by contract in the relevant markets and because the sustained public awareness of the brand indicates that there has been no loss of economic value. The two brands “KTM” and “GASGAS” are allocated to the cash-generating unit “KTM” and the brand “FELT” to the cash-generating unit “PIERER E-Bikes”. As the brands do not generate cash inflows that are largely independent of the cash inflows from other assets, the impairment test is performed as part of the impairment tests of the respective “KTM” and “PIERER E-Bikes” goodwill (see Note 21. “Goodwill”).

The tables below provide a breakdown of intangible assets along with movements during the 2021 and 2020 financial years:

EURk	Concessions, industrial property rights and similar rights and benefits as well as resulting licenses	Customers, Brand values, Development cost	Advance payments	Total
<b>Acquisition and production costs:</b>				
<b>Balance as of 01/01/2021</b>	79,908	544,663	3,711	<b>628,282</b>
Additions	9,698	117,381	3,374	<b>130,453</b>
Disposals	-10,929	-47,226	0	<b>-58,155</b>
Changes in the scope of consolidation	215	949	0	<b>1,164</b>
Currency translation	63	1	0	<b>64</b>
Transfers	3,612	0	-3,612	<b>0</b>
<b>Balance as of 12/31/2021</b>	<b>82,567</b>	<b>615,768</b>	<b>3,473</b>	<b>701,808</b>
<b>Accumulated depreciation and amortization:</b>				
<b>Balance as of 01/01/2021</b>	50,718	150,729	0	<b>201,447</b>
Additions	13,539	61,416	0	<b>74,955</b>
Disposals	-9,770	-38,396	0	<b>-48,166</b>
Changes in the scope of consolidation	-8	0	0	<b>-8</b>
Currency translation	19	0	0	<b>19</b>
Transfers	0	0	0	<b>0</b>
<b>Balance as of 12/31/2021</b>	<b>54,498</b>	<b>173,749</b>	<b>0</b>	<b>228,247</b>
<b>Carrying amount:</b>				
<b>Balance as of 12/31/2021</b>	<b>28,069</b>	<b>442,019</b>	<b>3,473</b>	<b>473,561</b>
Balance as of 12/31/2020	29,190	393,934	3,711	<b>426,835</b>

EURk	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 01/01/2020</b>	67,293	466,336	5,474	<b>539,103</b>
Additions	7,094	106,618	3,517	<b>117,229</b>
Disposals	0	-28,772	0	<b>-28,772</b>
Changes in the scope of consolidation	632	0	0	<b>632</b>
Currency translation	-57	1	0	<b>-56</b>
Transfers	4,946	480	-5,280	<b>146</b>
<b>Balance as of 12/31/2020</b>	<b>79,908</b>	<b>544,663</b>	<b>3,711</b>	<b>628,282</b>
<b>Accumulated depreciation and amortization:</b>				
<b>Balance as of 01/01/2020</b>	37,631	124,750	0	<b>162,381</b>
Additions	13,016	52,258	0	<b>65,274</b>
Disposals	0	-26,279	0	<b>-26,279</b>
Changes in the scope of consolidation	90	0	0	<b>90</b>
Currency translation	-19	0	0	<b>-19</b>
Transfers	0	0	0	<b>0</b>
<b>Balance as of 12/31/2020</b>	<b>50,718</b>	<b>150,729</b>	<b>0</b>	<b>201,447</b>
<b>Carrying amount:</b>				
<b>Balance as of 12/31/2020</b>	<b>29,190</b>	<b>393,934</b>	<b>3,711</b>	<b>426,835</b>
Balance as of 12/31/2019	29,662	356,818	5,474	<b>391,954</b>

In the current financial year, development costs of an asset not available for use amounting to EUR 8,829k (previous year: EUR 2,493k) were derecognized due to the termination of the project.

In the consolidated statement of cash flows, an adjustment of EUR 4,432k (previous year: EUR 687k) was made to additions to property, plant, and equipment to reflect transactions that had no cash flow effect.

Government grants related to capitalized development costs are recognized over the expected useful life of the development costs in accordance with IAS 20. The net presentation in accordance with IAS 20 is applied, i.e. grants for non-current assets are deducted from the carrying amount of the asset in the consolidated statement of financial position.

## 23. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at their acquisition or production cost less depreciation. Depreciation is calculated in accordance with the straight line method and is based on the following expected useful lives:

Useful life	in years
Buildings	10 - 50
Technical plant and machinery	2 - 10
Fixtures and fittings, tools and equipment	2 - 10



For the rights of use reported under property, plant and equipment from January 1<sup>st</sup> 2019 (IFRS 16), the useful life is between 3 and 10 years.

The tables below provide a breakdown of property, plant and equipment along with movements during the 2021 and 2020 financial years:

EURk	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 01/01/2021</b>	26,720	255,709	286,091	138,937	5,698	<b>713,155</b>
Additions	6,009	13,737	22,544	21,786	8,582	<b>72,658</b>
Disposals	0	-4,262	-11,004	-16,043	-529	<b>-31,838</b>
Changes in the scope of consolidation	0	-213	-26	-660	0	<b>-899</b>
Currency translation	9	1,531	1	1,195	0	<b>2,736</b>
Transfers	0	118	4,216	408	-4,742	<b>0</b>
<b>Balance as of 12/31/2021</b>	<b>32,738</b>	<b>266,620</b>	<b>301,822</b>	<b>145,623</b>	<b>9,009</b>	<b>755,812</b>
<b>Accumulated depreciation and amortization:</b>						
<b>Balance as of 01/01/2021</b>	338	63,532	204,426	88,640	0	<b>356,936</b>
Additions	210	15,321	27,693	20,538	0	<b>63,762</b>
Disposals	0	-1,741	-10,639	-15,364	0	<b>-27,744</b>
Changes in the scope of consolidation	0	-87	-7	-113	0	<b>-207</b>
Currency translation	2	750	1	982	0	<b>1,735</b>
Transfers	0	0	-18	18	0	<b>0</b>
<b>Balance as of 12/31/2021</b>	<b>550</b>	<b>77,775</b>	<b>221,456</b>	<b>94,701</b>	<b>0</b>	<b>394,482</b>
<b>Carrying amount:</b>						
<b>Balance as of 12/31/2021</b>	<b>32,188</b>	<b>188,845</b>	<b>80,366</b>	<b>50,922</b>	<b>9,009</b>	<b>361,330</b>
Balance as of 12/31/2020	26,382	192,177	81,665	50,297	5,698	<b>356,219</b>

EURk	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 01/01/2020</b>	23,096	213,792	256,109	123,507	10,310	<b>626,814</b>
Additions	2,208	10,067	22,357	13,063	4,740	<b>52,435</b>
Disposals	0	-473	-1,020	-3,518	-3	<b>-5,014</b>
Changes in the scope of consolidation	1,426	33,856	130	6,577	0	<b>41,989</b>
Currency translation	-10	-1,665	-11	-1,238	0	<b>-2,924</b>
Transfers	0	132	8,526	546	-9,349	<b>-145</b>
<b>Balance as of 12/31/2020</b>	<b>26,720</b>	<b>255,709</b>	<b>286,091</b>	<b>138,937</b>	<b>5,698</b>	<b>713,155</b>

EURk	Real Estate	Buildings	Technical plant and machinery	Operational and business equipment	Advance payments and investments in construction	Total
<b>Accumulated depreciation and amortization:</b>						
<b>Balance as of 01/01/2020</b>	176	49,897	178,158	72,086	0	<b>300,317</b>
Additions	164	13,895	27,063	19,893	0	<b>61,015</b>
Disposals	0	-108	-798	-2,801	0	<b>-3,707</b>
Changes in the scope of consolidation	0	511	10	454	0	<b>975</b>
Currency translation	-2	-663	-7	-992	0	<b>-1,664</b>
Transfers	0	0	0	0	0	<b>0</b>
<b>Balance as of 12/31/2020</b>	<b>338</b>	<b>63,532</b>	<b>204,426</b>	<b>88,640</b>	<b>0</b>	<b>356,936</b>
<b>Carrying amount:</b>						
<b>Balance as of 12/31/2020</b>	<b>26,382</b>	<b>192,177</b>	<b>81,665</b>	<b>50,297</b>	<b>5,698</b>	<b>356,219</b>
Balance as of 12/31/2019	22,920	163,895	77,951	51,421	10,310	<b>326,497</b>

Additions to property, plant and equipment include investments amounting to EUR 24,626k (previous year: EUR 19,484k) as additions from leases, which had no cash flow effect on the reporting date. For more details, please refer to Note 47. "Leases as lessee". In the consolidated statement of cash flows, an adjustment of EUR -995k (previous year: EUR -3,011k) was made to additions to other property, plant and equipment to reflect transactions that had no cash flow effect.

Property, plant and equipment amounting to EUR 76,200k (previous year: EUR 76,200k) was secured by registered and deposited pledge agreements, primarily for liabilities owed to credit institutions, as of the reporting date.

In accordance with IAS 20, investment grants for property, plant and equipment are recognized over the expected useful lives of the assets. The net presentation in accordance with IAS 20 is applied, i.e. grants for non-current assets are deducted from the carrying amount of the asset in the consolidated statement of financial position.

## 24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investments in associates accounted for under the equity method are regarded individually as immaterial. As of December 31<sup>st</sup> 2021, the financial assets accounted for using the equity method are Kiska GmbH, KTM Asia Motorcycle Manufacturing Inc. and CFMOTO-KTMR2R Motorcycles Co., Ltd. The changes in companies accounted for using the equity method can be found in Note 7. "Changes in the scope of consolidation".

Kiska GmbH is a design business that provides development and design services. The reporting date of Kiska GmbH is March 31, which was determined prior to the acquisition of the investment. A change in the accounting date is not sought on account of materiality considerations. For the purposes of accounting under the equity method, unaudited interim financial statements as at December 31 were used. PIERER Mobility AG holds 50% of the company.

KTM Asia Motorcycle Manufacturing Inc. was jointly founded in June 2016 in partnership with Ayala Corp. The company began the CKD (completely knocked down) assembly of KTM motorcycles in the Philippines in mid-2017. The KTM group's equity holding was increased from 34% to 40% in the 2021 financial year.

The KTM joint venture in China conducted in partnership with CFMOTO was established in the 2018 financial year under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.". The company began operation in the 2021 financial year. Mid-class motorcycles are produced in Hangzhou, China. The KTM group has an equity holding of 49% of the company.

The carrying amounts of the financial assets accounted for using the equity method developed as follows during the financial year:

EURk	2021	2020
Book value of investments on 1/1	13,252	13,628
Acquisition of holdings	773	1,514
Consolidation changes (successive acquisition)	-1,758	0
Proportionate net income	1,666	-1,180
Other comprehensive income	425	-100
Dividend	-803	-606
Other	7	-4
<b>Book value of investments on 12/31</b>	<b>13,562</b>	<b>13,252</b>

## 25. DEFERRED TAX ASSETS

Deferred tax assets relating to tax loss carryforwards are recognized insofar as they can be realized within a reasonable period. Deferred tax assets and deferred tax liabilities are reported on a net basis if they are subject to the same tax jurisdiction and are of a similar duration. Deferred tax items for differences between the tax base of fully consolidated interests or interests measured at equity and the corresponding consolidated equity are recognized only if realization is probable within the foreseeable future.

Total deferred tax assets and liabilities were calculated from the following statement of financial position items:

EURk	12/31/2021	12/31/2020
<b>Deferred tax assets:</b>		
Current assets:		
Inventories	6,465	5,365
Non-current assets:		
Fixed assets	2,653	1,656
Employee benefits	4,135	4,114
Provisions	1,974	3,406
Liabilities	4,002	3,896
	<b>19,229</b>	<b>18,437</b>
Offsetting	-12,689	-14,640
Loss carryforwards	3,077	7,721
	<b>9,617</b>	<b>11,518</b>
<b>Deferred tax liabilities:</b>		
Currents assets	-3,269	-981
Non-current assets	-109,288	-100,540
Other	-109	-59
	<b>-112,666</b>	<b>-101,580</b>
Offsetting	12,689	14,640
	<b>-99,977</b>	<b>-86,940</b>

Deferred tax assets include amounts for remaining sevenths of write-downs of participations to going concern value pursuant to sec. 12 para. 3 no. 2 of the Austrian Corporate Tax Act (KStG) in non-current assets, in the amount of EUR 1,102k (previous year: EUR 1,609k).

The temporary differences in deferred tax liabilities in the “Non-current assets” item result mainly from development costs that cannot be capitalized for tax purposes and from quasi-permanent differences due to the recognition of the “KTM” brand as an asset.

As at December 31st 2021 (as at the previous year end), it was to be assumed either that under current tax regulations the differences between the value for tax purposes of equity interests in consolidated subsidiaries and the proportion of equity recognized in the consolidated IFRS financial statements (outside-basis differences), which arise largely from retained profits/uncovered losses, will remain untaxed in the foreseeable future, or that their reversal can be controlled by the group. It was also to be assumed either that the differences between the value for tax purposes of equity interests in holdings accounted for using the equity method and the carrying value of those holdings (outside-basis differences) will remain untaxed in the foreseeable future, or that their reversal can be controlled by the group.

In accordance with IAS 12.39, no deferred tax was recognized in connection with the temporary differences of EUR 242,829k (previous year: EUR 476,815k) arising in connection with holdings in subsidiaries and financial investments accounted for using the equity method.

Movements in deferred taxes in the financial year were as follows:

EURk	2021	2020
Deferred tax (net) at 1/1	-75,422	-69,464
Change in scope of consolidation	-296	0
Deferred taxes recognized in the income statement	-13,783	-9,545
Deferred taxes recognized in other comprehensive income	-942	132
Deferred taxes recognized in equity	-52	3,784
Foreign currency	135	-329
<b>Deferred tax (net) at 12/31</b>	<b>-90,360</b>	<b>-75,422</b>

The tax loss carryforwards existing and capitalized in the PIERER Mobility Group can be summarized as follows:

EURk	Loss carryforward 12/31/2021	thereof not recognized 12/31/2021	Remaining loss carryforward 12/31/2021	Deferred tax asset 12/31/2021
PIERER Mobility AG	62,754	-62,754	0	0
HDC GmbH	11,497	-11,497	0	0
Other	12,308	0	12,308	3,077
	<b>86,559</b>	<b>-74,251</b>	<b>12,308</b>	<b>3,077</b>

EURk	Loss carryforward 12/31/2020	thereof not recognized 12/31/2020	Remaining loss carryforward 12/31/2020	Deferred tax asset 12/31/2020
PIERER Mobility AG	56,335	-56,335	0	0
HDC GmbH	11,500	-11,500	0	0
Other	33,013	-42	32,971	7,721
	<b>100,848</b>	<b>-67,877</b>	<b>32,971</b>	<b>7,721</b>

Others amounting to EUR 1,138k (previous year: EUR 1,707k) relate to a future tax benefit from the liquidation loss of WP Suspension B.V. This can be claimed over a period of seven years from the date of liquidation. Deferred tax assets of EUR 688k were recorded for loss carryforwards of the KTM group (previous year: EUR 4,405k) and of the PIERER E-Bikes Group they amounted to EUR 5,004k (previous year: EUR 8,397k).

Deductible temporary differences and unused tax losses (including remaining seventh depreciation) on which no deferred tax assets have been capitalized amount to EUR 74,509k (previous year: EUR 68,529k). The valuation allowance for loss carryforwards and temporary differences was recognized in the amount in which a medium-term realization of the deferred tax assets cannot be assumed with sufficient certainty from today's perspective.

## 26. OTHER NON-CURRENT ASSETS

EURk	12/31/2021	12/31/2020
Receivables from financing activities	1,197	1,885
Lease receivables from subleases	523	590
Other	2,313	662
	<b>4,033</b>	<b>3,137</b>

Other non-current assets include the investment in AC styria Mobilitätscluster GmbH, which is measured at fair value through other comprehensive income. Furthermore, other non-current assets include deposits and, in the previous year, the capitalization of a beneficial contract from the 2019 financial year in connection with the deconsolidation of KTM Components (Dalian) Co., Ltd., Dalian, China.

## 27. INVENTORIES

Inventories are measured at the lower of cost or net realizable value on the reporting date. Net realizable value is the estimated proceeds less estimated selling costs. Raw materials and supplies are measured using cost averaging based on an analysis of coverage, with write-downs in the event of limited usability. The economic value of existing inventories is also reviewed on a case-by-case basis and additional allowances are made as required for slow-moving items or items with limited possibilities of sale.

