

4. Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

**Bajaj Auto International Holdings AG, Mattighofen, Austria
(former: Pierer Bajaj AG, Wels, Austria),**

which comprise the Balance Sheet as at December 31, 2025, the Income Statement for the year then ended, and the Notes to the financial statements.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with 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 Company, 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.

Our liability as auditors is guided under Section 275 UGB (Austrian Commercial Code).

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole, are free from material misstatements, 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 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 based on the financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the 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, misleading representation or the 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 entity'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to it in our auditor's report to the respective note in the 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 Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, as well as whether the financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.
- 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.

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Engagement Partner

The engagement partner is Mr. Alexander Gall.

Linz
March 5, 2026

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Alexander Gall
Wirtschaftsprüfer
(Austrian Chartered Accountant)

**BAJAJ AUTO INTERNATIONAL
HOLDINGS AG
(FORMERLY PIERER BAJAJ AG)**

MATTIGHOFEN

**ANNUAL FINANCIAL
STATEMENTS AS OF DECEMBER
31, 2025**

BALANCE SHEET AS OF DECEMBER 31, 2025

ASSETS	Dec. 31, 2025	Dec. 31, 2024	EQUITY AND LIABILITIES	Dec. 31, 2025	Dec. 31, 2024
	EUR	EUR k		EUR	EUR k
A. Fixed assets:			A. Equity		
I. Financial assets:			I. Called and paid-up share capital:		
1. Shares in affiliated companies	374,896,772.20	424,502	Share capital	100,000.00	100
B. Current assets:			II. Capital reserves		
I. Receivables and other assets:			Free	344,081,418.76	419,081
1. Receivables from affiliated companies	374,789,024.04	1,902	III. Revenue reserves		
<i>thereof with residual term greater than one year</i>	374,669,662.50	0.00	Reserves by law	10,000.00	10
II. Cash and cash equivalents	1,779,386.84	1,011	IV. Retained earnings (thereof profit brought forward EUR 0; previous year: EUR k 0)	23,497,622.17	0
	376,568,410.88	2,912		367,689,040.93	419,191
C. Deferred Items	0.00	0	B. Provisions:		
			Other provisions	169,879.99	69
			C. Liabilities:		
			1. Trade payables	7,557.66	18
			<i>thereof with residual term less or equal one year</i>	7,557.66	18
			2. Payables to affiliated companies	378,710,878.50	8,136
			<i>thereof with residual term less or equal one year</i>	24,205,266.00	8,136
			<i>thereof with residual term greater than one year</i>	354,505,612.50	0
			3. Other liabilities	4,887,826.00	0
			<i>thereof from taxes</i>	846,610.00	0
			<i>thereof with residual term less or equal one year</i>	4,887,826.00	0
				383,606,262.16	8,155
			<i>thereof with residual term less or equal one year</i>	29,100,649.66	8,155
			<i>thereof with residual term greater than one year</i>	354,505,612.50	0
	751,465,183.08	427,415		751,465,183.08	427,415

INCOME STATEMENT FOR THE FINANCIAL YEAR 2025

	2025 EUR	2024 EUR k
1. Revenues	119,361.54	0
2. Other operating income		
b) thereof income from the reversal of provisions	0.00	6
	0.00	6
3. Other operating expenses	-851,490.60	-222
4. Subtotal of items 1 to 3 (operating result)	-732,129.06	-216
5. Income from shareholdings (thereof with affiliated companies EUR 0; previous year: EUR k 0)	0.00	0
6. Interest and similar income (thereof with affiliated companies EUR 24,669,662.50; previous year: EUR k 326)	24,692,577.05	570
7. Expenses from financial assets (current and non-current) (thereof with affiliated companies EUR 49,605,426.07; previous year: EUR k 1,001,021)	-49,605,426.07	-1,001,021
8. Interest and similar expenses (thereof with affiliated companies EUR 0.00; previous year: EUR k 5,286)	-25,014,289.75	-5,286
9. Subtotal of items 5 to 8 (financial result)	-49,927,138.77	-1,005,737
10. Profit before taxes	-50,659,267.83	-1,005,954
11. Taxes (thereof income from deferred tax EUR 0.00; previous year: EUR k 0)	-843,110.00	-4
12. Net profit after taxes	-51,502,377.83	-1,005,957,254
13. Reversal of capital reserve	75,000,000.00	1,005,957,254
14. Balance sheet profit	23,497,622.17	0

NOTES FOR THE FINANCIAL YEAR 2025

BAJAJ AUTO INTERNATIONAL HOLDINGS AG, MATTIGHOFEN

1. GENERAL INFORMATION

The present annual financial statements as of December 31, 2025, have been prepared in accordance with the provisions of the Austrian Commercial Code in its current version. The company is a large corporation according to Section 221 of the Austrian Commercial Code.

Over the course of the insolvency restructuring proceedings of KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH – all subsidiaries of the former PIERER Mobility AG – the Bajaj Group, as a long-standing minority owner, has provided comprehensive financing measures to enable the successful conclusion of all three proceedings. As part of these measures, the Bajaj Group also secured a call option on all shares in the former Pierer Bajaj AG, which in turn holds 74.94% of the shares in the former PIERER Mobility AG. This option was exercised in November 2025, whereby all remaining 50.01% of the shares in the former Pierer Bajaj AG were transferred to the Bajaj Group.

Since then, the Bajaj Group has been the majority shareholder of the former Pierer Mobility AG.

In view of this change in majority, two name changes were resolved at an extraordinary general meeting on November 19, 2025: The former Pierer Bajaj AG now operates as Bajaj Auto International Holdings AG, the company of the former PIERER Mobility AG is now named Bajaj Mobility AG. For reasons of clarity, the former company or group name is not mentioned further in these consolidated financial statements.

