



Group Figures

Group Figures
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KEY FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS		2019	2020	2021	2022	2023
Revenue	in m€	1,520.1	1,530.4	2,041.7	2,437.2	2,661.2
EBITDA	in m€	240.8	233.5	332.2	381.1	323.5
EBIT	in m€	131.7	107.2	193.5	235.3	160.0
EBITDA margin	in percent	15.8%	15.3%	16.3%	15.6%	12.2%
EBIT margin	in percent	8.7%	7.0%	9.5%	9.7%	6.0%

OTHER FINANCIAL FIGURES:

EARNINGS RATIOS		2019	2020	2021	2022	2023
Earnings after taxes	in m€	95.7	69.5	142.9	170.6	76.4
Earnings after minorities	in m€	54.5	34.9	82.5	169.9	80.2

BALANCE SHEET RATIOS		12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Balance sheet total	in m€	1,613.9	1,686.0	2,033.7	2,550.6	2,952.9
Equity	in m€	618.6	654.1	765.6	914.4	909.3
Equity ratio	in percent	38.3%	38.8%	37.6%	35.8%	30.8%
Working capital employed ¹⁾	in m€	274.2	181.5	160.5	186.7	531.1
Net debt ²⁾	in m€	395.8	312.4	189.9	256.5	775.9
Gearing ³⁾	in percent	64.0%	47.8%	24.8%	28.1%	85.3%

CASH-FLOW AND CAPEX		2019	2020	2021	2022	2023
Cash flow from operating activities	in m€	257.4	312.8	367.4	280.3	-110.9
Cash flow from investing activities	in m€	-165.7	-147.0	-195.1	-283.1	-302.1
Free cash flow ⁴⁾	in m€	91.6	165.8	172.2	-2.8	-413.0
Cash flow from financing activities	in m€	-20.6	-104.7	-27.6	-91.3	398.7
Capital expenditure ⁵⁾	in m€	148.9	150.2	178.5	267.5	284.0

VALUE CREATION		12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
ROCE (Return on capital employed) ⁶⁾	in percent	12.7%	9.7%	17.4%	19.2%	10.2%
ROE (Return on equity) ⁷⁾	in percent	16.4%	10.9%	20.1%	20.3%	8.4%
ROIC (Return on invested capital) ⁸⁾	in percent	10.6%	7.7%	13.0%	15.5%	9.2%

STOCK EXCHANGE RATIOS		12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Share price as of December 31; SIX Swiss Exchange	in CHF	54.00	71.10	94.00	67.10	45.80
Number of shares	in m shares	22.54	22.54	33.80	33.80	33.80
Market capitalization	in m CHF	1,217.09	1,602.50	3,176.87	2,267.75	1,547.88
Earnings per share	in €	2.42	1.56	3.34	5.03	2.37
Book value per share ⁹⁾	in €	27.45	29.02	22.65	27.06	26.90

NON-FINANCIAL KEY PERFORMANCE INDICATORS:

		2019	2020	2021	2022	2023
Employees ¹⁰⁾	headcount	4,368	4,586	5,249	6,088	6,184
Unit sales motorcycles ¹¹⁾	number of units	280,099	270,407	332,881	375,492	381,555
Unit sales e-bicycles	number of units	-	56,064	76,916	74,479	100,640
Unit sales Powered Two-Wheelers (PTWs) ¹²⁾	number of units	280,099	326,471	409,797	449,971	482,195
Unit sales bicycles (without electric drive)	number of units	-	17,213	25,837	43,986	56,718
Unit sales total: motorcycles and (e)-bicycles	number of units	280,099	343,684	435,634	493,957	538,913

OTHER NON-FINANCIAL FIGURES:

		2019	2020	2021	2022	2023
Production motorcycles worldwide ¹³⁾	number of units	260,564	265,321	323,931	381,823	385,330
Production motorcycles in Mattighofen ¹⁴⁾	number of units	160,098	140,252	178,992	222,041	217,160
t CO ₂ -e per vehicle sold (Scope 1-3) ¹⁵⁾	in t CO ₂ -e	3.83	3.67	3.80	3.74	3.66
Fleet emissions motorcycles ¹⁶⁾	Ø in g/km	79.09	78.93	79.65	79.59	80.11
Fleet consumption	Ø in l/100 km	3.41	3.39	3.41	3.39	3.42
Employees in R&D as % of total employees	in percent	18.10	17.60	18.60	19.40	21.10
R&D expenses from revenue	in percent	9.10	9.00	8.00	8.70	9.20
Proportion of female employees	in percent	22.59	22.37	24.16	25.43	25.78

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

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

3) Gearing = net debt / equity

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

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

6) ROCE = EBIT / average capital employed

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

7) ROE = earnings after taxes / average equity

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

9) Equity / number of shares

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

11) Including motorcycles sold by partner Bajaj

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

13) Including off-road models produced by GASGAS in Spain (since 2020), including small-engine KTM and Husqvarna models produced by partner Bajaj in India (also for the local market in India), including models produced by partner CKM in China (JV with CFMOTO) (also for the local market in China)

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

15) Calculation excluding e-bicycles

16) CO₂ fleet emissions rose by 0.52 g/km in the reporting year, partly due to the continued strong sales of ICE models with medium and large displacements (> 500cc).

PIERER Mobility DNA

OVER 30 YEARS IN THE FAST LANE

Continuous growth & focus on return

- Since 1992 ~15 % CAGR on sales, resulting in revenue of €~2,661 million in 2023.
- EBITDA margin ~12 % in 2023
- Aim: Consistently achieve Ø free cash flow of 3-5 % of total revenue..

Growth through acquisitions and strategic partnerships

- Investments in infrastructure
- Expanding the portfolio of motorcycles and e-bicycles, developing new markets
- Establishing and developing strategic partnerships worldwide
- Stepping up the strategic partnerships with Bajaj and CFMOTO

Premium brands

- **Strong brands** safeguard sustainable profitability and presence in the market
- **Gains in market share** through product leadership

Added value through sustainability

- Focus on **local procurement strategy**
- High rate of consumption for company's own needs and efficient use of renewable energies
- Securing skilled workers by offering an **extensive apprenticeship program** and **dual training**

People & network

- ~6,200 employees, with around 1,300 working in **Research & Development**
- Strong dealer network with around 7,000 partners

Innovation – the future of PTWs

- Research and development expenses are **around 8 - 9 % of revenue**
- Pioneer in the field of electric mobility, continuously strengthening activities
- Revenue from electric mobility: **€ ~240 million** in 2023
- Between 2019 and 2023 ~45% CAGR on sales



KTM 1390 SUPER DUKE R, MY24 © Kiska, Rudi Schedl

Sustainability Figures Highlights 2023

195 €M

INVESTED
in product development

80.1 G/KM

FLEET EMISSIONS¹⁾

11.3

LOST TIME
FREQUENCY INJURY RATE²⁾

84%

Procurement volume
WITHIN EUROPE
for series production

99.7%

RENEWABLE ENERGY SHARE⁴⁾

82%

SUPPLIERS REVIEWED⁵⁾

Values rounded.

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

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



21.6%

unit sales

ELECTRIFIED TWO-WHEELERS²⁾

3.9 €M

INVESTED

in further education of employees

27.3 €M

INVESTED

in alternative drive technologies

0

COMPLIANCE CASES,

incidents with fine or penalty

AFTER RECALLS

25.8%

FEMALE SHARE

137,000

hours of

EDUCATION AND FURTHER TRAINING

for employees

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

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

5) Proportion of series suppliers (Tier 1) assessed via the SupplierAssurance platform using SAQ.

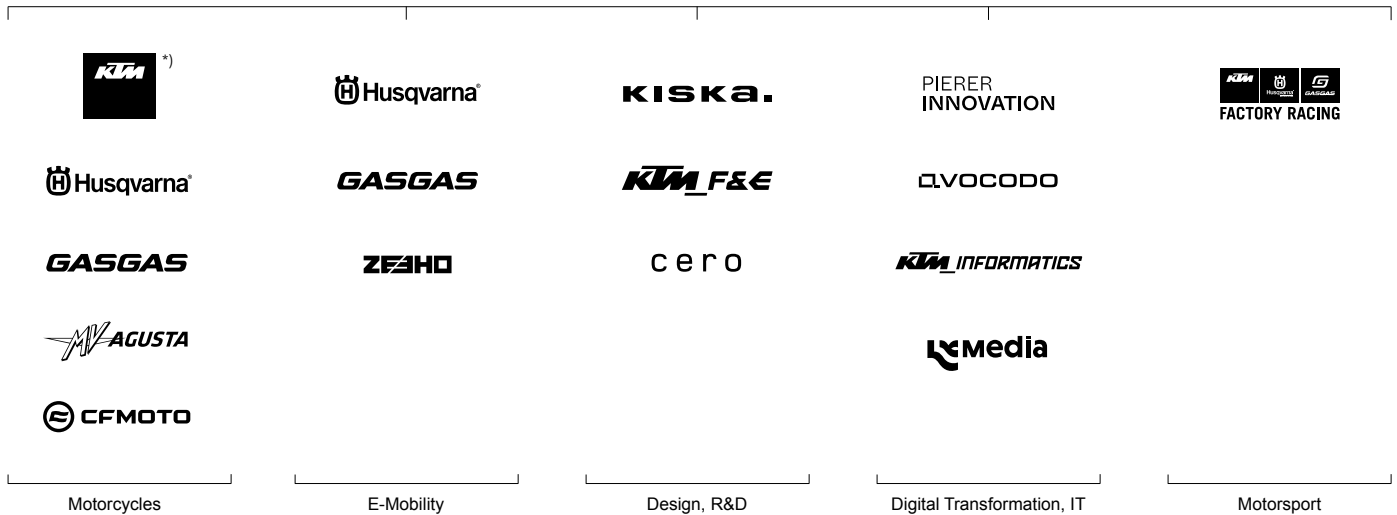


Contents

Group Figures	2
PIERER Mobility DNA	4
Sustainability Figures Highlights 2023	6
Group Structure	10
To be in POLE POSITION	11
Global production facilities worldwide	12
Introduction by the Executive Board	15
Bodies of the Company	18
Report of the Supervisory Board	19
KTM	
The Racing Brand with Extreme Performance	27
Husqvarna Motorcycles	
The Pioneering Brand with Smart Performance	33
GASGAS	
The vibrant playful brand with inviting performance	39
WP Suspension	
Uncompromising Performance and Racing-driven Technology	45
PIERER New Mobility	
The Future of Two-Wheel Mobility	49
Research and development	53
Digital Innovations	
Into the future together	59
Employees are a key success factor	62
Share & Investor Relations	66
Corporate governance	71
Corporate governance report 2023 in accordance with the Austrian Code of Corporate Governance (ÖCGK)	72
Report pursuant to the Directive on Corporate Governance (DCG) of the SIX Swiss Exchange	84
Management report on the consolidated financial statements	109
Consolidated financial statement	137
Notes to the consolidated financial statements	147
Statement by the Executive Board	222
Financial calendar	223
Imprint	223
Contact	223

Group Structure

SIMPLIFIED PRESENTATION BY AREA AND BRAND OVERVIEW,
DECEMBER 31, 2023

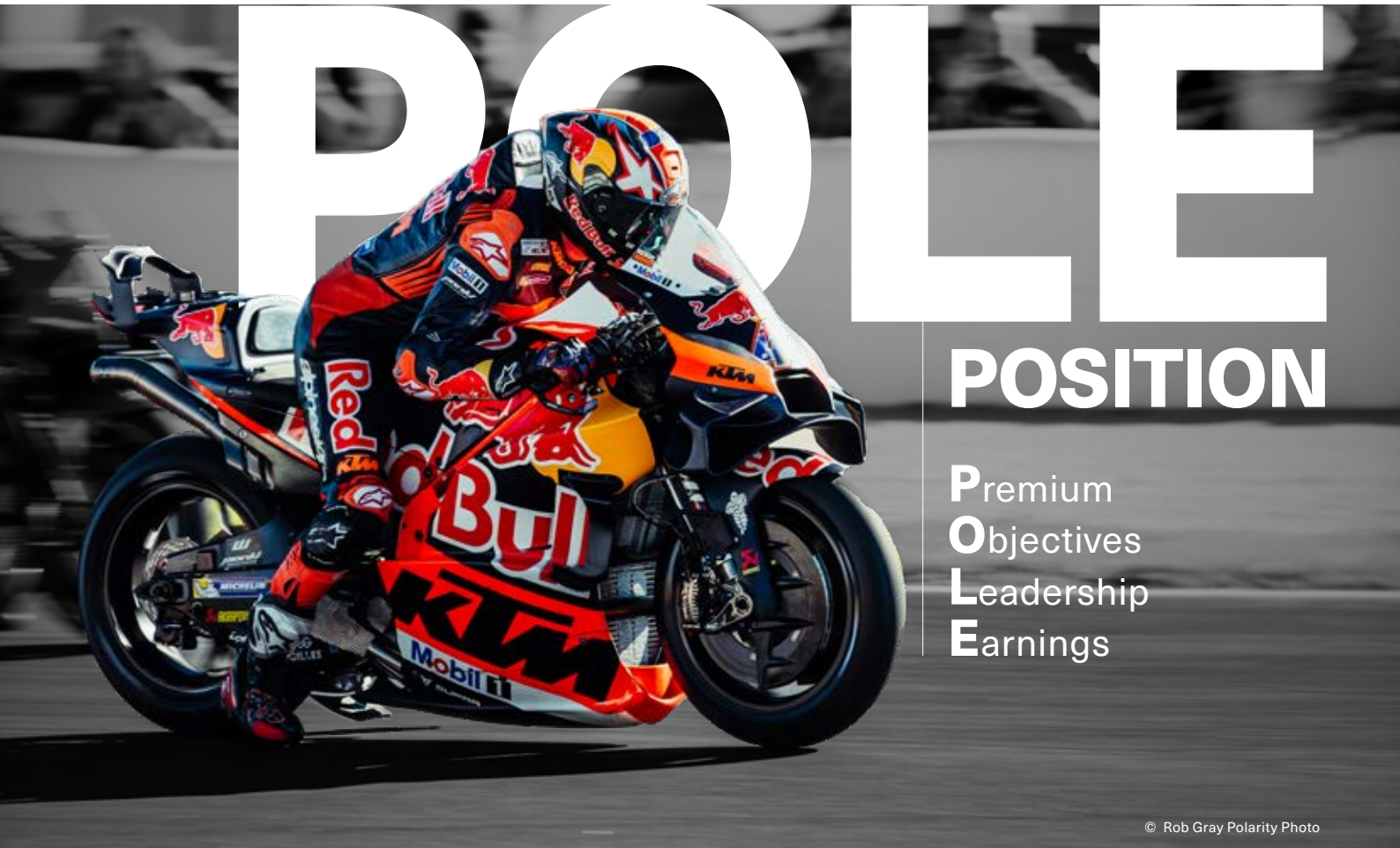


100 % shareholdings: KTM AG, Husqvarna Motorcycles GmbH, GASGAS Motorcycles GmbH, CFMOTO Motorcycles Distribution GmbH (with the brand Zeeho), WP Suspension GmbH; PIERER New Mobility GmbH (with the brands Husqvarna and GASGAS E-Bicycles); PIERER Innovation GmbH, Avocado GmbH; KTM Forschungs & Entwicklungs GmbH; KTM Informatics GmbH; KTM Racing GmbH; 74 % shareholdings: LX media GmbH; 50 % shareholdings: KISKA GmbH; CERO Design Studio S.L.; 25.1 % shareholding: MV Agusta Motor S.p.A.; Other shareholdings: ACStyria Mobilitätscluster GmbH 12.3 %; Platin 1483. GmbH 100 %, Pierer E-Commerce GmbH 100 %. Zeeho is a CFMOTO brand distributed by CFMOTO Motorcycles Distribution GmbH.

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

To be in POLE POSITION

THE MANAGEMENT OF PIERER MOBILITY AG IS COMMITTED TO BEING THE LEADER IN THE INDUSTRY.



POSITION

Premium
 Objectives
 Leadership
 Earnings

© Rob Gray Polarity Photo

PREMIUM

All brands of PIERER Mobility AG are positioned as **PREMIUM brands**. We do not aim to be one of the many, but rather we strive to be the best in each and every segment we are in.

OBJECTIVES

The management sets clear objectives. Whether it is in conquering new segments markets or through measurable KPI's PIERER Mobility's approach is "**performance and winning**". All brands have won countless titles in motorsports. One clear objective is to win the crown of motorsports the MotoGP™ title.

LEADERSHIP WITHIN THE MARKET

Leadership, according to our understanding, has several dimensions: From leading market segments in which we are, to becoming the leader in technology within in the industry. The main duty of PIERER Mobility's top management is to lead with **vision, clarity, transparency** and **motivation**.

EARNINGS

PIERER Mobility is not driven by volumes and mass production. The clear focus is on **quality, innovation, earnings** and **profitability**. This is how the company will generate shareholder value in the future.

These are also the 4 Pillars of our success.

Global production facilities worldwide

Bicycle production facility

Bulgaria
Plovdiv (Maxcom, JV)

CBU/CKD

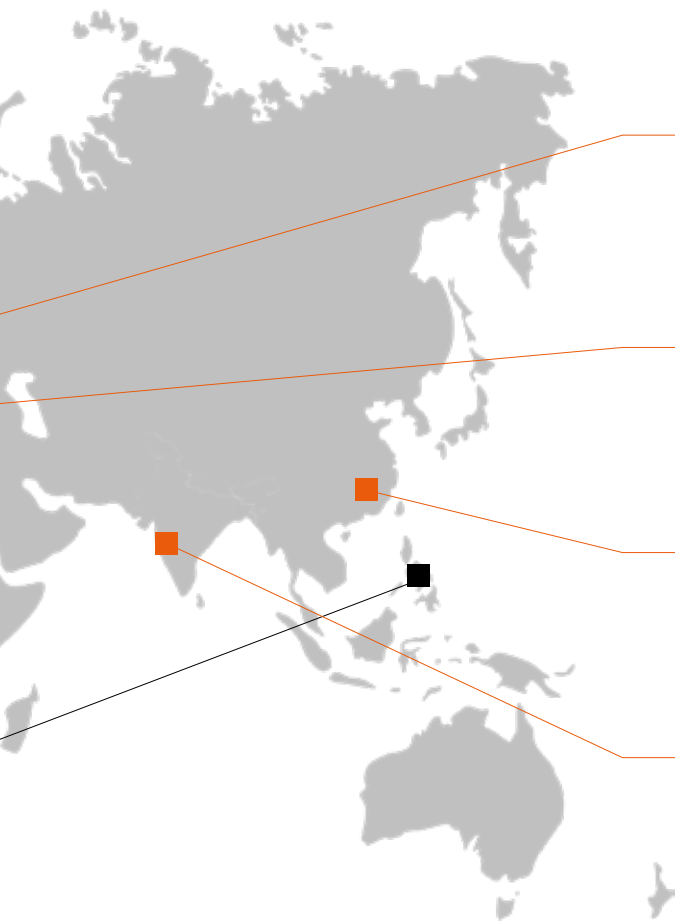
Colombia
Cartagena (CKD)

Brazil
Manaus (CKD)

Argentina
Buenos Aires (CKD)

Philippines
Laguna (JV – CBU/CKD)

CBU - Completely Built Up
CKD - Completely Knocked Down



Austria Mattighofen (HQ)
~208,000 Units in 2023
~220,000 Units in 2022

Spain Terrassa
~5,500 Units in 2023
~1,000 Units in 2022

China Hangzhou (CFMOTO, JV)
~34,000 Units in 2023
~19,000 Units in 2022

India Pune (BAJAJ)
~145,000 Units in 2023
~150,000 Units in 2022

Motorcycle
production
facilities



Stefan Pierer, CEO
© KTM/Philip Platzer

Introduction by the Executive Board

2023 was a year marked by geopolitical challenges as well as a series of different challenges within society as a whole. The supply chain (especially for semiconductors) was greatly affected in the first half of the year, and the logistics situation was made difficult by the various lockdowns within Asia. The impact of high energy costs and the high rate of inflation continued to be felt and adversely affected the company's competitiveness in Central Europe. We have nevertheless shown ourselves to be a growing company as, despite the various crises and the current market trend, we have increased group revenue by around 9 % to € 2,661 million.

With 381,555 units sold in the 2023 financial year, our **motorcycle division** increased its sales by around 2 %. Surplus stocks globally in the **bicycle sector** meant that our group also faced enormous pressure on prices. The growth in sales in this division of more than 30 % was driven by inventory adjustments and by the separation from the R Raymon brand. In the 2023 financial year, 157,358 bicycles were sold, and 100,640 of these were e-bicycles.

STRATEGIC PROJECTS

In the 2023 financial year, we stepped up our cooperation with **CFMOTO**. The intensification of the joint venture and the cooperation in the areas of product strategy, product development, industrialization, and sales is a further development of our consistent cooperation and a further step to be able to serve the increasing market demand in China and the Asian region, as well as worldwide. In addition, production capacity will be doubled. An important milestone for our company was the conclusion of a strategic cooperation with the Italian premium motorcycle manufacturer **MV Agusta S.p.A.**, in which KTM AG acquired a 25.1 % stake back in November. On March 15, 2024, the existing call option to acquire a majority stake in MV Agusta Motor S.p.A. was exercised early by KTM AG and the stake increased to 50.1 %.

The increased focus on the core activity (motorcycles and electrified mobility products) involved instigating the sale of the R Raymon and FELT brands as well as the sale of the non-e-bicycle division. In this regard, the "R Raymon" brand was sold in September 2023 and the process of selling the FELT bicycle brand was initiated through a consortium led by Florian Burguet.

The major **successes achieved in motorcycle racing** also deserve special mention. Under the three KTM, Husqvarna, and GASGAS brands, we won another ten world championship titles and five manufacturers' titles in both road and off-road racing. Jorge Prado made history with his MXGP World Championship title – it was the very first title for GASGAS in the premier class of motocross. Manuel Lettenbichler picked up his second FIM Hard Enduro World Championship in a row. Josep Garcia triumphed at the International Six Days Enduro as well as in the EnduroGP E1 class. Brad Binder celebrated two wins in the new MotoGP™ sprint format and claimed a total of ten podium finishes with his teammate Jack Miller. This gave KTM second place in the MotoGP™ manufacturers' standings.

COURSE OF BUSINESS

Despite difficult economic conditions and upheaval in the bicycle industry, in the 2023 financial year, the PIERER Mobility Group increased group revenue to € 2,661.2 million (previous year: € 2,437.2 million). Earnings before interest and taxes (EBIT) fell by around 32 % to € 160.0 million (previous year: € 235.3 million). This corresponds to an EBIT margin of 6.0 %. At € 323.5 million, EBITDA was around 15 % below the previous year's figure. The EBITDA margin is 12.2 %. The net result after tax is € 76.4 million, down -55.2 % on the previous year. As a result of measures such as strengthening the dealer structure and stabilizing the financial situation of suppliers, the negative free cash flow, which in 2023 amounted to € -413.0 million (previous year: € -2.8 million), was deliberately accepted. Thanks to the strong equity base and long-term financing, sufficient liquidity reserves are available on a sustainable basis. The equity ratio as at the reporting date was 30.8 %.

The 2023 financial year was very much defined by a major model rollout with a total of 72 new and revised models from the three core brands: With 280,206 **KTM** motorcycles sold, 67,462 **Husqvarna** motorcycles sold and 29,532 **GASGAS** motorcycles sold in the 2023 financial year, plus the motorcycles sold by **MV Agusta** (1,852) and **CFMOTO** (2,503), we achieved sales of 381,555 units (2022: 375,492 units). The **motorcycle division** thus achieved a 1.6 % increase in unit sales, consolidating its presence in the important motorcycle sales markets. In the **European sales regions**, unit

sales were 140,214 units (+15 %). We sold approximately two thirds of the units, amounting to 241,341 motorcycles, in markets outside Europe: In **India**, sales rose particularly sharply (+29 %) with 66,426 motorcycles sold. Despite a slight decline in **North America** (-7.7 %), our subsidiary there managed to sell 101,277 units. While sales fell in **South America** with 27,671 units sold (-26.4 %) and in Asia with 23,129 motorcycles sold (-27.3 %), sales of 19,648 units in **Australia** were slightly above the previous year's level (previous year: 19,478 units) (+1 %).

In the bicycle division, 157,358 bicycles were sold in the financial year (previous year: 118,465), of which 100,640 were e-bicycles (previous year: 74,479). Europe, and in particular its DACH region, accounts for approximately 87 % of sales. North America makes up a further 10 % and Asia, South America and Australia around 3 %.

EMPLOYEES

In the past 2023 financial year, the PIERER Mobility Group increased its number of employees by 96 to a total of 6,184 (previous year: 6,088), of which 5,020 work in Austria. As at the reporting date of December 31, 2023, we employed around 220 apprentices, who were training in 25 apprenticeship training programs. Approximately 1,300 employees work in the area of research & development; this equates to around 21 % of the total workforce. In 2023, the proportion of female employees was around 25.8 %.

The employees are a key factor in making us successful. We employ a number of measures to continuously improve working conditions and the level of employee satisfaction and to actively address the shortage of skilled workers. In addition to improvements in occupational safety and health protection, we also focus on delivering targeted training and education for our employees. In 2023, we invested around € 3.9 million in the training program to help our employees develop the skills they need for their job.

INVESTMENTS

In the 2023 financial year, € 284.0 million was invested in further growth, of which around € 195.1 million was invested in product development & tools, € 88.9 million in plant & infrastructure. Despite macroeconomic challenges at a global level, investments in the (further) development of existing and new models, electric mobility and high-tech modernization are the top priority right now and will

continue to be so in the future. In line with our strategic objectives, expenditure on investments in research and development will remain at the already high level of previous years. The research budget was 9.2 % of revenue in the year under review. As in previous years, we made significant investments in 2023, mainly in development projects and the purchase of tools and equipment.

OUTLOOK

For the 2024 financial year, the Executive Board expects that the global economic environment will continue to be difficult, driven not least by ongoing significantly high rates of inflation and wage and salary trends, with far-reaching effects on pricing worldwide. For the group, 2024 will be a year of consolidation, which will be used to strengthen the core business.

The situation in the group's international supply chains eased significantly in 2023 and, following the ongoing challenges of recent years, no major disruption is expected to occur in the 2024 financial year. One of the reasons for this is the supplier risk assessment that was established within the KTM Group and has largely mitigated the consequences of the tense situation in the past. In addition, the procurement strategy has been adapted and the procurement risk has been reduced, particularly by having direct access to the Asian market and continuing to focus on the European market.

To safeguard the PIERER Mobility Group's profitability, the company is pressing ahead with the cost-cutting measures initiated in the 2023 financial year. For the 2024 financial year, these will amount to a figure in the high tens of millions. A major priority will also be streamlining product development cycles and clearly coordinating the product ranges.

As another measure, parts of production for individual mid-range models and certain R&D activities are being relocated to the strategic partner Bajaj Auto, India, and to CFMOTO, China. This applies to products (street motorcycles) in markets that are very price-sensitive and competitive. The range of models produced at Bajaj to date (between 125 and 390 cc) will be expanded. Street motorcycles ranging from 790 to 950 cc will be assembled at the company's Chinese partner CFMOTO. Among other things, this is intended to exploit cost advantages in these regions and speed up development and industrialization processes.



KTM Factory Racing © Future7Media

The current liquidity reserves combined with a balanced mix of different financial instruments will enable the group to continue to operate flexibly in a volatile market environment in 2024. In this regard, the available liquidity reserves were also increased significantly for the short and long term. The group is also affected by the consequences of the current trend in interest rates and measures were also taken to manage the interest rate risk. Over the medium term, the Executive Board expects to see interest rates fall from their currently high level.

Wels, March 2024

Stefan Pierer
Chairman of the Executive Board

Bodies of the Company

as of December 31, 2023

EXECUTIVE BOARD



Stefan Pierer CEO
Appointed until December 31, 2025



Hubert Trunkenpolz
Deputy Chairman of the Executive Board
Appointed until December 31, 2027



Viktor Sigl, MBA CFO
Appointed until December 31, 2027



Florian Kecht
Appointed until December 31, 2027



Alex Pierer
Appointed until December 31, 2027



Rudolf Wiesbeck
Appointed until December 31, 2027



Florian Burguet, MBA
End of the term of office on
December 31, 2023

SUPERVISORY BOARD

Josef Blazicek
Chairman of the Supervisory Board

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

Rajiv Bajaj
Deputy Chairman of the Supervisory Board

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

Iris Filzwieser
Member of the Supervisory Board

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

Michaela Friepess
Member of the Supervisory Board

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

Srinivasan Ravikumar
Member of the Supervisory Board

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

Friedrich Roithner
Member of the Supervisory Board

Elected until the end of the Annual General Meeting deciding on the ratification of the 2027 financial year

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

The prospects for the global economy remain gloomy. The impact of the Russian-Ukrainian war, which has been ongoing since 2022, as well as significantly higher rates of inflation caused by this war have led, among other factors, to a significant slowdown in the global economy. Although the forecasts improved substantially over the course of the 2023 financial year, they are still restrained as a result. There is evidence of a largely positive normalization of business and consumer sentiment, raw material prices are dropping and the disruption to the supply chain seen in the last financial year appears to have been largely overcome as logistics costs and delivery times for the resources the company needs are generally returning to the level they were at before the COVID pandemic. However, significant financial and macroeconomic risks exist, on the one hand as a result of the simmering real estate crisis in China, and on the other from the continued development in rates of inflation. While both overall inflation and core inflation, which excludes volatile energy and food components, are declining, both are expected to remain high at least in the short and medium term. Looking at the overall picture, economic risks are generally more balanced than they were in the last financial year, but there is still a risk of a downward trend. Despite major economic challenges and upheaval in the bicycle industry, the PIERER Mobility Group can reflect on another record-breaking year for revenue. In the 2023 financial year, it increased its revenue by more than 9.2 % to a new record level of € 2,661.2 million. Earnings before interest and taxes (EBIT) fell by around 32 % to € 160.0 million (previous year: € 235.3 million), which equates to an EBIT margin of 6.0 %. In particular, the restructuring of the bicycle sector that was initiated had a significant impact on the result in 2023. Approximately 97 % of revenues were earned outside of Austria.

With 381,555 motorcycles sold (KTM, Husqvarna, GASGAS) in the 2023 financial year, the Motorcycle Division increased its sales by around 2 %. Almost two-thirds of the motorcycles were sold in markets outside Europe, and in particular in North America. Surplus stocks in the bicycle sector globally meant that the PIERER Mobility Group also faced a sharp drop in market prices. The growth in sales in the Bicycle Division of more than 30 % was driven by inventory adjustments and the sale of the R Raymon brand. In the 2023 financial year, 157,358 bicycles were sold (previous year: 118,465), of which 100,640 were e-bicycles. In the bicycle segment, the DACH region still represents the largest sales market at around 60 %. In the Bicycle Division, the share of sales in North America in 2023 was around 10 %.

Despite the difficult global economic conditions, demand in the core markets of Europe rose very strongly at a rate of +11 % (~ 820,000 newly registered motorcycles) and also displayed a significantly positive trend in North America (USA & Canada) at +4 % (485,000 motorcycles). In 2023, the market share of all three brands (KTM, Husqvarna, GASGAS) was therefore around 10.6 % in Europe and



12.6% in North America. The Australian motorcycle market (including New Zealand) declined slightly, with a 3 % drop to 67,000 newly registered motorcycles. Nevertheless, the three brands as a whole managed to increase their share of this market to 21 %. By contrast, as in the previous year, the relevant Indian motorcycle market is seeing a significant upswing (+22 %). Bajaj sold around 66,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 5.3 %. Bajaj Auto Limited's Chakan production plant in Pune has been jointly developing and producing motorcycles for global distribution since 2011.

In the 2023 financial year, the company stepped up and expanded its cooperation with CFMOTO. On the one hand, February 2023 saw the start of activities in the subsidiary CFMOTO Motorcycles Distribution GmbH, Munderfing, which was established in the 2022 financial year, and with it the distribution of CFMOTO motorcycles in Europe, in particular in Germany, Austria, Switzerland, Spain and the United Kingdom. On the other, the long-standing cooperation in relation to industrialization projects in the established joint venture Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Zhejiang, China was stepped up even more and the series production of mid-range KTM models was expanded further. The stepping up of the joint venture and the cooperation in the areas of product strategy, product development, industrialization and sales is a further step toward being able to meet the increasing market demand in China and the Asian region, as well as worldwide. In addition, production capacity will be increased from 50,000 to 100,000 vehicles.

An important milestone for the company was the conclusion of a strategic cooperation with the Italian premium motorcycle manufacturer MV Agusta S.p.A., based in Varese, in which KTM AG acquired a 25.1 % stake back in November. Since the 2023 financial year, the KTM Group has been responsible for purchasing and sales in the key European countries, and for marketing and customer support for MV Agusta motorcycles. Furthermore, the Executive

Board has made the strategic decision to exercise the call option granted under the cooperation agreement to acquire a further 25.0 % stake in MV Agusta S.p.A. in spring 2026.

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, it was involved in fundamental decisions made by the Executive Board at an early stage and advised the Executive Board. Within the context of its regular reporting to the Chairman of the Supervisory Board, and on the basis of comprehensive reports submitted in all meetings, the Executive Board of PIERER Mobility AG regularly informed the Supervisory Board of the present business and financial situation, the course of business and the position of the company including its Group companies during the 2023 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 as well as financing arrangements, these included cooperation projects and the conclusion of contracts of particular importance to the company. There was no change in the company's share capital in the 2023 financial year. Likewise, no treasury shares were acquired or sold, which is why the company did not hold any treasury shares as of the reporting date of December 31, 2023. This meant that the involvement of the Supervisory Board with the company's share capital or treasury shares during the 2023 financial year was not required.

The Executive Board informed the Supervisory Board of a large number of measures and business events and discussed these with the Supervisory Board intensely and in detail. These included the high rates of inflation and the impact of the war in Ukraine, which led in particular to a significant increase in energy prices. The PIERER Mobility Group's assessments of the impact of the war that is happening in Ukraine remain unchanged compared to the previous year. The PIERER Mobility Group has not identified any significant reason to materially change its estimates and expectations as of December 31, 2023, on the basis of the war that is happening in Ukraine. The group does not have any investments, other assets or other material business relationships in Ukraine, Russia or Belarus, nor does the Group have any material business relationships with suppliers or dealers in these countries. With this in mind, the group does not expect any material impact on the expected future cash flows. Equally, the group has not suffered, and does not expect to suffer, any loss of control, joint control or the ability to exercise

significant influence over any entity as a result of the war or the sanctions that have been imposed.

The 2023 financial year was very much defined by a major model rollout with a total of 72 new and revised models from the three core brands KTM, Husqvarna and GASGAS, in both the off-road and street segments. The wide range of street models extends from naked bikes, supersport and touring models in the entry-level segment to a broad mid-range segment with single-cylinder and straight twin models right through to premium motorcycles with efficient and powerful two-cylinder engines.

The KTM Enduro range for the 2024 model year bears testament to many years at the pinnacle of Enduro motorsport and is a dynamic blend of racing performance, ergonomics and the leading technology in the industry. In the second half of the year, the products unveiled included a new, Euro5+-compliant generation of the KTM DUKE model series featuring new 125, 250, 390, 990 and 1390 models. In March 2023, Husqvarna Motorcycles presented the Norden 901 Expedition, a powerful touring motorcycle equipped with an array of convenient functions, designed for use both on the road and off-road. In the Enduro model range for the 2024 model year, Husqvarna Motorcycles presented nine completely redesigned machines featuring the latest technology and advanced electronics. The aim is to continue setting new standards in the offroad segment. In the last quarter of 2023, the Skutta, an electric scooter for urban conurbations, was also presented and this is just the first step in a major rollout of Husqvarna models for the street segment in 2024. GASGAS also presented a new generation of its Motocross, Enduro and Cross Country model range for 2024 with 16 dirt bikes based on the current off-road platform and supplemented this with innovative, battery-powered products. These electric balance bikes, designed specifically for children from the age of three, enable children to learn how to ride two-wheeled vehicles safely while having fun, and they are equipped with a quick-swap battery system.

The first half of 2023 also saw the release of a series of redesigned products and a number of technical innovations in the bicycle division. Husqvarna E-Bicycles focuses on innovative electric mobility solutions to tap into promising new markets worldwide. GASGAS E-Bicycles is building on the success of the GASGAS brand in the motorcycle segment. With its powerful E-MTBs for off-road routes, the brand was also able to expand its reach worldwide in the first quarter of 2023, following a successful financial year in 2022. The experience gained from off-road motorsport along with the knowledge of technologies and materials will play an even greater role in the development of new electrified New Mobility products. Although the e-mobility market holds great growth potential, it can be expected that high-quality products will emerge to meet the level of demand, which according to the latest scientific findings is also very much dependent on a changing demographic structure with people



being more conscious of the environment. However, at the same time it should be noted that current macroeconomic uncertainties as well as impacts on consumer prices, not least due to high rates of inflation, may produce unpredictable effects on the level of demand.

The difficult situation in the global economy means that the 2024 financial year will be a year of consolidation for the PIERER Mobility Group that it will use to strengthen its core business.

WORKING CULTURE AND FOCUS OF THE SUPERVISORY BOARD MEETINGS

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

In its meetings, the Supervisory Board regularly monitored the work of the Executive Board, was informed by the Executive Board about projects and the course of business and business planning – including non-financial performance indicators, and also advised the Executive Board on key strategic decisions. The Supervisory

Board also dealt with the corporate governance of the company and compliance management. In the 2023 financial year, the Code of Conduct of the PIERER Mobility Group was revised again and the new version was published on September 29, 2023. Other focal points of the Supervisory Board's activities included dealing with new legislation, the legal framework and new, pioneering technologies. Outside of the regular meetings, the Supervisory Board was notified about special events. In addition, the members of the Supervisory Board and the Executive Board held bilateral meetings to exchange views. The Executive Board also informed the Supervisory Board about the most important indicators of business development and existing risks by providing verbal reports.

In its first meeting on **March 21, 2023**, the Supervisory Board dealt primarily with the discussion and resolution on the audit and adoption of the 2022 annual financial statements, the 2022 management report, and the audit of the 2022 consolidated financial statements, the 2022 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 for the Annual General Meeting. The company's excellent work in preparing the 2022 annual financial statements was praised once again: Out of a total of 236 reports (online and print version) examined in the Swiss Annual Report Rating 2023, PIERER Mobility AG was among the top 20 best-rated companies and came seventh in the "Value Reporting" category.

A resolution to increase the maximum number of members of the Executive Board in accordance with the Articles of Association in order to strengthen the company's growth course was presented and approved at the 26th Annual General Meeting on **April 21, 2023**. Following the adoption of this amendment to the Articles of Association by the Annual General Meeting, on May 6, 2023 the Supervisory Board appointed Alex Pierer, Florian Kecht, Florian Burguet and Rudolf Wiesbeck as new members of the Executive Board of PIERER Mobility AG. In line with the company's long-term strategic focus, the Supervisory Board extended the Executive Board mandate of CEO Stefan Pierer, which was set to end on December 31, 2023, prematurely until the end of 2025, and the Executive Board mandates of Viktor Sigl and Hubert Trunkenpolz prematurely until the end of 2027. Furthermore, at the Annual General Meeting on April 21, 2023, Friedrich Roithner was appointed as another member of the Supervisory Board. The appointed member of the Supervisory Board accepted his appointment. Klaus Rinnerberger resigned his position as a member of the Supervisory Board with effect from the end of the Annual General Meeting on April 21, 2023.

The meeting on **June 22, 2023**, focused on the course of business over the first five months of 2023, the reports of the group companies, and the financial status. Despite the challenges that are still having an impact, in the bicycle market in particular, on August 29, 2023, the Executive Board announced that it would be confirming the revenue forecast for the 2023 financial year that was published in the first quarter of 2023. In the 2023 financial year, the PIERER Mobility Group continued to focus on growth in all its core areas, for both motorcycles and (e-)bicycles, of between six and ten percent. The agenda at the extraordinary Supervisory Board meeting held on **September 1, 2023**, included the course of business in the first seven months of 2023, the reports from the Group companies, model updates and the Group's financial status. The focus of the Supervisory Board meeting held on **September 26, 2023**, was on the course of business for the first eight months of 2023, the taking up of a promissory note loan by KTM AG, and the acquisition of a 74 % stake in LX Media GmbH. The revenue forecast for the 2023 financial year was adjusted in December to growth of 7 % to 9 % compared to the previous year with an EBIT margin of between 5% and 7% (previously forecast growth in revenue for the 2023 financial year: 6 to 10 percent, previously forecast EBIT margin for the 2023 financial year: 8 to 10 percent). The last meeting of the 2023 year under review took place on **December 15, 2023**, and dealt with the course of business after 11 months and the outlook for the 2023 financial year as a whole. The Group companies and the financial status were also reported on at this meeting. Furthermore, the budget for 2024 was presented, discussed and approved.

With regard to the attendance of the Supervisory Board members

at the meetings, it is noted that in each case one Supervisory Board member was excused from four Supervisory Board meetings; all members of the Supervisory Board were present at one Supervisory Board meeting.

INDEPENDENCE AND EFFICIENCY

An important element of good corporate governance is for the members of the Supervisory Board to be independent and not subject to any conflicts of interest. In assessing the independence of its members, the Supervisory Board bases its assessment on the recommendations of the Austrian Corporate Governance Code (ACGC). The criteria for assessing independence are set out in Rule 53 of the ACGC. In the opinion of the Supervisory Board, with the exception of Rajiv Bajaj and Friedrich Roithner, all Supervisory Board members can be classified as independent as at the end of 2023 on the basis of these criteria. Rajiv Bajaj, as Managing Director, CEO and shareholder of Bajaj Auto Ltd, which is an essential cooperation partner of KTM AG, does not meet the second independence criterion. Friedrich Roithner was a member of the company's Executive Board until his appointment as a Supervisory Board member and therefore does not meet the first independence criterion. It should be noted, however, that Friedrich Roithner was elected as a member of the Supervisory Board on the basis of a proposal by the main shareholder Pierer Bajaj AG in accordance with Section 86 (4) (2) of the Austrian Stock Corporation Act and thus in accordance with the cooling-off stipulations of Austrian stock corporation law. If other members of the Supervisory Board hold executive roles in companies that have business relationships with the PIERER Mobility Group, we do not see any impairment of their independence.

The Supervisory Board reviews the efficiency of its activities each year by conducting a self-evaluation within the meaning of C-Rule 36 of the Austrian Code of Corporate Governance (ÖCGK). To do this, the Chairman of the Supervisory Board conducted a survey of all Supervisory Board members on the full range of relevant Supervisory Board topics and discussed them in detail at a meeting of the Supervisory Board. Particular topics included preparing for and running the Supervisory Board meetings, the content and topics of the meetings, cooperation within the Supervisory Board, and engagement with the Executive Board and the auditor. Overall, the members of the Supervisory Board considered its activities to be as efficient as ever.

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 2023 financial year. Up until the end of April 18, 2023, the Audit Committee consisted of the following members: Srinivasan Ravikumar (Chairman of the Committee), Klaus Rinnerberger (financial expert and Deputy Chairman of the Committee), and Michaela Frieppess (member). After Klaus Rinnerberger left the Supervisory Board with effect from April 18, 2023, Friedrich Roithner was elected as a new member of the Audit Committee, so that the Audit Committee still has three members. Friedrich Roithner now acts as the financial expert and Deputy Chairman of the Committee. The Audit Committee held three meetings in the year under review. The Audit Committee dealt in detail with individual specialized issues and subsequently reported its findings to the Supervisory Board. Moreover, during the year the Audit Committee was in continuous dialog with the Executive Board and the auditor with regard to the significant topics of the annual and consolidated financial statements. In particular, discussions on the status and on important issues in the final audit were held with the auditor. The meeting in **March 2023** focused on the in-depth discussion of all topics in connection with the 2022 annual financial statements and consolidated financial statements. In addition, the appointment of the auditor for the 2023 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 21, 2023 as a proposal to be voted on. At the meeting in August 2023, the group's half-year financial statements for 2023 were discussed in detail in the presence of the auditor. At the meeting in **December 2023**, the auditor provided an overview of the planned process and the main areas of focus of the audit for the 2023 financial year. Furthermore, in accordance with the Audit Law Amendment Act 2016 as well as Regulation EU/537/2014, the provision of non-audit services by the auditor and its network in the 2024 financial year up to an amount limit was approved.

Furthermore, the Chairman of the Supervisory Board as well as the Audit Committee participated in the final meeting to discuss the audit of the annual and consolidated financial statements as of December 31, 2023, with the auditor.

The **Remuneration Committee** of the Supervisory Board of PIERER Mobility AG was set up in December 2021 and currently consists of the two members Josef Blazicek (as Chairman) and Michaela Frieppess (as deputy). As the Supervisory Board consists of no more than six members, the tasks of the Nomination Committee are performed by the entire Supervisory Board. Furthermore, a new **Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)** was created in the 2022 financial year, and the members

are Michaela Frieppess (as chair) and Josef Blazicek (as deputy). The Remuneration Committee and the Committee for Compliance, Investor Relations (IR) and Sustainability (ESG) each met once in the 2023 financial year.

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

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, ("KPMG") was appointed by the Annual General Meeting of PIERER Mobility AG on April 21, 2023 as auditor of the annual financial statements and consolidated financial statements for the 2023 financial year. The Chairman of the Supervisory Board commissioned KPMG to conduct the audit. Both the annual financial statements and the management report for the 2023 financial year as well as the consolidated financial statements and the consolidated management report for the 2023 financial year were audited by KPMG. The audit did not give rise to any objections and the annual and consolidated financial statements for the 2023 financial year were granted an unqualified audit opinion.

The auditor confirmed that the company's annual financial statements as at December 31, 2023 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, 2023, 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, 2023, 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 31, 2023") were discussed in detail with the auditors in the **Audit Committee** in the meeting held on **March 21, 2023** 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 2023 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 2024 financial year, risk reporting and reporting on CSR & sustainability will be further expanded in the Audit Committee. Following the implementation of Regulation (EU) No 537/2014 of April 16, 2014 on the specific requirements for the statutory audit of public-interest entities (Audit Regulation), statutory auditors may not be auditors of a public-interest entity for an uninterrupted period of 10 years. The auditor must then be changed (external rotation). PIERER Mobility AG will change its auditor for the 2024 financial year and, under the direction of the Audit Committee, will conduct a selection procedure in accordance with Art. 16 of the Audit Regulation. Based on the results of the selection procedure, the Audit Committee will make a recommendation to the Supervisory Board. The Supervisory Board will then submit a proposal for a vote to the Annual General Meeting.

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 2023 financial year, also gives no reason for any objections. Having been accepted by the Supervisory Board, the annual financial statements for the 2023 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 2023 financial year. In the 2023 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 2023 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 2023 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 2023 financial year.

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 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 14, 2024



Chairman of the Supervisory Board
Josef Blazicek





KTM 300 EXC MY 24 © Rudi Schedl



KTM

The Racing Brand with Extreme Performance

KTM is the cornerstone of the PIERER Mobility Group, and the basis for the company's approach to the constant technological changes and shifting trends in society and transportation. KTM, as a brand, is still powered by a defining READY TO RACE mentality that underpins the products, the attitude and the vision of the future. KTM is Europe's leading high-performance street and offroad sport motorcycle manufacturer. Originally overseeing an automotive repair and spare parts fabrication workshop in Mattighofen, Austria, Hans Trunkenpolz and his son Erich soon grew the family business to include the sale of motorcycles. By the 1950s they had produced their own two-wheeled design, with the first models released in 1953 under the KTM name. Motorsport quickly became a priority and a passion, and the company competed successfully in regional races. The KTM name stands for Kronreif, Trunkenpolz (the two original founders) and Mattighofen. Over the years KTM has built a reputation as a fierce player on racetracks around the world thanks to its READY TO RACE philosophy and ethos. 341 World Championship titles (and counting) have been celebrated in 70 years of existence. This acclaim and relentlessness is the ultimate proof of KTM's irrefutable racing mantra. The brand's remarkable achievements on the global stage are reflected in every vehicle it creates. KTM has progressed to become one of the world's most innovative fabricators of offroad and street motorcycles, thanks also to key strategic international alliances.



READY TO RACE
Purity | Performance |
Adventure | Extreme

GLOBAL BRAND POSITIONING

The company creates two-wheel mobility solutions and lifestyle choices. The machinery's competitiveness in the marketplace (and mentality to always remain at the cutting edge of development and customer consciousness) filters from a potent motorsport program. KTM race bikes are not only successful from grass-roots level to elite championships but also omnipresent in a range of disciplines: no matter the engine size or the type of tires. Victory is the creed of the breed but KTM's endeavors also help to initiate innovations that are proven in the harshest and toughest environments.

It's unsurprising that racing fits so well with the 'orange'. KTM's brand values of PURITY, PERFORMANCE, ADVENTURE and EXTREME are naturally aligned with a stopwatch, grid, gate and a checkered flag. Previous dominance in offroad segments – from closed circuit competitions like motocross and supercross to the wilderness of a Dakar rally stage or the technicality of an Enduro section – has been matched by feats on asphalt, with championship and Grand Prix spoils across the last decade. KTM have also empowered the next generations with e-technology like the KTM SX-E bikes and balance bikes for kids and race bikes for development series.

Racing means different things to different people but ultimately it is a combination of talent, bravery, invention, exclusivity, and individualism (mixed with teamwork). In short it is a natural playground for KTM and where the urge to stand out and challenge is given free reign, awareness, and feeds into large benefits for the end user and KTM motorcycle riders.

2023 HIGHLIGHTS AND 2024 OUTLOOK

Is '70' the new '60'? Regardless of the connotations, 2023 found KTM furiously active and progressive as the company surged into its eighth decade.

Further title at the demanding Dakar Rally was already documented in January 2023, and the performance of the Red Bull KTM Factory Racing factory motorcycle was demonstrated: the **KTM 450 RALLY REPLICA**. The motorcycle puts much of the learning and hardware of the firm's experience in the heat of competition into the hands of the customer and budding rally rider.

The sense of riding without limits extended into an epic and wider theme later in 2023 when KTM opened pre-orders for the **KTM 890 ADVENTURE R RALLY** and the 700 units sold out in days.

KTM teased the burgeoning Adventure sector and newcomers to the

merits of the motorcycles' prospects. The **KTM 390 ADVENTURE** is one of the most well-equipped offerings on the market for the power-to-weight, quality components, electronics and deep functionality for any road or any condition. Bringing riders, professionals, KTM tech staff and those with a strong disposition to see new places, breathing different air and scouring fresh landscapes; the 2023 KTM EUROPE ADVENTURE RALLY was another massive hit in Norway, and the 2024 edition will be continued in Portugal.

The tire treads became a bit deeper and more purposeful with the unveiling of the **2024 KTM EXC** line-up and a comprehensive media launch in Lesotho, in southern Africa, with almost 40 journalists from 22 countries discovering the latest generation of seven KTM EXC and KTM EXC-Fs, featuring all-new frames and industry-defining tech.

KTM's dirt pedigree was enforced with a renewed KTM SX-E junior electric bike range, the 2024 incarnation of the championship winning **KTM SX** and KTM SX-F motocross machines and, in the fall of 2023, the introduction of the revitalized KTM Sportminicycles, that put even more competitive potential into the hands of junior riders and racers. In November the **KTM SX-F FACTORY EDITIONS** reintroduced the KTM 250 SX-F to the 'factory' treatment and as the basis for the bikes that will enter 2024 AMA Supercross. The FACTORY EDITIONS include Connectivity Unit Offroad equipment and a new KTMconnect App facility to enable ground-breaking 'RIDER' interaction between the rider and the bike. Racers can customize their motorcycle, analyze all aspects of their laps and efforts on track and make the necessary changes to perform better.

Street users were well serviced through 2023. The **BRABUS 1300 R Edition 23** was the most recent collab between KTM and the German luxury mobility brand. Based on the KTM 1290 SUPER DUKE R EVO; BRABUS applied their own punch-and-panache styling, and the 288 units flew into customers hands faster than the actual bike can accelerate from a red light.

Exceptionality was a tangible element at the Customer Track Day for **KTM RC 8C** riders in April. 30 owners of this special track 'tool' were joined by MotoGP™ luminaries like Brad Binder, Mika Kallio and Jeremy McWilliams for guidance and even laps when they took delivery of their unique track bikes at the Ricardo Tormo Circuit in Valencia. The 200 exclusive units of the KTM RC 8C were sold out within seconds through the KTM online sales tool.

