

PIERER

Mobility AG

KTM

Husqvarna
MOTORCYCLES

GASGAS

REMUNERATION REPORT 2020

REMUNERATION REPORT OF PIERER MOBILITY AG FOR THE 2020 FINANCIAL YEAR

This remuneration report provides an overview of the remuneration principles and programs of PIERER Mobility AG. The remuneration report also describes the procedure for determining the level of remuneration and contains detailed information about the remuneration paid to the Executive Board and the Supervisory Board in the 2020 financial year. The remuneration system of PIERER Mobility AG implements the recommendations of the Austrian Corporate Governance Code (OCGK) and the legal requirements of the Austrian Stock Corporation Act (Sections 78a ff in conjunction with 98a) and was prepared in accordance with the EU Directive 2017/828.

The remuneration report is structured as follows:

1. Introduction
2. Main features of the remuneration policy
3. Presentation of total remuneration (including shares of variable remuneration in total remuneration)
4. Presentation of the annual change in remuneration and company performance
5. Information on share-based remuneration
6. Other information and explanations

1. INTRODUCTION

PIERER Mobility AG is the parent company of the PIERER Mobility Group and acts as a managing holding company. The company itself employs only 16 staff members who mainly work in Group management, Group accounting and administration. The PIERER Mobility Group is Europe's leading manufacturer of powered two-wheelers (PTWs). The Group's world-famous motorcycle brands KTM, HUSQVARNA Motorcycles, and GASGAS make it one of Europe's technology and market leaders, especially in the premium motorcycle segment. The product range includes vehicles equipped with the latest generation of combustion engines, emission-neutral vehicles with innovative electric power-trains, and e-bikes. As a pioneer in electric mobility for two-wheelers in the low-voltage range (48 volts), the Group, together with its strategic partner Bajaj, has put in place the foundations for assuming a leading global role. The acquisition of the e-bike business of PEXCO was another important step in also intensifying our activities in the two-wheel electric mobility segment. Electric bicycles are marketed under the HUSQVARNA E-Bikes, R Raymon and GASGAS E-Bike brands to participate in the attractive market growth in the e-bike segment and to develop into a significant international player in this segment.

Overview of the 2020 financial year

In the 2020 financial year, the PIERER Mobility Group generated revenues of EUR 1,530 million (+0.66%) compared to EUR 1,520 million in the previous year, with the e-bike division already contributing sales of EUR 112.5 million. The earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 233.5 million was on a par with the previous year (EUR 240.8 million), corresponding to an EBITDA margin of 15.3%.

The result from operating activities (EBIT) reached EUR 107.2 million in the 2020 financial year (previous year: 131.7 million), corresponding to an EBIT margin of 7%. Free cash flow was almost doubled compared to the 2019 financial year and amounted to EUR 165.8 million in the 2020 financial year compared to EUR 91.6 million in the previous year. This is equivalent to 10.8% of revenue.

In the 2020 financial year, and in order to support growth, around EUR 110.9 million was invested in product development and tools and EUR 39.3 million in operating facilities & infrastructure and in the acquisition of the GASGAS brand.

In the first quarter of 2020, there was an outbreak of a global pandemic caused by infections with the novel coronavirus (SARS-CoV-2) ("COVID-19"). This had a significant impact on the global economy in 2020, and the PIERER Mobility Group was also affected by the economic impact of this pandemic.

When the pandemic first broke out in other countries (primarily Italy), interruptions to production initially occurred in the supply chain. This then also resulted in interruptions to production in the PIERER Mobility Group. Following the resumption of production by the Italian-based suppliers, the KTM Group's motorcycle production at its Austrian site was able to resume full operations in mid-May 2020.

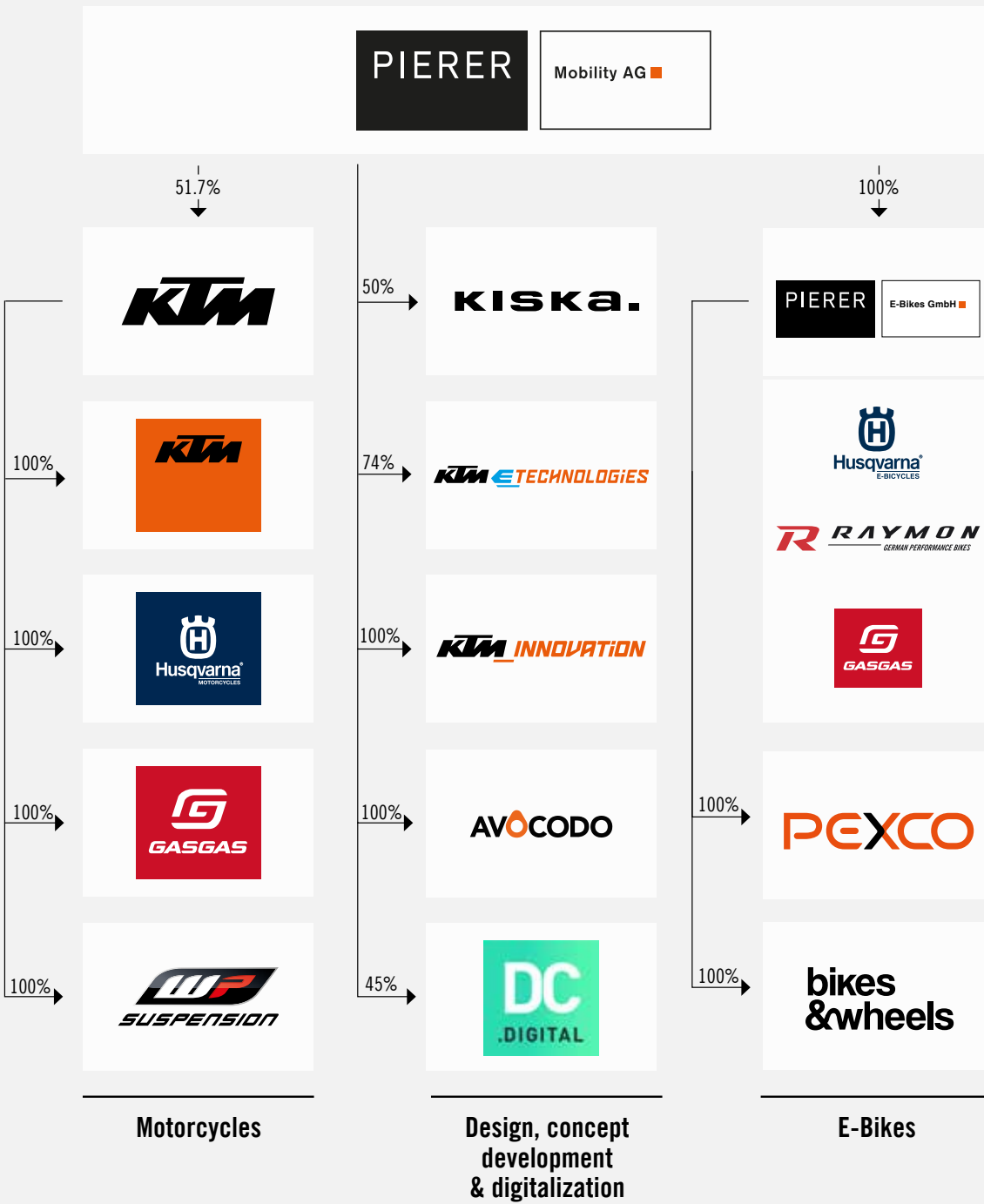
After the two-month halt to production by the KTM Group in Austria, mainly triggered by shortages from suppliers, the two-wheeler retail trade has experienced a boom due to an apparent change in mobility behavior. This is reflected in double-digit growth rates in registrations in the motorcycle as well as the e-bike segments. To cope with this rising demand and the increase in production necessitated by this, the PIERER Mobility Group added 218 new employees in the 2020 financial year, bringing the total headcount to 4,586 at year-end. Of these, 3,822 are employed in Austria.