The previous form of presentation was retained in the preparation of the present annual financial statements.

For the sake of clarity, individual items have been combined in the balance sheet and in the income statement. These items are shown separately in the notes.

To the extent necessary to provide as true a picture as possible of the net assets, financial position and results of operations, additional information has been provided in the notes.

In the case of assets and liabilities covered by more than one item in the balance sheet, the inclusion of other items has been disclosed in the notes.

The company is a parent company subject to consolidation within the meaning of Section 244 of the Austrian Commercial Code (UGB) and must prepare consolidated financial statements, which are filed with the Regional and Commercial Court of Ried im Innkreis under the number FN 532159 m.

The Company has a consolidated relationship with Bajaj Auto Limited and its affiliates and is included in their consolidated financial statements. These consolidated financial statements represent the consolidated financial statements for the largest group of companies.

2. GOING CONCERN ASSUMPTION

These annual financial statements are prepared under the assumption of going concern. Management assumes that the company will continue as a going concern for the following reasons:

The company and its shareholder Bajaj Auto International Holdings B.V. have provided Bajaj Mobility AG with a loan of EUR k 350,000, the proceeds of which were used to a significant extent to settle intra-group receivables of KTM AG and thus ultimately flowed to KTM AG. The loan was granted in several tranches, each of which has a maturity of three years. The last tranche is therefore to be repaid on May 22, 2028.

Since Bajaj Auto International Holdings AG as the lender has agreed to reclaim the loan of EUR k 350,000 only if the economic situation of Bajaj Mobility AG allows this, and the interest on the loan from Bajaj Mobility AG only has to be paid in this case, the assumption of the continuation of the company depends mostly on the continuation of Bajaj Mobility AG and subsequently also on the KTM AG Group.

Assumption on the continuation of the subsidiaries

KTM AG and its parent company, Pierer Mobility AG, were able to successfully complete the search for investors and secure a total financing volume of EUR k 800,000.

By securing the financing, the court-determined quota of 30% was deposited in full by the subsidiaries on May 22, 2025, and the restructuring plan was subsequently confirmed by the court. The proceedings were formally concluded on May 23, 2025, and the final entry into force of the court confirmation took place after the expiry of the statutory appeal period pursuant to Section 260 IO on June 16, 2025.

Following the final judicial confirmation of the restructuring proceedings and the provision of sufficient debt capital by the now majority owner Bajaj, as well as the implementation of further restructuring measures, the management assumes that the material uncertainties regarding the continuation of the company have been eliminated and that the continued existence of the company can be assumed.

Despite improved framework conditions, the company continues to be exposed to endogenous and exogenous risks, which can also have a significant impact on economic performance or the achievement of the targets set by management. These risks relate to the macroeconomic and geopolitical conditions relevant to achieving the planned profitability. The development of these external factors may deviate from the underlying assumptions and have a corresponding impact on the future business development of the Company. If there is a material adverse change in these framework conditions that is not foreseeable at present, this may also make it necessary to initiate further restructuring measures in order to compensate for material effects on the company's net assets, financial position and results of operations.

Management continues to respond to these conditions by continuing to monitor the implementation of strategic priorities closely and is taking additional initiatives to reduce costs and increase profitability. In the 2025 financial year, the KTM Group was already successful in restoring profitability and implementing cost-cutting measures on a significant scale.

3. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the principles of proper accounting and the general standard of giving as true a picture as possible of the company's assets, financial position and results of operations.

The principle of completeness was observed in the preparation of the annual financial statements.

The valuation was based on the continuation of the company, whereby reference is made in this regard to the statements under point 2 "Going Concern Assumption".

In the case of assets and liabilities, the principle of individual valuation was applied. The principle of prudence has been considered in that only the profits realized on the balance sheet date are reported.

All identifiable risks and anticipated losses incurred in the 2025 financial year or in a previous financial year have been considered.

Estimates are based on a prudent assessment. Insofar as statistically ascertainable experience from similar facts is available, the company must take this into account in its estimates.

Financial assets are recognized at cost or, if a lower value is to be attributed to them, at cost if the impairment is likely to persist.

Appreciation of fixed assets is made if the reasons for the impairment have ceased to exist. The appreciation is made to a maximum of the net book value, which results from taking into account the normal depreciation that would have had to be carried out in the meantime.

Receivables and other assets are recognized at the nominal amount. Foreign currency receivables are valued at their incurrence rate or the lower mid-market exchange rate at the balance sheet date. Individual value adjustments are recognized for recognizable risks.

Appreciations of current assets are made when the reasons for the depreciation have ceased to exist.

In the calculation of the provisions, all recognizable risks and anticipated losses were considered in accordance with the legal requirements. Long-term provisions, if any, are discounted at an average interest rate consistent with maturity in accordance with the publication of the Deutsche Bundesbank.

Liabilities are recognized at their settlement amount. Foreign currency liabilities are measured at their incurrence rate or at the higher mid-market exchange rate at the balance sheet date.

4. NOTES ON THE BALANCE SHEET

Fixed Assets

The breakdown of fixed assets and their development in the year under review are shown in the list of fixed assets (see Annex 1 to the Notes).

The shareholdings in which the Company holds at least 20% of the shares are set out in Annex 2 to the Notes.

The financial assets consist exclusively of investment in Bajaj Mobility AG. As of the balance sheet date, the stake in Bajaj Mobility AG thus amounted to 74.94% (previous year: 74.94%), which is a total of 25,326,329 shares (previous year: 25,326,329 shares). In the current financial year, impairment losses of shares in affiliated companies amounted to EUR k 49,605 (previous year: EUR k 999,049). For the valuation of the shares as of December 31, 2025, the average 3-month price of the share on the Swiss Stock Exchange and the Vienna Stock Exchange was used. In the current financial year or in the previous year, no appreciation was made on shares in affiliated companies.