Pace and perfection and circuit emphasis were on tap with the 2024 version of the **KTM 1290 SUPER DUKE RR**, presented in March. However, just 500 units of this model were produced. In November KTM injected the SUPER DUKE concept with even more adrenaline. With the **KTM 1390 SUPER DUKE R** and **KTM 1390 SUPER DUKE R EVO**, a new 'Alpha' model was installed into the Street catalog.



The KTM 1390 SUPER DUKE R sits at the top of the KTM DUKE family that will reach 30 years of age in 2024 and birthed the uncompromising 'NO BULLSHIT' marketing campaign in August 2023. The new **KTM 125 DUKE, KTM 250 DUKE, KTM 390 DUKE** and **KTM 990 DUKE** have already been announced.

KTM DUKEs might still own the block, but an old 'face', the **KTM 890 SMT**, a touring bike in Supermoto-style rolled back into town in 2023.

Electric mobility

KTM electric motorcycles are now well established as an important foundation of the offroad collection. Low maintenance, effortless, sustainable but also highly efficient and immensely enjoyable for youngsters taking their first steps in the two-wheel world.

The initial introduction comes with the **KTM SX-E balance bikes** and three new models launched during July 2023. The KTM SX-E 1.12, KTM SX-E 1.16 and KTM SX-E 1.20 cater from the smallest riders, to 4-8 year old's and to 10-12 year old's enjoying more hardware and performance. Brushless motors, lithium batteries, quick recharge times and durable parts and materials are the defining ingredients that will take the punishment but deal out the pleasure, and set the eventual direction to the KTM SX-E motocross range.

2023 was again an important year for the technology with new KTM SX-E 5, KTM SX-E 3 and the debutant KTM SX-E 2 coming to market. Featuring swappable batteries and the same kind of top-of-the-range components that adorn the KTM SX Sportminicycles, the three bikes have a one-hour charge time and safety considerations as well as adjustment 'go as they grow' aspects like seat height and adjustable rear shock positions.

The KTM SX-E 5 was a major player in the third running of the Junior e-Motocross series during 2023: an four-round European competition that runs at FIM MXGP Motocross World Championship Grands Prix and is the very first 'jump' for kids that want to race, all within the safe and professional confines of an FIM circuit.

REGIONAL OVERVIEW

Street bike sales continued to prosper, particularly in European markets, and Travel/Adventure motorcycles also increased pan-globally, most notably in Germany where sales doubled compared to 2022. Naked bikes – KTM's emotive DUKE range – caught attention through the territories and posted significant numbers in the Middle East region as well as north Africa when placed against performance from the previous year.

The U.S. is a large and reactive market and KTM was encouraged by flowering street bike business. North America is the biggest area for offroad commerce and in 2023 street products are catching up to the digits registered for motocross and enduro models.

MOTORSPORT

2023 HIGHLIGHTS

KTM's FIM world championship haul reached an impressive total of 341 in 2023, representing an increase of 8 over the previous year. The KTM Motohall 'Legends of Dakar' exhibition that opened in May 2023 could not have been better timed as Kevin Benavides triumphant race bike from the '23 edition of the famous rally, the 19th time in the last 22 years that KTM have ruled the Dakar, took pride of place. Benavides brought home the main trophy from Saudi Arabia but it was a stellar event for the Red Bull KTM Factory Racing crew as Toby Price ran to 2nd place: an emphatic 1-2 for the squad. Price then fought until the last round for the FIM Cross Country Rallies World Championship.

The Dakar was followed hard upon by the AMA Supercross championship in which KTM was again a protagonist and Aaron Plessinger added to his legion of fans with some battling displays. 2022 MX2 World Champion Tom Vialle transitioned across the Atlantic and neared the podium in his rookie AMA 250SX term and gathered a trophy outdoors for AMA 250MX before coming back to Europe to start for Team France and take the victory on home soil at Ernee, France for the 76th Motocross of Nations. Red Bull KTM have signed 2023 AMA 450 SX champion Chase Sexton for the 2024 campaign: one of the most exciting talents on the American motorcycle racing scene.

Motocross saw Red Bull KTM Factory Racing notch some excellent milestones. Jeffrey Herlings breached the all-time 101 win record at the Grand Prix of Spain mid-season and increased his tally to 103. In the MX2 class KTM maintained its status as the strongest team ever in the category, when they pushed Andrea Adamo to championship success. The young Italian won his first race in 2023 and went all the way to P1 in the standings. Teammate Liam Everts also completed 'firsts' in terms of making the podium

More dirtbike glory arrived thanks to Spanish Enduro star Josep Garcia who switched to the Enduro1 class and conquered the competition as well as excelling in tough conditions at the ISDE in Argentina. In a vaguely similar discipline, the freaky skills and control shown by Manuel Lettenbichler carried the German to back-to-back FIM Hard Enduro World Championships and a phenomenal win rate of 6 from 6 events. Garcia and Lettenbichler's feats were a strong endorsement for KTM's new generation EXC line-up and their ability and clear potential meant that KTM were quick to tie both riders to fresh multi-year contracts.

Shedding the tread and winding-up the speed, KTM fielded 28 supported riders in the MotoGP™ paddock in 2023 as well as a host of youngsters on machinery in development classes like the Red Bull MotoGP Rookies Cup and Northern Talent Cup. The spread was wide but at the sharp end the results and spoils flowed.

Red Bull KTM Factory Racing celebrated two wins with Brad Binder in the new MotoGP Sprint format and gathered ten podiums in total between Binder and new teammate Jack Miller. KTM ranked 2nd in the constructors table.

In Moto2™ starlet Pedro Acosta vanquished the opposition for his second title in just three years of world championship competition and after dominating Moto3™ in 2021. He brought a third consecutive gold medal to the prolific Red Bull KTM Ajo squad.

MotoGP boasted record attendances and viewing figures as well as slew of new fastest laps (15) and closest race finishes. 2023 witnessed the first ever Grand Prix of India and a racing calendar that took the sport around the continents in a seven-round ten-week spell to end the schedule.

2024 OUTLOOK

AMA Supercross sees an exciting line-up of Chase Sexton, Aaron Plessinger, Tom Vialle and Julien Beaumer to tackle stadiums across North America from January to May with the KTM SX-F FACTORY EDITIONS and then into the AMA Motocross summer.

MXGP started underway in Argentina in March with Jeffrey Herlings back for his fifteenth season in Red Bull KTM colors. He will be accompanied by reigning MX2 world champion Andrea Adamo, Liam Everts and Sacha Coenen. Josep Garcia and Manuel Lettenbichler are confirmed as the company's top Enduro stars.

In the same month the longest ever MotoGP season (22 Grands Prix) opened into life with the first round in Qatar and with Brad Binder and Jack Miller teaming-up for the second year in a row for what will be KTM's eighth campaign as part of the premier class grid. Red Bull KTM Ajo boast new rosters in both Moto2 and Moto3.



2023 VICTORIES & SUCCESSES

WORLD CHAMPIONS

Rider's titles

FIM Grand Prix World Championship Moto2™
Pedro Acosta (ESP)

FIM MX2 Motocross World Championship
Andrea Adamo (ITA)

FIM Hard Enduro World Championship
Manuel Lettenbichler (GER)

FIM Enduro1 World Championship
Josep Garcia (ESP)

FIM Flat Track World Championship
Ervin Krajčovič (CZ)

Manufacturer's titles

FIM Grand Prix World Championship Moto3™

FIM 85 Motocross World Championship

FIM Enduro1 World Championship

Runner-up MotoGP™ Constructors World Championship

Further Highlights

International Six Days Enduro

Individual Overall Winner
Josep Garcia (ESP)

Individual Enduro1 Winner
Josep Garcia (ESP)

Individual Enduro3 Winner
Loic Larrieu (FRA)

Individual Overall Junior Winner
Mateo Oliveira (USA)

Manufacturer Team Award
Red Bull KTM Factory Racing (AUT)

Dakar Rally Winner

Kevin Benavides (ARG)



Svartpilen 401/Vitpilen 401 MY24 © A. Barbanti



HUSQVARNA MOTORCYCLES

The Pioneering Brand with Smart Performance

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

Throughout its dynamic 120-year history, the brand has experienced several transformations. The move to PIERER Mobility AG ownership in October 2013 has proved to be the start of its most successful era to date.

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

Husqvarna motorcycles are developed at state-of-the-art manufacturing facilities in Mattighofen, Austria. Husqvarna Motorcycles maintains its focus on the future, seeking out innovative and improved solutions to create original machines that deliver on the brand's promises.



FOR PIONEERS
Smart | Progressive |
Dynamic | Pure Design



Husqvarna Factory Racing, Billy Bolt, SuperEnduro, Germany © Future7Media

GLOBAL BRAND POSITIONING

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

For more than a century, the Husqvarna brand has been central in driving motorcycle development. Its influence has continuously reflected the brand's strong position in the two-wheeled world. Husqvarna riders value this rich legacy and prize the authenticity it brings. At the same time, the brand constantly seeks new ways to create innovative machines to align with the aspirations of riders.

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

2023 HIGHLIGHTS

Class-leading innovative products

Along with the continuing popularity of the established models, several new machines and technical developments have contributed to Husqvarna Motorcycles' latest sales successes. With almost 440,000 motorcycles sold worldwide during the last decade, the brand has followed this steep upward trajectory since 2013 and

continues to focus on increased growth, new markets, and the ongoing development of a wider product range.

Expanding the range of touring machines, the new **Norden 901 Expedition** was added to the line-up in 2023. Based on the highly popular Norden 901, the Norden 901 Expedition is equipped with carefully selected Technical Accessories to improve ease of use and comfort throughout extended adventures. Since its launch in late 2021, the Norden 901 continues to grow in popularity to solidify the position of Husqvarna Motorcycles in the touring sector. For 2024, the Norden 901 offers improved performance and safety thanks to multiple technical enhancements, in addition to a distinctive new colour scheme for the new model year. The focus on product development is a consequence of Husqvarna Motorcycles' clear commitment to establish its brand across the world as a feisty and serious manufacturer in the road motorcycle segment. The brand strategy has been refined to better focus on street-oriented customers, considering the potentially huge sales prospects.

At the same time, the brand's commitment to the offroad sector is being consolidated and strengthened by further innovations, such as 2-stroke fuel injection technology and a new electric starter as seen on the 2024 **TC 125** and **TC 250** models. These are significant enhancements in the continued evolution of these popular models, which set the benchmark for premium motocross machinery in the highly competitive 2-stroke sector.

Following the launch of the new generation motocross models in 2022, all **new enduro models** followed in 2023. The competitive range of 2-stroke and 4-stroke machines are expertly assembled around an all-new platform with each one equipped with cutting-edge technology. All seven models continue to offer class-leading performance and the highest level of rideability.

Innovative technologies

First launched alongside the Norden 901, the Connectivity Unit is now available for every street motorcycle. Offering Turn by Turn+ navigation, riders can also manage phone calls and control music selection safely while riding. For owners of 4- stroke motocross models from model year 2021 onwards, a new Connectivity Unit Offroad and GPS Sensor will be available to purchase as Technical Accessories in early 2024. Once fitted to the motorcycle and paired with the Ride Husqvarna Motorcycles app, riders can activate suggested engine mapping settings, refine them if needed, or create their own from within the Engine feature of the app. Additionally, riders can input their weight, ability, and track conditions into the Suspension feature and recommended settings will be generated. This ensures maximum comfort and the best possible handling for every rider on all types of circuits.

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

Electric mobility

During 2023, three new e-powered products were added to the range to expand, strengthen, diversify the brand's overall line-up. The all-new Skutta – a lightweight scooter designed to transform urban commuting – was unveiled in the autumn. Easy to ride, maintain, and store, the introduction of the Skutta also brought with it the first B2C-webshop for Husqvarna Motorcycles and PIERER Mobility AG. The new webshop allows customers from 12 European countries to purchase the Skutta online and benefit from free delivery. The new EE 2, the smallest e-powered motocross machine available from Husqvarna Motorcycles, was launched in October 2023. Allowing younger riders to experience motocross for the first time, the EE 2 joins and sits below the established EE 3 and EE 5 in the line-up. The trio of models allow youngsters to progress to each machine as they grow in size while developing their skills on machinery with a familiar feel.

A new balance bike, the EE 1.20, was launched in the summer and features an adjustable electric motor. With 20" wheels, it's the largest balance bike available from Husqvarna Motorcycles and was designed to introduce more youngsters to riding offroad. With a view to the future in terms of riders as well as machinery, Husqvarna Motorcycles was one of the manufacturers to support the European Junior e-Motocross Series. The series, which celebrated its third consecutive season in 2023, is exclusive to children aged

between five and eight years old riding e-powered machines, with all five events taking place alongside selected rounds of the FIM Motocross World Championship.

REGIONAL OVERVIEW

Best known for its established position in the offroad industry, Husqvarna Motorcycles has broadened its product offering under PIERER Mobility AG ownership through the introduction of new models and expansion into new segments and markets. In 2020, Husqvarna also became available in India, Southeast Asia and Latin America to increase sales and further grow the brand. Looking toward the future, Husqvarna Motorcycles will consolidate and further grow its position worldwide by entering new territories and market sectors with urban mobility solutions and an expanded street bike line-up.

2024 OUTLOOK

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

The portfolio broadening, along with the strengthening of brand awareness and ongoing development of the dealer network, allows Husqvarna Motorcycles to realize the full potential of the brand. With a considerable number of exciting models introduced for 2023, across new and existing segments and markets, the clear objective is to increase market share and overall unit sales to even higher levels in 2024.

In 2024, with an already established and competitive line-up of offroad machinery available to riders of all ages, Husqvarna Motorcycles will focus on strengthening its position in the street motorcycle segment, with the Vitpilen and Svartpilen models receiving several significant updates for 2024.

Husqvarna Motorcycles remains committed to developing young talent in the motorsport world continuing the support the European Junior E-Motocross Series for a fourth year in 2024.

MOTORSPORT

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

Factory racing

Since the introduction of the global Husqvarna Factory Racing team in 2015, Husqvarna Motorcycles has consistently consolidated its position as a dominant force in offroad racing. With the brand's all-time tally of world championship titles reaching 116 in 2023, this focus remains as resolute as ever. Internationally, the elite racers riding Husqvarna Motorcycles continue to enjoy race wins and podiums across all disciplines.

Enduro | Offroad | Rallye

In 2023, Billy Bolt won his third consecutive FIM SuperEnduro title. Billy won all five rounds and all but one of the 15 championship races on his FE 350 in what was another dominating season for the British rider. Outdoors, in the FIM Hard Enduro World Championship, Billy placed a comfortable second in the final standings, this time racing a TE 300 to secure another championship medal.

Husqvarna Factory Racing's Luciano Benavides made history in 2023 when he was crowned FIM World Rally-Raid Champion. Luciano's result underlined the performance and reliability of his FR 450 Rally machine, as well as his speed and consistency throughout the season.

Motocross | Supercross

Racing his FC 250 Rockstar Edition in the 250SX West division of the AMA Supercross championship, RJ Hampshire claimed an impressive second overall in 2023 following one race win and seven podium results. Husqvarna Factory Racing's riders in the FIM MX2 World Championship delivered GP and race wins in 2023. Making his world championship debut, Lucas Coenen claimed a GP win together with multiple race wins and podium results on his way to placing an outstanding fifth in the final standings. Kay de Wolf won the MXGP of Latvia in dominating fashion to move into the series lead before an unfortunate injury ruled him out of title contention. Both riders continue with the team in 2024.

Road Racing

After placing fourth in the 2022 Moto3™ World Championship, Ayumu Sasaki entered the 2023 term as a title contender. Once again, he proved to be a regular podium finisher throughout the 20-round series, ending the season as vice Moto3™ world champion. Adding to what was a very successful season in road racing, Sasaki's teammate Collin Veijer also delivered strong results. With his year highlighted by taking the race win in Malaysia.

2024 OUTLOOK

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

For 2024, Husqvarna Motorcycles will continue to build on its enviable reputation and provide riders across the globe with high-performance machinery.



2023 VICTORIES & SUCCESSES

WORLD CHAMPIONS

FIM SuperEnduro World Championship
Billy Bolt (GBR)

FIM Motocross 85 World Championship
Dani Heitink (NED) FIM World Rally-Raid Championship

FIM World Rally-Raid Championship
Luciano Benavides (ARG)





GASGAS

The vibrant playful brand with inviting performance

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

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

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

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

GLOBAL BRAND POSITIONING

GASGAS represents an exciting and approachable entry point into the performance offroad motorcycle world, offering products that are user-friendly and guarantee enjoyment. With a rich and proud heritage in offroad motorcycle racing and trial competition, GASGAS has a distinct, Spanish style, with an inviting, down-to-earth character. Offering a robust and expanding range of performance motorcycles, GASGAS allows more riders to join in and share the enjoyment of motorcycle riding and racing.

2023 HIGHLIGHTS

Since 2020, GASGAS has enjoyed significant year-on-year growth under its PIERER Mobility AG ownership. Boosting brand awareness and contributing towards this growth, each year various focused marketing events and campaigns take place across the globe. The highly popular GASGAS United in Dirt Tour – a series of events held around the world where local, specialist media, GASGAS dealers, and end consumers are invited to test ride the dirt bikes and discover more about the brand – began in 2021. For the first two years, the tour visited the core European markets. However, following immense popularity, the United in Dirt Tour expanded in 2023 to visit South Africa, Central and Eastern Europe, and Australia.

By entering MotoGP™ for the first time ever in 2023, GASGAS confirmed its ability to build high performance machinery while showcasing the brand to a truly global audience. A strengthened rider line-up for 2024 clearly underlines the commitment made by GASGAS to its MotoGP™ project.

Alongside the line-up of GASGAS motorcycles, riders and fans can easily express their passion for the brand with the lifestyle collection, which includes clothing for people of all ages. In 2023, thanks in part to collaborations with leading brands including Puma and Troy Lee Designs, as well as producing official merchandise for our MotoGP™ riders, the stylish range grew exponentially.

Focusing on the future, and making motocross more accessible to ever younger riders, GASGAS now offers a trio of e-powered dirt bikes following the launch of the MC-E 2 in October. Joining the existing MC-E 3 and MC-E 5 in the line-up, the new MC-E 2 allows children to begin riding from a very young age. Then, as they grow in size, they can progress to riding the larger bikes in the GASGAS range. Alongside these motocross models, three high quality balance bikes, all featuring small electric motors, allow children to learn fundamental skills such as how to push off, use a throttle, and safely brake and stop, before they advance to riding a motorcycle.

The Junior e-Motocross Series continues to grow in popularity with each passing year. Taking place alongside selected rounds of the FIM Motocross World Championship, the series is open to children aged between six and eight years old competing on a GASGAS MC-E 5 or equivalent machine. With both of the top two finishers racing the MC-E 5 in the 2023 series, the brand also secured the manufacturers title.

New models

In the summer of 2023, GASGAS unveiled a new generation of motocross and enduro bikes – the first major update to its offroad motorcycles since the relaunch of the brand in 2020. To celebrate the launch of the new models, the Spice It Up Festival took place in Italy, which hosted key global offroad media on the opening day with the public attending on day two. The aim of the event was to allow every attendee to test ride all the brand-new bikes, improve their skills thanks to advice received from official team factory team riders, and ultimately celebrate offroad riding. The Spice It Up Festival was a huge success and underlined the GASGAS vision of doing things differently while bringing riders of all abilities together to unite in the dirt.

Shortly after, GASGAS unveiled an exciting, e-powered balance bike – the MC-E 1.20. Bridging the gap between the brand's smaller balance bikes and its motocross models, the MC-E 1.20 utilizes 20-inch wheels, much like a BMX bike. Built around a strong and lightweight aluminum frame and equipped with quality parts and front suspension, it gives children a true flavor of what it's like to ride a real motorcycle.

New generation mini motocross bikes were launched in October. Following the unveiling of the full-size machines in the summer, the 2-stroke MC 50 and MC 65 are also all-new with both models now adjustable in size. This feature allows children to ride the same bike for longer, which helps build their confidence before they advance to a bigger machine. Both models feature new motors and frames and are finished with vibrant new bodywork to match every bike in the offroad line-up.

In December 2023 GASGAS introduced the new Connectivity Unit Offroad (CUO) and GPS sensor with both components fitted as standard to the 2024 Factory Edition models. These components allow every rider to customize the power of their bikes after they've paired the CUO with the new GASGAS+ app on their phone. Within the easy-to-use app, multiple engine maps based on riding styles and track conditions can be created in addition to riders benefiting from suspension set-up recommendations. All settings can then be

saved for implementing at similar style circuits. Additionally, for riders eager to improve their pace, the GPS sensor records all on-track data throughout every session. Then, from within the GASGAS+ app, lap times, line choice, and 15 other values relating to how the bike is running and being ridden can be analyzed.

REGIONAL OVERVIEW

North America is now the largest market for GASGAS. With rapid sales growth throughout 2023, thanks largely to the comprehensive cross-country line-up and two Factory Edition motocross models available, North America takes over as the biggest region for sales with Europe close behind. In Latin America, GASGAS continues to enjoy impressive growth. With strong year-on-year sales throughout the dealer network since 2021, this upward trend is set to continue in 2024.

2024 OUTLOOK

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

Known the world over for its offroad expertise, GASGAS will continue to grow in the coming years thanks to its ever-expanding range of high-quality motorcycles.

Entering MotoGP™ in 2023, GASGAS enjoyed a sizeable boost of visibility. Introducing the brand to the global street audience, together with Jorge Prado securing the MXGP World Championship, GASGAS enjoyed heightened levels of brand exposure. For 2024, GASGAS will also continue racing in MotoGP™, MXGP, AMA Supercross and Pro Motocross, EnduroGP, and of course, Trial, with a talented and capable line-up of racers in all discipline. GASGAS fully expects to secure more world titles during the upcoming years.

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

Returning for 2024, the United in Dirt Tour is scheduled to visit more countries than ever before. At each stop of the tour both existing and potential new GASGAS customers will test ride new models and experience the GASGAS brand firsthand.



MOTORSPORT

Enduro | Offroad | Rallye

The FIM EnduroGP World Championship is where GASGAS has enjoyed its greatest successes in recent years. After winning both the EnduroGP and Enduro1 titles in 2022, Andrea Verona switched classes and entered Enduro2 aboard the EC 350F in 2023. In contention for both titles until the final round Andrea ultimately placed third in EnduroGP and a close second in Enduro2 before going on to win the Enduro2 class at the prestigious ISDE in Argentina.

Following an incredible 2022 season where Red Bull GASGAS Factory Racing picked up both the Dakar Rally win and the FIM World Rally-Raid Championship title with Sam Sunderland, unfortunate injuries struck Sam and teammate Daniel Sanders in 2023. The highlight of the year came in April when Daniel raced to victory at the Sonora Rally. Both riders are focused on success in 2024.

Motocross | Supercross

Winning the FIM MXGP Motocross World Championship with Jorge Prado was certainly the racing highlight for GASGAS in 2023. Leading the series from the very first race of the season in Argentina, the Spaniard's speed and consistency throughout all 19 rounds saw him secure the title at the penultimate event of the championship. Representing GASGAS in MX2 was young German racer Simon Längenfelder. Winner of two GPs in 2023, Längenfelder placed third overall in the final standings for the second consecutive year and narrowly missed out on a silver medal, despite missing three rounds due to injury. The 2024 season looks very promising for GASGAS with both Jorge and Simon once again lining up for the team in the FIM Motocross World Championship.

The signing of up-and-coming talent Ryder DiFrancesco will strengthen GASGAS' presence in AMA Supercross and Pro Motocross. Arguably one of most gifted young racers in America, Ryder will compete on the MC 250F in both the 250SX and 250MX classes in 2024 and beyond. As a 450SX race winner in 2023 and a regular threat for wins and podium finishes wherever he competes, Justin Barcia will represent GASGAS in the 450 class for the fourth consecutive year. Pierce Brown also returns to the team and will race in the 250 division.

Road Racing

Reigning Moto2™ World Champion, Pedro Acosta, adds more talent to the GASGAS MotoGP™ project for 2024. Only 19 years old, and already a two-time world champion having secured the Moto3™ crown in 2021, Acosta is undoubtedly one of road racing's most talented young riders. He'll be joined on the start grid in

2024 by Augusto Fernandez who returns for a second season with GASGAS. Stepping down from full time racing is former Moto2™ World Champion, Pol Espargaro, who brings a wealth of experience to his new role as the project's test and development rider. The experienced Spanish racer will also enter selected rounds of MotoGP™ as a wildcard in 2024.

Following his Moto3™ World Championship win in 2022 – GASGAS' first ever international road racing success – Izan Guevara progressed to Moto2™ in 2023. Replacing Izan in Moto3™ was David Alonso who immediately impressed. Winner of four races, the Colombian was in title contention throughout the season and would ultimately place a highly commendable third in the championship. An unfortunate pre-season injury prevented Guevara from showing his potential in 2023. However, Jake Dixon secured two race wins on his way to finishing fourth in the final standings.

Trial

The super-specialist sport of trial remains incredibly important to GASGAS with the brand continuing to compete at the highest level, both indoors and out. For 2023, GASGAS signed TrialGP number two Jaime Busto to compete in the premier class, together with 2022 Trial2 World Champion Sondre Haga. Busto impressed immediately by winning the opening day of the season and would challenge trial legend Toni Bou throughout the year. Two further day wins helped Jaime secure second in the final standings while Haga finished fourth in Trial2. Both riders return to GASGAS Factory Racing for 2024.

2024 OUTLOOK

Competing and winning at the highest level of international motorsport is extremely important to GASGAS, allowing the brand to highlight the quality and reliability of their motorcycles, and contributing to the development of the production models for the benefit of all consumers.

For 2024, GASGAS has invested heavily in developing talented young motocross riders while also increasing its presence on the start line by supporting two teams. The Beddini GASGAS Factory Juniors team will field Valerio Lata and Mads Fredsoe in EMX250 – the European feeder series for the MX2 World Championship. British rider Billy Askew will also compete in EMX250 as part of the REVO GASGAS Racing team where he'll be joined by MXGP class racer, and GP winner, Brian Bogers.

With a growing roster of world champions, talented racers across all disciplines, and new generation motorcycles, GASGAS Factory Racing is primed to add to the brand's 38 world titles.



Prado 18 MXGP Italy 2023 JPA © Juan Pablo Acevedo

2023 VICTORIES & SUCCESSES

WORLD CHAMPIONS

FIM MXGP Motocross World Champion
Jorge Prado

FIM SuperEnduro Manufacturer's World Champion



KTM 1390 DUKE, MY24 © Sebas Romero



WP SUSPENSION

Uncompromising Performance and Racing-driven Technology

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

GLOBAL BRAND POSITIONING

Innovative product development

WP Suspension stands at the forefront of this dynamic landscape, maintaining direct collaborations with numerous accomplished motorsports teams. This unique synergy allows WP Suspension to seamlessly integrate cutting-edge insights from the racetrack into their product development processes, consistently meeting the swift demands of the industry with pioneering ideas. Through dedicated research and development endeavors, WP Suspension has solidified its position as a frontrunner in the fiercely competitive motorsports market.



**Performance |
Innovation**

Successes in motorsports

As a result of its tireless development work and high-quality standards, WP Suspension has clearly established itself as a successful brand in off-road motorsports. Nearly all race series involve the participation and support of WP Suspension. These victories are testaments to technical superiority in motorsports. WP Suspension has played a role in all major achievements of PIERER Mobility's engagements in motorsports. The results in all elite categories in the world of motorsports are evidence of the hard work to bring continuous improvement, quality and performance to those riders who aspire to go a step further than the rest. Whether on the motocross track, on the street, or in the mountains, WP PRO COMPONENTS make the difference.

2023 HIGHLIGHTS

WP Suspension riders have asserted their dominance across every major category in enduro, motocross, street and rally for motorcycles, securing unparalleled victories and etching their names in the annals of motorsport history.

The stellar performances of the WP Suspension team members in the 2023 season have left an indelible mark, showcasing the prowess of these exceptional athletes and the cutting-edge technology behind the brand.

Their victories echo not only their individual achievements but also the enduring legacy of WP Suspension as a driving force behind champions across the motorsports spectrum. This is more than a collection of wins; it's a story of passion, precision, and the pursuit of greatness, all made possible by the perfect harmony of rider and suspension technology.

Sales expansion and development

In 2023, the sales department continued to focus on expanding and developing the WP Suspension global dealer network. Despite challenging conditions in many sectors of the economy, during the past financial year WP Suspension succeeded in acquiring additional sales partners and further increasing the number of WP Authorized Centers worldwide. The focus will continue to be on optimizing the sales structures both quantitatively and qualitatively in 2023 and strengthening the pioneering position in the market even more and opening it up to other potential customer groups.

2024 OUTLOOK

In the year 2024, WP Suspension is steadfast in its commitment to maintaining a pioneering global position, fortified by a substantial investment in resources aimed at continual advancement in cutting-edge technologies. The company's unwavering focus on innovation remains a cornerstone, tailored to meet the exacting needs of customers within the fiercely competitive motorsport industry.

This dedicated effort ensures that WP Suspension continues to fulfill its promise of delivering top-tier performance and innovation in both the off-road and street sectors. The aim is to support not only professional racers but also impassioned amateur riders worldwide, providing them with access to premium suspension and technical accessories that enhance their riding experience.

Looking ahead, WP Suspension boasts distinctive advantages, rooted in the company's structure and its strategic position within the PIERER Mobility Group. These factors empower WP Suspension to cater comprehensively to the professional and amateur sports market, offering premium, innovative suspension components and staying at the forefront of the latest product developments.

Recent organizational changes, coupled with the momentum gained in product management over preceding years, have endowed WP Suspension with increased flexibility and agility. This positions the company to respond swiftly and efficiently to dynamic market developments, enabling a more nuanced adaptation of its product portfolio in the years to come.

A pivotal objective remains to cater to the diverse interests of customers, irrespective of their motorcycle brand or riding skill level. Throughout 2024, WP Suspension will persist in cultivating and fortifying this identity as a unifying force within the entire motorsport community. The company's sales and marketing structure will maintain its emphasis on expanding market share in the premium motorcycle aftermarket, with augmented resources allocated to marketing initiatives, solidifying WP Suspension's standing as a premier manufacturer of top-quality suspension components.







PIERER NEW MOBILITY

The Future of Two-Wheel Mobility

The industry climate was difficult through much of 2023 and the new mobility business faced challenges despite growth in unit sales and overall revenues that significantly exceeded 2022 levels.

During the past financial year PIERER New Mobility GmbH delivered a “Dealer First” message of retail partnership, presented a dynamic product portfolio and plan at the Eurobike tradeshow, and drove global excitement around multiple new product launches. The further investment in a more robust sales structure, customer service operations, and strategic brand initiatives coincided with negative market conditions. The Covid era supply chain difficulties were largely overcome which led to a glut of bicycles, components, and other accessories hitting the market. For the product they did order, the overstock situation required aggressive discounting to support the sales. Overall, this had a detrimental effect on the organization's overall performance.

Turning the corner towards 2024, PIERER New Mobility will divest itself of the brands R RAYMON and FELT to streamline the brand portfolio and utilize synergies within the organization.

GASGAS E-BICYCLES

Following in the wheel tracks of GASGAS in the motorcycle division, GASGAS E-Bicycles challenges riders to experience offroad riding via powerful eMTBs that are engineered to thrill on the way to creating amazing on-the-bike memories with friends and “friendly” competition. Creating waves of excitement and anticipation in true GASGAS fashion, the brand kept expanding its reach with passionate riding fans and customers worldwide throughout 2023.

With its roots firmly in offroad motorcycling, the GASGAS brand successfully extended its notoriety in 2023, launching new e-mtb models that stir up fun and excitement around the brand. The ECC, an e-Enduro bike that was raced by two pro GASGAS race teams to resounding success during the UCI World Cup season, and the MXC, a fun-focused, ultra-capable All Mountain rig designed to cover the widest swatch of terrain and user type, led the way. These two models propelled the vision of the brand into the market in an impactful way for the trade, the media, and with consumers. Joining the fray, GASGAS added the urban-cruising MOTO e-bike platform to the line-up to further deliver on the brand's promise of race-ready performance with a focus on passion and fun. Two eMTBs led the way as the first truly GASGAS developed products which featured their own unique development and designs available only to the GASGAS brand. In developing stronger synergies, GASGAS Bicycles continues to collaborate with GASGAS Motorcycles in the highly popular “United in Dirt Tour” – a strategic initiative meant to introduce and familiarize dealers, media, and riders with the full line up of GASGAS products. The combined efforts are further leveraged in the collaboration with ambassadors like Adrian Guggemos who animates both the bicycle and motorcycle sides of GASGAS.

In 2024 and beyond, the brand will continue to gain exposure in the core bicycle world and firmly develop GASGAS as an authentic and credible bicycle brand with strong motorcycle roots. Further collaborations and combined efforts between the motorcycle and bicycle sides of the brand will drive this initiative forward.

COMPETITIONS

In 2023, GASGAS Bicycles fielded two professional teams in the UCI EDR-E World Cup race season. The GASGAS-Motorex and GASGAS-SRAM teams entered the competition with modest hopes of boosting product development and getting some decent results. The pinnacle of eMTB racing, the series is the epitome of progress when it comes to e-powered MTB sport. Armed with the new prototype ECC platform, GASGAS riders won various rounds

of the Enduro-E format and scored an astounding 4th place in the final overall with Spanish racer, Alex Marin. With racing providing the ideal playground to test and develop its products, GASGAS Bicycles has exciting plans to push further with elite international e-bike competition throughout 2024 and beyond.

HUSQVARNA E-BICYCLES

Ever since its entrance into the industry, Husqvarna E-Bicycles has set innovation as its foundation and has aligned the brand values and approach with its successful motorcycle brethren. In line with the brand's motivation to advance its position as a future-forward bike company, Husqvarna E-Bicycles is gradually expanding its reach to new promising markets and segments across the globe while remaining true to its roots.

2023 was a stabilizing year for the Husqvarna E-Bicycles operations. After the supply difficulties of the Covid era, the emphasis was on delivering the complete line-up to the market. The much-anticipated Hard Cross and Light Cross models arrived to support the eMTB category with downhill and cross-country style bikes respectively. A refreshed Mountain Cross model completed the off-road offering for a full line that speaks to the dirt-minded rider. In the Urban and All Road categories, Husqvarna launched updated models featuring the highly regarded Bosch e-bike drive unit solution across the Crosser, Tourer, and Towner platforms.

The outlook for Husqvarna E-Bicycles remains bright with the plan to consolidate the brand around the key e-bike usage categories: City, Touring, SUV, and MTB. As a global brand, Husqvarna benefits from the name recognition and trust consumers already recognize.

JOHANSSON

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

One example is the Oscar model, a bike for all situations – it is agile, compact, and safe. It offers the ultimate riding fun and practicality with safety in mind. A variety of different cargo and motor options make Oscar a versatile companion. The innovative tilting technology with integrated axle suspension of the Oscar model range gives a natural riding experience just like a normal bicycle even while maintaining the ability to transport heavy loads. With different cargo options, it's a perfect fit for almost everything.



GASGAS MXC 5, MXC 6, MY24 © Sebas Romero





Research and development

Technological progress is vital for mobility concepts of the future and is why PIERER Mobility AG's corporate strategy is focused in particular on research and development. It forms the basis of innovative, forward-looking technologies for tomorrow's mobility. Product development has always been part of the company's DNA. At between eight and nine percent annually, the R&D rate of return has been at a consistently high level for years.

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



**Innovation and digitalization –
progress by leading the way
in technology**

ORGANIZATION

The research and development division of the PIERER Mobility Group, which is brought together within KTM Forschungs und Entwicklungs GmbH (KTM F&E GmbH), is organized globally with decentralized locations in Europe (Austria, Spain) and the USA. The development programs are managed centrally at the R&D headquarters in Mattighofen and Munderfing (Austria), where the majority of the highly skilled employees are based. The research and development center at the headquarters in Mattighofen is an innovation site with a floor space of over 20,000 m² where pioneering products for the powersport segment are designed, developed and tested using the latest methods and equipment. The mission behind the activities is to set new standards in the motorcycle segment, especially in the areas of safety, performance and technology, so the company can offer its end customers an inspiring and exciting product experience.

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

2023 HIGHLIGHTS

FOUNDATIONAL RESEARCH

Sustainable mobility

In recent years, the range of electric vehicles in various performance categories has been extended to all brands in the group. The development of electric motorcycle models is largely carried out at the in-house center of excellence established over recent years in Anif.

As motorcycles with electric drive systems are still subject to significant practical restrictions due to their low power density, one of the key work packages of the past year's research has been to reduce the exhaust and noise emissions of the range of internal combustion engines. In order to continue operating as dynamically

as before in the top vehicle segments with high performance and range requirements, the projects included intensive examination of future-proof non-fossil fuels known as e-fuels and testing of fuels with increased bioethanol content.

KTM F&E GmbH continues its commitment as a founding member of the Swappable Batteries Motorcycle Consortium (SBMC). The consortium aims to make it easier to use L-category lightweight electric vehicles with swappable batteries and to promote the development and use of the charging infrastructure required for this. Common battery specifications facilitate the introduction of swappable battery stations. This is seen as key to the development of low-voltage electric mobility. Whereas activities in 2022 focused mainly on the definition of uniform technical specifications for the battery system within the member base, activities in 2023 included the development of battery prototypes by selected suppliers. The main objective of the first phase of prototyping is to validate and refine the specifications. As SBMC is now completing this phase and gaining valuable insights, the second phase, planned for 2024, will focus on conducting field tests in collaboration with battery manufacturers, providers of swap stations, and OEMs.

The noise emissions of motorcycles have become an important acceptance criterion for this vehicle category in recent years. While noise levels for motorcycles approved for road use are specified and increasingly reduced by international type approval standards, there are no harmonized regulations for offroad sport motorcycles. For this reason, proactive work was carried out in 2023 on researching the noise sources of offroad models and thus deriving approaches to solutions for significantly reducing noise emissions.

With regard to exhaust emissions, work began in the 2023 financial year to develop a new generation of power packs (performance class 110-170 kW) for the 2029 model year. The aim of the project is to reduce CO₂ emissions in the WMTC cycle (further explanations in the section: Method for calculating emissions and energy requirements of the products) by 20-35 % compared to the previous model. A top-down strategy is to be devised for series use of the new power packs. The first step will be to equip the premium models with this powertrain starting in 2029. In subsequent model years, the intention will be to use this power pack generation in other segments as well.

Depending on the market development, the motorcycle/vehicle manufacturer expects around 20,000-30,000 vehicles per year in the first few model years. The core elements of this in-house development are alternative combustion processes with greater efficiency, downsizing and turbocharging. The project also incorporates external service providers working in the areas of design and simulation, for example. R&D is responsible for the conceptual design and overall project management.

Safety and assistance systems

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

The modular electronics platform initiative, which was launched in 2022, continued in 2023 and was actually marketed in the first few vehicles, such as the 1390 SUPER DUKE R. The aim of this modular platform is to create standardized interfaces in order to guarantee that components can be replaced rapidly.

In 2023, as part of its CMC (Connected Motorcycle Consortium) membership and along with other motorcycle and passenger car manufacturers, KTM F&E GmbH continued its work on analyzing accident scenarios and on how to avoid them through wireless communication. Relevant use cases were created and the results of the consortium to date were presented to various stakeholders, representatives of the European Commission and the media at a demonstration event in October 2023. KTM F&E GmbH presented a production motorcycle with C-ITS hardware and software integrated as a prototype as well as a production car, and demonstrated the communication with production cars and the processing of the motorcycle-related data that is already technologically possible today in the passenger car's C-ITS system installed as standard.

The project in relation to acoustically optimized audible warnings for all age groups is currently in the final phase. Implementation in series production is planned. The R&D team worked on acoustic warnings that will enable the rider to detect a critical situation in good time and also to react promptly. These new findings were developed in collaboration with the University of Dresden. In addition, work has also been done to explore possible ways of giving haptic feedback to the rider. Despite the vibrations that are produced by the motorcycle, the project pursued various approaches that are perceived more readily than visual cues.

Digitalization

Connectivity functions that enable data exchange between the vehicle and accessories such as smartphones have undergone intense development in recent years and are now regarded as indispensable features, especially in the premium segment. In addition to the development of convenience functions such as telephony and navigation, research into communication systems between the motorcycle and other vehicles, or between the motorcycle and (road) infrastructure, plays a vital role and was a key part of the activities in the year under review. As was mentioned previously, intensive development work was carried out in cooperation with partners from various areas. In addition to the development of functions that are directly available to customers, research was also conducted into the use of (vehicle) data, particularly in the context of product development. For example, the procurement, production and maintenance of physical prototypes involves a considerable expenditure of resources. By introducing virtual development methods, the outlay for testing physical components and assemblies right through to the complete vehicle can be significantly reduced, while also improving the resulting product. These virtual approaches can be applied to digitalization in lamp development, for example.

Development of materials and surfaces

A further pillar of the development philosophy is the use of high-quality materials in all vehicles, resulting in a reduction in vehicle weight and associated potential for reducing fuel consumption and emissions and for improving rideability. For example, intensive efforts in recent years have made it possible to further reduce the weight of our offroad competition models with each generation. Working on the development and testing of wheels and chassis components made from fiber composite materials was representative of a large number of research and development projects in the field of material and surface development. There was also a focus on further developing the manufacturing process for plastic parts with design elements featuring hybrid construction.

TRANSFER OF DEVELOPMENT PROJECTS INTO GENERAL PRODUCTION

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

Offroad platforms

In relation to sports minicycles, a bodywork has been created that can be adapted to the child's height. The great advantage of this is that the vehicle can expand as the child grows over a number of years by replacing individual components. The vehicle size and range of adjustment have been chosen so that the appropriate motorcycle size can always be adapted for children between 5 and 16 years of age. This adaptation allows a vehicle to be used for a period of three years, thus saving resources because it has a longer useful life. For enduro and motocross, a power pack that reduces noise emissions to 109 dB is being developed. A retrofit solution that will offer this noise target to customers retrospectively will be provided for all current offroad models.

Street platforms

The wide range of street models offered by the group's KTM, Husqvarna and GASGAS brands extends from naked bikes, supersport and touring models in the entry-level segment, to a broad mid-range segment with single-cylinder and straight twin models right through to premium motorcycles with efficient and powerful twin-cylinder V-engines. With regard to the transfer to series production, research in 2023 was particularly focused on the mid-range platforms. The final testing of the Husqvarna 901 Norden Explorer, a refinement of the successful sister model Husqvarna 901 Norden that was launched the previous year, and the validation and start of production of the KTM 890 ADVENTURE and KTM 890 ADVENTURE R models were among the largest projects. The production ramp-up of the first GASGAS street models, the agile GASGAS 700 SM supermoto and its counterpart for rough terrain, the GASGAS 700 ES, are an important part of the group's brand strategy.

Prototype development

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

testing and fine-tuning of all safety and control systems before the final phase of transfer to series production begins.

The following development projects were among those that entered the final prototype stage in 2023:

- New generation of Enduro model platforms of the KTM, Husqvarna and GASGAS brands
- Prototypes of youth motocross models in the 65cc displacement segment for the KTM, Husqvarna and GASGAS brands
- Comprehensive model structure for E-Sportminicycles right up to 85cc models
- New vehicle platform of KTM naked bike models in the entry-level segment from 125cc to 390cc
- KTM naked bikes in the premium segment with a focus on electronics and emission reduction technologies

Functional use of materials

The PIERER Mobility Group is a pioneer in the development and prototyping of light, highly efficient and economical solutions for new vehicles and their components over the entire product development process. Furthermore, it conducts research into composite and 3D-printed components made of lots of different plastics and how they are combined to create hybrid components. Lightweight construction combined with the right material solutions forms the basis for the development of more sustainable products. With GEMINUS technology, the group has set a new standard for lightweight vehicle components and made crucial progress in this area in 2023.

GEMINUS technology makes targeted use of reinforcing fibers in high-load areas and unreinforced plastics in low-load areas to achieve the perfect balance between weight, cost, and performance. It is used in the current evolutions of the new generation of the seat pan which, compared to the standard version, enables the carbon footprint of the materials used to be reduced by -27 %. In addition, the new technology can also make use of biobased or recycled plastics which, when combined with the material reduction that has been described, can help to further reduce CO₂ emissions by up to -85 % compared to the standard version. To ensure that the component can be recycled at the end of its service life, the reinforcing fibers are embedded in the type of plastic used for the carrier material. This means that the entire component can be recycled in one piece and reused as a starting material for components made of glass fiber reinforced plastic.

Mobility solutions of the future

As part of the Austrian "EMotion" funded project, a low-cost, energy-efficient and lightweight electric two-wheeler platform for urban mobility (class A1, 125 cc) is in an advanced development



phase. The pilot phase ran from April to November 2023, and the project will end in the first quarter of 2024. The know-how and all the insights gained from the four years of research working on this innovative project will be used for further development work on series vehicles and in various work processes, including connectivity with the eco-coaching assistant or recuperation strategies.

2024 OUTLOOK

The implementation of the EU5+ emissions requirement for offroad and street models, which has been planned for several years, will be completed during the 2024 financial year. Final checks and changes to the approvals will be required in 2024 to achieve the objectives. Ongoing improvements to emissions still present a challenge in 2024 for the most powerful V2 engine in the motorcycle segment if the company wants to remain the market leader in this regard. Starting in the 2024 season, 40 % of the fuels used in MotoGP™ will be non-fossil fuels. From 2027, this percentage will increase to 100 %. Testing in motorsports and the subsequent transfer of the technology to series production is an important pillar for incorporating innovation into future models. This means that the gradual introduction of e-fuels and therefore gradual decarbonization of the fleet of vehicles is feasible.

The expansion of the range of products will be one of the key activities to enable decarbonization in the area of electric mobility. Various electric vehicles ranging from stand-up scooters and competitive sports minicycles to the successor to the award-winning Freeride-E will be available in the future. In order to meet its own demand for performance, the company is pushing ahead with battery development with a focus on creating batteries that are suitable for

series production. Another way to minimize fuel consumption is to embrace lightweight construction. In 2024, weight optimization will become increasingly prevalent in the offroad segment and will be achieved on the one hand by optimizing the topology of structural components and by using titanium.

In the area of electronics, the focus in 2024 will be on connected motorcycle tests together with well-known car and motorcycle manufacturers to confirm the initial concepts.

From an organizational point of view, the R&D team has set itself the challenge of drastically reducing the development time during the 2024 financial year so that marketable products can be created more quickly. To do this, entirely new approaches to simulation and development are being promoted with the aid of artificial intelligence. In cooperation with KTM Technologies GmbH and with its ongoing new projects in the third-party customer segment, it is possible to build up permanent expertise in relation to lightweight construction, composites, drive technologies and electric mobility.



KTM 250 SX-F CUO, MY24 © Philip Platzer



DIGITAL INNOVATIONS

Into the future together

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

PIERER Mobility AG is facing the challenges of the digital future and is working with a digital cluster comprising PIERER Innovation GmbH, Avocado GmbH, KTM Informatics GmbH and LX media GmbH. With a team of around 400 employees, this cluster is driving forward the group's digitalization campaign and taking it to a new level. Working together, the cluster forms a center of expertise for the digital user experience, software development, business modeling and data science as well as for the evaluation of new digital technologies.

The following outlines the exploratory topics that are being championed at PIERER Innovation GmbH.

SETTING THE COURSE FOR DIGITAL STRATEGY

Specialist scouting experts are actively engaged in continuously examining technologies and trend analyses so they can perform an in-depth assessment of social and cultural changes. Their aim is to identify new, interesting applications and the foundation for innovative concepts and products. Other experts, such as business modelers and data scientists, strive to generate added value from existing and new data sources. Their focus is on developing innovative, data-based services and analytical insights to add additional value to the business.

An interdisciplinary team of product managers, designers and software specialists works together to optimize the way that customers experience the group's products along every digital interaction in the customer journey. It is crucial to have a solid innovation pipeline. The overarching vision is to create a compelling digital portfolio that uses targeted communication and service to demonstrate the potential for innovation throughout the customer journey – online and for retailers on the ground. In the year under review, significant digital innovations were developed and checked for their functionality, added value, cost compatibility, stability and efficient production. These developments have played a major role in setting key milestones for the digital strategy.

2023 HIGHLIGHTS

PIERER Innovation is constantly focused on making sure it continuously boosts the level of satisfaction among its customers and dealers. Customer requirements are identified in a precise manner using digital needs analyses.

As the vehicle has now become a significant digital sensor, it plays a central role in the digital customer experience. PIERER Innovation started preparing for this at an early stage and adapts its ever-growing digital offering to cater for the expectations and wishes of customers – whether this is before, during or after their journey. Alongside new technologies and services for two-wheel products, the focus is on customers, in particular their aspirations for modern mobility. This customer-oriented approach ensures that digital services are available almost anytime, anywhere.

PROJECTS

PIERER Innovation has successfully introduced interactive 3D configurators that can display the configured product with photo-realistic images in different environments. A total of five of these 3D configurators were unveiled in 2022, enabling a high level of user interaction and allowing users to access them on any browser worldwide. These advances are based on state-of-the-art technologies and a network of experts that were developed as part of the “Open Innovation” approach in Pierer’s digital network. The number of 3D configurators was increased significantly (tripled) in 2023. At the end of the year, the brand-new DUKE generation also enabled interactive visualization of the first road vehicles. The experts are constantly increasing the effectiveness of the 3D configurators in order to ensure scalability. Another significant step was the decision to set a new standard for 3D assets to allow a common toolchain and common processes to be established. As well as improving key synergy effects, the reduction in the costs of manufacturing the 3D models is also increasing the attractiveness and possible use cases.

Evolution of e-commerce that embraces shop tech

As an OEM, the group has embarked upon several projects to implement an e-commerce strategy and promote the B2C business. A key element of the e-commerce programs is B2C web shops for the product range that make use of SAP CX technology. The first foray into the digital B2C sector was made in 2020 when the company offered a limited number of special editions of motorcycles via an online platform. At the end of 2022, it also set up an employee web shop to cater for the needs of its own employees, including special offers (products can currently only be shipped to Austria and Germany). Another B2C project is a web shop for an electric scooter,

the Husqvarna Motorcycles Skutta, which was launched at the end of 2023. The plan already envisages a further rollout of web shops in the B2C sector, which will offer the PG&A portfolio for all motorcycle brands in collaboration with the dealers for end customers. The SAP CX shop technology is fully integrated with SAP ERP and connected to other systems so it can perform automated processes for all relevant e-commerce transactions.

Connectivity

- **Remote control:** The launch of the new entry range with the Basic Connectivity Control Unit (bCCU) saw the introduction of a new feature – Remote Control Mode (RCM). RCM allows riders to control predefined functions of the brand-specific apps via the handlebar, such as searching for POIs, the most recent navigation, or interact directly during active navigation (skip the waypoint, navigation volume, stop navigation).
- **Connectivity Unit:** For the successor to the Connectivity Unit 2 (CCU2), PIERER Innovation is working hard to specify and develop the next generation of functions. The core functionality of the connectivity system is to display content remotely on the dashboard in a similar way to Apple CarPlay. This architecture allows many standard apps to be provided in the vehicle.
- **Connectivity Unit for offroad bikes (CUO):** Originally launched as a drop-in replacement for the CCU2 on off-road vehicles, the CUO is ushering in a new era in product development. The CUO is a connectivity control unit that has been developed entirely in-house. In cooperation with KTM F&E and Abatec, hardware, a housing, firmware and integration into mobile devices have been developed. It provides engine control settings for four-stroke motorcycles, powerful data logging, diagnostics functions, and even wireless software updates. This step makes the off-road vehicles “smart” and offers highly integrated digital functions in the motocross segment. The CUO was introduced at the end of 2023 and the plan is to roll it out across new vehicle segments such as two-stroke and electric motorcycles.

EU projects and advanced research

PIERER Innovation initiated two new “Horizon Europe” projects, AERO and SecOPERA, with the following objectives:

1. Researching future cloud-enabled EU processors for back-end services and
2. Improving the DevSecOps using open-source hardware and software tools as part of the newly developed IoT connectivity units for e-bicycles.

In addition, work has continued on the "Horizon Europe" ELEGANT project, with the riding skill algorithm being implemented in a new programming framework that is capable of dynamically adjusting the location of the executed code (PTW vs. cloud) and uses the same source code. A prototype of a successful demo for an API interface to the vehicle was created, tested and integrated into the helmet using a head-up display.

