



MOBILITY
AG

ANNUAL FINANCIAL REPORT | 2025



GROUP KEY FIGURES¹⁾

Unless otherwise stated, all values are in €m.

Earning Ratios	2021	2022	2023	2024	2025	Δ²⁾
Revenue	2,042	2,437	2,661	1,879	1,009	-46.3%
EBITDA ³⁾	332	381	324	-481	874	281.7%
EBITDA margin	16.3%	15.6%	12.2%	-25.6%	86.6%	+112.2 PP
EBIT	194	235	160	-1,184	748	163.2%
EBIT margin	9.5%	9.6%	6.0%	-63.0%	74.1%	+137.1 PP
Result of the period	143	171	76	-1,080	590	154.6%
Earnings per share (EUR)	3.3	5.0	2.4	-29.3	17.6	160.1%

Balance Sheet Ratios	Dec 31,2021	Dec 31,2022	Dec 31,2023	Dec 31,2024	Dec 31,2025	Δ²⁾
Balance sheet total	2,034	2,551	2,953	2,396	1,586	-33.8%
Equity	766	914	909	-194	385	298.8%
Equity ratio	37.7%	35.8%	30.8%	-8.1%	24.3%	+32.4 PP
Working Capital Employed	161	187	531	525	343	-34.7%
Net debt	190	257	776	1,643	798	-51.4%
Gearing	24.8%	28.1%	85.4%	-847.9%	207.3%	124.4%

Cash flow, CapEx and R&D	2021	2022	2023	2024	2025	Δ²⁾
Cash flow from operating activities	367	280	-111	-436	-22	94.9%
Cash flow from investment activities	-195	-283	-302	-341	-12	96.5%
Free Cash flow	172	-3	-413	-777	-34	95.6%
Cash flow from financing activities	-28	-91	399	695	3	-99.6%
Capital expenditures (CAPEX; excl. lease additions)	178	268	284	233	73	-68.7%
R&D expenses to revenue	8.0%	8.7%	9.2%	13.1% ³⁾	14.0%	+0.9 PP

Selected Non-financial Performance Indicators	2021	2022	2023	2024	2025	Δ²⁾
Energy intensity/motorcycle produced (kWh/unit)	n/a	n/a	n/a	0.4	1.1	175.0%
Scope 1 & 2 GHG emissions/motorcycle (t CO ₂ e /unit)	n/a	n/a	n/a	0.1	0.2	100.0%
CO ₂ emissions/motorcycle during use ⁴⁾ (g CO ₂ /km)	79.6	79.6	80.1	96.1	103.5	7.7%
Workforce ⁵⁾ (headcount, per balance sheet date)	5,249	6,088	6,184	5,310	3,782	-28.8%
Of whom women (%)	24.2%	25.4%	25.8%	25.1%	26.3%	+1.2 PP
Rate of recordable work-related accidents ⁶⁾	8.5	10.8	11.3	3.9	7.3	87.2%

1) Explanations of the Alternative Performance Measures can be found in the glossary. *) Regarding EBITDA: Calculated as EBIT + depreciation, whereby the amount of depreciation and amortization has been adjusted by EUR 10.7 million for asset disposals impaired in the previous year.

2) Change 2025 to 2024 or 31 December 2025 to 31 December 2024; PP = percentage points.

3) Value adjusted: The calculation now refers only to gross expenditure on research and development in relation to sales.

4) Since the financial year 2024, both road-legal and non-road-legal vehicles have been included in the calculation, resulting in the increase in average consumption compared to previous years.

5) Employees & non-employee workers; as of December 31, 2025.

6) Data for the years 2021 to 2023 refer to employees in Austria excluding non-employee workers; in reportable accidents / 1 mio. working hours.

GROUP MANAGEMENT REPORT

to the consolidated financial
statements as of December 31, 2025



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1 DEVELOPMENT OF THE BAJAJ MOBILITY GROUP

1.1 THE COMPANY

Bajaj Mobility AG (formerly PIERER Mobility AG) is the holding company of KTM AG, one of Europe's leading motorcycle manufacturers. With a focus on the premium segment, the company combines brands such as KTM, Husqvarna, and GASGAS under one roof. This premium brand range also includes the high-performance components from WP. The group is active in the bicycle sector with the brands Husqvarna, GASGAS, and FELT. Due to its 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 during the first quarter of 2026 and possibly beyond.

The shares of Bajaj Mobility AG are primarily listed in the Swiss Performance Index (SPI) of the SIX Swiss Exchange in Zurich and are also listed on the *prime market segment* of the Vienna Stock Exchange.

1.2 INFORMATION IN CONNECTION WITH RESTRUCTURING PROCEEDINGS OF MAJOR SUBSIDIARIES COMPLETED IN 2025

Information on the judicial restructuring proceedings of Group companies

On November 29, 2024, the Executive Board of KTM AG, after examining the alternatives, filed an application for the opening of restructuring proceedings under insolvency law with self-administration over the assets of KTM AG (case number 17 S 56/24b) and its subsidiaries KTM Components GmbH (case number 17 S 59/24v) and KTM Forschungs & Entwicklungs GmbH (case number 17 S 62/24k) with 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 percent cash quota of EUR 525.0 million on May 22, 2025 following the final court confirmation of the restructuring plan.

As a result of the restructuring proceedings undergone by the KTM Group under insolvency law, restructuring proceedings were opened on January 7, 2025 over the assets of both PIERER E-Commerce GmbH (case number 17 S 1/25s) and Avocodo GmbH (case 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 0.4 million or EUR 6.1 million, following the final court confirmations of the restructuring plans of July 25, 2025 and September 01, 2025, respectively.

Following the full statutory completion of the restructuring proceedings, the restructuring attorneys 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 reporting date of December 31, 2025. In the 2025 financial year, the Bajaj Mobility Group recorded a restructuring profit totaling EUR 1,193.1 million.

There is a possibility that the total amount of the restructuring profit will change further in the course of the 2026 financial year. The reason for this is that proceedings aimed at determining and paying individual creditor claims, on the one hand, and clarifying conditionally registered or disputed creditor claims, on the other hand, have not yet been concluded. In addition, the Austrian insolvency rules grant creditors a period of several years in which 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 assumes that there will not be a significant number of late registrations that would lead to corresponding payouts.

The restructuring profit of the affected liabilities is distributed among the companies and balance sheet items as follows:

	KTM Group	PIERER E-Commerce GmbH	Avocado GmbH	Consolidation	Total
Restructuring profit	70%	80%	50%		
EUR k					
Short-term debt					
Financial liabilities	1,019,900	0	3	0	1,019,903
Trade payables	135,717	730	3,865	-6,497	133,815
Other short-term debts	36,504	694	2,219	0	39,417
Total	1,192,120	1,424	6,087	-6,497	1,193,134

For further information, please refer to point 2 the notes to the Consolidated Financial Statements, which has the same name.

Significant further steps in the course of the restructuring

Although the judicial restructuring proceedings carried out at the Group companies were successfully concluded during the 2025 financial year, 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 its competitiveness and once again generating 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 the product and project portfolio, and optimizing the international site and management network. As part of this essential reorientation, the Group decided to further reduce headcount by around 500 employees at the beginning of the 2026 financial year. In the course of the reorientation, several business units were also sold or wound up during the 2025 financial year. These included KTM Sportcar GmbH and the business activities in the KTM X-BOW sector, the shareholdings in all MV Agusta companies and, from an operational perspective, the vast majority of the bicycle segment. As a result, the Group will maintain a consistent focus on its core business in the premium motorcycle sector in the future.

1.3 OTHER SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

As a result of significant economic challenges, the Bajaj Mobility Group recorded revenues of EUR 1,009.4 million during the past financial year (previous year: EUR 1,879.0 million). This corresponds to a fall of -46.3 % when compared with the previous year and results in particular from the successfully completed restructuring proceedings under insolvency law, which took place in the first half of 2025, coupled with the targeted reduction of the company's own inventories and those of its dealers. Group-wide, motorcycle inventories were reduced by 30,959 vehicles over the course of the year – from 66,551 units at the end of 2024 to 35,592 units at the end of 2025. In addition, the dealer inventory was reduced from 182,029 units at the end of the financial year 2024 to 111,835 units (-70,194 units). These points represent measures that establish an important basis for the sustainable stabilization and future competitiveness of the company.

Taking into account the motorcycles sold by our partner Bajaj in India, in the financial year 2025 275,593 vehicles belonging to the KTM, Husqvarna Motorcycles, and GASGAS brands, as well as to the MV Agusta brand up until it was sold off, were sold worldwide during the 2025 financial year (previous year: 402,175; this represents a decrease of -31.5% when compared with the previous year).

Change of ownership, change of name

As part of the course of the insolvency restructuring proceedings undergone by KTM AG under insolvency law, KTM Components GmbH and KTM Forschungs & Entwicklungs GmbH (all subsidiaries of the former PIERER Mobility AG), the Bajaj Group, as long-standing minority shareholder, has provided comprehensive financing measures to enable the successful conclusion of all three processes.

Within the scope 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 the 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 the course of this change of majority ownership, two name changes were resolved at an Extraordinary General Meeting held on November 19, 2025: The former Pierer Bajaj AG now operates as Bajaj Auto International Holdings AG, and the company formerly known as PIERER Mobility AG is now called Bajaj Mobility AG. In the present consolidated financial statements, for reasons of clarity, the former company or Group name will no longer be mentioned.

Changes in the Executive Board and Supervisory Board

Executive Board

On January 23, 2025, Mag. Gottfried Neumeister took over the position of CEO of Bajaj Mobility AG from Dipl.-Ing. Stefan Pierer, who continued in the position of Co-CEO.

As of June 1, 2025, the Supervisory Board appointed Mag. Verena Schneglberger-Grossmann, who has been working for the Group since November 2015, as a new member of the Executive Board of Bajaj Mobility AG. Her term of office was limited to December 31, 2025.

Dipl.-Ing. Stefan Pierer left the Executive Board of Bajaj Mobility AG on June 30, 2025 following the completion of the restructuring proceedings. He left the Executive Board of KTM AG on March 20, 2025.

On September 16, 2025, Mag. Petra Preining was appointed to the Executive Board of Bajaj Mobility AG and KTM AG as Chief Financial Officer. The CFO was appointed until December 31, 2028. As a proven financial expert, she has many years of experience as a CFO in various international companies. She complements CEO Mag. Gottfried Neumeister in the Executive Board team.

Supervisory Board

Stephan Zöchling, who was appointed on January 27, 2025, Rajiv Bajaj, and Friedrich Roithner resigned from the Company's Supervisory Board with effect from the end of the Annual General Meeting held on June 23, 2025.

The Annual General Meeting elected Dinesh Thapar (CFO of Bajaj Auto Limited) and attorneys Ernst Chalupsky and Ewald Oberhammer to the Supervisory Board. Subsequently, the Supervisory Board elected Ewald Oberhammer as Chairman and Srinivasan Ravikumar as Deputy Chairman.

Furthermore, the Supervisory Board members delegated by PIERER Industrie AG decided to step down in the course of the change in majority ownership. Lastly, the Extraordinary General Meeting held on November 19, 2025 resolved upon the departure of Iris Filzwieser, Ewald Oberhammer, Ernst Chalupsky, and Michaela Friepeß from the Supervisory Board. Pradeep Shrivastava, Executive Director of Bajaj Auto Limited, and Viennese attorney, Dr. Wulf Gordian Hauser, have been appointed as new members of the Supervisory Board. Since then, they have formed the Supervisory Board of Bajaj Mobility AG, together with Chairman Srinivasan Ravikumar and his deputy Dinesh Thapar. For further explanations, please refer to the Corporate Governance Report for financial year 2025.

Since then, the committees of the Supervisory Board have been composed as follows:

Audit Committee	<ul style="list-style-type: none"> » Dinesh Thapar (Chairman, Financial Expert) » Srinivasan Ravikumar (Deputy) » Dr. Wulf Gordian Hauser (Member)
Remuneration Committee	<ul style="list-style-type: none"> » Srinivasan Ravikumar (Chairman) » Pradeep Shrivastava (Deputy) » Dinesh Thapar (Member)
Committee for Compliance, Investor Relations (IR) and Sustainability (ESG)	<ul style="list-style-type: none"> » Dr. Wulf Gordian Hauser (Chairman) » Pradeep Shrivastava (Deputy) » Dinesh Thapar (Member)

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

Changes in shareholdings

At the beginning of January 2025, the contract with MR IMMOREAL GmbH (formerly: PIERER IMMOREAL GmbH), at the time an affiliated company, was rescinded. In February 2025, the new 100% subsidiary, KTM Racing Offroad AG, was founded in Switzerland and, as a result, the existing Swiss company, KTM Racing AG, was renamed KTM MotoGP Racing AG in March 2025. Since then, the racing activities in the Street and Off-road sectors have been separated under company law.

