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22nd May 2025

To, Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street Mumbai 400 001 BSE Code: 532977	To, Corporate Listing Department National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400 051 NSE Code: BAJAJ-AUTO
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Sub: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Intimation of material transaction by Bajaj Auto International Holdings BV (“BAIH”), a wholly owned subsidiary of Bajaj Auto Limited (“the Company”) to KTM AG and its subsidiaries (“KTM”).

Dear Sir / Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), we hereby inform that the Board of Directors at its meeting held on 21st May 2025, inter-alia, took note of the following transactions being undertaken by BAIH:

1. Execution of Facility Agreement between BAIH and KTM AG for a secured term loan of Euro 450 million (equivalent to Rs.4,365 crore at an assumed exchange rate of 1 Euro = Rs.97) to be provided to KTM, and remitted to the escrow account of the Administrator towards payment to the creditors quota of KTM as approved by the competent Court in Austria.
2. Subscription by BAIH to convertible bonds of Euro 150 million (equivalent to Rs.1,455 crore at an assumed exchange rate of 1 Euro = Rs.97) to be issued by Pierer Bajaj AG (“**PBAG**”).

A press release outlining the broader context of the transaction is enclosed herewith as “**Annexure A**”.

The aforesaid transactions have been undertaken to meet the regulatory timeline in Austria. By way of a background, on February 25, 2025, the restructuring plan submitted by KTM was accepted by its creditors. This plan provided for creditors to receive a cash quota of 30% of their claims in the form of a one-time payment to be deposited with the restructuring Administrator by May 23, 2025. In the event that the liquidity is not made available to and presented before the Administrator/Court latest by May 23, 2025, as per the law in Austria, KTM will be taken out of self-administration and moved irrevocably into an insolvency process.

The said transactions were approved by the Audit Committee of the Company and are being reported to the Stock Exchange(s) since these are transactions of a subsidiary of the Company to which the

Company is not a party and are of the material value as per the relevant threshold stipulated under Regulation 30(4) of the SEBI Listing Regulations, 2015.

Additionally, the Board of Directors of the Company have resolved to seek approval from the Company's shareholders for the material related party transactions on a post facto basis through postal ballot.

The details of the said transactions required under Regulation 30 of the Listing Regulations read along with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024 are enclosed herewith as "**Annexure B**".

The information with regard to the proposed execution of the Facility Agreement and subscription to the Convertible Bonds was received by the Company on 21 May, 2025 at around 3.00 p.m. (IST).

In terms of Regulation 30(8) of the Listing Regulations, this intimation will also be made available on the Company's website at www.bajajauto.com/investors/disclosures

This is for your information and records.

Yours faithfully,
For **Bajaj Auto Limited**

Rajiv Gandhi
Company Secretary & Compliance Officer
ACS 11263

Encl.: As Above

BAJAJ AUTO MAKES DECISIVE MOVE TO TAKE CHARGE OF REBUILDING KTM

Pune, May 21, 2025 – In a significant move underscoring its commitment to its long-term partnership with KTM and recognising the opportunity in the exciting world of premium/sports motorcycles given the brand's preeminent position, Bajaj Auto Limited, through its wholly owned subsidiary Bajaj Auto International Holdings BV (BAIHBV), intends to take control of the KTM business that is headquartered in Austria, subject to necessary regulatory approvals.

With this action and post requisite approvals coming through, Bajaj will shift gears from hitherto being a dormant minority investor to a majority owner in the global KTM company, whilst it continues to accelerate the thriving KTM business that is run out of India under the joint development program, where it develops, makes and sells in India as well as exports to 80 countries across the KTM network.

Simultaneously, BAIHBV has arranged a debt funding package of €800 million to enable the continuity of the KTM business by paying off the approved quota to the creditors in furtherance of KTM's debt restructuring with the approval of the competent Court in Austria and infusing funds into the company to revive its operations and working capital cycle. Of this total €800 million debt package, €200 million has already been infused into the company so far and the balance €600 million is being done now.