Despite the restrictions imposed by COVID-19, 270,407 motorcycles (2019 financial year: 280,099 units) and 56,064 e-bikes (2019: 41,993 (not consolidated)) were sold in the 2020 financial year.

The motorcycle market has developed more strongly than expected, especially in the USA and Australia.

The following graph illustrates the simplified group structure of the PIERER Mobility Group as of December 31:



THE LEADING EUROPEAN POWERED TWO-WHEELER GROUP
SIMPLIFIED GROUP STRUCTURE AS OF 31/12/2020



Other shareholding: ACstyria Mobilitätscluster GmbH 12.3%

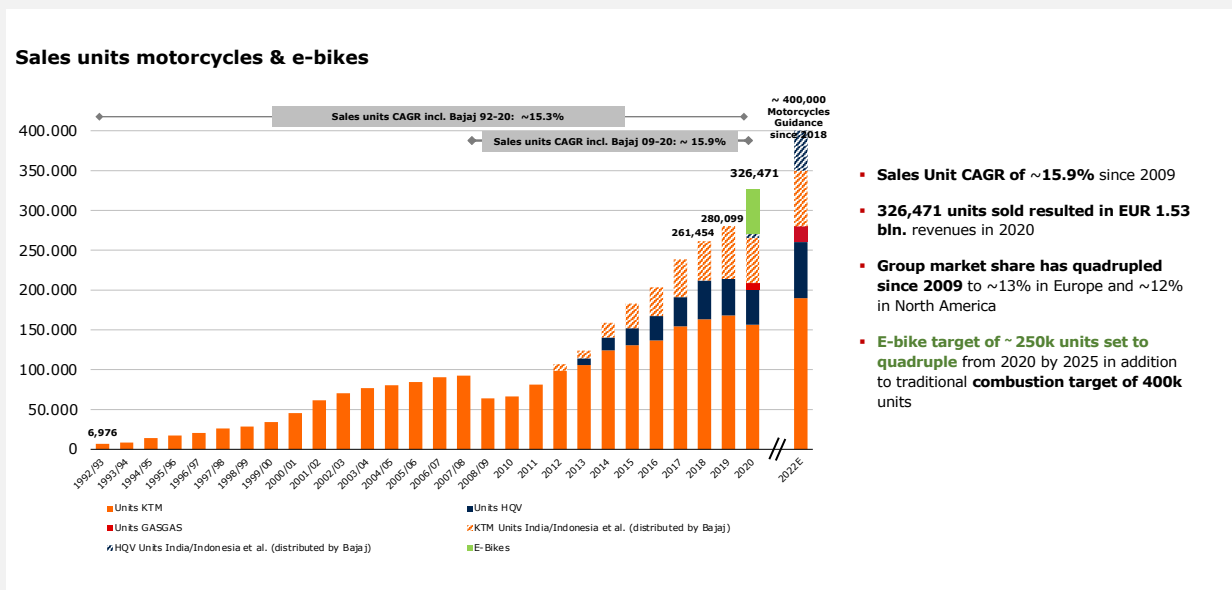
The following graph illustrates the highlights of the PIERER Mobility Group in the 2020 business year:

HIGHLIGHTS IN THE 2020 BUSINESS YEAR

<p>RECORD TURNOVER of EUR 1,530 million in 2020 326,471 Motorcycles and E-Bikes (previous year:322,092)</p>		<p>100% TAKE OVER OF GASGAS MOTORCYCLES GASGAS complements its product portfolio with a sporty range in the high-end e-mountain bike sector</p>
<p>STRONG MARKET SHARE GAINS in North America & Australia Europe + 10% North America +22.8% Australia +22.4%</p>		<p>Outstanding Success in MotoGP strengthens brand awareness worldwide</p>
<p>FULL INTEGRATION OF E-BIKE BUSINESS (PEXCO) Booming E-Bike business - Increase in unit sales + 33.5% in 2020</p>		<p>COVID crisis is changing mobility behavior towards “Powered Two-Wheelers” (PTW)</p>