Costs of acquisition include all costs that were incurred in order to bring the object to its required condition and to the relevant location. Costs of conversion comprise direct material and production costs based on normal capacity usage, plus appropriate portions of materials and production overheads. Administrative overheads and selling costs on the other hand do not form part of the costs of conversion. Interest on borrowings is not capitalized as the inventories do not constitute qualifying assets as defined in IAS 23.

Inventories are made up as follows:

EURk	12/31/2021	12/31/2020
Raw materials, auxiliary materials and operating materials	127,698	67,813
Unfinished products	64,335	27,677
Finished products and goods	213,141	203,254
	<b>405,174</b>	<b>298,744</b>

EURk	12/31/2021	12/31/2020
Gross inventory level	432,956	327,347
- Allowances	-27,782	-28,603
<b>Net inventory level</b>	<b>405,174</b>	<b>298,744</b>

The carrying amount of inventories written down to the lower net realizable value is EUR 68,502k (previous year: EUR 61,076k).

## 28. TRADE RECEIVABLES

The gross value of third-party trade receivables is stated net of individual allowances of EUR 4,060k (previous year: EUR 4,176k).

Movements in allowances on receivables were as follows:

EURk	Trade receivables
<b>Balance as of 01/01/2020</b>	<b>2,921</b>
Change in scope of consolidation	0
Currency translation	-81
Additions to specific valuation allowance	1,633
Additions to expected loss allowance	55
Utilization	-32
Reversals to expected loss allowance	-18
Reversals	-302
<b>Balance as of 12/31/2020 = 01/01/2021</b>	<b>4,176</b>
Change in scope of consolidation	0
Currency translation	-47
Additions to specific valuation allowance	1,070
Additions to expected loss allowance	28
Utilization	-224
Reversals to expected loss allowance	-5
Reversals	-939
<b>Balance as of 12/31/2021</b>	<b>4,060</b>

Expenses for the complete derecognition of trade receivables amounted to EUR 225k (prior year: EUR 121k).

## 29. CURRENT RECEIVABLES AND OTHER ASSETS

Subsidies are taken into account as soon as there is assurance that they will be received by the PIERER Mobility Group and that the group can comply with the applicable requirements.

EURk	12/31/2021	12/31/2020
Receivables from derivative financial instruments	4,605	3,389
ABS (asset backed securities) financing	12,537	15,894
Receivables from related company shareholders	17,803	5,080
Other	16,862	13,823
<b>Other current financial assets</b>	<b>51,807</b>	<b>38,186</b>
Subsidies	14,979	12,759
Receivables due from tax offices	4,536	4,250
Receivables from value added taxes (from tax group settlement with Pierer Industrie AG)	8,928	5,779
Advance payments on inventory and other prepayments	30,508	20,644
Other	43	3
<b>Other current non-financial assets</b>	<b>58,994</b>	<b>43,435</b>
<b>Other current assets</b>	<b>110,801</b>	<b>81,621</b>

Receivables sold in connection with the current ABS program are derecognized in accordance with the rules of IFRS 9. Under the ABS program, trade receivables insured on a revolving monthly basis are sold up to a maximum volume of EUR 250,000k (previous year: EUR 250,000k). For further information on the ABS program, please refer to Note 43. "Classification and fair value".

## 30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and in banks, checks and time deposits with a fixed term of not more than three months (calculated from acquisition date) and are measured at their fair value as of the reporting date. For further details on changes in the cash status, please refer to the information on the statement of cash flows in Chapter VI of the notes to the consolidated financial statements.

## 31. CONSOLIDATED EQUITY

The development of the consolidated equity in the 2021 financial year and in the 2020 financial year is shown in the consolidated financial statements.

The **share capital** of the company amounting to EUR 22,538,674 divided into 22,538,674 no-par-value bearer shares, each representing an equal interest in the share capital, was increased by EUR 11,257,861 to EUR 33,796,535 by resolution of September 29<sup>th</sup> 2021 by way of a capital increase in return for a contribution in kind, making partial use of the authorized capital pursuant to Section 5 of the articles of association amounting to EUR 11,257,861, by issuing 11,257,861 new shares and excluding the statutory subscription right of the existing shareholders.

The new shares carry the same rights as the existing shares in PIERER Mobility AG. The issue price per new share is EUR 79.5. Only Pierer Bajaj AG (formerly: PTW Holding AG) was permitted to subscribe for the 11,257,861 new shares in return for a contribution of 5,042,925 registered shares (corresponding to 46.5% of the shares) of KTM AG to the company.

The shares grant the customary rights due to stockholders under the Austrian Stock Corporation Act [Aktiengesetz]. These include the right to payout of the dividends resolved upon at the Annual General Meeting as well as the right to vote at the Annual General Meeting. All shares have been paid up in full. The share capital shown in the consolidated financial statements is equal to the figure reported in the separate financial statement of PIERER Mobility AG.

In the current financial year, the remaining 193,340 treasury shares were sold at a price of EUR 13,595k and with a profit of EUR 5,148k. The **reserve for treasury shares** as of the reporting date amounts to EUR 0k (previous year: EUR -8,447k). PIERER Mobility AG now no longer holds any treasury shares.

The reserve in accordance with IFRS 9 includes the cash flow hedge reserve. The **cash flow hedge reserve** comprises the effective portion of the cumulative net changes in the fair value of hedging in-instruments used to hedge cash flows until subsequent recognition in profit or loss or direct recognition in the costs of acquisition or carrying amount of a non-financial asset or a non-financial liability.

The **reserve for hedging costs** shows profits and losses on the portion excluded from the designated hedging transaction that relates to the forward element of the forward currency transaction. These are initially recognized as other comprehensive income and accounted for in the same way as profit and losses in the hedging transaction.

The development of the cash flow hedge reserve and the reserve for hedging costs is explained in Note 45. "Hedges".

**Non-controlling interests** comprise the shares of third parties in the equity of the consolidated subsidiaries:

2021 EURk	KTM AG	Other	Total
Percentage of non-controlling interests on reporting date	0.25% <sup>1</sup>		
Revenue	1,876,418	165,312	2,041,730
Profit	146,067	-3,195	142,872
Other comprehensive income	6,364	1,378	7,742
Total comprehensive income	152,431	-1,817	150,614
<b>Profit assigned to non-controlling interests</b>	<b>60,201</b>	<b>131</b>	<b>60,332</b>
<b>Other comprehensive income assigned to non-controlling interests</b>	<b>2,235</b>	<b>-7</b>	<b>2,228</b>
Non-current assets	907,154	85,660	992,814
Current assets	951,711	89,194	1,040,905
Non-current liabilities	-610,265	-39,201	-649,466
Current liabilities	-544,853	-73,849	-618,702
Net assets	703,747	61,804	765,551
<b>Carrying amount of non-controlling interests</b>	<b>2,633</b>	<b>2,776</b>	<b>5,409</b>
Cash flow from operating activities	359,846	7,517	367,363
Cash flow from investing activity	-183,746	-11,377	-195,123
Cash flow from financing activity	-35,985	8,364	-27,621
<b>Cash change</b>	<b>140,115</b>	<b>4,504</b>	<b>144,619</b>
<b>Dividends to non-controlling interests</b>	<b>13,275</b>	<b>0</b>	<b>13,275</b>

<sup>1</sup> Until October 2021, the percentage of non-controlling shareholders was approximately 48



2020 EURk	KTM AG	Other	Total
Percentage of non-controlling interests on reporting date	48.29%		
Revenue	1,413,978	116,404	1,530,382
Profit	71,210	-1,755	69,455
Other comprehensive income	-3,292	-1,379	-4,671
Total comprehensive income	67,918	-3,134	64,784
<b>Profit assigned to non-controlling interests</b>	<b>34,441</b>	<b>103</b>	<b>34,544</b>
<b>Other comprehensive income assigned to non-controlling interests</b>	<b>-1,589</b>	<b>0</b>	<b>-1,589</b>
Non-current assets	861,467	80,528	941,995
Current assets	666,745	77,294	744,039
Non-current liabilities	-536,004	-45,425	-581,429
Current liabilities	-384,868	-65,618	-450,486
Net assets	607,340	46,779	654,119
<b>Carrying amount of non-controlling interests</b>	<b>293,423</b>	<b>441</b>	<b>293,864</b>
Cash flow from operating activities	286,452	26,367	312,819
Cash flow from investing activity	-144,968	-2,041	-147,009
Cash flow from financing activity	-92,305	-12,384	-104,689
<b>Cash change</b>	<b>49,179</b>	<b>11,942</b>	<b>61,121</b>
<b>Dividends to non-controlling interests</b>	<b>13,595</b>	<b>144</b>	<b>13,739</b>

The non-controlling interests of KTM AG also include non-controlling interests of subsidiaries of KTM AG amounting to EUR 876k and relate to the two companies CERO Design Studio S.L. and KTM MOTOHALL GmbH. The carrying amount of other non-controlling interests as of December 31<sup>st</sup> 2021 mainly relates to PIERER & MAXCOM MOBILITY OOD. For the amounts of the equity holdings, please refer to the schedule of equity holdings in Section XII.

The effects of the transactions with non-controlling interests and the change in the proportion of equity attributable to the shareholders during the financial year were as follows:

EURk	12/31/2021	12/31/2020
Carrying amount acquired (-) or disposed of (+) for non-controlling interests	340,458	345
Purchase price received from (+) or paid (-) to non-controlling shareholders	-30,470	-1,005
<b>Difference recorded in equity</b>	<b>309,988</b>	<b>-660</b>

The difference recognized in equity mainly results from the increase of the shares in KTM AG from 51.71% to 99.75% in the current financial year. On the one hand, this relates to the contribution of around 46.5% of the shares in KTM AG by Pierer Bajaj AG (parent company of PIERER Mobility AG) to PIERER Mobility AG, as has already been discussed under this item. On the other hand, a further approx. 1.5% of the shares in KTM AG were acquired in the 2021 financial year. The equity holding in KTM AG thus increased from 51.71% to 99.75%.

In the current financial year, PIERER Mobility AG also increased its shares in KTM Technologies GmbH from 70% to 100%. In the previous year, PIERER Mobility AG increased its shares in Avocado GmbH from 70% to 100%.

**Other comprehensive income** after tax developed as follows in the consolidated equity:

EURk	Provision as per IFRS 9	Reserves including total earnings	Foreign currency translation reserve	Total	Interests non-controlling shareholders	Total consolidated equity
<b>2021</b>						
Currency translation differences	0	0	3,437	<b>3,437</b>	1,480	<b>4,917</b>
Cash flow hedge	1,871	0	0	<b>1,871</b>	385	<b>2,256</b>
Revaluation of net debt from defined benefit plans	0	206	0	<b>206</b>	363	<b>569</b>
	<b>1,871</b>	<b>206</b>	<b>3,437</b>	<b>5,514</b>	<b>2,228</b>	<b>7,742</b>
<b>2020</b>						
Currency translation differences	0	0	-2,219	<b>-2,219</b>	-2,057	<b>-4,276</b>
Cash flow hedge	-1,215	0	0	<b>-1,215</b>	139	<b>-1,076</b>
Revaluation of net debt from defined benefit plans	0	352	0	<b>352</b>	329	<b>681</b>
	<b>-1,215</b>	<b>352</b>	<b>-2,219</b>	<b>-3,082</b>	<b>-1,589</b>	<b>-4,671</b>

## 32. FINANCIAL LIABILITIES

EURk	12/31/2021	12/31/2021	12/31/2021	12/31/2021
	Nominal	Carrying amount	Term < 1 year	Term > 1 year
Promissory note loans	225,000	224,661	5,998	218,663
Registered bond	60,000	59,551	0	59,551
Liabilities owed to credit institutions	206,596	206,596	23,805	182,791
Liabilities from factoring program between group companies	2,498	2,498	2,498	0
Liabilities from supplier finance program between group companies	1,836	1,836	1,836	0
Lease liabilities	65,442	65,442	19,908	45,534
Other interest-bearing liabilities	2,802	2,802	2,802	0
<b>Total financial liabilities</b>	<b>564,174</b>	<b>563,386</b>	<b>56,847</b>	<b>506,539</b>

EURk	12/31/2020	12/31/2020	12/31/2020	12/31/2020
	Nominal	Carrying amount	Term < 1 year	Term > 1 year
Promissory note loans	228,500	228,067	3,500	224,567
Registered bond	30,000	30,000	0	30,000
Liabilities owed to credit institutions	201,471	201,471	42,185	159,286
Liabilities from factoring program between group companies	3,669	3,669	3,669	0
Liabilities from supplier finance program between group companies	3,317	3,317	3,317	0
Lease liabilities	61,727	61,727	19,491	42,236
Other interest-bearing liabilities	2,432	2,432	2,432	0
<b>Total financial liabilities</b>	<b>531,116</b>	<b>530,683</b>	<b>74,594</b>	<b>456,089</b>

In July 2015, PIERER Mobility AG issued a promissory note loan in the amount of EUR 56,500k with a term of five and seven years. In January 2017, a partial amount of the promissory note loan in the amount of EUR 32,000k, EUR 25,500k of it with a term of 5 years and EUR 6,500k of it with a term of 7 years, was repaid early. A partial amount of the promissory note loan totaling EUR 12,500k with a term of 5 years was repaid early by way of a termination letter dated July 13<sup>th</sup> 2018, effective July 17<sup>th</sup> 2018, and a termination letter dated October 4<sup>th</sup> 2018, effective October 8<sup>th</sup> 2018. In July 2020, EUR 6,000k of the promissory note loan with a term of 5 years was repaid as scheduled.

In June 2016, a promissory note loan with an issuing volume of EUR 120,000k and a term of five, seven or ten years was placed by KTM AG in order to refinance the bond repaid in April 2017. In June 2018, a further promissory note loan with a volume of EUR 135,000k and terms of seven and ten years was successfully placed. In addition, EUR 32,500k of the promissory note loan issued in 2016 was repaid early.

In May 2021, KTM AG issued registered bonds with a term of 12 years in the amount of EUR 30,000k. Furthermore, PIERER Mobility AG previously issued a registered bond in the amount of EUR 30,000k with a term of 10 years in July 2015.

### 33. OBLIGATIONS FOR EMPLOYEE BENEFITS

Employee benefit obligations consist of obligations relating to severance pay and anniversary bonuses:

EURk	12/31/2021	12/31/2020
Severance payments	21,202	21,946
Anniversary bonuses	7,561	6,719
	<b>28,763</b>	<b>28,665</b>

The PIERER Mobility Group is obligated by law to make a severance payment to all employees in Austria whose employment relationship commenced before January 1<sup>st</sup> 2003 upon termination by the employer or upon retirement. The amount of this defined benefit obligation (DBO) is dependent on the number of years of service and on the relevant salary at the time of termination. For all employees in Austria who joined after December 31<sup>st</sup> 2002, the company pays 1.53% of their gross monthly salary each month into a staff severance pay fund that invests the contributions in an account maintained for the employee; at the end of the employment relationship, the amount thus accumulated is paid out or the claim thereto is passed on. The company's obligation extends only to the payment of the contributions, which are recognized as expenses in the financial year for which they were paid (defined-contribution obligation). For employees of Austrian group companies whose employment commenced on or after January 1<sup>st</sup> 2003, contributions amounting to 1.53% of their wages or salaries, as the case may be, were paid into a statutory staff severance pay fund. Total contributions of EUR 2,488k were paid during the past financial year (previous year: EUR 2,218k).

Movements in the net liability under the defined benefit plans in respect of **severance pay** were as follows during the financial year:

EURk	12/31/2021	12/31/2020
<b>Conditional benefit:</b>		
Balance as of 01/01	21,946	22,501
Service cost	752	838
Interest expenses	231	245
Payments made	-622	-588
Actuarial gain / loss (other net result)	-759	-908
Changes in the scope of consolidation	0	1
Miscellaneous	-346	-143
<b>Balance as of 12/31</b>	<b>21,202</b>	<b>21,946</b>

The weighted maturity terms (duration) of the severance payment obligations as of December 31<sup>st</sup> 2021 amount to 12 years (previous year: 13 years).

The actuarial profit/loss is made up of the following factors:

EURk	12/31/2021	12/31/2020
Change in expected values	-260	-807
Change in demographic assumptions	-196	5
Change in financial assumptions	-303	-106
<b>Actuarial gain / loss</b>	<b>-759</b>	<b>-908</b>

The measurement of the obligation is based on the following assumptions:

	12/31/2021	12/31/2020
Discount rate	1.23%	0.90%
Wage / salary trend	2.75%	2.50%
Retirement age (years) women/men	62 - 65 years	62 - 65 years

The discount rate was determined taking into account the average duration and average remaining life expectancy. The discount rate is the market yield on high quality, fixed-interest corporate bonds at the end of the reporting period. Staff turnover is determined on a company-specific basis and takes account of age and length of service. The actuarial measurements are based on country-specific mortality tables. The chosen retirement age is the statutory retirement age in each country.