This twin move of taking ownership (subject to approvals) and paring down debt by providing liquidity at a crucial stage, positions Bajaj Auto as a driving force in shaping the future of one of world's most admired high-performance motorcycle companies.

Existing Structure

- Bajaj Auto Limited has a wholly owned subsidiary in Netherlands called Bajaj Auto International Holdings BV (BAIHBV).
- BAIHBV holds a 49.9% stake in its associate, i.e., Pierer Bajaj AG (PBAG) in Austria. The remaining controlling stake in PBAG is held by Pierer Industrie AG, owned by entrepreneur Stefan Pierer.
- PBAG holds ~75% stake in its listed subsidiary, Pierer Mobility AG (PMAG).
- PMAG is the holding company of KTM AG (KTM Business), the leading manufacturer of offroad and street motorcycles marketed under the marquee brands of KTM, Husqvarna and GASGAS.
- Bajaj effectively holds ~37.5% in PMAG/KTM, through the above chain, prior to this transaction.

KTM's Restructuring Process

In November 2024, KTM AG and its subsidiaries, KTM Components GmbH and KTM F&E GmbH entered into a self-administrative restructuring process, prompted by acute liquidity challenges that could not service the spiralling debt and working capital constraints that stifled routine business operations.

Key milestones in the process include:

- On November 28, 2024, KTM AG applies for the initiation of judicial restructuring proceedings with self-administration over the assets of KTM AG and its two subsidiaries with an aim to agree a reorganization plan with the creditors within 90 days.

- On February 25, 2025, the creditors accepted the restructuring plan submitted by KTM AG. This plan provided for creditors to receive a cash quota of 30% of their claims in the form of a one-time payment to be deposited with the restructuring Administrator by May 23, 2025.
- In the event that the liquidity is not made available to and presented before the Administrator/Court latest by May 23, 2025, as per the law in Austria, the three entities are taken out of self-administration and moved irrevocably into an insolvency process.
- On sighting of the requisite liquidity in the escrow accounts and confirmation by the Administrator, the Court will confirm the restructuring plan by mid-June 2025 after offering a permissible objection period, post which the quota payment will be released to the creditors and the restructuring proceedings of KTM AG and its subsidiaries will be concluded with legally binding orders.

The Current Transaction

To address the KTM business' acute liquidity challenges and enable a structured revival of the brand that has a strong heritage and acclaimed position worldwide, Bajaj Auto outlines a set of strategic interventions.

The proposed equity acquisition by Bajaj of a controlling stake in PBAG and therefore, in PMAG/KTM (upon receipt of regulatory approvals) after exploring various other alternatives until recently, is a critical step in realigning governance to restore confidence among stakeholders, setting a path for operational restructuring of the business and creating flexibility for potential partnerships.

The debt package totalling €800 million seeks to address liquidity needs to meet creditor obligations pursuant to the approved restructuring plan and fund restart of operations.

A. Equity Ownership

Bajaj Auto intends to acquire a sole controlling stake in PBAG. The equity ownership realignment and change of control will, however, be brought into effect only after regulatory clearances.

A Pierer group company entered into Loan and Share Pledge Agreements with Dabepo Holding GmbH in December 2024 for an amount, which along with interest and costs adds up to €80 million. Bajaj through BAIHBV has taken over the commitment under the aforesaid Loan and Share Pledge Agreements from Dabepo Holding GmbH, to prevent the threatened foreclosure of this loan which could impede the planned restructuring and ramp up of the KTM business. This loan has been covered through security that has been provided by the Pierer Group. It is expected that the full consideration for the eventual share transfer will be settled within the range of this loan amount.

In connection with the planned change of control, BAIHBV intends to invoke the restructuring privilege provided for under the Austrian Takeover Act applicable to investments for the benefit of a distressed company.

A further intimation on the transfer of Pierer's equity ownership and change of control will be made in the future once the necessary regulatory approvals are obtained.