Rider

As mentioned previously in the Connectivity section, the Connectivity Unit for offroad motorcycles and the new RIDER function enable customers with the current MX/XC platform (KTM and Husqvarna Motorcycles from the 2023 model year, GASGAS from the 2024 model year) to do the following:

RIDER, powered by LITPro, enables the brand apps offer the ultimate off-road companion. Athletes can record their training sessions on motocross courses, then download them to the brand app and analyze them, compare laps, and measure themselves against others on the brand app leaderboard, as well as on the LITPro leaderboard. The biggest step in this development is that the motorcycle data can be integrated into the analytics. Users of the RIDER app or owners of a KTM, Husqvarna or GASGAS MX motorcycle therefore have the major advantage of being able to track what they are doing on their motorcycle from the first time they ride on the track.

Generative AI, large language model and machine learning

The pace of development in AI is rapid. The PIERER Group has been working with its own data science structures in many areas of artificial intelligence (AI) for several years now. As an expanded measure, a Center of Excellence for AI will in future pool together the group's AI expertise and provide support with many questions that arise in relation to implementing artificial intelligence within the company. The Center of Excellence has three main tasks: to define the overall AI strategy and identify areas of application or AI use cases, develop specific solutions and create the framework conditions needed to employ AI successfully. In fulfilling these tasks, the Center of Excellence works across different functions and includes both technical and non-technical roles such as data scientists, data engineers and product managers. In addition, support functions such as compliance experts and lawyers with experience of AI are included.

FFG research topics

To continuously expand its leadership in innovation when it comes to rider safety and to be able to bring innovations to the market at an early stage, PIERER Innovation, together with KTM F&E and other

external R&D partners (including Salzburg Research Forschungsgesellschaft m.b.H, Vienna University of Technology, Virtual Vehicle Research GmbH), has conducted research into IoT (Internet of Things) and AI-based technologies to help ensure motorcyclists can ride safely. Among other aspects, the R&D activities focused on integrating sensors in motorcycles or protective equipment, on developing machine learning models and image-based detection systems for evaluating the riding conditions, and analyzing data to gain a better understanding of rider behavior, e.g. when cornering. By cooperating directly with the R&D partners, we have successfully managed to produce pioneering results to support future assistance systems and functions as well as basic technologies for connectivity and communication with and between vehicles (V2X, vehicle-to-X interaction).

2024 OUTLOOK

The company-wide digitalization initiatives will continue to focus on the impact of AI, expanding connectivity, strengthening the dealer network with B2C technologies, forming an end-to-end data chain along the entire product and customer life cycles, pursuing the service-oriented and customer-centric approach, prioritizing improved efficiency in added-value processes, and on monitoring trends and technology.

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

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



Employees are a key success factor

A key pillar of the company strategy are the people who work every single day to make the PIERER Mobility Group successful. This is why the company really values fair, employee-friendly working conditions, decent work, a wide-ranging education and learning program, promoting potential talent, and ensuring that health and safety is protected.

EMPLOYMENT TREND

As of December 31, 2023, the PIERER Mobility Group had 6,184 employees worldwide (previous year: 6,088), with around 5,000 of them working in Austria (around 81 %). 21.1 % of the total workforce work in research & development. In 2023, the proportion of female employees was around 25.8 %. With sites in Mattighofen, Munderfing, Thalheim and Schalchen, the company is one of the biggest employers in Upper Austria. In the 2023 reporting year, 4,526 people were employed here.

ATTRACTIVE EMPLOYER

In order to adapt to the dynamic changes happening in the labor market, PIERER Mobility, as a modern and innovative employer, is constantly implementing measures to make its workplace environment attractive for future and existing employees. Recruiting

skilled employees and retaining them at the company over the long term is a major challenge, especially in rural areas. The company is also developing a new employer branding concept, which will be deployed in 2024. The aim is to present the company as a credible, attractive and sought-after employer with a positive image. The employer brand should be clearly distinct from its competitors and it should lead the way in recruiting applicants.

In personnel development, PIERER Mobility relies on the expertise and potential of its employees, including the approach of giving internal candidates priority over external candidates. This opens up career paths within the company. The “Employees recruit employees” initiative also continued with great success in 2023. Compared to 2022, the referral rate increased by 17.4 % in 2023. The PIERER Mobility Group is working on a standardized “job architecture” which will be based on an international standard and adapted to suit the group's specific requirements. The job architecture is designed to improve career management and recruitment and help boost internal and external equity. Following detailed preparation along with the company's divisional managers and an external partner, as well as final matching and benchmarking, the “job architecture” concept for PIERER Mobility was completed in 2023 and will be implemented as planned in 2024.

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

In the last financial year, the company continued its strong focus on its strategic cooperation with selected schools and universities, and continued to expand the number of partner schools.

By adopting measures to make it easier to get to work and reduce commuter traffic, the PIERER Mobility Group is making its sites more attractive and at the same time helping to reduce CO2 emissions. As a proactive measure to support the temporary workers, an additional plant bus started running between the production plants and Braunau in 2023. In 2023, an average of 116 people used the plant buses each day. This measure will continue in 2024.

As part of the comprehensive mobility concept, summer 2023 saw the launch of an app that enables employees to share lifts quickly and easily. The "twogo" app compares proposed routes with other users and suggests the optimum match.

TRAINING AND FURTHER EDUCATION

Ongoing development of its employees is a key issue for the PIERER Mobility Group. It adopts the approach of enabling current employees to develop their career within the company and engage in lifelong learning by undertaking further training and education. This increases the level of satisfaction and retention of employees who, as skilled workers with real expertise, contribute to the company's success. To make this knowledge available to more employees within the group, the KTM_Insights training campaign will continue to be championed. This further training initiative conveys knowledge about different areas of the company such as specialist expertise, processes, software or programs. The idea is that the knowledge bearers, known as KTM_Experts, complete an internal training course which then enables them to design their own training courses.

In order to continue to raise awareness of how to act sustainably in the company, an e-learning course on waste management is offered. It gives employees an insight into the correct way to handle waste in terms of disposal and the company's waste management system. Around 280 employees received training during the 2023 year under review.

In November 2023, the KTM_academy training portal was also made available to all employees outside Austria (an additional 1,164 employees). This now gives employees outside Austria access to online courses on internal processes, compliance and safety topics. Furthermore, digital coaching or digital language courses are also on offer. In the future, the plan is that sites located within Europe will also be able to make use of the offer of face-to-face training in Austria. The KTM_academy also organizes get-together events (#LeadersNET) for managers to support open engagement and networking within the group. The participants can expand their individual skills and benefit from the transfer of specialist knowledge. This offer is very popular and is taken up by lots of people. The 2023 financial year also saw the introduction of digital interview training for managers, which helps them to prepare for interviews (digitally and in person). Since it was implemented in May 2023, 50 managers have completed the training. The Austria Dual Academy offers the possibility of practical training in diverse areas, specifically for secondary school leavers, students and career changers. Over a maximum period of three years, the theoretical knowledge already been acquired is linked to practical experience in the company. In 2023, KTM AG trained a total of 12 dual students in two professions.

STEM PROFESSIONS

KTM AG is committed to promoting women in STEM professions and regularly offers the opportunity to girls who are interested to learn more about the technical training available at the company. During Girl's Day, they can take part in a guided tour of production and gain practical experience by trying their hand at milling key chains, working on engines, performing measurements on electrical switchboards, or dismantling entire wheels. The stations are professionally supervised by the company trainers. The number of girls in technical apprenticeships is growing steadily. To inspire more young women to look at computer science and reduce the gender gap in this area, Avocodo organized a hackathon for "FemaleCoders" ¹ in October 2023. 40 interested girls aged 15 or above worked in small groups on eleven web development projects in tracks such as IOT, AI and WEB. The young programmers were able to acquire new skills, try out new technologies and network with other coding enthusiasts.

1 <https://female-coders.at/>

APPRENTICES

In order to meet the challenges of a scarcity of skilled labor, the group's personnel strategy continues to rely very heavily on its own apprentice training. For example, in the last few years the company has already invested around 2.5 million euros in expanding and modernizing the KTM apprentice workshop. As of December 31, 2023, the company employed approx. 220 apprentices (previous year: approx. 200), who were trained in 25 different vocational training programs.

68 female and 154 male apprentices took an apprenticeship in the last financial year, 64 % of whom were in the technical field and 36 % in the commercial field. During their apprenticeship, the apprentices are not only trained for the profession they aspire to, but also receive additional educational content, including Office training and courses in metal and automotive topics offered by external partners. The majority of apprentices are trained in automotive technology, currently 37 %, followed by metal technology (32 %).

The technical apprentices are prepared for their professional life in the state-of-the-art training facility at the Mattighofen site using the very latest technology. For example, the investment in a pneumatic electrical laboratory, a new programming room for CNC as well as design with 3D printing and a new basic training workshop now provides a training facility equipped with top-class technical features. The apprentice workshop has capacity for a total of 230 apprentices.

The apprenticeship with a high school diploma program provides around 60 apprentices with further on-site training in mathematics, German and English. This training is equivalent to the occupational school leaving examination and therefore also qualifies for university entrance.

The PIERER Mobility Group also encourages a highly international approach. For instance, the company offers its young talent internships abroad at its subsidiaries and partner companies, in 2023 for example at KTM North America in California.

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

In November 2023, one talented KTM apprenticeship graduate won the coveted state championship title in the motorcycle engineering category during a three-day competition.

TRAINING AND FURTHER EDUCATION TIME

As of December 31, 2023, the number of hours spent on training and further education by employees in Austria was approximately 137,000 (previous year: approx. 120,000). The average number of hours per employee was 24 (previous year: around 22 hours). The costs of education and training were approx. EUR 3.9 million globally in the reporting year.

OCCUPATIONAL SAFETY AND EMPLOYEE HEALTH

The PIERER Mobility Group is well aware of its responsibility to make sure its employees are safe and their health is protected, and this is the company's top priority. For this reason, as well as technical expertise, it is important to maintain and strengthen the employees' physical and psychological health. We aim to create a working environment in which employees are protected against health risks and risk of injury at work by means of suitable measures and processes.

As a company which manufactures and assembles street and offroad motorcycles, employees are exposed to substantial risks both in the workshop and when performing test rides. The group takes a strategic approach to minimizing danger according to the STOP principle (Substitution, Technical protection measures, Organizational measures, Personal protection measures), and continually implements precautionary measures and specific training courses, especially in those areas of work that are potentially very hazardous. In the last few years, we have placed particular focus on how best to avoid accidents in the course of operationally necessary test rides with prototype and series motorcycles. Employees responsible for the test rides are trained in the KTM Riders Academy. Specific and regular riding training ensures that employees complete training that is appropriate for the profession.

In 2023, more important analytical steps were taken for expanding and developing sport and promoting good health within the company, all under the remit of the Health & Safety team. The steering committee (together with the occupational health service, works council and human resources) regularly evaluates the priorities and measures.

Promoting and developing the physical and mental health of employees is another important goal. The 2023 reporting year saw the final design and roll-out of the sports and health initiative in large parts of the group. All sports, health and training activities are bundled together under the name "POWER ON" and the content focuses on the four pillars of sport & exercise, nutrition, mental health and ergonomics. The needs and interests of the employees are regularly assessed and incorporated into planning. Various priorities are pursued. In addition to the ongoing projects in the area of ergonomics to prevent musculoskeletal disorders, the focus from autumn 2023 to spring 2024 is on mental health.

The PIERER Mobility Group also consistently advocates ensuring its employees are happy. In 2023, this was bolstered by offering attractive bike-leasing options, including away from work. The group leases the bike that the employee wants and allows the employee to have the bike for 100 % of private use. The resulting lease payments are deducted from the employee's gross wage as deferred compensation. In addition, PIERER Mobility makes some of the lease payment. In what was known as the "summer bike initiative", the group's employees received a free bike (5,600 "summer bikes" in total) in recognition of their great commitment and loyalty.

DIVERSITY AND EQUAL OPPORTUNITIES

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

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

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

As of December 31, 2023, a total of 61 people with disabilities (measured by a degree of disability reported of over 50 %) were employed at the PIERER Mobility Group's sites in Austria. Around 98.4 % of employees are subject to collective bargaining agreements.

The number of women in the group has risen by approx. 12.3 % since 2018. The group aims to make employment in an industrial company more attractive for female workers, and to encourage even more women to take up technical professions. As an international group, PIERER Mobility values diversity: of background, culture, language, and therefore also the different ideas and approaches held by employees. In the reporting year, employees from 69 nationalities were employed in the group. The group is young and dynamic, which is reflected in the average age of 37.1.

In order to promote the integration of international employees and offer them better support during their training, particular importance is attached to ensuring the content learned by new and existing production employees is easy for them to understand and comprehend. For this purpose, the Production Academy offers special training courses designed to communicate the content clearly and succinctly. The training courses are attended by participants from different countries and with different languages. To provide the best possible training for employees, the Production Academy uses artificial intelligence (AI), a speech avatar, to offer the content in multiple languages.

The "Standardized Metal Training" project offers young people who have come from a difficult background the chance to gain a partial qualification. The program culminates with a final examination and can be counted toward the apprenticeship. To date, 20 applicants have completed a technical skills test. Following a successful application phase, the selected young people started their training in the area of metalworking. In 2024, training and partial qualification in the area of metalworking is set to be available again.



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Share & Investor Relations

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

Since November 14, 2016, the shares of PIERER Mobility AG have had a primary listing in the International Reporting Standard of the SIX Swiss Exchange (opening price CHF 4.90*). On March 29, 2017, the shares of PIERER Mobility AG were included in the Swiss Performance Index (SPI) of the SIX Swiss Exchange. In addition, since September 19, 2022, the PIERER Mobility share has been listed in the SPI ESG / SPI ESG Weighted Index of the SIX Swiss Exchange. One of the criteria used to select the companies for this index is the sustainability analysis of the issuer by Inrate, an independent Swiss rating agency. PIERER Mobility again received a C+ rating in the ESG Impact Rating 2023. Since March 1, 2022, the shares of PIERER Mobility AG have also been listed on the prime market, the top segment of the Official Market of the Vienna Stock Exchange. The shares of PIERER Mobility AG were also admitted to the ATX Global Players Index (ATX GP) of the Vienna Stock Exchange on September 19, 2022. The ATX GP is a free float weighted price index and is made up of all shares which are traded in the "prime market" on the Vienna Stock Exchange and generate at least 20% of their revenue outside Europe.

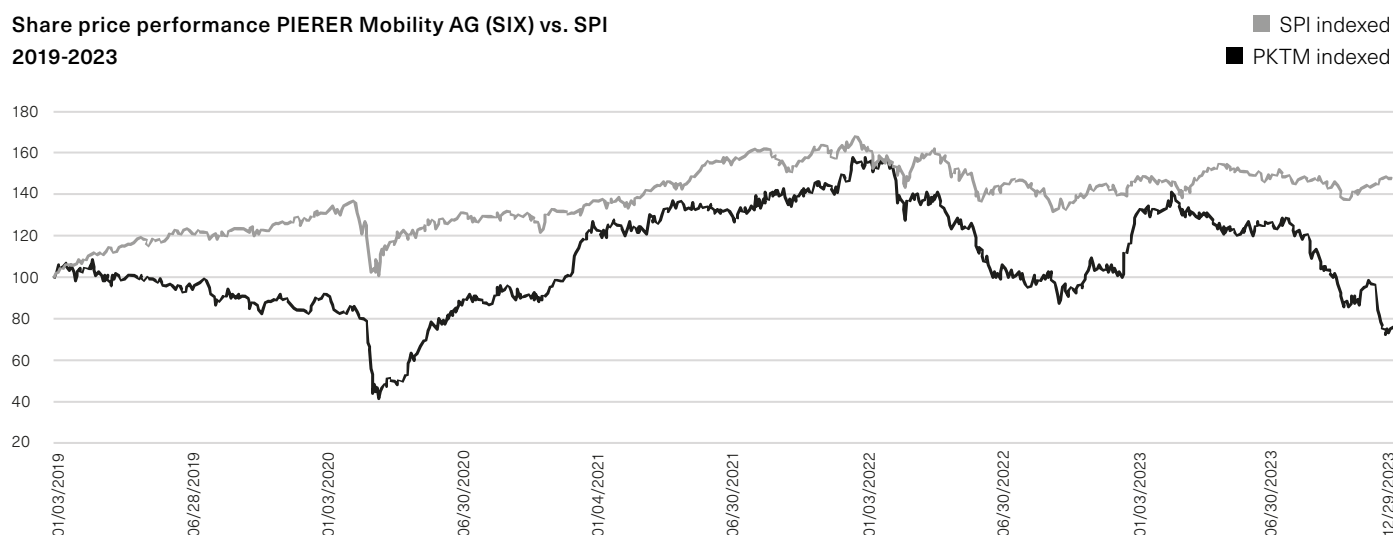
With effect from October 17 2023, the ticker symbol of PIERER Mobility AG shares has been changed from PMAG to PKTM. Its shares continue to be traded under the ISIN AT0000KTM102 (Swiss valor number: 41860974).

PERFORMANCE OF THE PIERER MOBILITY SHARE

The PIERER Mobility share began trading on the SIX Swiss Exchange on November 14, 2016, at an opening price of CHF 4.90*. In the 2017 financial year, the share price increased to CHF 7.39* (closing price on December 29, 2017). In the 2018 financial year, the closing price on December 28, 2018, was CHF 60.60. The share closed at CHF 54.00 on the last trading day of the 2019 financial year (December 30, 2019), but it recovered significantly during 2020 and recorded a rising price by the end of 2020. Based on an end-of-year price of CHF 71.10 as at December 30, 2020, the stock-exchange price of the PKTM share increased continuously in the 2021 financial year and closed at CHF 94.00 on the last trading day of the 2021 financial year (December 30, 2021). The 2022 stock market year, which was marked by the ongoing war in Ukraine and the risk of a recession, ended with the PIERER Mobility share at CHF 67.10 on the last trading day (December 30, 2022).

The 2023 financial year was characterized by a great deal of volatility and rising key interest rates, and this was also reflected in the general sentiment on the capital markets. The significantly higher rates of inflation and the constant adjustments to global growth forecasts from leading organizations also unsettled investors. Despite these challenging circumstances, the price of the PKTM share showed a clear upward trend in the first two months of 2023. The highest closing price on the SIX Swiss Exchange during the year was reached on March 2, 2023, at CHF 85.00. This upward trend seen in the first few months could not be maintained and the PIERER Mobility share showed a downward price trend following this peak during the rest of 2023. This negative performance of the PKTM share led, on

Share price performance PIERER Mobility AG (SIX) vs. SPI 2019-2023



December 18, 2023, to the lowest closing price of CHF 43.80, but there was then a slight upward trend toward the end of the year. The PIERER Mobility AG share closed on the last trading day of the 2023 financial year (December 29, 2023) at CHF 45.80 and with a market capitalization of around CHF 1,547.9 million.

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

RESEARCH COVERAGE

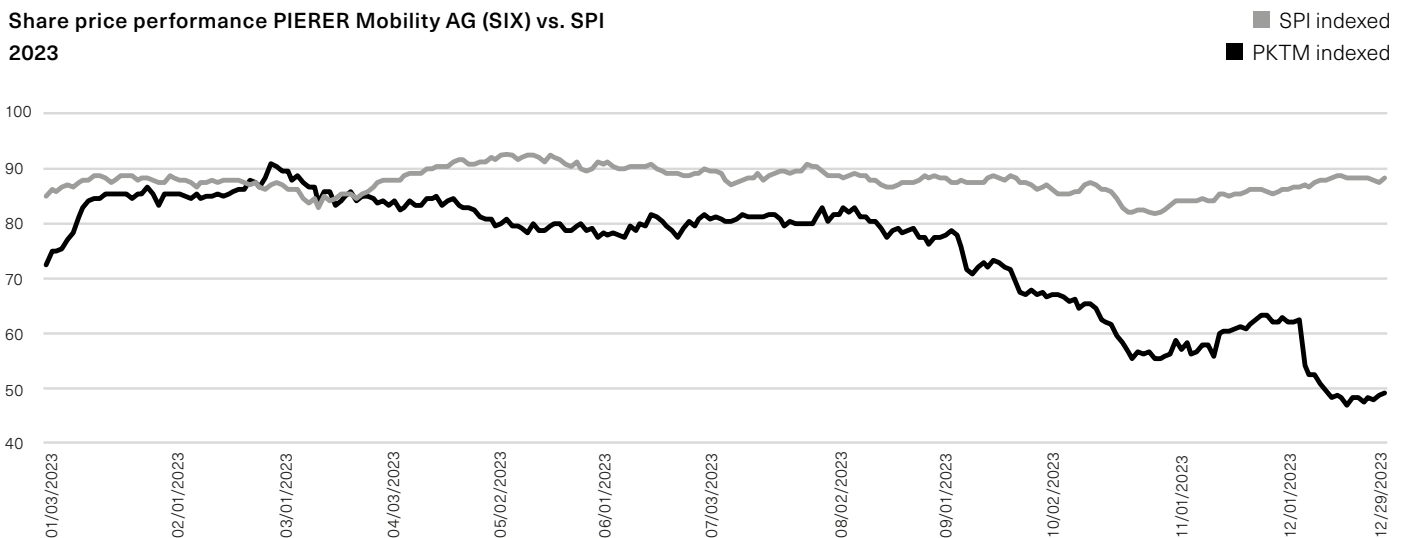
The support provided to PIERER Mobility AG by investment banks is an important component of the company's comprehensive investor relations work and is of particular importance to how investors perceive and rate the PIERER Mobility share. In addition to the coverage by Bank Vontobel AG¹ in Zurich, there is a cooperation in place with two other analyst firms. Stifel Schweiz AG in Zurich wrote nine research commentaries or analysis reports in the last financial year. The most recent update followed the publication of the preliminary results in January 2024. Stifel Schweiz AG set its expected share price at CHF 55 and confirmed its recommendation of "Hold", referring to temporarily higher net financial debt and lower profitability. Jefferies GmbH, which is based in Frankfurt, also confirmed its recommendation of "Hold" in its most recent analysis in January 2024 and set the target price at CHF 51. Bank Vontobel AG expects a target price of up to CHF 71 in its latest valuation in January 2024 and confirmed its recommendation to buy. The reasons for this are an improving outlook from mid-2024, the launch of CFMOTO Distribution in Europe and the expansion of the electric range.

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

DIVIDEND

According to the ad-hoc notification published on March 13, 2024, the Executive Board shall, in consultation with the main shareholder Pierer Bajaj AG, propose to the Annual General Meeting on April 19, 2024, that a dividend of EUR 0.50 per dividend-entitled share should be paid. The proposal is based on the result achieved in the 2023 financial year. Given earnings per share of € 2.37, this means a distribution ratio of 21.1 %. As of December 31, 2023, the number of shares with dividend rights amounts to 33,796,535 shares. For 33,796,535 shares with dividend rights, an amount of around € 16.90 million will therefore be distributed.

Share price performance PIERER Mobility AG (SIX) vs. SPI 2023



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. Continuous and personal dialog with investors, analysts, funds or financial institutions is promoted with specific roadshow formats and investor conferences. There is a particular focus on events in Austria, Switzerland and the United Kingdom. In May 2023, a two-day event for investors took place in Mattighofen and Munderfing. It started with a guided tour of the KTM Motohall before the official presentation and detailed talks with the management team. As well as visiting the production sites, the attendees also gained an insight into what daily life is like at the motorsport hub.

To step up the level of engagement with interested parties and potential investors from other countries, digital communication channels are increasingly being used. To ensure transparency, service and currency, all financial reports, press releases, ad-hoc announcements, voting rights communications and corporate presentations as well as information about events for investors are published on the company's website www.pierermobility.com so that they are made available to all shareholders at the same time.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2023

At the end of the 2023 financial year, Pierer Bajaj AG, Austria held a stake of around 74.16% of the company's share capital. Pierer Konzerngesellschaft mbH, Austria held around 0.09%. The free float amounted to around 25.75%.

OTHER INFORMATION ABOUT THE PIERER MOBILITY SHARE

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Ticker symbol	PKTM
Reuters	PKTM.S, PKTM.VI
Bloomberg	PKTM SW, PKTM AV
Class of shares	No-par-value ordinary bearer shares



Husqvarna E-Bicycles, Crosser 2, MY23 © Felix Steinreiber



Corporate governance

Corporate governance report 2023 in accordance with the Austrian Code of Corporate Governance (ÖCGK)	72
01 ADHERENCE TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE (ÖCGK)	72
02 MEMBERS OF THE CORPORATE BODIES	73
03 MEASURES TO PROMOTE WOMEN	80
04 DESCRIPTION OF THE DIVERSITY CONCEPT	80
05 AUDITS AND EXTERNAL EVALUATION	82
06 CHANGES AFTER THE END OF THE REPORTING PERIOD	83
Report pursuant to the Directive on Corporate Governance (DCG) of the SIX Swiss Exchange	84

Corporate governance report 2023 in accordance with the Austrian Code of Corporate Governance (ÖCGK)

The shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTMIO2). In addition, the shares of PIERER Mobility AG have been listed in the official trading (prime market segment) of the Vienna Stock Exchange since March 1, 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 of companies and groups that is accountable and geared to 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. This corporate governance report is based on the most recent version of the Code, which was adopted in January 2023. The latest version of the Code can be accessed by the public at www.corporate-governance.at.

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

The corporate governance report for the 2023 financial year is publicly available on the homepage of the company (www.pierermobility.com) in the section Investor Relations > Corporate Governance > Corporate Governance Report.

As a result of this commitment, PIERER Mobility AG has to comply with more than just the legal requirements ("L-Rules"). This voluntary self-imposed obligation means that it must explain non-compliance with the so-called C-Rules ("comply or explain") which go above and beyond the legal requirements. In accordance with this part of the Austrian Code of Corporate Governance, PIERER Mobility AG explains its non-compliance with the C-Rules of the ÖCGK 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, 2023.

"C-Rule 26": Stefan Pierer holds more than four Supervisory Board seats outside the PIERER Mobility Group. In addition to the Supervisory Board seats he holds within the parent Pierer Industrie Group, Stefan Pierer is a member of the Supervisory Board in three companies that are not part of the Pierer Group.

"C-Rule 27": The variable annual compensation components are unlimited in terms of their amount. Variable compensation is worked out using only financial criteria.

"C-Rule 41": Since the Supervisory Board of PIERER Mobility AG in the 2023 financial year consisted solely of six members, a Nomination Committee was not set up as it would not have made the work of the Supervisory Board any more efficient. The tasks of the Nomination Committee are performed 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 information on "Explanations regarding related parties and corporate bodies", detailing the remuneration of Supervisory Board members outside of their activities on the Supervisory Board.

"C-Rule 83": The risk management system is set up at different levels within PIERER Mobility AG. The company-specific risk management system is set up directly at the level of the affiliated companies. The risk management system of the affiliated companies is monitored on the basis of the holding function of the company as part of the equity-specific risk management. An independent assessment to ensure the risk management of PIERER Mobility AG is working properly in accordance with C-Rule 83 for the 2023 financial year is carried out by the auditor.

In addition, PIERER Mobility AG also endeavors to comply, without exception, not only with the minimum requirements, but also with all of the ÖCGK'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 its annual report, half year reports, on the corporate website and within the context of our ongoing public 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. It will include important dates on the financial calendar. All information is published on the website within the "Investor Relations" or "News" sections. It is therefore available to all shareholders at the same time.

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

02 MEMBERS OF THE CORPORATE BODIES

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

WORKING PROCEDURES OF THE EXECUTIVE BOARD

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

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

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

COMPOSITION OF THE EXECUTIVE BOARD

With effect from May 6, 2023, Florian Burguet, Florian Kecht, Alex Pierer and Rudolf Wiesbeck were appointed as members of the Executive Board. Conversely, Friedrich Roithner left the Executive Board of PIERER Mobility AG with effect from April 21, 2023. The Executive Board of PIERER Mobility AG had the following members during the 2023 financial year (C-Rule 16 of the ÖCGK):

NAME YEAR OF BIRTH	POSITION	INITIAL APPOINTMENT	END OF THE CURRENT TERM OF OFFICE	AREAS OF RESPONSIBILITIES
Stefan Pierer born 1956	Chairman of the Executive Board (CEO)	June 2, 2015*	December 31, 2025*	strategic overall management, research and development, product management
Hubert Trunkenpolz born 1962	Deputy Chairman of the Executive Board	January 1, 2018	December 31, 2027	brand management, motorsport, X-BOW, joint ventures, investor relations
Viktor Sigl, MBA born 1974	Member of the Executive Board (CFO)	December 19, 2019	December 31, 2027	finance and tax, legal, IT, human resources, risk management, real estate
Florian Kecht born 1980	Member of the Executive Board	May 6, 2023	December 31, 2027	motorcycle: global sales, customer service, marketing, PG&A
Alex Pierer born 1981	Member of the Executive Board	May 6, 2023	December 31, 2027	digital transformation, PIERER Innovation, Avocodo
Rudolf Wiesbeck born 1979	Member of the Executive Board	May 6, 2023	December 31, 2027	operations, quality management, purchasing & logistics, sustainability, supply chain management
Friedrich Roithner born 1963	Member of the Executive Board (CFO)	June 2, 2015**	April 21, 2023	finance (group) accounting, tax affairs, legal affairs, risk management
Florian Burguet, MBA born 1981	Member of the Executive Board	May 6, 2023	December 31, 2023	new mobility: global sales, customer service, marketing, PG&A

* Stefan Pierer has been on the Board of Management of CROSS Industries AG (FN 261823 i) since April 30, 2005. At the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG held on April 22, 2015, a resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company as part of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged with BF HOLDING AG. At the same time, the trading name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Stefan Pierer has therefore been a member of the Executive Board of CROSS Industries AG (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. At the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG held on April 22, 2015, a resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company as part of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged with BF HOLDING AG. At the same time, the trading name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Friedrich Roithner has therefore been a member of the Executive Board of CROSS Industries AG (now PIERER Mobility AG). With effect from April 21, 2023, Friedrich Roithner switched from the Executive Board to the Supervisory Board of the company; for more detailed information about his personal background, please consult the "Composition of the Supervisory Board" chapter.

Stefan Pierer (CEO)

Professional background:

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 a shareholder and member of the Executive Board of KTM AG since 1992. In 2011, he began establishing Pierer Industrie AG, where he is sole shareholder and Chairman of the Executive Board.

Other main functions within the PIERER Mobility Group:

- Chairman of the Executive Board of KTM AG

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

- Chairman of the Supervisory Board of Pankl AG
- Chairman of the Supervisory Board of Pankl Racing Systems AG
- Member of the Supervisory Board of Mercedes-Benz Group AG
- Member of the Supervisory Board of Mercedes-Benz AG
- Member of the Supervisory Board of Oberbank AG
- Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH
- Member of the Supervisory Board of SHW AG
- Member of the Board of Directors of Pierer Swiss AG

Hubert Trunkenpolz

Professional background:

Following his studies at the Johannes Kepler University of Linz (business administration), Hubert Trunkenpolz began his career as a marketing manager at the ISA Audiovisual Communication Corp. and later at TRUMAG as a sales manager/general manager. He has been working for the PIERER Mobility Group since 1992 and has been a member of the Executive Board of the KTM Group since 2004. From 2007 to March 2023, Hubert Trunkenpolz was also a member of the Executive Board of KTM AG and since 2018 he has been on the Executive Board of PIERER Mobility AG, where he has been acting as Deputy Chairman of the Executive Board since September 1, 2023.

Other main functions within the PIERER Mobility Group:

- Member of the Supervisory Board of KTM (Shanghai) Moto Co., Ltd.
- Member of the Executive Board of Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.

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

- None

Viktor Sigl

Professional background:

After graduating from the Johannes Kepler University in Linz with a degree in business administration, Viktor Sigl started his professional career at KPMG in the field of financial auditing and tax consultancy. After completing his tax consulting exams and an MBA program at the University of Toronto, Viktor Sigl joined voestalpine AG in 2005, where he headed the Corporate Tax & Finance Advisory department. Before joining the KTM Group, he was commercial director in the field of international industrial assembly. Viktor Sigl has been a member of the Executive Board of KTM AG since 2012, and since December 19, 2019 he has been a member of the Executive Board of PIERER Mobility AG, where he has held the position of CFO since April 21, 2023.

Other main functions within the PIERER Mobility Group:

- Chairman of the Supervisory Board of KTM (Shanghai) Moto Co., Ltd.
- Chairman of the Supervisory Board of Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.
- Deputy Chairman of the Supervisory Board of KTM Components GmbH
- Member of the Executive Board of KTM AG (CFO)

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

- None

Florian Kecht

Professional background:

After completing his international business administration degree at the Vienna University of Economics and Business, Florian Kecht started his career in sales at KTM Sportmotorcycle AG. After several years of experience in international sales, he took over as head of Customer Service in 2011 and assumed responsibility for trade marketing in 2013. Since 2012, Florian Kecht has been an authorized signatory of KTM AG, and since 2014, he has been the General Manager of KTM Sportmotorcycle GmbH. He was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

- Member of the Executive Board of KTM AG

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

- None

Alex Pierer

Professional background:

After studying economics at Johannes Kepler University in Linz, Alex Pierer began his professional career as general manager at Pierer Konzerngesellschaft mbH in Wels. Since 2018, he has also been the general manager of PIERER Innovation GmbH. He has held the role of general manager at Kiska GmbH since the end of 2021. Alex Pierer was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

- General manager of PIERER Innovation 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

Rudolf Wiesbeck

Professional background:

After studying for a degree in economics at Ludwig Maximilian University in Munich, Rudolf Wiesbeck began his career as a trainee working at Dräxlmaier in Vilsbiburg. This was followed by further roles in Germany and abroad – and then in 2011 he moved to the Polytec Group. In this role, Rudolf Wiesbeck managed a group of plants and was the division manager responsible for digitalization and IT. He joined KTM AG as head of the Quality Management division, and since 2022 he has held the role of COO. Rudolf Wiesbeck was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

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

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

- Member of the Supervisory Board of Leoni AG
- Member of the Supervisory Board of Pankl Racing Systems AG

Florian Burguet

Professional background:

After graduating from ESC Business School in Montpellier, Florian Burguet joined the KTM North America team in 2003, where he was responsible for marketing in Canada. In 2010, he assumed the position of Managing Director of KTM Canada, Inc. and later in 2017 the role of Managing Director of KTM Sportmotorcycle GmbH,

moving to Austria for this purpose. Until 2019, his focus was on international sales, after which he headed the global marketing team until 2022. Since June 22, 2022, Florian Burguet has been working as New Mobility CSO at KTM AG. He was appointed to the company's Executive Board in 2023. With effect from December 31, 2023, Florian Burguet left the Executive Board of PIERER Mobility AG and KTM AG due to the restructuring of the group's bicycle division, in particular due to the initiated sale process of the FELT bicycle brand.

Other main functions within the PIERER Mobility Group:

- None

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 2023 financial year, the Supervisory Board diligently performed the duties and tasks incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. With the exception of Rajiv Bajaj, all members of the Supervisory Board and its committees are free and independent according to the terms of the Austrian Code of Corporate Governance. A total of five Supervisory Board meetings (one of which was an extraordinary meeting) were held in the 2023 financial year. A Supervisory Board member was only excused from one Supervisory Board meeting; all members of the Supervisory Board were present at the other Supervisory Board meetings. On average, the meetings lasted approximately three to three and a half hours. In addition, three Audit Committee meetings were held; the meetings lasted approximately one hour on average. In its meetings in the 2023 financial year, the Supervisory Board regularly concerned itself with the monitoring of projects, the course of business and business planning (forecast, budget and multi-year planning) as well as the associated opportunities and risks, including non-financial performance indicators.

In addition, in its meetings the Supervisory Board discussed and adopted resolutions relating to the audit and approval of the 2022 annual financial statements, the audit of the 2022 consolidated financial statements, the agenda and the proposed resolutions for the 26th Annual General Meeting, the financial status and Executive Board matters. For more details, please read the statements made in the Supervisory Board's report on the 2023 financial year. In addition, the Supervisory Board concerned itself with the company's compliance management and corporate governance and, associated

with this, the development and implementation of the corporate strategy, which is embracing sustainable aspects.

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 seven 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 it can be demonstrated that all members of the Supervisory Board have been informed of this. In the event that the above-mentioned period is shortened, and if not all members of the Supervisory Board are present or represented, only those points on the agenda that resulted in the notice period being shortened shall be addressed.

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

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

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

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

Executive Board represent an additional focus for each Supervisory Board meeting.

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

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

No contracts have been concluded between the company and members of the Supervisory Board that require the approval of the Supervisory Board (C-Rule 48 of the Austrian Code of Corporate Governance).

The Audit Committee 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 an amount of EURk 2,500 per financial year. The approval is valid for the 2024 financial year and will be adapted by the Audit Committee if necessary. The Audit Committee receives a report on the non-audit reviews actually provided once a year. Finally, the independence of the auditor (auditor of the consolidated financial statements) was reviewed and monitored, with regard in particular to the additional services provided to the audited company.

In the 2023 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).

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

COMPOSITION OF THE SUPERVISORY BOARD

At the 26th Annual General Meeting of the company held on April 21, 2023, Friedrich Roithner was elected as a new member of the Supervisory Board. Klaus Rinnerberger resigned his position as a

member of the Supervisory Board with effect from the end of the 26th Annual General Meeting.

The company's Supervisory Board therefore comprised the following members in the 2023 financial year:

NAME YEAR OF BIRTH	POSITION	INDEPENDENT ACCORDING TO THE ÖCGK	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
Josef Blazicek born 1964	Chairman of the Supervisory Board	Yes	2008	Annual General Meeting which decides on the financial year 2025	All for One Group SE (Germany) Leoni AG (Germany)
Rajiv Bajaj born 1966	Deputy Chairman of the Supervisory Board	No	April 29, 2022	Annual General Meeting which decides on the financial year 2026	None
Iris Filzwieser born 1971	Member of the Supervisory Board	Yes	April 29, 2022	Annual General Meeting which decides on the financial year 2026	None
Michaela Friepess born 1972	Member of the Supervisory Board	Yes	April 29, 2022	Annual General Meeting which decides on the financial year 2026	Leoni AG (Germany)
Srinivasan Ravikumar born 1957	Member of the Supervisory Board	Yes	April 29, 2022	Annual General Meeting which decides on the financial year 2026	None
Klaus Rinnerberger born 1964	Member of the Supervisory Board	Yes	2015	Annual General Meeting which has decided on the financial year 2022 (until April 21, 2023)	Leoni AG (Germany)
Friedrich Roithner born 1963	Member of the Supervisory Board	No	April 21, 2023	Annual General Meeting which decides on the financial year 2027	Leoni AG (Germany)

COMMITTEES OF THE SUPERVISORY BOARD AND THEIR MEMBERS

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 Supervisory Board elected a new member to the company's **Audit Committee** by circular resolution dated July 11, 2023. It comprises three members and is composed as follows:

Srinivasan Ravikumar

Chairman

Friedrich Roithner

Deputy Chairman, financial expert

Michaela Friepess

Member

Up until the Supervisory Board passed its resolution on July 11, 2023, the Audit Committee comprised Srinivasan Ravikumar (as Chairman), Klaus Rinnerberger (as Deputy Chairman, resigned as a member of the Supervisory Board and Audit Committee with effect from April 21, 2023) and Michaela Friepess (as a member).

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

The Audit Committee of PIERER Mobility AG held three meetings in the 2023 financial year, in which a representative of the auditor also participated.

The **Remuneration Committee** of the company comprises two members and is composed as follows:

Josef Blazicek

Chairman

Michaela Friepess

Deputy Chairwoman

The Remuneration Committee of PIERER Mobility AG convened for one meeting in the 2023 financial year. At this meeting, the Remuneration Committee examined the remuneration report and addressed general questions about the remuneration of the Executive Board.

The **Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)** comprises two members and is composed as follows:

Michaela Friepess

Chairwoman

Josef Blazicek

Deputy Chairman

The Committee for Compliance, IR and ESG of PIERER Mobility AG convened for one meeting in the 2023 financial year. In addition, its members are in regular contact (usually every two weeks) with the ESG steering team at group level. The committee focuses among other things on the issues from the sustainability and TCFD reports and regularly reviews whether the compliance, IR and ESG objectives pursued by PIERER Mobility AG are being met. For this purpose, the committee monitors the measures being taken to achieve these objectives and supports the implementation of such measures in all divisions of PIERER Mobility AG. In addition, the committee regularly evaluates the pursued objectives.

As the Supervisory Board consists of no more than six members, the tasks of the Nomination Committee are performed 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.

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.

Rajiv Bajaj, Deputy Chairman of the Supervisory Board, is the Managing Director, CEO and shareholder of Bajaj Auto Ltd., Pune, India. A cooperation has existed since 2007 between Bajaj Auto Ltd. and KTM AG, a wholly owned subsidiary of PIERER Mobility AG. The cooperation focuses on the joint development of entry-level street motorcycles, which are produced in India and distributed under the "KTM" and "Husqvarna" brands by both companies in their respective core markets. Bajaj Auto Ltd., in which Rajiv Bajaj has a significant economic interest, thus maintains a significant business relationship with a subsidiary of PIERER Mobility AG, which is why Rajiv Bajaj does not meet independence criterion 2.

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

The other members of the Supervisory Board of PIERER Mobility AG pledge to abide by the criteria of independence according to C-Rule 53 and declare themselves to be independent.

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. These requirements of C-Rule 54 were met because, with the exception of Friedrich Roithner (member of the Executive Board of the majority shareholder Pierer Bajaj AG), no member of the Supervisory Board is a shareholder with an interest of more than 10 % or represents the interests of such a shareholder.

03 MEASURES TO PROMOTE WOMEN

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

PIERER Mobility AG supports and promotes the employment of women, especially in technical professions. One barrier to this is that many managerial positions require technical training and in many countries there are still significantly fewer women than men pursuing technical professions and completing technical degrees. Nevertheless, the group aims to make employment in an industrial company more attractive to female workers, and to encourage

even more women to take up technical professions, which will be even more sought-after in the future. To recruit female apprentices, the Human Resources department focuses on the core aspect of providing regular information in order to reach the target group and present the technical training courses in an accessible way. In addition to the launch of the social media campaign "Women in KTM AG in 2023" and the "FemaleCoders" hackathon, the measures that the company takes to get women interested in STEM professions, in particular, include various information events such as apprenticeship fairs or visiting schools, as well as the Girls' Day that is held in Mattighofen each year. The aim is to encourage girls to explore new areas of work and make it easier for them to find out which career path they wish to pursue. The "FemaleCoders" hackathon that was organized by Avocado in autumn 2023 allowed young programmers to acquire new skills, try out new technologies and link up with other coding enthusiasts. The number of girls interested in technical apprenticeships is steadily rising. In the 2023 financial year, around one third of the apprentices employed in the group were female.

As of December 31, 2023, the percentage of women in the overall workforce was 25.8 %. There are currently no women on the Executive Board; the Supervisory Board has two female members. Women occupy 18.8 % of managerial positions within PIERER Mobility AG (previous year: 18.5 %). The number of women in the group has risen by approx. 12.3 % since 2018.

04 DESCRIPTION OF THE DIVERSITY CONCEPT

When members of the Supervisory Board are appointed, the Annual General Meeting must focus on the professional and personal qualifications of the members as well as ensuring that the Supervisory Board has a professionally balanced composition that reflects the company's structure and business activity. Furthermore, appropriate consideration must be given to diversity aspects of the Supervisory Board to ensure that both genders and different ages are represented and, in the case of listed companies, to ensure that the members also have an international composition.

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 of the Austrian Commercial Code (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 an Executive Board that, as a whole, has many years of experience in the areas of development, production, sales and finance.
- A person's age and sex play no role in the decision to appoint members of the Executive Board and do not lead to any preference or disadvantage in the selection process.
- At least two members of the Executive Board should have technical professional training.
- At least one member of the Executive Board should have knowledge and experience of ESG.

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:

In the 2023 financial year, Friedrich Roithner resigned as a member of the Executive Board of PIERER Mobility AG and Alex Pierer, Florian Kecht, Florian Burguet (until December 31, 2023) and Rudolf Wiesbeck joined as new members of the Executive Board. This required an increase in the maximum number of Executive Board members as per the Articles of Association, which was approved in response to the proposal by the Supervisory Board at the 26th Annual General Meeting on April 21, 2023. With this amendment to the Articles of Association, the 26th Annual General Meeting paved the way for the appointment of the four new Executive Board members listed above. At the end of the 2023 financial year, the Executive Board consists of seven members who meet the requirements set out in the concept.

COMPOSITION OF THE SUPERVISORY BOARD

Concept:

- The Supervisory Board should comprise personnel with the requisite professional and personal qualities. Consideration must be given to ensuring a balanced composition of specialties

reflecting the structure and business activities of the PIERER Mobility Group. A minimum of one financial expert must hold a seat on the Supervisory Board.

- Wherever possible, the Supervisory Board should include a total of two members with international experience or special expertise in one or more of the markets outside Austria that are of importance to the PIERER Mobility Group.
- 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. As the Supervisory Board acquires more members, greater attention must be devoted to these criteria.
- Wherever possible, the Supervisory Board should include one member who, by virtue of his/her experience and knowledge, can transfer ESG expertise within the PIERER Mobility Group.

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 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:

With a notice of resignation dated March 21, 2023, Klaus Rinnerberger resigned his role as a member of the Supervisory Board of the company with effect from the end of the 26th Annual General Meeting that was held on April 21, 2023. In addition, at the 26th Annual General Meeting held on April 21, 2023, Friedrich Roithner was appointed as a new member of the company's Supervisory Board. At the end of the 2023 financial year, the Supervisory Board consists of six members – including two women – who meet the requirements defined in the concept.

05 AUDITS AND EXTERNAL EVALUATION

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, FN 269725 f, Kudlichstraße 41, 4020 Linz, was appointed by the 26th 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, 2023 until December 31, 2023. 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 642 (previous year: EURk 564). Other services amounted to EURk 74.

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 full report, including the results of the evaluation of the 2021 financial year, can be found on the company's website (www.pierermobility.com) under Investor Relations > Corporate Governance > Evaluation. The next external evaluation will be conducted in 2025 for the 2024 financial year.

06 CHANGES AFTER THE END OF THE REPORTING PERIOD

The company is not aware of any material changes to circumstances that need to be reported herein that occurred between December 31, 2023 and the date on which this report was prepared.

In addition, with regard to changes after the end of the reporting period, reference is made to the “Events after the reporting date” chapter in the notes to the consolidated financial statements as of December 31, 2023.

Wels, March 2024

The Executive Board



Stefan Pierer (CEO)



Hubert Trunkenpolz



Viktor Sigl, MBA (CFO)



Florian Kecht



Alex Pierer



Rudolf Wiesbeck

Report pursuant to the Directive on Corporate Governance (DCG) of the SIX Swiss Exchange

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

PIERER Mobility AG draws your attention to the fact that the company has been established under Austrian law and that the names, responsibilities and duties of 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 fulfill the stipulations of the Swiss Directive on Corporate Governance, which are formulated with close reference to the Code of Obligations, in a manner analogous to Swiss companies. A short description of 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 its registered office at 4600 Wels, Edisonstraße 1, Austria, has had its primary listing on the SIX Swiss Exchange since November 14, 2016 (ISIN: AT0000KTM102, security number: 41860974). The share capital of PIERER Mobility AG is EUR 33,796,535 and is divided into 33,796,535 bearer shares with voting rights, where every ordinary share has an equal stake in the share capital.

The 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 implementation of the activities of Pierer Industrie AG in the field of mobility, the management of companies and holdings forming part of the PIERER Mobility Group 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/api/assets/10233078>).

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-wheelers. The PIERER Mobility Group is divided into core strategic divisions, namely (i) "Motorcycles" and (ii) "E-Mobility" with its equity holding in KTM AG, (iii) "Design, R&D" with its equity holdings in Kiska GmbH, KTM Forschungs und Entwicklungs GmbH and CERO Design Studio S.L., (iv) "Digital Transformation, IT" with its equity holdings in PIERER Innovation GmbH, Avocado GmbH, KTM Informatics GmbH and LX media GmbH as well as (v) "Motorsport" with its equity holding in KTM Racing 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 (1.1. Company information) on page 147 in the annual report and under "Group structure" on page 10.

KTM

KTM AG has its registered office in Mattighofen, Austria. The KTM Group encompasses the equity holdings in KTM Sportmotorcycle GmbH (100 %), Husqvarna Motorcycles GmbH (100 %), KTM Sportcar GmbH (100 %), WP Suspension GmbH (100 %), GASGAS Motorcycles GmbH (100 %), MV Agusta Motor S.P.A. (25.1 %), MV Agusta Services S.r.l. (100 %), KTM Beteiligungs GmbH (100 %) and KTM Immobilien GmbH (indirectly via KTM Beteiligungs GmbH and directly totaling 100 %).

KTM AG is a global manufacturer of offroad and street vehicles. KTM AG's products are sold under the KTM, Husqvarna Motorcycles and GASGAS brands. KTM AG develops, manufactures and sells high-performance and ready-to-race vehicles for offroad and street use. The product range also includes mini-motorcycles, the KTM X-BOW and brand accessories (spare parts, technical accessories and apparel).

The sales subsidiaries KTM Sportmotorcycle GmbH, Husqvarna Motorcycles GmbH, GASGAS Motorcycles GmbH, CFMOTO Motorcycles Distribution GmbH and MV Agusta Motorcycles GmbH sell motorcycles, spare parts and accessories from the respective brands directly to European dealers and to global importers. Markets in the United States, Mexico, South Africa, Japan, Australia and New Zealand are served via local sales subsidiaries with their own inventories. Furthermore, equity interests are held in domestic and foreign sales subsidiaries that provide KTM Sportmotorcycle GmbH, Husqvarna Motorcycles GmbH, and GASGAS Motorcycles GmbH with sales and marketing support services in the local markets.

Under the "WP" brand, the KTM Components Group develops, produces and sells 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 systems provider to the international motorcycle and power sports industry. The KTM Components Group offers a wide range of products and can develop, test and produce the entire chassis of a motorcycle.

The electric mobility division of the PIERER Mobility Group consists of the Husqvarna and GASGAS E-Bicycles brands.

KTM F&E / KISKA / CERO

The research and development division of the PIERER Mobility Group, which is brought together within KTM Forschungs & Entwicklungs GmbH (KTM F&E GmbH), is organized globally with decentralized locations in Europe (especially Austria and Spain) and America. The development programs are managed centrally at the R&D

headquarters in Mattighofen and in Munderfing, where the majority of the highly skilled R&D employees are based. This is where ground-breaking products for the PTW segment are designed, developed and tested using state-of-the-art equipment. In organizational terms, KTM Technologies GmbH forms part of KTM F&E GmbH, which provides development services to the group (innovation hub) and to third-party customers with a focus on the automotive, aviation and mechanical engineering industries. Its main focus is on developing concepts and products as well as developing technology based on its wide-ranging expertise in complete vehicles, lightweight construction and materials.

As Europe's largest independent and owner-operated design company, Kiska GmbH (Anif) operates in the following business segments: Consultancy in relation to marketing, brand and design, transportation design, product design and environmental design.

Based in Barcelona, Spain, CERO Design Studio S.L. plays an active role in the development of PTW solutions within the group. CERO offers both design and simulation (CFD and FEM) support and sometimes performs a high degree of the design of motorcycles. CERO also has extensive expertise in the area of bicycle development, covering all aspects from design, construction through to prototype vehicles.

PIERER Innovation / Avocado / KTM Informatics / LX media

PIERER Innovation GmbH (Wels) develops digital innovations for the two-wheeler market and works in a digital cluster together with Avocado GmbH, LX media GmbH and KTM Informatics GmbH on the group's digitalization drive. With this cluster, PIERER Innovation is a center of expertise for the digital user experience, software development, business modeling and data science as well as the evaluation of new digital technologies, thus shaping the digital future of PIERER Mobility AG.

Avocado GmbH (Linz) is a software and IT provider that specializes in digital strategy, mobile applications, web applications and business solutions.

LX media GmbH (Wels) is an expert in the strategic development and implementation of digital projects. The portfolio of LX media ranges from management consulting to all types of online and offline marketing with a primary focus on web development and design.

KTM Racing

KTM Racing GmbH is the company's motorsport hub for the KTM, GASGAS and Husqvarna Motorcycles brands. The PIERER Mobility Group has racing interests that span the globe. Strategy, administration, decision-making and development are all controlled at the Munderfing site.

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 214 - 216 of the annual report).