The outstanding 50% minority shares in the subsidiary, Pierer & Maxcom Mobility OOD, were acquired by the partner, MAXCOM EOOD, through the 100% subsidiary, PIERER New Mobility Bulgaria EOOD, by means of a contract dated July 01, 2025. The Bajaj Mobility Group now holds 100% of the shares in Pierer & Maxcom Mobility OOD.

As of December 31, 2024, the Group has classified its shares in MV Agusta Motor S.p.A., Varese, Italy, as well as its shares in all other MV Agusta companies within the Group, as held for sale. Upon the fulfillment of the conditions precedent agreed on July 09, 2025, the share transfer was completed on the same day. At the time of the sale, the “MV Agusta” disposal group consisted of a total of six companies. It was already classified, measured, and reported in the balance sheet as “held for sale” in accordance with the requirements of IFRS 5 in the previous year and until its deconsolidation on July 01, 2025.

By means of a contract dated July 24, 2025, the share in KTM Technologies GmbH, Anif, Austria (now: NXT Technologies GmbH) was also sold to Pierer Konzerngesellschaft mbH, an affiliated company at the time. The sale represents a further building block in the restructuring of the research and development activities of the Bajaj Mobility Group.

At the beginning of June 2025, the Group signed a letter of intent to sell its entire KTM X-BOW business to an international group of investors. It was agreed to structure the sale as a mixture of an asset and share deal, whereby individual assets, in particular PG&A, semi-finished and finished products, as well as the share in KTM Sportcar GmbH, have been or will be sold. The agreed conditions precedent were fulfilled on October 16, 2025, the date of closing. This represented a further step by the Bajaj Mobility Group towards its primary focus on its core business.

As early as the end of the 2024 financial year, the Group announced that it would end its involvement in the bicycle sector at the end of 2025. In order to achieve this goal, an agreement was signed with the previous minority owners of FELT Bicycles GmbH, Munderfing, Austria, in mid-December 2025 to sell the majority share in FELT Bicycles North America Inc., Murrieta, California, USA and FELT Bicycles España S.L., Barcelona, Spain, as well as to sell the brand. The contract stipulates that the remaining stocks held by FELT Bicycles GmbH will still be sold by the Bajaj Mobility group.

At the end of the 2025 financial year, the Bajaj Mobility Group classified and valued its 20% share in KISKA GmbH as “held for sale”. KISKA GmbH had previously been included in the consolidated financial statements as an associated company in accordance with the equity method.

In addition to the above-mentioned significant events relating to shareholdings and subsidiaries, the following transactions were also carried out with regard to subsidiaries:

- » PIERER New Mobility UK: Liquidation as of July 29, 2025;
- » PIERER New Mobility Asia: Liquidation as of September 29, 2025;
- » PIERER Innovation GmbH (now: NIMBLE Innovation GmbH) with subsidiary DealerCenter Digital GmbH: Sale to PIERER Digital Holding GmbH, Wels, an affiliated company at the time, as of September 8, 2025.

Activities and successes in racing

A season full of commitment and teamwork led to claiming 29 major racing championships in various disciplines worldwide in 2025 – including 17 international drivers' titles and 12 FIM manufacturers' titles. 2025 thus marks the Group's most successful motorsport season to date. Across all brands, the group achieved a new record: Including the 2025 season, a total of 537 world championship titles have already been celebrated across the three brands KTM (372), Husqvarna (122) and GASGAS (43).

Road Racing

Red Bull KTM competed in the MotoGP season with a powerful line-up in the Red Bull KTM factory team and the Red Bull KTM Tech3 satellite team. While Maverick Viñales (Tech3) was competitive with the KTM RC16 at the start but was set back by an injury in the middle of the season, Pedro Acosta impressed for the Factory Team, especially in the second half of the season. In total, KTM achieved eight sprint and six Grand Prix podiums and finished the season in third place in the manufacturers' standings while Acosta finished fourth in the drivers' standings. The completed takeover of MotoGP by Liberty Media strengthens the long-term perspective of the series. With a view to the new technical regulations from 2027, KTM started developing the future engine at an early stage and was the first manufacturer to complete initial test runs on the test bench and on the race track.

In Moto2, the season was challenging for Red Bull KTM: Despite an injury, Deniz Öncü contributed two wins, Collin Veijer showed a clear development as a rookie, and reserve rider Daniel Muñoz contributed to a total of five top-three results for the team with podiums.

In Moto3, Red Bull KTM continued its dominance: José Antonio Rueda won the world championship title, KTM the manufacturers' championship. With 20 wins in 22 races with the KTM RC4, the factory underlined its outstanding competitiveness in the category.

Off-road racing

The 2025 motorsport season started with an emotional highlight: Daniel Sanders won the prestigious Dakar Rally and, over the course of the season, the W2RC world championship title. KTM also secured the manufacturers' title. With Edgar Canet, KTM also triumphed in the Dakar Rally2 class and the W2RC World Championship.

The SuperEnduro World Championship was dominated by Billy Bolt (Husqvarna) with wins in all seven rounds to secure his fourth title. In EnduroGP, Josep Garcia (Red Bull KTM) won both the overall and Enduro1 classifications; KTM took both manufacturers' titles, while Andrea Verona took the overall victory in the Enduro2 class on GASGAS. In Hard Enduro, KTM once again provided the World Champion with Manuel Lettenbichler, including prestigious victories at the Red Bull Erzbergrodeo and the Red Bull Romaniacs.

In MXGP, 19-year-old Lucas Coenen surprised with second place overall in his debut season in the class, Jeffrey Herlings contributed five GP victories. The MX2 championship was once again dominated by KTM and Husqvarna, led by World Champion Simon Längenfelder on the KTM 250 SX-F.

In the U.S. Supercross (runner-up with Chase Sexton just 2 points back) and the AMA Pro Motocross Series, KTM scored numerous wins and podiums.

2 ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT

2.1 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 remain 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 is forecasting a 1.3% increase in gross domestic product. Although Germany is showing a slight recovery in 2025 after a weak 2024, 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 is still characterized by increased uncertainty. Trade policy has stabilized in comparison to 2024; however, protectionist measures and strategic calculations persist. Adjustments, especially with regards to US tariffs, some of which have a relieving

effect while others create additional burdens for importers due to new accentuations, will be supplemented by further trade policy interventions and will 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.

From a fiscal perspective, many major economies are in a phase of reorientation. The US is increasingly focusing on investment-oriented programs, while European countries are facing structural financing requirements as a result of rising defense spending, for example. 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 that global consumer price inflation will 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 the emerging economies and developing countries. Overall, the global slowdown in inflation reflects declining energy prices, weakening demand impulses, and a normalization of supply chains. However, there are some 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%

2.2 MARKET DEVELOPMENT

In the 2025 financial year, the number of motorcycle registrations in the relevant markets fell by -2.4% overall (-108,000 motorcycles). The developments paint a distinctly heterogeneous picture: Europe was confronted with the sharpest nominal decline (one-off effect due to homologation changes, as explained in more detail in the market report on the 2024 financial year); North America experienced a moderate correction; Australia and New Zealand continued their negative trend, and Asia continued to decline significantly.

The development of the motorcycle market during the 2025 financial year was characterized by regulatory pull-forward effects, a cyclical slowdown in demand in key markets, and temporary internal supply restrictions in the course of the restructuring proceedings under insolvency law. This combination led to below-average market share performance of the Bajaj Mobility Group's brands, which could not be compensated for despite the structurally attractive brand positioning in the Performance-Street (in particular via the KTM brand), Premium-Heritage/Adventure (in particular via the Husqvarna brand), and Off-road/Trial (in particular via the GASGAS brand) sectors. In some regions, however, the sports motorcycle sector as the only growing large segment in the 2025 calendar year, was dominated by competitors. With the resumption of supply of the markets with new products from the Group and a focused expansion of the dealer inventories with new stock in the core areas, the Group expects to see a significant improvement in its current market position and a recovery from the setbacks experienced during the 2025 financial year. The persistently high willingness of end customers to pay for premium technology underlines the intrinsic value of the Group's portfolio. In summary, the market development during the 2025 financial year can essentially be viewed as a transitional year for the Group, in which exogenous effects, caused in particular by regulatory adjustments and interest rate developments, as well as one-off internal factors, primarily due to the restructuring and restructuring proceedings, overshadowed the basic strength of the Group's brands.

Europe (excl. motocross)

The European market fell to just under 800,000 new registrations in the 2025 financial year (-16.6%). This decline largely reflects a one-off effect due to high one-day registrations at the end of 2024 in anticipation of the changeover to Euro Homologation as of January 01, 2025. The effect can be estimated at about 10 percentage points. This means that the adjusted market development is in the range of approx. -6 to -7%. Nominally, the strongest declines were recorded in the markets in Germany (-37.8%), the United Kingdom (-18.8%), and Italy (-18.6%).

The market share of the Bajaj Mobility Group with its core brands, KTM, Husqvarna, and GASGAS, fell from 11.1% in the previous year to 4.7%. This decline is primarily down to the temporary production stop at the end of the 2024 financial year and in the first half of the 2025 financial year as a result of the insolvency restructuring proceedings. These production stops had a significant impact on the ability to deliver, model availability, and the ability to replenish dealers' stocks with new products.

The Group is structurally well established in the European market in terms of brand awareness, dealer network, and product portfolio with the KTM brand in the Naked/Adventure/Enduro segment, the Husqvarna brand in the Premium-Heritage/Adventure segment and the GASGAS brand in the Off-road/Trial segment. The above-mentioned pull-forward effect resulting from one-day registrations at the end of 2024 had a particularly strong impact on the street motorcycle sub-segments, in which the KTM brand is strongly represented. The Off-road segment in general was only able to compensate for this effect to a limited extent due to the lack of measurable EU approvals.

North America (incl. motocross)

The North American motorcycle market declined by -5.9% to 467,000 registered units in the 2025 financial year. The market share of the KTM core brands fell from 11.3% to 9.0%.

In terms of content, essentially all motorcycle segments in the North American market declined, while the Sports Bikes segment recorded substantial growth (+17.0%). It became clear, in the opening weeks of the 2026 financial year, that this high demand is now also being transferred to the newly launched KTM 990 RC R.

The Group's position in the North American market has traditionally been strong in the Off-road/Enduro/Motocross segment. An increase in presence in the Street/Sports bike segment is being targeted, while the decline in market shares was also exacerbated by the limited supply of new products resulting from the production interruptions, as was the case on the European market.

Australia/New Zealand (incl. off-road)

Market development in Australia and New Zealand shows a similar trend to the other markets: The volume of total new registrations fell by -4.5% to 61,000 units in the 2025 financial year. At the same time, the market share of the Bajaj Mobility Group fell to 14.5% (previous year: 18.6%).

The Australian and New Zealand motorcycle market has traditionally been very fond of the Off-road segment, which is generally a positive factor for the Group, which is a strong player in this segment. Nevertheless, cyclical slowdowns in demand, higher general financing costs, and the Group's equally limited supply of new products predominated during the 2025 financial year.

Asia (Premium Imports & >250cc segments)

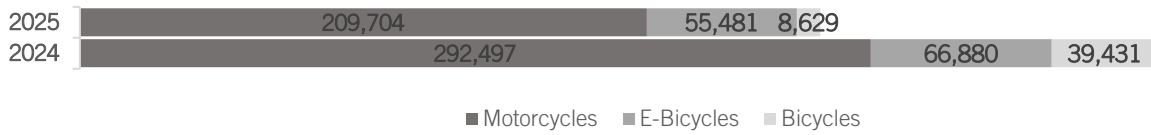
The Asian region, which is relevant for the Group, also recorded significant declines in the number of motorcycle registrations; the overall decline amounts to -10.1%. The Chinese (premium import, -13.6%) and Japanese (> 250cc models, -7.5%) markets are particularly worthy of note. The Group's market share fell from 6.2% in the previous year to 3.9% in the 2025 financial year.

The Group participates in the Asian motorcycle market, primarily in the premium imports segment (KTM and Husqvarna brands) and Off-road niche products (GASGAS brand). In the Asian region, the 2025 financial year was characterized by significant volatility in demand, price sensitivities in the entry-level premium segment, and burdensome import restrictions and levies. Here, too, the limited availability of new goods had a significant impact on some areas.