Receivables and other assets

As of December 31, 2025, receivables from affiliated companies relate to trade receivables in the amount of EUR k 119 (previous year: EUR k 0) as well as loan receivables in the amount of EUR k 374,670 (previous year: EUR k 1,902). The loan receivables as of December 31, 2025, have a maturity of up to 3 years.

Equity

The called and paid-up nominal capital (share capital) of the Company amounts to EUR k 100 (previous year: EUR k 100) and is divided into 100,000 registered shares with a nominal value of EUR 1.00.

As in the previous year, the reserves by law amount to EUR k 10.

The capital reserves of EUR k 344,081 (previous year: EUR k 419,081) relate entirely to free capital reserves. In the financial year, EUR k 75,000 was reserved.

Provisions

Other provisions mainly include provisions for pending invoices as well as expenses for auditing and consulting. They consider all recognizable risks and the amount of liabilities that have not yet been determined.

	As at January 1, 2025	Utilization	Reversal	Increase	As at December 31, 2025
	EUR k	EUR k	EUR k	EUR k	EUR k
Other provisions					
Pending invoices	20	0	0	6	26
Expenses for auditing and consulting	49	49	0	144	144
Total other provisions	69	49	0	150	170

Liabilities

The liabilities can be presented as follows with regard to their residual term:

	residual term less or equal one year EUR k	residual term between one and five years EUR k	residual term greater than five years EUR k	Carrying amount EUR k
Trade payables	8	0	0	8
<i>Previous year</i>	18	0	0	18
Payables to affiliated companies	24,205	354,506	0	378,711
<i>Previous year</i>	8,136	0	0	8,136
Other liabilities	4,888	0	0	4,888
<i>Previous year</i>	0	0	0	0
	29,101	354,506	0	383,606
<i>Previous year</i>	8,155	0	0	8,155

Liabilities to affiliated companies relate to liabilities from financing in the amount of EUR k 378,711 (previous year: EUR k 8,132) to Bajaj Auto International Holdings BV. This includes a shareholder loan of EUR k 54,000 and the interest attributable thereon in the amount of EUR k 4,547, as well as a convertible loan in the amount of EUR k 300,000 and the interest accrued thereon in the amount of EUR k 20,164.

The other liabilities mainly relate to liabilities from loans from former affiliated companies.

The item "Other liabilities" includes expenses in the amount of EUR k 847 (previous year: EUR k 0), which do not become cash effective until after the balance sheet date.

5. NOTES TO THE INCOME STATEMENT

The profit and loss account is prepared using the total cost method in accordance with Section 231(2) of the Austrian Commercial Code.

Revenue

The revenue results from the passing on of insurance expenses to affiliated companies.

Other operating expenses

	2025 EUR k	2024 EUR k
Legal and Advisory expenses	644	222
External services	58	0
Other expenses	149	0
	851	222

Other operating expenses include costs for external services, legal, auditing and consulting expenses as well as other operating expenses. The item 'other expenses' mainly includes insurance expenses, bank charges and other charges.

Expenses for the auditor

Regarding the expenses for the auditor attributable to the financial year, use is made of the exemption provision pursuant to section 238 no. 18 of the Austrian Commercial Code.

Income from interest and similar income

Other interest and similar income of EUR k 24,693 (previous year: EUR k 570) mainly relates to interest income from loan receivables from Bajaj Mobility AG as well as bank interest income.

Expenses from financial assets (current and non-current)

The expenses from financial assets relate entirely to the depreciation of an investment in an affiliated company.

Interest and similar expenses

Interest and similar expenses of EUR k 25,014 (previous year: EUR k 5,286) relate to interest on loan liabilities to Bajaj Auto International Holdings B.V.

Taxes on income

The taxes on income and earnings shown in the annual financial statements relate to tax apportionments from the previous year. In 2024, the company was a group member in a steering group with Pierer Konzerngesellschaft GmbH. The tax apportionment agreement provides for an apportionment of 23% in the event of a positive tax result, and internal loss carryforwards are granted in the event of negative tax results. As of the 2025 financial year, the company will no longer be part of the tax group of Pierer Konzerngesellschaft GmbH.

The Group operates in various countries that have passed laws to introduce the global minimum tax, in particular Austria. Since the tax law in Austria came into force on 1 January 2024, this provision was applied for the preparation of the consolidated financial statements for 2025. In 2025, no tax expense was booked in relation to Pillar II.

The Group applies the temporary mandatory exemption regarding the accounting for deferred taxes resulting from the introduction of the global minimum taxation and recognizes any taxes incurred in connection with the global minimum taxation as actual tax expense/income at the time of incurrence..

Related party relationships

All transactions with related parties take place under arm's length conditions.

6. ADDITIONAL INFORMATION

The members of the Supervisory Board did not receive any remuneration during the 2025 financial year.

Events after the balance sheet date

Since the end of February 2026, the United States and Israel have been conducting joint military operations against Iran; the conflict is ongoing at the time of writing this conclusion. The Middle East is not a significant sales or procurement market for the Group, so no immediate financial impact is expected from direct business relationships.

However, a further escalation of the conflict or a prolonged dispute could lead to an increase in raw material prices and supply bottlenecks, particularly through disruptions to global energy supplies and supply chains. From today's perspective, adverse effects on the Group's business activities cannot therefore be ruled out. Management is continuously monitoring the situation and, if necessary, evaluating the implementation of appropriate measures to mitigate potential negative effects. A reliable estimate of the financial impact is not possible at the time of publication of these financial statements.