B. Debt Package

I. €200 million cash already infused as shareholder debt to maintain continuity and revive operations -

- a. Funded in four tranches of €50 million each via Convertible Bonds/Loans, this was deployed in a phased manner across FY24 and April-May 2025, reflecting Bajaj's sustained support through the critical stage of keeping the KTM business going through the self-administration phase.
- b. Each transaction was executed under the oversight and legal framework that was set by the Administrator in Austria.

II. Fresh €600 million debt now to be provided to fund payment of creditors quota and associated costs -

- a. €450 million as a secured term loan by BAIHBV to KTM AG
- b. €150 million of Convertible Bonds issued by PBAG and subscribed to by BAIHBV, that will be loaned by PBAG to PMAG, who in turn will eventually fund KTM AG to be used for the balance amount of the creditor's quota and restart costs.
- c. The amounts will be paid into the escrow accounts of the Administrator to the extent of the amounts due for payment towards the creditors' quota.

These were funded by bank loans that were raised directly by BAIHBV in the Netherlands and investments made out of internal accruals by Bajaj Auto into BAIHBV. Requisite intimations were filed with the Stock Exchanges from time to time.

Next Steps

The immediate next step is to secure binding restructuring orders from the Court in Austria to mark the end of the self-administration process and settle the creditors' quota. Alongside, applications are being made to the Austrian Takeover Commission, Foreign Investment Control and Merger Control Authorities, as applicable for their approval. Till such time these are received, the current control setup shall standstill and prevail. Finally, after months of stoppage, the production of bikes and the supply of parts, garments and accessories to the markets will be started.

Following the receipt of requisite approvals, Bajaj is committed to –

1. Initiating a revamp of the governance framework including reconstituting the Board
2. Commencing the journey of turnaround – putting in place a program aimed at restoring momentum and competitive growth while driving the financial viability of the company
3. Implementing measures that widen the remit of the existing joint development program between the companies and pursuing synergistic opportunities in both the front end and back end
4. Exploring potential partnerships and collaborations to build sustainable competitive advantage and long-term value creation

In effect therefore, the larger role of Bajaj in the future of the KTM business offers potential to unlock a triad of opportunity covering global growth, brand elevation, and technology leadership.

Annexure B

The details required under Regulation 30 of the Listing Regulations read along with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024:

Sr. No.	Particulars	Details
1.	Name(s) of parties with whom the agreement is entered.	<p>The following agreements have been executed:</p> <ul style="list-style-type: none">i. Facility Agreement for secured term loan between Bajaj Auto International Holdings BV, Netherland and KTM AG for Euro 450 million.ii. Subscription to convertible bonds issued by Pierer Bajaj AG for Euro 150 million by Bajaj Auto International Holdings BV, Netherland.
2.	Purpose of entering into the agreement.	<ul style="list-style-type: none">i. Bajaj Auto International Holdings BV, Netherland (BAIH) is a wholly owned subsidiary of the Company.ii. BAIH holds a 49.9% stake in PBAG, Austria.iii. PBAG holds a 74.94% stake in Pierer Mobility AG (PMAG), Austria.iv. PMAG is the holding company of KTM AG and its subsidiaries (KTM), Europe's leading manufacturer of powered two-wheelers, producing a full range of premium brands including KTM, GASGAS and Husqvarna Motorcycles.v. BAIH has provided funding support of Euro 600 million (equivalent to Rs.5,820 Crore at an assumed exchange rate of 1 Euro = Rs. 97.00) to be remitted to the escrow account of the Administrator towards payment of the creditors quota of KTM as approved by the competent Court in Austria and revival of operations and working capital cycle. <p>A press release outlining the broader context and purpose of the transaction is enclosed herewith.</p>
3.	Size of agreement	<ul style="list-style-type: none">i. Secured term loan agreement for Euro 450 million (equivalent to Rs.1,455 crore at an assumed exchange rate of 1 Euro = Rs.97).ii. 1,500 bonds with a nominal value of Euro 1,00,000 each at an issue price of Euro 1,00,000 each amounting to Euro 150 million (equivalent to Rs.1,455 crore at an assumed exchange rate of 1 Euro = Rs.97).