2.3 SALES DEVELOPMENT

The total sales figures of motorcycles and bicycles of the Bajaj Mobility Group are as follows:

Total Sales (Units)

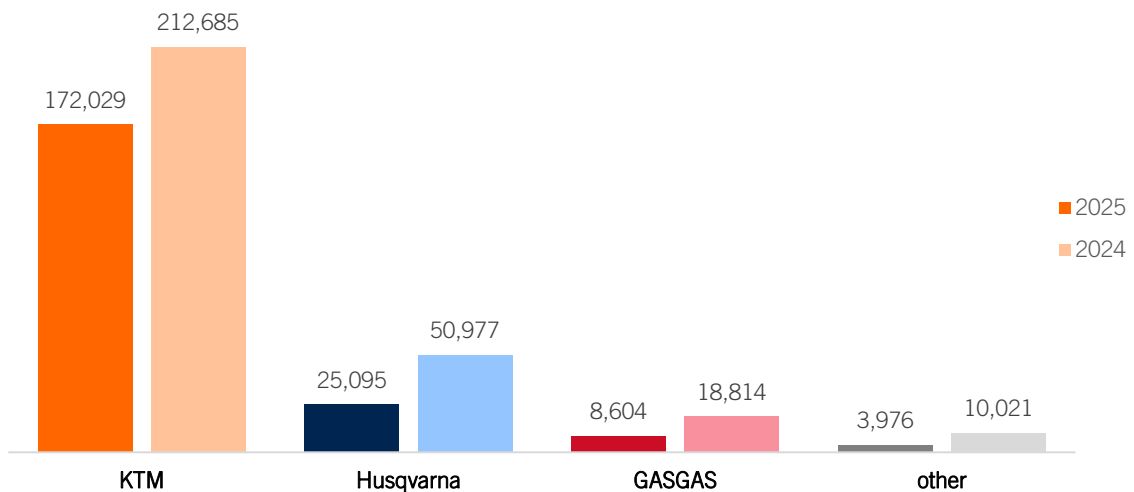


In the 2025 financial year, the Group sold 209,704 Motorcycles (-28.3% compared to the previous year). This figure includes KTM and Husqvarna motorcycles sold by Bajaj in India and Indonesia.

The motorcycles sold are distributed differently among the brands held by the Group. Of the total sales volume, 172,029 units were accounted for by the KTM brand (-19.1%), 25,095 units by the Husqvarna brand (-50.8%), 8,604 units by the GASGAS brand (-54.3%) and 3,976 units by other brands, specifically CFMOTO and the MV Agusta brand, which was sold again during the 2025 financial year (-60.3%).

The core brand KTM thus accounted for 82.0% of all motorcycles sold, Husqvarna for 12.0%, GASGAS for 4.1%.

Motorcycle sales by brand (units)



Sales of motorcycles with electric powertrains declined, as was the case for sales of motorcycles with conventional drives. Worldwide, 4,445 units were sold (-24.5%), mainly in the Off-road market segment (83.9%; previous year: 96.3 %). Overall, this means that 2.1% of the total number of motorcycles sold were equipped with an electric powertrain (previous year: 2.0%).

Sales by product group are as follows:

Group sales by product group	2025		2024	Change
	Units	in %	Units	in %
Offroad sport motorcycles	46,057	21.8%	84,340	-45.4%
Street sport motorcycles	67,811	32.1%	115,052	-41.1%
Sportminicycles	12,954	6.1%	21,000	-38.3%
Motorcycles branded KTM, Husqvarna and GASGAS	126,822	60.0%	220,392	-42.5%
Motorcycles branded CFMOTO	2,531	1.2%	6,273	-59.7%
Motorcycles branded MV Agusta	1,445	0.7%	3,748	-61.4%
Other Products	1,765	0.8%	3,300	-46.5%
X-BOW	17	0.0%	67	-74.6%
Total vehicles Motorcycles-Segment	132,580	62.7%	233,780	-43.3%
Motorcycles Bajaj Sales	78,906	37.3%	62,084	+27.1%
Total Vehicles considering Bajaj-Direct sales	211,486	100.0%	295,864	-28.5%
Bicycles Bicycle-Segment	64,107	100.0%	106,311	-39.7%
Total	275,593	100.0%	402,175	-31.5%

The other products include e-balance bikes and premium e-scooters belonging to the Husqvarna brand, known as "Skutta". E-balance bikes are electrically powered balance bikes that are the perfect entry-level platform for the youngest bikers of the future due to their wide range of uses and great versatility. Sales of the KTM X-BOW super sports cars refer to the period prior to the sale of this product branch. It should also be noted that Bajaj direct sales relate exclusively to motorcycles. For further information, please refer to item 8 "Changes in the scope of consolidation" of the Notes to the Consolidated Financial Statements.

Sales by region for the financial year and previous year are as follows:

Sales per region	2025		2024	Change
	Units	in %	Units	in %
Europe	97,985	35.6%	188,601	-48.0%
North America	60,666	22.0%	99,605	-39.1%
Latin America	15,280	5.5%	23,582	-35.2%
Africa	2,049	0.7%	2,366	-13.4%
Asia	11,470	4.2%	12,699	-9.7%
Oceania	9,237	3.4%	13,238	-30.2%
Total Vehicles	196,687	71.4%	340,091	-42.2%
Bajaj Direct Sales	78,906	28.6%	62,084	+27.1%
Total Vehicles considering Bajaj-Direct sales	275,593	100.0%	402,175	-31.5%

North America, with a sales share of 22.0% (previous year: 23.7%) remained the Group's largest single market in the 2025 financial year. In terms of motorcycle sales, Germany (6.0%; previous year: 9.5%), France (4.7%; previous year: 4.6%), Italy (3.7%; previous year: 5.6%), and Spain (3.3%; previous year: 5.1%) are the strongest markets in Europe. In total, 63.4% (previous year: 67.6%) of motorcycle sales were generated in the ten most important countries worldwide for the Group.

2.4 REVENUE DEVELOPMENT

In the 2025 financial year, sales revenue decreased by -46.3% from the previous year's level of EUR 1,879.0 million to EUR 1,009.4 million. This decline in revenue was largely attributable to the reduced operating activities in the first half of 2025 in the course of the restructuring proceedings.

Sales in the Offroad segment decreased by -47.9% to EUR 316.6 million compared to the previous year. Sales in the Street segment decreased by -53.1% compared to the previous year to EUR 369.4 million. Both of these show that the decline in sales and the weakness in sales cannot be attributed to a specific motorcycle segment and that this is an all-encompassing phenomenon. At the same time, revenue from spare parts, garments, and accessories (PowerWear and PowerParts), and other items decreased by -28.8% to EUR 207.2 million compared to the previous year.

Group revenue by product group	2025		2024	Change
	EUR k	in %	EUR k	in %
Offroad sport motorcycles	316,579	31.4%	607,922	-47.9%
Street sport motorcycles	369,370	36.6%	786,873	-53.1%
Subtotal Full Size	685,950	68.0%	1,394,795	-50.8%
Sportminicycles	41,676	4.1%	68,496	-39.2%
Other Products	185	0.0%	1,243	-85.1%
X-BOW	1,976	0.2%	17,746	-88.9%
Bicycles Bicycle-Segment	72,363	7.2%	105,515	-31.4%
Parts, garments and accessories and others	207,239	20.5%	291,226	-28.8%
Total	1,009,389	100.0%	1,879,021	-46.3%

The aggregated Group sales by region are as follows:

Group revenue by region	2025		2024	Change
	EUR k	in %	EUR k	in %
Europe	470,317	46.6%	1,022,499	-54.0%
North America	337,066	33.4%	545,449	-38.2%
Asia	72,870	7.2%	91,080	-20.0%
Other countries	129,137	12.8%	219,993	-41.3%
Total	1,009,389	100.0%	1,879,021	-46.3%

2.5 PRODUCTION DEVELOPMENT

During the 2025 financial year, KTM manufactured 48,377 motorcycles at the Mattighofen production site. Compared to the previous year, this corresponds to a decrease of -98,557 units or -67.1%, which is due in particular to the restructuring and the production interruptions carried out to reduce inventories. In addition, this reflects the Group's adjusted strategy of aligning production volumes more closely with customer demand and inventory levels. Taking into account the small-engine KTM and Husqvarna models produced by our partner Bajaj Auto Ltd. in India, the GASGAS trials produced in Spain, the models produced with our partner CFMOTO in China, and the motorcycles produced by MV Agusta Motor S.p.A. until its deconsolidation, 102,482 vehicles were manufactured worldwide (-56.1%).

As part of the necessary cost-saving measures due to the restructuring proceedings, the Group has stopped the production of motorcycles from mid-December 2024 to March 17, 2025. Production also needed to be interrupted again from May 1 to July 31, 2025 due to the lack of availability of production-relevant components.

In-house production and purchases	2025		2024	Change
	Units	in %	Units	in %
Austria	48,385	47.2%	147,000	-67.1%
Offroad sport motorcycles	32,365	31.6%	84,564	-61.7%
Street sport motorcycles	9,009	8.8%	46,176	-80.5%
Sportminicycles	7,003	6.8%	16,194	-56.8%
X-BOW	8	0.0%	66	-87.9%
Spain	2,247	2.2%	6,419	-65.0%
Italy	485	0.5%	2,152	-77.5%
India	2	0.0%	0	-
total own production	51,119	49.9%	155,571	-67.1%
Italy	0	0.0%	563	-100.0%
India	42,625	41.6%	62,108	-31.4%
China	8,738	8.5%	15,458	-43.5%
total additional purchases	51,363	50.1%	78,129	-34.3%
total production volume	102,482	100.0%	233,700	-56.1%

3 FINANCIAL PERFORMANCE INDICATORS

3.1 ANALYSIS OF EARNINGS FIGURES

The persistently negative market environment, the resulting economic challenges and the significant reduction in operating activities in the course of the restructuring proceedings reduced net sales in the 2025 financial year by -46.3% to EUR 1,009.4 million (previous year: EUR 1,879.0 million). Sales were also negatively impacted by the targeted reduction of inventories, as this target was associated with additional discount measures that had a corresponding impact on sales.

Cost of goods sold decreased at the same time as in the previous year by -48.7% to EUR 990.9 million; the gross margin of 1.8% is above the previous year's level (previous year: -2.7%). Like sales, the gross margin is under considerable pressure due to the current market conditions. However, significant cost savings in production have already been achieved due to the restructuring measures. Despite the additional burden of the US tariffs levied, a significant increase in gross margin was achieved overall compared to the previous year.

In the previous year, overhead costs were strongly impacted by impairments recognized in accordance with IAS 36 and IFRS 5. In contrast, the 2025 financial year shows a restructuring gain of EUR 1,193.1 million in overhead costs, as explained in the introduction and in item 2 "Information in connection with the restructuring proceedings of major subsidiaries completed in 2025" of the Notes to the Consolidated Financial Statements. In addition, both business years include effects from first-time and deconsolidation processes. Adjusted for one-off effects from first-time and deconsolidation, the Group was able to reduce its overhead costs in the financial year 2025 by -21.6% and thus operate much more efficiently. Sales and racing (-31.6%) and research and development (-42.7%, based on research and development expenditure, without taking into account their capitalization or research funding received) were main contributors to this development. Expenditure on infrastructure and administration was reduced by EUR 11.4 million to EUR 185.7 million (-5.8%), with further reduction measures being targeted.

The reduction in research and development expenditures without taking into account their capitalization or research funding received, can be attributed in particular to the strategic streamlining of the future product portfolio on the one hand, and the focusing of operational activities in this area while at the same time reducing the number of employees in research and development on the other. In addition to the reduction in research and development costs, the capitalization of development costs was also reduced to a total of EUR 51.2 million in the 2025 financial year (-65.4% compared to the previous year) without taking into account research funding. This results in an activation rate of 36.3% during the financial year (previous year: 60.1%). Overall, when all effects are taken into consideration, research and development costs are largely unchanged from the previous year (-1.8%)

Other operating expenses and impairment losses of EUR 41.9 million, as in the previous year and as explained above with regard to overhead costs, include effects from changes in the scope of consolidation and impairments. Adjusted for these one-off effects, they decreased by EUR 17.8 million compared to 2024.