A change (+/- 0.5 percentage points) in the “discount rate” and “salary / wage trend” parameters would have had the following effects on the present value of future payments as of December 31<sup>st</sup> 2021:

Parameter	Change -0.50%	Change +0.50%
Discount rate	6.2%	-5.7%
Wage / salary trend	-5.6%	6.0%

A change (+/- 0.5 percentage points) in the “discount rate” and “salary / wage trend” parameters would have had the following effects on the present value of future payments as of December 31<sup>st</sup> 2020:

Parameter	Change -0.50%	Change +0.50%
Discount rate	6.5%	-6.3%
Wage / salary trend	-6.2%	6.3%

The companies in the PIERER Mobility Group are obligated under collective-bargaining agreements to pay their employees in Austria **anniversary bonuses** upon attaining a certain number of years of service (from 25 years of service upward) (defined benefit obligation). The interest result is recognized under “Other financial result”. Movements in obligations relating to claims to anniversary bonuses were as follows:

EURk	12/31/2021	12/31/2020
Balance as of 01/01	6,719	6,846
Service cost	667	702
Interest expenses	77	78
Payments made	-80	-95
Actuarial gain / loss (profit or loss)	177	-825
Miscellaneous	1	13
<b>Balance as of 12/31</b>	<b>7,561</b>	<b>6,719</b>

#### 34. OTHER CURRENT AND NON-CURRENT LIABILITIES AND TRADE PAYABLES

Other **non-current** liabilities essentially comprise the following:

EURk	12/31/2021	12/31/2020
Deposits	11,364	7,600
Other financial liabilities	1,470	854
Other non-current financial liabilities	12,834	8,454
Other non-current non-financial liabilities	1,353	1,281
Other non-current liabilities	14,187	9,735

Other **current** liabilities essentially comprise the following:

EURk	12/31/2021	12/31/2020
Sales bonuses	46,678	28,365
Price rebates	3,709	7,236
Liabilities from derivative financial instruments	1,988	3,078
Other financial liabilities	15,954	10,920
<b>Other current financial liabilities</b>	<b>68,329</b>	<b>49,599</b>
Employee benefits	49,486	30,289
Prepayments	5,998	2,808
Tax liabilities	9,460	3,715
Other non-financial liabilities	44	205
<b>Other current non-financial liabilities</b>	<b>64,988</b>	<b>37,017</b>
<b>Other current liabilities</b>	<b>133,317</b>	<b>86,616</b>

Current employee benefits mainly include liabilities for unconsumed vacations, liabilities for employee bonuses, liabilities to district health insurance funds, and wage and salary liabilities.

#### Supplier finance:

Companies in the PIERER Mobility Group have entered into a supplier finance program (a revolving facility for the financing of trade payables) with an Austrian credit institution. Suppliers can sell their receivables from the PIERER Mobility Group to the credit institution before the due date. The PIERER Mobility Group is not released from its original obligation and, due to a quantitative and qualitative audit, there is no significant change in the contractual terms and conditions. The liabilities continue to be shown under trade payables and are reported in cash flow from operating activities. As of December 31<sup>st</sup> 2021, this supplier finance program affected trade payables of EUR 167,344k (previous year: EUR 119,558k). This is 42.3% (previous year: 45.6%) of total trade liabilities as at the reporting date in the amount of EUR 395,581k (previous year: EUR 262,099k).

In addition to suppliers outside the group, such a program was also concluded between Austrian companies of the PIERER Mobility Group. From the point of view of the PIERER Mobility group, no exchange of services took place; it merely made use of external financing, which is reported under current financial liabilities. Cash flows are reported under cash flow from financing activities. As of December 31<sup>st</sup> 2021, liabilities from this program totaled EUR 169,180k (previous year: EUR 122,875k), of which, as of December 31<sup>st</sup> 2021, the relationships between group companies amounting to EUR 1,836k (previous year: EUR 3,317k) are presented as current financial liabilities in the consolidated financial statements of PIERER Mobility AG.

#### Contingent liabilities:

PIERER Mobility AG has issued a guarantee for DealerCenter Digital GmbH, Landshut, Germany to RLB OÖ, arising from obligations to suppliers, up to a maximum amount of TEUR 500 (previous year: TEUR 0).

For a reverse factoring program at Erste Group Bank AG, PIERER Mobility AG has issued a letter of comfort for PIERER E-Bikes GmbH, Vienna, in the amount of TEUR 15,000 (previous year: TEUR 15,000). As of the reporting date, the reverse factoring program resulted in a liability amount of TEUR 15,000 (previous year: TEUR 0).

In the previous year, PIERER Mobility AG issued a guarantee for PEXCO GmbH, Schweinfurt, Germany to KGI Bank Co., Ltd., Taiwan, for obligations to suppliers up to a maximum amount of TEUR 16,299. The amount outstanding to suppliers in the previous year was EUR 7,685 thousand.

## 35. PROVISIONS

The group makes provisions relating to guarantees and warranties in relation to known, expected individual cases. The amounts of expected expenses are primarily based on previous experience and are recorded at the time the products are sold as an expense affecting profit and loss.

The estimation of future expenses is subject to uncertainties, which may lead to an adjustment of the provisions recognized in the future. It cannot be ruled out that the actual expenses for these measures may be higher or lower than the provision made for these purposes in an unforeseeable way.

Movements in provisions in the financial year were as follows:

EURk	Balance as of 1/1/2021	Additions	Disolutions	Utilization	Balance as of 12/31/2021
<b>Current provisions</b>					
Provisions for guarantee and warranty	14,612	19,560	-97	-14,075	20,000
Provisions for legal actions	596	185	0	-146	635
Other provisions	2,771	407	-250	-458	2,470
	<b>17,979</b>	<b>20,152</b>	<b>-347</b>	<b>-14,679</b>	<b>23,105</b>

## VI. NOTES TO THE STATEMENT OF CASH FLOWS

The 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, write-downs of receivables and inventories, and non-cash income from grants. The effects associated with changes in the scope of consolidation have been eliminated and are accounted for in cash flow from investing activity.

The changes in the recognized financial liabilities and the amounts disclosed in the statement of cash flows can be reconciled as follows:

EURk	Balance as of 1/1/2021	Changes affecting cash flow	Changes not affecting cash flow					Carrying amount 12/31/2021
			Acquisition	Reclassifi- cation	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	55,103	-49,976	0	32,513	-1,144	0	443	36,939
Non-current financial liabilities	413,853	79,528	0	-32,513	0	131	6	461,005
Current lease liabilities	19,491	-18,431	0	18,928	-80	0	0	19,908
Non-current lease liabilities	42,236	0	23,342	-18,928	-48	0	-1,068	45,534
<b>Total</b>	<b>530,683</b>	<b>11,121</b>	<b>23,342</b>	<b>0</b>	<b>-1,272</b>	<b>131</b>	<b>-619</b>	<b>563,386</b>

EURk	Balance as of 1/1/2020	Changes affecting cash flow	Changes not affecting cash flow					Carrying amount 12/31/2020
			Acquisition	Reclassifica- tion	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	69,772	-53,545	0	28,518	10,409	0	-51	55,103
Non-current financial liabilities	424,763	0	0	-28,518	17,498	103	7	413,853
Current lease liabilities	16,586	-18,821	-47	21,773	0	0	0	19,491
Non-current lease liabilities	45,546	0	18,463	-21,773	0	0	0	42,236
<b>Total</b>	<b>556,667</b>	<b>-72,366</b>	<b>18,416</b>	<b>0</b>	<b>27,907</b>	<b>103</b>	<b>-44</b>	<b>530,683</b>

## VII. RISK REPORT

### 36. RISK MANAGEMENT

As a group of companies conducting business on a global scale, the PIERER Mobility Group faces a multitude of possible risks that are monitored by means of a comprehensive risk management system. The Executive Board and Supervisory Board are periodically informed about risks that may have a major impact on the group's business operations. Management takes timely action to avoid, minimize and hedge risks.

An internal control system adapted to the company's needs and incorporating basic principles such as segregation of duties and dual control has been integrated into the financial reporting process. Internal and external audits ensure that the processes are continually improved and optimized. Furthermore, a uniform reporting system is in place throughout the group, for the ongoing management and control of the risk management process.

Continuous growth depends on a variety of factors, such as demand behavior, product development, changes in foreign exchange rates, the general economic setting in the individual sales markets, prices of goods purchased from others, and talent management. Increased market research activities and a model policy reflecting the resulting findings are the means of responding to a market environment characterized by rapidly changing situations.

In order to prevent risks associated with fraud, corruption, and bribery, employees are obliged to behave in accordance with the principles defined in the Code of Conduct. The code is binding for all employees, managers, and board members as well as for consultants, business partners, and customers of the PIERER Mobility Group. The 2021 financial year also marks the conclusion of accepting the Code of Conduct as a further Annex and thus as an integral part of the existing dealer contracts for the KTM group. Since the beginning of 2020, this has already been the case with new dealer contracts and also with new contractual relationships in the supply sector.

In order to counteract negative macroeconomic and geopolitical effects, PIERER Mobility promotes global diversification of the sales markets. The greatest relative growth in the coming years is expected in Asia. In order to promote this growth, intensive cooperation with our strategic partner Bajaj is being continuously expanded. In addition, investments have been made in production sites with local partners in China and the Philippines.

The earnings position of PIERER Mobility AG (as an individual company) is shaped by expenses in connection with financing raised, acquisitions of investments and project expenses and depends to a large extent on the dividend policy of its investees. The investment in the KTM group is currently the largest and most significant investment of PIERER Mobility AG. The PIERER E-Bikes Group represents another core operating investment of the group.

In accordance with the requirements of Section 243(c) of the Austrian Commercial Code (UGB), a corporate governance report has been drawn up. In this regard, we refer to the publication in the annual report of PIERER Mobility AG or to the website of PIERER Mobility AG.



## 37. MARKET RISKS

### ▪ CYCLICAL RISK

The KTM group operates primarily in the motorcycle sector and the PIERER E-Bikes Group in the bicycle sector. Sales opportunities are determined by the general economic situation in the countries and regions in which the PIERER Mobility Group is represented with its products.

As recent years have shown, the motorcycle sector in particular is cyclical and subject to large fluctuations regarding demand. This risk is counteracted by relevant market research and market forecasts, which are then taken into account in the planning process. Due to the change in mobility behavior, the global motorcycle market continues to grow, in particular in the most important sales regions year-on-year.

### ▪ COMPETITION AND PRICING PRESSURE

Competition on the motorcycle market in industrialized countries is particularly intense; the strongest competitors are four Japanese and three European manufacturers and, to a lesser extent, a U.S. manufacturer, some of which have greater financial resources, higher sales figures and market shares. The street motorcycle market is moreover characterized by high pricing pressure, and new competitors are trying to enter the market by relying on a low-price strategy. Thanks to its successful market strategy, the PIERER Mobility Group is Europe's leading manufacturer of powered two-wheelers. The full integration of GASGAS as the third brand and the further development of the dealer network has also contributed to this.

### ▪ SALES RISK

The largest individual sales markets of the Motorcycles segment (KTM group) and consequently also of the PIERER Mobility Group are the European and the US markets. A slump in these markets could have a negative impact on business activities. Entering new markets involves a major cost risk as, in some of these markets, the sales trends as well as the geopolitical conditions are difficult to assess. By collaborating with its strategic partner Bajaj Auto Ltd., Pune, India, the company is working steadily toward implementing a global product strategy in the motorcycle sector.

The largest individual sales markets of the E-Bicycles segment are currently the DACH region. A slump in these markets could have a negative impact on the business activities of the PIERER E-Bikes Group. In order to diversify this risk, the PIERER E-Bikes Group is pursuing the goal of expanding successfully in other markets. The PIERER E-Bikes Group entering new markets involves a major cost risk as, in some of these markets, the sales trends as well as the geopolitical conditions are difficult to assess. The sales and market risks of the PIERER E-Bikes Group also include seasonal fluctuations in bicycle sales, which may be exacerbated by weather conditions.

For the PIERER Mobility Group, providing support to end customers through the network of dealers represents a key success factor. In order to be able to continuously guarantee a high standard in this area, mandatory dealer training sessions are held on an ongoing basis. In these sessions new technical standards are taught and dealers are trained in dealing with the customer. In addition, the KTM group in particular provides a modern communication platform which the dealers can use to undertake the procurement process and document the sales process.

## 38. INDUSTRY-SPECIFIC RISKS

### ▪ RESTRICTIONS RELATING TO MOTORCYCLING

The revenue of the group depends, inter alia, on the possible offroad uses of motorcycles and is therefore considerably influenced by the national legal framework regulating offroad motorsport, motorcycle registration and rider's licenses in the countries where the vehicles are sold.

### ▪ PROCUREMENT RISK

In the current situation, the procurement risk faced by the KTM group is principally failing to receive ordered components or receiving them on dates other than those originally agreed. In order to ensure the best possible availability of components, there is a major focus on long-term cooperations with our supply partners as well as the careful selection of excellent new suppliers in accordance with established criteria. The group works continuously on developing its relationships with its suppliers. A deep mutual understanding of the processes is essential here. As the quality of the products is strongly determined by the quality and properties of the sourced subcomponents, particular attention is paid to suitable operating facilities and production processes of suppliers, as well as their financial strength and compliance with ecological, social and ethical standards.

The procurement of components and bicycles is planned for the medium term. Short-term fluctuations can also be offset by appropriate storage capacities. The products are priced on the basis of fixed negotiated purchase prices. Prices and capacities are agreed with suppliers in advance and secured. The PIERER E-Bikes Group has several suppliers from different countries in its portfolio to reduce the risk of dependency, as far as possible, and increase the stability of the supply chains. As a risk, the timely availability of frames and drive components places increased demands on suppliers. Bicycles and bicycle parts purchased from outside Europe incur import duties of around 6%. Rising or falling import duties lead to higher or lower purchase prices and may have a positive or negative impact on margins if these effects are not passed on to customers in full.

In the second year following the outbreak of the COVID-19 pandemic, the PIERER Mobility Group faced increasing difficulties with regard to the supply of semiconductors and the associated shortages of electronic components. In order to support its suppliers in this situation, the group actively intervened in the procurement of electronic components and was thus able to prevent major shortages both at suppliers and at its own production sites. In addition to the shortage of electrical components, there were also bottlenecks in the supply of raw materials such as aluminum and plastic granulate, but these only had immaterial effects due to intensive cooperation in the supply chain.

For 2022, it is expected that the situation will worsen – at least in the first two quarters. The difficult supply situation for suppliers, capacity bottlenecks at suppliers themselves and interruptions to logistical processes will continue to require close coordination with our partners. To reduce risk, among other things, stock at suppliers was built up in 2022, a market intelligence system for electronic components was introduced, and the logic of our scheduling agreement releases adapted to the changed situation.

### ▪ RESEARCH AND DEVELOPMENT, RACING

Technical innovations and the introduction of new products are largely responsible for the PIERER Mobility Group's competitive position. To this end, new trends must be identified promptly. To counteract the risk, our own products' innovative capacity must be ensured.

The PIERER Mobility Group therefore attaches great importance to identifying trends at an early stage, conducting research and development in technical and functional areas, and researching what customers want in order to develop innovative products that reflect what the market wants. Racing achievements are not only an important marketing instrument for the company but also form the basis for product development and set standards for series development. Valuable experience is gathered whenever products can be tested in racing conditions at racing events. Before being introduced into series production, all technical innovations are moreover subjected to comprehensive testing by the quality management system so as to eliminate, to the greatest extent possible, any technical defects that could have a negative effect on earnings development.

### ▪ PRODUCT LIABILITY RISK

The PIERER Mobility Group is also exposed in its business activity to claims for damages owing to accidents and injuries. This applies especially to the U.S., where claims asserted in product liability cases involve higher amounts of liability. In addition to existing safeguards, this risk is minimized by comprehensive quality control in all production areas.

## 39. IT RISKS

We apply the same high quality standards in the area of data security and data protection as we do for our products.

The PIERER Mobility Group has implemented an IT security and risk management system for the purpose of identifying and managing company-relevant risks in the area of information security. In addition, evidence of compliance and the exercising of due diligence when handling and using information and equipment for the processing of information is provided and documented in respect of customers, the Executive Board and the general managers of each participating company.

The constantly growing IT and cyber risks are countered by ongoing evolution of IT security measures and using the latest IT security technologies. Cyber attacks are averted with a multi-stage technical concept using the latest security features such as intrusion prevention systems and additional security systems which are operated upstream or internally. Behavior-based security solutions are also used with a view to identifying security-related abuse. Incidents are identified and handled by a malware incident response process. In parallel, regular internal and external vulnerability analyses are performed and any vulnerabilities identified are countered by means of an established patch and update management process. Regular internal and external security audits are documented in risk management, any findings are evaluated and prioritized, and a solution is then applied.