Events after December 31, 2025, that are material for the valuation of assets and liabilities are either included in the present financial statements or are not known.

Appropriation of profit

It is proposed that EUR 23,497,622.17 of the balance sheet profit reported as of December 31, 2025 be carried forward to new account.

The Executive Board for the 2025 financial year is composed as follows:

Mag. Michaela Friepeß (since July 01, 2025)

Mag. Gottfried Neumeister (since January 31, 2025)

Dipl.-Ing. Stefan Pierer (until June 30, 2025)

Mag. Alex Pierer (until June 30, 2025)

Mag. Friedrich Roithner (until January 31, 2025)

Mag. Verena Schneglberger-Grossmann (since November 18, 2025)

The Supervisory Board was composed as follows:

Dr. Ernst Chalupsky, Chairman (until November 18, 2025)

Srinivasan Ravikumara, Chairman (since November 18, 2025)

Rajiv Bajaj, Deputy Chairman (until November 18, 2025)

Dinesh Thapar, Deputy Chairman (since November 18, 2025)

Josef Blazicek, Member (until November 18, 2025)

Dr. Iris Filzwieser, Member (until November 18, 2025)

Mag. Michaela Friepeß, Member (until June 30, 2025)

Dr. Wulf Gordian Hauser, Member (since November 18, 2025)

Mattighofen, March 03, 2026

Mag. Michaela Friepeß

Mag. Verena Schneglberger-Grossmann

Mag. Gottfried Neumeister

Annex 1 Notes: List of Assets

Annex 2 Notes: List of Participations

LIST OF ASSETS

	Costs of acquisition and production					Accumulated depreciation				Carrying amount	
	As at January 1, 2025	Additions	Reclasses	Disposals	As at December 31, 2025	As at January 1, 2025	Additions	Disposals	As at December 31, 2025	As at December 31, 2025	As at December 31, 2024
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Financial assets:											
1.Shares in affiliated companies	1,650,185,817.22	0.00	0.00	0.00	1,650,185,817.22	1,225,683,618.95	49,605,426.07	0.00	1,275,289,045.02	374,896,772.20	424,502,198.27
	1,650,185,817.22	0.00	0.00	0.00	1,650,185,817.22	1,225,683,618.95	49,605,426.07	0.00	1,275,289,045.02	374,896,772.20	424,502,198.27
	1,650,185,817.22	0.00	0.00	0.00	1,650,185,817.22	1,225,683,618.95	49,605,426.07	0.00	1,275,289,045.02	374,896,772.20	424,502,198.27

LIST OF PARTICIPATIONS

The company holds shares in the following companies:

Shares held in companies	Amount of shares held %	Equity EUR k	Net profit of the previous business year EUR k
Bajaj Mobility AG (form. Pierer Mobility AG)	74.94%	433,742	834,153

MANAGEMENT REPORT AS OF DECEMBER 31, 2025, BAJAJ AUTO INTERNATIONAL HOLDINGS AG, MATTIGHOFEN

1. GENERAL

The Bajaj Auto International Holdings AG (formerly Pierer Bajaj AG) is the holding company of Bajaj Mobility AG and thus also the KTM AG, a major motorcycle manufacturer in Europe. With a focus on the premium segment, the company combines brands such as KTM, Husqvarna and GASGAS under one roof. The premium brand range also includes the high-performance components of the WP brand. The group is also active in the bicycle sector with the brands Husqvarna, GASGAS and FELT. Due to the strategic withdrawal from the bicycle sector, the Group is discontinuing its operational activities in this area but will generate revenue from residual activities from the sale of inventories at least in the first quarter of 2026.

As of the reporting date, Bajaj Auto International Holdings AG holds a majority stake in Bajaj Mobility AG (74.94%).

As a holding company, the development of Bajaj Auto International Holdings AG is essentially dependent on the business performance of the Bajaj Mobility Group, which is why the management report also addresses the developments in the 2025 financial year of its subsidiaries and the Group as a whole.

2. INFORMATIONEN IN CONNECTION WITH RESTRUCTURING PROCEEDINGS OF MAJOR SUBSIDIARIES

Informationen on the judicial restructuring proceedings of group companies

On November 29, 2024, after examining the alternatives, the Board of Management of KTM AG filed an application for the opening of restructuring proceedings under insolvency law with self-administration over the assets of KTM AG (file number 17 S 56/24b) and its subsidiaries KTM Components GmbH (file number 17 S 59/24v) and KTM Forschungs & Entwicklungs GmbH (file number 17 S 62/24k) at the Regional Court of Ried im Innkreis, Austria. Further information on this, including the impact of the restructuring proceedings on the consolidated financial statements as of December 31, 2024, can be found in the consolidated financial statements as of December 31, 2024.

The restructuring proceedings of KTM AG and its two subsidiaries were fully completed on June 16, 2025, with the timely deposit of the 30 per cent cash quota of EUR 525.0 million on May 22, 2025, by the final court confirmation of the restructuring plan.

As a result of the restructuring proceedings under insolvency law at the KTM Group, restructuring proceedings were opened on January 7, 2025, over the assets of both PIERER E-Commerce GmbH (file number 17 S 1/25s) and Avocado GmbH (file number 17 S 3/25b), both subsidiaries of Bajaj Mobility AG. In contrast to the proceedings of the KTM Group, however, these were conducted without self-administration. Here, too, the restructuring proceedings were fully concluded with the timely filing of a cash quota, specifically a quota of 20 or 50 percent or EUR 0.6 million or EUR 6.1 million, by final court confirmations of the restructuring plans of July 25, 2025, and September 01, 2025, respectively.