EBIT was significantly influenced by the restructuring gain. The developments described above and the challenging market environment ultimately led to an EBIT of EUR 747.9 million being recorded for the 2025 financial year (previous year: EUR -1,184.2 million). If the EBIT for the 2025 financial year is adjusted for the restructuring gain and both the financial year and the previous year for the impairment effects in accordance with IAS 36 and IFRS 5, as well as effects from changes in the scope of consolidation, the EBIT for the 2025 financial year amounts to EUR -473.0 million and the EBIT of the previous year to EUR -692.6 million. This represents an increase of +31.7% when compared with the previous year.

As of December 31, 2025, the effective tax rate fell compared to the previous year from 15.4% to 11.0%. In the 2025 financial year, the tax loss carryforwards recognized in the previous year and the deferred tax assets on them were fully used up over the course of collecting the restructuring gain. At the same time, deferred tax assets were recognized on depreciation of sevenths due to current tax planning.

The financial result changed in the 2025 financial year by EUR +7.4 million compared to the previous year to EUR -85.0 million. The interest expense amounts to EUR 84.6 million (previous year: EUR 123.6 million) and interest income amounts to EUR 6.5 million (previous year: EUR 25.8 million). The reduction in interest expenses is due in particular to the restructuring proceedings, over the course of which interest offsets were suspended for insolvency law reasons. The other financial and investment result amounts to EUR -7.0 million in the 2025 financial year (previous year: EUR 5.4 million) and consists mainly of foreign currency valuations.

3.2 BALANCE SHEET ANALYSIS

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

	December 31, 2025		December 31, 2024	
	in EUR mill.	Share	in EUR mill.	Share
Non-current assets	773.9	48.8%	947.5	39.5%
Current assets	805.1	50.8%	1,241.7	51.8%
Assets held for sale and disposal groups	7.1	0.4%	206.7	8.6%
Assets	1,586.1	100.0%	2,395.8	100.0%
Equity	385.2	24.3%	-193.8	-8.1%
Non-current liabilities	944.4	59.5%	196.1	8.2%
Current liabilities	256.4	16.2%	2,326.3	97.1%
Liabilities associated with assets held for sale and disposal groups	0.0	0.0%	67.2	2.8%
Equity and liabilities	1,586.1	100.0%	2,395.8	100.0%

Total assets decreased by -33.8% to EUR 1,586.1 million.

Long-term assets decrease by EUR -173.6 million (-18.3%) to EUR 773.9 million (48.8% of total assets). This decline is due, on the one hand, to the ongoing depreciation of value and at the same time to reduced investments in property, plant, and equipment (EUR -53.6 million compared to the previous year) and intangible assets (EUR -58.3 million compared to the previous year). The reduction in intangible assets was also driven by the discontinuation of a project under construction to technically redesign the management of the dealer network (EUR 27.2 million). In addition, the excess of deferred tax assets, in particular from tax deferrals and the simultaneous realization of tax deferred tax on loss carryforwards recognized in the previous year, was offset against existing deferred tax liabilities, especially those resulting from capitalized development costs, which reduced total assets (in relation to deferred tax assets EUR -70.1 million).

During the 2025 financial year, inventories decreased by EUR -240.8 million to EUR 377.1 million (-39.0%). This significant reduction is mainly due to the sale of inventories in the motorcycle and bicycle segments, but is also influenced by the sales of the XBOW product division and the subsidiary, FELT Bicycles North America Inc.

Trade receivables, including receivables from affiliated and associated companies, decreased by EUR -174.7 million to EUR 114.7 million (-60.4%). While the volume of receivables sold via factoring programs was reduced in the 2025 financial year, the revenue generated, on the one hand, and the maximum payment terms granted, on the other hand, decreased, which, as explained in the 2024 management report, represented one of several reasons for insolvency, although the reasons given must always be seen as a bundle and should not be considered separately.

Other current assets and receivables increased by EUR +19.6 million to EUR 174.4 million. The increase is mainly attributable to advance payments: Due to the uncertainties caused by the restructuring proceedings, the Group's suppliers are demanding a higher level of deposited collateral, mainly in the form of advance payments.

The changes on the liabilities side of the balance sheet relate in particular to the following items:

The long-term financial liabilities of EUR 915.2 million (previous year: EUR 93.4 million) mainly comprise loans that were needed and taken out for the successful implementation of the restructuring proceedings. In the 2025 financial year, the Bajaj Group granted KTM AG a restructuring loan of EUR 450.0 million, and at the same time, Bajaj Mobility AG took out a shareholder loan of EUR 350.0 million from Bajaj Auto International Holdings AG, its majority shareholder and parent company. In addition, the Group has other investment loans not associated with the restructuring proceedings amounting to EUR 27.3 million, and long-term lease liabilities of EUR 41.6 million.

The obligations for employee benefits in the amount of EUR 21.9 million include claims for severance pay and anniversary pay payments. Actuarial gains, current service and interest expenses, severance payments and payments in connection with company exits reduced liabilities by EUR -5.0 million.

The options in non-controlling interests and purchase price liabilities included in the other non-current liabilities in the previous year were associated with the deconsolidation of the "MV Agusta" disposal group and the acquisition of the outstanding shares in PIERER MAXCOM MOBILITY OOD in the 2025 financial year. The other long-term liabilities in the 2025 financial year amount to a total of EUR 6.7 million and are primarily composed of deposits received and other non-financial liabilities.

Current financial liabilities decreased significantly due to the successful completion of the restructuring proceedings in the 2025 financial year. Overall, they decreased by EUR -1,692.3 million to now EUR 20.5 million compared to the previous year. EUR 1,457.0 million of this reduction relates to financial liabilities, excluding lease liabilities, that were settled in the course of the restructuring proceedings. In addition, the Group repaid various short-term financial liabilities, such as export credits, investment loans, and registered bonds, amounting to EUR 266.1 million.

Trade payables, including liabilities to affiliated and associated companies, decreased from EUR 381.9 million in the previous year to EUR 149.2 million in the 2025 financial year. This decline was mainly due to lower order volumes from suppliers, not least due to the production interruptions during the first half of the 2025 financial year, as well as the higher volume of advance payments requested by suppliers. In general, the Group is faced with significantly shorter payment terms due to the restructuring proceedings it has undergone, which are ultimately also reflected in the lower level of trade payables.

The short-term provisions amounting to EUR 13.7 million (previous year: EUR 91.7 million) include provisions relating to guarantees and warranties as well as provisions for legal proceedings. The restructuring provision created in the previous year was fully used up in the course of the restructuring proceedings under insolvency law (EUR -31.4 million). Provisions created in the course of the liquidation of the bicycle segment were also used up (EUR -42.6 million).

The other current liabilities mainly comprise personnel liabilities, obligations for discounts, and dealer bonuses as well as liabilities arising from the measurement of derivative financial instruments on the reporting date, liabilities to tax authorities and other non-financial liabilities. Compared to the previous year, the other short-term liabilities fell by EUR -67.3 million to EUR 69.7 million. Once again, the reduction is due, on the one hand, to the successful completion of the restructuring proceedings, in the course of which personnel liabilities were also settled, and, on the other hand, to company exits. At the same time, liabilities to tax offices and liabilities from dealer bonuses were reduced.

Net debt changed to a new level due to the successfully completed restructuring proceedings and the necessary funds raised for this purpose, to EUR 798.4 million (previous year: EUR 1,642.7 million). This results in a gearing ratio¹ of 207.3% (previous year: -847.8%).

Equity increased by EUR +579.0 million when compared with the previous year to EUR 385.2 million. This increase is mainly due to the restructuring gain achieved and the profit for the 2025 financial year, which amounted to EUR 590.0 million. In addition to effects in other comprehensive income, i.e. in particular currency translation and actuarial gains and losses (EUR -8.4 million), changes in the scope of consolidation from the acquisition of non-controlling interests (EUR -8.0 million) and the disposal of the balance sheet options on non-controlling interests (EUR + 2.1 million) complete the change in equity in the 2025 financial year. The equity ratio reported as at December 31, 2025 was therefore 24.3% (previous year: -8.1%).

3.3 LIQUIDITY ANALYSIS

In the 2025 financial year, the Group succeeded in significantly stabilizing its liquidity situation. The cash flow from earnings amounted to a significantly improved figure of EUR -20.8 million (previous year: EUR -436.0 million). The most significant influencing factors in the 2025 financial year resulted, on the one hand, from the annual result and, on the other hand, from the adjustment for the non-cash restructuring gains of EUR 1,193.1 million. The remaining adjustments to non-cash measures relate primarily to depreciation and amortization of property, plant and equipment and intangible assets, as well as interest and tax items and other non-cash income and expenses.

Cash flow from working capital increased by EUR +405.5 million compared to the previous year, which is mainly due to the significant reduction in inventories and other measures in the area of receivables and payables management. For the financial year, cash flow from working capital amounts to EUR 254.3 million.

Taking into account the changes in the scope of consolidation, the consolidated cash flow from investing activities amounted to EUR -12.0 million at a significantly lower level than in the previous year (previous year: EUR -340.5 million). In particular, the reduced investment activity during the 2025 financial year, combined with the simultaneous sale of assets classified as "held for sale" and disposal groups, stabilized the cash flow from investing activities.

Overall, free cash flow improved on balance of EUR -776.5 million in the previous year to EUR -34.3 million in the 2025 financial year. As early as the second half of 2025, the Group again generated a positive free cash flow of EUR +4.7 million.

The Group's cash flow from financing activities amounts to EUR 2.6 million (previous year: EUR 694.7 million) and results mainly from the long-term loans taken out, on the one hand, and the payments for the realization of the restructuring gains (deposited restructuring quotas) on the other hand. It shows a balanced picture.

Cash and cash equivalents decreased by EUR 26.1 million to EUR 137.3 million (previous year: EUR 163.4 million after deduction of cash and cash equivalents held for sale). While the stock of cash and cash equivalents was stabilized in the previous year by a significant amount of borrowings, the cash flows for the 2025 financial year show that this stabilization was largely achieved through operating business. In addition, the Group has unused credit facilities to manage short-term liquidity needs.

¹Gearing = net debt divided by equity

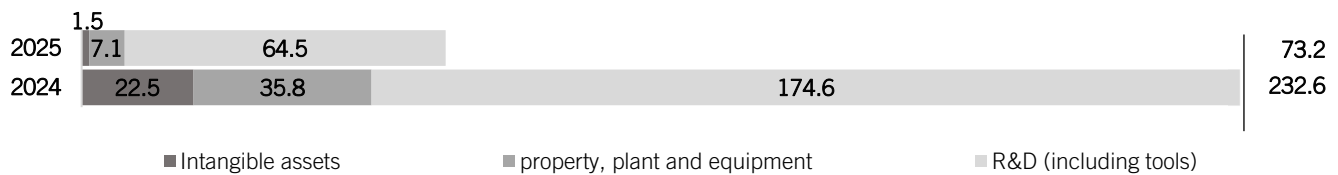
3.4 INVESTMENTS

In the past financial year, investments were made at a low level compared to previous years. Capital expenditures in the 2025 financial year primarily concerns the capitalization of research and development costs, whereas in previous years higher levels of investments were also made in other intangible assets and property, plant and equipment. Due to the high levels of investment in previous years, the Group can target a lower level, liquidity-friendly investment volume in the past and subsequent financial years.

During the 2025 financial year, a total of EUR 77.8 million (previous year: EUR 274.5 million) was invested in property, plant and equipment and intangible assets, including additions to leased assets. Of this amount, EUR 46.1 million were allocated to capitalized development costs (previous year: EUR 135.4 million), EUR 0.3 million in the acquisition of other intangible assets (previous year: EUR 5.0 million), EUR 4.5 million on investments in machinery and tools (previous year: EUR 24.1 million), EUR 1.0 million in land and buildings (previous year: EUR 23.0 million), EUR 3.9 million in the purchase of fixtures and fittings (previous year: EUR 17.9 million) and EUR 20.7 million in property, plant and equipment under construction, which primarily relates to tools (previous year: EUR 49.2 million).

Capital expenditures excluding leasing projects were divided between development projects (incl. tools), property, plant and equipment and intangible assets as follows:

Investments (in EUR million)



5 RESEARCH AND DEVELOPMENT (R&D) AND NEW MODELS

5.1 ORGANIZATION

The Group's research and development department operates globally. The central development site is located in Mattighofen. In addition to carrying out numerous research and development projects, it also supports the R&D activities carried out by the other sites, which are located in Spain and the USA. Due to the local conditions and its proximity to the Applus+ IDIADA international test center, the research site in Terrassa, Spain, provides an excellent starting point for testing motorcycles. This is also where the brake systems produced under the WP brand and installed in selected KTM models were developed. In the United States, the focus is on ensuring that products comply with the requirements specific to the North American market, as well as on complementary developments. The Bajaj Mobility Group cooperates with research institutions, OEMs, and start-ups from the motorcycle and automotive industries, as well as from other industries.