4.	Shareholding, if any, in the entity with whom the agreement is executed.	<ul style="list-style-type: none"> i. BAIH is a wholly owned subsidiary of the Company. ii. BAIH holds a 49.9% stake in PBAG. iii. PBAG holds a 74.94% stake in PMAG. iv. PMAG is the holding company of KTM.
5.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	<p>1. Facility Agreement for secured term loan: Security provided in favor of BAIH:</p> <ul style="list-style-type: none"> a. Guarantees by the parent and key subsidiaries of the borrower. b. Pledge of KTM AG shares by the parent of KTM AG. c. Charge on assets. <p>2. Convertible bonds:</p> <ul style="list-style-type: none"> a. The holder of the bonds shall have the right to convert the bonds into shares of PBAG. b. The conversion right may be exercised by the holder during the period commencing on 1st June 2025 and ending on 29th February, 2028. c. To the extent the bonds have not previously been redeemed, converted or repurchased and cancelled they will be redeemed at their principal amount on the maturity date of 31st March, 2028.
6.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	<ul style="list-style-type: none"> i. BAIH is a wholly owned subsidiary of the Company. ii. Shri Rajiv Bajaj, Promoter and Managing Director & CEO of the Company is also on the supervisory board of PBAG, PMAG and KTM AG. iii. Other than this, none of the Company's promoter / promoter group / group companies have any interest in the said parties.
7.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	<p>The parties to the transaction, viz. BAIH, PBAG, PMAG and KTM AG are related parties of the Company.</p> <p>The aforesaid transaction is a related party transaction and is being carried out on an arm's length basis.</p>
8.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	Not Applicable.
9.	In case of loan agreements: 1. Facility Agreement for secured term loan:	1. Facility Agreement for secured term loan:

	<p>i. Details of lender/borrower</p> <p>ii. Nature of the loan:</p> <p>iii. Total amount of loan granted/taken:</p> <p>iv. Total amount outstanding:</p> <p>v. Date of execution of the loan agreement/sanction letter:</p> <p>vi. Details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis.</p> <p>Convertible bonds:</p> <p>i. Details of lender/borrower</p> <p>ii. Nature of the loan:</p> <p>iii. Total amount of loan granted/taken:</p> <p>iv. Total amount outstanding:</p> <p>v. Date of execution of the loan agreement/sanction letter:</p> <p>vi. Details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis.</p>	<p>Lender: BAIH Borrower: KTM AG Nature of the Loan: Secured term loan</p> <p>Euro 450 million (equivalent to Rs.4,365 crore at an assumed exchange rate of 1 Euro = Rs.97)</p> <p>Nil</p> <p>Date of Execution: 21 May 2025</p> <p>Security provided in favor of BAIH: a. Guarantees by the parent and key subsidiaries of the borrower. b. Pledge of KTM AG shares by the parent of KTM AG. c. Charge on assets.</p> <p>Convertible bonds:</p> <p>Subscriber: BAIH Issuer: PBAG</p> <p>Convertible bonds</p> <p>Euro 150 million (equivalent to Rs.1,455 crore at an assumed exchange rate of 1 Euro = Rs.97).</p> <p>Euro 150 million subscribed prior to this and another Euro 150 million being subscribed now.</p> <p>Date of Execution: 21 May 2025</p> <p>The convertible bonds represents un-subordinated and un-secured obligation of the issuer with pari-passu ranking with similar instruments.</p>
10.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential	Nil

	conflict of interest arising out of such agreements, etc.	
11.	<p>In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):</p> <ul style="list-style-type: none"> i. name of parties to the agreement; ii. nature of the agreement; iii. date of execution of the agreement; iv. details of amendment and impact thereof or reasons of termination and impact thereof. 	Not Applicable