Care is taken to ensure that all users of IT systems possess the requisite knowledge and awareness for the use of IT within the scope of their role via the provision of regular general IT security awareness training. This training is provided in a preventative and traceable manner.

The ongoing COVID-19 pandemic made it necessary for a large number of employees to perform their work from home during the 2021 financial year and this continues to be the case. The measures taken to develop the IT infrastructure on an ongoing basis over the past few years have been retained, enabling the PIERER Mobility Group to overcome these exceptional challenges and to still provide its employees with remote workplaces in an uncomplicated and secure manner.

## 40. FINANCIAL RISKS

The PIERER Mobility Group is subject to credit, market, currency and liquidity risks regarding its assets, liabilities and planned transactions. Financial risk management is aimed at controlling and limiting those risks. The Executive Board and the Supervisory Board are informed on a regular basis about risks that can have a major impact on the group's business operations.

The principles of financial risk management are laid down and monitored by the Supervisory Board and the Executive Board. Group Treasury is responsible for their implementation. To protect itself against the financial risks described below, the PIERER Mobility Group uses derivative financial instruments in order to safely hedge cash flows from operating activities against fluctuations in exchange rates and/or interest rates. The hedging horizon generally covers currently open items and any transactions planned for the next twelve to eighteen months. In exceptional cases, strategic hedge positions involving longer time periods may be entered into in consultation with the Supervisory Board.

### ▪ CURRENCY RISKS

As an enterprise doing business on a global scale, the PIERER Mobility Group is influenced by general global economic data such as changes in currency parities or developments in the financial markets. As the US dollar represents the highest individual foreign currency risk faced by KTM, movements in the US dollar exchange rate are of particular importance to the development of revenue and income. Due to the increasing importance of USD in purchasing, the foreign currency risk associated with the USD is significantly reduced ("natural hedge"). Approximately 25% of revenues were earned in US dollars in financial year 2021 (previous year: 25%). Currency hedging measures, in particular hedging strategies, can largely offset these currency shifts over at least one model year.

The group is exposed to further currency risks where financial assets and liabilities are settled in a currency other than the local currency of the relevant company. The companies of the group predominantly do their invoicing in local currency and largely take out financing in their local currency. Financial investments are primarily made in the local currency of the investing group company. For these reasons, most resulting currency positions will be closed out naturally.

The main causes of ineffectiveness in currency hedges are:

- the impact of the credit risk of the counterparties and the group on the fair value of the forward currency transactions that is not reflected in the change in the fair value of the hedged cash flows attributable to changes in foreign exchange rates;
- changes in the transaction date of the hedged items.

Sensitivity analyses have been performed on currency risks in relation to financial instruments in order to show the effects that hypothetical changes in the exchange rates have on profit or loss (after taxes) and equity. The relevant balances as of the reporting date and foreign currency purchases and sales budgeted for the 2022 financial year were used as a basis. It was assumed that the risk faced on the reporting date essentially represents the risk present during the financial year. The group tax rate of 25% was used as the tax rate. Furthermore, it was assumed in the analysis that all other variables, in particular the interest rates, remained constant. Currency risks relating to financial instruments of a monetary nature that are denominated in a currency other than the functional currency were included in the analysis.

In the scope of the sensitivity analysis, effects of changes in the exchange rate of  $\pm 10\%$  are shown as profit or loss, other comprehensive income, and equity.

The PIERER Mobility Group bases the analysis on the following assumptions:

- For the sensitivity of profit and loss, the group's bank balances, receivables and payables are considered, as are future receipts and payments in foreign currency that are not accounted for in the functional currency of the group company. Account is also taken of open derivatives on cash flow hedges where the hedged item has already been realized on the reporting date (recognized as income).
- For the sensitivity of other comprehensive income, account is taken of open derivatives from cash flow hedges where the hedged item has not yet been realized on the reporting date (movements are not recognized in profit and loss). The exposure corresponds to the notional amount of the open derivatives.

Increase (+) / Decrease (-) EURk	10% increase		10% devaluation	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Change in net result	-23,490	-22,223	28,709	27,161
Change in currency-related cash flow hedge provisions	10,995	2,199	-13,439	-2,688
<b>Change in equity</b>	<b>-12,495</b>	<b>-20,024</b>	<b>15,270</b>	<b>24,473</b>

#### ▪ INTEREST RATE RISKS

Financial instruments on both the assets side and the liabilities side mainly carry interest at variable rates. The risk therefore comprises rising interest expenses or falling interest income resulting from an adverse change in market interest rates.

The PIERER Mobility Group has refinanced part of its debt at variable rates and is thus exposed to the risk of interest rate fluctuations on the market. Regular monitoring of the money and capital markets and, in some cases, the use of interest rate swaps (fixed interest rate payer swaps) serve to respond to this risk. Under the interest rate swaps entered into, the concern receives variable interest payments and, in return, pays fixed interest on the notional amounts of the contracts entered into.

Interest rate risks thus result mainly from primary financial instruments carrying interest at variable rates (cash flow risk). Sensitivity analyses were performed on the interest rate risks of these financial instruments in order to show the effects that hypothetical changes in the market interest rate level have on profit or loss (after tax) and equity. The relevant balances as of the reporting date were used as a basis. It was assumed that the risk faced on the reporting date essentially represents the risk present during the financial year. The group tax rate of 25% was used as the tax rate. Furthermore, it was assumed in the analysis that all other variables, in particular the exchange rates, remained constant.

The main causes of ineffectiveness in interest rate hedges are:

- the impact of counterparty and group credit risk on the fair value of the interest rate derivatives that are not reflected in the change in fair value of hedged cash flows attributable to changes in the interest rates
- differences in the parameters (e.g., interest rate adjustment dates) between the derivatives and the hedged items

A sensitivity analysis was performed on interest rate risk. A change of 50 basis points would have the following effects on profit or loss, other comprehensive income and equity:

Increase (+) / Decrease (-) EURk	Increase by 50 BP		Decrease by 50 BP	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Change in net result	324	-960	-1,311	263
Change in currency-related cash flow hedge provisions	-2,316	-1,804	2,316	1,711
<b>Change in equity</b>	<b>-1,992</b>	<b>-2,764</b>	<b>1,005</b>	<b>1,974</b>

In connection with the IBOR reform, Group Treasury conducted a review of how the affected reference interest rates are used in the financial instruments utilized. With regard to existing financial instruments, Treasury works closely with our business partners and actively monitors the development of reference interest rates and standards customary in the industry to be able to make adjustments. For example, transitional arrangements have been renegotiated in all current contracts and financial instruments that have adjustment clauses relating to new reference interest rates. These regulate how the reference interest rate can be replaced if it is temporarily or permanently unavailable. The use of the new reference interest rates has been agreed, without exception, for contracts and financial instruments that were newly concluded in the financial year.

#### ▪ DEFAULT RISKS (CREDIT OR CREDITWORTHINESS RISKS)

The default risk is the risk of financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The default risk generally arises from trade receivables.

On the assets side, the carrying amounts reported also represent the maximum default risk. In addition, there are no general set-off agreements, with the exception of the set-off agreement described under note 44 in the notes to the Consolidated Financial Statements.

#### Trade receivables

The default risk on receivables from customers may be rated as low, as ongoing checks of the creditworthiness of new and existing customers are performed and collateral is requested.

Risk management carries out an analysis and assessment of new customers. Initially, these are analyzed individually with regard to their creditworthiness, and standardized group-wide contracts are concluded with customers. The analysis includes external credit ratings, where available, as well as annual financial statements and information from credit agencies and banks. Sales limits are set for each customer and reviewed on an ongoing basis. All sales exceeding these limits require the approval of risk management.

Default risks are largely hedged by means of credit insurance and bankable security (guarantees, letters of credit). The default risks and related controls are defined in internal guidelines. Most of the business relationships with dealers and importers have been in place for many years. By continuously monitoring the default risk and the creditworthiness of customers, each receivable is individually reviewed to ascertain the need for a value adjustment.

A summary of the default risk on trade receivables as of December 31<sup>st</sup> 2021 is presented in the following table.

Trade receivables EURk	Not impaired in creditworthiness	Creditworthiness impaired	Total
Not overdue	129,036	0	129,036
Overdue 1-30 days	15,182	0	15,182
Overdue 31-60 days	1,884	0	1,884
Overdue 61-90 days	1,212	0	1,212
Overdue > 90 days	2,775	4,833	7,608
<b>Total gross carrying amount</b>	<b>150,089</b>	<b>4,833</b>	<b>154,921</b>
Impairment loss	-103	-3,957	-4,060
<b>Total</b>	<b>149,985</b>	<b>876</b>	<b>150,861</b>

A summary of the default risk on trade receivables as of December 31<sup>st</sup> 2020 is presented in the following table.

Trade receivables EURk	Not impaired in creditworthiness	Creditworthiness impaired	Total
Not overdue	125,475	0	125,475
Overdue 1-30 days	11,136	0	11,136
Overdue 31-60 days	353	0	353
Overdue 61-90 days	1,010	0	1,010
Overdue > 90 days	4,731	6,358	11,089
<b>Total gross carrying amount</b>	<b>142,705</b>	<b>6,358</b>	<b>149,063</b>
Impairment loss	-135	-4,041	-4,176
<b>Total</b>	<b>142,570</b>	<b>2,317</b>	<b>144,887</b>

In order to determine the need for impairment of trade receivables for which no individual value adjustments have been made, the PIERER Mobility Group evaluated the defaults of recent years. The analysis showed that there is only an insignificant risk for receivables with a certain overdue status. The estimate of loss rates is based on historical default rates in relation to overdue receivables and considering forward-looking information.

As regards the current portfolio of trade and other receivables that are neither impaired nor past due, there are no indications as of the closing date that the debtors will not meet their payment obligations. There are no concentration risks.

#### Estimation of expected credit losses

Based on actual defaults observed in the past, an average default rate in the KTM group of 0.06% (previous year: 0.06%) of trade receivables was determined. A reversal of EUR 5k (previous year: EUR 18k) was recorded. In the E-Bikes segment, an average default rate of 0.13% (previous year: 0.39%) of trade receivables was determined. An addition of EUR 28k (previous year: EUR 55k) was recorded.

The impairment for expected losses as of December 31<sup>st</sup> 2021 in the PIERER Mobility Group amounts to a total of EUR 158k (previous year: EUR 135k).

### Changes in value adjustments

Changes in value adjustments related to trade receivables are described in the notes under Note 28. "Trade receivables".

### **Cash and cash equivalents, other assets and derivatives**

Credit losses on cash and cash equivalents are generally calculated using the same method as for debt instruments. Given the short-term nature of these items and the good rating of the banks, the group assumes that these portfolios are financial instruments with a low default risk and that the expected losses are negligible.

Likewise, the default risk for other financial assets is to be regarded as extremely low, as the counterparties are debtors of optimum creditworthiness. The other financial instruments presented on the assets side mainly relate to an earmarked loan granted to PIERER Immoreal North America, LLC, a company belonging to a superordinate group of companies. Against this background, the default risk is considered to be low.

The default risk on derivative financial instruments with positive market value is limited to their replacement cost; as all the counterparties are banks of good creditworthiness, the default risk can be classified as low. There are no indications of any additional impairment loss requirements for financial assets.

### **▪ LIQUIDITY RISKS**

It is a material objective of financial risk management in the PIERER Mobility Group to ensure solvency and financial flexibility at all times. Factors contributing to liquidity risks include, in particular, proceeds from revenues being below the planning assumptions due to weaker demand. For this purpose, the group maintains a liquidity reserve in the form of unused credit lines (cash credits and guarantee credits) and, if needed, in the form of cash in banks of a high creditworthiness. Top priority is given to ensuring liquidity over the short and medium term. Another major control parameter is the maximization of free cash flow by cost-cutting measures, proactive working capital management and reduced investment expenditure. From today's perspective, sufficient commitments have been given concerning the creditworthiness of our strategic financing partners and thus the security of current liquidity reserves. Non-current liquidity requirements are met by the issuance of promissory note loans and by taking out bank loans.

The contractually agreed (undiscounted) cash flows (payments of interest and principal) and the remaining terms to maturity of the financial liabilities are composed of the following:

EURk	Carrying amount 12/31/2021	Cash flow 2022			Cash flow 2023 to 2026			Cash flow from 2027		
		Fixed interest	Variable interest	Repay-ment	Fixed interest	Variable interest	Repay-ment	Fixed interest	Variable interest	Repay-ment
<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	479	0	0	479	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,509	0	0	1,509	0	0	0	0	0	0
<b>Total</b>	<b>1,988</b>	<b>0</b>	<b>0</b>	<b>1,988</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	497,944	5,292	1,202	34,838	16,330	3,837	282,787	6,312	942	179,134
Lease liabilities	65,442	0	797	19,909	0	1,552	34,784	0	3,319	10,749
Trade payables	395,581	0	0	395,581	0	0	0	0	0	0
Other financial liabilities (current and non-current)	79,175	0	7	78,029	0	11	329	0	0	817
<b>Total</b>	<b>1,038,142</b>	<b>5,292</b>	<b>2,006</b>	<b>528,357</b>	<b>16,330</b>	<b>5,400</b>	<b>317,900</b>	<b>6,312</b>	<b>4,261</b>	<b>190,700</b>
<b>Total</b>	<b>1,040,130</b>	<b>5,292</b>	<b>2,006</b>	<b>530,345</b>	<b>16,330</b>	<b>5,400</b>	<b>317,900</b>	<b>6,312</b>	<b>4,261</b>	<b>190,700</b>



EURk	Carrying amount 12/31/2020	Cash flow 2021			Cash flow 2023 to 2025			Cash flow from 2026		
		Fixed interest	Variable interest	Repay- ment	Fixed interest	Variable interest	Repay- ment	Fixed interest	Variable interest	Repay- ment
<b>Financial liabilities measured at fair value</b>										
<b>Fair value - hedging instruments</b>										
Other financial liabilities - derivatives with negative market value (no hedging relationship)	245	91	0	0	302	0	0	0	0	0
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	748	0	0	748	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	2,085	346	0	1,186	1,027	0	0	0	0	0
<b>Total</b>	<b>3,078</b>	<b>437</b>	<b>0</b>	<b>1,934</b>	<b>1,329</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	468,956	4,959	1,066	59,001	16,812	3,698	178,412	4,119	1,037	230,392
Lease liabilities	61,727	0	795	19,491	0	1,559	33,041	0	3,499	9,195
Trade payables	262,099	0	0	262,099	0	0	0	0	0	0
Other financial liabilities (current and non-current)	54,975	0	23	54,125	0	150	850	0	0	0
<b>Total</b>	<b>847,757</b>	<b>4,959</b>	<b>1,884</b>	<b>394,716</b>	<b>16,812</b>	<b>5,407</b>	<b>212,303</b>	<b>4,119</b>	<b>4,536</b>	<b>239,587</b>
<b>Total</b>	<b>850,835</b>	<b>5,396</b>	<b>1,884</b>	<b>396,650</b>	<b>18,141</b>	<b>5,407</b>	<b>212,303</b>	<b>4,119</b>	<b>4,536</b>	<b>239,587</b>

Liabilities that are affected by the supplier finance program are paid on their due date. The associated cash outflows are taken into account in liquidity planning. The supplier finance program results in a concentration of risk. The number of suppliers is replaced by a concentration on a creditor bank. If this creditor bank were to terminate the supplier finance agreement, an additional liquidity risk would generally be incurred, which is not of great significance due to supplier payment goals that are almost identical. As cited in Note 34, this relates to 42.3% of trade payables as of the reporting date. The concentration risk is regarded as low.

## 41. OTHER RISKS

### ▪ PROCESS RISKS

There is a risk that standardized processes will not be adhered to, particularly in production. To minimize this risk, these processes are documented in work instructions, process manuals, and handbooks. Employees are trained in the use of this documentation and the documents are freely accessible via various systems.

### ▪ RISKS DUE TO THE LEGAL FRAMEWORK

As the PIERER Mobility Group markets motorcycles and e-bikes and non-e-bikes in a large number of countries through its equity holdings in the KTM group and PIERER E-Bikes Group, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income, and exchange restrictions as well as to the risk of political, social, and economic instability, inflation, and interest rate fluctuations.

Motorcycles registered for road use must comply with corresponding provisions concerning noise and exhaust gas emissions in order to be approved for marketing in the respective country. For all new models that are homologated for road use, the KTM group complies with the Euro V European emission standard that is relevant for motorcycles. The possible offroad uses of motorcycles are considerably influenced by the national and legal conditions in the countries where the vehicles are sold. To counteract this risk, the respective regulations specific to the given country are analyzed in detail prior to market launch and continue to be monitored on an ongoing basis in order to be able to react in good time to any changes.