The following graph illustrates the number of motorcycles and e-bikes sold from 1992 through to the 2020 financial year:

SALES UNITS MOTORCYCLES & E-BIKES



The consolidated financial statements of the PIERER Mobility AG as of December 31, 2020 show the following key financial performance indicators and non-financial key performance indicators and other financial and non-financial figures for the 2020 financial year:

KEY FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS ¹⁾		2016	2017	2018	2019	2020
Revenue	in m€	1,343.0	1,533.0	1,559.6	1,520.1	1,530.4
EBITDA	in m€	198.4	218.9	252.5	240.8	233.5
EBIT	in m€	122.3	132.5	161.2	131.7	107.2
EBITDA margin	in per cent	14.8%	14.3%	16.2%	15.8%	15.3%
EBIT margin	in per cent	9.1%	8.6%	10.3%	8.7%	7.0%

OTHER FINANCIAL FIGURES:

EARNINGS RATIOS ¹⁾		2016	2017	2018	2019	2020
Earnings after taxes	in m€	89.0	83.9	114.2	95.7	69.5
Earnings after minorities	in m€	52.1	44.7	67.5	54.5	34.9

BALANCE SHEET RATIOS		12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Balance sheet total	in m€	1,423.8	1,465.2	1,353.9	1,613.9	1,686.0
Equity	in m€	454.9	528.6	550.8	618.6	654.1
Equity ratio	in per cent	32.0%	36.1%	40.7%	38.3%	38.8%
Working capital employed ²⁾	in m€	245.2	238.4	245.3	274.2	181.5
Net debt ³⁾	in m€	364.6	375.0	323.3	395.8	312.4
Gearing ⁴⁾	in per cent	80.1%	70.9%	58.7%	64.0%	47.8%

CASH-FLOW AND CAPEX		2016	2017	2018	2019	2020
Cash flow from operating activities	in m€	167.8	161.3	85.5	257.4	312.8
Cash flow from investing activities	in m€	-158.8	-154.0	-102.1	-165.7	-147.0
Free cash flow ⁵⁾	in m€	9.0	7.3	-16.7	91.6	165.8
Cash flow from financing activities	in m€	139.2	-118.0	-63.3	-20.6	-104.7
Capital expenditure ^{1) 6)}	in m€	143.1	176.3	165.1	148.9	150.2

VALUE CREATION		12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
ROCE (Return on capital employed) ⁷⁾	in per cent	13.9%	13.9%	16.6%	12.7%	9.7%
ROE (Return on equity) ⁸⁾	in per cent	21.2%	17.1%	21.2%	16.4%	10.9%
ROIC (Return on invested capital) ⁹⁾	in per cent	11.7%	10.4%	13.6%	10.6%	7.7%

STOCK EXCHANGE RATIOS ¹⁰⁾		12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Share price as of December 31; SIX Swiss Exchange ¹¹⁾	in CHF	5.35	7.39	60.60	54.00	71.10
Number of shares ¹¹⁾	in m shares	225.39	225.39	22.54	22.54	22.54
Market capitalization ¹²⁾	in m CHF	1,205.82	1,665.61	1,365.84	1,217.09	1,602.50
Earnings per share ¹³⁾	in €	2.31	1.98	2.99	2.42	1.56
Book value per share ^{13) 14)}	in €	20.18	23.45	24.44	27.45	29.02

NON-FINANCIAL KEY PERFORMANCE INDICATORS:

		2016	2017	2018	2019	2020
Employees ¹⁵⁾	Headcount	5,069	5,887	4,303	4,368	4,586
Unit sales total ¹⁶⁾	Number of units	203,340	238,334	261,454	280,099	326,471
Unit sales motorcycles ¹⁷⁾	Number of units	203,340	238,334	261,454	280,099	270,407
Unit sales e-bikes	Number of units	-	-	-	-	56,064

OTHER NON-FINANCIAL FIGURES:

		2016	2017	2018	2019	2020
Production motorcycles worldwide ¹⁸⁾	Number of units	199,068	243,442	259,051	260,564	265,321
Production motorcycles in Mattighofen ¹⁹⁾	Number of units	134,584	151,645	171,297	160,098	140,252
t CO ₂ -e per vehicle sold (Scope 1-3)	in t CO ₂ -e	-	-	3.84	3.82	3.68
Fleet emissions	Ø in g/km	-	-	81.82	79.09	78.44
Fleet consumption	Ø in l/100 km	-	-	3.52	3.41	3.40
Employees in R&D as % of total employees	in per cent	15.10	14.50	15.80	18.10	17.60
R&D expenses from revenue	in per cent	7.90	8.30	8.70	9.10	9.00
Proportion of female employees	in per cent	-	-	22.96	22.59	22.37

1) Previous years 2016 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 also includes 193,340 numbers of treasury shares as of December 31st, 2020 (previous year December 31st, 2019: 108,015 numbers)

13) Calculation in 2016 and 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 years 2016 to 2018 also include the discontinued operation (Pankl-Group)

16) Including motorcycles sold by partner Bajaj; excluding non e-bikes

17) Including motorcycles sold by partner Bajaj

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

19) Annual production units at the headquarter in Austria

2. MAIN FEATURES OF THE REMUNERATION POLICY

2.1 MAIN FEATURES OF THE REMUNERATION POLICY FOR THE EXECUTIVE BOARD

Responsibility

The Supervisory Board is responsible for determining and regularly reviewing the system and structure of Executive Board remuneration, as well as for determining the individual remuneration of Executive Board members.