Key areas of R&D activities include digitalization – both in the area of R&D itself and in relation to products – further development of drive technologies, research and development with respect to lightweight construction and modularity, development of braking systems, and the further development of safety and comfort features. These R&D activities span the entire product development process – from basic research into material use, pre-development, and prototype production, right through to series production.

As of the reporting date of December 31, 2025, the company employed 595 people in its research and development department (previous year: 1,173), representing 15.7% of the total workforce. This decrease is the result of various measures taken by the Bajaj Mobility Group to reduce R&D costs. Operationally speaking, and excluding any secondary effects resulting from the capitalization and depreciation of development expenses, 14.0% (previous year: 13.1%) of total revenue was spent on research and development. In absolute terms, this corresponds to EUR 141.0 million (previous year: EUR 235.1 million).

5.2 COOPERATION WITH BAJAJ AND CFMOTO

During the 2025 financial year, the Group successfully continued its cooperation with Bajaj Auto (Pune, India) in the field of research and development. Research and development activities will continue to be concentrated at the Group's European sites. At the same time, the new majority shareholder, Bajaj, is providing increasing support in preparing the products developed for mass production. The cooperation with the strategic partner, CFMOTO (Hangzhou, China) also continued. The aim of these global partnerships is to make targeted use of mutual synergies. In particular, the intensified cooperation with Bajaj Auto makes it possible to tap into joint potential in the area of research and development and to incorporate this directly into product development.

5.3 DIGITALIZATION

The virtualization and digitalization of product development is an important building block for reducing development times, development costs, and quality risks. A digital thread through the development process combined with computer-aided engineering and simulation methods reduces the need for physical prototypes, which can significantly reduce effort. This development approach is referred to as a virtual prototype ("digital twin") and enables a valid statement to be made at any time with respect to the achievement of target values and planning goals. As a result, physical testing of components and complete vehicles can be reduced, both on test benches and under real operating conditions, and can also be carried out more efficiently. This approach is combined with consideration of the entire product life cycle, from raw materials to development, production, and use, right through to recycling or disposal, which promotes the development of more durable products.

5.4 DRIVE TECHNOLOGIES

The group is working on projects to increase efficiency and to improve and develop new parts and components for internal combustion engines (ICE) and alternative drive technologies. The aim is to increase energy efficiency and reduce fuel consumption while improving the riding experience. During the 2025 financial year, there were several projects ongoing in this respect, looking, for example, at combustion system development, power density, and the efficiency of ICE engines.

The Group is involved in several projects for the further development of batteries in connection with alternative drive technologies. One example is the LiONESS project, funded by the FFG (an Austrian research company), which aims to optimize battery systems, taking into account efficiency, safety, and sustainability on the basis of a multidisciplinary assessment. The Group's research department was also a partner in the Stan4SWAP project, which is supported by the EU as part of Horizon Europe. One of the aims of this project was to draw up a standardization roadmap for battery-changing systems for L-category vehicles by November 2025. Research and development activities involving electric battery-powered vehicles are divided into low-voltage and high-voltage projects.

5.5 LIGHTWEIGHT CONSTRUCTION AND MODULARITY

Another pillar of the development strategy 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 riding characteristics.

The group's research and development department is involved in various projects seeking to develop weight and material-saving alternatives to vehicle components. This can have an impact on the requirements in terms of resources, as well as on the riding behavior and energy requirements of the products. At the same time, alternative connection concepts can improve the customizability of vehicles and the separation of materials at the end of the product life cycle. During the 2025 financial year, for example, the Group worked on further developing selected subframes and tank systems.

5.6 DEVELOPMENT OF BRAKE SYSTEMS

The development of brake systems was successfully initiated and progressed to readiness for series production at the site in Spain. A bespoke development infrastructure has been established for the WP-branded brake systems that will be installed in KTM motorcycles in the future. Activities include individual component design, product tests, quality assurance, prototyping, and integration of the systems into existing vehicle platforms. The team is also involved in developing any necessary production equipment. Production facilities have been set up in India in cooperation with an external partner for series production.

5.7 SAFETY AND COMFORT FEATURES

The introduction of new safety and comfort features in vehicles in recent years has been accompanied by a significant increase in the complexity of the electrical/electronic systems of motorcycles. The Group is continuously working on further developing safety and assistance systems and increasing comfort. To this end, projects are underway to promote ergonomics, for example, which also contribute to improving safety and comfort by taking into account individual user characteristics and preferences. During the 2025 financial year, special emphasis was placed on elements such as the interfaces between rider and vehicle, and further developments were made to the Adaptive Cruise Control (ACC). The latter is a Front Radar System that enables the distances to vehicles traveling in front to be automatically maintained, for example.

5.8 OUTLOOK FOR 2026 AND BEYOND

The company-wide digitalization initiatives will continue to focus on increasing the efficiency of all steps in the product life cycle, with potential applications of artificial intelligence also being gradually evaluated and implemented. Another focus is on expanding connectivity. In the future, the emphasis will be on developing an end-to-end data chain throughout product development and the product life cycle. The aim is to strengthen service orientation and customer centricity, while at the same time significantly improving data quality and availability across the entire Group.

With the increasing complexity of modern motorcycles, there is a shift from a mechanic-driven development strategy to a feature-oriented strategy. At the same time, the achievement of efficiency gains in the value creating processes remains a central goal. The Group will continue to actively monitor and evaluate relevant trends and technologies. Product design is increasingly understood as a strategic key competence and is now being pushed further within the company itself: In order to bundle this potential in a targeted manner, an in-house design center is being created that will combine expertise with creativity, helping to further accelerate development speed and quality.

5.9 NEW MOTORCYCLE MODELS

KTM

In 2025, KTM made targeted adjustments to the model portfolio in several segments to include a few new product lines as well as extensive updates and extensions to existing models.

1390 SUPER ADVENTURE S EVO, 1390 SUPER ADVENTURE S & 1390 SUPER ADVENTURE R

These models have been substantially reworked in the travel segment and are equipped with the trusted V2 engine concept. They are setting new standards in terms of technology and riding dynamics. In addition, the 1390 SUPER ADVENTURE S is equipped with the latest generation of semi-active suspension, radar-assisted cruise control, and an 8" TFT touchscreen with integrated map navigation. The 1390 SUPER ADVENTURE S-EVO also features the new AMT engine technology for the first time. The automated manual transmission allows for sequential shifting with both an automatic and a manual shift mode.

990 RC R

With the all-new 990 RC R, KTM is bringing a new, uncompromising supersport model to the road that combines state-of-the-art technology with an excellent power-to-weight ratio. Weighing in at 184 kg, the newly developed linkage chassis, 130 hp LC8c twin-cylinder engine, and powerful BREMBO HyPure brake components focus on ready-to-race riding dynamics, whether on the race track or on the road.

2026 KTM 690 ENDURO R & KTM 690 SMC R

The 2026 KTM 690 ENDURO R continues its dual-sport tradition with major updates that improve off-road capabilities and roadworthiness. At its heart is the latest Euro 5+ compliant LC4 single-cylinder engine, which now features a redesigned crankcase, clutch, and stator cover, as well as an overhauled oil system.

2026 KTM EXC 6DAYS RANGE

The 2026 KTM EXC 6DAYS editions include various model types with 2 and 4-stroke engines. The new motorcycles benefit from revised hardware and new suspension settings, both for the 48 mm "closed cartridge" WP-XACT fork and for the WP XPLOR PDS shock absorber. Overall, the updates pursue the goals of less weight, improved riding experience, and increased stability.

BRABUS 1400 R

Equipped with a state-of-the-art 1,350 cc LC8 V-twin engine, the BRABUS 1400 R SIGNATURE EDITION delivers a leading 190 hp and 145 Nm of system torque. A special twin-pipe exhaust system under the seat underpins the trademark look of this Luxury Hyper Naked Bike while at the same time producing an unforgettable riding noise.

HUSQVARNA

701 ENDURO & 701 SUPERMOTO

The new 2026 Husqvarna models offer more powerful engines with 79 hp, new electronics and ride modes, ABS options, and a state-of-the-art 4.2" TFT display. The 701 Enduro gets innovative traction control for off-road use with the new "Dynamic Slip Adjust", while the 701 Supermoto is equipped with "Supermoto+ ABS" and "Sport ABS" for controlled drifting and sporty braking. Both models are characterized by an overhauled look, improved chassis components, and a striking color scheme.

GASGAS**2026 OFFROAD LINE-UP**

The MC 125 and MC 250F 2026 models feature an improved protection cap for the fuel line that increases durability. All 2-strokes feature newly routed wiring harnesses for improved reliability, with all Enduro models now equipped with a radiator fan. In addition, technical specifications in particular have been revised and reimplemented, including the triple headlight and the cooling system. Furthermore, the entire GASGAS off-road line-up for the 2026 model year has been equipped with a new color scheme with more black accents.

6 OPPORTUNITY AND RISK REPORT

To ensure the long-term success of the company, it is essential to identify risks and opportunities at an early stage, to assess them accurately, and to manage them by means of appropriate measures.

6.1 RISK MANAGEMENT SYSTEM

The main purpose of the Bajaj Mobility Group's risk management system is to safeguard and strengthen the company by assessing financial, operational, and strategic risks promptly, fully, and transparently. 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 the reporting date of December 31, 2025.

The Bajaj Mobility Group has an Enterprise Risk Management (ERM) system in which group-wide risks and opportunities are recorded centrally for specialist departments and, where applicable, geographical areas. 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 serves 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.

Preventive analysis of potential events is another task for risk management. In addition, it is essential to actively manage opportunities and risks and to define and evaluate appropriate measures with the business units concerned.

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 for 2025).

6.2 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 elements of 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. The ERM therefore ensures consistent group-wide reporting and supports the integration of risk management into the corporate strategy.

Identification and evaluation

As a rule, the ERM process identifies and evaluates 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-plus years. 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 to aggregate and interpret overall risk positions. Based on the 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 handled on a case-by-case basis, by mitigating or avoiding risks, or by consciously accepting them in certain 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 in particular by the senior and middle management levels of KTM AG and monitored by the Executive Board of Bajaj Mobility AG, among others.

Reporting and monitoring

Comprehensive reporting is implemented as part of the ERM process. Risk Management reports directly to the Executive Board of KTM AG in this respect. 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 Supervisory Board are regularly informed about the status quo and ongoing developments. These reports serve not only as a means of monitoring, 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 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 ensures that critical developments are responded to at an early stage. An increase in this ad-hoc reporting was observed in 2025. The increased number of ad-hoc reports in 2025 reflects heightened awareness and improved sensitivity to critical topics across the organization.

Presentation of opportunities and risks and measures taken

The completed restructuring process presented the company with significant challenges in FY 2025. Some of the resulting effects may continue into FY 2026, thereby influencing the Group's risk and opportunity profile. However, based on 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 has not identified any risks that could jeopardize its continued existence as a going concern, either on the reporting date or at the time that the financial statements were prepared.