The strong focus on research and development ensures that all products of the PIERER Mobility Group will continue to meet regulatory requirements in the future. Fully electric motorcycles already complement the KTM group product range today. At the same time, research and development is also focusing on other alternative drive technologies.

### ▪ BUSINESS AND ENVIRONMENTAL RISK

Environmental risks may relate to products, production, procurement and non-operating factors. More detailed examinations of environmental risks can also be found in the sustainability report published annually by PIERER Mobility AG and/or the reporting it contains in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) on climate-related opportunities and risks.

With regard to the products, risks arise in relation to emissions such as noise and pollutants or the leakage of harmful substances such as fuel or oil. In order to minimize these risks that may be caused by potential malfunctions, the homologation requirements are strictly observed in addition to other measures, each vehicle tested for its functionality and compliance with all limit values on our own test benches, and a laboratory is in operation to test the interaction of materials used with people and the environment. In addition, the development of emission-free alternative drive systems and products is becoming an increasingly important focus.

With respect to production, environmental risks arise due to the potential leakage of substances, waste and material residues on the premises. Numerous measures are undertaken to prevent these. These include waste management concepts, an engine oil treatment plant, emergency plans for each site and professional extraction systems for metal chips that deposit them in the container provided for this purpose. Emissions from operating the test benches are also caught by extraction systems.

Environmental risks in procurement may result from the environment-related shortage and rising prices of resources, cooperation with suppliers that do not operate with sufficient environmental measures, and emissions from delivery routes. In order to minimize these risks, measures are taken that include auditing suppliers, optimizing procurement channels, prioritizing regional procurement, and the use of resource-saving, modern production technology.

In addition, environmental risks arise from weather-related and climate-related phenomena, such as floods and other natural disasters. Although it is not possible to completely rule out the risk of natural disasters, the PIERER Mobility Group makes efforts to minimize the risk of production processes being impaired by having suitable emergency plans and insurance policies. For the main factories in Mattighofen and Munderfing, the risk of natural disasters occurring is considered to be low due to their geographical location.

## ■ PERSONNEL-RELATED RISKS

Especially with regard to the growth course, risks may arise if key staff leave the company. Efficient personnel management as well as the constant pursuit of personnel development programs are designed to counteract the risk of managerial staff leaving the company. The turnover rate is just 2.06% for managers of KTM AG incl. subsidiaries in Austria. The risk of a shortage of skilled staff is minimized by a comprehensive apprentice training program in our own apprentice workshop. As of December 31<sup>st</sup> 2021, a total of 184 apprentices (including six foundation apprentices) were in training at KTM AG. Since 1995, around 600 apprentices have started an apprenticeship; 73% of them still work in the company. The aim is to recruit employees from the region and to retain them in the long term.

The company has taken numerous measures to protect its employees since the outbreak of the coronavirus pandemic in Austria. These measures comprise maintaining a dedicated COVID team, a COVID hotline and contact tracing within the company. The hygiene and safety guidelines issued at the beginning of the pandemic will continue to be enforced at the workplace and adapted to the current circumstances. The opportunities for working from home and the team splitting measures that have been rolled out since 2020 will continue. Following the end of the seasonal interruptions to operations in January and August 2021, mass tests and 3G checks were carried out before production restarted.

Antigen rapid throat swab tests were carried out all year round on the KTM Covid test line in order to respond to suspected cases in a quick and uncomplicated manner or to ensure that those returning from quarantine had recovered and before resuming work. In total, over 7,900 rapid tests were conducted by specially trained personnel. At the end of the year, planning for the expansion of the test line to provide in-house PCR tests began in order to ensure a high level of safety even in case of further virus mutations. In addition, from spring onwards the measures were expanded to include company vaccinations: In total, two major operational vaccination campaigns were organized in May/June (first and second vaccinations) and December (mostly third vaccinations). In addition, vaccinations were on offer on a weekly basis from June to November, and there were also two vaccination bus campaigns in order to offer employees and also in some cases their family members easy access to immunization options.

Government measures and regulations were implemented comprehensively and quickly and, due to the forward-looking approach and constant exchange with the authorities, various measures were integrated into the day-to-day business even before they were legally required. It was therefore possible to prevent large-scale spread within the company. The risk of being infected with COVID-19 in the company if the guidelines are adhered to is considered to be low.

## VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

### 42. BASIC PRINCIPLES

The PIERER Mobility Group holds primary and derivative financial instruments. **Primary financial instruments** mainly include trade receivables, credit balances with credit institutions, liabilities owed to credit institutions, trade payables, and financial liabilities. The portfolio of primary financial instruments is shown in the consolidated statement of financial position and described in the notes to the consolidated financial statements. **Derivative financial instruments** are generally used to hedge existing risks relating to interest rate changes and foreign currency. The use of derivative financial instruments is subject to appropriate authorization and control procedures in the group. The link to a hedged item is mandatory; trading transactions are not permitted.

Purchases and sales of all financial instruments are recognized as at the settlement date. As a matter of principle, financial instruments are measured at cost of acquisition upon initial recognition. The financial instruments are derecognized if the rights to payments from the investment have expired or have been transferred and the group has essentially transferred all the risks and opportunities associated with their ownership.

## ACCOUNTING POLICIES:

Categorization will take place in accordance with the contractual cash flows and the business models on which they are based. In this regard, the following measurement categories are provided by IFRS 9:

- AC category: At amortized cost using the effective interest method
- FVOCI category: At fair value, changes to the fair value are recorded under other comprehensive income
- FVPL category: At fair value, changes to the fair value are recorded in the income statement

In the case of equity instruments (such as shares in companies not listed on the stock exchange), the FVOCI option can be exercised. This will lead to changes in the fair value being recorded under other comprehensive income, meaning that it will no longer be possible to regroup the changes to fair value accumulated under other comprehensive income in the income statement. Insofar as this option is not exercised, these will be assigned to the FVPL category, under which all changes to the fair value will be recorded in the income statement.

Receivables and other assets upon initial recognition are measured at fair value and in subsequent periods are measured at amortized cost of acquisition. Foreign currency receivables are translated at the exchange rate on the reporting date, less any impairment charges required on account of identifiable risks. Financial receivables are classified as “at amortized cost” and are measured at amortized cost.

That portion of trade receivables that is part of the ABS or factoring program is allocated to the category “Fair Value through Profit and Loss” (FVPL).

Financial liabilities are measured at amortized cost of acquisition. Financial liabilities are assigned to the “at amortized cost” category. Any difference between the amount received and the amount repayable is apportioned over the term to maturity using the effective interest method and recognized in financial income and expenses. Issuing costs incurred in connection with bonds are recognized as an expense over the term to maturity. Liabilities are measured at amortized cost. Liabilities denominated in foreign currencies are translated at the closing rate.

All financial instruments in the FVPL category are measured at fair value through profit or loss on the basis of the criteria in IFRS 9 (business model or SPPI test). The fair value option was not exercised.

### Impairment losses

Trade receivables do not exhibit any significant financing components. For that reason, the simplified process for establishing the expected credit loss is used; this involves accounting for all instruments with a risk provision, which is independent of their credit quality, in the amount of the expected losses over the term to maturity. This amounts to less than twelve months for trade receivables and therefore corresponds to the 12-month loss. For details of the amounts involved, please refer to Note 40. “Financial risks”.

In order to determine the expected credit loss, historical default data were collected for receivables over the last eight to ten years and split into geographic regions. Current economic factors and forecasts are also taken into account.

Individual valuation adjustments are made to financial assets if they are deemed to be uncollectible or partially uncollectible. Signs that an individual allowance is required are financial difficulties, insolvency, breach of contract or considerable delay in payment on the part of the customer. Individual value adjustments consist of numerous individual items, none of which is material when considered in isolation. Financial assets are only derecognized directly if the contractual rights to receive payment cease to exist (in particular in the case of insolvency). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account.

### Hedge accounting

The regulations on hedge accounting are applied in accordance with IFRS 9. According to IFRS 9, the fair value of an option, the forward element of a forward contract and any foreign currency basis spreads can be excluded from the designation of a financial instrument as a hedging instrument and accounted for as the cost of hedging. In this regard, fluctuations in the value of these components that have optionally not been designated are recorded as hedging costs under other comprehensive income and reclassified in the income statement in the event that the hedged item is recognized in profit or loss.

### 43. CLASSIFICATION AND FAIR VALUE

The **fair value of a financial instrument** is determined by means of quoted market prices for identical instruments in active markets (Level 1). If no quoted market prices in active markets are available for the instrument, the fair value is determined by means of valuation techniques for which the material inputs are based exclusively on observable market data (Level 2). In all other cases, the fair value is determined on the basis of valuation techniques for which at least one material input is not based on observable market data (Level 3).

Reclassifications from one level to another are taken into account at the end of the reporting period. There were no transfers between levels in the financial year.

The table below shows the valuation techniques used to determine fair value as well as the significant unobservable input factors used.

Financial instruments measured at fair value			
Type	Measurement technique	Significant unobservable input factors	Connection between significant unobservable input factors and measurement at fair value
Forward currency transactions and interest rate swaps	Fair values are based on the market values determined using recognized valuation models (discounted cash flows). They are regularly checked for plausibility.	Not applicable	Not applicable
Securities	Securities are measured at the current stock-exchange price on the reporting date.	Not applicable	Not applicable
Financial instruments not measured at fair value			
Type	Measurement technique	Significant unobservable input factors	
Promissory note loans, financial liabilities	Discounted cash flows	Risk premium for own credit risk	

The following table shows the carrying amounts and fair values of the financial assets (financial instruments shown on the assets side), broken down by class or measurement category according to IFRS 9. However, it does not provide information on the fair value or level of financial assets and financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value.

EURk	Carrying amount 12/31/2021	Classification under IFRS 9	Fair value 12/31/2021
<b>Financial assets measured at fair value</b>			
Other current assets - derivatives with positive market value (cash flow hedge)	3,411	FVOCI	3,411
Trade receivables	4,615	FVPL	4,615
Other financial assets	1,410	FVOCI / FVPL	1,410
<b>Total</b>	<b>9,436</b>		
<b>Financial assets not measured at fair value</b>			
Cash and cash equivalents	373,509	AC	-
Trade receivables	146,247	AC	-
Other financial assets	51,020	AC	-
<b>Total</b>	<b>570,776</b>		
<b>Total</b>	<b>580,212</b>		
<b>EURk</b>			
	Carrying amount 12/31/20	Classification under IFRS 9	Fair value 12/31/2020
<b>Financial assets measured at fair value</b>			
Other current assets - derivatives with positive market value that have already been assigned to receivables	1,663	FVPL	1,663
Other current assets - derivatives with positive market value (cash flow hedge)	532	FVOCI	532
Trade receivables	17,051	FVPL	17,051
Other financial assets	1,410	FVOCI / FVPL	1,410
<b>Total</b>	<b>20,656</b>		
<b>Financial assets not measured at fair value</b>			
Cash and cash equivalents	218,270	AC	-
Trade receivables	127,836	AC	-
Other financial assets	37,718	AC	-
<b>Total</b>	<b>383,824</b>		
<b>Total</b>	<b>404,480</b>		

Receivables sold in connection with the current ABS and factoring program are fully derecognized in accordance with the rules under IFRS 9. Under the ABS program, trade receivables insured on a revolving monthly basis are sold up to a maximum volume of EUR 250,000k (previous year: EUR 250,000k). As at the reporting date, trade receivables of EUR 166,358k (previous year: EUR 127,399k) had been sold to third parties. Up to a contractually defined amount, the PIERER Mobility Group continues to bear a risk from credit risk related defaults. As at December 31<sup>st</sup> 2021, the maximum ensuing risk of loss was EUR 1,158k (previous year: EUR 994k). The expected loss is recorded as a liability and expensed at the time of sale. As of December 31<sup>st</sup> 2021, the carrying amount of the ongoing commitment was EUR 1,158k (previous year: EUR 994k). It is listed under other current

Fair value				Carrying amount 12/31/2021				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	3,411	-	3,411	-	-	-	-	3,411
-	-	4,615	4,615	-	-	-	4,615	-
1,194	-	216	1,410	-	-	216	1,194	-
-	-	-	-	373,509	-	-	-	-
-	-	-	-	146,247	-	-	-	-
-	-	-	-	51,020	-	-	-	-
Fair value				Carrying amount 12/31/2020				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	1,663	-	1,663	-	-	-	-	1,663
-	532	-	532	-	-	-	-	532
-	-	17,051	17,051	-	-	-	17,051	-
1,194	-	216	1,410	-	-	216	1,194	-
-	-	-	-	218,270	-	-	-	-
-	-	-	-	127,836	-	-	-	-
-	-	-	-	37,718	-	-	-	-

liabilities. The carrying amount represents the fair value of the ongoing commitment. In the reporting period, income from the ongoing commitment of EUR 164k (previous year: EUR 42k) and accumulated expenses since the start of the transaction of EUR 1,158k (previous year: EUR 994k) was recorded. Under the factoring program, trade receivables insured on a revolving monthly basis are sold up to a maximum volume of EUR 65,000k (previous year: EUR 15,000k). As at the reporting date, trade receivables of EUR 32,923k (previous year: EUR 11,720k) had been sold to third parties. Up to a contractually defined amount, the group continues to bear a risk from credit risk related defaults. As at December 31<sup>st</sup> 2021, the maximum ensuing risk of loss was EUR 2,163k (previous year: EUR 0k).

The following table shows the carrying amounts and fair values of the financial liabilities (financial instruments shown on the liabilities side), broken down by class or measurement category according to IFRS 9. However, it does not provide information on the fair value or level of financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value.

<b>EURk</b>	<b>Carrying amount 12/31/2021</b>	<b>Classification under IFRS 9</b>	<b>Fair value 12/31/2021</b>
<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	479	FVPL	479
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,509	FVOCI	1,509
<b>Total</b>	<b>1,988</b>		
<b>Financial liabilities not measured at fair value</b>			
<b>At amortized cost</b>			
Interest-bearing liabilities	497,944	AC	519,425
Lease liabilities	65,442	AC	-
Trade payables	395,581	AC	-
Other financial liabilities (current and non-current)	79,175	AC	-
<b>Total</b>	<b>1,038,142</b>		
<b>Total</b>	<b>1,040,130</b>		
<b>EURk</b>			
	<b>Carrying amount 12/31/20</b>	<b>Classification under IFRS 9</b>	<b>Fair value 12/31/2020</b>
<b>Financial liabilities measured at fair value</b>			
<b>Fair value - hedging instruments</b>			
Other financial liabilities - derivatives with negative market value (no hedging relationship)	245	FVPL	245
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	748	FVPL	748
Other financial liabilities - derivatives with negative market value (cash flow hedge)	2,085	FVOCI	2,085
<b>Total</b>	<b>3,078</b>		
<b>Financial liabilities not measured at fair value</b>			
<b>At amortized cost</b>			
Interest-bearing liabilities	468,956	AC	495,649
Lease liabilities	61,727	AC	-
Trade payables	262,099	AC	-
Other financial liabilities (current and non-current)	54,975	AC	-
<b>Total</b>	<b>847,757</b>		
<b>Total</b>	<b>850,835</b>		



Fair value				Carrying amount 12/31/2021				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	479	-	479	-	-	-	-	479
-	1,509	-	1,509	-	-	-	-	1,509
-	-	519,425	519,425	497,944	-	-	-	-
-	-	-	-	65,442	-	-	-	-
-	-	-	-	395,581	-	-	-	-
-	-	-	-	79,175	-	-	-	-

Fair value				Carrying amount 12/31/2020				
Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	Fair Value - hedging instruments
-	245	-	245	-	-	-	245	-
-	748	-	748	-	-	-	-	748
-	2,085	-	2,085	-	-	-	-	2,085
-	-	495,649	495,649	468,956	-	-	-	-
-	-	-	-	61,727	-	-	-	-
-	-	-	-	262,099	-	-	-	-
-	-	-	-	54,975	-	-	-	-

The net profit or loss from the financial instruments by IFRS 9 measurement category includes net gains/losses, total interest income/expenses and impairment losses and is made up as follows:

2021 EURk	From Interest	From subsequent measurement to fair value	From allowance	From disposal income	From foreign exchange valuation	Net income (total)
Financial assets - amortized cost (AC)	1,865	0	-122	0	8,484	10,227
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	0	365	0	0	0	365
Other financial liabilities - amortized cost (AC)	-12,487	0	0	0	0	-12,487
<b>Total</b>	<b>-10,622</b>	<b>365</b>	<b>-122</b>	<b>0</b>	<b>8,484</b>	<b>-1,895</b>

2020 EURk	From Interest	From subsequent measurement to fair value	From allowance	From disposal income	From foreign exchange valuation	Net income (total)
Financial assets - amortized cost (AC)	1,629	0	-1,087	-494	-2,158	-2,110
Fair Value through OCI (FVOCI) - equity instruments	0	-2	0	0	0	-2
Fair Value through PL (FVPL) - equity instruments	0	-262	0	0	0	-262
Other financial liabilities - amortized cost (AC)	-14,555	0	0	0	0	-14,555
<b>Total</b>	<b>-12,926</b>	<b>-264</b>	<b>-1,087</b>	<b>-494</b>	<b>-2,158</b>	<b>-16,929</b>

Changes in allowances and the derecognition of financial assets (amortized cost) are disclosed in other operating expenses for the relevant overhead areas. The remaining components of the net result are included in financial income and financial expenses, respectively.