The Supervisory Board reviews the remuneration system annually to ensure it is appropriate. To review how typical the remuneration is, the Supervisory Board makes remuneration comparisons and compares the remuneration of the Executive Board with the remuneration of senior executives of the PIERER Mobility Group and with the average remuneration of employees employed by the PIERER Mobility Group in Austria.

The Supervisory Board submits the remuneration policy to the Annual General Meeting for approval in the event of significant changes, and at least once every four years. The remuneration policy that currently applies was submitted to and adopted by the 23rd Annual General Meeting in 2020.

Principles of remuneration

The following principles governing the remuneration (remuneration policy) of the members of the Executive Board of PIERER Mobility AG were established by resolution of the Supervisory Board on March 26, 2020 and adopted by the 23rd Annual General Meeting of PIERER Mobility AG.

At PIERER Mobility AG, the structure of Executive Board remuneration is designed to ensure proportionality of the remuneration with the tasks assumed by, and performance delivered by, the individual member of the Executive Board, the situation of the company and the ordinary remuneration, and to take account of long-term incentives with regard to sustained corporate development.

When drawing up the remuneration policy, particular consideration was given to the size of the company and the subsidiaries under its management, the internal organization, compliance with the strategy, and the interests and values of the company. The remuneration should reflect the scope and complexity of the business as well as the role and responsibility of the Executive Board members and be competitive in the market. The criteria are function, assumption of management tasks, professional and personal qualifications and relevant experience. No external benchmarking takes place with regard to remuneration or the remuneration structure.

For the Executive Board, the Supervisory Board conducts an annual review to ensure that all remuneration components are appropriate in their own right and, as a whole, and do not encourage the Executive Board to take inappropriate risks for the company. At the same time, the remuneration model for the Executive Board should be attractive enough to secure and retain highly qualified management personnel.

Members of the Executive Board are remunerated in accordance with agreements under private law that have been concluded between the member of the Executive Board and the company, represented by the Supervisory Board.

None of the current members of the Executive Board of PIERER Mobility AG receives any direct remuneration from the company.

- The Executive Board member Stefan Pierer works on the basis of a posting agreement which exists between Pierer Konzerngesellschaft mbH and KTM AG.
- An Executive Board employment contract exists between the Executive Board member Friedrich Roithner and Pierer Industrie AG. Some of the costs incurred in connection with his remuneration at Pierer Industrie AG level are borne by the company under a posting agreement concluded between Pierer Industrie AG and the company.
- With regard to the Executive Board members, Hubert Trunkenpolz and Viktor Sigl each has corresponding Executive Board employment contracts with KTM AG.

The contracts which exist do not contain any provisions for a company pension scheme. In addition, they are generally subject to the “new severance pay” system.

Remuneration policy, remuneration components

The remuneration of the Executive Board is based on a two-pillar model with non-performance-related remuneration (fixed remuneration) including fringe benefits and performance-related remuneration (variable remuneration). No stock option plans or similar share-based remuneration systems exist.

The remuneration components are explained in more detail below.

a) Fixed remuneration

Each member of the Executive Board receives a basic salary. This consists of an annual fixed salary which is paid in 14 equal installments. The basic salary represents a fixed monthly salary at a competitive level which encourages the members of the Executive Board to act in the best interests of the shareholders and employees as well as the company. The remuneration includes a lump-sum payment for all services rendered in excess of normal working hours. The gross remuneration increases in each case in accordance with the actual salary increase for the highest salary group of the framework collective bargaining agreement for white-collar employees in the industry. For group internal mandates and functions, no additional remuneration is granted.

In the 2020 financial year, the fixed remuneration for Stefan Pierer was EUR 413,823, for Friedrich Roithner EUR 166,885, for Hubert Trunkenpolz EUR 381,828 and for Viktor Sigl EUR 360,215.

b) Fringe benefits

The fringe benefits include the following components:

- Use of a company car in the BMW 5 Series, Audi A6 or a similar category, which is also available for private use. The car is provided without a mileage limit. The taxes attributable to the value of the benefit in kind for private use are borne entirely by the member of the Executive Board
- Accident insurance provides insurance cover in the case of death or disability. Personal liability insurance covers the legal liability of the Executive Board members that results from personal injuries, material damage or financial losses suffered by third parties
- Insurance cover exists for claims for damages due to financial losses suffered by third parties or the company as a result of breaches of duty committed by a member of executive bodies of the company (D&O insurance, directors' and officers' liability insurance)

In the 2020 financial year, the level of fringe benefits for Stefan Pierer was EUR 25,000, for Friedrich Roithner EUR 5,760, for Hubert Trunkenpolz EUR 42,000 and for Viktor Sigl EUR 9,840. These amounts relate exclusively to the company cars.

As the insurance premiums for accident insurance, private liability insurance and D&O insurance are paid as part of an overall premium for all insured persons in the Group, it is not possible to allocate them individually to individual members of the Executive Board. The insurance contract contains standard market terms and conditions; the premiums do not have to be paid by the members of the Executive Board and do not constitute a benefit in kind subject to income tax.

c) Variable remuneration

The members of the Executive Board are entitled to a variable remuneration component. The variable components of the remuneration will be established in advance in accordance with individual agreements in such a way that they are linked to measurable, sustainable, long-term and multi-annual performance criteria and will not encourage the taking of inappropriate risks. The variable remuneration is based on the following criteria, the applicability and weighting of which is determined individually depending on the area of responsibility of the respective Executive Board member:

- EBT and free cash flow of the KTM Group for the financial year
- EBIT of the PIERER Mobility AG Group for the financial year
- Individually agreed targets

Fixed points or intervals are set for agreed target values, on the basis of which the fulfillment or non-fulfillment, or the ratio between over-fulfillment or under-fulfillment of the target value and the corresponding increase or decrease in the payment of the variable remuneration components is measured.