Opportunities and Risk	Description	Measures
Operational risks and opportunities		
Material and raw materials	<ul style="list-style-type: none"> » Macroeconomic developments or climate-related measures may have a negative impact on the prices of energy-intensive resources such as steel and aluminum (e.g., increased use of renewable energies that are still very limited at present, stricter requirements for steel production, conversion of production systems, requirements for the use of recycled materials, etc.) » Sharply rising demand for rare earth elements, for example for battery production in the field of electromobility, could lead to resource shortages on the market » Price increases and resource scarcity may result in higher production costs and put pressure on margins » Positive economic developments may lead to lower costs for materials and raw materials » Technological advancements and the market maturity of new materials and raw materials with improved properties may open up new application possibilities 	<ul style="list-style-type: none"> » Use of alternative supply chains and corresponding activities to reduce the costs incurred » Safeguarding by using second sources or additional supply chains for critical product groups » Optimization of the logistical procurement structure to minimize transport distances and adjust associated costs » Research into alternative materials and raw materials, and into material reductions/functional lightweight construction (sustainable engineering) » Purchasing conditions and effective cost engineering
Logistics and supply chain	<ul style="list-style-type: none"> » Geopolitical tensions on key transport routes (e.g. Suez Canal, Taiwan Strait, Gulf of Aden) can have a negative impact on logistics routes » Changes at short notice and retrospective changes to customs regulations may result in additional fees/costs » Bottlenecks or delays in logistics can slow down the delivery of materials and require special transportation, leading to increased costs » Unstable supply chains and delivery delays for ordered components can increase procurement risk » Supplier default risk can lead to supply and production bottlenecks in the short to medium term » High inventory levels due to production/sales deviations could cause additional costs and tie up capital » To compensate for the losses incurred due to the insolvency of KTM AG, individual suppliers may impose price increases » Reduced demand can lead to delivery problems (minimum order quantities) or price increases 	<ul style="list-style-type: none"> » Monitoring of geopolitical developments and key transport routes » Ongoing monitoring of changes in customs regulations and import/export regulations as well as adjustment of procurement planning » Reduction of inventory levels to minimize capital tied up in stock. » Flexibility in the implemented production layout guarantees rapid adaptation of production plans » Long-term cooperation with existing supply partners as well as careful selection of excellent new suppliers » Flexible route planning or use of alternative transport routes to secure critical supply flows » Nurturing relationships with suppliers » Adapted sourcing strategies » Strengthened supply chain risk management » Market intelligence system implemented for electronic components and developing different sources of supply (multiple sourcing) » Agreement on sustainable pricing with suppliers and negotiation of announced price increases » Coordination of demand planning with suppliers in cooperation with production planning and disposition as well as transparent presentation of requirements to suppliers

<p>Production and quality</p>	<ul style="list-style-type: none"> » Quality or safety-related product deviations that are detected by Customer Service or that are not identified in time can lead to violations of quality, product safety, and regulatory requirements. » Such deviations can cause increased warranty and recall costs, liability claims, and lasting impairment of customer satisfaction and reputation. » External factors such as floods or fires can interrupt production and lead to shutdowns » Possible disruptions or price fluctuations in electricity and technical gases can affect production operations » Deteriorating production conditions in Europe (costs, regulations, labor market) could lead to competitive disadvantages » By using non-European production sites, the competitive disadvantages of a European location can be counteracted, and development and industrialization processes can be accelerated 	<ul style="list-style-type: none"> » Application of a certified quality management system including supplier selection, quality planning, and standardized processes along the product life cycle » Integration of product improvement and lessons learned processes using customer service and field data » Systematic market and field observation through evaluation of warranty and damage reports as an early warning system for quality and safety risks » Use of defined KPIs to monitor repeat errors, complaint rates, and safety-relevant anomalies » Structured issue and escalation processes to quickly analyze, prioritize, and resolve identified product issues » Defined decision-making and communication processes for service, security, and recall measures in accordance with regulatory requirements » Protection of remaining risks through suitable product and liability insurance » Implementation of emergency plans for external events, including fire protection, flood protection, and flexible shift planning to compensate for failures » Photovoltaic systems for self-generation of electricity and ongoing implementation of energy-saving measures » Insurance » Partial relocation of production and R&D activities
<p>IT and cyber</p>	<ul style="list-style-type: none"> » The number of cyber attacks on large companies has been steadily increasing in recent years in particular, (spear) phishing and ransomware continue to pose high risk potential 	<ul style="list-style-type: none"> » Further development of the internal emergency and crisis organization » “Cyber security” awareness measures » IT security and risk management system for identifying and managing information security risks » Development of a cyber security management system to control vehicle-specific IT risks
<p>Financial risks and opportunities</p>		
<p>Finances</p>	<ul style="list-style-type: none"> » Persistently high interest rates and low sales figures can increase pressure on retailers, leading to increased bad debts 	<ul style="list-style-type: none"> » Close coordination with the dealers and support with targeted programs » Bank guarantees as 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 – Financial Risk Report) of Bajaj Mobility AG. 		

Compliance/legal risks and opportunities

<p>General compliance issues</p>	<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 for 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, protection of the environment and climate, animal welfare, and supply chain compliance » Handling of conflict minerals, chemicals, pollutants » Fair competition, prohibition of cartels Corruption, bribery, invitations, gifts » Money laundering, financing of terrorism, export controls » Taxes, tax strategy, tax compliance, international tax guidelines » Conflicts of interest, prohibition of insider trading, political activities, donations, sponsorship » Handling of company property, corporate 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 » Reviewing progress » Implementing measures to safeguard human rights » Stipulating minimum requirements as a basis for supplier relationships » Ensuring the minimum age of employment » Conducting annual training and awareness programs » Provision of a whistleblower system to report potential breaches » Internal guidelines on how to proceed in the event of any breaches » Availability of whistleblowing channels, extension of the anonymous whistleblowing system to third parties » Automated e-learning course on compliance
<p>Regulations and legal</p>	<ul style="list-style-type: none"> » Dependencies on national and international legal frameworks in the countries in which vehicles are sold can have an impact on both offroad and street motor-sports, motorcycle registrations, and the driver's license (e.g. planned regulation in the European Union for internal combustion engines) » An increase in the regulatory landscape could affect operations and lead to increased costs » Efforts to protect the climate may lead to a tightening and extension of legislation or to new regulations and driving bans » Regulatory measures such as environmental zones or other driving bans related to the climate and air quality could make motorcycles more attractive as a more fuel-efficient alternative to the passenger car » Changes in import and export regulations in North America may cause delivery delays and additional costs » Inadequate trademark protection or violations of competition and antitrust laws can lead to litigation, hefty fines, reputational damage, and loss of brand value 	<ul style="list-style-type: none"> » Market segmentation ensures that the relevant regulations are taken into account optimally as early as the product development process » Additional monitoring and control by the Regulatory Affairs department ensures compliance with existing and future country-specific regulations relating to motorcycles » As a member of ACEM (European Association of Motorcycle Manufacturers) at the level of KTM AG, Bajaj Mobility supports the strategy for decarbonization. It is based on the goals of the European Green Deal and the Climate Protection Act, as well as the European Commission's strategy for sustainable and smart mobility » Development of low-emission/zero-emission/alternative drive systems and products » Continuous review of the trademark portfolio and enforcement of trademark rights » Research and development to ensure compliance with existing and future regulations

Strategic risks and opportunities		
Strategic	<ul style="list-style-type: none"> » Regulatory requirements, technological trends, and changing customer preferences (e.g. self-driving vehicles, declining acceptance of internal combustion engines) can limit motorcycle use and change customer behavior » Market developments, external trends, and economic and regulatory changes in key sales markets can influence demand, sales, customer behavior, and predictability. » Strategic orientation with a focus on the core business of motorcycles, combined with a strong brand identity, provide a solid basis for future growth » 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/zero-emission) technologies could change the existing market structure and increase the chance of gaining market shares 	<ul style="list-style-type: none"> » High quality standards, improvement of (end) customer service and clear positioning in the premium segment » Expansion of cooperation with strategic development partners » Consideration of customer requirements in the product development process to cover the needs of customers » Diversification of the product portfolio and investment in future technologies » Strategic restructuring of KTM AG
Climate and environmental risks and opportunities		
	<ul style="list-style-type: none"> » For further information, please refer to the Non-Financial Statement 2025 of Bajaj Mobility AG. Relevant information can be found at the beginning of each chapter and in the sections on managing impacts, risks, and opportunities. 	
Other risks and opportunities		
General	<ul style="list-style-type: none"> » Actively complementing the restructuring with workshops and discussions promotes a resilient corporate culture and strengthens cooperation across team boundaries » Restructuring can offer the opportunity to increase efficiency, save costs, and optimize processes 	<ul style="list-style-type: none"> » Regular moderated discussions (e.g. process and role workshops) within all affected teams » Involvement of internal organizational developers to support the reflection work » Feedback loops » Implementation of a central automated reporting tool for general and goal-related reporting
HR	<ul style="list-style-type: none"> » Low resilience among employees and managers can increase stress and reduce the ability to act » Pandemics or waves of illness can lead to long periods of sick leave and lost productivity » Employer attractiveness and health protection can influence the retention and recruitment of employees as well as the positioning in the competition for talent » Key employees could leave the company » Personnel costs may increase at a faster rate than expected as a result of collective bargaining agreements or macroeconomic developments » Employees expect more flexibility in terms of time and space and a better work-life balance from their employer » Shifting to a new culture with different frameworks, values, and beliefs could lead to dissatisfaction and loss of productivity 	<ul style="list-style-type: none"> » Training sessions such as “Self-Management Mastery” and Spotlight formats to strengthen resilience and growth mindset » Strategic personnel development » Training offers for further education » Cross-media employee campaigns, expansion, and intensification of internal communication » Apprentice training program in the company's own apprentice workshop » Continuous development of occupational health and safety protection » Constant monitoring of personnel costs » Adjustment of the number of employees » Flexible working time models » Benefits

Political	<ul style="list-style-type: none"> » The ongoing Russia-Ukraine conflict shows that regional and locally limited conflicts can have a negative impact on the price of materials and raw materials » An escalation in the conflict between China and Taiwan would have a serious impact on the security of the supply of electronic components » Politically motivated unrest (for example in the Gulf of Aden, the Suez Canal, or the Taiwan Strait) can have a negative impact on the supply situation and logistics costs » Political tensions and sanctions between the US and Venezuela could affect oil supplies; possible price increases and higher logistics costs could increase material and transport costs 	<ul style="list-style-type: none"> » Developments are being continuously monitored and the strategy for procurement, transport and cost planning adapted as necessary
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7 INFORMATION ACCORDING TO § 243A (PARA. 1) UGB

1. The share capital amounts to EUR 33,796,535 and is divided into 33,796,535 no-par value bearer shares. Each no-par value share grants the same share in the share capital, together with the ordinary shareholder rights provided for in 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 Bajaj Mobility AG have been listed on the SIX Swiss Exchange (SIX) in the International Reporting Standard since November 14, 2016 (ISIN AT0000KTMI02). Since March 1, 2022, the shares have additionally been listed on the Vienna Stock Exchange (Official Market). There was no change in the share capital during the 2025 financial year. Since Bajaj Mobility AG did not acquire or sell any of its own shares, the company did not hold any treasury shares as of December 31, 2025.
2. On May 22, 2025, Bajaj Auto International Holdings B.V. entered into a call option agreement with Pierer Industrie AG, which enables Bajaj Auto International Holdings B.V. to acquire all shares held by Pierer Industrie AG in Bajaj Auto International Holdings AG and therefore indirectly gain control of Bajaj Mobility AG by no later than the end of May 2026 (the "Call Option"). Bajaj Auto International Holdings B.V. has exercised the Call Option. The shares held by Pierer Industrie AG in the majority shareholder, Bajaj Auto International Holdings AG, were transferred to Bajaj Auto International Holdings B.V. on November 18, 2025. Since then, Bajaj Auto International Holdings B.V. has been the sole shareholder of Bajaj Auto International Holdings AG and consequently also indirectly the controlling majority shareholder of Bajaj Mobility AG with a share of around 74.9% of the shares in Bajaj Mobility AG. On January 13, 2026, the change of the company name to Bajaj Mobility AG, which was resolved upon at the Extraordinary General Meeting held on November 19, 2025, was entered into the commercial register, together with the relocation of the registered office to Mattighofen. The Executive Board is not aware of any restrictions in respect to voting rights or the transfer of shares.
3. To the company's knowledge, as of December 31st 2025, the following shareholding in the capital of Bajaj Mobility AG amounting to at least 10 percent existed:
 - » Bajaj Auto International Holdings AG: 74.94% (direct shareholding).
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. Ways to issue or buy back shares:
 - » As of December 31, 2025, the following options were in place:

Based on the authorization granted by the Annual General Meeting held 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":

In accordance with Section 169 of the Austrian Stock Corporation Act (AktG), the Executive Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital of EUR 33,796,535.00, if necessary in several tranches, by up to EUR 16,898,267.00 to a total of up to EUR 50,694,802.00 through the issuance of up to 16,898,267 no-par value bearer shares against cash and/or cash contributions in kind, and to determine the issue price as well as the terms of issue and the further details of the implementation

of the capital increase in the 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 shareholders' subscription rights in full or in part,

- a. if the capital increase takes place in return for cash contributions and in total the share 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 Company's share capital at the time of granting,
- b. if the capital increase is made in return for contributions in kind,
- c. to service an over-allotment (greenshoe) option, and/or
- d. to compensate for the settlement of fractional amounts.