#### 44. SET-OFF OF FINANCIAL ASSETS AND LIABILITIES

The group enters into set-off agreements with banks in connection with derivatives. Generally, the amounts owed under such agreements by each counterparty on a given day for all outstanding transactions in the same currency are aggregated into a single net amount payable by one party to the other. In certain cases – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, their value as of termination is determined, and only a single net amount is payable for settling all transactions. These items are not set off in the balance sheet, as such, as the net set-off of multiple transactions under the same framework agreements does not generally occur.

The tables below show financial assets and liabilities that have actually been offset along with amounts that are subject to a set-off agreement but which have not been offset, as they do not fulfill the criteria for set-off prescribed under IFRS.

EURk	Financial assets (gross)	Offset balance items (gross)	Accounted financial assets (net)	Effect of general offsetting agreements	Net amounts
<b>Financial assets 2021</b>					
Other financial assets - Derivatives with positive market value that have already been assigned to receivables					
Forward currency transactions	385	0	385	-341	44
Interest rate swaps	3,026	0	3,026	0	3,026
<b>Total</b>	<b>3,411</b>	<b>0</b>	<b>3,411</b>	<b>-341</b>	<b>3,070</b>
<b>Financial assets 2020</b>					
Other financial assets - Derivatives with positive market value that have already been assigned to receivables					
Forward currency transactions	2,195	0	2,195	-85	2,110
<b>Total</b>	<b>2,195</b>	<b>0</b>	<b>2,195</b>	<b>-85</b>	<b>2,110</b>
<b>Financial liabilities 2021</b>					
Other financial liabilities - Derivatives with negative market value that have already been assigned to receivables					
Forward currency transactions	1,940	0	1,940	-341	1,599
Interest rate swaps	48	0	48	0	48
<b>Total</b>	<b>1,988</b>	<b>0</b>	<b>1,988</b>	<b>-341</b>	<b>1,647</b>
<b>Financial liabilities 2020</b>					
Other financial liabilities - Derivatives with negative market value that have already been assigned to receivables					
Forward currency transactions	1,933	0	1,933	-85	1,849
Interest rate swaps	1,145	0	1,145	0	1,145
<b>Total</b>	<b>3,078</b>	<b>0</b>	<b>3,078</b>	<b>-85</b>	<b>2,994</b>

## 45. HEDGES

The group enters into derivative financial instruments (foreign currency forwards and interest rate swaps) to hedge foreign currency and interest rate risk. The aim of using derivative financial instruments is to offset fluctuations in cash flows from future transactions. Expected revenues in foreign currencies serve as the basis for planning future cash flows.

The group only recognizes changes in the spot rate component of forward currency transactions as a hedging instrument in cash flow hedges. The change in the forward component is accounted for separately as a cost of hedging and transferred to a reserve for hedging costs in equity or reclassified in the income statement if the hedged item affects profit or loss (as part of the financial result).

Derivatives are generally measured at fair value in accordance with IFRS 9. The KTM group applies the rules for cash flow hedge accounting defined by IFRS 9 to these derivative financial instruments.

However, the main contractual criteria of the hedged item and the hedging instrument are identical but oppositely structured ("critical terms match"), ensuring an economic context for the hedging relationship. As of December 31<sup>st</sup> 2021 (as in the previous year as well), there were no derivative financial instruments for which no hedging relationships could be established.

A cash flow hedge is present if variable cash flows from recognized assets and/or liabilities or forecast business transactions that are subject to a market price risk are being hedged. If the requirements for a cash flow hedge are met, the effective portion of the change in the market value of hedging instruments must be recognized directly in consolidated equity. However, it is not recognized in profit or loss until the hedged transaction occurs. Where foreign currency hedges are used, subsequent changes in the market value of the derivatives are recognized in profit or loss. From that date, the change in the market value can be compared to the end-of-period closing rate of the foreign currency trade payables or foreign currency trade receivables. Any changes in earnings that are caused by the ineffectiveness of derivative financial instruments are recognized in profit or loss in the consolidated income statement.

To measure the effectiveness of a currency hedge, the hedged items and the hedging transactions are grouped together in so-called maturity bands according to the hedged risk. The maturity bands should not cover more than one quarter-year. The prospective effectiveness is assessed at the inception of the hedging relationship and reviewed at each measurement date as well as in the event of a significant change in the circumstances that affect the criteria for assessing effectiveness. In the case of interest rate hedges, prospective effectiveness is measured using a sensitivity analysis and retrospective effectiveness testing is performed using the dollar offset approach.

Derivatives are measured at fair value. The fair value is the market value and is determined using accepted methods of financial mathematics. The basis for measuring the derivatives is the market data (interest rate, exchange rates, etc.) prevailing on the reporting date. The forward rate applicable on the reporting date is used for measuring forward currency transactions. In the case of positive market values, the credit rating of the counterparty is included in the measurement by means of a credit value adjustment (CVA). In the case of negative market values, a debit value adjustment (DVA) is deducted in order to account for the group's own risk of default. Special models are used to estimate the measurement. They are checked for plausibility by means of bank valuations.

The following derivative financial instruments used as **hedging instruments** were employed as of December 31<sup>st</sup> 2021 and December 31<sup>st</sup> 2020, respectively:

12/31/2021	Currency	Notional amount in 1000 local currency	Market values in EURk	Exposures in EURk	Term up to 1 year	Average foreign exchange rate	Term 1 - 5 years	Average foreign exchange rate
<b>Forward currency transactions</b>	USD	60,000	-787	46,156	60,000	0.77	-	-
	JPY	600,000	30	-35,946	600,000	65.79	-	-
	CAD	49,000	116	68,080	49,000	-	-	-
	GBP	38,000	-411	88,909	38,000	0.85	-	-
	CHF	19,744	-133	36,270	19,744	1.04	-	-
	AUD	51,000	-418	83,157	51,000	1.58	-	-
	NZD	14,000	48	15,975	14,000	1.67	-	-
		Notional amount in 1000 local currency	Market values in EURk	Exposures in EURk	Term up to 1 year	Average interest rate	Term 1 - 5 years	Average interest rate
<b>Interest rate swaps</b>		166,144	2,979	0	893	2.11%	165,221	0.25%
12/31/2020	Currency	Notional amount in 1000 local currency	Market values in EURk	Exposures in EURk	Term up to 1 year	Average foreign exchange rate	Term 1 - 5 years	Average foreign exchange rate
<b>Forward currency transactions</b>	USD	20,000	1,999	117,755	20,000	1.09	-	-
	JPY	4,266,000	-840	-7,354	4,266,000	123.47	-	-
	CAD	0	0	40,884	0	-	-	-
	GBP	17,000	168	78,226	17,000	0.89	-	-
	CHF	8,200	25	22,224	8,200	1.08	-	-
	AUD	50,000	-745	95,173	50,000	1.63	-	-
	NZD	8,000	-60	12,248	8,000	1.73	-	-
	PLN	0	0	15,155	0	-	-	-
	ZAR	0	0	12,912	0	-	-	-
	CNY	0	0	-5,743	0	-	-	-
		Notional amount in 1000 local currency	Market values in EURk	Exposures in EURk	Term up to 1 year	Average interest rate	Term 1 - 5 years	Average interest rate
<b>Interest rate swaps</b>		108,167	-1,145	0	893	2.11%	107,275	0.39%

In cash flow hedge accounting, both variable future cash flows arising from non-current liabilities with maturity dates up to 2024 or up to 2026 and future operating cash flows (receipts as well as payments) planned for the next twelve months are hedged.

At the reporting date, the amounts relating to items designated as hedged **items** were as follows.

EURk	Cash flow hedge reserve	Costs of hedging hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
<b>12/31/2021</b>			
<b>Foreign currency risk</b>			
Sales and receivables	-1,242	486	0
Inventory purchases	144	0	0
<b>Interest rate risk</b>			
Variable-rate instruments	1,985	0	0
<b>Total</b>	<b>887</b>	<b>486</b>	<b>0</b>
<b>12/31/2020</b>			
<b>Foreign currency risk</b>			
Sales and receivables	22	-102	0
Inventory purchases	-154	0	0
<b>Interest rate risk</b>			
Variable-rate instruments	-806	0	0
<b>Total</b>	<b>-938</b>	<b>-102</b>	<b>0</b>

The **hedging transactions** designated as of the reporting date are composed of the following:

EURk	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets	Liabilities	
<b>12/31/2021</b>				
<b>Foreign currency risk</b>				
Foreign currency forwards - sales and receivables	183,302	349	-1,934	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	4,615	36	-6	Other current assets, other current liabilities
<b>Interest rate risk</b>				
Interest rate swaps	166,114	3,026	-48	Other current liabilities
<b>Total</b>	<b>354,031</b>	<b>3,411</b>	<b>-1,988</b>	

EURk	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets	Liabilities	
<b>12/31/2020</b>				
<b>Foreign currency risk</b>				
Foreign currency forwards - sales and receivables	78,620	2,193	-806	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	34,128	1,660	-2,500	Other current assets, other current liabilities
<b>Interest rate risk</b>				
Interest rate swaps	108,167	0	-1,145	Other current liabilities
<b>Total</b>	<b>220,915</b>	<b>3,853</b>	<b>-4,451</b>	

The **cash flow hedge reserve** and the **reserve for hedging costs** (after taxes) developed as follows:

EURk	Reserve for hedging costs	Cash flow hedge reserve	Total
As of 1/1/2020	-314	278	-36
<b>Amount reclassified to the income statement</b>			
Realization of hedged item (recognized in revenues - currency risk)	0	-220	-220
Realization of hedged item (recorded in net interest income - currency risk)	314	0	314
Realization of hedged item (recorded in net interest income - interest rate risk)	0	215	215
<b>Inventories</b>			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-71	-71
<b>Change in fair value</b>			
Addition - interest rate risk	0	-887	-887
Addition - currency risk	-102	-253	-355
Cash flow hedge reserve from initial consolidation	0	0	0
<b>Balance as of 12/31/2020 = balance as of 1/1/2021</b>	<b>-102</b>	<b>-938</b>	<b>-1,040</b>

EURk	Reserve for hedging costs	Cash flow hedge reserve	Total
<b>Amount reclassified to the income statement</b>			
Realization of hedged item (recognized in revenues - currency risk)	0	-1,265	-1,265
Realization of hedged item (recorded in net interest income - currency risk)	102	0	102
Realization of hedged item (recorded in net interest income - interest rate risk)	0	373	373
<b>Inventories</b>			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	156	156
<b>Change in fair value</b>			
Addition - interest rate risk	0	2,417	2,417
Addition - currency risk	486	143	629
Cash flow hedge reserve from initial consolidation	0	0	0
<b>As of 12/31/2021</b>	<b>486</b>	<b>886</b>	<b>1,372</b>

As of December 31<sup>st</sup> 2020, ineffective components of the derivative financial instruments classified as cash flow hedges yielded a net result (after taxes) of EUR 0k (previous year: EUR 0k).

#### FORWARD CURRENCY TRANSACTIONS

The PIERER Mobility Group enters into forward currency transactions to hedge intended future revenue and cost of materials denominated in foreign currency against the risk of exchange rate fluctuations.

#### INTEREST RATE SWAPS

In order to control the interest rate risk in relation to variable euro interest rates, amortizing interest rate swaps with a nominal value of EUR 50,000k and a term of 10 years were entered into during the 2021 financial year. In 2020, USD interest rate swaps with a nominal value of USD 130,000k and a term of 5 years were concluded to hedge variable USD financing.

As of December 31<sup>st</sup> 2021, the outstanding notional amount was EUR 166,114k (previous year: EUR 108,167k).

In the 2021 financial year, EUR -365k (previous year: EUR 262k) from the measurement of interest rate swaps were recorded in the income statement.

## 46. CAPITAL MANAGEMENT

The aim of the group is to preserve a strong capital structure in order to maintain investor, creditor and market confidence and to ensure the company's sustainable development. The Executive Board regularly monitors the return on capital as well as the amounts of the dividends that will be paid to the holders of ordinary shares.

The strategy of the PIERER Mobility Group aims to ensure that PIERER Mobility AG and the other group companies have an equity base that meets the local requirements. The principal key figures used for capital management control are equity ratio, net financial debt, gearing and the dynamic debt level. Some loan agreements include financial covenants regarding the equity ratio and dynamic debt level, non-compliance with which would lead to a premature repayment of the financial liabilities. All financial covenants were met in the reporting year.



The **equity ratio** is as follows:

EURk	12/31/2021	12/31/2020
Equity	765,551	654,119
Balance sheet total	2,033,719	1,686,034
<b>Equity ratio</b>	<b>37.6%</b>	<b>38.8%</b>

The **net financial debt** is defined on the basis of the current and non-current financial liabilities (bonds, loans, lease liabilities and other interest-bearing liabilities) minus cash and cash equivalents. The objectives in this regard are to secure liquidity in the long term, the efficient use of external financing, and minimizing the financial risk while simultaneously optimizing returns.

EURk	12/31/2021	12/31/2020
Non-current financial liabilities	506,539	456,089
Current financial liabilities	56,847	74,594
Cash and cash equivalents	563,386	530,683
	-373,509	-218,270
<b>Net financial debt</b>	<b>189,877</b>	<b>312,413</b>

The key figures of “**gearing**” (ratio of net debt to equity) and “**dynamic debt level**” (ratio of net financial debt to EBITDA) for monitoring the capital are as follows:

EURk	12/31/2021	12/31/2020
Equity	765,551	654,119
Net financial debt	189,877	312,413
<b>Gearing</b>	<b>24.8%</b>	<b>47.8%</b>

EURk	12/31/2021	12/31/2020
Net financial debt	189,877	312,413
EBITDA	332,202	233,530
<b>Dynamic debt level</b>	<b>0.6</b>	<b>1.3</b>

## IX. LEASES

### 47. LEASES AS LESSEE (IFRS 16)

The PIERER Mobility Group has concluded rental and lease agreements for the use of land, operating and administrative buildings, or office space and storage areas, machines (including CNC machines) and in respect of the vehicle fleet.

The PIERER Mobility Group also leases IT equipment with contractual terms of between one and five years. These rental and lease agreements are short-term and/or for items of low value. The group has exercised the option under IFRS 16.5-8 and has not recognized any rights of use or leasing liabilities for these rental and lease agreements.

Since the 2016 financial year, leasing contracts have been concluded for tools (special leasing) and machines with terms of 3-10 years.

### Rights of use and leasing liabilities

The carrying value of the rights of use is as follows:

EURk	Land and buildings	Technical plant and machinery	Fixtures and fitting, tools and equipment (incl. Motor vehicles)	TOTAL
<b>2021</b>				
As of 1/1	29,991	16,180	13,891	60,062
- Depreciation and amortization	-8,399	-5,429	-6,480	-20,308
+ Additions right-of-use assets	8,975	6,792	8,859	24,626
- Disposals right-of-use assets	-1,419	0	-285	-1,704
+/- Currency effects, reclassifications	121	-16	105	210
<b>Carrying amount as of 12/31/2021</b>	<b>29,269</b>	<b>17,527</b>	<b>16,090</b>	<b>62,886</b>
<b>2020</b>				
As of 1/1	28,073	15,803	16,303	60,180
- Depreciation and amortization	-6,898	-5,668	-6,188	-18,754
+ Additions right-of-use assets	8,905	6,162	4,417	19,484
- Disposals right-of-use assets	-45	-115	-547	-707
+/- Currency effects, reclassifications	-44	-2	-94	-140
<b>Carrying amount as of 12/31/2020</b>	<b>29,991</b>	<b>16,180</b>	<b>13,891</b>	<b>60,062</b>

The cash value of the minimum lease payments is as follows:

EURk	Future minimum lease payments	Interest payments	Present value of future minimum lease payments
<b>2021</b>			
Up to 1 year	20,706	797	19,909
Longer than 1 year and up to 5 years	36,336	1,552	34,783
Over 5 years	14,069	3,319	10,750
<b>TOTAL</b>	<b>71,111</b>	<b>5,668</b>	<b>65,442</b>
<b>2020</b>			
Up to 1 year	20,285	794	19,491
Longer than 1 year and up to 5 years	34,601	1,558	33,042
Over 5 years	12,693	3,499	9,194
<b>TOTAL</b>	<b>67,579</b>	<b>5,851</b>	<b>61,727</b>

Payment obligations under leases are disclosed in the consolidated statement of financial position under financial liabilities, see Note 32.