In the 2020 financial year, the level of variable remuneration for Stefan Pierer was EUR 1,043,105, for Friedrich Roithner EUR 521,552, for Hubert Trunkenpolz EUR 782,328 and for Viktor Sigl EUR 782,328.

Limit on amount

In order to ensure an adequate relationship between the remuneration of the Executive Board and the remuneration and employment conditions of the company's employees, the monthly fixed remuneration of an Executive Board member is not exceeding twenty times the average monthly basic salary of the Group's employees working in Austria, calculated on a full-time basis.

2.2 MAIN FEATURES OF THE REMUNERATION POLICY FOR THE SUPERVISORY BOARD

Responsibility

The Supervisory Board is responsible for both preparing and regularly reviewing the remuneration policy for Supervisory Board members. The full Supervisory Board is responsible for drawing up the remuneration policy for the Supervisory Board. In accordance with Section 98 of the Austrian Stock Corporation Act, the remuneration of the Supervisory Board is determined annually by the Annual General Meeting.

The amount of the total remuneration of the Supervisory Board members is resolved within the framework of the Annual General Meeting for the respective preceding financial year by the Annual General Meeting. If members of the Supervisory Board are also shareholders in the company, they are not subject to a voting ban in the vote on the remuneration of Supervisory Board members.

Principles of remuneration

The following principles governing the remuneration (remuneration policy) of the members of the Supervisory Board of PIERER Mobility AG were established by resolution of the full Supervisory Board on March 26, 2020 and put to the vote of the 23rd Annual General Meeting of PIERER Mobility AG and adopted by it.

As a general rule, discretion is to be applied when drawing up the proposed resolution and while passing the resolution at the Annual General Meeting; responsibilities and the scope of activity, together with the economic position of the company are to be taken into account.

Remuneration policy, remuneration components

The remuneration of the Supervisory Board consists of non-performance-related remuneration (fixed remuneration) and fringe benefits. There is no performance-related remuneration (variable remuneration) and there are no stock option programs or similar share-based remuneration systems.

The remuneration components are explained in more detail below.

d) Fixed remuneration

Supervisory Board remuneration consists of an attendance fee for Supervisory Board and committee meetings. Each elected member of the Supervisory Board receives an attendance fee for each meeting of the Supervisory Board in which the member takes part, and this fee is graduated as follows.

- Chairman of the Supervisory Board: EUR 3,000.00 per meeting
- Member of the Supervisory Board: EUR 2,000.00 per meeting
- Member of the Audit Committee: EUR 2,000.00 per meeting

e) Fringe benefits

In addition to the annual expenses allowance, the members of the Supervisory Board receive compensation for their cash expenses for the expenses that they actually incur. The members of the Supervisory Board are furthermore covered by the company's manager liability insurance up to a certain upper limit, which covers the personal liability of the members of the Supervisory Board in case of a negligent breach of duties in exercising their activity as a board of the company (D&O insurance, directors' and officers' liability insurance).

Limit on amount

In order to ensure an adequate relationship between the remuneration of the Supervisory Board and the remuneration and employment conditions of the company's employees, the annual remuneration of a Supervisory Board member is not exceeding twice the average annual gross remuneration of the Group's employees working in Austria, calculated on a full-time basis.

3. PRESENTATION OF TOTAL REMUNERATION (INCLUDING SHARES OF VARIABLE REMUNERATION IN TOTAL REMUNERATION)

3.1 REMUNERATION OF THE EXECUTIVE BOARD

The total remuneration owed¹ (fixed remuneration plus fringe benefits) to the members of the Executive Board amounted to EUR 1,405,353 in the 2020 financial year (previous year: EUR 1,025,928).

The total remuneration granted² (variable remuneration) to the members of the Executive Board amounted to EUR 3,129,314 in the 2020 financial year (previous year: EUR 2,025,431 million).

Total remuneration (fixed compensation plus fringe benefits and variable compensation) amounted to EUR 4,534,667.06 in the 2020 financial year (previous year: EUR 3,051,359.72).

During the 2020 financial year, no loans or advance payments were granted to members of the Executive Board. As of reporting date Thursday, December 31, 2020, there were no loans or advance payments to current or previous members of the Executive Board. During the 2020 financial year, no non-standard remuneration was paid to persons related to members of the Executive Board and no loans were granted to such persons.

¹ See AFRAC Opinion 37, Remuneration report pursuant to Section 78c of the Austrian Stock Corporation Act of December 2020, para 28: "The remuneration owed comprises the amounts actually received by the member of the governing body within the reporting period that are attributable to this reporting period, as well as the entitlements finally acquired for this period, even if payment is not made until a later period."

² See AFRAC Opinion 37, Remuneration report pursuant to Section 78c of the Austrian Stock Corporation Act of December 2020, para 28: "The remuneration granted relates to remuneration components which are economically attributable to this reporting period on the basis of legal or contractual obligations, but whose final determination and payment will only take place in (a) later period(s). This also applies to remuneration agreements that are linked to certain conditions (e.g. remaining in the company, meeting specified criteria to be achieved in the future, etc.). This does not include allocations to severance and pension provisions."