After the restructuring proceedings have been fully completed by law, the restructuring lawyers of the five companies mentioned above have started to pay out the registered and recognized claims to the creditors. These receivables have already been paid out to creditors as of the balance sheet date of December 31, 2025.

In addition, there is a possibility that the total amount of the restructuring profit will change further in the course of the financial year 2026. The reason for this is that proceedings may have not yet been concluded for the determination and payment of individual creditor claims on the one hand and the clarification of conditionally registered or disputed creditor claims on the other. In addition, the Austrian insolvency rules grant creditors a period of several years to register their previously unregistered claims, depending on the nature of the claim, which may also result in adjustments to the final restructuring profit. In this context, however, the group does not assume that there will be significant late registrations that would lead to corresponding payouts.

Significant further steps in the course of the restructuring

Although the judicial restructuring proceedings carried out at the Group companies were successfully concluded in the financial year 2025, the Bajaj Mobility Group continues to be involved in the implementation of the restructuring plans on which these proceedings are based as well as in adapting them to current developments and circumstances. The Group attaches the highest priority to driving forward Group-wide restructuring, with the aim of sustainably strengthening competitiveness and regenerating operating profits. The judicial conclusion of the restructuring proceedings was therefore only a first, necessary step.

In addition to the cost-cutting measures already implemented, the focus is on further reducing fixed costs, streamlining Group-wide structures, focusing on the product and project portfolio, and optimizing the international site and management network. As part of this necessary realignment, the Group decided to make further staff reductions of around 500 employees at the beginning of the 2026 financial year.

3. ECONOMIC ENVIRONMENT

Economic and geopolitical developments

The global economy remained robust overall in 2025 and at the beginning of 2026 despite a challenging environment. According to the International Monetary Fund (IMF), global growth reached around 3.3% in 2025. According to the IMF, economic growth is expected to be at a similar level in 2026. However, the dynamics continue to vary significantly between regions.

Economic growth in the eurozone remains moderate. For 2026, the IMF forecasts an increase in gross domestic product of 1.3%. Although Germany is showing a slight recovery in 2025 after a weak previous year, it remains burdened by structural and energy price-related factors. In the USA, growth of 2.4% is expected for 2026. Positive impetus resulted in particular from fiscal measures, an easing interest rate situation and high investment activity in the technology sector.

The international environment remains characterized by increased uncertainty. Trade policy has stabilized compared to 2024; however, protectionist measures and strategic calculations persist. Adjustments, especially with regards to US tariffs, some of which have a relieving effect and some of which lead to additional burdens for importers due to new accentuations, will be supplemented by further trade policy interventions and continue to contribute to uncertainties in global supply chains.

Geopolitical risks remain a major negative factor. The uncertainty in Ukraine caused by the acts of war and the tense situation in the Middle East continue to have an impact on transport routes and energy prices. The IMF also points to possible disruptions to key trade routes that could have an impact on inflation and costs in the short term.

Fiscally, many large economies are in a phase of reorientation. The US is increasingly focusing on investment-oriented programs, while European countries are facing structural financing requirements, among other things due to rising defense spending. At the same time, increased sovereign debt remains a risk factor for financial market volatility in many countries.

Global inflation has continued to weaken over the course of 2025 and will follow a moderate downward trend in 2026. The IMF forecasts global consumer price inflation to fall to 3.8% in 2026 from 4.1% in the previous year. In the developed economies, inflation is expected to fall to around 2.2%, while it will remain elevated at 4.8% in emerging and developing countries. Overall, the global inflation slowdown reflects declining energy prices, weakening demand impulses and a normalization of supply chains. However, there are regional differences: In the eurozone, an inflation rate close to the ECB level is expected for 2026, while the US is not expected to return to the 2% target until 2027 due to delayed price and tariff effects.

IMF-World economic growth projection	2026	2027
World output	3.3%	3.2%
Advanced economies	1.8%	1.7%
Euro area	1.3%	1.4%
Germany	1.1%	1.5%
United States	2.4%	2.0%
Emerging market and developing economies	4.2%	4.1%
China	4.5%	4.0%
India	6.3%	6.5%

4. OTHER SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the course of the insolvency restructuring proceedings of KTM AG, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH – all subsidiaries of the former Pierer Mobility AG – the Bajaj Group, as a long-standing minority owner, has provided comprehensive financing measures to enable the successful conclusion of all three proceedings. As part of these measures, the Bajaj Group also secured a call option on all shares in the former Pierer Bajaj AG, which in turn holds 74.94% of the shares in the former Pierer Mobility AG. This option was exercised in November 2025, whereby all remaining 50.01% of the shares in the former Pierer Bajaj AG were transferred to the Bajaj Group. Since then, the Bajaj Group has been the majority shareholder of the former Pierer Mobility AG.

In view of this change in majority shareholdings, two name changes were resolved at an extraordinary general meeting on November 19, 2025: The former Pierer Bajaj AG now operates as Bajaj Auto International Holdings AG, the company of the former PIERER Mobility AG is now named Bajaj Mobility AG. For reasons of clarity, the former company or group name is not mentioned further in these consolidated financial statements.

Changes in the Management Board and Supervisory Board

» Board of Directors

Gottfried Neumeister was appointed to the Management Board with effect from January 31, 2025, and at the same time Friedrich Roithner resigned from the Management Board. On June 30, 2025, Dipl.-Ing. Stefan Pierer and Mag. Alex Pierer also resigned from the Management Board.

As of July 1, 2025, Michaela Frieppess was appointed as a new member of the Management Board, followed by Verena Schneglberger Grossmann, who was appointed to the Management Board on November 18, 2025.