**Amounts recognized in the income statement and statement of cash flows**

<b>2021 - Leases according to IFRS 16</b>		<b>EURk</b>
Interest expenses on lease liabilities		895
Income from sublease of right-of-use assets		208
Expenses relating to short-term leases		3,787
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets		9,482
<b>2020 - Leases according to IFRS 16</b>		<b>EURk</b>
Interest expenses on lease liabilities		968
Income from sublease of right-of-use assets		213
Expenses relating to short-term leases		3,802
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets		9,426

The expenses for leases for low-value assets relate to rental and lease agreements for IT equipment.

The statement of cash flows recorded cash outflows for leases in the amount of EUR 32,387k (previous year: EUR 32,804k), of which EUR 18,431k (previous year: EUR 18,821k) are for the repayment of lease liabilities and EUR 13,956k (previous year: EUR 13,983k) are for short-term and lower-value leases as well as interest expenses and income from subleases of rights of use.

**Options for prolongation**

Some rental and lease agreements contain options for prolongation, which can be exercised by the group up to one year before the end of the fixed term. Wherever possible, the group seeks to include options for prolongation when concluding new rental contracts and leases in order to ensure operational flexibility. On the date of provision, the group assesses whether the right to exercise options for prolongation is sufficiently certain. The group reassesses whether it is reasonably certain that an option for prolongation will be exercised if a material event or change in circumstances occurs that is within its control.

**48. LEASES AS LESSOR (IFRS 16)**

From the lessor's perspective, all leases are classified as operating leases, as they are structured in such a way that the PIERER Mobility Group essentially retains all the risks and opportunities associated with ownership.

This does not include three subleases, which the group has classified as finance leases. These relate to the sublease of buildings, which were reported as rights of use under property, plant and equipment. One of these three subleases was newly concluded and accounted for in the 2021 financial year.

In addition, the group recorded interest income on leasing receivables in 2021 in the amount of EUR 8k (previous year: EUR 10k). The leasing receivables from subleases amounted to EUR 850k as of December 31<sup>st</sup> 2021 (previous year: EUR 590k). Of these, EUR 327k (previous year: EUR 293k) is due in less than one year and EUR 523k (previous year: EUR 297k) in 1-5 years.

## X. EXPLANATIONS REGARDING RELATED PARTIES AND THE CORPORATE BODIES

### 49. RELATED PARTY DISCLOSURES

According to the provisions of IAS 24, details of related party transactions are to be provided.

On the reporting date of December 31<sup>st</sup> 2021, 73.32% of the shares of PIERER Mobility AG were held by PIERER BAJAJ AG (formerly: PTW Holding AG), which is 50.10% owned by Pierer Industrie AG. Furthermore, Pierer Konzerngesellschaft mbH holds 2.58% of the shares in PIERER Mobility AG. Pierer Industrie AG is 100.00% owned by Pierer Konzerngesellschaft mbH. The sole shareholder of Pierer Konzerngesellschaft mbH is Stefan Pierer.

Stefan Pierer held the following key positions in the Pierer Konzerngesellschaft mbH Group as at December 31<sup>st</sup> 2021:

- Chairman of the Executive Board of Pierer Industrie AG, Wels
- Chairman of the Executive Board of Pierer Bajaj AG, Wels
- Chairman of the Executive Board of PIERER Mobility AG, Wels
- Chairman of the Executive Board of KTM AG, Mattighofen
- Chairman of the Supervisory Board of Pankl AG, Kapfenberg
- Chairman of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg
- Member of the Supervisory Board of SHW AG, Aalen, Germany
- Chairman of the Supervisory Board of WESTPARK WELS AG, Wels

In the PIERER Mobility Group, transactions with related parties are grouped according to “shareholder-related companies”, “associates” and “other companies”.

PIERER Mobility AG is part of the same group as Pierer Konzerngesellschaft mbH, the ultimate parent company of the group, and its subsidiaries and is included within the consolidated financial statements of that group. All the companies included within the consolidated financial statements of Pierer Konzerngesellschaft mbH and controlled by Pierer Konzerngesellschaft mbH are shown as related companies in the “shareholder-related companies” category.

Associates can be seen from the schedule of equity holdings (see Chapter XII) and concern all investments accounted for using the equity method.

Other companies are defined as all companies controlled by key management. PIERER Mobility AG principally defines key management as members of the Executive Board and Supervisory Board and, where appropriate, further managers in key positions who may exert a significant influence on the finance and business policy decisions of the group. In addition, family members of key management and their companies are also taken into account.

In the 2021 financial year and in the previous year, there were no material transactions with related parties (apart from Executive Board and Supervisory Board earnings, see Note 51.). The business transactions with related companies are represented as follows according to the grouping described:

All transactions with related companies were carried out at arm’s length. Material business relationships are disclosed below:

EURk	Shareholder related companies		Associated companies		Other companies	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Receivables</b>	32,013	11,544	11,494	5,118	2,474	2,056
<b>Liabilities</b>	-12,890	-10,390	-2,752	-1,630	-9,849	-609
<b>Revenues</b>	2,551	822	35,291	17,508	17,835	14,858
<b>Expenses</b>	-118,548	-48,915	-32,365	-22,371	-223,712	-143,427
<b>Dividend</b>	-7,372	0	0	0	0	0

**SHAREHOLDER-RELATED COMPANIES:**

Since the investment in 2014, PIERER Mobility AG has been a group member of Pierer Konzerngesellschaft mbH, Wels, in accordance with Section 9 of the Austrian Corporate Tax Act (KStG). KTM AG has been a member of this tax group within the meaning of the Austrian Corporate Tax Act since 2017. The taxable incomes of the group members are allocated to the group parent. The tax compensation between the group parent and each individual group member was regulated by a group taxation and tax transfer agreement. Tax losses are reserved at the level of the respective subsidiaries and can be offset at this level against future tax profits.

In the 2021 financial year, expenses totaling EUR 33,078k were incurred with Pierer Konzerngesellschaft mbH (previous year: EUR 6,925k) and earnings amounting to EUR 2k were incurred (previous year: EUR 822k). Furthermore, as at the reporting date, there were outstanding liabilities amounting to EUR 8,233k (previous year: EUR 2,920k) and receivables of EUR 257k (previous year: EUR 1k).

Since October 1<sup>st</sup> 2018, Pierer Industrie AG has formed a tax group for VAT purposes with the PIERER Mobility Group. As of the reporting date, the PIERER Mobility Group had receivables totaling EUR 8,933k (previous year: EUR 5,783k), in particular from the tax group settlement with Pierer Industrie AG.

In the 2021 financial year, Pierer Bajaj AG received dividends in the amount of EUR 6,762k, Pierer Konzerngesellschaft mbH received dividends in the amount of EUR 483k and Pierer Industrie AG received dividends in the amount of EUR 128k from PIERER Mobility AG from the previous financial year. In the previous year, no dividend was distributed to shareholders by PIERER Mobility AG.

As of December 31<sup>st</sup> 2021, KTM North America, Inc., USA had outstanding receivables from PIERER ImmoReal North America, LLC., USA, from various recharges of EUR 3,076k (previous year: EUR 679k). In addition, the company was granted a credit facility by KTM AG of USD 40,000k for the construction of office and operating buildings in North America. As of December 31<sup>st</sup> 2021, EUR 14,449k of this had been utilized.

Other transactions with shareholder-related companies on the expenses side mainly concern the Pankl Racing Group, which acts as a supplier of purchased parts for the KTM group. The Pankl Racing Group is part of the Pierer Industrie Group and is controlled via Pankl AG.

**ASSOCIATES:**

Expenses of EUR 14,210k were incurred for services provided by Kiska GmbH during the financial year (previous year: EUR 12,760k). As of December 31<sup>st</sup> 2021, accounts payable to Kiska GmbH were EUR 2,572k (previous year: EUR 1,015k). Other expenses relate to transactions with KTM Asia Motorcycle Manufacturing Inc. of the Philippines.

Receivables and income from associates largely relate to transactions with KTM Asia Motorcycle Manufacturing Inc. and Zhejiang CFMOTO-KTMR2R Motorcycles Co.

**OTHER COMPANIES:**

Cooperation with the Indian Bajaj group has been in place since 2007. The Bajaj group is India's second largest motorcycle manufacturer in of motorcycles and three wheelers, selling approximately 3.9 million units in the last financial year (reporting date: March 31<sup>st</sup> 2021). The cooperation focuses on the joint development of entry level street motorcycles, which are produced in India and distributed under the "KTM" brand by both companies in their respective core markets.

The Deputy Chairman of the Supervisory Board of KTM AG, Rajiv Bajaj, is Managing Director and CEO of Bajaj Auto Ltd., Pune, India. Srinivasan Ravikumar, a member of the Supervisory Board of KTM AG, is a director of Bajaj Auto International Holdings B.V., Amsterdam, Netherlands, and President of Business Development and Assurance, Bajaj Auto Ltd., Pune, India. Following the simplification of the ownership structure in the 2021 financial year, Bajaj Auto International Holdings B.V., a subsidiary of Bajaj Auto Ltd., now owns 49.9% of Pierer Bajaj AG, which in turn is the majority shareholder (73.32%) of PIERER Mobility AG. Bajaj Auto International Holdings B.V. had a direct interest of 47.99% in KTM AG in the previous year. In the course of this restructuring, 161,939 treasury shares in KTM AG were purchased at a purchase price of EUR 179.00 per share from Bajaj Auto International Holdings B.V. and repurchased with effect from December 18<sup>th</sup> 2021. As of December 31<sup>st</sup> 2021, there was a liability to Bajaj Auto Ltd. of EUR 9,681k (previous year: EUR 211k). The expenses in the category "Other companies" also largely relate to Bajaj Auto Ltd.

Third-party deliveries of motorcycles and spare parts were made to dealers (KTM Braumandl GmbH, MX - KTM Kini GmbH, SO Regensburg GmbH, KTM Wien GmbH). Revenues and receivables from other companies mainly relate to transactions with these dealers. The minority interests in the dealers are held via Pierer Industrie AG.

## 50. CORPORATE BODIES OF PIERER MOBILITY AG

The following individuals were appointed as **members of the Executive Board** with collective power of representation:

Stefan **Pierer**, CEO  
 Friedrich **Roithner**, CFO  
 Hubert **Trunkenpolz**, CSO  
 Viktor **Sigl**, MBA

The following individuals were appointed as members of the **Supervisory Board**:

Josef **Blazicek**, Chairman  
 Dr. Ernst **Chalupsky**, Deputy Chairman  
 Klaus **Rinnerberger**  
 Alfred **Hörtenhuber**

## 51. EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

The **remuneration for the Executive Board** 2021 of PIERER Mobility AG includes salaries, benefits in kind, bonuses, severance payments as well as payments into the company's staff severance pay fund and amounted to EUR 8,256k (previous year: EUR 4,535k). Furthermore, earnings from previous periods for members of the Executive Board did not result in any subsequent payment. In addition, there are no agreements regarding a company retirement scheme for the Executive Board and no pension fund payments were made to the Executive Board in the 2021 financial year.

It is proposed that the **remuneration to be paid to the Supervisory Board** of PIERER Mobility AG for the 2021 financial year (payout in the 2022 financial year) shall amount to a total of EUR 73k (previous year: EUR 57k).

No loans or advances have been granted to the members of the Supervisory Board of PIERER Mobility AG as of the reporting date.

## XI. EVENTS AFTER THE REPORTING DATE

On January 20<sup>th</sup> 2022, the 3<sup>rd</sup> reading in the National Council resolved to reduce the corporate income tax rate to 24% from 2023 and to 23% from 2024 onward. In the coming years, this will have an estimated effect of around EUR 8 million on the assessment of deferred taxes in the form of a reduction in deferred tax liabilities.

PIERER Mobility AG announced on January 27<sup>th</sup> 2022 via a press release that it was applying for the admission of its shares to the official trading (prime market segment) of the Vienna Stock Exchange. The admission to trading in the prime market of the Vienna Stock Exchange took place on March 1<sup>st</sup> 2022, which means that PIERER Mobility AG is now also listed in the top segment of the Vienna Stock Exchange. As Europe's leading "Powered Two-Wheeler" (PTW) manufacturer with a market capitalization of over EUR 3 billion, the PIERER Mobility Group thus joins the league of the 39 largest and most traded companies on the Vienna Stock Exchange. This step is intended to satisfy the great level of interest among investors in Austria and abroad. The primary listing of the shares of PIERER Mobility AG (ISIN: AT0000KTM102) will remain with the SIX Swiss Exchange.

There have been military conflicts between Russia and Ukraine since February 24, 2022. PIERER Mobility AG has no investments, other assets or other significant business relationships in either country. Therefore, there are no significant financial effects on the financial statements of PIERER Mobility AG as of December 31, 2021.

## XII. GROUP COMPANIES (SCHEDULE OF EQUITY HOLDINGS)

The schedule of equity holdings comprises all companies that have been included in the consolidated financial statements in addition to the parent companies.

Company	Initial consolidation date	12/31/21		12/31/20	
		Interest %	Consolidation type	Interest %	Consolidation type
<b>Fully consolidated companies</b>					
KTM AG, Mattighofen	5/31/2005	99.75	FC	51.71	FC
KTM Immobilien GmbH, Mattighofen	5/31/2005	99.75	FC	51.71	FC
KTM North America, Inc., Amherst, Ohio, USA	5/31/2005	99.75	FCA	51.71	FCA
KTM-Motorsports Inc., Murrieta, CA, USA	5/31/2005	99.75	FCA	51.71	FCA
KTM Japan K.K., Tokyo, Japan	5/31/2005	99.75	FCA	51.71	FCA
KTM-Racing AG, Frauenfeld, Switzerland	5/31/2005	99.75	FCA	51.71	FCA
KTM Sportcar GmbH, Mattighofen	5/31/2005	99.75	FC	51.71	FC
KTM Motorcycles S.A. Pty. Ltd., Midrand, South Africa	3/1/2009	99.75	FCA	51.71	FCA
KTM Sportmotorcycle Mexico C.V. de S.A., Lerma, Mexico	6/1/2009	99.75	FCA	51.71	FCA
KTM Sportmotorcycle GmbH, Mattighofen	3/31/2011	99.75	FC	51.71	FC
KTM-Sportmotorcycle India Private Limited, Pune, India	6/1/2012	99.75	FCA	51.71	FCA
Husqvarna Motorcycles GmbH, Mattighofen	1/1/2013	99.75	FC	51.71	FC
KTM Sportmotorcycle Deutschland GmbH, Ursensollen, Germany	12/31/2013	99.75	FCA	51.71	FCA
KTM Switzerland Ltd., Frauenfeld, Switzerland	12/31/2013	99.75	FCA	51.71	FCA
KTM Sportmotorcycle UK Ltd., Northamptonshire, UK	12/31/2013	99.75	FCA	51.71	FCA
KTM-Sportmotorcycle Espana S.L., Terrassa, Spain	12/31/2013	99.75	FCA	51.71	FCA
KTM Sportmotorcycle France SAS, Saint-Priest, France	12/31/2013	99.75	FCA	51.71	FCA
KTM Sportmotorcycle Italia S.r.l., Meran, Italy	12/31/2013	99.75	FCA	51.71	FCA
KTM-Sportmotorcycle Nederland B.V., Malden, Netherlands	12/31/2013	99.75	FCA	51.71	FCA
KTM Sportmotorcycle Scandinavia AB, Örebro, Sweden	12/31/2013	99.75	FCA	51.71	FCA
KTM-Sportmotorcycle Belgium S.A., Gembloux, Belgium	12/31/2013	99.75	FCA	51.71	FCA
KTM Canada Inc., Chambly, Canada	12/31/2013	99.75	FCA	51.71	FCA
KTM Hungária Kft., Budapest, Hungary	12/31/2013	99.75	FCA	51.71	FCA
KTM Central East Europe s.r.o., Bratislava, Slovakia	12/31/2013	99.75	FCA	51.71	FCA
KTM Österreich GmbH, Mattighofen	12/31/2013	99.75	FC	51.71	FC
KTM Nordic Oy, Vantaa, Finland	12/31/2013	99.75	FCA	51.71	FCA
KTM Sportmotorcycle d.o.o., Marburg, Slovenia	12/31/2013	99.75	FCA	51.71	FCA
KTM Czech Republic s.r.o., Pilsen, Czech Republic	12/31/2013	99.75	FCA	51.71	FCA
KTM Sportmotorcycle SEA PTE. Ltd., Singapore, Singapore	1/1/2014	99.75	FCA	51.71	FCA
Husqvarna Motorcycles Deutschland GmbH, Ursensollen, Germany	12/31/2013	-	-	51.71	FCA
Husqvarna Motorcycles North America, Inc., Murrieta, CA, USA	12/1/2013	99.75	FCA	51.71	FCA
Husqvarna Motorsports, Inc., Murrieta, CA, USA	4/1/2015	99.75	FCA	51.71	FCA
Husqvarna Motorcycles S.A. Pty. Ltd., Northriding, South Africa	4/1/2015	99.75	FCA	51.71	FCA