1.2 SIGNIFICANT SHAREHOLDERS

^

The shareholder structure of PIERER Mobility AG as at December 31, 2023 was as follows:

Pierer Group:	
Pierer Bajaj AG	74.16 %
Pierer Konzerngesellschaft mbH	0.09 %
Free float	25.75 %

As at December 31, 2023, the Pierer Group held approximately 74.25 % of the share capital of PIERER Mobility AG.

PIERER Mobility AG is not aware of any other shareholders holding over 3 percent of the voting rights for PIERER Mobility AG, 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/en/resources/notifications-market-participants/significant-shareholders.html#.

1.3 CROSS-SHAREHOLDINGS

There are no cross-shareholdings.

2. CAPITAL STRUCTURE

2.1 CAPITAL

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

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

On the reporting date of December 31, 2023, PIERER Mobility AG held both conditional capital and authorized capital. The authorized capital pursuant to Section 5 of the Articles of Association is EUR 16,898,267 and has not yet been utilized.

The conditional capital pursuant to Section 5a of the Articles of Association is EUR 4,375,000 and has not yet been utilized.

2.2 AUTHORIZED AND CONDITIONAL CAPITAL IN PARTICULAR

Authorized capital:

As at the reporting date, PIERER Mobility AG had authorized capital¹. The corresponding provision in the Articles of Association in Section 5 Authorized capital reads:

Section 5 Authorized capital

The Executive Board is authorized in accordance with Section 169 of the Austrian Stock Corporation Act, until April 29, 2027, to increase the share capital of the company from EUR 33,796,535.00 by up to EUR 16,898,267.00 to up to EUR 50,694,802.00 with the consent of the Supervisory Board by issuing, in several tranches if necessary, up to 16,898,267 no-par-value bearer shares in return for cash contributions and/or contributions in kind and to determine the initial offering price and the terms and conditions of the issue and the further details of implementing the capital increase in agreement with the Supervisory Board and, if need be, to offer the new shares to the shareholders for subscription by way of the indirect subscription right pursuant to Section 153 (6) of the Austrian Stock Corporation Act.

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

¹ The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

- (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 in return for contributions in kind,
- (iii) to service an over-allotment (greenshoe) option, and/or
- (iv) to compensate for fractional amounts.

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

Conditional capital:

The Annual General Meeting of PIERER Mobility AG approved conditional capital on April 21, 2023². The following resolutions were adopted during the Annual General Meeting of April 21, 2023:

- a) The authorization of the Executive Board, subject to the agreement of the Supervisory Board, up to April 21, 2028 to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act, in particular convertible bonds, profit-sharing bonds and special dividend rights, with a nominal total of EUR 350 million, which may also grant subscription rights and/or the option of exchange on the acquisition of up to a total of 4,375,000 shares in the company and/or are also organized in such a way that they may be reported as equity, also in multiple tranches and in different combinations, including indirectly by way of a guarantee for the issue of financial instruments by an affiliate of the company with conversion and/or subscription rights to shares in the company.
- b) The Executive Board may use the conditional capital and/or treasury shares or a combination of conditional capital and treasury shares to fulfill options of exchange and/or subscription rights.
- c) The issue amount and issue conditions of the financial instruments are to be set by the Executive Board, subject to the agreement of the Supervisory Board, whereby the issue amount is to be determined according to recognized mathematical methods used in finance and the price of shares in the company in a recognized pricing procedure.
- d) The Executive Board is authorized, 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 capital pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) as per the resolution adopted at the Annual General Meeting of April 27, 2017 is canceled.

- f) The conditional increase of the share capital of the company pursuant to Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) by up to EUR 4,375,000.00 by issuing up to 4,375,000 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.

The corresponding provision in the Articles of Association in Section 5a Conditional capital reads:

Section 5a Conditional capital

The company's share capital shall be increased in accordance with Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) by up to EUR 4,375,000.00 by issuing up to 4,375,000 no-par value bearer shares (ordinary shares) for issue to creditors of financial instruments in accordance with Section 174 of the Austrian Stock Corporation Act, as per the resolution adopted at the Annual General Meeting of April 21, 2023, which are issued using the authorization granted in this Annual General Meeting by the company. The capital increase may only be carried out to the extent that the creditors of financial instruments make use of their options of conversion and/or subscription rights on company shares. 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.

² The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

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

2.3 CHANGES IN CAPITAL IN THE LAST THREE REPORTING YEARS

The total consolidated equity of PIERER Mobility AG amounted to EUR 765.6 million on December 31, 2021, EUR 914.4 million on December 31, 2022, and 909.3 on December 31, 2023. Information on changes in equity is presented in the consolidated statement of changes in equity in the annual report (pages 144 - 145).

On September 29, 2021, the Executive Board of PIERER Mobility AG decided to carry out a capital increase in return for a contribution in kind from the authorized capital. 11,257,861 new shares were issued at an issue price of EUR 79.50 per share. The share capital of PIERER Mobility AG increased by EUR 11,257,861 to EUR 33,796,535 as a result of the capital increase in return for a contribution in kind of EUR 22,538,674.

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 shares in PIERER Mobility AG carry the following rights:

Asset-related rights:

Rights to dividends / right to share 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 Association³, 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 their 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 their current holding. This pre-emption right serves firstly to allow the shareholder to maintain their current interest (antidilution) and secondly to preserve the value of their 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.

³ The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

Rights in relation to Annual General Meetings:

Right to attend

Every shareholder has the right to attend the Annual General Meetings, as shareholders exercise their rights at General Meetings. Shareholders are entitled to attend Annual General Meetings insofar as they hold shares on the evidence date, that is, at the end of the tenth day before the day of the General Meeting in question. A securities account confirmation as per Section 10a of the Austrian Stock Corporation Act (AktG) suffices as evidence of a shareholding; Section 111 (2) of the Austrian Stock Corporation Act (AktG) stipulates that 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 Association⁴ of PIERER Mobility AG, the Executive Board is authorized, with the approval of the Supervisory Board, to make provision in the convening of the Annual General Meeting for the Annual General Meeting to be broadcast in full or in part acoustically and, if necessary, also visually in real time for the shareholders that are not present (broadcast of the Annual General Meeting as per Section 102 (4) (1) of the Austrian Stock Corporation Act). Public broadcast of the Annual General Meeting may also be provided (Section 102 (4) (2) of the Austrian Stock Corporation Act). If the Executive Board makes use of this authorization, the respective details must be provided in the convening notice for the Annual General Meeting.

Following the COVID-19 crisis, the 26th Annual General Meeting of PIERER Mobility AG was held with the participants present in person.

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

Right to information / right of inquiry

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

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

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

Right to speak

Every shareholder has the right to express their 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.

⁴ The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

Voting rights

Every shareholder has a right to vote at the Annual General Meeting in proportion to their shareholding. The Articles of Association⁵ cannot generally grant a shareholder more votes than he has shares; however, it is permissible to restrict voting rights for equity holdings inter alia exceeding a certain size. Shareholders may exercise their voting right in three ways: they may vote for a motion, vote against the motion, or abstain. Voting rights in respect of specific resolutions are suspended in certain cases of a shareholder's conflict of interest. Where the law does not prescribe a different majority, the Annual General Meeting shall pass resolutions by simple majority of the votes cast and, in those cases where a majority of the capital is required, by simple majority of the share capital represented.

Right of objection

At various points, the Austrian Stock Corporation Act lays down the option or duty of a shareholder to raise objections in order to safeguard or exercise their 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 to challenge

Every shareholder has the right to challenge resolutions adopted at the Annual General Meeting, whereby a challenge may result in the rescission of a resolution that was passed effectively. Any resolutions that contravene the law or the Articles of Association⁶ but are not void ab initio may be challenged. Shareholders must have their objections minuted in order to have a right to challenge.

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 Section 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. The Supervisory Board members are generally (and always at the request of a shareholder) elected by the Annual General Meeting individually and not "en-bloc". Neither the Austrian stock corporation law nor the company's Articles of Association provide for the whole Supervisory Board to be replaced. Members are therefore usually elected to the Supervisory Board (unless the number is changed by the Annual General Meeting or one member resigns) at the end of a term of office.

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

At the company's Annual General Meeting held on April 21, 2023, Friedrich Roithner was elected as a new member of the Supervisory Board. With effect from the end of the Annual General Meeting held on April 21, 2023, Klaus Rinnerberger has resigned from his role as a member of the Supervisory Board.

⁵ The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

⁶ The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

The Supervisory Board of PIERER Mobility AG thus consisted of six members in the 2023 financial year and since the company's Annual General Meeting held on April 21, 2023 has been composed as follows:

NAME YEAR OF BIRTH	POSITION AT PIERER MOBILITY AG	INITIAL APPOINTMENT	END OF THE (CURRENT) TERM OF OFFICE
Josef Blazicek born 1964	Chairman of the Supervisory Board	2008	Annual General Meeting which decides on the financial year 2025
Rajiv Bajaj born 1966	Deputy Chairman of the Supervisory Board	2022	Annual General Meeting which decides on the financial year 2026
Iris Filzwieser born 1971	Member of the Supervisory Board	2022	Annual General Meeting which decides on the financial year 2026
Michaela Friepess born 1972	Member of the Supervisory Board	2022	Annual General Meeting which decides on the financial year 2026
Srinivasan Ravikumar born 1957	Member of the Supervisory Board	2022	Annual General Meeting which decides on the financial year 2026
Klaus Rinnerberger born 1964	Member of the Supervisory Board	2015	Annual General Meeting which has decided on the financial year 2022 (until April 21, 2023)
Friedrich Roithner born 1963	Member of the Supervisory Board	April 21, 2023	Annual General Meeting which decides on the financial year 2027

Josef Blazicek (born 1964), an Austrian citizen, has been active in business since completing high school. He began his career in the International Sales division of GIRO Credit Bank der Österreichischen Sparkassen AG. From 1989, he was head of the trading department at ERSTE BANK AG, before taking up the same position at INVESTMENTBANK AUSTRIA AG in 1991, where he was inter alia a director of Bank Austria Securities Ltd. in New York. From 1997 to 2000, he was Head of Syndications at ICE Securities Ltd. in London. This was followed by the position of Managing Partner of OCEAN Equities Ltd. in London until 2003. From 2000, he worked in various roles within the QINO Group. Josef Blazicek is also Deputy Chairman of the Supervisory Board of Pierer Industrie AG (Austria).

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

Rajiv Bajaj (born 1966), an Indian citizen, holds a Master of Science degree in Manufacturing Systems Engineering. He started his career working in the Streamlines Manufacturing Systems department at Bajaj Auto Ltd. in 1990. In 1995, Rajiv Bajaj switched department and worked as General Manager and Vice President in the R+D and Engineering department. In 2000, as Deputy Managing Director he started reorganizing the marketing, sales and service interfaces and promoted export initiatives. In April 2005, he became Managing Director of Bajaj Auto Ltd. Rajiv Bajaj is Managing Director, CEO and shareholder of Bajaj Auto Ltd., Pune, India. Bajaj Auto Ltd. is in a significant business relationship with KTM AG, a subsidiary of

PIERER Mobility AG (reference is made to the statements provided in the corporate governance report in accordance with the provisions of the Austrian Code of Corporate Governance (ÖCGK) on page 72).

Rajiv Bajaj has been a member of the company's Supervisory Board since 2022. Rajiv Bajaj 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 2026.

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

Iris Filzwieser has been a member of the company's Supervisory Board since 2022. Her term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2026.

Michaela Friepess (born 1972), an Austrian citizen, completed a degree in business studies and then began her professional career in 1998 working as a financial analyst and in the business development department at GE Capital Bank in Vienna and Paris until 2003. In September 2003, she joined the PIERER Group. Furthermore, in the light of her extensive practical experience and specialism in the area of capital markets and corporate governance, she also most recently held the role of compliance officer at the PIERER Mobility Group. In addition, as a member of the Executive Board of Pierer Industrie AG, she is also responsible for investor relations and sustainability.

Michaela Friepess has been a member of the company's Supervisory Board since 2022. Her term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2026.

Srinivasan Ravikumar (born 1957), an Indian citizen, has a Bachelor of Commerce degree and is a certified public accountant and tax consultant. He started his career in the Corporate Finance department at Bajaj Auto Ltd. in June 1984. In 1994, he took over the management of the Business Development department. Srinivasan Ravikumar is currently Chief Business Development Officer and responsible for the Business Development & Assurance department. He is also a member of the Corporate Management Committee, Investment Committee and Foreign Exchange Management Committee of Bajaj Auto Ltd. His area of responsibility includes Corporate Strategy, Business Development, Foreign Collaborations and IP Management.

Srinivasan Ravikumar has been a member of the company's Supervisory Board since 2022. His term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2026.

Friedrich Roithner (born 1963) is an Austrian citizen and after graduating from the Johannes Kepler University of Linz with a degree in business administration, he started his career at Ernst & Young GmbH. After three years, he switched to Austria Metall AG, where he worked until 2006 (he became a member of the Executive Board in 2002). From March 2008 to June 2010, Friedrich Roithner was a member of the Executive Board at Invest AG. Friedrich Roithner has been a member of the management team at the PIERER Group since 2007: from 2010 to April 2023 as CFO of the listed PIERER Mobility

AG and since 2012 as a member of the Executive Board of Pierer Industrie AG. Until his election to the Supervisory Board, Friedrich Roithner served on the Executive Board and was thus part of the management of PIERER Mobility AG.

Friedrich Roithner has been a member of the company's Supervisory Board since 2023. His term of office will expire at the end of the Annual General Meeting ruling upon the financial year 2027.

OTHER MAIN FUNCTIONS OF THE MEMBERS OF THE SUPERVISORY BOARD

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

The table below contains the names of the businesses and companies in which the current members of the Supervisory Board of PIERER Mobility AG – to the best of the company's knowledge – were members of an administrative, management or supervisory body of PIERER Mobility AG or a group company of PIERER Mobility AG during the last three reporting periods. Furthermore, it lists ongoing roles in the management and supervisory bodies of major Swiss and foreign entities, institutions and foundations governed by private and public law. The column headed "Still serving" indicates whether the partnership or membership of a management, executive or supervisory board is still current:

SUPERVISORY BOARD	COMPANY	POSITION	STILL SERVING
Josef Blazicek	All for One Group SE	Chairman of the Supervisory Board	Yes
	Leoni AG	Member 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 the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Supervisory Board	Yes
	Pierer Industrie AG	Deputy chairman of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	No
	Schwäbische Hüttenwerke Automotive GmbH swisspartners Group AG	Member of the Supervisory Board Member of the Board of Directors	No Yes
Rajiv Bajaj	KTM AG	Deputy chairman of the Supervisory Board	Yes
	Pierer Bajaj AG	Deputy chairman of the Supervisory Board	Yes
	Bajaj Auto Ltd.	Managing Director	Yes
Iris Filzwieser	Pierer Bajaj AG	Member of the Supervisory Board	Yes
Michaela Friepess	Leoni AG	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Supervisory Board	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	Schwäbische Hüttenwerke Automotive GmbH	Member of the Supervisory Board	Yes
	SHW AG	Member of the Supervisory Board	Yes
Srinivasan Ravikumar	KTM AG	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Supervisory Board	Yes
Friedrich Roithner	abatec Beteiligungsverwaltungs GmbH	Chairman of the Supervisory Board	No
	PIERER E-Commerce GmbH (formerly HDC GmbH)	Managing Director	No
	KTM AG	Chairman of the Supervisory Board	Yes
	KTM Components GmbH	Chairman of the Supervisory Board	Yes
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Leoni AG	Chairman 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 Mobility AG	Member of the Executive Board, CFO	No
	PIERER IMMOREAL GmbH	Managing Director	Yes
	Pierer Industrie AG	Member of the Executive Board, CFO	Yes
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Chairman of the Supervisory Board	No
	SHW AG	Member of the Supervisory Board	Yes
	Westpark Wels GmbH (formerly Westpark Wels AG)	Deputy chairman of the Supervisory Board	No

The members of the Supervisory Board also 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 statements made in the corporate governance report in accordance with the provisions of the Austrian Corporate Governance Code (Composition of the Supervisory Board, page 78).

3.5.2 List of members of all Supervisory Board committees, their tasks and competence and delimitation

The Supervisory Board has formed an Audit Committee from among its members, consisting of three members. In addition, a Remuneration Committee was set up in December 2021, consisting of two members. In the 2022 financial year, a Committee for Compliance, Investor Relations (IR) and Sustainability (ESG) was also formed, consisting of two members.

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

Please refer to the statements made in the corporate governance report in accordance with the provisions of the Austrian Corporate Governance Code (Committees of the Supervisory Board and their members, pages 78-79).

3.5.3 Working methods of the Supervisory Board and its committees

Please refer to the statements made in the corporate governance report in accordance with the provisions of the Austrian Corporate Governance Code (Working methods of the Supervisory Board, pages 76-77).

In the 2023 financial year, the Supervisory Board addressed the efficiency of its activities, in particular its organization and working method, 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.

A total of five Supervisory Board meetings were held in the 2023 financial year. On average, the meetings lasted approximately three to three and a half hours. Three meetings of the Audit Committee also took place; these meetings lasted approximately one hour on average (see also the corporate governance report in accordance with the provisions of the Austrian Corporate Governance Code, Working methods of the Supervisory Board, pages 76-77).

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, 2023.

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.

In the 2023 financial year, the Executive Board of PIERER Mobility AG was composed as follows:

NAME YEAR OF BIRTH	POSITION	INITIAL APPOINTMENT	END OF THE CURRENT TERM OF OFFICE	AREAS OF RESPONSIBILITIES
Stefan Pierer born 1956	Chairman of the Executive Board (CEO)	June 2, 2015*	December 31, 2025	strategic overall management, research and development, product management
Hubert Trunkenpolz born 1962	Deputy Chairman of the Executive Board	January 1, 2018	December 31, 2027	brand management, motorsport, X-BOW, joint ventures, investor relations
Viktor Sigl, MBA born 1974	Member of the Executive Board (CFO)	December 19, 2019	December 31, 2027	finance and tax, legal, IT, human resources, risk management, real estate
Florian Kecht born 1980	Member of the Executive Board	May 6, 2023	December 31, 2027	motorcycle: global sales, customer service, marketing, PG&A
Alex Pierer born 1981	Member of the Executive Board	May 6, 2023	December 31, 2027	digital transformation, PIERER Innovation, Avocado
Rudolf Wiesbeck born 1979	Member of the Executive Board	May 6, 2023	December 31, 2027	operations, quality management, purchasing & logistics, sustainability, supply chain management
Friedrich Roithner born 1963	Member of the Executive Board (CFO)	June 2, 2015**	April 21, 2023	finance (group)accounting, tax affairs, legal affairs, risk management
Florian Burguet, MBA born 1981	Member of the Executive Board	May 6, 2023	December 31, 2023	new mobility: global sales, customer service, marketing, PG&A

* Stefan Pierer has been on the Board of Management of CROSS Industries AG (FN 261823 i) since April 30, 2005. At the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG held on April 22, 2015, a resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company as part of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged with BF HOLDING AG. At the same time, the trading name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Stefan Pierer has therefore been a member of the Executive Board of CROSS Industries AG (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. At the Annual General Meetings of BF HOLDING AG (FN 78112 x) and CROSS Industries AG held on April 22, 2015, a resolution was passed to merge CROSS Industries AG as the transferring company with BF HOLDING AG as the acquiring company as part of a universal succession. With effect from June 2, 2015, CROSS Industries AG was merged with BF HOLDING AG. At the same time, the trading name of the acquiring company (FN 78112 x) was changed to CROSS Industries AG. Since June 2, 2015, Friedrich Roithner has therefore been a member of the Executive Board of CROSS Industries AG (now PIERER Mobility AG). With effect from April 21, 2023, Friedrich Roithner switched from the Executive Board to the Supervisory Board of the company; for more detailed information about his personal background, please consult the "Supervisory Board" chapter.

STEFAN PIERER (born 1956), an Austrian citizen, began his career in 1982 at HOVAL GmbH, Marchtrenk, after graduating in business and energy economics from the University of 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 a shareholder and Chairman of the Executive Board of PIERER Mobility AG.

Other main functions within the PIERER Mobility Group:

- Chairman of the Executive Board of KTM AG

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

- Chairman of the Supervisory Board of Pankl AG
- Chairman of the Supervisory Board of Pankl Racing Systems AG
- Member of the Supervisory Board of Mercedes-Benz Group AG
- Member of the Supervisory Board of Mercedes-Benz AG
- Member of the Supervisory Board of Oberbank AG
- Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH
- Member of the Supervisory Board of SHW AG
- Member of the Board of Directors of Pierer Swiss AG

HUBERT TRUNKENPOLZ (born 1962), an Austrian citizen, completed a degree in business administration at the Johannes Kepler University of Linz and then began his career as a marketing manager at the ISA Audivisual Communication Corp. and later at TRUMAG as a sales manager/general manager. He has been working for the PIERER Mobility Group since 1992 and has been a member of the Executive Board of the KTM Group since 2004. Since 2007, Hubert Trunkenpolz has also been a member of the Executive Board of KTM AG and since 2018 he has been on the Executive Board of PIERER Mobility AG, where he has been acting as Deputy Chairman of the Executive Board since September 1, 2023.

Other main functions within the PIERER Mobility Group:

- Member of the Supervisory Board of KTM (Shanghai) Moto Co., Ltd.
- Member of the Executive Board of Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.

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), an Austrian citizen, completed his business administration degree at Johannes Kepler University in Linz and began his professional career with KPMG working in auditing and tax consulting. After completing his tax consulting exams and an MBA program at the University of Toronto, in 2005 Viktor Sigl joined voestalpine AG, where he headed the Corporate Tax & Finance Advisory department. Before joining the KTM Group, he was commercial director in the field of international industrial assembly. Since December 19, 2019, Viktor Sigl has been a member of the Executive Board of PIERER Mobility AG, where he has held the position of CFO since April 21, 2023.

Other main functions within the PIERER Mobility Group:

- Chairman of the Supervisory Board of KTM (Shanghai) Moto Co., Ltd.
- Chairman of the Supervisory Board of Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.
- Deputy Chairman of the Supervisory Board of KTM Components GmbH
- Member of the Executive Board of KTM AG (CFO)

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

- None

FLORIAN KECHT (born 1980), an Austrian citizen, started his career working in sales at KTM Sportmotorcycle AG after completing his International Business Administration degree at the Vienna University of Economics and Business Administration. After several years of experience in international sales, he took over as head of Customer Service in 2011 and assumed responsibility for trade marketing in 2013. Since 2012, Florian Kecht has been an authorized signatory of KTM AG, and since 2014, he has been the General Manager of KTM Sportmotorcycle GmbH. He was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

- Member of the Executive Board of KTM AG

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

- None

ALEX PIERER (born 1981), an Austrian citizen, began his professional career as general manager at Pierer Konzerngesellschaft mbH in Wels after studying economics at Johannes Kepler University in Linz. Since 2018, he has also been the general manager of PIERER Innovation GmbH. He has held the role of general manager at Kiska GmbH since the end of 2021. Alex Pierer was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

- PIERER Innovation 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

RUDOLF WIESBECK (born 1979), an Austrian citizen, began his career as a trainee at Dräxlmaier in Vilsbiburg after studying economics at the Ludwig Maximilian University of Munich. This was followed by further roles in Germany and abroad – and then in 2011 he moved to the Polytec Group. In this role, Rudolf Wiesbeck managed a group of plants and was the division manager responsible for digitalization and IT. He joined KTM AG as head of the Quality Management division, and since 2022 he has held the role of COO. Rudolf Wiesbeck was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

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

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

- Member of the Supervisory Board of Leoni AG
- Member of the Supervisory Board of Pankl Racing Systems AG

FLORIAN BURGUET, MBA (born 1981), an American citizen, graduated from the ESC Business School in Montpellier in 2003 and then joined the KTM North America Team, where he was responsible for marketing in Canada. In 2010, he assumed the position of Managing Director of KTM Canada, Inc. and later in 2017 the role of Managing Director of KTM Sportmotorcycle GmbH, moving to Austria for this purpose. Until 2019, his focus was on international sales, after which he headed the global marketing team until 2022. Since June 22, 2022, Florian Burguet has been working as New Mobility CSO at KTM AG. He was appointed to the company's Executive Board in 2023.

Other main functions within the PIERER Mobility Group:

- None

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

- None

Other main functions of the members of the Executive Board

The table below contains the names of the businesses and companies in which the current members of the Executive Board – to the best of the company's knowledge – were members 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, it lists ongoing roles in the management and supervisory bodies of major Swiss and foreign entities, institutions and foundations governed by private and public law.

EXECUTIVE BOARD	COMPANY / ORGANIZATION	POSITION	STILL SERVING
Stefan Pierer	Industriellenvereinigung Oberösterreich (Industrial Association Upper Austria)	President	Yes
	K KraftFahrZeug Holding GmbH (company dissolved)	Managing Director	No
	Kiska GmbH	Managing Director	No
	KTM AG	Chairman of the Executive Board	Yes
	KTM Components GmbH	Member of the Supervisory Board / Deputy chairman of the Supervisory Board	No
	KTM Motorsports Inc.	Member of the Executive Board	Yes
	KTM North America Inc.	Member of the Executive Board	Yes
	Mercedes-Benz AG	Member of the Supervisory Board	Yes
	Mercedes-Benz Group AG	Member of the Supervisory Board	Yes
	Oberbank AG	Member of the Supervisory Board	Yes
	P Immobilienverwaltung GmbH	Managing Director	Yes

EXECUTIVE BOARD	COMPANY / ORGANIZATION	POSITION	STILL SERVING
	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 Beteiligungs GmbH	Managing Director	Yes
	PIERER E-Commerce GmbH (formerly HDC GmbH)	Managing Director	No
	PIERER Immobilien GmbH	Managing Director	No
	PIERER Immobilien GmbH & Co KG	Managing Director	No
	PIERER IMMOREAL GmbH	Managing Director	Yes
	Pierer Industrie AG	Chairman of the Executive Board, CEO	Yes
	Pierer Konzerngesellschaft mbH	Managing Director	Yes
	Pierer Liegenschaft GmbH	Managing Director	No
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Member of the Supervisory Board	No
	Pierer Swiss AG	Member of the Board of Directors	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 Board of Directors	No
	W Verwaltungs AG (company dissolved)	Member of the Supervisory Board	No
	Westpark Wels GmbH (formerly: Westpark Wels AG)	Chairman of the Supervisory Board	No
	Wohnbau-west Bauträger Gesellschaft m.b.H.	Managing Director	No
Hubert Trunkenpolz	GASGAS Motorcycles GmbH	Managing Director	No
	Husqvarna Motorcycles GmbH	Managing Director	No
	Husqvarna Motorcycles North America, Inc.	Managing Director	No
	KTM (Shanghai) Moto Co., Ltd.	Member of the Supervisory Board	Yes
	KTM AG	Member of the Executive Board	No
	KTM Canada, Inc.	Managing Director	No
	KTM Japan K.K.	Managing Director	No
	KTM MOTOHALL GmbH	Managing Director	Yes
	KTM North America, Inc.	Managing Director	No
	KTM Österreich GmbH	Managing Director	No
	KTM Racing GmbH	Managing Director	Yes
	KTM Racing North America Inc.	Managing Director	Yes
	KTM Sportcar GmbH	Managing Director	Yes
	KTM Sportmotorcycle Deutschland GmbH	Managing Director	No
	KTM Sportmotorcycle GmbH	Managing Director	No
	MV Agusta Motorcycles GmbH	Managing Director	No
	PIERER E-Commerce GmbH (formerly HDC GmbH)	Managing Director	Yes

EXECUTIVE BOARD	COMPANY / ORGANIZATION	POSITION	STILL SERVING
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Managing Director	No
	PIERER New Mobility North America, Inc.	Managing Director	No
	W Verwaltungs AG (company dissolved)	Deputy chairman of the Supervisory Board	No
	Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.	Member of the Executive Board	Yes
Viktor Sigl, MBA	GASGAS Motorcycles GmbH	Managing Director	Yes
	Husqvarna Motorcycles GmbH	Managing Director	Yes
	KTM (Shanghai) Moto Co., Ltd.	Chairman of the Supervisory Board	Yes
	KTM AG	Member of the Executive Board, CFO	Yes
	KTM Beteiligungs GmbH	Managing Director	Yes
	KTM Components GmbH	Deputy Chairman of the Supervisory Board	Yes
	KTM Forschungs & Entwicklungs GmbH	Managing Director	No
	KTM Immobilien GmbH (formerly KTM Motorrad AG, formerly KTM-Sportmotorcycle AG)	Managing Director	No
	KTM Informatics GmbH	Managing Director	Yes
	KTM Logistikzentrum GmbH	Managing Director	Yes
	KTM North America Inc.	Managing Director	Yes
	KTM Österreich GmbH	Managing Director	Yes
	KTM Sportmotorcycle GmbH	Managing Director	Yes
	MV AGUSTA MOTOR S.P.A.	Managing Director	Yes
	MV Agusta Motorcycles GmbH	Managing Director	No
	MV Agusta Services S.R.L.	Managing Director	Yes
	PIERER E-Commerce GmbH (formerly HDC GmbH)	Managing Director	Yes
	PIERER Innovation GmbH	Managing Director	Yes
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Managing Director Member of the Supervisory Board	No No
	R Raymon Bicycles GmbH	Managing Director	Yes
	W Verwaltungs AG (company dissolved)	Member of the Executive Board	No
	Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd	Chairman of the Supervisory Board	Yes
	CFMOTO Motorcycles Distribution GmbH	Managing Director	Yes
	GASGAS Motorcycles GmbH	Managing Director	Yes
	Husqvarna Motorcycles GmbH	Managing Director	Yes
	KTM (Shanghai) Moto Co., Ltd.	Managing Director	Yes
Florian Kecht	KTM AG	Member of the Executive Board	Yes
	KTM Australia Holding PTY Ltd.	Managing Director	Yes
	KTM Canada Inc.	Managing Director	Yes
	KTM Nordic oy.	Managing Director	Yes
	KTM North America Inc.	Managing Director	Yes
	KTM Österreich GmbH	Managing Director	Yes
	KTM Sportmotorcycle Deutschland GmbH	Managing Director	Yes

EXECUTIVE BOARD	COMPANY / ORGANIZATION	POSITION	STILL SERVING
	KTM Sportmotorcycle GmbH	Managing Director	Yes
	KTM Sportmotorcycle Sucursal Colombia	Managing Director	Yes
	MV Agusta Motorcycles GmbH	Managing Director	Yes
	MV Agusta Motorcycles North America, Inc.	Managing Director	Yes
	PIERER E-Commerce GmbH (formerly HDC GmbH)	Managing Director	Yes
	PIERER E-Commerce North America, Inc.	Managing Director	Yes
	PIERER New Mobility North America, Inc.	Managing Director	No
Alex Pierer	Foresight GmbH	Managing Director	Yes
	Kiska GmbH	Managing Director	Yes
	LX media GmbH	Managing Director	Yes
	P Immobilienverwaltung GmbH	Managing Director	Yes
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	Pierer Bajaj AG	Member of the Executive Board	Yes
	PIERER E-Commerce GmbH (formerly HDC GmbH)	Managing Director	Yes
	PIERER E-Commerce North America, Inc.	Managing Director	Yes
	PIERER Immobilien GmbH	Managing Director	Yes
	PIERER Immobilien GmbH & Co KG	Managing Director	Yes
	Pierer Industrie AG	Member of the Executive Board	Yes
	PIERER Innovation GmbH	Managing Director	Yes
	Pierer Konzerngesellschaft mbH	Managing Director	Yes
	Pierer Liegenschaft GmbH	Managing Director	Yes
Rudolf Wiesbeck	KTM AG	Member of the Executive Board	Yes
	KTM Components GmbH	Member of the Supervisory Board	Yes
	KTM Sportmotorcycle India Private Limited	Managing Director	Yes
	Leoni AG	Member of the Supervisory Board	Yes
	Pankl Racing Systems AG	Member of the Supervisory Board	Yes
	PIERER Produktion GmbH	Member of the Executive Board	Yes
Florian Burguet, MBA	Husqvarna Motorcycles GmbH	Managing Director	No
	KTM AG	Member of the Executive Board	No
	KTM Sportmotorcycle France S.A.S	Managing Director	No
	KTM Sportmotorcycle GmbH	Managing Director	No
	PIERER New Mobility Australia Ltd	Managing Director	Yes
	PIERER New Mobility Bulgaria OOD	Managing Director	Yes
	PIERER New Mobility France SAS	Managing Director	Yes
	PIERER New Mobility GmbH (formerly PIERER E-Bikes GmbH)	Managing Director	Yes
	PIERER New Mobility North America, Inc.	Managing Director	Yes
	PIERER New Mobility NZ	Managing Director	Yes
	PIERER New Mobility SA (PTY) LTD	Managing Director	Yes

4.3 NUMBER OF PERMISSIBLE ACTIVITIES

The rules of the Remuneration Ordinance are not applicable to the Articles of Association of PIERER Mobility AG as a company with its registered office in Austria, which is why the company's Articles of Association do not stipulate any restriction on the permissible activities. However, a restriction arises from C-Rule 26 of the Austrian Code of Corporate Governance, according to which members of the Executive Board may not exercise more than four Supervisory Board mandates (Chairman counts twice) in non-group companies. Please refer to the explanations of this C-Rule 26 in the corporate governance report in accordance with the provisions of the Austrian Code of Corporate Governance (page 72).

4.4 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 statements in the remuneration report for the 2023 financial year (pages 10 - 12).

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

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

Please refer to the statements in the remuneration report for the 2023 financial year (pages 13 - 26). No compensation was paid and no non-cash benefits were granted to former members of the Supervisory or Executive Boards in the 2023 reporting year.

On the reporting date, the members of the Executive and Supervisory Boards of PIERER Mobility AG held shares in the company as listed below:

PERSON	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	NUMBER OF SHARES	VOTING RIGHTS IN %*
Stefan Pierer	No	Yes**	25'092'154	74.24 %
Viktor Sigl, MBA	Yes	No	15'000	0.04 %
Florian Burguet, MBA	No	No	-	-
Florian Kecht	No	No	-	-
Alex Pierer	Yes	No	117'290	0.35 %
Hubert Trunkenpolz	Yes	Yes	31'800	0.09 %
Rudolf Wiesbeck	No	No	-	-
Josef Blazicek	No	Yes	80'000	0.24 %
Rajiv Bajaj	No	No	-	-
Iris Filzwieser	No	No	-	-
Michaela Friepess	Yes	No	58'693	0.17 %
Srinivasan Ravikumar	No	No	-	-
Friedrich Roithner	Yes	No	83'700	0.25 %

* rounded

** via Pierer Konzerngesellschaft mbH and Pierer Bajaj AG

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHTS RESTRICTIONS AND REPRESENTATION

PIERER Mobility AG has issued 33,796,535 no-par-value shares. 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 record it so it can be verified.

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 Association⁷ of PIERER Mobility AG do not set more stringent voting requirements than those set by the Austrian Stock Corporation Act.

6.3 / 6.4 CONVOCAATION OF THE ANNUAL GENERAL MEETING 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 Act⁸.

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 announced via the electronic announcement and information platform of the Federal Government⁹, 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 requirements¹⁰. 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 The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

8 See the Articles of Association on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

9 Available to access at <https://www.evi.gv.at/>.

10 The Articles of Association are available to view on the PIERER Mobility AG website: <https://www.pierermobility.com/api/assets/10233077>

7. CHANGES OF CONTROL AND DEFENSE MEASURES

7.1 DUTY TO MAKE AN OFFER

The shares of PIERER Mobility AG are admitted for trading on the Official Market of the Vienna Stock Exchange. The company is therefore subject to the provisions of the Austrian Takeovers Act. The Austrian Takeovers Act provides for both mandatory and voluntary takeover bids. The Articles of Association of PIERER Mobility AG, in the version as of December 31, 2023, contain an opt-out clause within the meaning of the Swiss Financial Market Infrastructure Act (FinFraG).

As a company with its registered office in Austria, whose equity securities have their primary listing in Switzerland, PIERER Mobility AG is subject to the provisions contained in the FinFraG on public purchase offers on the reporting date. Article 135 (1) of the FinFraG stipulates that any party who acquires participation rights and thus exceeds the limit of 33 1/3 % of the voting rights must, as a fundamental rule, submit a public purchase offer.

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

Mandatory offers

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

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

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

A control-relevant threshold may be reached by a single shareholder or by two or more legal entities acting in concert. It follows that the duty of notification and mandatory offer may be triggered by the conclusion of 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 Takeovers Act provides for various exceptions to the rules regarding mandatory offers. In such cases, the matter must merely be notified to the Takeovers Commission.

In order to protect the interests of shareholders, the Takeovers Act sets a twofold lower limit 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 during the twelve months before the takeover offer.

Second, the offer price must not be less than the average stock-exchange price of shares in the target company, weighted according to trading volumes, over the last six months.

Voluntary offer to achieve control

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.

7A TRANSPARENCY ON NON-FINANCIAL MATTERS

PIERER Mobility AG publishes¹¹ a sustainability report on its website in the sustainability section at the same time as the annual financial report. This was prepared as a consolidated non-financial report in accordance with Section 267a of the Austrian Commercial Code (UGB) in accordance with the requirements of the GRI standards 2021. The sustainability report has been subjected to a voluntary independent review. In addition, a report following the recommendations of the "Task Force on Climate-related Financial Disclosures" (TCFD) was¹² published on the company's website for the 2023 financial year. From the 2024 reporting year, the sustainability report will be a non-financial report that forms part of the annual financial report.

¹¹ <https://www.pierermobility.com/en/sustainability/publications>

¹² <https://www.pierermobility.com/api/assets/13234881>

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 26h Annual General Meeting to serve as the auditor of the consolidated financial statements and separate financial statements of the company for the 2023 financial year. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was first appointed as group and company auditor for the short accounting period from 10/1/2014 to 12/31/2014.

The responsible audit partner is Alexander Gall, who first took up this role for the financial year from January 1, 2023 to December 31, 2023.

8.2 AUDIT FEE

Please refer to the statements made in the corporate governance report in accordance with the provisions of the Austrian Corporate Governance Code (Audits and external evaluation, page 82).

8.3 ADDITIONAL FEES

Please refer to the statements made in the corporate governance report in accordance with the provisions of the Austrian Corporate Governance Code (Audits and external evaluation, page 82).

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

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

The Audit Committee makes a proposal for the selection of the auditor and presents the proposal of the Supervisory Board to the Annual General Meeting for voting.

The Audit Committee must also meet with the auditor to establish a mutual line of communication. 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. In accordance with Austrian and European legislation, the auditor responsible for carrying out this assignment may participate in the audit for a maximum uninterrupted period of seven years. The auditor responsible for carrying out this assignment must then change (different person, internal rotation). Following the implementation of Regulation (EU) No 537/2014 of April 16, 2014 on the specific requirements for the statutory audit of public-interest entities, statutory auditors may not be auditors of a public-interest entity for an uninterrupted period of 10 years. The auditor must then be changed (external rotation). PIERER Mobility AG will change its auditor for the 2024 financial year and has already initiated the statutory processes envisaged for selecting an auditor.

9. INFORMATION POLICY

The company maintains an investor relations section on its website at <https://www.pierermobility.com/investor-relations>. 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 have needed to be compiled and published. In the 2020 financial year, the shares of PIERER Mobility AG were admitted to the regulated market of the Frankfurt Stock Exchange. The company's shares were listed on the General Standard of the Frankfurt Stock Exchange until October 18, 2022 (last trading day). Since March 1, 2022, the shares of PIERER Mobility AG have again been listed in the official trading (prime market segment) of Wiener Börse AG.

Due to the listing of the company's shares in a regulated market within the meaning of Article 4 (1) (21) of Directive 2014/65/EU, annual financial reports and half-yearly financial reports for PIERER Mobility AG were compiled in the 2023 financial year and published in German and English.

In the 2022 financial year, PIERER Mobility AG had to comply with Austrian, German and Swiss regulations and information obligations due to the primary listing of its shares in Switzerland and the additional listings on the Frankfurt Stock Exchange (up to October 18, 2022) and the Vienna Stock Exchange (since March 1, 2022). The admission of the shares for trading on the Frankfurt Stock Exchange ended on October 18, 2022, which means the German capital market regulations have no longer applied to the company since this date.

The annual financial report must be published and made available on the website (<https://www.pierermobility.com/en/investor-relations/publications>) 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 website (<https://www.pierermobility.com/en/investor-relations/publications>) no later than two months after the end of the reporting period. Annual reports can also be provided as 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/newsroom/ad-hoc-news> and <http://issuerinfo.oekb.at/startpage.html> and can also be obtained after registering at <https://www.pierermobility.com/en/contact> (Investor Relations email subscription).

The financial calendar of PIERER Mobility AG, showing key dates in the current financial year, can be viewed 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 information can be found on the company's website at <https://www.pierermobility.com/en/contact>.

10. NO-TRADE PERIODS

In the 2023 financial year, as its shares were admitted for trading on the Official Market of the Vienna Stock Exchange, PIERER Mobility AG was subject to the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation, for short: MAR). Article 19 (11) MAR establishes a ban on trading for people who discharge managerial responsibilities. For the purposes of the provisions of MAR, the following groups of people at PIERER Mobility AG are considered to be people who discharge managerial responsibilities:

(i) people who are members of an administrative, management or supervisory body of the company (members of the Executive Board and Supervisory Board) and (ii) people who, as senior managers, may not belong to any of these bodies, but have regular access to inside information directly or indirectly related to this company and are authorized to make business decisions about future developments and business prospects for the company.

The ban on trading includes direct and indirect transactions on one's own account as well as transactions for a third party relating to the company's shares. The ban on trading extends to the closed period of 30 calendar days before the announcement of an interim report or year-end financial report which the company is obliged to publish. During such a ban on trading, people who discharge managerial responsibilities may only trade the company's shares on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares (emergency sale) (Article 19 (12) (a) MAR). Another exception to the ban on trading is transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change (Article 19 (12) (b) MAR). To make use of these exceptions, the person in question must obtain explicit permission from the company.

In implementing Article 19 (11) MAR, PIERER Mobility AG set up the following general no-trade periods for people who discharge managerial responsibilities in the 2023 financial year:

- February 26, 2023 to March 27, 2023 (prior to the publication of the annual financial report for 2022 on March 28, 2023);
- July 30, 2023 to August 28, 2023 (prior to the publication of the half-year financial report for 2023 on August 29, 2023).

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



Management report on the consolidated financial statements

as of December 31, 2023 of PIERER Mobility AG, Wels

1. DEVELOPMENT OF THE PIERER MOBILITY GROUP	110
2. ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT	113
3. FINANCIAL PERFORMANCE INDICATORS	115
4. REFERENCE TO THE NON-FINANCIAL REPORT	120
5. RESEARCH & DEVELOPMENT AND NEW MODELS	121
6. OPPORTUNITIES AND RISK REPORT	124
7. DISCLOSURES PURSUANT TO SECTION 243A (1) OF THE AUSTRIAN COMMERCIAL CODE (UGB)	130
8. MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM PURSUANT TO SECTION 243A (2) OF THE AUSTRIAN COMMERCIAL CODE (UGB)	132
9. OUTLOOK	134

1. DEVELOPMENT OF THE PIERER MOBILITY GROUP

THE COMPANY

PIERER Mobility AG is the umbrella company for Europe's leading manufacturer of powered two-wheelers, and manufactures a full range of premium products under the KTM, GASGAS, Husqvarna and MV Agusta Motorcycles brands. PIERER Mobility's innovative strength makes it a pioneering leader in technology for two-wheeled electric mobility through its motorcycle brands. Husqvarna and GASGAS E-Bicycles complement the two-wheeler range. The premium brand range also includes high-performance components from the WP brand and special KTM X-BOW high-performance sports cars.

Following the strategic partnership with Bajaj in India, the company has been able to diversify its production capacities in recent years and increase its competitiveness in the global market. The cooperation with CFMOTO in China and the joint venture with Maxcom in Bulgaria will boost both bicycle and motorcycle production over the long term. With its leading technology in the field of low-voltage electric mobility, PIERER Mobility aims to become the global market leader for electric two-wheelers in the power range from 250 W to 15 kW.

The shares of PIERER Mobility AG have their primary listing in the Swiss Performance Index (SPI) of the SIX Swiss Exchange in Zurich and are also listed on the Prime Market of the Vienna Stock Exchange.

DEVELOPMENT OF SALES AND REVENUE IN THE 2023 FINANCIAL YEAR

Despite difficult economic conditions and upheaval in the bicycle industry, in the 2023 financial year the PIERER Mobility Group increased group revenue by 9.2 % to a new record level of € 2,661.2 million (previous year: € 2,437.2 million). With 381,555 motorcycles sold (previous year: 375,492) in the 2023 financial year, the Motorcycles segment achieved an increase in sales of around 2 %. Surplus stocks in the bicycle sector globally meant that the PIERER Mobility Group also faced a sharp drop in market prices. The growth in sales in the Bicycle Division of more than 30 % was driven by inventory adjustments and the sale of the R Raymon brand. In the 2023 financial year, 157,358 bicycles were sold (previous year: 118,465).

The European sales regions accounted for sales of around 140,000 motorcycles (+15 %), and around two-thirds of motorcycles (around 240,000) were sold in markets outside Europe. Despite a slight

decline in sales in North America, the group's subsidiary there nevertheless managed to sell more than 100,000 motorcycles for the second time in a row. While sales in South America (-26 %) and Asia (-27 %) declined in the past financial year, sales of around 19,700 motorcycles in Australia were slightly higher (+1 %) than the level recorded in the previous year.

Despite the difficult global economic conditions, demand in the core markets of Europe rose very strongly at a rate of +11 % (~ 820,000 newly registered motorcycles) and also displayed a significantly positive trend in North America (USA & Canada) at +4 % (485,000 motorcycles). The market share of all three brands (KTM, Husqvarna, GASGAS) in 2023 was therefore around 10.6 % in Europe and 12.6 % in North America. The Australian (including New Zealand) motorcycle market declined slightly, with a 3 % drop to 67,000 newly registered motorcycles. Nevertheless, the three brands as a whole managed to increase their share of this market to 21 %. By contrast, just like last year, the relevant Indian motorcycle market is seeing a significant upswing (+22 %). Bajaj sold around 66,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 5.3 %.

STRATEGIC PROJECTS

In the 2023 financial year, the company stepped up and expanded its cooperation with CFMOTO. On the one hand, February 2023 saw the start of activities in the subsidiary, CFMOTO Motorcycles Distribution GmbH, Munderfing, which was established in the 2022 financial year, and this company distributes CFMOTO motorcycles in Europe, in particular in Germany, Austria, Switzerland, Spain and the United Kingdom. On the other, the long-standing cooperation in relation to industrialization projects in the established joint venture Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Zhejiang, China was stepped up even more and the series production of mid-range KTM models was expanded further. The stepping up of the joint venture and the cooperation in the areas of product strategy, product development, industrialization and sales is a further step toward being able to meet the increasing market demand in China and the Asian region, as well as worldwide. In addition, production capacity will be increased from 50,000 to 100,000 vehicles. As a sign of closer cooperation, CFMOTO also increased its equity holding inter alia in PIERER Mobility AG to 2.0 %.

An important milestone for the company was the conclusion of a strategic cooperation with the Italian premium motorcycle manufacturer MV Agusta S.p.A., based in Varese, in which KTM AG acquired a 25.1 % stake back in November. Since the 2023 financial year, the KTM Group has been responsible for purchasing and sales

in the most important European countries, marketing and customer support for MV Agusta motorcycles. Furthermore, the Executive Board has made the strategic decision to exercise the call option granted under the cooperation agreement to acquire a further 25.0 % stake in MV Agusta S.p.A. in spring 2026.

The Executive Board has also made the strategic decision to focus even more on the core business of powered two-wheelers (motorcycles and electrified mobility products) and to concentrate on the premium brands KTM, GASGAS and Husqvarna as well as MV Agusta. As a result of this decision, the Executive Board instigated the sale of the R Raymon and FELT brands and the sale of the non-bicycle division. In this context, in September 2023 the "R Raymon" brand was sold to R RAYMON Bicycles GmbH (formerly: Johansson GmbH), Schweinfurt, Germany. Furthermore, the process of selling the FELT bicycle brand to a consortium led by Florian Burguet was also initiated and is set to be completed in the first half of 2024. Florian Burguet left the Executive Board at the end of December.

ACTIVITIES AND SUCCESSES IN RACING

Motorsport

The "Legends of Dakar" exhibition was opened in the KTM Motohall in May 2023. The victorious motorcycle on which Kevin Benavides won the Dakar Rally in January 2023 was able to take pride of place in the exhibition. His triumph was KTM's 19th victory in the Dakar Rally in the last 22 years. PIERER Mobility is also successful with all its brands in motocross. Jeffrey Herlings from Red Bull KTM Factory Racing broke the all-time record of 101 wins at the Spanish Grand Prix in the middle of the season, increasing his personal track record to 103 wins. Andrea Adamo secured the MX2 World Championship title. The German Manuel Lettenbichler won his second FIM Hard Enduro World Championship in a row – a phenomenal record of six victories in six races. Jospe Garcia not only triumphed at the International Six Days Enduro, but also claimed the title of world champion in the EnduroGP E1 class. Since the launch of the global Husqvarna Factory Racing Team in 2015, Husqvarna Motorcycles has consistently strengthened its position as a dominant force in off-road racing. In 2023, Billy Bolt's FIM SuperEnduro title improved its track record to a total of 116 world championship titles. GASGAS is the third brand with a successful record in motorsport. Jorge Prado made history with his MXGP World Championship title – it was the very first title for GASGAS in the premier class of motocross. In the last few years, GASGAS has been able to celebrate its greatest triumphs in the FIM EnduroGP World Championship. After winning both the EnduroGP

and Enduro 1 titles in 2022, Andrea Verona switched class and entered the Enduro 2 series in 2023.

Highly specialist trial sport is still extremely important for GASGAS as the brand continues to compete at the highest level both indoors and outdoors. For 2023, GASGAS signed TrialGP number two Jaime Busto so he could team up with Sondre Haga, the 2022 Trial2 world champion, to compete in the premier class.

In 2023, KTM alone entered 28 riders in MotoGP™ and a whole series of talented young riders at junior events such as the Red Bull MotoGP™ Rookies Cup and the Northern Talent Cup. Red Bull KTM Factory Racing celebrated two wins with Brad Binder in the new MotoGP™ sprint format and claimed a total of ten podium finishes between him and his new teammate Jack Miller. This enabled KTM to come second in the MotoGP™ manufacturers' standings. In Moto2™, Pedro Acosta outperformed the opposition for his second title in just three years of world championship competition after dominating Moto3™ in 2021. He is another talented rider to enhance the GASGAS MotoGP™ project for 2024. As a two-time world champion, Pedro Acosta is undoubtedly one of the most talented young riders in road racing. He will be accompanied on the starting grid in 2024 by Augusto Fernandez, who will be embarking upon his second season at Red Bull GASGAS Tech3. In Moto3™, GASGAS Aspar rider David Alonso celebrated four race victories and eight podium finishes in his debut season. The Spaniard is the favorite to win the Moto3™ crown in the 2024 season. After finishing fourth in the 2022 Moto3™ World Championship, Ayumu Sasaki went into the 2023 season as a title contender for Husqvarna Factory Racing. He once again appeared regularly on the podium throughout the season and finished the season as runner-up in the Moto3™ World Championship. His teammate Collin Veijer also delivered impressive results and celebrated a victory in his debut season.

Cycling

Since 2023, the GASGAS E-Bicycles brand has been entering the UCI Mountain Bike World Series, in particular the E-Enduro Pro World Cup. Together with partners from industry, Johannes Fischbach and Alex Marin from GASGAS SRAM Racing and Simon Carlsson and Alexandre Fayolle from GASGAS MOTOREX Racing have been competing in races. After all five rounds, Alex Marin finished fourth and got within reach of the podium for GASGAS E-Bicycles in the team's very first season.

IMPACT OF THE RUSSIAN-UKRAINIAN WAR

The PIERER Mobility Group's assessments of the impact of the war that is happening in Ukraine remain unchanged compared to the previous year. The PIERER Mobility Group has not identified any significant reason to materially change its estimates and expectations as of December 31, 2023 on the basis of the war that is happening in Ukraine. The group does not have any investments, other assets or other material business relationships in Ukraine, Russia or Belarus, nor does the group have any material business relationships with suppliers or dealers in these countries. With this in mind, the group does not expect any material impact on the expected future cash flows. Equally, the group has not suffered, and does not expect to suffer, any loss of control, joint control or the ability to exercise significant influence over any entity as a result of the war or the sanctions that have been imposed.



2. ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT

The prospects for the global economy remain gloomy. The impact of the Russian-Ukrainian war, which has been going on since 2022, as well as significantly higher rates of inflation caused by this war, among other factors, have led to a significant slowdown in the global economy. Although the forecasts improved substantially over the course of the 2023 financial year, they are still restrained as a result of this.

As part of this, there is evidence of a largely positive normalization of business and consumer sentiment, raw material prices are dropping and the disruption to the supply chain seen in the last financial year appears to have largely been overcome as logistics costs and delivery times for the resources the company needs are generally returning to the level they were at before the COVID pandemic. Significant financial and macroeconomic risks exist, on the one hand as a result of the simmering real estate crisis in China, and on the other from the continued development in rates of inflation. While both overall inflation and core inflation, which excludes volatile energy and food components, are declining, both are expected to remain high at least in the short and medium term. Looking at the overall picture, economic risks are generally more balanced than they were in the last financial year, but there is still a risk of a downward trend. This illustrates the continuing level of uncertainty, particularly regarding the course of the war in Ukraine, its wider consequences and the recent uncertainties about the outcome of the war that has erupted in the Middle East.

Ultimately, the situation that has been outlined means that the global growth forecasts from the leading organizations in this field, such as the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and the World Bank, are more uncertain than usual and are constantly being adjusted. The IMF's latest estimates suggest that the forecast for global economic growth remains broadly unchanged at 3.1 % for 2024 and 3.2 % for 2025, compared to previous estimates. These broadly unchanged forecasts indicate that the biggest risks to global economic development are now balanced and stabilized, but there are still downside risks given the issues described above. The estimates published are based on numerous assumptions about a wide range of macroeconomic factors, in particular the trend in the prices of fossil fuels and other resources and the general level of interest rates.

For industrialized countries, the IMF expects growth of 1.5 % in 2024 and 1.8 % in 2025. For the euro zone, growth of 0.9 % is forecast for 2024. For 2025, the IMF expects growth of 1.7 % for the euro zone, while growth in Germany in particular is forecast to be below average at 0.5 % for 2024 and 1.6 % for 2025.

For emerging markets and developing countries, the IMF forecasts economic growth of 4.1 % for 2024 and 4.2 % for 2025. A growth rate of 4.6 % is forecast for China in 2024 and 4.1 % in 2025. For India, economic output is forecast to increase by 5.7 % in 2024 and by 6.8 % in 2025.

The IMF forecasts rates of inflation of 5.8 % for 2024 and 4.4 % for 2025. The future development of the global economy will depend in particular on the successful calibration of monetary policy, taking stock of the cumulative effects of previous interest rate hikes, which could otherwise have serious detrimental effects for the financial sector. Moreover, the course of the war in Ukraine and, more recently, also in the Middle East, and not least the level of economic recovery and demand from China represent key factors that will affect how the global economy develops going forward. This assessment is largely shared by the OECD and the World Bank. The IMF, in particular, also declares that there is increasing divergence in economic growth, as a slowdown in growth appears to be more pronounced in advanced economies than it does in emerging markets and developing countries. With the IMF's forecast for global economic growth broadly unchanged, a major global economic downturn is not expected, although all forecasts in relation to the trend in the global economy remain subject to significant uncertainties.

In the past 2023 financial year, the global¹ **motorcycle market** displayed a positive trend (+2.7 %, equating to an increase of 90,000 motorcycles). In **Europe**² the market, as measured by new registrations, increased again to more than 800,000 motorcycles (+11 %) following a small decline in 2022. The core markets of Germany (+12 %), France (+14 %), Italy (+15 %) and Spain (+13 %) in particular are benefiting from increased demand. This meant the market share rose from 10.0 % to 10.5 % (measured by the three core brands KTM, Husqvarna and GASGAS).

In **North America**, sales (in contrast to Europe including motocross models) also rose and culminated in around 490,000 units sold (+4 %). The growth achieved by the three core brands saw the market share increase from 11 % to 12.6 % (previous year: 11.8 %).

The trend in the **Australian** and **New Zealand** markets showed a slight decline of 3.2 %. However, as the registrations of KTM, Husqvarna and GASGAS rose by 3.4 %, the market share increased to 21.0 % (previous year: 19.7 %). The total volume is almost 67,000 motorcycles.

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

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

The relevant Indian motorcycle market (S2/S3 segment) is once again experiencing a significant upturn (+22 %), with a volume of 1.2 million motorcycles sold. In this context, the strategic partner Bajaj sold more than 65,000 motorcycles of the KTM and Husqvarna brands in **India**, resulting in a slight increase in market share of 5.3 % (previous year: 5.0 %). The Asian region suffered losses in 2023, with the markets in **Thailand** (-10.4 %) and **China** (premium importer market; -17 %) being particularly affected. In **Japan** (motorcycles >250cc), the decline is -6 %, which is slightly lower. The decline (including Hong Kong, with a volume of approx. 2,000 motorcycles) is almost -12 % and the volume of motorcycles sold is now nearly 200,000 units. Nevertheless, the market share of the KTM core brands in this important growth region rose to 5.2 % (previous year: 4.9 %).

The **New Mobility** market is facing major challenges. Whereas recent years and expectations have been very much defined by the after-effects of the increased level of demand produced by the coronavirus pandemic, the forecast published by the German Two-Wheeler Industry Association (ZIV) for the 2023 financial year and at least the year after that suggests a significant slowdown in the market. For 2023 as a whole, the ZIV forecasts sales of around two million electrified New Mobility products. This equates to a decline of approx. 10 % compared to the record-breaking year in 2022 when 2.2 million units were sold. In addition, it should be noted that current macroeconomic uncertainties, as outlined in the introduction, along with impacts on consumer prices, caused not least by high rates of inflation, are having a negative effect on market development. Forecasts indicate that the entire New Mobility market is facing a trend of consolidation.



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3. FINANCIAL PERFORMANCE INDICATORS

MOST SIGNIFICANT FINANCIAL PERFORMANCE INDICATORS:

EARNINGS RATIOS		2022	2023	CHANGE IN %
Revenue	in € million	2,437.2	2,661.2	9.2%
EBITDA	in € million	381.1	323.5	-15.1%
EBITDA margin	in %	15.6%	12.2%	
Result from operating activities (EBIT)	in € million	235.3	160.0	-32.0%
EBIT margin	in %	9.7%	6.0%	

OTHER KEY FINANCIAL FIGURES:

EARNINGS RATIOS		2022	2023	CHANGE IN %
Earnings after taxes	in € million	170.6	76.4	-55.2%
Earnings after minorities	in € million	169.9	80.2	-52.8%

BALANCE SHEET RATIOS		12/31/2022	12/31/2023	CHANGE IN %
Balance sheet total	in € million	2,550.6	2,952.9	15.8%
Equity	in € million	914.4	909.3	-0.6%
Equity ratio	in %	35.8%	30.8%	
Working capital employed ¹⁾	in € million	186.7	531.1	>100%
Net debt ²⁾	in € million	256.5	775.9	>100%
Gearing ³⁾	in %	28.1%	85.3%	

CASH-FLOW AND CAPEX		2022	2023	CHANGE IN %
Cash flow from operating activities	in € million	280.3	-110.9	<100%
Cash flow from investing activities	in € million	-283.1	-302.1	6.7%
Free cash flow ⁴⁾	in € million	-2.8	-413.0	<100%
Cash flow from financing activities	in € million	-91.3	398.7	>100%
Capital expenditure ⁵⁾	in € million.	267.5	284.0	6.1%

VALUE CREATION		12/31/2022	12/31/2023
ROCE (Return on Capital Employed) ⁶⁾	in %	19.2%	10.2%
ROE (Return on Equity) ⁷⁾	in %	20.3%	8.4%
ROIC (Return on Invested Capital) ⁸⁾	in %	15.5%	9.2%

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 € 32.5 million (previous year: € 25.9 million)

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

7) ROE = net result after taxes / average equity

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

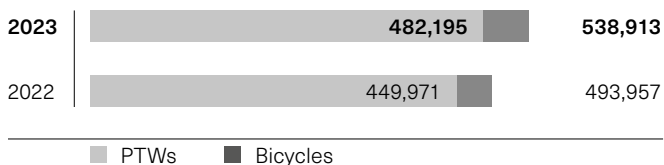
BUSINESS DEVELOPMENT AND ANALYSIS OF EARNINGS RATIOS

Despite difficult economic conditions and upheaval in the bicycle industry, in the 2023 financial year the PIERER Mobility Group increased group revenue by 9.2 % to a new record level of € 2,661.2 million (previous year: € 2,437.2 million). Approximately 97 % of revenues were earned outside of Austria. Looking at different regions, 54.4 % of revenues were generated in Europe (+7.9 percentage points year-on-year), 29.2 % in North America including Mexico (-4.7 percentage points year-on-year), and 16.4 % in the rest of the world (-3.2 percentage points year-on-year).

Earnings before interest and taxes (EBIT) fell by around 32 % to € 160.0 million (previous year: € 235.3 million), which equates to an EBIT margin of 6.0 %. In the motorcycle segment, the EBIT margin is around 9 %, which is within the range of 8-10 % that was originally envisaged. By contrast, the restructuring of the bicycle sector that was initiated had a significant impact on the result. The earnings before interest, taxes, depreciation, and amortization (EBITDA) of € 323.5 million is around 15 % below the previous year's figure, which equates to an EBITDA margin of 12.2 %. The net result after tax amounts to € 76.4 million (previous year: € 170.6 million).

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

Unit sales total (Number of units)



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

MOTORCYCLES

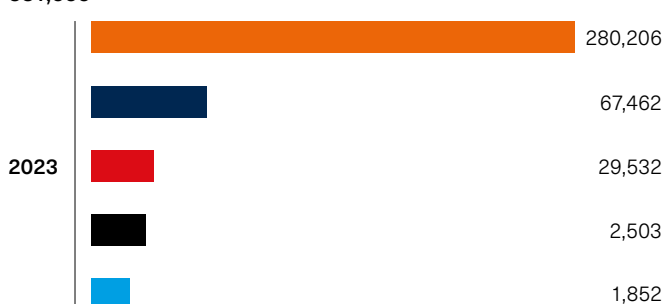
In the 2023 financial year, the Motorcycle Division achieved revenue of € 2,416.4 million (previous year: € 2,262.5 million) (+6.8 % compared to the previous year). In the motorcycle sector, the costs of inventories for dealers rose sharply despite a good level of demand because of significantly higher interest rates. This meant that, in order to strengthen the dealer structure, extended payment terms and higher discounts had to be granted to the dealers. In the 2023 financial year, EBITDA amounted to € 371.0 million (previous year: € 381.2 million) and EBIT was € 214.4 million (previous year: € 241.0 million). This

corresponds to an EBITDA margin of 15.4 % (previous year: 16.8 %) and an EBIT margin of 8.9 % (previous year: 10.7 %).

In Europe, revenue rose significantly compared to the previous year's level to € 1,229.0 million (previous year: € 977.4 million), corresponding to a revenue share of 50.9 % (previous year: 43.2 %). In North America, the motorcycle sector recorded revenue of € 754.4 million (previous year: 811.3 million). This meant that 31.2 % of revenue was generated in North America (previous year: 35.9 %). Revenue in the other countries fell slightly compared to the previous year by 8.6 % to € 432.9 million. The share of revenue in the other countries is 17.9 % (previous year: 20.9 %).

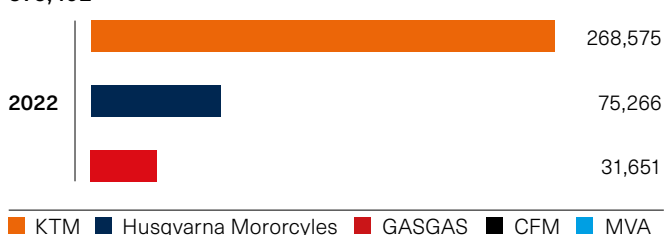
With 280,206 KTM motorcycles sold, 67,462 Husqvarna motorcycles sold and 29,532 GASGAS motorcycles sold in the 2023 financial year, plus the motorcycles sold by MV Agusta (1,852) and CFMOTO (2,503), sales of 381,555 motorcycles (2022: 375,492 units) were achieved (including the motorcycles sold in India and Indonesia by partner Bajaj). The Motorcycle Division thus achieved a 1.6 % increase in unit sales, consolidating its presence in the important motorcycle sales markets with its three motorcycle brands

Unit sales 2023 Motorcycles (Number of units)*



* includes 8,957 units E-Balance Bikes and 69 units Skutta

Unit sales 2022 Motorcycles (Number of units)



In the European sales regions, unit sales were 140,214 motorcycles (+14.9 %). Around two thirds of the motorcycles produced (241,341) were sold in markets outside Europe. Growth was particularly strong in India/Nepal, where 66,426 motorcycles were sold.

This represented an increase of 29.0 % compared to the previous year. Despite a slight decline in sales in North America (-7.7 %), the group's subsidiary there nevertheless managed to sell more than 100,000 motorcycles for the second time in a row, with 101,277 units sold. While sales fell in South America with 27,671 motorcycles sold (-26.4 %) and in Asia with 23,129 motorcycles sold (-27.3 %), sales of 19,648 motorcycles in Australia were slightly above the previous year's level (previous year: 19,478 units) (+1 %).

Unit sales by region 2023

- 36.7% Europe
- 26.5% North America (incl. Mexico)
- 17.4% India / Indonesia (by Bajaj)
- 19.3% remaining global region



Revenue by region 2023

- 50.9% Europe
- 31.2% North America (incl. Mexico)
- 17.9% remaining global region



In the 2023 financial year, 217,160 motorcycles were produced at the Mattighofen production site, thus exceeding 200,000 motorcycles once again. Compared to the previous year, this constitutes a slight decline of -4,881 units or -2.2 %. Taking into account the small-engine KTM and Husqvarna models produced by our partner Bajaj Auto Ltd. in India, the GASGAS trial bikes produced in Spain, and the models produced with our partner CFMOTO in China, 385,330 motorcycles were manufactured worldwide (previous year: 381,823).

BICYCLES

Surplus stocks in the bicycle sector globally meant that the PIERER Mobility Group also faced a sharp drop in market prices. The growth of sales in this segment with the Husqvarna, R Raymon, GASGAS and FELT brands of around 33 % was driven by inventory adjustments and the sale of the R Raymon brand. In the 2023 financial year, 157,358 bicycles were sold (previous year: 118,465), of which 100,640 were e-bicycles (previous year: 74,479). In the bicycle segment, the DACH region still represents the largest sales market at around 60 %. In the Bicycle Division, the share of sales in North America in 2023 was 10 %.

In the 2023 financial year, revenue of € 240.7 million was generated in the Bicycle Division (previous year: € 171.2 million). This represents a year-on-year increase in revenue of 40.6 %. EBITDA in 2023 was € -41.8 million (previous year: € 6.5 million) and EBIT was € -47.1 million (previous year: € 2.5 million).

Of the e-bicycles sold in the 2023 financial year, 69.9 % were sold under the R Raymon brand, 20.7 % under the Husqvarna E-Bicycles brand, and 7.6 % under the GASGAS brand. Sales of non-e bicycles were spread between the two brands R Raymon at 60.0 % and FELT at 37.8 % (there was an almost even split in the previous year).

Unit sales 2023 (E-)Bicycles (Number of units)

157,358



Unit sales 2022 (E-)Bicycles (Number of units)

118,465



■ (E-)Bicycles ■ Bicycles

Around 87 % of sales were in Europe and here in particular in the DACH region. A further 10 % were in the North American sales region and the remaining sales (around 3 %) were in Asia, South America and Australia.

Unit sales by region 2023

- 60.1% DACH region
- 26.6% remaining Europe
- 13.4% remaining global region



Revenue by region 2023

- 71.8% DACH region
- 17.4% remaining Europe
- 10.8% remaining global region



BALANCE SHEET ANALYSIS

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

	2022		2023	
	€ million	in %	€ million	in %
Non-current assets	1,195.8	46.9%	1,333.8	45.2%
Current assets	1,354.8	53.1%	1,619.1	54.8%
Assets	2,550.6	100.0%	2,952.9	100.0%
Equity	914.4	35.8%	909.3	30.8%
Non-current liabilities	625.6	24.5%	1,130.0	38.3%
Current liabilities	1,010.6	39.6%	913.6	30.9%
Equity and liabilities	2,550.6	100.0%	2,952.9	100.0%

The statement of financial position total of the PIERER Mobility Group increased by 15.8 % from € 2,550.6 million to € 2,952.9 million compared to the consolidated financial statements as of December 31, 2022.

Similar to previous years, the increase in non-current assets from € 1,195.8 million to € 1,333.8 million was in particular in the area of development projects, which was above the level of amortization and resulted in an increase in intangible assets. In addition, property, plant and equipment also increased, mainly as a result of investments in the PIERER MAXCOM Mobility OOD production site in Bulgaria.

Within current assets, inventories in particular increased by € 203.3 million. The other material changes involved firstly the increase in trade receivables of € 80.4 million and secondly the reduction in cash of € 19.8 million. Overall, this resulted in an increase in current assets of 19.5 % to € 1,619.1 million.

Current liabilities decreased by € 97.0 million (-9.6 %) compared to December 31, 2022. This decrease was largely due to the fall in trade payables of € -60.6 million and provisions of € -22.2 million.

The provision of € 20.2 million that was set up in the previous year and formed as part of the cooperation agreement with MV Agusta was fully used up in 2023.

Non-current liabilities increased by 80.6 % to € 1,130.0 million. The increase was largely due to the increase in financial liabilities, in particular from the taking up of a promissory note loan with a volume of € 300.0 million, a research loan from the European Investment Bank amounting to € 100.0 million, and a registered bond amounting to € 50 million.

Equity decreased by € 5.1 million from € 914.4 million to € 909.3 million in the 2023 financial year. On the one hand, equity was strengthened by a net result after tax of € 76.4 million. On the other hand, dividend payments of € 68.1 million led to a reduction in equity. The other effects of € -13.4 million essentially concern the recognition of foreign currency differences with no effect on profit or loss, the measurement of financial instruments and the revaluation of net debt from defined benefit plans. At 30.8 %, the equity ratio is below the value as of December 31, 2023 of 35.8 % due to the balance sheet increase described above.

LIQUIDITY ANALYSIS

The cash flow from operating activities was € -110.9 million in the 2023 financial year, and was therefore significantly below the previous year's value of € 280.3 million, which was primarily attributable to the increase in working capital. The cash outflow from investments amounted to € -302.1 million and was higher overall than the previous year's figure of € -283.1 million. This increase was mainly due to the higher payments for the acquisition of intangible assets and property, plant and equipment (effect € -66.4 million).

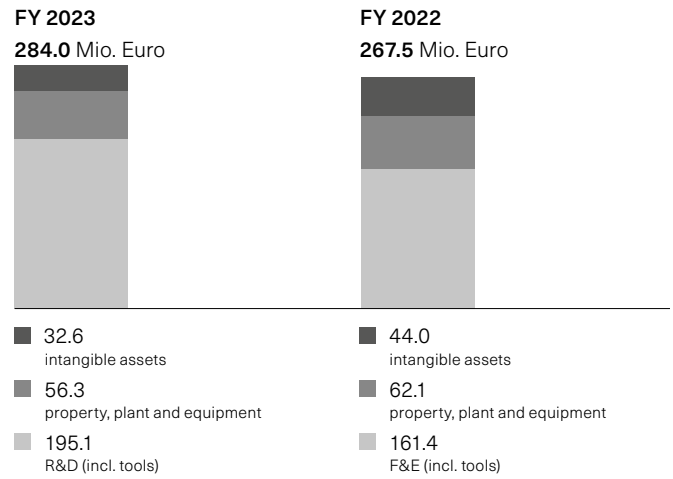
As has already been explained, in the motorcycle sector the costs of inventories for dealers rose sharply despite a good level of demand because of significantly higher interest rates. This meant that, in order to strengthen the dealer structure, extended payment terms and higher discounts had to be granted to the dealers. Thanks to its sufficient liquidity reserves, PIERER Mobility AG was able to provide appropriate support to both its dealers and its suppliers in order to stabilize their financial situation and to lessen the significantly increased burdens resulting from increased interest rates. The associated negative impact on free cash flow, which amounted to € -413.0 million in 2023 (previous year: € -2.8 million), was deliberately accepted.

After taking the cash flow from financing activities of € 398.7 million into account, liquid funds decreased by € 19.8 million (including foreign currency effects of € -5.4 million) to € 259.0 million compared to December 31, 2022.

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 € 316.5 million (previous year: € 293.4 million) including IFRS 16 lease additions of € 32.5 million (previous year: € 25.9 million). The investments excluding leasing projects were divided between development projects (incl. tools), property, plant and equipment and intangible assets as follows:



As usual, high investments were made in series development projects (including tools) in the past financial year. The investments in development projects (incl. tools) as a percentage of total investments were 69 %, which was above the previous year's level (previous year: 60 %). The consistently high investments in series product development represent one of the key success factors of the PIERER Mobility Group. At 20 %, investments in infrastructure (property, plant and equipment) were also slightly below the previous year's level of 23 %. Another 11 % (previous year: 17 %) was attributable to intangible assets (IT and licenses).

The investments made in recent years have safeguarded the production capacities required for the years ahead. The focus of the investments has been and still is, therefore, on other types of projects, in particular on the (further) development of existing and new models, electric mobility and high-tech modernization. These are currently and will continue to be the PIERER Mobility Group's top priority for investments. In line with strategic goals, expenditure on investments in research and development will remain at the already high level of the last few years.

One of the most significant single investments in the 2022 financial year was the continued construction and completion of the new headquarters of KTM North America in Murrieta, California. The company site has been built over an area of approximately 14,000 m² and houses office and motorsport buildings as well as warehouse space. The opening ceremony took place in Murrieta on March 28, 2023. With a total level of investment of around USD 55 million, this represents one of the largest single investments that the PIERER Mobility Group has ever made.

As in previous years, major investment projects in 2023 were primarily development projects and the purchase of tools and equipment.

4. REFERENCE TO THE NON-FINANCIAL REPORT

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 2023 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/publications>.

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



5. RESEARCH & DEVELOPMENT AND NEW MODELS

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

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

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

As of the reporting date of December 31, 2023, the company employed 1,302 people (previous year: 976 employees), representing 21.1 % of the total workforce. In operational terms, excluding the ancillary effect of capitalization and amortization of development expenses, 9.2 % of total revenue was spent on research and development, corresponding in absolute figures to € 244.4 million (previous year: € 213.2 million).

The research and development division of the PIERER Mobility Group, which is brought together within **KTM Forschungs & Entwicklungs GmbH** (KTM F&E GmbH), is organized globally with decentralized locations in Europe (especially Austria and Spain) and America. The development programs are centrally managed at the R&D headquarters in Mattighofen and in Munderfing, where the majority of our employees from the research and development department are based. The research and development center at the headquarters in Mattighofen is an innovation site with a floor space of over 20,000 m² where pioneering products for the powersport segment are designed, developed and tested using the latest methods and equipment.

In organizational terms, **KTM Technologies GmbH**, with its registered office in Anif near Salzburg, is part of KTM F&E GmbH

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

When the KTM Freeride E was launched on the market in 2014, the PIERER Mobility Group was considered a pioneer in the field of electric mobility. In recent years, the range of electric vehicles in various performance categories has been extended to all brands in the group. The development of electric motorcycle models is largely carried out at the in-house center of excellence in Anif near Salzburg.

Because motorcycles with electric drive systems are still subject to significant practical restrictions due to their low power density, one of the key work packages for research over the past year was to reduce the exhaust and noise emissions of the PIERER Mobility Group's range of internal combustion engines. To continue operating in the premium vehicle segments with high performance and range requirements as dynamically as before, the projects included in-depth examination of future-proof synthetic fuels known as e-fuels and testing of fuels with increased bioethanol content.

The noise emissions of motorcycles have become an important acceptance criterion for this vehicle category in recent years. As uniform type approval standards have not yet been specified for off-road sports motorcycles, research into the noise sources of these models and solutions derived from this for significantly reducing noise emissions was continued in the 2023 financial year.

With regard to exhaust emissions, work began to develop a new generation of power packs (performance class 110-170 kW) for the 2029 model year. The aim of the project is to reduce CO₂ consumption in the WMTC cycle by 20-35 % compared to the previous model. A top-down strategy is to be devised for series use of the new power packs. The first step will be to equip the premium models with this powertrain starting in 2029. In subsequent model years, the intention will be to use this power pack generation in other segments as well.

KTM F&E GmbH continues its commitment as a founding member of the Swappable Batteries Motorcycle Consortium (SBMC). The aim is to meet customer expectations for range, charging time and

costs through international standardization of the battery system, thus making an important contribution to the further spread of electrified mobility concepts in urban living areas. Whereas activities in 2022 focused mainly on the definition of uniform technical specifications for the battery system within the member base, activities in 2023 included the development of battery prototypes by selected suppliers. The main objective of the first phase of prototyping is to validate and refine the specifications.

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

The modular electronics platform initiative, which was launched in 2022, continued in 2023 and was actually marketed in the first few vehicles, such as the 1390 SUPER DUKE R. The aim of this modular platform is to create standardized interfaces in order to guarantee that components can be replaced rapidly.

Connectivity features that enable data exchange between the vehicle and accessories such as smartphones have undergone intense development in recent years and are now regarded as indispensable features, especially in the premium segment. In addition to the development of convenience functions such as telephony and navigation, a key part of the activities over the year under review were the development and testing of systems for communication between the motorcycle and other vehicles, or between the motorcycle and road infrastructure such as traffic lights. In addition, research was also conducted into the use of (vehicle) data, particularly in the context of product development. For example, the procurement, production and maintenance of physical prototypes involves a considerable expenditure of resources. By introducing virtual development methods, the expense involved in testing physical components and assemblies right through to the complete vehicle can be significantly reduced, while also improving the resulting product. These virtual approaches can be applied to digitalization in lamp development, for example.

Another pillar of the development philosophy that the company pursues is using high-quality materials in all vehicles, resulting in a reduction in vehicle weight and the associated potential for **reducing fuel consumption and emissions** and improving rideability. For example, intensive efforts in recent years have made it possible to further reduce the weight of our offroad competition models with each generation. Among the many research and development

projects in the development of materials and surfaces, work was carried out on developing and testing wheels and chassis components made of fiber-reinforced composites, as well as on further developing the manufacturing process for plastic parts with design elements featuring hybrid construction.

MOTORCYCLE MODELS

The 2023 financial year was very much defined by a major model rollout with a total of 72 new and revised models from the three core brands KTM, Husqvarna and GASGAS.

Following its success in 2021, the **KTM 1290 SUPER DUKE RR** returned as a limited-edition special model in the first quarter of 2023. In 2022, the partnership between KTM and BRABUS was sealed with the presentation of the BRABUS 1300 R to enable BRABUS to compete in the world of motorcycle racing. This cooperation continued with the introduction of the **BRABUS 1300 R Masterpiece Edition**.

The **KTM Enduro range** for the 2024 model year bears testament to many years at the pinnacle of Enduro motorsport and is a dynamic blend of racing performance, ergonomics and the leading technology in the industry. The new model generation features a brand-new look and a new chassis concept, revised engines with the new throttle body fuel injection for two-stroke engines and a new generation of WP chassis elements, providing a better riding experience and greater comfort for riders of all ages and skill levels.

KTM celebrated the rebirth of an icon with the **KTM 890 SMT 2023**. The motorcycle with the overhauled LC8c platform was developed to be the very best in the Supermoto Touring segment in terms of power, torque and weight. This model is positioned between the KTM ADVENTURE and KTM STREET product series.

In the second half of the year, a new, Euro5+-compliant generation of the **DUKE model series** featuring new **125, 250, 390, 990 and 1390** models was also unveiled. The new LC4c platform (125 & 390 DUKE) offers a segment-leading power/weight ratio and electronic assistance systems with two-channel ABS and lean-angle-dependent traction control. The new 990 DUKE is based on a new generation of the LC8c engine with 123 hp and 103 Nm of torque as well as a newly developed electronic platform with state-of-the-art assistance systems and an LED projector headlight with daytime running light to provide an unmistakable DUKE signature. The new 1390 SUPER DUKE R is also based on an enhanced LC8 engine with new camshaft technology that enabled a further increase in performance to 190 hp & 145 Nm of torque without increasing the bike's weight. In addition,

the **1390 SUPER DUKE R EVO** has been given a revised WP APEX chassis with semi-active technology that enables electronic adjustment of the chassis, enhanced performance while maintaining a high level of comfort while riding, and lots more adjustment options.

In March 2023, **Husqvarna Motorcycles** presented the **Norden 901 Expedition**, a powerful touring motorcycle equipped with an array of convenient functions, designed for use both on the road and off-road. In the last quarter of 2023, the Skutta, an electric scooter for urban conurbations, was also presented and this is just the first step in a major rollout of Husqvarna models for the street segment in 2024.

In the Enduro model range for the 2024 model year, Husqvarna Motorcycles presented nine completely redesigned machines featuring the latest technology and advanced electronics so it can continue to set new standards in the offroad segment. A variety of technical accessories and apparel added the finishing touch to the market launch of the current two-stroke and four-stroke models. The new **TE 300 Pro & FE 350 Pro special models** have specifications with additional technical accessories for hard-enduro competitions, making them the perfect choice for competitive customers.

The last quarter also saw the unveiling of a new generation of the popular 50cc & 65cc sports minicycles featuring a new look, new chassis and redesigned engines for junior offroad competitions.

GASGAS also presented a new generation of its Motocross, Enduro and Cross Country model range for 2024 with 16 dirt bikes based on the current off-road platform and supplemented this with innovative, battery-powered products in the form of the **MC-E 1.12, MC-E 1.16 and MC-E 1.20**. These electric balance bikes, designed specifically for children from the age of three, enable children to learn how to ride two-wheeled vehicles safely while having fun, and they are equipped with a quick-swap battery system to guarantee almost uninterrupted riding. The three new models are also available for the KTM and Husqvarna Motorcycles brands.

The transfer to series production of **electrically powered motorcycle models** was completed across all brands with the KTM SX-E 2, Husqvarna EE 2 and GASGAS MC-E 2 as well as the KTM SX E3, HUSQVARNA EE3 and GASGAS MC E-3 models.

BICYCLE MODELS

The first half of 2023 also saw the release of a series of redesigned products and a number of technical innovations in the bicycle division. **Husqvarna E-Bicycles** focuses on innovative electric mobility solutions to tap into promising new markets worldwide. The Mountain Cross 6 (MC6), which was unveiled in 2022, is the template for future product innovations and strengthens the position that Husqvarna E-Bicycles occupies in the **e-MTB sector**. The new **Light Cross 6 (LC6)** expands the range of models in the off-road segment. Specific PG&A items and several new product lines complete the Urban Range and Allroad model segment. In October 2023, the new MY24 Husqvarna E-MTBs were presented.

GASGAS E-Bicycles is building on the success of the GASGAS brand in the motorcycle segment. With its powerful E-MTBs for off-road routes, the brand was also able to expand its reach worldwide in the first quarter of 2023, following a successful financial year in 2022. The experience gained from off-road motorsport along with the knowledge of technologies and materials will play an even greater role in the development of new electrified New Mobility products. The new GASGAS **ECC Race prototype** was presented at the Sea Otter Festival in Monterey, California. It is an e-mountain bike that features lots of new specifications and components.

In June 2023, PIERER New Mobility displayed more new models along with product developments in the bicycle and New Mobility segments at EUROBIKE in Frankfurt. Alongside a new model from the **Grand City series** for urban and all-road mobility from Husqvarna E-Bicycles, GASGAS Bicycles unveiled the **MOTO Urban Cruiser**, a beach cruiser designed with a Supermoto look.

6. OPPORTUNITIES AND RISK REPORT

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

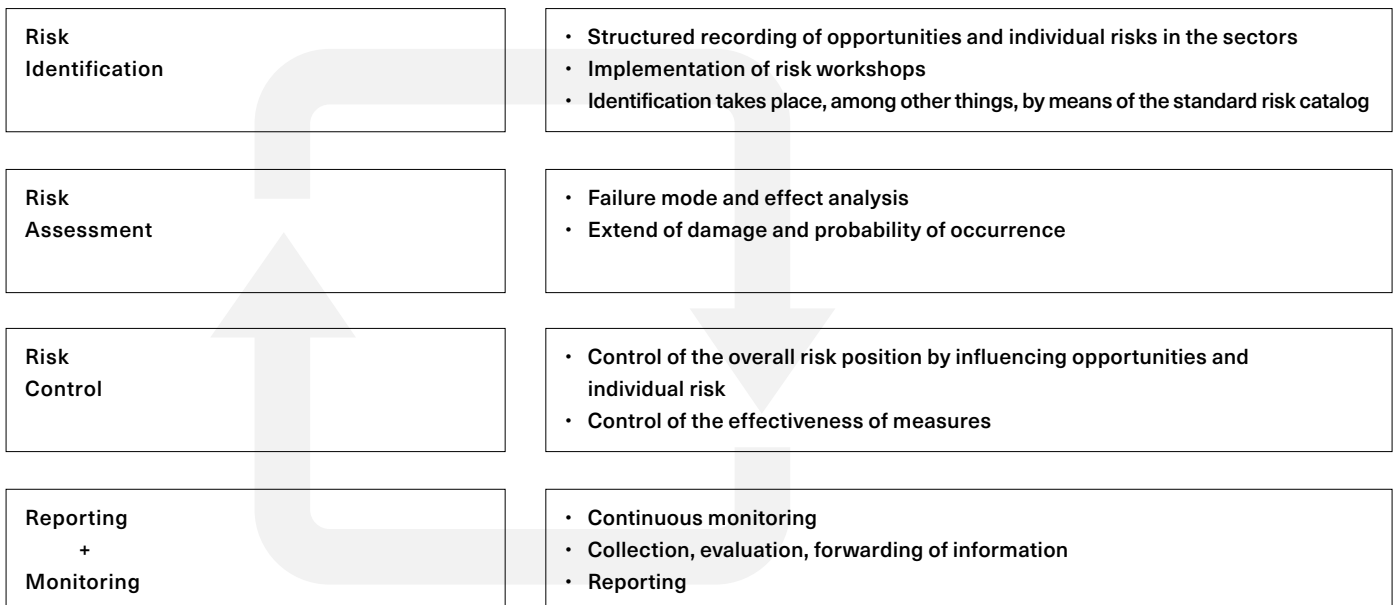
transparently assessing financial, operational and strategic risks. In this context, the Executive Board, together with the management of the main group companies – in particular KTM AG, performs extensive management and controlling tasks within the framework of an internal, integrated control system 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, regular reporting system 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 division 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 events is another aim of risk management. In addition, risk management is also responsible for actively controlling risks and defining and evaluating appropriate measures with the business units concerned.

RISK MANAGEMENT STRATEGY

The PIERER Mobility Group bases its risk management strategy on 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 carries out risk analyses. Only risks that deviate from the consolidated statement of financial position and the consolidated income statement are presented.

ENTERPRISE RISK MANAGEMENT PROCESS

Enterprise Risk Management in the PIERER Mobility Group is a continuous process that is used to identify and evaluate, analyze and report, define and track measures in relation to the operational and strategic risks and opportunities across the group. This forms the basis for a standard, group-wide reporting system and ensures ongoing monitoring of operational and strategic risks.

The group has a multi-level risk management process in which group-wide risks are identified by areas. The Risk Management department is responsible for ensuring that the information is implemented and kept up-to-date. The information about the risk situation is provided by the risk owners from each department. The Risk Management department reports directly to the Executive Board of KTM AG. It and the Group Executive Board are provided with a regular report on the overall risk situation for monitoring purposes.

Climate-related risks and opportunities are considered and taken into account equally in the following process steps:

Identification & assessment

The risks and opportunities are identified as part of the risk assessments, managed at the level of KTM AG. These risk assessments discuss and identify climate-related risks and opportunities in equal measure, as well as financial, operational or strategic risks, with the affected risk owners from each department.

The aim of the 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)

In principle, the risks and opportunities are assessed to identify how likely they are to occur and the level of damage to the group's asset position, financial position and earnings position, using a scenario-based approach consisting of best case (BC), realistic case (RC) and worst case (WC). The quantification can be based on

(a) risks that have actually occurred in the past, (b) benchmark values from the industry, or (c) expert assessments. The choice of the relevant distribution depends on the type of risk, but in most cases this will equate to a PERT distribution. In addition to the quantitative assessment of risks and opportunities, the methodology also envisages making a qualitative assessment, which is particularly useful in relation to climate-related and environment-related risks and opportunities.

RISK ASSESSMENT

Analysis & reporting

The structured consolidation of the overall risk inventory is followed by a Monte Carlo simulation, which produces the overall risk situation and the key figures that are needed. In addition, the biggest risks and opportunities for the group are identified to complete the picture. Of course, this also includes the main climate-related risks and opportunities.

Definition & tracking of measures

The main objective of risk mitigation is to ensure an active, continuous, and controlled influence on the risks and opportunities, taking account of the corporate strategy and economic viability, in order to deliberately manage the company's overall risk exposure and thus produce an increase in the value of the company over the long term. Risks are minimized, avoided or even consciously taken in certain cases by adopting appropriate measures; the strategy is defined and evaluated by the respective risk owner. The Risk Management department is regularly informed about the status of the measures. The measures and objectives for climate-related risks and opportunities are defined in cooperation with the ESG department.

Ad-hoc reporting

If there are ad-hoc changes to the risk situation, the Risk Management department must be notified immediately by the risk owners of the specialist departments and be kept informed.

Based on this, the risk and opportunity management strategy is developed.

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 the main risks and opportunities identified and thus shows their significance

to the PIERER Mobility Group and the corresponding packages of measures. 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.

Risks/opportunities	Description	Measures
INDUSTRY		
Regulations	<ul style="list-style-type: none"> Dependencies on national and international legal frameworks in the countries in which vehicles are sold have an impact on offroad motorsports, motorcycle registrations and driver's licenses (e.g., planned regulation in the European Union for internal combustion engines) As a result of efforts to mitigate climate change, existing regulations/driving bans could be tightened/expanded or new regulations could be passed Research and development required to comply with existing and future regulations Regulatory measures such as environmental zones or other driving bans related to the climate and air quality could make PTWs more attractive as a more fuel-efficient alternative to the passenger car 	<ul style="list-style-type: none"> Market segmentation – regulations are already taken into account in the product development process ("PDP") Dedicated Regional Affairs department to ensure and monitor compliance with existing and future country-specific regulations As a member of the ACEM (European Association of Motorcycle Manufacturers) at the level of KTM AG, PIERER Mobility supports the strategy of decarbonization, which is based on the objectives of the European Green Deal and the Climate Protection Act, as well as the European Commission's Sustainable and Smart Mobility Strategy (reference to TFCD report) Development of low-emission/zero-emission alternative drive systems and products
Product and technology development	<ul style="list-style-type: none"> Incorrectly targeted R&D activities and investments: Hesitation in the research and development of alternative drive technologies could worsen the market position and the position in relation to technology and innovation Competitors could exploit the market if they make faster progress Technologies might turn out to be economically unfeasible Securing the leading role in technology: Technical innovations and the launch on the market of new products from research and development could further strengthen the company's position in the market and in respect of technology and innovation and enable the relatively high research budget of around 8 -9 % to be maintained 	<ul style="list-style-type: none"> Established R&D organization Established product development process ("PDP") Development of emission-free alternative drive systems and products Strategic product management firmly established in the organization

Risks/opportunities	Description	Measures
MARKET		
Changes in customer behavior	<ul style="list-style-type: none"> Persistent inflation may reduce the level of consumer demand from customers E-bicycles and e-motorcycles: With higher demand for low-emission and low-noise individual mobility solutions, expanding the product range to include e-bicycles/ stand-up scooters and e-motorcycles in the low-power range could help to boost revenues Digital solutions: Digital solutions in products could provide valuable information for climate change-related transport measures and thus constitute a service that offers a new source of revenue The change to new (lower-emission or zero-emission) technologies could turn the structure of the market on its head and increase the opportunity to gain market shares 	<ul style="list-style-type: none"> High quality standards and clear positioning in the premium segment Customer requirements are also taken into account in the product development process to cater to the needs of customers Developing new product areas such as stand-up scooters, e-bicycles or low-emission/emission-free alternatives to conventional models with combustion engines Research and developments in the field of alternative drive technologies
Market developments	<ul style="list-style-type: none"> The motorcycle sector is cyclical and subject to large fluctuations in demand. In addition, the motorcycle market in industrialized countries is fiercely competitive. <ul style="list-style-type: none"> The increase in inflation is affecting the market and therefore demand, and this development will continue over the coming year and could have a negative impact on the market The PIERER Mobility Group's largest individual sales markets are the European and US markets, and sales opportunities are dictated by the general economic climate in each country and region 	<ul style="list-style-type: none"> Market research and forecasts, which are taken into account during planning 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 Successful market strategy for the long term – KTM as Europe's leading manufacturer of powered two-wheelers Strategic development of network of dealers New developments: low-volume PTWs, stand-up scooters, e-motorcycles, and motorcycles suitable for e-fuels, as well as e-bicycles for urban us
IT		
Cyber crime	<ul style="list-style-type: none"> Cyber attacks on large companies have increased steadily in recent years 	<ul style="list-style-type: none"> Further development of the crisis organization "Cyber security" training courses IT security and risk management system for identifying and managing information security risks For further information on IT risks, please refer to the notes to the consolidated financial statements (Chapter VII) of PIERER Mobility AG
System errors and data availability	<ul style="list-style-type: none"> Systems might not be available. This may lead to system errors and thus affect the production process 	<ul style="list-style-type: none"> IT security and risk management system for identifying and

Risks/opportunities	Description	Measures
FINANCES		
Financial risk	For further information on the risk report and on financial instruments, including the specific measures to mitigate risks posed by the use of financial instruments (e.g., hedges 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	
Bad debt	<ul style="list-style-type: none"> Persistently high or increasing interest rates increase the pressure on dealers. This may lead to more bad debts 	<ul style="list-style-type: none"> Close coordination with the network of dealers and support for them with targeted programs Bank guarantees as security Strategic development of network of dealers
HR		
Workforce	<ul style="list-style-type: none"> 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 Key personnel could leave the company Employee health and safety really matters to the PIERER Mobility Group. This is why measures to improve it are implemented on an ongoing basis 	<ul style="list-style-type: none"> Strategic personnel development Training courses Cross-media employee campaigns Comprehensive apprentice training program in the company's own apprentice workshop Employee health program
PROCUREMENT AND PRODUCTION		
Materials & raw materials	<ul style="list-style-type: none"> Resources such as steel and aluminum could become more expensive on the market as a result of macroeconomic trends or climate change-related effects (increased use of renewable energy, which is currently still more expensive, higher requirements for steel production, etc.) A large increase in demand for critical resources, e.g., for the increased production of batteries needed for e-mobility, could lead to shortages of resources in the market A reduction in the persistently high rate of inflation in the 1st half of 2024 is not expected. This will therefore continue to affect the prices of materials and raw materials, which produces a global economic procurement risk for the PIERER Mobility Group The ongoing conflict between Russia and Ukraine may have a negative impact on the prices of materials and raw materials Positive economic developments may lead to lower costs for materials and raw materials Technological advancement and new materials and raw materials with improved properties ready for the market 	<ul style="list-style-type: none"> Use of alternative supply chains and corresponding activities to reduce the costs incurred Logistical procurement structure to shorten transport routes and minimize the associated costs Research into alternative materials and raw materials, and into material reductions/functional lightweight construction Purchasing conditions and effective cost engineering Research into alternative materials and raw materials, and into material reductions

Risks/opportunities	Description	Measures
Supply of materials	<ul style="list-style-type: none"> • Bottlenecks or delays in the supply of materials may impair production operations • There is an ongoing procurement risk for the Motorcycle division from delays to deliveries of ordered components 	<ul style="list-style-type: none"> • Building up inventories to safeguard production • Flexibility in the production layout implemented guarantees rapid adaptation of production plans • Long-term cooperation with our supply partners as well as careful selection of excellent new suppliers • Nurturing relationships with suppliers • Promoting short supply chains and local procurement strategies to shorten delivery times • Market intelligence system implemented for electronic components and developing different sources of supply (multiple sourcing)
Operating materials (especially electricity)	<ul style="list-style-type: none"> • The supply of electricity is essential for maintaining production operations • The conflict between Russia and Ukraine means the electricity supply may also be impaired in the coming year. This may also have a negative impact on the energy price. 	<ul style="list-style-type: none"> • Construction of photovoltaic installations • Setting up an energy ring to increase the proportion of the electricity produced that the company uses itself • Implementation of energy-saving measures • Storage facilities
OTHERS		
Product quality & liability	<ul style="list-style-type: none"> • Product quality is an essential attribute. Great importance is therefore attached this. • Product liability cases are a risk, especially in the US market • In addition to existing potential causes of product-related lawsuits, climate change-related regulations could add further grounds for action 	<ul style="list-style-type: none"> • High quality standard thanks to suitable supplier selection procedures as well as quality management systems and audits • Insurance
Compliance risks	<ul style="list-style-type: none"> • Business practices/corruption: <ul style="list-style-type: none"> • conducting business in an ethical manner and acting with integrity 	<ul style="list-style-type: none"> • Guidelines, e.g., Code of Conduct • Training courses and sessions • Establishment of a whistleblower system for taking early countermeasures against any misconduct • See Sustainability Report 2023 – pages 54-55, Governance section, Management of prevention and investigation of corruption and bribery
Climate & environmental risks and opportunities	See Sustainability Report 2023 – pages 27-28, Climate change section, Climate change mitigation	
Strategic opportunities	<ul style="list-style-type: none"> • Strategic alignment with a focus on the core business of powered two-wheelers (motorcycles) • Globalization of production sites: to counteract the adverse economic conditions in Europe and to speed up processes of development and industrialization, the company is undertaking a strategic relocation of some parts of production and R&D activities to our strategic partner Bajaj Auto in India and CFMOTO in China 	<ul style="list-style-type: none"> • Focus on premium brands KTM, GASGAS, Husqvarna and MV Agusta • Partial relocation of production and R&D activities to the strategic partners CFMOTO (China) and Bajaj Auto (India)

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

1. The share capital is EUR 33,796,535, and is divided into 33,796,535 bearer shares with voting rights, where every ordinary share has an equal stake in the share capital. The shares grant the customary rights due to stockholders under the Austrian Stock Corporation Act. These include the right to payout of the dividends resolved upon at the Annual General Meeting as well as the right to vote at the Annual General Meeting. All the shares of PIERER Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTM102). Since March 1, 2022, the shares of PIERER Mobility AG have additionally been listed on the Vienna Stock Exchange (Official Market). There was no change in the company's share capital in the 2023 financial year. Likewise, no treasury shares were acquired or sold, which is why the company did not hold any treasury shares as of the reporting date of December 31, 2023.
2. Since September 29, 2021, there has been a syndicate agreement 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 the majority shareholder of PIERER Mobility AG. The 2021 Syndicate Agreement provides that the rules of procedure for the Executive Board and the Supervisory Board of Pierer Bajaj AG require the approval of the Supervisory Board members of Pierer Bajaj AG nominated by Bajaj in the event of a transfer of ownership of shares in PIERER Mobility AG. Pierer Bajaj AG, which is economically attributable to Stefan Pierer, is thus subject to restrictions on disposal in light of the syndicate agreement at the level of Pierer Bajaj AG. The Executive Board is not aware of any other restrictions affecting voting rights or the transfer of shares.
3. As far as the company is aware, the following had a direct or indirect equity holding of at least 10 % in the share capital of PIERER Mobility AG as of December 31, 2023:
 - Pierer Bajaj AG: 74.18 % (direct equity holding);
 - Pierer Konzerngesellschaft mbH (direct and indirect equity holding): 0.09 % (direct equity holding) and 74.18 % (indirect equity holding).
4. There are no shares with special control rights.
5. There is currently no employee participation scheme in place.
6. There are no provisions going beyond the law with regard to the appointment and dismissal of members of the Executive Board and Supervisory Board and amendments to the Articles of Association.
7. Authorizations to issue or repurchase shares:

Only opportunities to issue or repurchase shares that were still outstanding at the reporting date of December 31, 2023 are taken into account:

Based on the authorization granted by the Annual General Meeting on April 29, 2022 and the simultaneously resolved amendment to the Articles of Association, the company's Articles of Association contain the following provision as Section 5 "Authorized Capital":

 - a) The Executive Board is authorized in accordance with Section 169 of the Austrian Stock Corporation Act, until April 29, 2027, to increase the share capital of the company from EUR 33,796,535.00 by up to EUR 16,898,267.00 to up to EUR 50,694,802.00 with the consent of the Supervisory Board by issuing, in several tranches if necessary, up to 16,898,267 no-par-value bearer shares in return for cash contributions and/or contributions in kind and to determine the initial offering price and the terms and conditions of the issue and the further details of implementing the capital increase in agreement with the Supervisory Board and, if need be, to offer the new shares to the shareholders for subscription by way of the indirect subscription right pursuant to Section 153 (6) of the Austrian Stock Corporation Act.
 - b) The Executive Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in full or in part
 - (i) if the capital increase takes place in return for cash contributions and in total the proportion of the company's share capital which can be apportioned to the shares issued in return for cash contributions with no subscription right does not exceed the limit of 10 % of the share capital of the company at the time of granting,
 - (ii) if there is a capital increase against a contribution in kind,
 - (iii) to service an over-allotment option (Greenshoe), and/or
 - (iv) for the settlement of fractional amounts.

- c) 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.

Based on the conditional capital created by the Annual General Meeting on April 21, 2023 and the amendment made to the Articles of Association for this purpose, the company's Articles of Association contain the following provision as Section 5a "Conditional Capital":

The company's share capital shall be increased in accordance with Section 159 (2) (1) of the Austrian Stock Corporation Act (AktG) by up to EUR 4,375,000,000.00 by issuing up to 4,375,000 no-par value bearer shares (ordinary shares) for issue to creditors of financial instruments in accordance with Section 174 of the Austrian Stock Corporation Act, as per the resolution adopted at the Annual General Meeting of April 21, 2023, which are issued using the authorization granted in this Annual General Meeting by the company. The capital increase may only be carried out to the extent that the creditors of financial instruments make use of their options of conversion and/or pre-emption rights on company shares. The issue 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.

The conditional capital increase serves the purpose of servicing any convertible bond issued and may explicitly be implemented only to the extent that the creditors of convertible bonds exercise their conversion and/or subscription rights to shares in the company.

This conditional capital increase is for issuing new shares to creditors of financial instruments pursuant to Section 174 of the Austrian Stock Corporation Act, which are issued using the authorization granted in the Annual General Meeting held on April 21, 2023 by the company. This authorization granted by the Annual General Meeting on April 21, 2023 to issue financial instruments pursuant to Section 174 of the Austrian Stock Corporation Act has not yet been used.

The following resolutions were also passed by the Annual General Meeting on April 21, 2023 in relation to the acquisition and sale of treasury shares:

- d) Pursuant to Section 65(1)(8) of the Austrian Stock Corporation Act (AktG), the Executive Board is authorized for a period of 30 months from the date when the resolution was passed 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.
 - e) The Executive Board is authorized for a period of five years from the date when the resolution was passed, 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. Any agreements on the part of the company which would take effect, change or cease to apply in the case of a change in the controlling interest in the company as a result of a public takeover offer, or the effects thereof, will not be disclosed by the company due to the fact that it would considerably harm the company.
 9. There are no compensation agreements between the company and its Executive Board and Supervisory Board members or employees in the case of a public takeover bid.

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

The internal control system of the PIERER Mobility Group has the task of ensuring the correctness and reliability of financial reporting, compliance with the legal and internal regulations relevant to the company, as well as the effectiveness and efficiency of operational activities, including the protection of assets from losses due to damages and malversations. Internationally accepted frameworks for internal control systems (e.g. COSO framework) have been considered in designing the elements of the internal control system. The system comprises:

- Group-wide specifications for financial reporting
- Segregation of duties as an organizational measure
- System-based and process-dependent controls
- Process-independent controls
- Management of risks relating to the preparation of financial statements

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

CONTROL ENVIRONMENT

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

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

management and is monitored by the Executive Board of KTM AG and the Group Executive Board.