The following table provides an overview of the total remuneration paid to the Executive Board in the 2020 financial year and 2019 financial year:

Total remuneration	Stefan Pierer		Friedrich Roithner		Hubert Trunkenpolz		Viktor Sigl	
Financial year	2020	2019	2020	2019	2020	2019	2020	2019
Fixed remuneration^A								
Annual fixed salary ^{B (4)}	413,823	404,107	166,885	163,056	381,828	373,067	360,215	12,535
Fringe benefits ^B	--	--	--	--	--	--	--	--
Company car (non cash benefit)	--	--	5,760	5,760	--	--	9,840	403
Reimbursement of costs	25,000	25,000	--	--	42,000	42,000	--	--
Variable remuneration^A								
Annual bonus for current FY ^C	1,043,104 ⁽¹⁾	863,785 ⁽²⁾	521,552 ⁽¹⁾	431,893 ⁽²⁾	782,328 ⁽¹⁾	704,655 ⁽²⁾	782,328 ⁽¹⁾	25,097 ⁽²⁾
Payment of previous year's bonus	979,700 ⁽³⁾	--	489,800 ⁽³⁾	--	734,700 ⁽³⁾	--	26,095 ⁽³⁾	--
Subtotal	1,481,928	1,292,893	694,198	600,709	1,206,157	1,119,722	1,152,384	38,035
Extraordinary remuneration	0	0	0	0	0	0	0	0
Subtotal	1,481,928	1,292,893	694,198	600,709	1,206,157	1,119,722	1,152,384	38,035
Total remuneration	1,481,928	1,292,893	694,198	600,709	1,206,157	1,119,722	1,152,384	38,035
Ratio of fixed remuneration / variable remuneration as %	29.61% / 70.39%	33.19% / 66.81%	24.87% / 75.13%	28.10% / 71.90%	35.14% / 64.86%	37.07% / 62.93%	32.11% / 67.89%	34.02% / 65.98%

A The fixed and variable remuneration is not granted by PIERER Mobility AG, but by affiliated companies: Stefan Pierer receives his remuneration from Pierer Konzerngesellschaft mbH, part of which is charged to KTM AG; Friedrich Roithner receives his remuneration from Pierer Industrie AG, part of which is charged to PIERER Mobility AG; Hubert Trunkenpolz and Viktor Sigl each receive their remuneration from KTM AG.

B Remuneration owed in the 2020 financial year in accordance with AFRAC Opinion 37, Remuneration report pursuant to Section 78c of the Austrian Stock Corporation Act of December 2020, para 28.

C Remuneration granted in the 2020 financial year in accordance with AFRAC Opinion 37, Remuneration report pursuant to Section 78c of the Austrian Stock Corporation Act of December 2020, para 28.

(1) Amount set aside in the 2020 financial year for variable remuneration entitlements relating to the 2020 financial year.

(2) Amount set aside in the financial year 2019 for variable remuneration entitlements relating to the financial year 2019.

(3) Amount paid out in fiscal 2020 for variable remuneration entitlements relating to fiscal 2019.

(4) Excluding employee pension fund (MVK).

Explanation of total remuneration

In total, the members of the Executive Board were each granted remuneration in the 2020 financial year that complies with the requirements of the remuneration policy and promotes the long-term performance of PIERER Mobility AG.

The fixed basic salary owed in each case is commensurate with the scope and complexity of the business and the role and responsibility of the individual Executive Board members. The fixed remuneration is designed to be competitive in order to attract, retain and motivate the most qualified executives in the industry to lead the company in the best interest of the shareholders. By retaining the most qualified executives, PIERER Mobility AG is able to further expand its shares of the relevant markets, continue its growth strategy and at the same time drive innovation.

In order to ensure an adequate relationship between the remuneration of the Executive Board and the remuneration and employment conditions of the company's employees, the remuneration policy specifies that the monthly fixed remuneration of an Executive Board member should not exceed twenty times the average monthly basic salary of the Group's employees working in Austria, calculated on a full-time basis. This requirement has been met in respect of all members of the Executive Board.

The fringe benefits owed to the members of the Executive Board (company car of the category BMW 5 Series, Audi A6 or similar, as well as the insurance premiums for accident insurance and D&O insurance) are appropriate to the position of the members of the Executive Board and are in line with the market as part of a competitive remuneration package.

The fixed compensation paid to the members of the Executive Board is structured overall in such a way that the members of the Executive Board are incentivized to act with a long-term perspective for the benefit of the shareholders and employees as well as the company.

With regard to variable remuneration, the criteria of the remuneration policy have also been implemented. The criteria for measuring the variable remuneration for the 2020 financial year are as follows:

- EBT and free cash flow of the KTM Group for the financial year
- EBIT of the PIERER Mobility AG Group for the financial year

Individual agreed targets were not taken into account for the variable remuneration in relation to the 2020 financial year; the variable remuneration for the 2020 financial year was granted exclusively on the basis of target achievements linked to the key figures described.

Stefan Pierer

Stefan Pierer receives as variable remuneration for each completed financial year an annual bonus which is based on the overall development of the KTM Group and is determined on the basis of the EBT and the free cash flow of the KTM Group. The prerequisite for the variable remuneration is the annual budget achievement of the consolidated EBT of at least 60%. The bonus is calculated as follows:

There is an EBT bonus which is weighted at 2/3 of the total bonus. The EBT bonus for Stefan Pierer amounts to 0.60% of the consolidated EBT achieved for the KTM AG.

Furthermore, there is a free cash flow bonus which is weighted at 1/3 of the total bonus. The prerequisite for the free cash flow bonus is that a positive free cash flow was achieved in the financial year. A prerequisite for the free cash flow premium is that a positive free cash flow was generated in the financial year. If a negative free cash flow was generated in the previous financial year, this negative amount is deducted from the positive free cash flow for the current financial year when calculating the bonus. The free cash flow bonus for Stefan Pierer amounts to 0.60% of the consolidated free cash flow achieved for the KTM AG.

Friedrich Roithner

Friedrich Roithner receives an annual bonus as variable remuneration for each completed financial year. This amounts to 0.86% of the consolidated EBIT of the PIERER Mobility Group. The prerequisite for the variable remuneration is the annual budget achievement of at least 60% of the annual budget. In addition, the amount of the bonus is capped at the bonus paid to the members of the Executive Board Viktor Sigl and Hubert Trunkenpolz.