» Supervisory Board

The function of Chairman of the Supervisory Board was held by Dr. Ernst Chalupsky until November 18, 2025, after which Mr. Srinivasan Ravikumar took over as Chairman. The role of Vice-Chair was held by Mr Srinivasan Ravikumar until November 18, 2025, when he was succeeded by Mr Dinesh Thapar.

The Supervisory Board also included Michaela Friepess until June 30, 2025, and Dr. Iris Filzwieser and Josef Blazicek until November 18, 2025. Mr. Dinish Thapar and Dr. Wulf Gordian Hauser were elected to the Supervisory Board on November 18, 2025.

5. BUSINESS DEVELOPMENT

The following key figures characterize the past financial year of Bajaj Auto International Holdings AG:

Key figures	FY 2025 EUR k	FY 2024 EUR k
Revenues	119	0
EBT	-50,659	-1.005,954
Balance sheet total	751,465	427,415
Equity	367,689	419,191
Equity ratio	48,9%	98,1%
Depreciation financial assets	-49,605	-999,049

FINANCIAL PERFORMANCE INDICATORS

6. RESULT ANALYSES

Other operating expenses of 851 EUR k (previous year: 222 EUR k) mainly comprise audit and consulting expenses and various external services.

Bajaj Auto International Holdings AG reported a net loss of -51,502 EUR k (previous year - 1,005,957 TEUR). An amount of 75,000 EUR k of the free reserves was released.

The financial result amounts to -49,927 EUR k (previous year: -1.005.737 EUR k) and is mainly due to the depreciation of the investment in Bajaj Mobility AG in the amount of 49,605 EUR k.

7. BALANCE SHEET ANALYSIS

The balance sheet total increased by 76% on 751,465 EUR k. The change is explained in more detail in the following items.

The net value of the shares in affiliated companies decreased by 49,605 EUR k due to the depreciation of the investment in Bajaj Mobility AG.

Receivables from affiliated companies rose from 1,902 EUR k to 374,789 EUR k. They mainly include the shareholder loan to Bajaj Mobility AG in the amount of 350,000 EUR k and the interest accrued on it.

Compared to the previous year, equity was up by 51,502 EUR k to 367,689 EUR k. The change results from the 2025 profit after tax in the amount of EUR -51,502 million, so the equity ratio at the end of the year is 48,9% (previous year: 98,1%). 75,000 EUR k of the capital reserves were released.

Liabilities to affiliated companies rose from 8,136 EUR k to 378,711 EUR k. They mainly include the shareholder loan from Bajaj Auto International Holdings B.V., Amsterdam, in the amount of 350,000 EUR k and the interest accrued thereon.

Other liabilities rose from 0 EUR k to 4,888 EUR k and mainly comprise financial liabilities to Pierer Industrie AG.

8. LIQUIDITY ANALYSIS

Cash and cash equivalents increased on balance as of December 31, 2025 by -769 EUR k to 1,779 EUR k.

The cash flow from the operating area increased from 7,600 EUR k to -1,133 EUR k compared to the previous year. The investment cash flow of -348,098 EUR k (previous year: -3,000 EUR k) is mainly due to the shareholder loan to Bajaj Mobility AG. This resulted in a free cash flow of -349,232 EUR k (previous year 4,600 EUR k).

The cash flow from financing activities amounts to 350,000 EUR k (previous year: -7,900 EUR k) and results from the shareholder loan of Bajaj Auto International Holdings B.V.

9. INVESTMENTS

As a holding company, the company does not make any significant investments.

10. BRANCH OFFICE

The Bajaj Auto International Holdings AG is not represented by any branches abroad.

NON-FINANCIAL PERFORMANCE INDICATORS

11. OPPORTUNITY AND RISK REPORT

For the sustainable success of our company, it is essential to identify risks and opportunities at an early stage, to assess them accurately, and to manage them with appropriate measures.

Risk management system

The main purpose of Bajaj Mobility Group's risk management is to secure and strengthen the company through the timely, comprehensive, and transparent assessment of financial, operational, and strategic opportunities and risks. The effectiveness of the risk management was audited and confirmed by MOORE CENTURION Wirtschaftsprüfungs- und Steuerberatungs-GmbH (in accordance with Rule 83 of the Austrian Corporate Governance Code, ÖCGK) as of 31.12.2025.

The Bajaj Mobility Group operates an enterprise risk management (ERM) system that centrally records the Group-wide opportunities and risks according to business areas and, where applicable, geographical regions. Operational responsibility and the assessment of Group-wide opportunities and risks lie with both local management and the "Risk Management & Dealer Financing" department of KTM AG. This department is responsible for the central coordination of all risk management processes, ensures the consistent application of Group-wide standards, and acts as an interface for the integration of ESG management.

Reporting is provided directly to the Executive Board of KTM AG, which is responsible for overseeing risk management together with the Group Executive Board of Bajaj Mobility AG.

A preventive analysis of potential events is also part of the risk management mandate. In addition, actively managing opportunities and risks, as well as defining and evaluating appropriate measures together with the affected business units, forms an essential component of the process.

As part of holistic risk management, this process also incorporates the opportunities and risks associated with environmental, social, and governance (ESG) issues (further details can be found in the Non-Financial Statement 2025).

Enterprise Risk Management (ERM)

The Bajaj Mobility Group's ERM is based on the COSO Enterprise Risk Management Framework and ensures a continuous, multi-stage process for managing operational and strategic opportunities and risks. This process combines both bottom-up and top-down approaches and encompasses the identification and assessment of opportunities and risks, the definition of appropriate mitigation measures, ongoing monitoring, and structured reporting. In this way, the ERM ensures consistent Group-wide reporting and supports the integration of risk management into the corporate strategy.