In terms of process organization, the PIERER Mobility Group relies on a distinctive and comprehensive set of accounting, valuation and account assignment rules. This provides an appropriate basis for a strong control environment and control system. New accounting standards are assessed with regard to their impact on the financial reporting of the PIERER Mobility Group. The specifications for financial reporting and financial reporting processes are reviewed on an ongoing basis and adjusted at least annually, or more frequently if necessary. Monitoring compliance with the controls and regulations relating to financial reporting is the responsibility of the relevant management.

RISK ASSESSMENT

Risks relating to the financial reporting process are identified and monitored by the management and taken into account in the risk management process. The focus here is on those risks that are to be considered material.

Material risks in the area of financial reporting include incomplete recording of facts relevant to accounting, errors in document recording, and incorrect calculations. Complex accounting principles could lead to an increased risk of error, incorrect reporting, and late preparation of financial statements. There is also a risk of data being accessed by unauthorized persons or of data being manipulated, IT systems failing, and data being lost.

For the preparation of the financial statements, estimates have to be made on a regular basis and there is an inherent risk that future developments may deviate from these estimates. This applies in particular to the following matters/items in the consolidated financial statements: Social capital, outcome of legal disputes, recoverability of receivables, investments and stocks. In some cases, external experts are consulted or publicly available sources are used to minimize the risk of incorrect estimates.

CONTROL MEASURES

The PIERER Mobility Group has integrated its controls directly into the (group) financial reporting processes. An essential element of this, in addition to process-independent external control

mechanisms, is the principle of segregation of duties. To ensure complete, timely and correct preparation of the financial statements, quality assurance and control measures have been implemented in all areas involved in the accounting process. All control measures are applied in the ongoing business process to ensure that potential errors in financial reporting are prevented or are detected and corrected. Furthermore, the application of internal company guidelines results in consistent handling of business transactions as well as consistent accounting and reporting.

Controls are integrated in the key IT systems with a relevance for financial reporting which prevent, among other things, the incorrect recording of business transactions, ensure the complete recording of business transactions or the measurement of business transactions in accordance with the financial reporting requirements, or support the verification of consolidation. In view of the increasing demands on IT systems in financial reporting as well as the constantly growing technical possibilities, the PIERER Mobility Group regularly conducts IT-supported analyses of the effectiveness of the measures taken in order to identify and subsequently eliminate any control weaknesses that may have occurred.

Control measures relating to IT security are a cornerstone of the internal control system. For example, the separation of sensitive activities is supported by restricting the allocation of IT authorizations. Automated checks take place through the ERP software used, such as the automated checks for invoice approval and invoice verification.

COMMUNICATION AND MONITORING

Responsibility for the effectiveness of the internal control system in the (group) financial reporting process is clearly defined and lies with the responsible managers and process owners. In addition to the results of the internal assessment, the assessment of effectiveness also includes the results of external audits, e.g., as part of the audit of the annual financial statements or external IT security audits, as well as those of the Supervisory Board and the Audit Committee. Weaknesses in the control system are remedied taking into account their potential impact on the financial reporting processes.

In addition to the financial statements required by law, which are made available to management levels, the group has also

implemented a comprehensive internal reporting system that is prepared and distributed at different levels of aggregation depending on the recipient of the report.

Other central instruments of risk monitoring and control are the company-wide guidelines on dealing with significant risks, the planning and controlling processes, and ongoing reporting. The guidelines include the setting and control of limits and actions to limit financial risks, as well as the strict specification of the dual control principle for invoice and payment approvals.

In addition, the internal control system is based on precise information about the accounting and financial reporting processes and also includes their upstream business processes, e.g. purchase requisitions or logistics processes. The effectiveness of the internal control system is reviewed by management in that the results, which are submitted to management in condensed reporting form, are analyzed, evaluated and commented on by management.

The Executive Board and the Audit Committee are informed annually about the assessment of the effectiveness of the internal control system in financial reporting. In the event of significant changes in the effectiveness of the internal control system, a report is submitted immediately to the Executive Board and, if necessary, to the Supervisory Board, and suitable measures are taken to increase its effectiveness.

9. OUTLOOK

BUSINESS DEVELOPMENT

Following the trend from 2022, the KTM, Husqvarna Motorcycles and GASGAS brands were able to largely expand their market shares in the relevant sales markets in 2023. In addition, the group expects the motorcycle market to continue to grow in the medium to long term and to display a positive trend overall for the high-quality premium products that it sells.

The challenges that arose in the 2022 financial year in the group's international supply chains eased considerably in 2023 and are not expected to cause any major disruption for the group in the 2024 financial year. The measures that the KTM AG Group has put in place are thus having an effect as the consequences of last year's situation have been largely mitigated with the supplier risk assessment. In addition to other measures and the reasons identified for problems in the supply chain in the past, the procurement strategy has been adapted and the procurement risk has been reduced, particularly by having direct access to the Asian market and continuing to focus on the European market.

For the 2024 financial year, the PIERER Mobility Group expects that the global economic environment will continue to be difficult, driven not least by ongoing significantly high rates of inflation and wage and salary trends, with far-reaching effects on pricing worldwide. For the group, 2024 will be a year of consolidation, which will be used to strengthen the core business. As part of this, the PIERER Mobility Group expects revenue for the 2024 financial year to be at a similar level as in the previous year and an EBIT margin of 5-7 %.

To safeguard the group's profitability, management will implement cost-cutting measures amounting to tens of millions in the 2024 financial year. These measures include, in particular, **a greater focus on the core business of powered two-wheelers** (motorcycles and electrified mobility products) with the premium brands KTM, GASGAS and Husqvarna as well as MV Augusta.

As another key measure for cutting costs, parts of production for individual mid-range models and certain research and development activities are being relocated to the strategic partner Bajaj Auto, India, and to CFMOTO, China. This applies to products (street motorcycles) in markets that are very price-sensitive and competitive.

The range of models produced at Bajaj to date (between 125 and 390 cubic centimeters) will be expanded. Street motorcycles ranging from 790 to 950cc will be assembled at the company's Chinese partner CFMOTO. The group expects that this will not just deliver cost benefits, but also speed up processes of development and industrialization.

These measures will be accompanied, among other things, by a reduction in the number of employees, with up to 300 jobs going in Mattighofen and Munderfing. This will be achieved in particular by no longer using temporary workers as well as by employees leaving the company due to natural turnover.

As a result of the strategic changes described above, the reported sub-divisions will be restructured from the 2024 financial year onwards. In the future, the focus will be on the "Motorcycles" and "E-Mobility" segments. In addition to electrified New Mobility products, the new "E-Mobility" segment will include all electrically powered two-wheelers such as electric motorcycles, e-minis and stand-up scooters.

INVESTMENTS

The investments made in recent years have safeguarded the production capacities required for the years ahead. The focus of the investments has been and still is, therefore, on other types of projects, in particular on the (further) development of existing and new models, electric mobility and high-tech modernization. These are currently and will continue to be the group's top priority for investments. In line with strategic goals, expenditure on investments in research and development will remain at the already high level of previous years.

Important investments planned are also the procurement of tools, in particular for planned research and development projects, investments in digital distribution platforms for dealers and end customers as well as the modernization, expansion, improvement and digitalization of existing production capacities.

ADEQUATE FINANCIAL POSITION

The current liquidity reserves combined with a balanced mix of different financial instruments will enable the group to continue to operate flexibly in a volatile market environment in 2024. In this regard, the available liquidity reserves were increased significantly for the short and long term. For example, in the 2023 financial year, the KTM Group issued a promissory note loan with a volume of EUR 300 million and a registered bond with a volume of EUR 50 million.

The group is also affected by the consequences of the current trend in interest rates and the interest rate risk is evaluated regularly. Measures were also taken to manage the interest rate risk. The PIERER Mobility Group expects to see interest rates fall from their currently high level in the medium term.

Wels, March 14, 2024

The Executive Board of PIERER Mobility AG



Stefan Pierer



Hubert Trunkenpolz



Viktor Sigl



Florian Kecht



Alex Pierer



Rudolf Wiesbeck



Consolidated financial statement

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	138
CONSOLIDATED INCOME STATEMENT	140
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	141
CONSOLIDATED STATEMENT OF CASH FLOWS	142
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	145

**Consolidated financial statement
Download**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31, 2023

EURK	NOTES NO.	12/31/2023	12/31/2022
Assets:			
Non-current assets:			
Goodwill	21	131,735	130,655
Intangible assets	22	668,967	570,356
Property, plant, and equipment	23	483,886	443,712
Investments accounted for using the equity method	24	33,870	33,341
Deferred tax assets	25	9,934	13,782
Other non-current assets	26	5,436	3,999
		1,333,828	1,195,845
Current assets:			
Inventories	27	857,255	653,928
Trade receivables	28	350,801	270,422
Receivables and other assets	29	146,087	137,616
Tax refund claims		2,272	14,087
Non-current assets held for sale	30	3,700	0
Cash and cash equivalents	31	258,972	278,738
		1,619,087	1,354,790
		2,952,915	2,550,635

EURK	NOTES NO.	12/31/2023	12/31/2022
Equity and liabilities:			
Equity:			
Share capital	32	33,797	33,797
Capital reserves	32	9,949	9,949
Other reserves including retained earnings	32	860,515	863,989
Equity of the owners of the parent company		904,261	907,735
Non-controlling interests	32	5,012	6,661
		909,273	914,396
Non-current liabilities:			
Financial liabilities	33	962,849	458,620
Liabilities for employee benefits	34	27,967	26,154
Deferred tax liabilities	25	120,665	124,428
Other non-current liabilities	35	18,517	16,407
		1,129,998	625,609
Current liabilities:			
Financial liabilities	33	72,049	76,635
Trade payables	35	676,978	737,602
Provisions	36	21,871	44,037
Tax liabilities		1,824	5,203
Other current liabilities	35	140,922	147,152
		913,644	1,010,630
		2,952,915	2,550,635

CONSOLIDATED INCOME STATEMENT

for the financial year from 1/1/2023 through 12/31/2023

EURK	NOTES NO.	2023	2022
Revenue	8	2,661,210	2,437,200
Production costs of the services provided to generate the revenue	9	-1,977,117	-1,745,878
Gross profit from sales		684,093	691,322
Selling and racing expenses	10	-289,838	-242,800
Research and development expenses	11	-53,764	-55,352
Administration expenses	12	-185,742	-164,900
Other operating expenses	13	-799	-391
Other operating income	14	3,736	2,377
Earnings from at-equity holdings	15	2,338	4,994
Result from operating activities		160,024	235,250
Interest income	16	10,669	4,023
Interest expenses	16	-73,940	-19,313
Other financial and investment income (expenses)	16	-4,620	-4,057
Result before taxes		92,133	215,903
Income taxes	17	-15,720	-45,280
Profit or loss for the financial year		76,413	170,623
thereof owners of the parent company		80,183	169,921
thereof non-controlling shareholders		-3,770	702
Undiluted (=diluted) earnings per share (EUR)	18	2.37	5.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year from 1/1/2023 through 12/31/2023

EURK	NOTES NO.	2023	2022
Profit or loss for the financial year		76,413	170,623
Items reclassified to profit or loss or which can be subsequently reclassified			
Foreign currency translation re foreign subsidiaries	32	-4,195	1,684
Foreign currency translation re investments accounted for using the equity method	24, 32	-1,051	-255
Valuation of cash flow hedges	32	-9,851	19,651
Deferred tax on valuation of cash flow hedges	32	2,340	-4,742
		-12,757	16,338
Items not reclassified to profit or loss			
Revaluation of net debt from defined benefit plans	32, 34	-485	1,606
Tax effect	32	112	-539
		-373	1,067
Other net result after tax		-13,130	17,405
Total comprehensive income		63,283	188,028
thereof owners of the parent company		67,053	187,326
thereof non-controlling shareholders		-3,770	702

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year 1/1/2023 through 12/31/2023

EURK	NOTES NO.	2023	2022
Operations			
Profit or loss for the financial year		76,413	170,623
+ (-) Interest expenses / interest income	16	63,271	15,290
+ Tax expenses	17	15,720	45,280
+ Depreciation/amortization of property, plant and equipment and intangible assets	22, 23	163,504	145,858
+ (-) Addition (reversal) of non-current liabilities for employee benefits		240	-1,517
(-) + Profit (loss) from equity consolidation	15	-2,338	-4,994
(-) + Profit (loss) from the disposal of fixed assets	22, 23	0	10,199
+ (-) Other non-cash expenses (income)	VI	8,731	-23,987
+ Interest received		9,630	3,982
- Interest payments		-67,623	-18,880
- Tax payments		-10,457	-43,768
+ Dividends received		943	984
Gross cash flow		258,034	299,070
- (+) Increase (decrease) in inventories		-224,004	-241,620
- (+) Increase (decrease) in trade receivables, advance payments, other current and non-current assets		-39,986	-154,610
+ (-) Increase (decrease) in trade payables, advance payments and other current and non-current liabilities		-104,895	377,495
Increase (decrease) in the net current assets		-368,885	-18,735
Cash flow from operations		-110,851	280,335

EURK	NOTES NO.	2023	2022
Investing activity			
- Payments for the acquisition of intangible assets and property, plant and equipment	22, 23	-312,950	-246,519
- Payments for the acquisition of investments accounted for using the equity method and other financial assets	7, 24	0	-16,017
+ Receipts from the sale of intangible assets and property, plant and equipment		13,124	300
+ Receipts from the disposal of investments accounted for using the equity method and other financial assets	24	932	1,275
- Acquisition of subsidiaries	7	-1,609	-5,477
- Payments from other assets		-1,637	-16,687
Cash flow from investing activity		-302,140	-283,125
Free cash flow		-412,991	-2,790
Financing activity			
- Dividend payments to third parties		-68,093	-34,297
- Acquisition of non-controlling interests	32	-214	-5,055
+ Disposal of non-controlling interests		0	251
+ Contributions of equity to fully consolidated companies by non-controlling shareholders	32	2,556	2,556
+ Taking out non-current interest-bearing liabilities	33, VI	504,175	0
- Repayment of promissory note loan	33, VI	-24,027	-6,000
- Repayment of research loan	VI	-2,400	-14,118
- Repayment of non-current interest-bearing liabilities	VI	0	-6,687
- Repayment of lease liability	VI, 48	-25,158	-23,414
+ (-) Change in other current financial liabilities	VI	11,823	-4,531
Cash flow from financing activity		398,662	-91,295
Total cash flow		-14,329	-94,085
+ Opening balance of liquid funds within the Group		278,738	373,509
+ Effect of foreign currency fluctuations		-5,437	-686
Closing balance of liquid funds within the Group		258,972	278,738

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURK	NOTES NO.
Balance as of January 1, 2023	
Profit or loss for the financial year	
Other comprehensive income	32
Total comprehensive income	
Transactions with shareholders	
Dividends to third parties	18, 32
Acquisition/disposal of shares to subsidiaries	32
Gains and losses on hedging transactions and hedging costs reclassified to inventories	
Options on non-controlling interests	35
Capital increase by non-controlling shareholders without changing the shareholding structure	32
Consolidation changes	
Miscellaneous	
Balance as of December 31, 2023	

EURK	NOTES NO.
Balance as of January 1, 2022	
Profit or loss for the financial year	
Other comprehensive income	32
Total comprehensive income	
Transactions with shareholders	
Dividends to third parties	18, 32
Acquisition/disposal of shares to subsidiaries	32
Gains and losses on hedging transactions and hedging costs reclassified to inventories	
Options on non-controlling interests	35
Capital increase by non-controlling shareholders without changing the shareholding structure	32
Miscellaneous	
Balance as of December 31, 2022	

EQUITY OF THE OWNERS OF THE PARENT COMPANY								
Share capital	Capital reserves	Reserves including total earnings	Reserve in accordance with IFRS 9	Adjustment items currency translation	Reserves for own shares	Total	Shares of non-controlling shareholders	Total consolidated equity
33,797	9,949	845,432	16,255	2,302	0	907,735	6,661	914,396
0	0	80,183	0	0	0	80,183	-3,770	76,413
0	0	-373	-7,511	-5,246	0	-13,130	0	-13,130
0	0	79,810	-7,511	-5,246	0	67,053	-3,770	63,283
0	0	-67,593	0	0	0	-67,593	-500	-68,093
0	0	-214	0	0	0	-214	0	-214
0	0	0	-309	0	0	-309	0	-309
0	0	-2,420	0	0	0	-2,420	0	-2,420
0	0	0	0	0	0	0	2,556	2,556
0	0	0	0	0	0	0	61	61
0	0	9	0	0	0	9	4	13
33,797	9,949	855,024	8,435	-2,944	0	904,261	5,012	909,273

EQUITY OF THE OWNERS OF THE PARENT COMPANY								
Share capital	Capital reserves	Reserves including total earnings	Reserve in accordance with IFRS 9	Adjustment items currency translation	Reserves for own shares	Total	Shares of non-controlling shareholders	Total consolidated equity
33,797	9,949	714,154	1,369	873	0	760,142	5,409	765,551
0	0	169,921	0	0	0	169,921	702	170,623
0	0	1,067	14,909	1,429	0	17,405	0	17,405
0	0	170,988	14,909	1,429	0	187,326	702	188,028
0	0	-33,797	0	0	0	-33,797	-500	-34,297
0	0	-3,298	0	0	0	-3,298	-1,506	-4,804
0	0	0	-23	0	0	-23	0	-23
0	0	-2,579	0	0	0	-2,579	0	-2,579
0	0	0	0	0	0	0	2,556	2,556
0	0	-36	0	0	0	-36	0	-36
33,797	9,949	845,432	16,255	2,302	0	907,735	6,661	914,396



Notes to the consolidated financial statements

for the 2023 financial year

I. GENERAL INFORMATION	148	32. Consolidated equity	174
1. Company information	148	33. Financial liabilities	176
2. Principles of financial reporting	148	34. Liabilities for employee benefits	177
3. Newly applied standards and interpretations	149	35. Other current and non-current liabilities and trade payables	180
4. Standards and interpretations to be applied in the future	149	36. Provisions	181
5. Estimates and discretionary decisions	150	VI. NOTES ON THE STATEMENT OF CASH FLOWS	182
II. SCOPE OF CONSOLIDATION	152	VII. RISK REPORT	183
6. Consolidation principles and methods	152	37. Risk management	183
7. Changes in the scope of consolidation	152	38. Market risks	183
III. SEGMENT REPORTING	154	39. Industry-specific risks	184
IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT	156	40. IT risks	186
8. Revenues	156	41. Financial risks	186
9. Cost of sales	156	42. Other risks	192
10. Selling and racing expenses	157	VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT	194
11. Research and development expenses	157	43. Basic principles	194
12. Administrative expenses	157	44. Classification and fair value	195
13. Other operating expenses	158	45. Set-off of financial assets and liabilities	200
14. Other operating income	158	46. Hedges	202
15. Earnings from at-equity holdings	158	47. Capital management	206
16. Financial and investment earnings	159	IX. LEASES	208
17. Income taxes	159	48. Leases as a lessee (IFRS 16)	208
18. Earnings per share and proposal on the appropriation of net profit	160	49. Leases as a lessor (IFRS 16)	210
19. Expenses for the auditor of the financial statements	161	X. EXPLANATIONS REGARDING RELATED PARTIES AND THE CORPORATE BODIES	211
20. Employees	161	50. Related party disclosures	211
V. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	162	51. Corporate bodies of PIERER Mobility AG	213
21. Goodwill	162	52. Executive board and supervisory board remuneration	213
22. Intangible assets	163	XI. EVENTS AFTER THE REPORTING DATE	213
23. Property, plant and equipment	166	XII. GROUP COMPANIES (SCHEDULE OF EQUITY HOLDINGS)	214
24. Investments accounted for using the equity method	168	XIII. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS	217
25. Deferred tax assets	169		
26. Other non-current assets	171		
27. Inventories	171		
28. Trade receivables	172		
29. Current receivables and other assets	173		
30. Non-current assets held for sale	173		
31. Cash and cash equivalents	173		

I. GENERAL INFORMATION

1. COMPANY INFORMATION

PIERER Mobility AG is the umbrella company for Europe's leading manufacturer of powered two-wheelers, and manufactures a full range of premium products under the KTM, GASGAS, Husqvarna and MV Agusta Motorcycles brands. PIERER Mobility's innovative strength makes it a pioneering leader in technology for two-wheeled electric mobility through its motorcycle brands. Husqvarna and GASGAS E-Bicycles complement the two-wheeler range. The premium brand range also includes high-performance components from the WP brand and special KTM X-BOW high-performance sports cars.

Following the strategic partnership with Bajaj in India, the company has been able to diversify its production capacities in recent years and increase its competitiveness in the global market. The cooperation with CFMOTO in China and the joint venture with Maxcom in Bulgaria will boost both bicycle and motorcycle production over the long term. With its leading technology in the field of low-voltage electric mobility, PIERER Mobility aims to become the global market leader for electric two-wheelers in the power range from 250 W to 15 kW.

2. PRINCIPLES OF FINANCIAL REPORTING

The consolidated financial statements for the period from January 1 to December 31, 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), insofar as they are applied within the European Union. The additional requirements stipulated by Section 245a (1) of the Austrian Commercial Code (UGB) were also met in this context.

The companies included in the consolidated financial statements are established on the basis of uniform financial reporting provisions. These provisions were applied by all consolidated entities. The companies included in the annual financial statements have prepared their annual financial statements as of the consolidated balance sheet date of December 31.

PIERER Mobility AG has its registered office at Edisonstraße 1, 4600 Wels, and is registered in the commercial register at the Provincial Court of Wels in its capacity as Commercial Court under the registration number FN 78112 x. The company is part of the same group as Pierer Konzerngesellschaft mbH, Wels (ultimate parent company of the group) and its affiliated companies, and is included within the consolidated financial statements of that group. These consolidated financial statements are filed with the Provincial Court of Wels in its capacity as Commercial Court under file number FN 134766 k and represent the consolidated financial statements for the largest scope of consolidation.

The shares of PIERER Mobility AG have their primary listing in the Swiss Performance Index (SPI) of the SIX Swiss Exchange in Zurich and are also listed on the Prime Market of the Vienna Stock Exchange.

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 (EURk), 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 table below shows the standards and interpretations mandatorily applied for the first time that had also already been endorsed by the European Commission as of December 31, 2023:

INITIAL APPLICATION	NEW STANDARDS AND INTERPRETATIONS	PUBLISHED BY THE IASB
January 1, 2023		
	Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	February 12, 2021
	Amendments to IAS 8 Accounting Policies, Changes in Estimates and Errors – Definition of Accounting Estimates	February 12, 2021
	Amendments to IAS 12 Income Taxes – Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	May 7, 2021
	IFRS 17 Insurance Contracts	May 18, 2017
	Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information	December 9, 2021
	Amendments to IAS 12 Income Taxes – Reform of the International Tax System – Model Rules for Pillar 2	May 23, 2023

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:

INITIAL APPLICATION	NEW OR AMENDED STANDARDS AND INTERPRETATIONS	PUBLISHED BY THE IASB
January 1, 2024		
	Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback Transaction	September 22, 2022
	Amendment to IAS 1 – Classification of Liabilities as Current or Non-current Liabilities (Including Deferral of the Effective Date and Non-current Liabilities with Covenants)	October 31, 2022

The IASB and the IFRIC have passed further standards and interpretations, the application of which was not mandatory during the 2023 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	IASB DATE OF APPLICATION	PUBLISHED BY THE IASB	EU ENDORSEMENT?
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements	January 1, 2024	May 25, 2023	No
Amendments to IAS 21 – Effects of Changes in Foreign Exchange Rates Lack of Exchangeability	January 1, 2025	August 15, 2023	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 131,735k (previous year: EUR 130,655k) was recognized at the reporting date, along with the "KTM" brand, which is valued at EUR 61,103k (previous year: EUR 61,103k), the "GASGAS" brand, which is valued at EUR 13,346k (previous year: EUR 13,346k), the "MV Agusta" brand, which is valued at EUR 20,165k (previous year: EUR 20,165k), and the "JOHANSSON" brand, which is valued at EUR 1,300k (previous year: EUR 0k). The "FELT" brand was classified as an asset held for sale and valued at EUR 3,700k. For further information, see the explanations in Note 21 "Goodwill", Note 22 "Intangible assets" and Note 30 "Non-current assets held for sale".
- 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, 2023, deferred tax assets on loss carryforwards of EUR 19,968k (previous year: EUR 1,747k) were capitalized. Based on current tax planning, the management expects that the loss carryforwards recognized as of December 31, 2023 will be utilized over the next five years. For further details on deferred taxes, see the explanations in Note 25 "Deferred tax assets".
- In cash flow hedge accounting, assessments are made regarding the occurrence of future cash flows. The planning of future cash flows is derived from sales planning and order volume planning. It is reviewed against actual figures on a monthly basis and checked for plausibility using past experience. In line with the internal guideline on currency hedges, foreign currency hedges are generally entered into on a rolling basis and cover a period of up to 18 months. The hedge ratio of the individual currencies is determined based on uncertainty in the planning for the relevant market, on the volatility of the currency and on the hedging costs. Currencies are aggregated by type based on their significance (volume, relevance to results) and different methods are applied accordingly. A hedge ratio of 80 % of the foreign-currency exposure

is targeted for each currency. Details on sensitivities in relation to currency and interest rate risks are provided in Note VII "Financial risks".

- 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 27,967k (previous year: EUR 26,154k) were recognized at the reporting date. For further information, see the explanations in Note 34 "Liabilities for employee benefits".
- Estimates for provisions mainly relate to provisions relating to guarantees and warranties. To determine the amount of the provisions, a direct correlation was established for each product group between revenues and the guarantee and warranty expenses incurred. The percentage value of guarantee and warranty expenses in terms of revenue is checked several times a year and adjusted if necessary. As of December 31, 2023, provisions relating to guarantees and warranties of EUR 20,523k (previous year: EUR 20,947k) were recognized. For the changes in the provisions relating to guarantees and warranties, see Note 36 "Provisions".
- The determination of the fair values of assets and liabilities acquired as part of a business combination and the useful lives of these assets is based on assessments by the management.
- Leases
- Assessments of the term and interest rates are made. Further details are provided under Note 23 "Property, plant, and equipment" and Note 48 "Leases as lessee".
- Inventories are subject to estimates and discretionary decisions in connection with valuation (subsequent consumption methods and analyses 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 to assess the future

economic benefit of the expenses incurred and the technical feasibility of the developed product or process, as well as its marketability.

- Derecognition of receivables in connection with ABS and factoring agreements. Evaluations were made with respect to the conditions for derecognition under IFRS 9. For further details, please refer to Section VIII. "Financial instruments and capital management".
- Supplier finance
Assessments were made regarding the disclosure of liabilities in relation to the supplier finance program. Further details are provided under Note 35 "Other current and non-current liabilities and trade payables".
- Consolidation
In determining whether control exists in accordance with IFRS 10, management exercises judgments in determining the relevant activities of the subsidiaries..

Impact of climate-related issues on financial reporting

The Executive Board takes account of the impact of climate change in preparing the consolidated financial statements. The assumptions to be made by management in the course of preparing the consolidated financial statements are always made in accordance with the long-term corporate planning that has been approved by the Executive Board. The long-term corporate planning also takes account of the climate-related risks and opportunities identified by the company based on the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD).

Climate-related aspects are significant in the context of preparing the consolidated financial statements – in particular with regard to assumptions, discretionary decisions and estimates regarding future developments that will affect the PIERER Mobility Group – and are taken into account accordingly by the management. This does not produce any fundamental changes to the assumptions or estimates for the consolidated financial statements of the PIERER Mobility Group as at December 31, 2023. The Executive Board estimates the potential impact of climate-related opportunities and risks on the consolidated financial statements under IFRS as follows:

- Useful lives of non-financial assets:
The PIERER Mobility Group has evaluated the extent to which the useful lives of property, plant and equipment and intangible assets could be affected by climate-related issues. In particular, an assessment was made to determine whether, on the basis of

existing and forthcoming legal and regulatory requirements, industrial plants can no longer be used to the extent that was originally envisaged. It was not possible to conclude that useful lives would be affected by external or internal obligations.

- Impairment losses on assets:
The short-term and medium-term financial plans and thus the impairment tests are based on the business model with a focus on sustainability. The short-term and medium-term financial plans of the individual CGUs take appropriate account of assumptions made regarding climate-related factors in capital expenditure programs (CAPEX), technologies and production processes for achieving the group's internal climate targets, and in the ecologically sustainable product mix based on them, in line with the "Right Vehicle, Right Place, Right Energy Carrier" concept.
- Provisions and contingent liabilities:
In the 2023 financial year, the PIERER Mobility Group did not incur any new obligations arising from the violation of climate protection laws and/or climate regulations that would have required the recognition of a provision or the disclosure of a contingent liability.

The PIERER Mobility Group is constantly adapting its sustainability goals to reflect evolving requirements and technological changes or to take account of future business plans or strategies. As the potential impact of regulatory requirements, technological changes or future plans and strategies that have not yet been announced and their operationalization, including the reallocation of resources, cannot be estimated, the consolidated financial statements may be affected by these developments in future periods.

Impact of the Russian-Ukrainian war:

The PIERER Mobility Group's assessments of the impact of the war that is happening in Ukraine re-main unchanged from the previous year. The PIERER Mobility Group has not identified any significant reason to materially change its estimates and expectations as of December 31, 2023 on the basis of the war that is happening in Ukraine. The group does not have any investments, other assets or other material business relationships in Ukraine, Russia or Belarus, nor does the group have any material business relationships with suppliers or dealers in these countries. With this in mind, the company does not expect any material impact on the expected future cash flows. Equally, PIERER Mobility AG has not suffered, and does not expect to suffer, any loss of control, joint control or the ability to exercise significant influence over any entity as a result of the war or the sanctions that have been imposed.

II. SCOPE OF CONSOLIDATION

6. CONSOLIDATION PRINCIPLES AND METHODS

All subsidiaries are **fully consolidated** in the consolidated financial statements of PIERER Mobility AG. Subsidiaries are companies controlled by the group. The financial statements of subsidiaries are included in the consolidated financial statements from the moment control begins and until the moment control ends. Unless otherwise stated, the amount for non-controlling interests is recorded with the pro rata net assets of the acquired company without goodwill.

Investments in associates are included in the statement of financial position item "Investments accounted for using the **equity method**".

The **reporting currency** of the PIERER Mobility Group is the euro. The subsidiaries and the holdings accounted for using the equity method prepare their annual financial statements in their functional currency. In this context, assets and liabilities included in the financial statements to be consolidated are translated using the average exchange rate on the reporting date and the income statement items are translated using the mean rate of exchange for the financial year. The following significant exchange rates for the PIERER Mobility Group were used for currency translation into the reporting currency:

	CLOSING RATE		AVERAGE RATE	
	12/31/2023	12/31/2022	2023	2022
US-dollar	1.1050	1.0666	1.0829	1.0500
Swiss franc	0.9260	0.9847	0.9717	1.0017
Japanese yen	156.3300	140.6600	153.1758	138.1392
South African rand	20.3477	18.0986	20.0410	17.2127
Mexican peso	18.7231	20.8560	19.0658	21.0536
Australian dollar	1.6263	1.5693	1.6347	1.5154
Chinese renminbi	7.8509	7.3582	7.6839	7.1543

7. CHANGES IN THE SCOPE OF CONSOLIDATION

All subsidiaries that are either legally or de facto under the control of PIERER Mobility AG are included in the present consolidated financial statements as of December 31, 2023. The number of companies

included in the scope of consolidation changed as follows in the 2023 financial year:

	FULLY CONSOLIDATED COMPANIES	AT-EQUITY COMPANIES
Balance as of 12/31/2022	76	5
Additions to the scope of consolidation	4	0
Eliminations from the scope of consolidation	0	-1
Balance as of 12/31/2023	80	4
thereof foreign companies	55	3

PIERER Mobility AG, as the parent company of the PIERER Mobility Group, has not been included in this list. The entities included in the consolidated financial statements and their dates of initial consolidation are listed in Section XII. "Group companies (schedule of equity holdings)".

Changes in the fully consolidated entities

Additions to the scope of consolidation:

On March 30, 2023, PIERER New Mobility Bulgaria OOD, Plovdiv, Bulgaria was newly founded and fully consolidated.

On June 16, 2023, KTM Racing North America Inc. with its registered office in Murrieta, CA, USA, was newly founded and fully consolidated.

On July 13, 2023, KTM Informatics GmbH, based in Mattighofen, Austria, was newly founded and fully consolidated.

On October 13, 2023, the PIERER Mobility Group acquired 74 % of the shares in LX Media GmbH, based in Wels. At the time of acquisition, the company had net assets of EUR 233k. The purchase price was EUR 1,739k. The goodwill arising from the acquisition amounted to EUR 1,567k.

Changes in entities accounted for at equity

In the past year, the PIERER Mobility Group acquired 23 % of the shares in Vöcklabruck Metallgießerei Dambauer GmbH through KTM AG, which was included in the consolidated financial statements using the equity method. On March 31, 2023, KTM AG sold these shares to PB Invest GmbH, Wels, a subsidiary of PIERER Industrie AG, Wels.

III. SEGMENT REPORTING

The business activities of PIERER Mobility AG are managed on the basis of the two "Motorcycles" and "Bicycles" divisions. The individual segments are managed separately and report to PIERER Mobility AG in accordance with IFRS accounting regulations. The main decision-maker for the segment report is the overall Executive Board of PIERER Mobility AG. The segment reporting is made with the segments Motorcycles, Bicycles and Others, according to the internal reporting.

MOTORCYCLES:

The "Motorcycles" segment comprises the development, production and distribution of motorcycles under the "KTM", "Husqvarna Motorcycles" and "GASGAS" brands as well as components of the "WP" brand. As of December 31, 2023, the Motorcycles segment included 58 subsidiaries, located in Austria, the United States, Japan, South Africa, Mexico, India, Australia and New Zealand and in various other European and Asian countries, which are included within the consolidated financial statements. In addition, interests are also held in assembly companies in the Philippines and China.

BICYCLES:

PIERER New Mobility GmbH together with its subsidiaries forms the "Bicycles" segment of the PIERER Mobility Group. With the "Husqvarna E-Bicycles", "GASGAS Bicycles", "Liteville" and "Johansson" brands, the focus is on developing, manufacturing and

trading e-bicycles and bicycles. In total, the segment comprises 15 fully consolidated companies.

OTHERS:

The "Others" segment summarizes PIERER Mobility AG, PIERER Innovation GmbH, Avocado GmbH, PIERER E-Commerce GmbH, PIERER E-Commerce North America Inc., DealerCenter Digital GmbH, Platin 1483 GmbH, and LX Media GmbH.

None of the segments has a dependency on external customers within the meaning of IFRS 8.34. Goods and services between the segments are provided on an arm's length basis. The segment performance indicator EBIT describes the operating result for the period before the financial result and income taxes. The investments relate to additions to property, plant and equipment and intangible assets (excluding lease additions in accordance with IFRS 16). Income accounted for using the equity method is included in EBIT in accordance with the classification of the consolidated income statement. Working capital employed corresponds to the sum of inventories and trade receivables less trade payables as of the reporting date. Net financial debt corresponds to the total of current and non-current financial liabilities (including lease liabilities) less cash at the reporting date.

The segment information for the 2023 and 2022 financial year breaks down among the segments described as follows:

2023 EURK	MOTORCYCLES	BICYCLES	OTHER	CONSOLIDATION	TOTAL
Revenues (including revenues within the segments)	2,416,376	240,741	62,410	-58,317	2,661,210
External revenues	2,415,979	240,681	4,550	0	2,661,210
Result from operating activities	214,442	-47,070	-8,030	682	160,024
Investments ¹⁾	256,458	26,996	504	0	283,958
Depreciation and amortization	-156,507	-5,227	-3,408	1,638	-163,504
Share in the result of companies accounted for using the equity method	1,632	0	0	706	2,338
Balance sheet total	2,777,303	408,114	78,694	-311,196	2,952,915
Equity	930,245	-3,765	283,657	-300,864	909,273
Working Capital Employed	375,820	147,770	5,410	2,078	531,078
Net debt	-771,573	-222,519	217,095	1,071	-775,926

2022 EURK	MOTORCYCLES	BICYCLES	OTHER	CONSOLIDATION	TOTAL
Revenues (including revenues within the segments)	2,262,491	171,192	55,496	-51,979	2,437,200
External revenues	2,262,049	171,192	3,959	0	2,437,200
Result from operating activities	240,968	2,458	-8,972	796	235,250
Investments ¹⁾	258,665	11,780	788	-3,707	267,526
Depreciation and amortization	-140,250	-4,005	-3,120	1,517	-145,858
Share in the result of companies accounted for using the equity method	4,172	0	0	822	4,994
Balance sheet total	2,354,682	212,706	258,115	-274,868	2,550,635
Equity	900,624	41,239	233,767	-261,234	914,396
Working Capital Employed	185,872	-6,072	4,133	2,814	186,747
Net debt	-254,720	10,832	-13,675	1,046	-256,517

1) Excluding IFRS 16 (Leases); lease additions amounted to EUR 32,546k in 2023 (previous year: EUR 25,877k)

INFORMATION ABOUT GEOGRAPHICAL AREAS:

Non-current assets (excluding tax claims and financial instruments), broken down by geographical area, are as follows:

EURK	NON-CURRENT ASSETS	
	12/31/2023	12/31/2022
Austria	1,170,384	1,046,841
Europe (excl. Austria)	51,587	37,211
North America incl. Mexico	90,890	89,611
Others	5,597	4,401
TOTAL	1,318,458	1,178,064

The breakdown of sales revenue by geographical area can be found in Note 8 "Revenues".

IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement is prepared according to the cost of sales method.

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	2023	2022
Austria	107,545	119,446
Europe (without Austria)	1,340,260	1,013,850
North America and Mexico	776,022	825,755
Other	437,383	478,149
	2,661,210	2,437,200

Variable forms of consideration such as discounts, sales bonuses, and cash discounts are reported as revenue reductions. Variable consideration obligations are reported as contractual obligations within the meaning of IFRS 15. The contractual obligations for variable considerations in respect of price discounts, sales bonuses and cash discounts amounted to € 61.0 million as of December 31, 2023 (December 31, 2022: € 63.5 million).

As warranties are not sold separately, they only provide assurance that the products being sold meet the agreed specifications. As these warranties do not depart from the statutory warranty obligations or those that are typical of the industry in terms of their duration or their content, they are deemed to be assurance-type implied warranties, which do not constitute a separate performance obligation. Accordingly, the warranties continue to be recognized in accordance with IAS 37.

9. COST OF SALES

The group's cost of sales is made up as follows:

EURK	2023	2022
Cost of materials and purchased services	1,727,180	1,488,845
Personnel expenses	152,082	138,893
Amortization charged to capitalized development costs	68,164	61,024
Depreciation/amortization of property, plant and equipment and other intangible assets	34,329	30,550
Other operating expenses	-4,638	26,566
	1,977,117	1,745,878

Cost of sales includes income from currency translation differences of EUR 22,136k (previous year: expenses of EUR 31,966k).

10. SELLING AND RACING EXPENSES

The group's selling and racing expenses are made up as follows:

EURK	2023	2022
Cost of materials and purchased services	46,120	39,974
Personnel expenses	122,943	110,101
Depreciation/amortization of property, plant and equipment and other intangible assets	13,881	13,047
Other operating expenses	157,516	129,073
Sponsorship money and other operating income	-50,622	-49,395
	289,838	242,800

11. RESEARCH AND DEVELOPMENT EXPENSES

The group's research and development expenses are made up as follows:

EURK	2023	2022
Cost of materials and purchased services	11,016	9,419
Personnel expenses	40,682	33,820
Depreciation/amortization of property, plant and equipment and other intangible assets	8,179	8,159
Other operating expenses	27,617	25,272
Subsidies and other operating income	-33,730	-21,318
	53,764	55,352

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 109,329k (previous year: EUR 91,947k). The research

and development expenses (before capitalizing development costs) were EUR 244,371k (previous year: EUR 213,209k) and therefore 9.2 % (previous year: 8.7 %) of revenue.

12. ADMINISTRATIVE EXPENSES

The group's administrative expenses are made up as follows:

EURK	2023	2022
Cost of materials and purchased services	3,569	3,060
Personnel expenses	71,852	65,336
Depreciation/amortization of property, plant and equipment and other intangible assets	38,951	33,078
Other operating expenses	78,595	66,932
Other operating income	-7,225	-3,506
	185,742	164,900

13. OTHER OPERATING EXPENSES

The other operating expenses total EUR 799k (previous year: EUR 391k) and include bank charges and expenses resulting from the disposal of assets.

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	2023	2022
Income from the disposal of assets	0	137
Consolidation changes	0	2,136
Other remaining income	3,736	104
	3,736	2,377

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	2023	2022
Kiska GmbH	706	822
KTM Asia Motorcycle Manufacturing Inc.	-199	72
China Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.	6,993	4,100
MV Augusta MOTOR SPA	-5,162	0
	2,338	4,994

16. FINANCIAL AND INVESTMENT EARNINGS

The group's financial and investment earnings are made up as follows:

EURK	2023	2022
Interest income	10,669	4,023
Interest expenses	-73,940	-19,313
Other financial and investment income (expenses)	-4,620	-4,057
	-67,891	-19,347

The group's other financial and investment income is made up as follows:

EURK	2023	2022
Foreign exchange valuation of bank deposits	-3,495	-1,676
Foreign currency valuation of given loans	-1,955	441
Cost of hedging	830	-2,483
Valuation interest swap	0	17
Impairment of non-current financial assets	0	-450
Gain / Loss from the disposal of non-consolidated subsidiaries	0	94
	-4,620	-4,057

17. INCOME TAXES

The group's income tax expense and income are attributable to current taxes and deferred taxes as follows:

EURK	2023	2022
Current tax	-12,982	-34,626
Deferred tax	-2,738	-10,654
	-15,720	-45,280

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 24 %. In Austria, a tax reform law was passed in 2022 and provides for a gradual reduction in the corporate income tax rate. The corporate income tax rate will be reduced to 24 % for 2023 and to 23 % from 2024 onwards. Following this tax rate change, deferred taxes were calculated using the respective future tax rate that will

apply at the time of the anticipated reversal of the difference in value. The calculation of foreign income taxes is based on the laws and regulations that are in force or have been adopted in the individual countries. The income tax rates applicable to foreign entities vary from 9.0 % to 37.6 %. A reconciliation between the expected tax expense for the financial year (application of the group tax rate of 24 % to earnings before taxes) and the actual tax expense recognized can be presented as follows:

EURk	2023	2022
Profit before income taxes	92,133	215,903
Expected tax expenses / income	-22,112	-53,976
Non-temporary differences and other tax additions	-1,381	-3,010
Recognition / allowances / utilization of loss carryforwards	-2,764	-1,995
Non-taxable results in consequence of consolidation changes	0	534
Taxes in relation to prior periods	750	-2,608
Effects of foreign tax rates	-839	-286
Earnings from equity holdings	809	1,062
Investment benefits	8,546	5,362
Tax rate changes	1,271	9,696
Miscellaneous	0	-59
	-15,720	-45,280

Global minimum taxation

The group operates in several countries that have enacted new laws to introduce the global minimum tax rate, particularly in Austria, where the group's parent company has its headquarters. The group assumes that it will be subject to the minimum tax rate on its activities in Switzerland and Bulgaria, where the statutory tax rate is below 15 %, and in Singapore, where the tax regime provides for a tax exemption that reduces the effective tax rate of our subsidiary to below 15 %. Since the new tax law in Austria only came into force on January 1, 2024, there are no effects on the actual tax expense for the 2023 financial year.

The group applied the temporary, mandatory exemption to the accounting for deferred tax resulting from the introduction of the global minimum tax regime and recognized it as an actual tax expense/income at the time it occurred.

If minimum taxation had already applied in the 2023 financial year, the profits from the group's activities in Switzerland, Bulgaria and Singapore would be subject to the minimum tax, with the tax due representing an insignificant amount for the group.

18. EARNINGS PER SHARE AND PROPOSAL ON THE APPROPRIATION OF NET PROFIT

Earnings per share in the past 2023 financial year amounted to EUR 2.37 (previous year: EUR 5.03) and are calculated as follows:

	2023	2022
Earnings - owner of parent company (EURk)	80,183	169,921
Total number of shares (units)	33,796,535	33,796,535
Effect of own and new shares (units)	0	0
Weighted average of shares	33,796,535	33,796,535
Undiluted (=diluted) earnings per share (EUR)	2.37	5.03

According to the Austrian Stock Corporation Act, the separate financial statement issued by PIERER Mobility AG in accordance with the Austrian accounting regulations on December 31, 2023 forms the basis for the payment of dividends.

For the 2023 financial year, it is proposed that, from the net profit of PIERER Mobility AG amounting to EUR 162,464k, a dividend of EUR 0.50 per share (equating to EUR 16,898k in total) is paid out and the remaining amount is carried forward. A dividend of EUR 67,593k was paid from the net profit in 2022.

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	2023	2022
Annual audit for each individual company and the consolidated financial statements	635	564
Other assurance services	77	48
Other services	74	56
	786	668

20. EMPLOYEES

Employee numbers as stated include agency and external staff:

Balance as of 1/1/2023	6,088
Changes during the financial year	96
Balance as of 12/31/2023	6,184

As of December 31, 2023, there were 3,553 white-collar employees (previous year: 3,293) and 2,631 manual workers (previous year: 2,795). As of December 31, 2023, 4,970 employees (previous year: 5,008) were employed in Austria and 1,214 employees (previous year: 1,080) were employed abroad. On average, the group employed 6,268 people (previous year: 5,727), of which 3,486 were white-collar employees (previous year: 3,088) and 2,782 manual workers (previous year: 2,639).

During the 2023 financial year, total personnel expenses before the effects of capitalizing development costs were EUR 456,206k (previous year: EUR 406,277k).

V. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

21. GOODWILL

Goodwill is tested for impairment once a year. If the requirements of IAS 36.99 are met, the last detailed calculation of the recoverable amount is used for the assessment of recoverability. If there are indications of impairment in accordance with IAS 36, goodwill is always tested for impairment. The group determines the recoverable amount fundamentally on the basis of the value in use, which represents the present value of the expected future cash flows before tax.

The calculation was made using the following method: The forecast of cash flows is based on financial budgets approved by management and/or forecasting, taking into account the medium-term strategy targets. Estimated cash flows beyond this period are calculated by extrapolation of budget/forecast values, whereby constant further development based on a

growth rate of 1 % is assumed from the third year onwards. The discount rate used was a weighted average cost of capital (WACC) before taxes of 11.1 % (2022: 11.6 %) for "KTM" and 10.4 % (2022: 11.3 %) for "PIERER New Mobility". All other conditions being equal, for the "KTM" cash-generating unit any increase in input tax for WACC to 14.1 % (2022: 18.9 %) or decline in budgeted future EBITs by 20.6 % (2022: 36.6 %) would result in the carrying amount of the CGU corresponding to the recoverable amount. All other conditions being equal, for the "PIERER New Mobility" cash-generating unit any increase in input tax for WACC to 11.6 % (2022: 34.3 %) or decline in budgeted future EBITs by 13.9 % (2022: 68.4 %) would result in the carrying amount of the CGU corresponding to the recoverable amount.

The breakdown of goodwill and its development and division between the respective CGUs is as follows:

EURK	2023	2022
Acquisition and production costs:		
Balance as of 01/01	150,632	150,681
Changes in the scope of consolidation	1,567	0
Currency translation	-474	-49
Balance as of 12/31	151,725	150,632
Accumulated depreciation and amortization:		
Balance as of 01/01	19,977	19,970
Changes in the scope of consolidation	0	0
Currency translation	13	7
Balance as of 12/31	19,990	19,977
Balance as of 12/31	131,735	130,655
KTM	109,766	110,253
PIERER New Mobility	19,457	19,457
Others	2,512	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. Amortization is calculated in accordance with the

straight line method and is based on the following expected useful lives:

USEFUL LIFE	IN YEARS
Software	3 - 5
Intangible assets generated internally	5

For intangible assets generated internally, the production period is subdivided into research, development and model update phases. Costs incurred during the research and model update phases are immediately recognized in profit and loss. Capitalized development costs that can be clearly attributed to projects are amortized from the commencement of series production. In the 2023 financial year, development costs of EUR 156,877k (previous year: EUR 136,539k) were capitalized and a total of EUR 68,164k (previous year: EUR 61,024k) were amortized. As of December 31, 2023, development costs with a carrying amount of EUR 506,666k (previous year: EUR 420,572k) are included in intangible assets.

Intangible assets of indeterminate useful life, such as the "KTM", "GASGAS", "MV AGUSTA" and "JOHANSSON" brands, which were mostly recognized in the course of the initial purchase price allocation at a value of EUR 61,103k, EUR 13,346k, EUR 20,165k, and EUR 1,300k, respectively, are not amortized but are instead subjected to an impairment test in accordance with IAS 36 and

miscellaneous necessary impairment losses are recognized in profit or loss. The Executive Board assumes an indeterminate useful life for the three brands because the rights are not subject to any restrictions in respect of time, in law or by contract in the relevant markets and because the enduring public awareness of the brands indicates that there has been no loss of economic value.

Following the strategic decision to sell the "FELT" brand on December 5, 2023, it was valued in accordance with the rules of IFRS 5 and the corresponding disposal of EUR 3,700k was posted in the statement of assets below. The "KTM", "GASGAS" and "MV Agusta" brands are allocated to the "KTM" cash-generating unit, and the "JOHANSSON" brand or, in the previous year, the "FELT" brand is allocated to the "PIERER New Mobility" cash-generating unit. As the brands do not generate cash inflows that are largely independent of the cash inflows from other assets, the impairment test is performed as part of the impairment tests of the respective "KTM" and "PIERER New Mobility" goodwill (see Note 21. "Goodwill").

The tables below provide a breakdown of intangible assets along with movements during the 2023 and 2022 financial years:

EURK	CONCESSIONS, INDUSTRIAL PROPERTY RIGHTS AND SIMILAR RIGHTS AND BENEFITS AS WELL AS RESULTING LICENSES	CUSTOMERS, BRAND VALUES, DEVELOPMENT COST	ADVANCE PAYMENTS	TOTAL
Acquisition and production costs:				
Balance as of 01/01/2023	90,640	675,834	14,561	781,035
Additions	9,081	158,177	22,241	189,499
Disposals	-1,240	-66,193	-146	-67,579
Changes in the scope of consolidation	0	0	0	0
Currency translation	-34	-7	0	-41
Transfers	3,219	0	-3,043	176
Balance as of 12/31/2023	101,666	767,811	33,613	903,090
Accumulated depreciation and amortization:				
Balance as of 01/01/2023	62,059	148,620	0	210,679
Additions	13,968	69,864	0	83,832
Disposals	-909	-59,462	0	-60,371
Changes in the scope of consolidation	0	0	0	0
Currency translation	-15	-2	0	-17
Transfers	0	0	0	0
Balance as of 12/31/2023	75,103	159,020	0	234,123
Carrying amount:				
Balance as of 12/31/2023	26,563	608,791	33,613	668,967
Balance as of 12/31/2022	28,581	527,214	14,561	570,356

EURK	CONCESSIONS, INDUSTRIAL PROPERTY RIGHTS AND SIMILAR RIGHTS AND BENEFITS AS WELL AS RESULTING LICENSES	CUSTOMERS, BRAND VALUES, DEVELOPMENT COST	ADVANCE PAYMENTS	TOTAL
Acquisition and production costs:				
Balance as of 01/01/2022	82,567	615,768	3,473	701,808
Additions	11,693	156,705	12,175	180,573
Disposals	-5,103	-96,649	0	-101,752
Changes in the scope of consolidation	0	0	0	0
Currency translation	67	0	0	67
Transfers	1,416	10	-1,087	339
Balance as of 12/31/2022	90,640	675,834	14,561	781,035
Accumulated depreciation and amortization:				
Balance as of 01/01/2022	54,498	173,749	0	228,247
Additions	12,305	62,705	0	75,010
Disposals	-4,751	-87,849	0	-92,600
Changes in the scope of consolidation	0	0	0	0
Currency translation	22	0	0	22
Transfers	-15	15	0	0
Balance as of 12/31/2022	62,059	148,620	0	210,679
Carrying amount:				
Balance as of 12/31/2022	28,581	527,214	14,561	570,356
Balance as of 12/31/2021	28,069	442,019	3,473	473,561

In the current financial year, development costs of an asset not available for use amounting to EUR 2,625k (previous year: EUR 8,798k) were derecognized due to the termination of the project.

In the consolidated statement of cash flows, an adjustment of EUR 33,381k (previous year: EUR -17,011k) was made to additions to intangible assets to reflect transactions that had no cash flow effect.