Hubert Trunkenpolz

Hubert Trunkenpolz receives as variable remuneration for each completed financial year an annual bonus which is based on the overall development of the KTM Group and is determined on the basis of the EBT and the free cash flow of the KTM Group. The prerequisite for the variable remuneration is the annual budget achievement of the consolidated EBT of at least 60%. The bonus is calculated as follows:

There is an EBT bonus which is weighted at 2/3 of the total bonus. The EBT bonus for Hubert Trunkenpolz amounts to 0.45% of the consolidated EBT achieved for the KTM AG.

Furthermore, there is a free cash flow bonus which is weighted at 1/3 of the total bonus. The prerequisite for the free cash flow bonus is that a positive free cash flow was achieved in the financial year. If a negative free cash flow was generated in the previous financial year, this negative amount is deducted from the positive free cash flow for the current financial year when calculating the bonus. The free cash flow bonus for Hubert Trunkenpolz amounts to 0.45% of the consolidated free cash flow achieved for the KTM AG.

Viktor Sigl

Viktor Sigl receives as variable remuneration for each completed financial year an annual bonus which is based on the overall development of the KTM Group and is determined on the basis of the EBT and the free cash flow of the KTM Group. The prerequisite for the variable remuneration is the annual budget achievement of the consolidated EBT of at least 60%. The bonus is calculated as follows:

There is an EBT bonus which is weighted at 2/3 of the total bonus. The EBT bonus for Viktor Sigl amounts to 0.45% of the consolidated EBT achieved for the KTM AG.

Furthermore, there is a free cash flow bonus which is weighted at 1/3 of the total bonus. The prerequisite for the free cash flow bonus is that a positive free cash flow was achieved in the financial year. If a negative free cash flow was generated in the previous financial year, this negative amount is deducted from the positive free cash flow for the current financial year when calculated the bonus. The free cash flow bonus for Viktor Sigl amounts to 0.45% of the consolidated free cash flow achieved for the KTM AG.

Variable remuneration for the 2020 financial year has been reduced by **grants and support services** related to the Covid-19 crisis accordingly and granted based solely on target achievements linked to the described metrics.

In the 2020 financial year award calculation, grants and support services related to the Covid-19 crisis reduced the measurement base.

The following table shows the specific composition of the variable remuneration for the Executive Board in the 2020 financial year and how the individual criteria were taken into account.

Variable remuneration of the Executive Board in the 2020 financial year				
Name Position	Description of the performance criteria and type of applicable remuneration	Relative weighting of the per- formance criteria	Information on the performance targets a) Prerequisite for granting the bonus and b) Corresponding bonus	Information on the achievement of the performance targets a) Measured performance and b) Bonus actually granted
Stefan Pierer CEO	EBT of the KTM Group for the 2020 FY	2/3	a) Budget achievement of at least 60% b) 0.60% of the consolidated EBT of KTM AG	a) 60% of budget target achieved b) EBT bonus: TEUR 753.2
	Free cash flow of the KTM Group for the 2020 FY	1/3	a) Positive free cash flow b) 0.60% of the positive free cash flow	a) EBT of at least 60% was achieved and positive free cash flow: mEUR 141.5 b) Free cash flow bonus: TEUR 289.9
Friedrich Roithner CFO	EBIT of the PIERER Mobility Group	100%	a) Budget achievement of at least 60% b) 0.86% of the consolidated EBIT of PIERER Mobility AG	a) 60% of budget target achieved b) Bonus: TEUR 521.5
Hubert Trunkenpolz	EBT of the KTM Group for the 2020 FY	2/3	a) Budget achievement of at least 60% b) 0.45% of the consolidated EBT of KTM AG	a) 60% of budget target achieved b) EBT bonus: TEUR 564.9
	Free cash flow of the KTM Group for the 2020 FY	1/3	a) Positive free cash flow b) 0.45% of the positive free cash flow	a) EBT of at least 60% was achieved and positive free cash flow: mEUR 141.5 b) Free cash flow bonus: TEUR 217.4
Viktor Sigl	EBT of the KTM Group for the 2020 FY	2/3	a) Budget achievement of at least 60% b) 0.45% of the consolidated EBT of KTM AG	a) 60% of budget target achieved b) EBT bonus: TEUR 564.9
	Free cash flow of the KTM Group for the 2020 FY	1/3	a) Positive free cash flow b) 0.45% of the positive free cash flow	a) EBT of at least 60% was achieved and positive free cash flow: mEUR 141.5 b) Free cash flow bonus: TEUR 217.4

The variable remuneration owed to the members of the Executive Board in the 2020 financial year is in line with the remuneration policy and is structured in such a way that it is linked to measurable, sustainable, long-term performance criteria and does not encourage inappropriate risk-taking.

3.2 REMUNERATION OF THE SUPERVISORY BOARD

The total remuneration granted³ to the members of the Supervisory Board amounted to EUR 57,000 in the 2020 financial year (previous year: EUR 57,000).

There are no variable components in the remuneration of the Supervisory Board.

During the 2020 financial year, no loans or advance payments were granted to members of the Supervisory Board. As of reporting date Thursday, December 31, 2020, there were no loans or advance payments to current or previous members of the Supervisory Board. During the 2020 financial year, no non-standard remuneration was paid to persons related to members of the Supervisory Board and no loans were granted to such persons. The following table shows the remuneration paid to the Supervisory Board members by PIERER Mobility in the 2020 financial year:

Total remuneration (in EUR)	Josef Blazicek		Ernst Chalupsky		Klaus Rinnerberger		Alfred Hörtenhuber	
	2020	2019	2020	2019	2020	2019	2020	2019
Financial year	2020	2019	2020	2019	2020	2019	2020	2019
Fixed remuneration^A								
- Attendance fee	19,000	19,000	14,000	14,000	14,000	14,000	10,000	10,000
Variable remuneration	0	0	0	0	0	0	0	0
Subtotal	19,000	19,000	14,000	14,000	14,000	14,000	10,000	10,000
Special remuneration	0	0	0	0	0	0	0	0
Subtotal	19,000	19,000	14,000	14,000	14,000	14,000	10,000	10,000
Total remuneration	19,000	19,000	14,000	14,000	14,000	14,000	10,000	10,000
Ratio of fixed remuneration / variable remuneration as %	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%	100% / 0%

^A The fixed remuneration is granted by PIERER Mobility AG; there is no remuneration from affiliated companies.