Company	Initial consolidation date	12/31/21		12/31/20	
		Interest %	Consolidation type	Interest %	Consolidation type
KTM Logistikzentrum GmbH, Mattighofen	9/16/2016	99.75	FC	51.71	KVI
WP Suspension GmbH, Mattighofen	11/30/2016	99.75	FC	51.71	FC
KTM Sportmotorcycle MEA DMCC, Dubai	11/30/2016	-	-	51.71	FCA
WP Suspension North America, Inc., Murrieta, CA, USA	8/31/2017	99.75	FCA	51.71	FCA
KTM do Brasil Ltda., Sao Paulo, Brazil	12/31/2017	99.75	FCA	51.71	FCA
KTM Components GmbH, Munderfing	11/30/2007	99.75	FC	51.71	FC
WP Immobilien GmbH, Munderfing	4/30/2005	99.75	FC	51.71	FC
KTM Beteiligungs GmbH, Mattighofen	4/30/2018	99.75	FC	51.71	FC
KTM Australia Holding Pty Ltd., Prestons, Australia	7/1/2019	99.75	FCA	51.71	FCA
KTM Australia Pty Ltd., Prestons, Australia	7/1/2019	99.75	FCA	51.71	FCA
HQVA Pty Ltd., Prestons, Australia	7/1/2019	99.75	FCA	51.71	FCA
KTM Motorcycles Distributers NZ Limited Wellington Central, New Zealand	7/1/2019	99.75	FCA	51.71	FCA
Cero Design Studio S.L., Barcelona, Spain	10/1/2019	49.88	FCA	25.86	FCA
GASGAS Motorcycles GmbH, Mattighofen	10/31/2019	99.75	FC	51.71	FC
GASGAS Motorcycles Espana S.L.U. (formerly: Canepa Investments S.L.), Terrassa, Spain	1/1/2020	99.75	FCA	51.71	FCA
KTM MOTOHALL GmbH, Mattighofen	1/1/2020	89.78	FC	46.54	FC
KTM Racing GmbH, Mattighofen	2/29/2020	99.75	FC	51.71	FC
KTM Forschungs & Entwicklungs GmbH, Mattighofen, Austria	3/31/2021	99.75	FC	-	-
PIERER E-Bikes GmbH, Munderfing	2/25/2020	100.00	FC	100.00	FC
bikes&wheels 2 Radhandels GmbH (formerly: (4) SPORTS GmbH), Wels	4/30/2020	-	-	100.00	FC
PIERER E-Bikes Deutschland GmbH (formerly: PEXCO GmbH), Schweinfurt, Germany	12/31/2019	100.00	FCA	100.00	FCA
PIERER E-Bikes Suisse GmbH (formerly: bikes&wheels Suisse GmbH), Frauenfeld, Switzerland	12/31/2019	100.00	FCA	100.00	FCA
PEXCO France SAS, Saint-Priest, France	12/31/2019	-	-	100.00	FCA
PIERER E-Bikes Espana S.L. (formerly: bikes&wheels 2RUEDAS Espana S.L.), Terrassa, Spain	12/31/2013	100.00	FCA	100.00	FCA
PIERER E-Bikes France SAS (formerly: bikes&wheels France SAS), Saint-Priest, France	12/31/2013	100.00	FCA	100.00	FCA
PIERER E-Bikes Italia S.r.l. (formerly: bikes&wheels Italia S.r.l.), Meran, Italy	12/31/2013	100.00	FCA	100.00	FCA
PIERER E-Bikes Scandinavia AB (formerly: bikes&wheels Scandinavia AB), Örebro, Sweden	12/31/2013	100.00	FCA	100.00	FCA
PIERER E-Bikes North America Inc. (formerly: bikes&wheels North America Inc.), Murrieta, CA, USA	10/1/2020	100.00	FCA	100.00	FCA
PIERER E-Bikes UK Ltd. (formerly: Husqvarna Motorcycles UK Ltd.), Northamptonshire, UK <sup>1)</sup>	12/31/2013	100.00	FCA	51.71	FCA
PIERER E-Bikes Benelux, Gembloux, Belgium	11/29/2021	100.00	FCA	-	-
Felt GmbH, Munich, Germany	11/17/2021	100.00	FCA	-	-
PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria	7/21/2021	50.00	FCA	-	-
HDC GmbH (formerly: PF Beteiligungsverwaltungs GmbH), Wels	12/31/2016	100.00	FC	100.00	FC
KTM E-Technologies GmbH (formerly: KTM Technologies GmbH), Anif	10/1/2019	100.00	FC	74.00	FC



Company	Initial consolidation date	12/31/21		12/31/20	
		Interest %	Consolidation type	Interest %	Consolidation type
KTM Innovation GmbH, Wels	3/31/2018	100.00	FC	100.00	FC
Avocado GmbH, Linz	4/30/2019	100.00	FC	100.00	FC
Platin 1483. GmbH, Schweinfurt, Germany	12/31/2019	100.00	FCA	100.00	FCA
DealerCenter Digital GmbH, Landshut, Germany	7/31/2021	75.46	FCA	45.00	IEA

**Associated companies:**

KTM Asia Motorcycle Manufacturing Inc., Binan, Laguna, Philippines	-	39.90	IEA	17.58	IEA
Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Hangzhou City, Zhejiang, China	-	48.88	IEA	25.34	IEA
Kiska GmbH, Anif	-	50.00	IE	50.00	IE

**Other non-current financial assets:**

Wethje Immobilien GmbH, Vilshofen-Pleinting, Germany	-	-	-	6.00	-
AC styria Mobilitätscluster GmbH, Grambach	-	12.33	-	12.33	-

<sup>1)</sup> held via the KTM Group in the previous year

## Legend:

FC Full consolidation, domestic

FCA Full consolidation, foreign

IE Inclusion at equity, domestic

IEA Inclusion at equity, foreign

## XIII. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

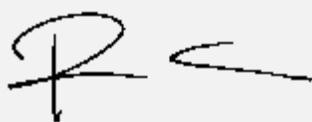
The consolidated financial statements were approved by the Executive Board on March 22<sup>nd</sup> 2022 (previous year: March 23<sup>rd</sup> 2021) for review by the Supervisory Board, for submission to the annual general meeting and for subsequent publication. Within the scope of the review it is required to perform, the Supervisory Board may require changes to be made to the consolidated financial statements.

Wels, March 11<sup>th</sup> 2022

The Executive Board of PIERER Mobility AG



Stefan Pierer



Friedrich Roithner



Hubert Trunkenpolz



Viktor Sigl

## AUDITOR'S REPORT

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### AUDIT OPINION

We have audited the consolidated financial statements of

**PIERER Mobility AG, Wels, Austria,**

and its subsidiaries („the Group“), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

#### BASIS FOR OUR OPINION

We conducted our audit in accordance with the EU Regulation 537/2014 („AP Regulation“) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities“ section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

#### RECOGNITION OF DEVELOPMENT COSTS

Refer to note 22

**Risk for the Consolidated Financial Statements**

In the consolidated financial statements of PIERER Mobility AG, development costs of EUR 353 million are reported under the balance sheet item „Intangible assets“ and therefore represent a significant portion of the group's assets. According to IAS 38, the Group recognizes research costs as expenses, while development costs for future serial products are capitalized if the capitalization requirements according to IAS 38.57ff. are fulfilled.

The main requirements for recognizing development costs as assets are the feasibility of the development projects (including the possibility of technical realization, the intention to complete and the ability to use) and the expected achievement of future economic benefits. The complexity of research and development projects is increasing due to the group's technology leadership as the leading powered two-wheeler manufacturer in Europe and the associated new development projects (including investments in electromobility and a range of zero-emission products). The assessment of project feasibility plays an important role in this context and is subject to discretionary decisions by management.

In addition to meeting the recognition requirements in accordance with IAS 38.57ff. the recording of time and cost for development projects also plays an important role in accurately calculating development costs.

### Our Response

We assessed the recognition of development costs as follows:

- We obtained an understanding of management's process for the distinction between research and development costs and the evaluation of the recognition requirements of development costs according to IAS 38.57ff.
- We evaluated the design, establishment and effectiveness of management's process-related controls over the capitalization of development costs, including review of management's project feasibility documentation.
- We assessed, on the basis of random samples, whether a proper distinction has been made between research and development costs capitalized as intangible assets.
- We evaluated, on a sample basis, the adequacy of capitalized expenses by reconciling material costs, overheads and accumulated engineering hours to external invoices and internal timesheets and payslips.

## OTHER INFORMATION

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. Until the date of this report we have received the following chapters of the annual report: corporate governance report and report of the supervisory board. The remaining parts of the annual report will probably be made available to us after this date.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If, on the basis of our work on the other information obtained before the date of the auditor's report, we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

# REPORT ON OTHER LEGAL REQUIREMENTS

## GROUP MANAGEMENT REPORT

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

### Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

### Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

## ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 AP REGULATION

We were elected as auditors at the Annual General Meeting on 29 April 2021 and were appointed by the supervisory board on 29 September 2021 to audit the financial statements of Company for the financial year ending on 31 December 2021.

We have been auditors of the Company, without interruption, since the consolidated financial statements as at 31 December, 2014.

We declare that our opinion expressed in the „Report on the Consolidated Financial Statements“ section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

## ENGAGEMENT PARTNER

The engagement partner is Mr Helge Löffler.

Linz, 11 March 2022

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

## STATEMENT BY THE EXECUTIVE BOARD

Pursuant to Section 124 (1) (3) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial and earnings position of the Group as required by the applicable accounting standards and that the consolidated management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

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, March 2022

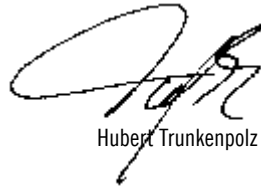
Executive Board



Stefan Pierer



Friedrich Roithner



Hubert Trunkenpolz



Viktor Sigl

## FINANCIAL CALENDAR

February 1, 2022	Announcement of preliminary annual results 2021
March 29, 2022	Publication of annual financial statements 2021
April 18, 2022	Record date annual general meeting
April 29, 2022	25 <sup>th</sup> annual general meeting
May 4, 2022	Ex-dividend date
May 5, 2022	Record date „dividends“
May 9, 2022	Dividend payment date
August 30, 2022	Report on the 1 <sup>st</sup> half-year 2022

### IMPRINT

Owner and publisher  
 PIERER Mobility AG  
 Edisonstrasse 1  
 4600 Wels, Austria  
 FN 78112 x / Wels Provincial and Commercial Court

### CONTACT

Michaela Friepess  
 Investor Relations, Sustainability  
  
 Telefon: +43 7242 69 402  
 E-Mail: [ir@pierermobility.com](mailto:ir@pierermobility.com)  
 Website: [www.pierermobility.com](http://www.pierermobility.com)

Concept and design: Grafik-Buero Elena Gratzner, 4615 Holzhausen, [www.grafik-buero.at](http://www.grafik-buero.at)

Photos: KTM archive, Husqvarna Motorcycles/Husqvarna E-Bicycles archive, WP archive, GASGAS archive, R Raymon

The present report has been prepared with the utmost care and the correctness of the data was checked. Nevertheless, slight differences in the calculations may arise as result of the summation of rounded amounts and percentages, and typographical and printing errors cannot be ruled out.

References to persons such as "employees" or "staff members" are intended to be gender-neutral and insofar as the contrary appears this is solely for purposes of legibility.

This report and the forward-looking statements it contains were prepared on the basis of all the data and information available at the time of going to press. However, we must point out that various factors may cause the actual results to deviate from the forward-looking statements given in the report.

This report is published in German and English. In the event of ambiguity, the German version shall take precedence.

# VICTORIES & SUCCESSES 2021

## KTM

### WORLD CHAMPIONS

**FIM Grand Prix World Championship Moto2™**  
Remy Gardner (AUS)

**FIM Grand Prix World Championship Moto3™**  
Pedro Acosta (ESP)

**FIM MXGP Motocross World Championship**  
Jeffrey Herlings (NLD)

**FIM Supercross World Championship**  
Cooper Webb (USA)

**FIM Rally World Championship**  
Matthias Walkner (AUT)

**FIM Enduro2 World Championship**  
Josep Garcia (ESP)

**FIM Flat Track World Championship**  
Lasse Kurvinen (FIN)

### MANUFACTURER'S TITLES

**FIM MXGP World Championship**

**FIM Supercross World Championship**

**FIM Rally World Championship**

**FIM Enduro2 World Championship**

**FIM Grand Prix World Championship Moto3™**

**FIM Moto3™ Junior World Championship**

### MOTOCROSS OF NATIONS

**MXoN Nation Winner**  
Italy all with KTM

**MX2 class Winner**  
Rene Hofer (AUT)

**MXGP class Winner**  
Jeffrey Herlings (NLD)

### INTERNATIONAL SIX DAYS ENDURO

**Individual Overall Winner**  
Josep Garcia (ESP)

**Women Trophy Winner**  
USA all with KTM & Husqvarna

**Individual Women Winner**  
Brandy Richards (USA)

**Manufacturer Team Award**  
Red Bull KTM Factory Racing (AUT)

### US CHAMPIONSHIPS

**Grand National Cross Country Overall Champion**  
Ben Kelly (USA)

**AMA Hard Enduro East Champion**  
Trystan Hart (CAN)

**National Grand Prix Champion**  
Dante Oliveira (USA)

**WORCS Champion**  
Dante Oliveira (USA)

**WORCS Pro-Am Champion**  
Brandy Richards (USA)

**National Enduro Pro 2 Champion**  
Jesse Ansley (USA)

**National Enduro Women Elite Champion**  
Mackenzie Tricker (AUS)

**AMA Extreme Grand Championship  
Women Pro**  
Shelby Turner (CAN)

**EnduroCross Junior Champion**  
Will Riordan (AUS)

**EnduroCross Women Pro Champion**  
Shelby Turner (CAN)

**WORCS Women Pro Champion**  
Brandy Richards (USA)

**National Grand Prix Women Pro Champion**  
Brandy Richards (USA)

**West Hare Scrambles Champion**  
Austin Serpa (USA)

**West Hare Scrambles Women Pro Champion**  
Kaitlyn Jacobs (USA)

### US MANUFACTURER'S TITLES

**Grand National Cross Country Series**

## HUSQVARNA MOTORCYCLES

### WORLD CHAMPIONS

**FIM Hard Enduro World Champion**  
Billy Bolt (GBR)

### US CHAMPIONSHIPS

**AMA Extreme Grand Championship**  
Billy Bolt (GBR)

**EnduroCross Champion**  
Colton Haaker (USA)

**GNCC XC3 125 Pro-Am Champion**  
Jonathan Johnson (USA)

**Sprint Enduro Women Pro Champion**  
Tayla Jones (AUS)

**Hare & Hound Women Pro Champion**  
Britney Gallegos (USA)

## GASGAS

### WORLD CHAMPIONS

**FIM Enduro1 World Championship**  
Andrea Verona (ITA)

**FIM Enduro Women World Championship**  
Laia Sanz (ESP)

**FIM Trial Women World Championship**  
Laia Sanz (ESP)

**FIM Trial 125 World Championship**  
Jack Dance (GBR)

**FIM Motocross 85 World Championship**  
Mattia Barbieri (ITA)

**FIM Moto3™ Junior World Championship**  
Daniel Holgado (ESP)

### MANUFACTURER'S TITLES

**FIM Enduro1 World Championship**

### US CHAMPIONSHIPS

**GNCC XC2 Pro 250 Champion**  
Johnny Girroir (USA)

**Sprint Enduro Pro 2 Champion**  
Johnny Girroir (USA)