Government grants for capitalized development costs, which are mainly subsidies for development services, are recognized over the expected useful life of the development costs in accordance with IAS 20. The net presentation in accordance with IAS 20 is applied, i.e. grants for non-current assets are deducted from the carrying amount of the asset in the consolidated statement of financial position. This relates to carrying amounts of EUR 23,724k in the 2023 financial year (previous year: EUR 17,828k).

23. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less depreciation. Depreciation is calculated in accordance with the straight line method and is based on the following expected useful lives:

USEFUL LIFE	IN YEARS
Buildings	10 - 50
Technical plant and machinery	2 - 10
Fixtures and fittings, tools and equipment	3 - 8

For the rights of use reported under property, plant and equipment from January 1, 2019 (IFRS 16), the useful life is between 3 and 10 years.

The tables below provide a breakdown of property, plant and equipment along with movements during the 2023 and 2022 financial years:

EURK	REAL ESTATE	BUILDINGS	TECHNICAL PLANT AND MACHINERY	OPERATIONAL AND BUSINESS EQUIPMENT	ADVANCE PAYMENTS AND INVESTMENTS IN CONSTRUCTION	TOTAL
Acquisition and production costs:						
Balance as of 01/01/2023	49,328	323,605	304,099	172,244	21,456	870,732
Additions	3,884	33,632	44,204	34,975	10,310	127,005
Disposals	0	-7,374	-19,216	-15,976	-409	-42,975
Changes in the scope of consolidation	0	0	0	116	0	116
Currency translation	-481	-1,861	-5	-1,064	-53	-3,464
Transfers	0	3,509	7,545	1,429	-12,675	-192
Balance as of 12/31/2023	52,731	351,511	336,627	191,724	18,629	951,222
Accumulated depreciation and amortization:						
Balance as of 01/01/2023	781	94,959	220,475	110,805	0	427,020
Additions	252	20,208	32,714	26,498	0	79,672
Disposals	0	-5,176	-18,799	-14,460	0	-38,435
Changes in the scope of consolidation	0	0	0	74	0	74
Currency translation	-1	-411	-1	-582	0	-995
Transfers	0	0	0	0	0	0
Balance as of 12/31/2023	1,032	109,580	234,389	122,335	0	467,336
Carrying amount:						
Balance as of 12/31/2023	51,699	241,931	102,238	69,389	18,629	483,886
Balance as of 12/31/2022	48,547	228,646	83,624	61,439	21,456	443,712

EURK	REAL ESTATE	BUILDINGS	TECHNICAL PLANT AND MACHINERY	OPERATIONAL AND BUSINESS EQUIPMENT	ADVANCE PAYMENTS AND INVESTMENTS IN CONSTRUCTION	Total
Acquisition and production costs:						
Balance as of 01/01/2022	32,738	266,620	301,822	145,623	9,009	755,812
Additions	2,867	28,487	27,349	33,539	20,588	112,830
Disposals	0	-2,411	-31,708	-8,174	-2	-42,295
Changes in the scope of consolidation	13,715	0	0	0	29,038	42,753
Currency translation	8	993	-1	998	-1	1,997
Transfers	0	29,916	6,637	258	-37,176	-365
Balance as of 12/31/2022	49,328	323,605	304,099	172,244	21,456	870,732
Accumulated depreciation and amortization:						
Balance as of 01/01/2022	550	77,775	221,456	94,701	0	394,482
Additions	230	17,758	29,519	23,341	0	70,848
Disposals	0	-1,132	-30,514	-7,882	0	-39,528
Changes in the scope of consolidation	0	0	0	0	0	0
Currency translation	1	558	-1	682	0	1,240
Transfers	0	0	15	-37	0	-22
Balance as of 12/31/2022	781	94,959	220,475	110,805	0	427,020
Carrying amount:						
Balance as of 12/31/2022	48,547	228,646	83,624	61,439	21,456	443,712
Balance as of 12/31/2021	32,188	188,845	80,366	50,922	9,009	361,330

Property, plant and equipment additions include investments amounting to EUR 32,546k (previous year: EUR 25,877k) as additions from leases, which had no cash flow effect as of the reporting date. For more details, please refer to Note 47, "Leases as lessee". In the consolidated statement of cash flows, an adjustment of EUR -4,389k (previous year: EUR -3,996k) was made to additions to other property, plant and equipment to reflect transactions that had no cash flow effect.

As of the reporting date, property, plant and equipment amounting to EUR 103,500k (previous year: EUR 42,000k) was secured by

registered and deposited pledge agreements, primarily for liabilities owed to credit institutions. The increase is due to the collateralization of investment loans and operating funds of PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria.

Investment grants for property, plant and equipment are recognized over the expected useful life of the assets in accordance with IAS 20. The net presentation in accordance with IAS 20 is applied, i.e. grants for non-current assets are deducted from the carrying amount of the asset in the consolidated statement of financial position.

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The companies accounted for using the equity method are associated companies and not joint ventures. The investments in associates accounted for under the equity method are regarded individually as immaterial. As of December 31, 2023, the investments accounted for using the equity method are Kiska GmbH, KTM Asia Motorcycle Manufacturing Inc., CFMOTO-KTMR2R Motorcycles Co., Ltd., and MV Agusta Motor S.p.A. The changes to companies accounted for using the equity method are detailed in Note 7. "Changes in the scope of consolidation".

Kiska GmbH is a design business that provides development and design services. The reporting date of Kiska GmbH is March 31, which was determined prior to the acquisition of the investment. A change in the end of the reporting period is not sought on account of materiality considerations. For the purposes of accounting under the equity method, unaudited interim financial statements as of December 31 were used. PIERER Mobility AG holds 50 % of the company.

KTM Asia Motorcycle Manufacturing Inc. was jointly founded in June 2016 in partnership with Ayala Corp. The company began the CKD (completely knocked down) assembly of KTM motorcycles in the Philippines in mid-2017. The KTM group's equity holding was increased from 34 % to 40 % in the 2021 financial year.

The KTM joint venture in China conducted in partnership with

CFMOTO was established in the 2018 financial year under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.". The company began operation in the 2021 financial year. Mid-class motorcycles are produced in Hangzhou, China. In the 2023 financial year, the KTM Group stepped up its cooperation with CFMOTO and expanded production in a joint venture. The KTM group has an equity holding of 49 % of the company.

In the 2022 financial year, a cooperation agreement was entered into with the Italian motorcycle manufacturer MV Agusta. Under this agreement, KTM has taken over the global sales, marketing and customer support for the MV Agusta motorcycle range since the 2023 financial year. In addition, KTM AG supports MV Agusta in the supply chain through MV Agusta Services S.r.l. and carries out purchasing on its behalf. As part of this cooperation agreement, KTM AG acquired 25.1 % of the shares in MV Agusta Motor S.p.A., with registered office in Varese, Italy, as of November 15, 2022. Furthermore, the Executive Board of the KTM Group has taken the strategic decision to exercise the call option granted to the KTM Group under the cooperation agreement to acquire a further 25.0 % stake in MV Agusta S.p.A. in spring 2026.

With effect from April 1, 2023, KTM AG sold its 23 % stake in Vöcklabrucker Metallgiesserei Dambauer GmbH, based in Vöcklabruck, which it acquired in the previous year, to PB Invest GmbH, Wels, at the carrying amount of the shares.

Movements in the carrying amounts of the financial assets accounted for using the equity method were as follows in the financial year:

EURK	2023	2022
Book value of investments on 1/1	33,341	13,562
Acquisition of holdings	0	16,012
Sale of shares	-946	0
Proportionate net income (minus eliminations of intercompany profits)	2,338	4,994
Other eliminations of intercompany profits	1,131	0
Other results	-1,051	-255
Dividend	-943	-972
Book value of investments on 12/31	33,870	33,341

25. DEFERRED TAX ASSETS

Deferred tax relating to tax loss carryforwards are recognized insofar as they can be realized within a reasonable period. Deferred tax assets and deferred tax liabilities are reported on a net basis if they are subject to the same tax jurisdiction and are of a similar duration. Deferred tax liabilities are recognised for differences between the

tax base of fully consolidated investments or investments accounted for using the equity method and the corresponding Group equity, except to the extent that the Group is unable to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Total deferred tax assets and liabilities were calculated from the following statement of financial position items:

EURK	12/31/2023	12/31/2022
Deferred tax assets:		
Current assets:		
Inventories	11,709	9,800
Non-current assets:		
Fixed assets	61	140
Employee benefits	2,888	2,544
Provisions	259	1,620
Liabilities	15,172	8,504
	30,089	22,608
Offsetting	-40,123	-10,573
Loss carryforwards	19,968	1,747
	9,934	13,782
Deferred tax liabilities:		
Currents assets	-2,034	-1,854
Non-current assets	-158,754	-133,130
Other	0	-17
	-160,788	-135,001
Offsetting	40,123	10,573
	-120,665	-124,428

Deferred tax assets in relation to non-current assets include EUR 396k (previous year: EUR 751k) in relation to the remaining sevenths of write-downs of equity holdings to going concern value pursuant to Section 12 (3) (2) of the Austrian Corporate Tax Act (KStG).

The temporary differences in deferred tax liabilities in the "Non-current assets" item result mainly from development costs that

cannot be capitalized for tax purposes and from quasi-permanent differences due to the recognition of the "KTM" brand as an asset.

As of December 31, 2023 (and in the previous year), it was to be assumed either that, under current tax regulations, the differences between the value for tax purposes of the carrying amount of investments in consolidated subsidiaries and the proportion of

equity recognized in the consolidated IFRS financial statements (outside-basis differences), which arise largely from retained profits/ uncovered losses, will remain untaxed in the foreseeable future, or that their reversal can be controlled by the group. It was also to be assumed either that the differences between the value for tax purposes of the carrying amount of investments accounted for using the equity method and the carrying value of those holdings

(outside-basis differences) will remain untaxed in the foreseeable future, or that their reversal can be controlled by the group.

In accordance with IAS 12.39, no deferred tax was recognized in connection with the taxable temporary differences of EUR 5,068k (previous year: EUR 4,710k) arising in connection with holdings in subsidiaries and investments accounted for using the equity method.

Movements in deferred taxes in the financial year were as follows:

EURK	2023	2022
Deferred tax (net) at 1/1	-110,646	-90,360
Change in scope of consolidation	0	-3,860
Deferred taxes recognized in the income statement	-2,738	-10,654
Deferred taxes recognized in other comprehensive income	2,452	-5,281
Deferred taxes recognized in equity	92	7
Deferred taxes from reclassification recognised directly in equity (previous year)	62	-491
Foreign currency	47	-7
Deferred tax (net) at 12/31	-110,731	-110,646

The tax loss carryforwards existing and capitalized in the PIERER Mobility Group can be summarized as follows:

EURK	LOSS CARRYFORWARD 12/31/2023	THEREOF NOT RECOGNIZED 12/31/2023	REMAINING LOSS CARRYFORWARD 12/31/2023	DEFERRED TAX ASSET 12/31/2023
PIERER Mobility AG	85,202	-85,202	0	0
PIERER E-Commerce GmbH	11,506	-11,506	0	0
Other	86,817	0	86,817	19,968
	183,525	-96,708	86,817	19,968

EURK	LOSS CARRYFORWARD 12/31/2022	THEREOF NOT RECOGNIZED 12/31/2022	REMAINING LOSS CARRYFORWARD 12/31/2022	DEFERRED TAX ASSET 12/31/2022
PIERER Mobility AG	74,320	-74,320	0	0
PIERER E-Commerce GmbH	11,507	-11,507	0	0
Other	7,280	0	7,280	1,747
	93,107	-85,827	7,280	1,747

The deferred tax assets of other companies in the amount of EUR 0k (previous year: EUR 546k) relate to a future tax benefit from the liquidation loss of WP Suspension B.V. and were liquidated in the current year. Deferred tax assets of EUR 19,968k were recorded for loss carryforwards of the KTM AG Group (previous year: EUR 1,201k).

Deductible temporary differences and unused tax losses (including outstanding sevenths of write-downs to going concern value) for which deferred tax assets were not capitalized amount to EUR 96,708k (previous year: EUR 85,956k).

The tax loss in Austria can be carried forward indefinitely.

26. OTHER NON-CURRENT ASSETS

EURK	12/31/2023	12/31/2022
Receivables from financing activities	2,597	647
Lease receivables from subleases	515	511
Other	2,324	2,841
	5,436	3,999

Other non-current assets mainly include deposits and prepayments to suppliers.

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	12/31/2023	12/31/2022
Raw materials, auxiliary materials and operating materials	174,633	163,275
Unfinished products	35,754	83,819
Finished products and goods	646,868	406,834
	857,255	653,928

EURK	12/31/2023	12/31/2022
Gross inventory level	909,411	681,654
- Allowances	-52,156	-27,726
Net inventory level	857,255	653,928

The carrying amount of inventories recognized at the lower net realizable value amounts to EUR 108,002k (previous year: EUR 105,200k).

28. TRADE RECEIVABLES

The gross value of third-party trade receivables is stated net of individual value adjustments of EUR 7,406k (previous year: EUR 5,049k).

Movements in allowances on receivables were as follows:

EURK	TRADE RECEIVABLES
Balance as of 01/01/2022	4,060
Currency translation	35
Additions to specific valuation allowance	1,848
Additions to expected loss allowance	87
Utilization	-8
Reversals to expected loss allowance	0
Reversals	-973
Balance as of 12/31/2022 = 01/01/2023	5,049
Currency translation	-94
Additions to specific valuation allowance	3,430
Additions to expected loss allowance	111
Utilization	-305
Reversals to expected loss allowance	0
Reversals	-785
Balance as of 12/31/2023	7,406

Expenses for the complete derecognition of trade receivables amounted to EUR 112k (previous year: EUR 149k).

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	12/31/2023	12/31/2022
Receivables from derivative financial instruments	15,666	35,800
Asset backed securities (ABS) financing / Factoring financing	22,733	22,216
Receivables from related company shareholders	53	3,012
Other	12,403	5,338
Other current financial assets	50,855	66,366
Subsidies	26,288	19,940
Receivables due from tax offices	24,441	3,655
Receivables from value added taxes (from tax group settlement with Pierer Industrie AG)	8,583	9,784
Advance payments on inventory and other prepayments	35,782	37,832
Other	138	39
Other current non-financial assets	95,232	71,250
Other current assets	146,087	137,616

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 350,000k (previous year: EUR 250,000k), and under the factoring

program maintained at PIERER New Mobility up to a maximum volume of EUR 125,000k (previous year: EUR 125,000k). Further information on the ABS and factoring program can be found under Note 43 "Classification and fair values".

30. NON-CURRENT ASSETS HELD FOR SALE

In a press release dated December 5, 2023, the Executive Board committed itself to the strategic decision that was made to sell the previously held "FELT" brand in the 2024 financial year. The search for a buyer had already been completed at the time this report was compiled, but work on the contract is still ongoing.

As part of this, the "FELT" brand was firstly assessed on the reporting date with its fair value of EUR 3,700k (previous carrying amount: EUR 3,706k). In addition, other intangible assets were fully written off (previous carrying amount: EUR 747k).

31. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and in banks, checks, and time deposits with a fixed term of not more than three months (calculated from the acquisition date). For further details

on changes in the cash status, please refer to the information in the statement of cash flows in Chapter VI of the Notes to the Consolidated Financial Statements.

32. CONSOLIDATED EQUITY

The development of the consolidated equity in the 2023 financial year and in the 2022 financial year is shown in Annex I/7.

The **share capital** of the company is EUR 33,796,535 and is divided into 33,796,535 bearer shares of no par value, each of which represents an equal equity holding in the share capital. The shares grant the customary rights due to stockholders under the Austrian Stock Corporation Act. These include the right to payout of the dividends resolved upon at the Annual General Meeting as well as the right to vote at the Annual General Meeting. All 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.

The reserve in accordance with IFRS 9 includes the **cash flow hedge**

reserve. The cash flow hedge reserve comprises the effective portion of the cumulative net changes in the fair value of hedging instruments used to hedge cash flows until subsequent recognition in profit or loss or direct recognition in the costs of acquisition or carrying amount of a non-financial asset or a non-financial liability.

The **reserve for hedging costs** shows profits and losses on the portion excluded from the designated hedging transaction that relates to the forward element of the forward currency transaction. These are initially recognized as other comprehensive income and accounted for in the same way as profit and losses in the hedging transaction.

The development of the cash flow hedge reserve and the reserve for hedging costs is explained in Note 45 "Hedges".

The **interests held by non-controlling shareholders** include the interests of third parties in the equity of the consolidated subsidiaries:

2023 EURK	KTM AG	OTHER	TOTAL
Percentage of non-controlling interests on reporting date	0.00%		
Revenue	2,657,157	4,053	2,661,210
Profit	94,249	-17,836	76,413
Other comprehensive income	-13,080	-50	-13,130
Total comprehensive income	81,169	-17,886	63,283
Profit assigned to non-controlling interests	-4,612	842	-3,770
Other comprehensive income assigned to non-controlling interests	-4,612	842	-3,770
Non-current assets	1,268,966	64,862	1,333,828
Current assets	1,547,203	71,884	1,619,087
Non-current liabilities	-1,081,711	-48,287	-1,129,998
Current liabilities	-894,346	-19,298	-913,644
Net assets	840,112	69,161	909,273
Carrying amount of non-controlling interests	3,690	1,322	5,012
Cash flow from operating activities	-102,840	-8,011	-110,851
Cash flow from investing activity	-308,158	6,018	-302,140
Cash flow from financing activity	384,256	14,406	398,662
Cash change	-26,742	12,413	-14,329
Dividends from non-controlling interests	500	0	500

2022 EURK	KTM AG	OTHER	TOTAL
Percentage of non-controlling interests on reporting date	0.00%		
Revenue	2,433,260	3,940	2,437,200
Profit	180,493	-9,870	170,623
Other comprehensive income	17,405	0	17,405
Total comprehensive income	197,898	-9,870	188,028
Profit assigned to non-controlling interests	695	7	702
Other comprehensive income assigned to non-controlling interests	695	7	702
Non-current assets	1,157,629	38,216	1,195,845
Current assets	1,331,019	23,771	1,354,790
Non-current liabilities	-593,621	-31,988	-625,609
Current liabilities	-1,006,410	-4,220	-1,010,630
Net assets	888,617	25,779	914,396
Carrying amount of non-controlling interests	6,434	227	6,661
Cash flow from operating activities	290,323	-9,988	280,335
Cash flow from investing activity	-283,631	506	-283,125
Cash flow from financing activity	-92,102	807	-91,295
Cash change	-85,410	-8,675	-94,085
Dividends from non-controlling interests	500	0	500

The non-controlling interests of KTM AG include non-controlling interests of subsidiaries of KTM AG and relate to the companies CERO Design Studio S.L., KTM MOTOHALL GmbH, MV Agusta Motorcycles GmbH, and PIERER & MAXCOM MOBILITY OOD. In the 2022 and 2023 financial year, there was a capital increase in PIERER

& MAXCOM MOBILITY OOD. The minority shareholder's share of the capital increase amounting to EUR 2,556k in each case is shown in the equity reconciliation. 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	12/31/2023	12/31/2022
Carrying amount acquired (-) or disposed of (+) for non-controlling interests	0	1,506
Purchase price received from (+) or paid (-) to non-controlling shareholders	214	-4,804
Difference recorded in equity	214	-3,298

In the previous year, PIERER Mobility AG acquired the remaining shares in KTM AG and now holds 100 % of the company.

Movements in **other earnings** after tax within consolidated equity were as follows:

EURK	PROVISION AS PER IFRS 9	RESERVES INCLUDING TOTAL EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL	INTERESTS NON- CONTROLLING SHAREHOLDERS	TOTAL CONSOLIDATED EQUITY
2023						
Currency translation differences	0	0	-5,246	-5,246	0	-5,246
Cash flow hedge	-7,511	0	0	-7,511	0	-7,511
Revaluation of net debt from defined benefit plans	0	-373	0	-373	0	-373
	-7,511	-373	-5,246	-13,130	0	-13,130
2022						
Currency translation differences	0	0	1,429	1,429	0	1,429
Cash flow hedge	14,909	0	0	14,909	0	14,909
Revaluation of net debt from defined benefit plans	0	1,067	0	1,067	0	1,067
	14,909	1,067	1,429	17,405	0	17,405

33. FINANCIAL LIABILITIES

EURK	12/31/2023 NOMINAL	12/31/2023 CARRYING AMOUNT	12/31/2023 TERM < 1 YEAR	12/31/2023 TERM > 1 YEAR
Promissory note loans	495,000	493,680	0	493,680
Registered bond	110,000	109,630	0	109,630
Liabilities owed to credit institutions	335,820	335,820	29,892	305,928
Liabilities from factoring program between group companies	5,373	5,373	5,373	0
Liabilities from supplier finance program between group companies	4,904	4,904	4,904	0
Lease liabilities	73,282	73,282	19,671	53,611
Other interest-bearing liabilities	12,209	12,209	12,209	0
Total financial liabilities	1,036,588	1,034,898	72,049	962,849

EURK	12/31/2022 NOMINAL	12/31/2022 CARRYING AMOUNT	12/31/2022 TERM < 1 YEAR	12/31/2022 TERM > 1 YEAR
Promissory note loans	219,000	218,754	24,000	194,754
Registered bond	60,000	59,591	0	59,591
Liabilities owed to credit institutions	182,789	182,789	24,611	158,178
Liabilities from factoring program between group companies	0	0	0	0
Liabilities from supplier finance program between group companies	3,394	3,394	3,394	0
Lease liabilities	67,890	67,890	21,793	46,097
Other interest-bearing liabilities	2,837	2,837	2,837	0
Total financial liabilities	535,910	535,255	76,635	458,620

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 24,000k of the promissory note loan issued in 2016 was repaid (in previous years repayment of EUR 36,000k). In October 2023, the KTM Group placed another promissory note loan with an issuing volume of EUR 300,000k and a term of four, seven, ten and eleven years.

In May 2021, KTM AG issued registered bonds with a term of 12 years amounting to EUR 30,000k. Furthermore, PIERER Mobility AG previously issued a registered bond amounting to EUR 30,000k with a term of 10 years in July 2015. In December 2023, KTM AG issued another 14-year registered bond with a value of EUR 50,000k (also equivalent to nominal value).

34. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of obligations relating to severance pay and anniversary bonuses:

EURK	12/31/2023	12/31/2022
Severance payments	20,548	19,548
Anniversary bonuses	7,419	6,606
	27,967	26,154

The PIERER Mobility Group is obligated by law to make a severance payment to all employees in Austria whose employment relationship commenced before January 1, 2003 upon termination by the employer or upon retirement. The amount of this defined benefit obligation (DBO) is dependent on the number of years of service and on the relevant salary at the time of termination. For all employees in Austria who joined after December 31, 2002, the company pays 1.53 % of their gross monthly salary each month into a staff severance pay fund that invests the contributions in an account maintained for the employee; at the end of the employment

relationship, the amount thus accumulated is paid out or the claim thereto is passed on. The company's obligation extends only to the payment of the contributions, which are recognized as expenses in the financial year for which they were paid (defined-contribution obligation). For employees of Austrian group companies whose employment commenced on or after January 1, 2003, contributions amounting to 1.53 % of their wages or salaries, as the case may be, were paid into a statutory staff severance pay fund. Total contributions of EUR 3,595k were paid during the past financial year (previous year: EUR 2,959k).

Movements in the net liability under the defined benefit plans in respect of **severance pay** were as follows during the financial year:

EURK	12/31/2023	12/31/2022
Conditional benefit:		
Balance as of 01/01	19,548	21,202
Service cost	509	636
Interest expenses	793	240
Payments made	-861	-922
Actuarial gain / loss	485	-1,606
Miscellaneous	74	-2
Balance as of 12/31	20,548	19,548

The weighted durations of the severance payment obligations as of December 31, 2023 were 10 years (previous year: 11 years).

The actuarial profit/loss is made up of the following factors:

EURK	12/31/2023	12/31/2022
Change in expected values	248	2,408
Change in demographic assumptions	2	-68
Change in financial assumptions	309	-3,946
Actuarial gain / loss	559	-1,606

The measurement of the obligation is based on the following assumptions:

	12/31/2023	12/31/2022
Discount rate	3.51%	4.17%
Wage / salary trend	3.50%	4.00%
Retirement age (years) women/men	65 years	65 years

The discount rate was determined taking into account the average duration and average remaining life expectancy. The discount rate is the market yield on high quality, fixed-interest corporate bonds at the end of the reporting period. Staff turnover is determined on

a company-specific basis and takes account of age and length of service. The actuarial measurements are based on country-specific mortality tables. The chosen retirement age is the statutory retirement age in each country.

A change (+/- 0.5 percentage points) in the “discount rate” and “wage/salary trend” parameters would have had the following effects on the present value of future payments as of December 31, 2023:

PARAMETER	CHANGE -0,50%	CHANGE +0,50%
Discount rate	4.9%	-4.5%
Wage / salary trend	-4.6%	4.9%

A change (+/- 0.5 percentage points) in the “discount rate” and “wage/salary trend” parameters would have had the following effects on the present value of future payments as of December 31, 2022:

PARAMETER	CHANGE -0,50%	CHANGE +0,50%
Discount rate	5.3%	-4.9%
Wage / salary trend	-4.9%	5.3%

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	12/31/2023	12/31/2022
Balance as of 01/01	6,606	7,561
Service cost	601	753
Interest expenses	288	91
Payments made	-160	-103
Actuarial gain / loss	84	-1,696
Miscellaneous	0	0
Balance as of 12/31	7,419	6,606

35. OTHER CURRENT AND NON-CURRENT LIABILITIES AND TRADE PAYABLES

Other **non-current** liabilities essentially comprise the following:

EURK	12/31/2023	12/31/2022
Deposits	10,881	11,611
Options on non-controlling interests	5,816	3,396
Other financial liabilities	3	0
Other non-current financial liabilities	16,700	15,007
Other non-current non-financial liabilities	1,817	1,400
Other non-current liabilities	18,517	16,407

The options on non-controlling interests result from PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria. They are based on the

contract concluded. As a result, they are reclassified between equity and financial liabilities with no effect on income.

Other **current** liabilities essentially comprise the following:

EURK	12/31/2023	12/31/2022
Sales bonuses	54,230	57,059
Price rebates	6,726	6,417
Liabilities from derivative financial instruments	2,590	333
Other financial liabilities	9,342	9,126
Other current financial liabilities	72,888	72,935
Employee benefits	49,117	52,876
Prepayments	5,178	8,215
Tax liabilities	10,049	13,120
Other non-financial liabilities	3,690	6
Other current non-financial liabilities	68,034	74,217
Other current liabilities	140,922	147,152

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, 2023, trade payables amounting to EUR 349,065k (previous year: EUR 350,236k) are covered by this supplier finance program. This is 51.6 % (previous year: 47.5 %) of total trade payables as of the reporting date amounting to EUR 676,978k (previous year: EUR 737,602k).

In addition to suppliers outside the group, such a program was also concluded between Austrian companies in the PIERER Mobility Group. From the point of view of the PIERER Mobility Group, no exchange of services took place; 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, 2023, the relationships between group companies of EUR 4,904k (previous year: EUR 3,394k) were presented as current financial liabilities in the consolidated financial statements of PIERER Mobility AG.

36. 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 1/1/2023	ADDITIONS	DISOLUTIONS	UTILIZATION	BALANCE AS OF 12/31/2023
Current provisions					
Provisions for guarantee and warranty	20,947	20,523	0	-20,947	20,523
Provisions for legal actions	757	0	442	0	1,199
Other provisions	22,333	241	-1,956	-20,470	149
	44,037	20,764	-1,514	-41,417	21,871

Provisions relating to guarantees and warranties largely relate to risks arising from statutory and voluntary product liability. Other provisions mainly include provisions for outstanding investments. Provisions

are measured on the basis of past experience and forward-looking assumptions.

VI. NOTES ON THE STATEMENT OF CASH FLOWS

The changes in the statement of financial position items presented in the statement of cash flows cannot be derived directly from the statement of financial position, as non-cash effects are neutralized. Other non-cash expenses (income) mainly include valuations of foreign-currency receivables and liabilities, write-downs of receivables and inventories, and non-cash income from grants. The

effects associated with changes in the scope of consolidation have been eliminated and are accounted for in cash flow from investing activity.

The changes in the recognized financial liabilities and the amounts disclosed in the statement of cash flows can be reconciled as follows:

EURK	BALANCE AS OF 1/1/2023	CHANGES AFFECTING CASH FLOW	CHANGES NOT AFFECTING CASH FLOW					CARRYING AMOUNT 12/31/2023
			Acquisition	Reclassification	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	54,842	-14,604	0	7,708	0	0	4,432	52,378
Non-current financial liabilities	412,523	504,175	0	-7,708	0	248	0	909,238
Current lease liabilities	21,793	-25,158	0	23,036	0	0	0	19,671
Non-current lease liabilities	46,097	0	30,650	-23,036	0	0	-100	53,611
Total	535,255	464,413	30,650	0	0	248	4,332	1,034,898

EURK	BALANCE AS OF 1/1/2022	CHANGES AFFECTING CASH FLOW	CHANGES NOT AFFECTING CASH FLOW					CARRYING AMOUNT 12/31/2022
			Acquisition	Reclassification	Scope of consolidation changes	Transaction costs	Accrued interest, foreign exchange effect	
Current financial liabilities	36,939	-31,336	0	48,631	600	0	8	54,842
Non-current financial liabilities	461,005	0	0	-48,631	0	149	0	412,523
Current lease liabilities	19,908	-23,414	0	25,299	0	0	0	21,793
Non-current lease liabilities	45,534	0	25,662	-25,299	0	0	200	46,097
Total	563,386	-54,750	25,662	0	600	149	208	535,255

VII. RISK REPORT

37. RISK MANAGEMENT

As a group of companies conducting business on a global scale, the PIERER Mobility Group faces a multitude of possible risks that are monitored by means of a comprehensive risk management system. The Executive Board and Supervisory Board are periodically informed about risks that may have a major impact on the group's business operations. Management takes timely action to avoid, minimize and hedge risks.

An internal control system adapted to the company's needs and incorporating basic principles such as segregation of duties and dual control has been integrated into the financial reporting process. Internal and external audits ensure that the processes are continually improved and optimized. Furthermore, a uniform reporting system is in place throughout the group, for the ongoing management and control of the risk management process. Group reporting is subject to a continuous improvement process so that the Executive Board is informed even sooner, and more comprehensively, about the degree to which targets have been achieved and about changes in the market and competition.

Continuous growth depends on a variety of factors, such as demand behavior, product development, changes in foreign exchange rates, the general economic setting in the individual sales markets, prices of goods purchased from others, or talent management. Increased market research activities and a model policy reflecting the resulting findings are the means of responding to a market environment characterized by rapidly changing situations.

In order to prevent risks associated with fraud, corruption, and bribery, employees are obliged to behave in accordance with the principles defined in the Code of Conduct. The code is binding for all employees, managers, and board members as well as for

consultants, business partners, and customers of the PIERER Mobility Group. Since the 2021 financial year, the Code of Conduct has been an annex and thus an integral part of existing dealer agreements. Since the beginning of 2020, this has already been the case with new dealer agreements and also with new contractual relationships in the supply sector.

In order to counteract negative macroeconomic and geopolitical effects, PIERER Mobility promotes global diversification of the sales markets. The greatest relative growth in the coming years is expected in Asia. In order to promote this growth, intensive cooperation with our strategic partner Bajaj is being continuously expanded. In addition, investments have been made in production sites with local partners in China and the Philippines. The Russian-Ukrainian war in particular is having a negative impact on the global economy. In business terms, the PIERER Mobility Group is not directly affected by the military conflict that is taking place in Ukraine. Indirectly, the group, along with the whole industry, is confronted primarily by further increases in energy and raw material costs and negative effects on the capital markets.

The earnings position of PIERER Mobility AG (as an individual company) is characterized by expenses associated with financing, the acquisition of equity holdings and expenses for projects, and is significantly dependent on the dividend policy of its investees. The investment in the KTM Group is currently the largest and most significant investment of PIERER Mobility AG.

In accordance with the requirements of Section 243(c) of the Austrian Commercial Code, a corporate governance report has been drawn up. In this regard, we refer to the publication in the annual report of PIERER Mobility AG or to the website of PIERER Mobility AG.

38. MARKET RISKS

CYCLICAL RISK

The PIERER Mobility Group operates in the motorcycle and bicycle industry. Sales opportunities are determined by the general economic situation in the countries and regions in which the PIERER Mobility Group is represented with its products.

As recent years have shown, the motorcycle sector in particular is cyclical and subject to large fluctuations regarding demand. The

increase in inflation is affecting the market and therefore demand, and this development will continue over the coming year and could have a negative impact on the market. This risk is counteracted by our experience in this area, together with market research and forecasting, which are taken into account in the planning. With changes in mobility behavior, high rates of inflation and the Russian-Ukrainian war, the global motorcycle market in particular has stabilized at a high level.

COMPETITION AND PRICING PRESSURE

Competition on the motorcycle market in industrialized countries is particularly intense; the strongest competitors are four Japanese and three European manufacturers and, to a lesser extent, a U.S. manufacturer, some of which have greater financial resources, higher sales figures and market shares. The street motorcycle market is moreover characterized by high pricing pressure, and new competitors are trying to enter the market by relying on a low-price strategy. Thanks to its successful market strategy, the PIERER Mobility Group is Europe's leading manufacturer of powered two-wheelers. The full integration of GASGAS as the third brand and the further development of the network of dealers has also contributed to this. Thanks to the innovative strength which it has demonstrated, the group sees itself as a technology leader in the two-wheeler sector in Europe. The strategic partnership with Bajaj and the increased level of co-operation with CFMOTO strengthens the company's competitiveness in global markets. The development of low-volume PTWs, stand-up scooters, electric motorcycles and motorcycles suitable for e-fuels as well as e-bicycles for use in urban areas is intended to continue to meet specific demand requirements in the future.

SALES RISK

The group's biggest individual sales markets are the European as well as the U.S. market for motorcycles and the DACH region for New Mobility/(E)-Bicycle products. A slump in these markets could have a negative impact on business activities. Entering new markets involves a major cost risk as, in some of these markets, the sales trends as well as the geopolitical conditions are difficult to assess. By collaborating with its strategic partner Bajaj Auto Ltd., Pune, India, the

39. INDUSTRY-SPECIFIC RISKS

RESTRICTIONS RELATING TO MOTORCYCLING

As the group markets its products in a large number of countries, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income, and exchange restrictions as well as to the risk of political, social, and economic instability, inflation, and interest rate fluctuations. Among other things, motorcycles registered for road use must comply with relevant provisions concerning noise and exhaust gas emissions in order to be approved for sale in each country. For all new models that are homologated for road use, the group complies with the Euro V European emission standard that is relevant for motorcycles. The

company is working steadily toward implementing a global product strategy in the motorcycle sector.

The global impacts of high rates of inflation could ultimately also be reflected in changes in the consumer behavior of customers, which has been reduced overall. The group constantly monitors such impacts on the consumer behavior of customers. For example, it was established that there is still a high demand for products from the group because it provides high-quality PTWs, but there is higher demand for low-emission and low-noise individual mobility solutions. Expanding the product range to include e-bicycles/stand-up scooters and e-motorcycles in the low-power range, an increased focus on research and development in the field of alternative drive technologies, and developing new product areas such as stand-up scooters, e-bicycles or low-emission/emission-free alternatives to conventional models with combustion engines will boost sales here. The change to new (lower-emission or zero-emission) technologies could turn the structure of the market on its head and increase the opportunity to gain market shares

For the PIERER Mobility Group, providing support to end customers through the network of dealers represents a key success factor. In order to be able to continuously guarantee a high standard in this area, mandatory dealer training sessions are held on an ongoing basis. In these sessions new technical standards are taught and dealers are trained in dealing with the customer. In addition, the group in particular provides a modern communication platform which the dealers can use to undertake the procurement process and document the sales process. New, digital solutions in products could provide valuable information for climate change-related transport measures and thus constitute a service that offers a new source of revenue.

possible offroad uses of motorcycles are influenced significantly by the national and legal conditions that exist in the countries where the vehicles are sold. To counteract this risk, the respective regulations specific to the given country are analyzed in detail prior to market launch and continue to be monitored on an ongoing basis in order to be able to react in good time to any changes.

PROCUREMENT RISK

The current economic situation creates a procurement and sales risk for the global economy that also affects the PIERER Mobility Group. Essentially, this risk involves the significant increases in the prices of

procuring raw materials, supplies and components, which have been driven by the global shortage of goods and resources, as well as the production overheads, which have risen to a high level, particularly in respect of energy prices, transport and personnel costs, as a result of the ongoing conflict between Russia and Ukraine. This primarily affects companies involved in the energy-intensive production of raw materials such as aluminum and steel, which could have an impact on the level of availability in the overall market as a result of macro-economic trends or climate change-related effects (increased use of renewable energy, higher requirements for steel production, etc.).

In the current situation, the procurement risk consists largely of failing to receive ordered components or not receiving them on the agreed date. On the other hand, rising energy costs are increasingly becoming established as a significant financial risk for smaller suppliers to the group and could therefore cause further disruption in the supply chain. The group itself can cope with rising energy costs because the in-house production and assembly processes are not very energy-intensive.

A reduction in the persistently high rate of inflation in the first half of 2024 is not expected. This will therefore continue to affect the prices of materials and raw materials, which produces a global economic procurement risk for the PIERER Mobility Group.

The group has largely stabilized and compensated for the supply chain bottlenecks that have arisen, causing procurement delays, by regularly coordinating with suppliers and approving all procurement and production at an early stage. This means the group will be able to meet the resource requirements of each of its production sites over the longer term. The intense cooperation right along the supply chain means there was only a small impact on the group.

On the procurement side, the PIERER Mobility Group is countering the risks described above by taking several measures, such as using alternative supply chains and engaging in appropriate activities to reduce the costs that are incurred, implementing efficiency measures at suppliers by providing cost engineering support and agreeing on temporary price increases based on indices. In addition, the group has already implemented further significant measures to secure its supply chain and thus its production at an early stage, as mentioned above, and introduced a market intelligence system for electronic components. The flexibility in the production layout implemented means that, in exceptional cases, the group is also able to adjust its production schedules as needed to cope with global developments that result in increasingly tight supply chains. In addition, more in-depth research into alternative raw materials and materials will help to meet the increasing demand for critical resources required

for the increased production of batteries needed for e-mobility and to avoid resource bottlenecks. Ultimately, the intention is to adjust the logistical procurement structure in order to minimize transportation distances and associated costs.

The supply of electricity is essential for maintaining production operations. The conflict between Russia and Ukraine means the electricity supply may also be impaired in the coming year. This may also have a negative impact on the energy price. In order to ensure a stable supply of electricity, the PIERER Mobility Group is increasingly relying on constructing photovoltaic systems, setting up an energy ring to increase the proportion of the electricity produced that the company uses itself, and implementing energy-saving measures.

TECHNICAL INNOVATION AND PRODUCT DEVELOPMENT

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. Among other things, the company will also focus in future on developing emission-free, alternative drive systems and products so it can live up to its role as a technological pioneer.

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 potential causes of product-related lawsuits, climate change-related regulations could add further grounds for action. In addition to existing safeguards, this risk is minimized by comprehensive quality control in all production areas and high quality standard thanks to suitable supplier selection procedures as well as quality management systems and audits.

40. 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.

41. 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 12 to 18 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, 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 26 % of revenues were earned in

US dollars in financial year 2023 (previous year: 34 %). Currency hedging measures, in particular hedging strategies, can largely offset these currency shifts over at least one model year.

The group is exposed to further currency risks where financial assets and liabilities are settled in a currency other than the local currency of the relevant company. The companies of the group predominantly do their invoicing in local currency and largely take out financing in local currency. Financial investments are primarily made in the local currency of the investing group company. For these reasons, most resulting currency positions will be closed out naturally.

The main causes of ineffectiveness in currency hedges are:

- the impact of the credit risk of the counterparties and the group on the fair value of the forward currency transactions that is not reflected in the change in the fair value of the hedged cash flows attributable to changes in foreign exchange rates;
- changes in the transaction date of the hedged items.

Sensitivity analyses have been performed on currency risks in relation to financial instruments in order to show the effects that hypothetical changes in the exchange rates have on profit or loss (after taxes) and equity. In the scope of the sensitivity analysis, effects of changes in the exchange rate of $\pm 10\%$ are shown as profit or loss, other comprehensive income, and equity. The relevant balances as of the reporting date and foreign currency purchases and sales budgeted for the 2023 financial year were used as a basis. It was assumed that the risk faced on the reporting date essentially represents the risk present during the financial year. The group tax

rate of 24% was used as the tax rate. Furthermore, it was assumed in the analysis that all other variables, in particular the interest rates, remained constant. Currency risks relating to financial instruments of a monetary nature that are denominated in a currency other than the functional currency were included in the analysis.

Currency risks from euro positions in subsidiaries with a functional currency other than the euro were attributed to the currency risk of the subsidiary's functional currency. Risks from foreign currency positions apart from the euro were aggregated at a group level. Exchange rate related differences arising from the translation of financial statements into the group currency were not taken into account.

INCREASE (+) / DECREASE (-) EURK	10% INCREASE		10% DEVALUATION	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Change in net result	-33,302	-28,868	40,702	35,284
Change in currency-related cash flow hedge provisions	6,866	3,636	-8,392	-4,444
Change in equity	-26,436	-25,232	32,310	30,840

INTEREST RATE RISKS

Certain financial instruments on both the assets side and the liabilities side carry interest at variable rates. The risk therefore comprises rising interest expenses or falling interest income resulting from an adverse change in market interest rates.

The PIERER Mobility Group is thus exposed to the risk of interest rate fluctuations on the market. Regular monitoring of the money and capital markets and, in some cases, the use of interest rate swaps (fixed interest rate payer swaps) serve to respond to this risk. Under the interest rate swaps entered into, the company 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

The PIERER Mobility Group bases the analysis on the following assumptions:

- For the sensitivity of profit and loss, the group's cash in banks, receivables and payables are considered, as are future receipts and payments in foreign currency that are not accounted for in the functional currency of the group company. Account is also taken of open derivatives on cash flow hedges where the hedged item has already been realized on the reporting date (recognized as income).
- For the sensitivity of other comprehensive income, account is taken of open derivatives from cash flow hedges where the hedged item has not yet been realized on the reporting date (movements are not recognized in profit and loss). The exposure corresponds to the notional amount of the open derivatives.

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 24% was used as the tax rate. Furthermore, it was assumed in the analysis that all other variables, in particular the exchange rates, remained constant.

The main causes of ineffectiveness in interest rate hedges are:

- the impact of the credit risk of the counterparties and the group on the fair value of the interest rate derivatives that is not reflected in the change in the fair value of the hedged cash flows attributable to changes in interest rates; and
- differences in the parameters (e.g., interest rate adjustment dates) between the derivatives and the hedged items

A sensitivity analysis was performed on interest rate risk. This showed the effects of changes in the interest rate of +/- 50 basis points on profit and loss, other comprehensive income, and equity.

INCREASE (+) / DECREASE (-) EURK	INCREASE BY 50 BP		DECREASE BY 50 BP	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Change in net result	-2,362	-316	2,361	318
Change in currency-related cash flow hedge provisions	1,113	1,752	-1,120	-1,757
Change in equity	-1,249	1,436	1,241	-1,439

The Group Treasury completed the changes to the reference interest rates in the financial instruments used by the group which were required as a result of the IBOR Reform in the 2023 financial year. Working together closely with business partners, contracts were appropriately amended and contractual transitional arrangements governing the handling of temporarily or permanently unavailable reference interest rates were utilized. The use of the new reference interest rates has been agreed on, without exception, for contracts and financial instruments that were newly concluded in the financial year. The amendments had no material impact on the consolidated financial statements.

DEFAULT RISKS (CREDIT OR CREDITWORTHINESS RISKS)

The default risk is the risk of financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The default risk generally arises from trade receivables.

On the assets side, the carrying amounts reported also represent the maximum default risk. In addition, there are no general set-off agreements, with the exception of the set-off agreement described under note 44 in the notes to the Consolidated Financial Statements.

A summary of the default risk on trade receivables as of December 31, 2023 is presented in the following table.

TRADE RECEIVABLES EURK	NOT IMPAIRED IN CREDITWORTHINESS	CREDITWORTHINESS IMPAIRED	TOTAL
Not overdue	297,836	0	297,836
Overdue 1-30 days	18,404	0	18,404
Overdue 31-60 days	11,213	0	11,213
Overdue 61-90 days	3,145	0	3,145
Overdue > 90 days	16,594	10,916	27,510
Total gross carrying amount	347,192	10,916	358,108
Impairment loss	-301	-7,006	-7,307
Total	346,892	3,910	350,801

Trade receivables

The default risk on receivables from customers may be rated as low as ongoing checks of the creditworthiness of new and existing customers are performed and collateral is requested.

Risk management carries out an analysis and assessment of new customers. Initially, these are analyzed individually with regard to their creditworthiness, and standardized group-wide contracts are concluded with customers. The analysis includes external credit ratings, where available, as well as annual financial statements and information from credit agencies and banks. Sales limits are set for each customer and reviewed on an ongoing basis. All sales exceeding these limits require the approval of risk management.

Default risks are largely hedged by means of credit insurance and bankable security (guarantees, letters of credit). The default risks and related controls are defined in internal guidelines. Most of the business relationships with dealers and importers have been in place for many years. By continuously monitoring the default risk and the creditworthiness of customers, each receivable is individually reviewed to ascertain the need for a value adjustment.

A summary of the default risk on trade receivables as of December 31, 2022 is presented in the following table.

TRADE RECEIVABLES EURK	NOT IMPAIRED IN CREDITWORTHINESS	CREDITWORTHINESS IMPAIRED	TOTAL
Not overdue	242,774	0	242,774
Overdue 1-30 days	16,460	0	16,460
Overdue 31-60 days	4,123	0	4,123
Overdue 61-90 days	2,592	0	2,592
Overdue > 90 days	2,627	6,895	9,522
Total gross carrying amount	268,576	6,895	275,471
Impairment loss	-190	-4,859	-5,049
Total	268,386	2,036	270,422

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 past due status. The estimate of loss rates is based on historical default rates in relation to past due 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 the actual defaults observed in the past, an average default rate of 0.07 % (previous year: 0.07 %) of trade receivables was determined. The risk premium for developments in the future has been adjusted to take account of the effects of increased inflation rates as well as the Russian-Ukrainian war. An addition of EUR 111k (previous year: EUR 87k) to the allowance for expected losses on trade receivables was recognized.

The impairment for expected losses as of December 31, 2023 in the PIERER Mobility Group is EUR 301k (previous year: EUR 190k).

Changes in value adjustments

Changes in value adjustments related to trade receivables are described in the notes under Note 28 "Trade receivables".

Cash and cash equivalents, other assets and derivatives

Credit losses on cash and cash equivalents and other financial assets are determined on the basis of average default rates and the rating of the instrument. A significant change in the credit risk is determined on the basis of ratings and delay in payment. Given the short-term nature of these items and the good rating of the banks, the group assumes that these portfolios are financial instruments with a low default risk and that the expected losses are negligible.

The default risk on derivative financial instruments with positive market value is limited to their replacement cost; as all the counterparties are banks of good creditworthiness, the default risk can be classified as low. There are no indications of any additional impairment loss requirements for financial assets.

LIQUIDITY RISKS

The current liquidity reserves (see below) combined with a balanced mix of different financial instruments will enable the group to continue to operate flexibly in a volatile market environment in 2024. In this context, the available liquidity reserves were increased significantly in the 2023 financial year with both short-term and long-term financing measures. For example, in the 2023 financial year, the KTM Group issued a promissory note loan with a volume of EUR 300,000k and a registered bond with a volume of EUR 50,000k.

It is a material objective of financial risk management in the PIERER Mobility Group to ensure solvency and financial flexibility at all times. Liquidity risks may arise, among other things, if the proceeds from revenues are below the planning assumptions. For this purpose, the group maintains a liquidity reserve in the form of unused credit lines (cash credits and guarantee credits) and in the form of cash in banks of a high creditworthiness. As of December 31, 2023, the

Pierer Mobility Group has a liquidity portfolio of EUR 258,972k and unused credit lines of EUR 560,386k. 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. In the area of working capital management in particular, the group has a wide range of instruments at its disposal to manage liquidity in line with demand. These include utilizing ABS and factoring programs or adjusting stock levels by making use of the flexibility of production volumes.

From today's perspective, sufficient commitments have been given by our strategic financing partners for securing current liquidity requirements. Non-current liquidity requirements are met by the issuance of promissory note loans and by taking out bank loans. The group's loan agreements only include covenants that lead to an increase in the interest rate. There are no agreed covenants that entitle the company to early repayment.

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 12/31/2023	CASH FLOW 2024			CASH FLOW 2025 TO 2028			CASH FLOW FROM 2029		
		FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT	FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT	FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT
Financial liabilities measured at fair value										
Fair value - hedging instruments										
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	419	0	0	419	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,707	0	0	1,707	0	0	0	0	0	0
Total	2,126	0	0	2,126	0	0	0	0	0	0

EURK	CARRYING AMOUNT 12/31/2023	CASH FLOW 2024			CASH FLOW 2025 TO 2028			CASH FLOW FROM 2029		
		FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT	FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT	FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT
Financial liabilities not measured at fair value										
At amortized cost										
Interest-bearing liabilities	961,616	14,447	26,773	45,743	47,971	75,308	560,402	34,031	18,810	350,806
Lease liabilities	73,282	0	1,870	19,681	0	3,395	41,114	0	3,451	12,487
Trade payables	676,978	0	0	676,978	0	0	0	0	0	0
Other financial liabilities (current and non-current)	87,462	0	0	87,462	0	0	0	0	0	0
Total	1,799,338	14,447	28,643	829,864	47,971	78,703	601,516	34,031	22,261	363,293
Total	1,801,464	14,447	28,643	831,990	47,971	78,703	601,516	34,031	22,261	363,293

EURK	CARRYING AMOUNT 12/31/2022	CASH FLOW 2023			CASH FLOW 2024 TO 2027			CASH FLOW FROM 2028		
		FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT	FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT	FIXED INTEREST	VARIABLE INTEREST	REPAY- MENT
Financial liabilities measured at fair value										
Fair value - hedging instruments										
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	394	0	0	394	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	254	0	0	254	0	0	0	0	0	0
Total	648	0	0	648	0	0	0	0	0	0

Financial liabilities not measured at fair value										
At amortized cost										
Interest-bearing liabilities	467,365	5,110	3,944	52,577	12,332	10,309	258,245	4,622	1,333	155,045
Lease liabilities	67,890	0	1,010	21,803	0	1,853	35,707	0	3,150	10,380
Trade payables	737,602	0	0	737,602	0	0	0	0	0	0
Other financial liabilities (current and non-current)	87,294	0	0	87,294	0	0	0	0	0	0
Total	1,360,151	5,110	4,954	899,276	12,332	12,162	293,952	4,622	4,483	165,425
Total	1,360,799	5,110	4,954	899,924	12,332	12,162	293,952	4,622	4,483	165,425

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 35, this relates to 51.6 % (previous year: 47.5 %) of trade payables as of the reporting date. The concentration risk is regarded as low.

42. OTHER RISKS

PROCESS RISKS

There is a risk that standardized processes will not be adhered to, particularly in production. To minimize this risk, these processes are documented in work instructions and handbooks. Employees are trained in the use of this documentation and the documents are freely accessible via various systems.

RISKS DUE TO THE LEGAL FRAMEWORK

As the PIERER Mobility Group markets its motorcycles and e-bikes and non-e-bikes in a large number of countries, it is exposed to the risk of changes in national regulations, terms of licenses, taxes, trade restrictions, prices, income, and exchange restrictions as well as to the risk of political, social, and economic instability, inflation, and interest rate fluctuations.

Motorcycles registered for road use must comply with relevant provisions concerning noise and exhaust gas emissions in order to be approved for sale in each country. For all new models that are homologated for road use, the group complies with the Euro V European emission standard that is relevant for motorcycles. The possible offroad uses of motorcycles are influenced significantly by the national and legal conditions that exist in the countries where the vehicles are sold. To counteract this risk, the respective regulations specific to the given country are analyzed in detail prior to market launch and continue to be monitored on an ongoing basis 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 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 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 from possible emissions, such as the emission of greenhouse gases. Measures being promoted to minimize these risks include in particular technological developments to boost fuel efficiency and reduce emissions. In addition, research projects aimed at reducing noise and pollutant emissions are supported. Another risk is the trend in the level of acceptance for vehicles with internal combustion engines, which could be reduced due to restrictions and social trends and lead to increased demand for alternatives. This is one of the reasons why the company is increasingly focusing on the development of emission-free alternative drive systems and products.