Identification and evaluation

The ERM process identifies and assesses opportunities and risks equally. A distinction is made between short-term opportunities and risks with a time horizon of up to one year and long-term, strategic opportunities and risks with a period of five years and more. As part of this process, ESG-related opportunities and risks with longer-term impacts are also identified and appropriately evaluated. All identified opportunities and risks are then consolidated and transferred into the Group's overall risk inventory.

The initial assessment is carried out qualitatively using a 5x5 matrix that combines probability of occurrence and impact. For highly rated risks, an additional quantitative analysis is performed to enable a more precise evaluation. Monte Carlo simulations are used for the aggregation and interpretation of overall risk positions. Based on these results, the most significant risks and opportunities are identified and subjected to an in-depth analysis.

Opportunity and risk management

The main objective of opportunity and risk management is the active, continuous and controlled management of opportunities and risks, taking into account the corporate strategy and questions of profitability. Risks and opportunities are addressed on a case-by-case basis by mitigation or avoiding risks, or by consciously accepting them in selected situations. Opportunities are assessed and, if considered beneficial, leveraged through proactive action and targeted investments. The selection of appropriate strategies lies with the respective risk owner, who regularly evaluates their effectiveness and monitors their implementation. Risk management is kept informed throughout this process.

Sustainability-related opportunities and risks are managed in close cooperation with the relevant department (ESG). The entire process is carried out primarily by the upper and middle management levels of KTM AG and is monitored, among others, by the Board of Management of Bajaj Mobility AG.

Reporting and monitoring

Comprehensive reporting is implemented as part of the ERM process. Risk management reports directly to the Board of Management of KTM AG. In addition, a consolidated report is prepared for the Group Executive Board of Bajaj Mobility AG and KTM AG, presenting the overall risk situation, including the aggregated risk position at Group level.

Furthermore, the Audit Committee and the Supervisory Board are regularly informed about the status quo and ongoing developments. These reports serve not only as monitoring instruments but also as an early-warning mechanism for identifying emerging trends and developments. Regular communication ensures that all relevant decision-makers remain continuously informed about the risk situation and the effectiveness of the implemented control measures.

Ad-hoc reporting of relevant risks

In the event of significant changes in the risk situation, ad-hoc reporting is carried out immediately by the respective risk owners to the risk management team and subsequently to the Executive Board of KTM AG. This process ensures a timely and transparent assessment of the current overall risk position. Ad-hoc reporting complements the regular reports and serves to react early to critical developments. In 2025, an increase in ad hoc reporting was observed. The increased number of ad-hoc reports reflects heightened awareness and improved sensitivity to critical topics across the organization.

Presentation of opportunities and risks as well as measures taken

Note: The completed restructuring process presented the company with significant challenges in FY 2025. Some resulting effects may continue into the FY 2026 and influence the Group's risk and opportunity profile. However, based on the current assessments, these effects are not expected to be material.

The following table provides an overview of the significant opportunities and risks identified in 2025, along with the corresponding measures taken. Overall, the Bajaj Mobility Group did not identify any risks that would jeopardize the company's continued existence, neither as of the balance sheet date nor at the time of preparing the financial statements.

	Description	Measures
Financial risks and opportunities		
Finance	<ul style="list-style-type: none"> Persistently high interest rates and low sales figures can increase the pressure on retailers and thus lead to increased bad debts 	<ul style="list-style-type: none"> Close coordination with dealers and support with targeted programs Bank guarantees for security Strategic dealer network development
	<ul style="list-style-type: none"> For further explanations, including the specific measures implemented to mitigate risks through the use of financial instruments (hedging of foreign currency positions with futures, swaps, etc.), please refer to the Notes to the Consolidated Financial Statements for FY 2025 (Chapter VII – 41. Financial Risks) of Bajaj Mobility AG. 	
Compliance / Legal Risks and Opportunities		
General Compliance Topics	<ul style="list-style-type: none"> Violation of the minimum standards defined in the Code of Conduct Violation of national and/or international laws Challenges in own business activities and in the supply chain <p>Focus topics:</p> <ul style="list-style-type: none"> Human Rights, Respect, Integrity, Diversity, Ethical Recruitment, Fair Working Conditions, Health Protection, Occupational Safety Aspects of sustainability, environmental, climate and animal welfare as well as supply chain compliance Dealing with conflict minerals, chemicals, pollutants Fair competition, antitrust ban Corruption, bribery, invitations, gifts Money laundering, terrorist financing, export controls Taxes, Tax Strategy, Tax Compliance, International Tax Guidelines Conflicts of interest, prohibition of insider trading, political activities, donations, sponsorship Dealing with company property, company assets, business and trade secrets, data protection, intellectual property, AI tools 	<ul style="list-style-type: none"> Compliance with the Code of Conduct Inclusion of employee interests through employee representatives Review of progress Implementation of measures to respect human rights Setting minimum requirements as a basis for supplier relationships Ensuring the minimum age of employment Implementation of annual training and awareness programs Provision of a whistleblower system to report potential violations Internal guidelines on how to proceed in the event of any violations Availability of whistleblowing channels, extension of the anonymous whistleblowing system to third parties Automated Compliance E-Learning

12. EMPLOYEES

In the financial year 2025 Bajaj Auto International Holdings AG had no employees (previous year: 0 employees).

13. RESEARCH AND DEVELOPMENT

Due to the business activities of a managing holding company, the field of research is not applicable.

14. OUTLOOK

Business development

The Bajaj Mobility Group looks back on an eventful financial year. The year 2025 marked the successful conclusion of the restructuring procedures of KTM AG, KTM Components GmbH and KTM Forschungs und Entwicklungs GmbH, which were decisive for the continued existence of the Group. The necessary financial resources were provided by the long-standing strategic partner Bajaj. As part of this, the Bajaj Group acquired a majority stake in Bajaj Mobility AG at the end of 2025.