Explanation of total remuneration

Overall, the members of the Supervisory Board were each granted remuneration in the 2020 financial year that complies with the requirements of the remuneration policy and promotes the long-term performance of PIERER Mobility AG by attracting qualified Supervisory Board members for an appropriately long term of office by offering an appropriate expenses allowance.

The attendance fees granted in the 2020 financial year for the 2019 financial year are in line with the requirements of the remuneration policy and take into account the effort and responsibility associated with the respective Supervisory Board seat. The fringe benefits granted to the members of the Supervisory Board (insurance premiums for D&O insurance) are in line with the market and are also necessary and appropriate in view of the important role of the Supervisory Board members. The costs of the risk coverage insurance associated with the role are naturally borne by the company, which also helps to attract the most qualified individuals for Supervisory Board roles. As the insurance premiums for D&O insurance are paid as part of an overall premium for all insured persons in the Group, it is not possible to allocate them individually to individual members of the Supervisory Board.

Variable remuneration components are not provided for the Supervisory Board and were accordingly also not granted in the 2020 financial year.

³ See AFRAC Opinion 37, Remuneration report pursuant to Section 78c of the Austrian Stock Corporation Act of December 2020, para 28: "The remuneration granted relates to remuneration components which are economically attributable to this reporting period on the basis of legal or contractual obligations, but whose final determination and payment will only take place in (a) later period(s). This also applies to remuneration agreements that are linked to certain conditions (e.g. remaining in the company, meeting specified criteria to be achieved in the future, etc.). This does not include allocations to severance and pension provisions."

In order to ensure an adequate relationship between the remuneration of the Supervisory Board and the remuneration and employment conditions of the company's employees, the annual remuneration of a Supervisory Board member should not exceed twice the average annual gross remuneration of the Group's employees working in Austria, calculated on a full-time basis. This requirement has been met in respect of all members of the Supervisory Board.

Overall, the remuneration paid to the members of the Supervisory Board is commensurate with their responsibilities and expenses, so it can be assumed that the Supervisory Board is acting with a long-term perspective for the benefit of the company and all stakeholders.

4. PRESENTATION OF THE ANNUAL CHANGE IN REMUNERATION AND COMPANY PERFORMANCE

The following table shows the annual change in remuneration and company performance:

Comparative table showing the total remuneration and company performance compared to the previous financial year				
Annual change	Change 2020 FY vs. 2019 FY in %	Change 2020 FY vs. 2019 FY in EUR	2020 FY	2019 FY
Total Remuneration of the Executive Board				
	in %	in EUR	in EUR	in EUR
Stefan Pierer	+ 14.6%	+ 189,034.2	1,481,927.8	1,292,893.6
Friedrich Roithner	+15.6%	+ 93,488.8	694,197.9	600,709.13
Hubert Trunkenpolz	+7.7%	+ 86,435.2	1,206,157.1	1,119,721.9
Viktor Sigl	+2,929.8% ¹	+ 1,114,349.1	1,152,384.2	38,035.1
Total Remuneration of the members of the Supervisory Board				
	in %	in EUR	in EUR	in EUR
Josef Blazicek	0%	0	19,000	19,000
Ernst Chalupsky	0%	0	14,000	14,000
Klaus Rinnerberger	0%	0	14,000	14,000
Alfred Hörtenhuber	0%	0	10,000	10,000

¹ Mr. Viktor Sigl wasn't appointed to the Company's Management Board until December 2019; therefore, remuneration for the 2019 financial year is only taken into account for 12 days.

Comparative table showing the total remuneration and company performance compared to the previous financial year				
Annual change	Change 2020 FY vs. 2019 FY in %	Change 2020 FY vs. 2019 FY in EUR	2020 FY	2019 FY
Performance of the PIERER Mobility Group				
	in %	in mEUR	in mEUR	in mEUR
Turnover of the PIERER Mobility Group	+ 0.7 %	+ 10.3	1,530.4	1,520.1
EBITDA of the PIERER Mobility Group	- 3.0 %	- 7.3	233.5	240.8
EBIT of the PIERER Mobility Group	- 18.6%	- 24.5	107.2	131.7
Earnings after taxes of the PIERER Mobility Group	-27.4%	- 26.2	69.5	95.7
EBT of the KTM Group	-16.7%	- 18.1	90.7	108.8
Free cash flow of the KTM Group	+32.5%	+ 34.7	141.5	106.8
Average remuneration of employees on a full-time basis				
	in %	in EUR	in EUR	in EUR
Domestic employees of the PIERER Mobility Group	+8.07%	5,384.0	70,117.1	64,733.1

5. INFORMATION ON SHARE-BASED REMUNERATION

Neither the Executive Board nor the Supervisory Board are entitled to, nor are they actually granted, any share-based remuneration.

6. OTHER INFORMATION AND EXPLANATIONS

No variable remuneration components were reclaimed in the 2020 financial year.

IMPRINT

Owner and publisher
PIERER Mobility AG
Edisonstrasse 1
4600 Wels, Austria
FN 78112 x / Wels Provincial and Commercial Court

Concept and design: Grafik-Buero Elena Gratzner, 4600 Wels, www.grafik-buero.at
Cover photo: ©KTM

The present remuneration 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 remuneration report is published in German and English. In the event of ambiguity, the German version shall take precedence.

CONTACT

Michaela Friepess
Investor Relations, Sustainability

Telefon: +43 7242 69 402

E-Mail: ir@pierermobility.com

Website: www.pierermobility.com