In production, there are environmental risks from the generation of waste and material residues as well as the disposal of waste. Numerous measures are undertaken to minimize these risks. These include waste management concepts and low-waste packaging solutions that conserve resources. In the 2023 financial year, for example, a machine for shredding cardboard waste and reusing it as filler material for shipping products started operating.

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, and prioritizing regional procurement.

In addition, environmental risks arise from weather-related and climate-related phenomena, such as floods and changes in temperature.

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 corrective measures in place. Due to the geographical location of the main plants in Mattighofen and Munderfing, the risk of climate-related, physical natural disasters occurring is considered to be low.

PERSONNEL-RELATED RISKS

Especially with regard to the growth course, risks may arise if key staff leave the company. Efficient personnel management as well

as the constant pursuit of personnel development programs are designed to counteract the risk of managerial staff leaving the company. The risk of a shortage of skilled staff is minimized by a comprehensive apprentice training program in our own apprentice workshop. The aim is to recruit employees from the region and to retain them in the long term.

Internal and external measures to increase employer attractiveness are an essential element in conveying the predominant spirit of the PIERER Mobility Group to potential new employees. With various cross-media employee campaigns, the company was able to largely meet its personnel requirements in the reporting year. In the area of apprenticeships, attention was not only paid to addressing the target group appropriately, but a dedicated section was also created for the parents of future apprentices. The purpose of this is to provide information about opportunities and options at an early stage, and to prevent any uncertainties.

VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

43. BASIC PRINCIPLES

The PIERER Mobility Group holds primary and derivative financial instruments. **Primary financial instruments** mainly include trade receivables, credit balances with credit institutions, liabilities owed to credit institutions, trade payables, and financial liabilities. The portfolio of primary financial instruments is shown in the consolidated statement of financial position and described in the notes to the consolidated financial statements. **Derivative financial instruments** are generally used to hedge existing interest rate fluctuation and foreign currency risks. The use of derivative financial instruments is subject to appropriate authorization and control procedures in the group. The link to a hedged item is mandatory; trading transactions are not permitted. Purchases and sales of all financial instruments are recognized as of the settlement date. Purchases and sales of all financial instruments are recognized as of the settlement date.

ACCOUNTING POLICIES

Categorization will take place in accordance with the contractual cash flows and the business models on which they are based. In this regard, the following measurement categories are provided by IFRS 9:

- AC category: At amortized cost using the effective interest method
- FVOCI category: At fair value, changes to the fair value are recorded under other comprehensive income
- FVPL category: At fair value, changes to the fair value are recorded in the income statement

In the case of equity instruments (such as shares in companies not listed on the stock exchange), the FVOCI option can be exercised. This will lead to changes in the fair value being recorded under other comprehensive income, meaning that it will no longer be possible to regroup the changes to fair value accumulated under other comprehensive income in the income statement. Insofar as this option is not exercised, these will be assigned to the FVPL category, under which all changes to the fair value will be recorded in the income statement.

Receivables and other assets upon initial recognition are measured at fair value and in subsequent periods are measured at amortized cost of acquisition. Foreign currency receivables are translated at the closing exchange rate on the reporting date. Financial receivables are classified as "at amortized cost" and are measured at amortized cost.

That portion of trade receivables that is part of the ABS or factoring program is allocated to the category "Fair Value through Profit and Loss" (FVPL).

Financial liabilities are measured at amortized cost of acquisition. Financial liabilities are assigned to the "at amortized cost" category. Any difference between the amount received and the amount repayable is apportioned over the term to maturity using the effective interest method and recognized in financial income and expenses. The fundraising costs incurred in connection with borrowings were amortized to profit or loss using the effective interest method. Liabilities are measured at amortized cost. Liabilities denominated in foreign currencies are translated at the closing rate.

All financial instruments in the FVPL category are measured at fair value through profit or loss on the basis of the criteria in IFRS 9 (business model or SPPI test). The fair value option was not exercised.

Impairment losses

Trade receivables do not exhibit any material financing components. For that reason, the simplified method for determining the expected credit loss is used; this involves accounting for all instruments with a risk provision, which is independent of their credit quality, in the amount of the expected losses over the term to maturity. This amounts to less than twelve months for trade receivables and therefore corresponds to the 12-month loss. For details of the amounts involved, please refer to Note 41 "Financial risks".

In order to determine the expected credit loss, historic default data for receivables were collected over the last eight to ten years and split according to geographic regions. Current economic factors and forecasts are also taken into account.

Individual valuation adjustments are made to financial assets if they are deemed to be uncollectible or partially uncollectible. Signs that an individual allowance is required are financial difficulties, insolvency, breach of contract or considerable delay in payment on the part of the customer. Individual value adjustments consist of numerous individual items, none of which is material when considered in isolation. Financial assets are only derecognized directly if the contractual rights to receive payment cease to exist (in particular in the case of insolvency). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account.

Hedge accounting

The regulations on hedge accounting are applied in accordance with IFRS 9. According to IFRS 9, the fair value of an option, the forward element of a forward contract and any foreign currency basis spreads can be excluded from the designation of a financial instrument as

a hedging instrument and accounted for as the cost of hedging. In this regard, fluctuations in the value of these components that have optionally not been designated are recorded as hedging costs under other comprehensive income and reclassified in the income statement in the event that the hedged item is recognized in profit or loss.

44. 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 inputs used.

Financial instruments measured at fair value			
Type	Measurement technique	Significant, unobservable inputs	Connection between significant unobservable inputs and measurement at fair value
Forward currency transactions and interest rate swaps	Fair values are based on the market values determined using recognized valuation models (discounted cash flows). They are regularly checked for plausibility.	Not applicable	Not applicable
Other financial assets (securities)	Securities are measured at the current stock-exchange price on the reporting date.	Not applicable	Not applicable
Financial instruments not measured at fair value			
Type	Measurement technique	Significant, unobservable inputs	
Promissory note loans, financial Liabilities	Discounted cash flows	Risk premium for own credit risk	

The table below shows the carrying amounts and fair values of 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 12/31/2022	FAIR VALUE 12/31/2023
Financial assets measured at fair value		
Other current assets - derivatives with positive market value that have already been assigned to receivables (fair value hedge)	4,685	4,685
Other current assets - derivatives with positive market value (cash flow hedge)	10,981	10,981
Trade receivables	17,939	17,939
Other financial assets	216	216
Total	33,821	
Financial assets not measured at fair value		
Cash and cash equivalents	258,972	-
Trade receivables	332,862	-
Other financial assets	40,410	-
Total	632,244	
Total	666,065	

EURK	CARRYING AMOUNT 12/31/2022	FAIR VALUE 12/31/2022
Financial assets measured at fair value		
Other current assets - derivatives with positive market value that have already been assigned to receivables (fair value hedge)	17,281	17,281
Other current assets - derivatives with positive market value (cash flow hedge)	18,519	18,519
Trade receivables	6,765	6,765
Other financial assets	216	216
Total	42,781	
Financial assets not measured at fair value		
Cash and cash equivalents	278,738	-
Trade receivables	263,657	-
Other financial assets	34,349	-
Total	576,744	
Total	619,525	

In connection with the existing ABS and factoring programs, revolving insured trade receivables are sold on a monthly basis and fully derecognized in accordance with the rules under IFRS 9. The largest programs in terms of maximum volume are the ABS program with a maximum volume of EUR 350,000k (previous year: EUR 250,000k) and the factoring program in the Bicycle segment with a maximum volume of EUR 125,000k (previous year: EUR

125,000k). In addition, the PIERER Mobility Group has entered into further factoring programs with a maximum volume of EUR 263,000k (previous year: EUR 100,000k). As of the reporting date, trade receivables of EUR 432,867k (previous year: EUR 264,904k) had been sold to third parties. In addition, receivables amounting to EUR 97,000k were sold to related parties and derecognized in the 2023 financial year (see Note 50 "Related party transactions").

FAIR VALUE				CARRYING AMOUNT 12/31/2023				
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
-	4,685	-	4,685	-	-	-	-	4,685
-	10,981	-	10,981	-	-	-	-	10,981
-	-	17,939	17,939	-	-	-	17,939	-
-	-	216	216	-	-	216	-	-
-	-	-	-	258,972	-	-	-	-
-	-	-	-	332,862	-	-	-	-
-	-	-	-	40,410	-	-	-	-

FAIR VALUE				CARRYING AMOUNT 12/31/2022				
LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	FAIR VALUE - Hedging Instruments
-	17,281	-	17,281	-	-	-	-	17,281
-	18,519	-	18,519	-	-	-	-	18,519
-	-	6,765	6,765	-	-	-	6,765	-
-	-	216	216	-	-	216	-	-
-	-	-	-	278,738	-	-	-	-
-	-	-	-	263,657	-	-	-	-
-	-	-	-	34,349	-	-	-	-

Up to a contractually defined amount, the PIERER Mobility Group continues to bear a risk from credit risk related defaults. As of December 31, 2023, the expected risk of loss was EUR 8,459k (previous year: EUR 3,294k). The expected loss is recorded as a liability and expensed at the time of sale and is recognized under other current liabilities. The carrying amount represents the fair value of the ongoing commitment. Income of EUR 197k (previous year: EUR -27k) was recognized in the income statement during the period under review; the cumulative total since the commencement

of the transaction is EUR 3,490k (previous year: EUR 3,294k). The group has no control over the ABS or factoring investees since the group does not have any rights that allow it to influence the relevant activities of the investee. These include in particular the selection and financing of the receivables to be purchased as well as the recovery of non-performing receivables.

The table below 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.

EURK	CARRYING AMOUNT 12/31/2023	FAIR VALUE 12/31/2023
Financial liabilities measured at fair value		
Fair value - hedging instruments		
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	419	419
Other financial liabilities - derivatives with negative market value (cash flow hedge)	1,707	1,707
Total	2,126	
Financial liabilities not measured at fair value		
At amortized cost		
Interest-bearing liabilities	961,616	979,384
Trade payables	676,978	-
Options on non-controlling interests	5,816	-
Other financial liabilities (current and non-current)	81,646	-
Total	1,726,056	
Total	1,728,182	

EURK	CARRYING AMOUNT 12/31/2022	FAIR VALUE 12/31/2022
Financial liabilities measured at fair value		
Fair value - hedging instruments		
Other financial liabilities - derivatives with negative market value that have already been assigned to receivables	394	394
Other financial liabilities - derivatives with negative market value (cash flow hedge)	254	254
Total	648	
Financial liabilities not measured at fair value		
At amortized cost		
Interest-bearing liabilities	467,365	449,181
Trade payables	737,602	-
Options on non-controlling interests	3,396	-
Other financial liabilities (current and non-current))	83,898	-
Total	1,292,261	
Total	1,292,909	

* The valuation is not done via OCI, but via other reserves in equity; for further details, see Note 35.

FAIR VALUE				CARRYING AMOUNT 12/31/2023				
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
-	419	-	419	-	-	-	-	419
-	1,707	-	1,707	-	-	-	-	1,707

-	-	979,384	979,384	961,616	-	-	-	-
-	-	-	-	676,978	-	-	-	-
-	-	-	-	-	5,816*	-	-	-
-	-	-	-	81,646	-	-	-	-

FAIR VALUE				CARRYING AMOUNT 12/31/2022				
LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	AC Amortised Cost	FVOCI Fair Value through OCI	FVOCI Fair Value through OCI (without recycling)	FVPL Fair Value through P&L	FAIR VALUE - Hedging Instruments
-	394	-	394	-	-	-	-	394
-	254	-	254	-	-	-	-	254

-	-	449,181	449,181	467,365	-	-	-	-
-	-	-	-	737,602	-	-	-	-
-	-	-	-	-	3,396*	-	-	-
-	-	-	-	83,898	-	-	-	-

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:

2023 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)	10,669	0	-2,812	0	-3,494	4,363
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	0	0	0	0	0	0
Other financial liabilities - amortized cost (AC)	-76,708	0	0	0	-1,955	-78,663
Total	-66,039	0	-2,812	0	-5,449	-74,300

2022 EURK	FROM INTEREST	FROM SUBSEQUENT MEASUREMENT TO FAIR VALUE	FROM ALLOWANCE	FROM DISPOSAL INCOME	FROM FOREIGN EXCHANGE VALUATION	NET INCOME (TOTAL)
Financial assets - amortized cost (AC)	4,023	0	-992	-450	-1,676	905
Fair Value through OCI (FVOCI) - equity instruments	0	0	0	0	0	0
Fair Value through PL (FVPL) - equity instruments	12	17	0	81	0	110
Other financial liabilities - amor-tized cost (AC)	-18,102	0	0	0	441	-17,661
Total	-14,067	17	-992	-369	-1,235	-16,646

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.

45. 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
Financial assets 2023					
Other financial assets - Derivatives with positive market value that have already been assigned to receivables					
Forward currency transactions	4,238	0	4,238	-1630	2,608
Interest rate swaps	11,428	0	11,428	0	11,428
Total	15,666	0	15,666	-1,630	14,036

Financial assets 2022					
Other financial assets - Derivatives with positive market value that have already been assigned to receivables					
Forward currency transactions	17,803	0	17,803	-254	17,549
Interest rate swaps	17,998	0	17,998	0	17,998
Total	35,801	0	35,801	-254	35,547

EURK	FINANCIAL ASSETS (GROSS)	OFFSET BALANCE ITEMS (GROSS)	ACCOUNTED FINANCIAL ASSETS (NET)	EFFECT OF GENERAL OFFSETTING AGREEMENTS	NET AMOUNTS
Financial liabilities 2023					
Other financial liabilities - Derivatives with negative market value that have already been assigned to receivables					
Forward currency transactions	2,590	0	2,590	-1,630	960
Interest rate swaps	0	0	0	0	0
Total	2,590	0	2,590	-1,630	960

Financial liabilities 2022					
Other financial liabilities - Derivatives with negative market value that have already been assigned to receivables					
Forward currency transactions	330	0	330	-254	76
Interest rate swaps	3	0	3	0	3
Total	333	0	333	-254	79

46. HEDGES

The group enters into derivative financial instruments (forward currency transactions and interest rate swaps) to hedge foreign currency and interest rate risk. The aim of using derivative financial instruments is to offset fluctuations in cash flows from future transactions. Expected revenues in foreign currencies serve as the basis for planning future cash flows.

The group only recognizes changes in the spot rate component of forward currency transactions as a hedging instrument in cash flow hedges. The change in the forward component is accounted for separately as a cost of hedging and transferred to a reserve for hedging costs in equity or reclassified in the income statement if the hedged item affects profit or loss (as part of the financial result).

Derivatives are generally measured at fair value in accordance with IFRS 9. The group applies the rules for cash flow hedge accounting defined by IFRS 9 to these derivative financial instruments.

However, the main contractual criteria of the hedged item and the hedging instrument are identical but oppositely structured ("critical terms match"), ensuring an economic context for the hedging relationship. As of December 31, 2023 (as well as during the previous year), there were no derivative financial instruments for which no hedging relationships were able to be established.

A cash flow hedge is present if variable cash flows from recognized assets and/or liabilities or forecast business transactions that are subject to a market price risk are being hedged. If the requirements for a cash flow hedge are met, the effective portion of the change in the market value of hedging instruments must be recognized directly in consolidated equity. However, it is not recognized in profit or loss until the hedged item transaction occurs.

Where foreign currency hedges are used, the change in the market value of the derivatives is recognized in profit or loss. From that date, the change in the market value can be compared to the end-of-period closing rate of the foreign currency trade payables or foreign currency trade receivables. Any changes in earnings that are caused by the ineffectiveness of derivative financial instruments are recognized in profit or loss in the consolidated income statement.

To measure the effectiveness of a currency hedge, the hedged items and the hedging transactions are grouped together in so-called maturity bands according to the hedged risk. The maturity bands should not cover more than one quarter-year. The prospective effectiveness is assessed at the inception of the hedging relationship and reviewed at each measurement date as well as in the event of a significant change in the circumstances that affect the criteria for assessing effectiveness. In the case of interest rate hedges, prospective effectiveness is measured using a sensitivity analysis and retrospective effectiveness testing is performed using the dollar offset approach.

Derivatives are measured at fair value. The fair value is the market value and is determined using accepted methods of financial mathematics. The basis for measuring the derivatives is the market data (interest rate, exchange rates, etc.) prevailing on the reporting date. The forward rate applicable on the reporting date is used for measuring forward currency transactions. In the case of positive market values, the creditworthiness of the counterparty is included in the measurement by means of a credit value adjustment (CVA). In the case of negative market values, a debit value adjustment (DVA) is deducted in order to account for the group's own 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** are employed as of December 31, 2023 or December 31, 2022:

12/31/2023	CURRENCY	NOTIONAL AMOUNT IN 1000 LOCAL CURRENCY	MARKET VALUES IN EURK	GROSS EXPOSURES IN EURK	TERM UP TO 1 YEAR	AVERAGE FOREIGN EXCHANGE RATE	TERM 1 - 5 YEARS	AVERAGE FOREIGN EXCHANGE RATE
Forward currency transactions	USD	137,000	3,076	131,715	137,000	1.08	0	-
	JPY	6,600,000	-511	-38,510	6,600,000	155.69	0	-
	CAD	65,000	522	71,074	65,000	1.45	0	-
	GBP	37,000	-93	101,892	37,000	0.88	0	-
	CHF	37,000	-1,503	35,156	37,000	0.95	0	-
	CNY	132,000	138	-58,675	132,000	7.89	0	-
		NOTIONAL AMOUNT IN 1000 LOCAL CURRENCY	MARKET VALUES IN EURK	ANNUALY EXPOSURES IN EURK	TERM UP TO 1 YEAR	AVERAGE INTEREST RATE	TERM 1 - 5 YEARS	AVERAGE INTEREST RATE
Interest rate swaps		164,706	11,428	0	0	0.00%	164,706	-2.71%

12/31/2022	CURRENCY	NOTIONAL AMOUNT IN 1000 LOCAL CURRENCY	MARKET VALUES IN EURK	GROSS EXPOSURES IN EURK	TERM UP TO 1 YEAR	AVERAGE FOREIGN EXCHANGE RATE	TERM 1 - 5 YEARS	AVERAGE FOREIGN EXCHANGE RATE
Forward currency transactions	USD	180,000	11,028	198,411	180,000	1.00	0	-
	JPY	3,750,000	396	-43,076	3,750,000	141.64	0	-
	CAD	45,000	1,965	111,672	45,000	1.37	0	-
	GBP	25,000	676	105,214	25,000	0.87	0	-
	CHF	28,115	14	47,717	28,115	0.98	0	-
	AUD	64,000	3,075	116,229	64,000	1.46	0	-
	NZD	13,000	256	14,122	13,000	1.64	0	-
	CNY	60,000	62	-38,841	60,000	7.42	0	-
		NOTIONAL AMOUNT IN 1000 LOCAL CURRENCY	MARKET VALUES IN EURK	ANNUALY EXPOSURES IN EURK	TERM UP TO 1 YEAR	AVERAGE INTEREST RATE	TERM 1 - 5 YEARS	AVERAGE INTEREST RATE
Interest rate swaps		172,316	17,955	0	423	2.11 %	182,883	-2.69 %

In cash flow hedge accounting, both variable future cash flows arising from non-current liabilities with maturity dates up to 2025 or up to 2031 and future operating cash flows (receipts as well as payments) planned for the next twelve to eighteen months are hedged.

At the reporting date, the amounts relating to items designated as hedged **items** were as follows.

EURK	CASH FLOW HEDGE RESERVE	COSTS OF HEDGING HEDGE RESERVE	BALANCES REMAINING IN THE CASH FLOW HEDGE RESERVE FROM HEDGING RELATIONSHIPS FOR WHICH HEDGE ACCOUNTING IS NO LONGER APPLIED
12/31/2023			
Foreign currency risk			
Sales and receivables	-621	-130	0
Inventory purchases	136	-51	0
Interest rate risk			
Variable-rate instruments	8,986	0	0
Total	8,501	-181	0
12/31/2022			
Foreign currency risk			
Sales and receivables	2,639	-541	0
Inventory purchases	309	0	0
Interest rate risk			
Variable-rate instruments	13,729	0	0
Total	16,677	-541	0

The **hedging transactions** designated as of the reporting date are composed of the following:

EURK	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included
		Assets	Liabilities	
12/31/2023				
Foreign currency risk				
Foreign currency forwards - sales and receivables	235,018	3,772	-1,719	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	75,765	466	-871	Other current assets, other current liabilities
Interest rate risk				
Interest rate swaps	164,706	11,428	0	Other current assets
Total	475,489	15,666	-2,590	
12/31/2022				
Foreign currency risk				
Foreign currency forwards - sales and receivables	312,442	17,284	-217	Other current assets, other current liabilities
Foreign currency forwards - inventory purchases	35,481	519	-113	Other current assets, other current liabilities
Interest rate risk				
Interest rate swaps	172,316	17,998	-3	Other current assets
Total	520,239	35,801	-333	

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 1/1/2022	486	886	1,372
Amount reclassified to the income statement			
Realization of hedged item (recognized in revenues - currency risk)	0	1,242	1,242
Realization of hedged item (recorded in net interest income - currency risk)	-486	0	-486
Realization of hedged item (recorded in net interest income - interest rate risk)	0	-230	-230
Inventories			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-144	-144
Change in fair value			
Addition - interest rate risk	0	11,975	11,975
Addition - currency risk	-541	2,948	2,407
Cash flow hedge reserve from initial consolidation	0		0
Balanced as of 12/31/2022 = balance as of 1/1/2023	-541	16,677	16,136
Amount reclassified to the income statement			
Realization of hedged item (recognized in revenues - currency risk)	541	-2,639	-2,098
Realization of hedged item (recorded in net interest income - currency risk)	0	0	0
Realization of hedged item (recorded in net interest income - interest rate risk)	0	929	929
Inventories			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-309	-309
Change in fair value			
Addition - interest rate risk	0	-5,667	-5,667
Addition - currency risk	-177	-494	-671
Cash flow hedge reserve from initial consolidation	0		0
As of 12/31/2023	-177	8,497	8,320

As of December 31, 2023, ineffective components of the derivative financial instruments classified as cash flow hedges yielded a net result (after tax) of EUR 0k (previous year: EUR 0k).

FORWARD CURRENCY TRANSACTIONS

The PIERER Mobility Group enters into forward currency transactions to hedge intended future revenue and cost of materials denominated in foreign currency against the risk of exchange rate fluctuations.

INTEREST RATE SWAPS

In order to control the interest rate risk in relation to variable euro interest rates, amortizing interest rate swaps with a nominal value of EUR 50,000k and a term of 10 years were entered into during the

2021 financial year. In 2020, USD interest rate swaps with a nominal value of USD 130,000k and a term of 5 years were entered into to hedge variable USD financing.

As of December 31, 2023, the outstanding notional amount was EUR 164,706k (previous year: EUR 172,316k).

In the 2023 financial year, EUR 0k (previous year: EUR 17k) from the measurement of interest rate swaps was recognized in the income statement.

47. 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.

The **equity ratio** is as follows:

EURK	12/31/2023	12/31/2022
Equity	909,273	914,396
Balance sheet total	2,952,915	2,550,635
Equity ratio	30.8%	35.8%

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	12/31/2023	12/31/2022
Non-current financial liabilities	962,849	458,620
Current financial liabilities	72,049	76,635
	1,034,898	535,255
Cash and cash equivalents	-258,972	-278,738
Net financial debt	775,926	256,517

The key figures of **“gearing”** (ratio of net financial debt to equity) and **“dynamic debt level”** (ratio of net financial debt to EBITDA) for monitoring the capital are as follows:

EURK	12/31/2023	12/31/2022
Equity	909,273	914,396
Net financial debt	775,926	256,517
Gearing	85.3%	28.1%

EURK	12/31/2023	12/31/2022
Net financial debt	775,926	256,517
EBITDA	323,528	381,108
Dynamic debt level	2.4	0.7

IX. LEASES

48. LEASES AS A LESSEE (IRFS 16)

The PIERER Mobility Group has concluded rental and lease agreements for the use of land, operating and administrative buildings, or office space and storage areas, machines (including CNC machines) and in respect of the vehicle fleet.

The PIERER Mobility Group also leases IT equipment with contractual terms of between one and five years. These rental and lease agreements are short-term and/or for items of low value.

The group has exercised the option under IFRS 16.5-8 and has not recognized any rights of use or leasing liabilities for these rental and lease agreements.

Furthermore, leases have been entered into for tools (special leasing) and machines with terms of 3-10 years.

Right-of-use assets and lease liabilities

The carrying amount of the right-of-use assets is as follows:

EURK	LAND AND BUILDINGS	MACHINERY	PLANT & OFFICE FURNITURE AND EQUIPMENT	TOTAL
2023				
As of 1/1	33,361	15,498	16,130	64,989
- Depreciation and amortization	-11,139	-5,720	-8,185	-25,044
+ Additions right-of-use assets	9,302	9,839	13,405	32,546
- Disposals right-of-use assets	-1,659	-6	-220	-1,885
+/- Currency effects, reclassifications	-110	0	-52	-162
Carrying amount as of 12/31/2023	29,755	19,611	21,078	70,444
2022				
As of 1/1	29,269	17,527	16,090	62,887
- Depreciation and amortization	-10,170	-5,673	-7,313	-23,156
+ Additions right-of-use assets	14,825	3,645	7,407	25,877
- Disposals right-of-use assets	-574	0	-238	-812
+/- Currency effects, reclassifications	11	-1	184	194
Carrying amount as of 12/31/2022	33,361	15,498	16,130	64,989

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
2023			
Up to 1 year	21,541	1,870	19,671
Longer than 1 year and up to 5 years	44,519	3,395	41,123
Over 5 years	15,938	3,451	12,487
Total	81,998	8,716	73,281
2022			
Up to 1 year	22,803	1,010	21,793
Longer than 1 year and up to 5 years	37,571	1,853	35,717
Over 5 years	13,530	3,150	10,380
Total	73,904	6,013	67,890

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

2023 - LEASES ACCORDING TO IFRS 16	EURK
Interest expenses on lease liabilities	1,923
Income from sublease of right-of-use assets	245
Expenses relating to short-term leases	6,636
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	18,223
<hr/>	
2022 - LEASES ACCORDING TO IFRS 16	EURK
Interest expenses on lease liabilities	1,087
Income from sublease of right-of-use assets	214
Expenses relating to short-term leases	5,556
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	14,102

The expenses for leases for low-value assets relate to rental and lease agreements for IT equipment.

The statement of cash flows recorded net cash outflows for leases amounting to EUR 51,676k (previous year: EUR 43,945k). Cash flow from financing activities included repayments of lease liabilities amounting to EUR 25,139k (previous year: EUR 23,414k). The remaining EUR 26,537k (previous year: EUR 20,531k) relate to short-term and low-value leases as well as interest expenses and income from subleases of right-of-use assets and are presented in cash flow from operating activities.

49. LEASES AS A LESSOR (IFRS 16)

From the lessor's perspective, all leases are classified as operating leases, as they are structured in such a way that the PIERER Mobility Group essentially retains all the risks and opportunities associated with ownership.

This does not apply to one sublease which the group classifies as a finance lease. This relates to the sublease of a building which was reported as a right of use under property, plant and equipment. No

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.

new sublease was concluded and recognized in the 2023 financial year. In addition, the group recognized interest income on leasing receivables in 2023 in the amount of EUR 10k (previous year: EUR 10k). As of December 31, 2023, the leasing receivables from subleases amounted to EUR 767k (previous year: EUR 763k). Of this, EUR 253k (previous year: EUR 251k) are due in less than one year, and EUR 514k (previous year: EUR 511k) are due in 1-5 years.

X. EXPLANATIONS REGARDING RELATED PARTIES AND THE CORPORATE BODIES

50. RELATED PARTY DISCLOSURES

According to the provisions of IAS 24, details of related party transactions are to be provided.

On the reporting date of Sunday, December 31, 2023, 74.18 % of the shares in PIERER Mobility AG were held by Pierer Bajaj AG, which is 50.10 % owned by Pierer Industrie AG. Furthermore, Pierer Konzerngesellschaft mbH holds 0.09 % of the shares in PIERER Mobility AG. Pierer Industrie AG is 100.00 % owned by Pierer Konzerngesellschaft mbH. The sole shareholder of Pierer Konzerngesellschaft mbH is Stefan Pierer.

Stefan Pierer held the following key positions in the Pierer Konzerngesellschaft mbH Group as of December 31, 2023:

- Chairman of the Executive Board of Pierer Industrie AG, Wels
- Chairman of the Executive Board of Pierer Bajaj AG, Wels
- Chairman of the Executive Board of PIERER Mobility AG, Wels
- Chairman of the Executive Board of KTM AG, Mattighofen
- Chairman of the Supervisory Board of Pankl AG, Kapfenberg
- Chairman of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg
- Member of the Supervisory Board of SHW AG, Aalen, Germany

In the PIERER Mobility Group, transactions with related parties are grouped according to "shareholder-related companies", "associates" and "other companies".

EURK	SHAREHOLDER RELATED COMPANIES		ASSOCIATED COMPANIES		OTHER COMPANIES	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Receivables	46,352	26,887	25,041	44,669	5,627	3,884
Liabilities	-8,667	-10,153	-16,597	-20,782	-7,300	-8,342
Revenues	89,411	4,023	25,458	57,586	23,528	17,613
Expenses	-152,823	-127,273	-220,654	-100,108	-222,886	-247,560
Dividend	-50,583	-25,371	0	0	-144	-72

All transactions with related companies were carried out at arm's length. Material business relationships are disclosed below:

SHAREHOLDER-RELATED COMPANIES:

Since the investment in 2014, PIERER Mobility AG has been a group member of Pierer Konzerngesellschaft mbH, Wels, in accordance with Section 9 of the Austrian Corporate Tax Act (KStG). KTM AG has been a member of this tax group within the meaning of the Austrian Corporate Tax Act since 2017. The taxable incomes of the group members are allocated to the group parent. The tax compensation between the group parent and each individual group member was regulated by a group taxation and tax transfer agreement. Tax losses are reserved at the level of the respective subsidiaries and can be

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 2023 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:

offset at this level against future tax profits.

In the 2023 financial year, together with Pierer Konzerngesellschaft mbH, expenses from tax compensation were EUR 223k (previous year: EUR 16,733k). Furthermore, as of the reporting date, there were outstanding receivables arising from tax compensation to Pierer Konzerngesellschaft mbH of EUR 4,932k (previous year: EUR 12,533k) and liabilities arising from tax compensation of EUR 232k (previous year: EUR 773k). In June 2023, the PIERER Mobility Group sold receivables amounting to EUR 97,000k to Pierer Konzerngesellschaft mbH. As of December 31, 2023, EUR 10,216k of this amount were outstanding.

Since October 1, 2018, Pierer Industrie AG has formed a tax group for

VAT purposes with the PIERER Mobility Group. As of the reporting date, the PIERER Mobility Group had receivables totaling EUR 8,583k (previous year: EUR 9,784k) from the tax group settlement with Pierer Industrie AG.

In the 2023 financial year, Pierer Bajaj AG received dividends amounting to EUR 49,982k (previous year: EUR 24,781k), and Pierer Konzerngesellschaft mbH received dividends amounting to EUR 601k (previous year: EUR 590k), from PIERER Mobility AG from the previous financial year.

In April 2023, PIERER New Mobility concluded an asset deal with PIERER 2 Radbeteiligungs GmbH, Wels, and Johansson GmbH, Regensburg, Germany. Both companies are affiliated companies of Pierer Konzerngesellschaft mbH. PIERER New Mobility acquired the "Johansson" brand from Johansson GmbH for EUR 1.3 million as well as inventories and other assets required for production. In addition, further production-relevant assets were acquired from PIERER 2 Radbeteiligungs GmbH.

In September 2023, the KTM Group entered into agreements with R RAYMON Bicycles GmbH (formerly: Johansson GmbH), Schweinfurt, Germany, 51% of whose shares are held by PIERER 2 Radbeteiligungs GmbH, Wels, in relation to the future cooperation. Firstly, the "R RAYMON" bicycle brand was sold for EUR 3,500k, and secondly all associated inventories and other assets, i.e. bicycles featuring the "R RAYMON" brand and property, plant and equipment, were sold by PIERER New Mobility GmbH to R RAYMON Bicycles GmbH for around EUR 73,500k. It was also agreed that outstanding orders for bicycles belonging to the "R RAYMON" brand will be taken over by R RAYMON Bicycles GmbH.

Other transactions with shareholder-related companies on the expenses side mainly concern the Pankl Racing Group, which acts as a supplier of purchased parts for the PIERER Mobility Group. The Pankl Racing Group is part of the Pierer Industrie Group and is controlled via Pankl AG.

ASSOCIATES:

For development and design services as well as services in relation to brand development for Kiska GmbH, expenses amounting to EUR 19,795k (previous year: EUR 17,860k) were incurred in the past financial year. As of December 31, 2023, accounts payable to Kiska GmbH stood at EUR 1,573k (previous year: EUR 1,231k).

Other transactions with associates relate to the companies which are explained below with an ongoing operating business relationship described in each case.

KTM Asia Motorcycle Manufacturing Inc. was jointly founded in June 2016 in partnership with Ayala Corp. The company began the CKD (completely knocked down) assembly of KTM motorcycles in the Philippines in mid-2017.

The joint venture in China conducted in partnership with CF Moto was established in the 2018 financial year under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd." Mid-range motorcycles have been produced in the Chinese city of Hangzhou since 2021.

With effect from November 15, 2022, 25.1 % of the shares in MV Agusta Motor S.p.A. were acquired. In addition, in the 2022 financial year the KTM Group concluded a cooperation agreement with the traditional Italian manufacturer MV Agusta, with its head office in Varese. Under this agreement, the KTM Group will take over the purchasing and global distribution of MV Agusta products.

With an agreement dated November 21, 2022, KTM AG acquired 23 % of the shares in Vöcklabrucker Metallgiesserei Dambauer GmbH, Vöcklabruck. A further 51 % of the shares in the company were acquired from Pierer Beteiligungs GmbH, Wels. The company produces aluminum castings and acts as a supplier of series material for KTM AG. The 23 % equity holding inter alia was sold to PB Invest GmbH on April 1, 2023

OTHER COMPANIES:

A cooperation arrangement with the Indian Bajaj Group has been in place since 2007. The Bajaj Group is India's second largest manufacturer of motorcycles, selling approximately 4.7 million motorcycles and three-wheelers during the last financial year (reporting date: March 31, 2023). The cooperation focuses on the joint development of entry-level street motorcycles, which are produced in India and distributed under the KTM brand by both companies in their respective core markets.

The Deputy Chairman of the Supervisory Board of PIERER Mobility AG, Rajiv Bajaj, is Managing Director and CEO of Bajaj Auto Ltd., Pune, India. Srinivasan Ravikumar, a member of the Supervisory Board of PIERER Mobility AG, is a director of Bajaj Auto International Holdings B.V., Amsterdam, Netherlands, and President of Business

Development and Assurance, Bajaj Auto Ltd., Pune, India. Following the simplification of the ownership structure in the 2021 financial year, Bajaj Auto International Holdings B.V., a subsidiary of Bajaj Auto Ltd., now owns 49.9% of Pierer Bajaj AG, which in turn is the majority shareholder of PIERER Mobility AG. As of December 31, 2023, there was a liability to Bajaj Auto Ltd. of EUR 7,033k (previous year: EUR 7,788k). 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.

51. CORPORATE BODIES OF PIERER MOBILITY AG

The following individuals were appointed as **members of the Executive Board** with collective power of representation:

Stefan **P i e r e r**, CEO
 Hubert **T r u n k e n p o l z**, Deputy Chairman of the Executive Board
 Viktor **S i g l**, MBA, CFO
 Florian **K e c h t** (since April 21, 2023)
 Alex **P i e r e r** (since April 21, 2023)
 Rudolf **W i e s b e c k** (since April 21, 2023)
 Florian **B u r g u e t**, MBA (from April 21, 2023 to December 31, 2023)
 Friedrich **R o i t h n e r**, CFO (until April 21, 2023)

The following individuals were appointed as members of the **Supervisory Board**:

Josef **B l a z i c e k**, Chairman
 Rajiv **B a j a j**, Deputy Chairman
 Iris **F i l z w i e s e r**
 Michaela **F r i e p e s s**
 Srinivasan **R a v i k u m a r**
 Friedrich **R o i t h n e r** (since April 21, 2023)
 Klaus **R i n n e r b e r g e r** (until April 21, 2023)

52. EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

The **remuneration for the 2023 Executive Board** of PIERER Mobility AG includes salaries, benefits in kind, bonuses, severance payments as well as payments into the company's staff severance pay fund and amounted to EUR 4,822k (previous year: EUR 7,451k). 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 2023 financial year.

It is proposed that the **remuneration to be paid to the Supervisory Board** of PIERER Mobility AG for the 2023 financial year (payout in the 2024 financial year) shall amount to a total of EUR 22k (previous year: EUR 40k).

No loans or advances have been granted to the members of the Supervisory Board of PIERER Mobility AG as of the reporting date.

XI. EVENTS AFTER THE REPORTING DATE

Events that occurred after December 31, 2023 and are material for the measurement of the assets and liabilities have either been reflected in these financial statements or are not known.

XII. GROUP COMPANIES (SCHEDULE OF EQUITY HOLDINGS)

The schedule of equity holdings comprises all companies that have been included in the consolidated financial statements in addition to the parent companies.

COMPANY	COMPANY INITIAL CONSOLIDATION DATE	12/31/2023		12/31/2022	
		INTEREST %	CONSOLIDATI- ON TYPE	INTEREST %	CONSOLIDATI- ON TYPE
Fully consolidated companies:					
KTM AG, Mattighofen	5/31/2005	100.00	FC	100.00	FC
KTM Immobilien GmbH, Mattighofen	5/31/2005	100.00	FC	100.00	FC
KTM North America, Inc., Murrieta, CA, USA	5/31/2005	100.00	FCA	100.00	FCA
KTM-Motorsports Inc., Murrieta, CA, USA	5/31/2005	100.00	FCA	100.00	FCA
KTM Japan K.K., Tokyo, Japan	5/31/2005	100.00	FCA	100.00	FCA
KTM Sportcar GmbH, Mattighofen	5/31/2005	100.00	FC	100.00	FC
KTM Motorcycles S.A. Pty. Ltd., Midrand, South Africa	3/1/2009	100.00	FCA	100.00	FCA
KTM Sportmotorcycle Mexico C.V. de S.A., Lerma, Mexico	6/1/2009	100.00	FCA	100.00	FCA
KTM Sportmotorcycle GmbH, Mattighofen	3/31/2011	100.00	FC	100.00	FC
KTM-Sportmotorcycle India Private Limited, Pune, India	6/1/2012	100.00	FCA	100.00	FCA
Husqvarna Motorcycles GmbH, Mattighofen	1/1/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle Deutschland GmbH, Ursensollen, Germany	12/31/2013	100.00	FCA	100.00	FCA
KTM Switzerland Ltd., Frauenfeld, Suisse	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle UK Ltd., Northamptonshire, UK	12/31/2013	100.00	FCA	100.00	FCA
KTM-Sportmotorcycle Espana S.L., Terrassa, Spain	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle France SAS, Saint-Priest, France	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle Italia S.r.l., Meran, Italy	12/31/2013	100.00	FCA	100.00	FCA
KTM-Sportmotorcycle Nederland B.V., Malden, Netherlands	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle Scandinavia AB, Örebro, Sweden	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle Benelux S.A., Gembloux, Belgium	12/31/2013	100.00	FCA	100.00	FCA
KTM Canada Inc., Chambly, Canada	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle Hungária Kft., Budapest, Hungary	12/31/2013	100.00	FCA	100.00	FCA
KTM Central East Europe s.r.o., Bratislava, Slovakia	12/31/2013	100.00	FCA	100.00	FCA
KTM Österreich GmbH, Mattighofen	12/31/2013	100.00	FC	100.00	FC
KTM Nordic Oy, Vantaa, Finland	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle d.o.o., Marburg, Slovenia	12/31/2013	100.00	FCA	100.00	FCA
KTM Czech Republic s.r.o., Pilsen, Czech Republic	12/31/2013	100.00	FCA	100.00	FCA
KTM Sportmotorcycle SEA PTE. Ltd., Singapur, Singapore	1/1/2014	100.00	FCA	100.00	FCA
Husqvarna Motorcycles North America, Inc., Murrieta, CA, USA	12/1/2013	100.00	FCA	100.00	FCA
Husqvarna Motorsports, Inc., Murrieta, CA, USA	4/1/2015	100.00	FCA	100.00	FCA
KTM Logistikzentrum GmbH, Mattighofen	9/16/2016	100.00	FC	100.00	FC
WP Suspension GmbH, Mattighofen	11/30/2016	100.00	FC	100.00	FC
WP Suspension North America, Inc., Murrieta, CA, USA	8/31/2017	100.00	FCA	100.00	FCA

COMPANY	COMPANY INITIAL CONSOLIDATION DATE	12/31/2023		12/31/2022	
		INTEREST %	CONSOLIDATION TYPE	INTEREST %	CONSOLIDATION TYPE
KTM do Brasil Ltda., Sao Paulo, Brazil	12/31/2017	100.00	FCA	100.00	FCA
KTM Components GmbH, Munderfing	11/30/2007	100.00	FC	100.00	FC
WP Immobilien GmbH, Munderfing	4/30/2005	100.00	FC	100.00	FC
KTM Beteiligungs GmbH, Mattighofen	4/30/2018	100.00	FC	100.00	FC
KTM Australia Holding Pty Ltd., Prestons, Australia	7/1/2019	100.00	FCA	100.00	FCA
KTM Australia Pty Ltd., Prestons, Australia	7/1/2019	100.00	FCA	100.00	FCA
HQVA Pty Ltd., Prestons, Australia	7/1/2019	100.00	FCA	100.00	FCA
KTM Motorcycles Distributers NZ Limited Wellington Central, New Zealand	7/1/2019	100.00	FCA	100.00	FCA
GASGAS Motorcycles GmbH, Mattighofen	10/31/2019	100.00	FC	100.00	FC
GASGAS Motorcycles Espana S.L.U., Terrassa, Spain	1/1/2020	100.00	FCA	100.00	FCA
KTM MOTOHALL GmbH, Mattighofen	1/1/2020	90.00	FC	90.00	FC
CFMOTO Motorcycles Distribution GmbH, Mattighofen	6/25/2022	100.00	FC	100.00	FC
PIERER IMMOREAL NORTH AMERICA LLC., Murrieta, CA, USA	7/7/2022	100.00	FCA	100.00	FCA
KTM (SHANGHAI) MOTO CO., LTD., Shanghai, China	7/15/2022	100.00	FCA	100.00	FCA
MV Agusta Motorcycles GmbH, Mattighofen, Austria	9/21/2022	74.90	FC	74.90	FC
MV Agusta Motorcycles North America, Inc., Murrieta, CA, USA	9/30/2022	100.00	FCA	100.00	FCA
MV Agusta Services S.r.l., Meran, Italy	10/24/2022	100.00	FCA	100.00	FCA
PIERER Produktion GmbH, Munderfing	11/26/2022	100.00	FC	100.00	FC
KTM Informatics GmbH, Mattighofen	7/13/2023	100.00	FC	-	-
PIERER New Mobility GmbH, Munderfing	2/25/2020	100.00	FC	100.00	FC
PIERER New Mobility Deutschland GmbH, Schweinfurt, Germany	12/31/2019	100.00	FCA	100.00	FCA
PIERER New Mobility Suisse GmbH, Frauenfeld, Suisse	12/31/2019	100.00	FCA	100.00	FCA
PIERER New Mobility Espana S.L., Terrassa, Spain	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility France SAS, Saint-Priest, France	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility Italia S.r.l., Meran, Italy	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility Scandinavia AB, Örebro, Sweden	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility North America, Inc., Murrieta, CA, USA	10/1/2020	100.00	FCA	100.00	FCA
PIERER New Mobility UK Ltd., Northamptonshire, UK	12/31/2013	100.00	FCA	100.00	FCA
PIERER New Mobility Benelux SA, Gembloux, Belgium	11/29/2021	100.00	FCA	100.00	FCA
PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria	1/1/2022	50.00	FCA	50.00	FCA
PIERER New Mobility Asia Ltd., Taichung City, Taiwan	5/25/2022	100.00	FCA	100.00	FCA
PIERER NEW MOBILITY AUSTRALIA PTY LTD, Prestons, Australia	10/13/2022	100.00	FCA	100.00	FCA

COMPANY	COMPANY INITIAL CONSOLIDATION DATE	12/31/2023		12/31/2022	
		INTEREST %	CONSOLIDATION TYPE	INTEREST %	CONSOLIDATION TYPE
PIERER NEW MOBILITY BULGARIA OOD, Plowdiw, Bulgaria	3/30/2023	100.00	FCA	-	-
PIERER New Mobility S.A. Pty. Ltd. (formerly: Husqvarna Motorcycles S.A. Pty. Ltd.), Midrand, South Africa	4/1/2015	100.00	FCA	100.00	FCA
PIERER E-Commerce GmbH, Munderfing	12/31/2016	100.00	FC	100.00	FC
PIERER E-Commerce North America Inc., Murrieta, CA, USA	6/21/2022	100.00	FCA	100.00	FCA
KTM Forschungs & Entwicklungs GmbH, Mattighofen	3/18/2021	100.00	FC	100.00	FC
Cero Design Studio S.L., Barcelona, Spain	10/1/2019	50.01	FCA	50.01	FCA
KTM Technologies GmbH, Anif	10/1/2008	100.00	FC	100.00	FC
PIERER Innovation GmbH, Wels	3/31/2018	100.00	FC	100.00	FC
DealerCenter Digital GmbH, Landshut, Germany	7/31/2021	75.46	FCA	75.46	FCA
KTM Racing GmbH, Mattighofen	2/29/2020	100.00	FC	100.00	FC
KTM-Racing AG, Frauenfeld, Suisse	5/31/2005	100.00	FCA	100.00	FCA
KTM Racing North America Inc., Murrieta, CA, USA	6/16/2023	100.00	FCA	-	-
Avocado GmbH, Linz	4/30/2019	100.00	FC	100.00	FC
Platin 1483. GmbH, Schweinfurt, Germany ¹⁾	12/31/2019	100.00	FCA	100.00	FCA
LX Media GmbH, Wels	10/31/2023	74.00	FC	-	-
Associated companies:					
Kiska GmbH, Anif	-	50.00	IE	50.00	KEI
KTM Asia Motorcycle Manufacturing Inc., Binan, Laguna, Philippines	-	40.00	IEA	40.00	KEA
Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Hangzhou City, Zhejiang, China	-	49.00	IEA	49.00	KEA
MV Agusta Motor S.P.A., Varese, Italy		25.10	IEA	25.10	KEA
Vöcklabrucker Metallgießerei Dambauer GmbH (formerly: Vöcklabrucker Metallgießerei Dambauer GmbH), Vöcklabruck		-	-	23.00	KEI
Other non-current financial assets:					
AC styria Mobilitätscluster GmbH, Grambach	-	12.33	-	12.33	-

Key:
FC Full consolidation, domestic
IE Inclusion at equity, domestic
FCA Full consolidation, foreign
IEA Inclusion at equity, foreign

1) held via PIERER Mobility AG in the previous year

XIII. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Executive Board on March 20, 2024 (previous year: March 21, 2023) 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 14, 2024

The Executive Board of PIERER Mobility AG




Stefan Pierer (CEO)



Hubert Trunkenpolz



Viktor Sigl (CFO)



Florian Kecht



Alex Pierer



Rudolf Wiesbeck

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 2023, 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 2023, 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 506.7 million are reported under the balance sheet item "Intangible assets" and therefore represent a significant portion of the group's assets. According to IAS 38, the Group recognizes research costs as expenses, while development costs for future serial products are capitalized if the capitalization requirements according to IAS 38.57ff. are fulfilled.

The main requirements for recognizing development costs as assets are the feasibility of the development projects (including the possibility of technical realization, the intention to complete and the ability to use) and the expected achievement of future economic benefits. The complexity of research and development projects is increasing due to the group's technology leadership as the leading powered two-wheeler manufacturer in Europe and the associated new development projects (including investments in electromobility and a range of zero-emission products). The assessment of project feasibility plays an important role in this context and is subject to discretionary decisions by management.

In addition to meeting the recognition requirements in accordance with IAS 38.57ff. the recording of time and cost for development projects also plays an important role in accurately calculating development costs.

Our Response

We assessed the recognition of development costs as follows:

- We obtained an understanding of management's process for the distinction between research and development costs and the evaluation of the recognition requirements of development costs according to IAS 38.57ff.
- We evaluated the design, establishment and effectiveness of management's process-related controls over the capitalization of development costs, including review of management's project feasibility documentation.
- We assessed, on the basis of random samples, whether a proper distinction has been made between research and development costs capitalized as intangible assets.
- We evaluated, on a sample basis, the adequacy of capitalized expenses by reconciling material costs, overheads and accumulated engineering hours to external invoices and internal time-sheets and payslips.

Impairment of goodwill "Pierer New Mobility"

Refer to note 21

Risk for the Consolidated Financial Statements

In the consolidated financial statements of PIERER Mobility AG, goodwill is recognized for the cash-generating unit "PIERER New Mobility" of EUR 19.5 million. PIERER Mobility AG therefore tests the "PIERER New Mobility" cash-generating unit for impairment at least once a year and whenever there are indications of impairment.

For this purpose, PIERER Mobility AG determines the recoverable amount of the "PIERER New Mobility" cash-generating unit using a discounted cash flow method. The recoverable amount determined (impairment test) resulted in sufficient coverage of the carrying amounts.

The measurement of the recoverable amount of cash-generating units requires assumptions and estimates, such as the estimate of future cash flows and the determination of the discount rate to be used.

There is therefore a risk for the consolidated financial statements that inappropriate estimates could have a material impact on the recoverable amount of the cash-generating unit "PIERER New Mobility" and thus the carrying amount of goodwill, intangible assets and property, plant and equipment in the consolidated balance sheet and the operating result in the consolidated income statement.

Our Response

We assessed the recoverability of the cash-generating unit "PIERER New Mobility" with the involvement of our valuation specialists as follows:

- We obtained an understanding of the planning process, we discussed the assumptions regarding growth rates and operating results with the responsible managers in the company and compared the planning data on which the valuation is based with the current budget figures approved by the Supervisory Board and the medium-term planning approved by the Management Board.
- We evaluated the methodology of the impairment test performed and assessed whether it complies with the relevant standards. We compared the assumptions used to determine the cost of capital rates with market and industry-specific benchmarks and verified the mathematical accuracy of the calculation scheme.
- In addition, we assessed whether the disclosures on goodwill and the trademark in the consolidated financial statements are appropriate.

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.

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 21 April 2023 and were appointed by the supervisory board on 25 July 2023 to audit the financial statements of Company for the financial year ending on 31 December 2023.

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 Mag. Alexander Gall.

Linz, 14 March 2024

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Alexander Gall Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Statement by the Executive Board

Pursuant to Section 124 (1) (3) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial and earnings position of the Group as required by the applicable accounting standards and that the consolidated management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Wels, March 2024

The Executive Board of PIERER Mobility AG



Stefan Pierer



Hubert Trunkenpolz



Viktor Sigl



Florian Kecht



Alex Pierer



Rudolf Wiesbeck

Financial calendar

January 29, 2024	Announcement of preliminary annual results 2023
March 27, 2024	Publication of annual financial statements 2023
April 9, 2024	Record date annual general meeting
April 19, 2024	27 th annual general meeting
April 24, 2024	Ex-dividend date
April 25, 2024	Record date „dividends“
April 29, 2024	Dividend payment date
August 27, 2024	Report on the 1st half-year 2024

IMPRINT

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The present report has been prepared with the utmost care and the correctness of the data was checked. Nevertheless, slight differences in the calculations may arise as result of the summation of rounded amounts and percentages, and typographical and printing errors cannot be ruled out.

References to persons such as "employees" or "staff members" are intended to be gender-neutral and insofar as the contrary appears this is solely for purposes of legibility.

This half-year report and the forward-looking statements it contains were prepared on the basis of all the data and information available at the time of going to press.

However, we must point out that various factors may cause the actual results to deviate from the forward-looking statements given in the report.

This report is published in German and English. In case of doubt, the German version shall prevail.