Even after the acquisition of the majority shares, the cooperation with the Bajaj Group is characterized by a strategic partner- and relationship. At the same time, the takeover by Bajaj marks the end of the Bajaj Mobility Group's affiliation with the Pierer Group, as the change in the name of the company illustrates. However, the roots in Austria remain unchanged, which represents a forward-looking strategic decision for the Group and Bajaj. The aim for the Group is to quickly and sustainably regain its leading position in the global motorcycle market through the strategic partnership with Bajaj, set new standards and secure the company's success both in the short and long term. Against the background of the affiliation to the Bajaj Group, the Management Board is also evaluating further synergy potential.

The financial year 2026 will be significantly influenced by the consistent continuation of the restructuring plan, whose measures to focus, to re-dimension and to increase efficiency will strengthen the Group's operational and financial stability in the long term. In addition, the first substantial progress has already been made from the cooperation with Bajaj.

The measures initiated include, among other things, the termination of the involvement in the bicycle segment, which – among other factors – contributed to the need for the KTMG Group's insolvency restructuring proceedings. In addition, the Group's structures will be streamlined in a targeted manner with the aim of sustainably increasing economic efficiency. In particular, the simplification of the corporate structures within the KTM Group is planned for the financial year 2026. The strategic focus on streamlining and re-dimensioning is also reflected in a comprehensive redesign of internal management structures. By reducing hierarchical levels, reducing information interfaces and streamlining existing processes, decision-making processes are to be significantly shortened and organizational performance further strengthened.

Despite the constant and intensive implementation of the measures already communicated during the course of the restructuring proceedings, the Group expects a challenging market environment for the financial year 2026 as well. The measures initiated by the Executive Board are intended to ensure that the KTM Group is sustainably returned to operating profitability despite the challenging market environment. The focus is set on the consistent implementation of the restructuring program, a clear focus on the core business, the optimization of cost structures and the strengthening of financial stability. The close cooperation with the Bajaj Group is a key lever for improving global competitiveness and efficiency. Together, these steps are intended to ensure that the Group achieves stable positive results and generates solid free cash flows over the long term. Working capital management will continue to be a central component of the Group's financial stabilization and management. The focus here is set on the consistent reduction of inventories at both dealer and Group level. By optimizing production planning, ordering processes and distribution processes, overstocks are to be systematically avoided and capital commitments sustainably reduced. On the customer side, the Group is strictly adhering to its existing payment terms. An extension of payment deadlines is deliberately avoided in order to keep receivables management stable and to minimize the risk of increased receivables. At the same time, the restoration of customary payment terms at suppliers is being pushed forward.

The Group's earnings situation will also be impacted by the US regulations introduced in the financial year 2025. For motorcycle imports from the European Union, the basic tariff of 15% and an additional tariff of 50% on certain steel and aluminum derivatives are particularly relevant. This results in an average tariff of between 16-25% that the group faces. Import duties of up to 50% are added to trade goods from China and India. In PG&A, customs duties vary depending on the product and import route; here, the average burden of the group is about 19%. These additional costs have been fully accounted for in the current business plans. According to current estimates, the tariffs will have a noticeable effect on EBIT, but they do not call into question either the existing US commitment or the strategic orientation of the Group. In view of ongoing negotiations and the possibility of short-term changes, it should be noted that these explanatory notes on the impact of customs policy decisions on the Group are only an up-to-date recording at the time of writing.

With the capital received as part of the restructuring process, as well as the release of working capital and the availability of financing, the Management Board expects the Group's liquidity to be secured.

Motorsport

In the 2026 season, the already impressive number of 537 world championship titles won is to be further increased to the highest degree through passionate commitment. This goal was already achieved at the beginning of the financial year 2026, when the group recorded another significant motorsport success: Red Bull KTM Factory Racing once again won the 2026 Dakar Rally, which is considered the toughest Rally raid event in the world. Luciano Benavides secured his first Dakar overall victory after a total of around 8,000 kilometers and 13 intense stages (excluding the prologue) and thus also achieved the 21st Dakar triumph in KTM's history. The Argentine driver prevailed in one of the most dramatic and close finales in rally history: with a lead of just two seconds over Ricky Brabec (Honda), Benavides crowned an impressive performance that was characterized by three won stages and exceptional consistency.

In the 2026 season, orange will also mark the color scheme in MotoGP for the group. In perspective, KTM was the first manufacturer to successfully test the completely redesigned 850cc engine for the 2027 MotoGP season back in September 2025, which is required due to adapted technical regulations of the competition. Preparations for the MotoGP framework from 2027 onwards are of great importance in the current season.

KTM's technical involvement in Moto3 will cease to exist from the 2028 season, as the amended regulations only provide for standard motorcycles from a competitor. For KTM, this means reorienting the promotion of young talent, with the next steps and measures currently being evaluated.

Investments

The investments made in recent years have secured the necessary production capacities for the coming years. Against this background, the targeted investments were subjected to a comprehensive assessment with the aim of analyzing their strategic relevance and operational necessity. It is expected that this will significantly reduce capital expenditure until operating profitability is achieved without restricting the company's substance or future viability. However, the focus of investments will continue to be on the (further) development of existing and new models.

Financing situation

With the completion of the restructuring procedure on the one hand and the Bajaj Group as a strong partner and majority owner of the shares on the other, the Bajaj Mobility AG Group has sufficient financial flexibility. The aim is to maintain net financial debt at a sustainably healthy level while maintaining operational sustainability even after the Group has been re-dimensioned.

Mattighofen, March 03, 2026

Mag. Michaela Friepeß

Mag. Verena Schneglberger-Grossmann

Mag. Gottfried Neumeister