The Supervisory Board is authorized to pass resolutions on 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 held on January 27, 2025 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 share capital of the Company shall be conditionally increased pursuant to § 159 (2) (1) AktG by up to EUR 16,898,267.00 by issuing up to 16,898,267 ordinary bearer shares with no par value for issue to creditors of financial instruments in accordance with § 174 AktG as defined by the resolution of the General Meeting of January 27, 2025, which are issued by the Company utilizing the authorization granted at this General Meeting. The capital increase may only be carried out to the extent that the creditors of the financial instruments make use of their right to exchange and/or subscribe to shares in the Company. The issue price and the exchange and/or subscription ratio are to be determined in accordance with standard market financial-mathematical methods and the price of the Company's shares in a standard market pricing procedure (basis for calculating the issue price). The issue price must not be lower than the pro-rata amount of the share capital. The new shares issued under the conditional capital increase shall be entitled to dividends to the same extent as the existing shares of the Company. The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to adopt amendments to the Articles of Association that result 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 make use of their right to exchange 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 by the Company using the authorization granted in the Annual General Meeting held on January 27, 2025. Specifically, the Extraordinary General Meeting held on January 27, 2025 resolved the following with regards to the exclusion of subscription rights (agenda item 2):

- a. The Annual General Meeting revokes the authorization of the Executive Board resolved at the Annual General Meeting on April 21, 2023, with the approval of the Supervisory Board, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG) until April 21, 2028.
- b. The Executive Board is authorized, with the consent of the Supervisory Board, up to January 27, 2030, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act, in particular convertible bonds, profit-sharing bonds, and profit participation rights, with a nominal total of up to EUR 900,000,000.00, which may also grant the subscription and/or the option of exchange rights to acquire a total of up to 16,898,267 shares in the company and/or are also organized in such a way that they may be disclosed 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 exchange and/or subscription rights to shares in the company.
- c. 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.
- d. Within the scope of this authorization, the Executive Board may only issue financial instruments that grant the creditor subscription rights on the acquisition of shares in the company insofar as, when exercising all subscription rights of those financial instruments and taking into consideration all shares that were or should have been issued from the 2022 authorized capital (as decided under agenda item 9 of the Annual General Meeting of April 29, 2022), no more than 16,898,267 new shares in the company are created.
- e. The issue price and terms and conditions of issue of the financial instruments are to be set by the Executive Board, with the consent of the Supervisory Board, whereby the issue price is to be determined in accordance with recognized financial mathematical methods and

the price of shares in the company in a recognized pricing procedure. The issue price of the shares to be issued upon conversion (exercise of the exchange and/or subscription rights) and the exchange and/or subscription ratio are to be determined taking into account customary financial mathematical methods and the price of the Company's shares (basis for calculating the issue price); the issue price of the shares to be issued may not be less than the proportional amount of the share capital.

- f. Shareholders' subscription rights to the financial instruments within the meaning of Section 174(4) of the Austrian Stock Corporation Act (AktG) are excluded.

This authorization granted by the Annual General Meeting held on January 27, 2025 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:

- a. 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 on which the resolution was passed to acquire treasury shares of the company both on 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 decide on amendments to the Articles of Association resulting from the cancellation of shares.
- b. The Executive Board is authorized for a period of five years from the date on which 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 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 sale. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes.

This authorization to acquire treasury shares, granted by the Annual General Meeting on April 21, 2023 in accordance with Section 65(1)(8) of the Austrian Stock Corporation Act, was not used within the period of 30 months granted from April 21, 2023 (= date of resolution).

There were no changes in the options for issuing or buying back shares after the balance sheet date.

8. Agreements that become effective in the event of a change of control as a result of a takeover offer ("Change of Control clauses"), change or terminate, as well as their effects, are not disclosed by Bajaj Mobility AG due to the fact that it would considerably harm the company.
9. In the event of a mandatory public takeover offer in which Bajaj does not qualify as a legal entity acting jointly with the bidder within the meaning of Section 1(6) of the Austrian Takeover Act, the member of the Executive Board, Mag. Petra Preining, may resign from her position as a member of the Executive Board of the company and terminate her Executive Board service contract within six months of the change of control, subject to a notice period of three months. By way of compensation for termination, the member of the Executive Board shall receive a severance payment equal to her fixed and variable remuneration for the remaining term of her Executive Board service contract, but not exceeding one full year. There are no further compensation agreements between the company and its Executive Board and Supervisory Board members or employees in the event of a public takeover offer.

8 KEY FEATURES OF THE INTERNAL CONTROL SYSTEM § 243A (PARA 2) UGB

The internal control system of the Bajaj Mobility Group has the task of ensuring the correctness and reliability of financial reporting, compliance with the legal and internal regulations applicable to the company, as well as the effectiveness and efficiency of operating activity, including the protection of assets from losses caused by damages and malversations. Internationally 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 accounting requirements,
- » segregation of duties as an organizational measure,
- » system-supported and process-dependent controls,
- » process-independent controls, and
- » managing risks in the preparation of balance sheets.

The Group is committed to the continuous development and improvement of its 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 accounting process are presented below.

8.1 CONTROL ENVIRONMENT

The organizational structure of the Bajaj 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. This relates to the Group headquarters in Mattighofen as well as the Austrian and all international subsidiaries.

The strong international orientation of the Group and the associated decentralized corporate and site structures will be countered by centralizing key corporate functions in the area of financial reporting at the Austrian sites (especially in Mattighofen). Particularly relevant with respect to the responsibility for accounting and financial reporting are the Finance, Controlling, and Risk Management & Dealer Financing departments, which work closely together to prepare the financial figures and report directly to the Executive Board of Bajaj Mobility AG or the Group Executive Board. The administration, organization, and responsibility of these three divisions falls to the respective division managers. Setting the strategy and monitoring its implementation is the responsibility of the Executive Board of Bajaj Mobility AG and the Group Executive Board.

In terms of process organization, the Group relies on a distinctive and comprehensive set of accounting, valuation, and account assignment requirements. 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 Group's financial reporting. The specifications for accounting and accounting processes are reviewed on an ongoing basis and adjusted at least annually, or more frequently if necessary, with the responsible areas working in close coordination with one another. The report, together with the corresponding results, will then be published in the Notes to the Consolidated Financial Statements. Monitoring compliance with accounting-related regulations and controls is the responsibility of the relevant divisional management.

8.2 RISK ASSESSMENT

Risks relating to the accounting process are identified and monitored by the respective divisional 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 accounting-relevant facts, 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, impairment of receivables, shareholdings and inventories. In some cases, external experts are called in or publicly accessible sources are used to minimize the risk of misjudgment.

8.3 CONTROL MEASURES

The Group has integrated its controls directly into the (Group) accounting processes. An essential element of this, in addition to process-independent external control mechanisms, is the principle of segregation of functions. 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. The Group is always looking for automated technological solutions to improve existing control mechanisms or implement new ones. The focus lies, on the one hand, on holistic measures spanning the entire accounting process and, on the other hand, on detailed application-level automations, such as those used in the preparation of the financial statements and in ongoing accounting. Furthermore, the application of internal company guidelines results in consistent handling of business transactions as well as consistent accounting and reporting.

Features such as automated controls are integrated in the key IT systems with 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 list of technical possibilities, the 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.

8.4 COMMUNICATION AND MONITORING

Responsibility for the effectiveness of the internal control system in the (group) accounting 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 accounting 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. The aim is to simplify variance analyses, identify risks in the reporting process, and enable strategic decisions through the standardization of internal reporting.

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 cover the definition and monitoring of limits, in particular approval requirements that are tiered according to financial volume up to the top management level, as well as procedures aimed at limiting financial risks, such as the analysis of suppliers' financial stability, and the strict application of the four-eyes 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 EVENTS AFTER THE BALANCE SHEET DATE

For information on events after the balance sheet date, please refer to Chapter XI “Significant Events after the Balance Sheet Date” of the Notes to the Consolidated Financial Statements.

10 OUTLOOK

10.1 BUSINESS DEVELOPMENT

The Bajaj Mobility Group looks back on an eventful financial year. The year 2025 marked the successful completion of the restructuring proceedings of KTM AG, KTM Components GmbH, and KTM Forschungs und Entwicklungs GmbH, which were essential to ensure 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 share in Bajaj Mobility AG at the end of 2025.

Even after the acquisition of the majority shares, the cooperation with the Bajaj Group takes the form of a strategic partnership. 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 of name of the company illustrates. However, the company’s Austrian roots remain unchanged, which represents a forward-looking strategic decision for both the Group and Bajaj. The aim is for the Group, through its strategic partnership with Bajaj, to quickly and sustainably regain its leading position in the global motorcycle market, set new standards, and secure the company’s success, both in the short-term and in the long-term. In the context of the affiliation to the Bajaj Group, the Executive Board is also assessing further synergy potential.

The 2026 financial year will be heavily influenced by the consistent continuation of the restructuring plan, which includes measures aimed at focusing, redimensioning, and increasing efficiency that will strengthen the Group’s operational and financial stability in the long term. In addition, some substantial initial progress has already been made from the cooperation with Bajaj.

The measures initiated include the termination of involvement in the bicycle segment, which was one of the factors that contributed to the need for the KTM 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, a simplification of the corporate structures within the KTM Group is planned for the 2026 financial year. The strategic focus on streamlining and re-dimensioning is also reflected in a comprehensive redesign of internal management structures. By reducing hierarchical levels and information interfaces, and streamlining existing processes, decision-making processes are expected to be significantly shortened and organizational performance further strengthened.

Despite the constant and intensive implementation of the measures previously communicated in the course of the restructuring proceedings, the Group once again expects a challenging market environment in the 2026 financial year. The measures initiated by the Executive Board are intended to ensure that the KTM Group returns to sustainable operational profitability in the long-term, in spite of the challenging market environment. The focus is 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 key aspect of the Group’s financial stabilization and management. The focus in this respect is 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 standard payment terms at suppliers is being pushed forward.

The Group’s earnings situation will also be impacted by the US customs regulations introduced during the 2025 financial year. 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; the average burden of the Group in this respect is around 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. Due to 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 within the scope of the restructuring proceedings, coupled with the release of working capital and the availability of financing, the Executive Board expects the Group's liquidity to be secured.

10.2 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.

10.3 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.

10.4 FINANCING SITUATION

With the completion of the restructuring proceedings on the one hand and the Bajaj Group as a strong partner and majority shareholder 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, even after the Group has been re-dimensioned, while ensuring continued operational viability.

Mattighofen, on March 03, 2026

The Executive Board of Bajaj Mobility AG



Mag. Gottfried Neumeister
CEO



Mag. Petra Preining
CFO

CONSOLIDATED FINANCIAL STATEMENTS

Financial year from January 1 to December 31, 2025



CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR 2025

EUR k	Note no.	2025	2024
Revenue	9	1,009,389	1,879,021
Cost of sales	10	-990,879	-1,929,980
Gross profit		18,511	-50,959
Selling and racing expenses	11	-204,789	-299,368
Research and development expenses	12	-78,972	-80,437
Administration expenses	13	-185,702	-197,130
Other operating expenses	14	-38,884	-57,033
Expenses relating to impairments according to IAS 36	14, 22	-1,381	-360,660
Expenses relating to impairments according to IFRS 5	14, 8, 32	-1,683	-147,311
Restructuring gain	2	1,193,134	0
Other operating income	15	42,929	17,703
Result from at-equity holdings	16	4,670	-9,022
Result from operating activities		747,833	-1,184,217
Interest income	17	6,505	25,837
Interest expenses	17	-84,562	-123,641
Other financial and participation result	17	-6,954	5,423
Result before tax		662,822	-1,276,598
Tax expense	18	-72,658	196,691
Result for the financial year		590,164	-1,079,907
of which attributable to the owners of the parent company		594,957	-990,265
of which attributable to non-controlling interests		-4,793	-89,642
Basic (=diluted) earnings per share (EUR)		17.60	-29.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR 2025

EUR k	Note no.	2025	2024
Result for the financial year		590,164	-1,079,907
Other comprehensive income - Possible reclassification into the income statement			
Currency translation of foreign subsidiaries		-7,924	3,560
Currency translation of associates accounted for using the equity method	25	-1,399	488
Valuation of cash flow hedges	33	-2,775	-8,154
Deferred tax on the valuation of cash flow hedges		694	1,921
		-11,404	-2,185
Other comprehensive income - No reclassification into the income statement			
Recognized actuarial gains/losses	35	3,927	670
Deferred tax on the recognized actuarial gains/losses		-903	-154
		3,024	516
Other comprehensive income after tax		-8,380	-1,669
Total comprehensive income		581,784	-1,081,576
of which attributable to the owners of the parent company		586,096	-991,934
of which attributable to non-controlling interests		-4,312	-89,642

CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2025

EUR k	Note no.	Dec 31, 2025	Dec 31, 2024
Assets			
Non-current assets:			
Intangible assets	22, 23	418,363	476,707
Tangible assets	22, 24	315,720	369,299
Investments accounted for using the equity method	25	16,041	14,130
Deferred tax assets	26	13,995	84,126
Other non-current assets and receivables	27	9,758	3,248
		773,876	947,510
Current assets:			
Inventories	28	377,062	617,852
Trade receivables	29	114,747	289,422
Other current assets and receivables	30	174,357	154,719
Current tax assets		1,679	16,262
Cash and cash equivalents	31	137,270	163,407
		805,115	1,241,662
Assets held for sale and disposal groups	32	7,081	206,662
ASSETS		1,586,073	2,395,834

CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2025

EUR k	Note no.	Dec 31, 2025	Dec 31, 2024
Equity and liabilities			
Equity:			
Share capital	33	33,797	33,797
Capital reserves	33	9,949	9,949
Reserves including retained earnings	33	339,256	-240,509
Equity of the owners of the parent company		383,001	-196,763
Non-controlling interests	33	2,236	3,014
		385,237	-193,749
Non-current liabilities:			
Financial liabilities	34	915,222	93,353
Liabilities for employee benefits	35	21,886	26,907
Deferred tax liabilities	26	564	893
Other non-current liabilities	36	6,745	74,924
		944,416	196,077
Current liabilities:			
Financial liabilities	34	20,457	1,712,769
Trade payables	37, 38	149,162	381,857
Provisions	39	13,708	91,715
Tax liabilities		3,371	2,959
Other current liabilities	36	69,721	136,973
		256,419	2,326,273
Liabilities associated with assets held for sale and disposal groups	32	0	67,233
EQUITY AND LIABILITIES		1,586,073	2,395,834

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2025

EUR k	Note no.	2025	2024
Operating activities			
Result for the financial year		590,164	-1,079,907
+ (-) Interest expenses / interest income		68,721	97,805
+ (-) Tax expenses / tax income		72,658	-196,691
+ Depreciation/amortization and impairment of tangible and intangible assets	22, 23, 24	136,534	703,434
+ (-) Addition (reversal) of non-current liabilities for employee benefits		-973	-582
- (+) Profit (loss) from investments accounted for using the equity method	16	-4,670	9,022
- (+) Profit (loss) from the disposal of fixed assets		29,075	109,453
- (+) Profit (loss) from restructuring proceedings	2	-1,193,134	0
- (+) Other non-cash effective income (expense)	VI	41,145	177,095
+ Interest received		4,555	28,293
- Interest paid		-37,151	-109,989
- Tax payments		-1,683	-17,292
+ Dividends received		0	599
Gross cash flow		-294,759	-278,760
- (+) Increase (decrease) in inventories	VI	168,272	90,849
- (+) Increase (decrease) in trade receivables	VI	80,355	7,537
+ (-) Increase (decrease) in trade payables	VI	5,723	-247,998
Increase (decrease) in Working Capital Employed		254,349	-149,612
- (+) Increase (decrease) in prepayments, other current and non-current assets		3,686	11,758
+ (-) Increase (decrease) in prepayments, and other current and non-current liabilities		10,964	-18,063
(+) - Increase (decrease) in tax liabilities, current tax assets, deferred tax and provisions		3,378	-1,285
Increase (decrease) in other net assets		18,027	-7,590
Cash flow from operating activities		-22,382	-435,962

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2025

EUR k	Note no.	2025	2024
Investing activities			
- Payments for the acquisition of intangible assets and property, plant and equipment	22, 23, 24	-90,385	-263,301
- Payments for the acquisition of investments accounted for using the equity method and other financial assets		0	-12,490
+ Receipts from the sale of intangible assets and property, plant and equipment	22, 23, 24	963	3,774
(-) + Loans to companies		3,243	-23,271
(-) + Acquisition of subsidiaries less acquired liquid funds	8	0	-45,222
(-) + Disposal of subsidiaries less disposed liquid funds	8	-3,051	0
(-) + Cash received from assets classified as "held for sale" and disposal groups	8, 32	77,272	0
Cash flow from investing activities		-11,958	-340,510
Free Cash flow		-34,341	-776,472
Financing activities			
- Dividend payments to third parties	33	0	-17,653
+ Taking out non-current financial liabilities	34	814,402	47,031
- Repayment of research loans	34	0	-28,824
- Repayment of lease liabilities	34	-21,625	-22,612
- Repayment of other financial liabilities	34	-50,134	-1,200
- Payments to meet the restructuring quota	2	-524,147	0
- Repayment of other short-term financial liabilities	34	-215,895	-6,522
+ (-) Taking out other short-term financial liabilities	34	0	724,457
Cash flow from financing activities		2,600	694,677
Total cash flow		-31,741	-81,795
+ (-) Change due to exchange rate fluctuations		5,604	-5,607
+ Opening balance of liquid funds within the group		163,407	258,972
Closing balance of liquid funds within the group		137,270	171,569
thereof included in the balance sheet item cash and cash equivalents	31	137,270	163,407
thereof included in the balance sheet item assets held for sale	32	0	8,162

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR 2025

EUR k	Annex No.	Equity of the owners of the parent company							Non-controlling interests	Total Group equity
		Share capital	Capital reserves	Reserves including consolidated net retained profit/loss	Cash flow hedge reserve	Currency translation balancing items	Total			
Status as of January 1, 2025		33,797	9,949	-243,694	2,081	1,104	-196,763	3,014	-193,749	
Other comprehensive income	33	0	0	3,024	-2,081	-9,805	-8,862	482	-8,380	
Earnings for the financial year		0	0	594,957	0	0	594,957	-4,793	590,164	
Overall result		0		597,981	-2,081	-9,805	586,096	-4,312	581,784	
Dividends to third parties		0	0	0	0	0	0	0	0	
Change in non-controlling interests without change of control	8	0	0	297	0	0	297	-8,297	-8,000	
Additional payments for squeeze-out transactions	33	0	0	2,835	0	0	2,835	0	2,835	
Options on non-controlling interests	8	0	0	-9,266	0	0	-9,266	11,410	2,143	
Changes in the scope of consolidation	8	0	0	-54	0	0	-54	276	222	
Miscellaneous		0	0	-145	0	0	-145	145	0	
Status as of December 31, 2025		33,797	9,949	347,964	0	-8,701	383,001	2,235	385,237	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR 2024

EUR k	Annex No.	Equity of the owners of the parent company							Total Group equity
		Share capital	Capital reserves	Reserves including consolidated net retained profit/loss	Cash flow hedge reserve	Currency translation balancing items	Total	Non-controlling interests	
Status as of January 1, 2024		33,797	9,949	855,024	8,435	-2,944	904,261	5,012	909,273
Change in the accounting for callable non-controlling interests (NCI put options)		0	0	3,250	0	0	3,250	-3,250	0
Status as of January 1, 2024 (adjusted)		33,797	9,949	858,274	8,435	-2,944	907,511	1,762	909,273
Other comprehensive income	33	0	0	516	-6,233	4,048	-1,669	0	-1,669
Earnings for the financial year		0	0	-990,265	0	0	-990,265	-89,642	-1,079,907
Overall result		0		-989,749	-6,233	4,048	-991,934	-89,642	-1,081,576
Dividends to third parties		0	0	-16,899	0	0	-16,899	-754	-17,653
Purchase/sale of shares in subsidiaries		0	0	0	0	0	0	-65	-65
Hedge gains and losses and hedging costs reclassified to inventories		0	0	0	-121	0	-121	0	-121
Options on non-controlling interests	8	0	0	-95,574	0	0	-95,574	41,743	-53,831
Changes in the scope of consolidation	8	0	0	0	0	0	0	49,968	49,968
Miscellaneous		0	0	254	0	0	254	2	256
Status as of December 31, 2024		33,797	9,949	-243,694	2,081	1,104	-196,763	3,014	-193,749

NOTES TO THE FINANCIAL STATEMENTS

for the 2025 financial year



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I. GENERAL INFORMATION

1. COMPANY DETAILS

Change in ownership structure, change of company name

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 the 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 the course 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 formerly known as PIERER Mobility AG is now called Bajaj Mobility AG. For reasons of clarity, the former company or group name is not mentioned further in these consolidated financial statements.

Explanation of Bajaj Mobility AG

Bajaj Mobility AG is the holding company of KTM AG, one of Europe's most important motorcycle manufacturers. 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 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 during the first quarter of 2026 and possibly beyond.

Bajaj Mobility AG is included in the consolidated financial statements of Bajaj Auto International Holdings AG, Mattighofen, Austria, and Bajaj Auto Ltd., Pune, India. All companies included in the consolidated financial statements of Bajaj Auto Ltd. and controlled or significantly influenced by Bajaj Auto Ltd. are shown as related parties in the category "Related Partners". The consolidated financial statements of Bajaj Mobility AG are filed with the Regional Court of Ried im Innkreis (formerly: Wels) under the number FN 78112 x.

The shares of Bajaj Mobility AG are listed primarily on the "Swiss Performance Index (SPI)" of the SIX Swiss Exchange in Zurich and are also listed in the Prime Market of the Vienna Stock Exchange.

2. INFORMATION IN CONNECTION WITH THE RESTRUCTURING PROCEEDINGS OF MAJOR SUBSIDIARIES COMPLETED IN 2025

Information on the judicial restructuring proceedings of Group companies that were completed in 2025

On November 29, 2024, after examining the alternatives, the Executive Board of KTM AG filed an application for the opening of restructuring proceedings under insolvency law with self-administration over the assets of KTM AG (case number 17 S 56/24b) and its subsidiaries KTM Components GmbH (case number 17 S 59/24v) and KTM Forschungs & Entwicklungs GmbH (case 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 concluded on June 16, 2025, with the timely deposit of the 30 percent cash quota of May 22, 2025, in the amount of EUR-k 525,000 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 (case number 17 S 1/25s) and Avocado GmbH (case 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. The restructuring proceedings here were also fully concluded with the timely submission of a cash quota, specifically a quota of 20 or 50 percent or EUR k 356 or EUR k 6,087, by final court confirmations of the restructuring plans of July 25, 2025 and September 1, 2025 respectively.

In total, the Bajaj Mobility Group received EUR k 524,147 for the realisation of the restructuring gains. The reason for the deviation from the deposit ratios described above is the fulfillment of insolvency law requirements: The Group had to deposit cash quotas determined by the restructuring administrators, but during the course of the financial year it became clear that a lower cash ratio would also have been sufficient due to the settlement of creditor claims that had been registered conditionally. The subsequent cash flows to the Group were recognised accordingly under the same item in the consolidated statement of cash flows.

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 registered and recognized claims had already been paid out to creditors by the balance sheet date of December 31, 2025. In the 2025 financial year, the Bajaj Mobility Group generated a total restructuring gain of EUR k 1,193,134.

In addition, there is a possibility that the total amount of the restructuring profit will change still over the course of the 2026 financial year. The reason for this is that proceedings 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.

The restructuring profit of the affected liabilities is distributed among the companies and balance sheet items as follows:

	KTM-Group	PIERER E-Commerce GmbH	Avocado GmbH	Consolidation	Total
Restructuring gain	70%	80%	50%		
EUR k					
Current liabilities					
Financial liabilities	1,019,900	0	3	0	1,019,903
Trade payables	135,717	730	3,865	-6,497	133,815
Other current liabilities	36,504	694	2,219	0	39,417
Total	1,192,120	1,424	6,087	-6,497	1,193,134

Going concern assumption

These consolidated financial statements are prepared under the assumption of going concern. Following final court confirmation of the restructuring procedures and the provision of sufficient debt capital by the now majority owner Bajaj and the implementation of further restructuring measures, management assumes that the Bajaj Mobility-Group will continue as a going concern.

Despite the 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 in particular to the macro-economic and geopolitical framework 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 have a material impact on the net assets, financial position and results of operations of the company and may also require the initiation of further restructuring measures.

Management continues to respond to these conditions by continuing to monitor the implementation of strategic priorities closely and is implementing 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 PRINCIPLES

The consolidated financial statements as of December 31, 2024 and December 31, 2025 have been prepared in accordance with IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to the extent applied in the European Union. The additional requirements of Section 245a (1) of the Austrian Commercial Code (UGB) were also met. The financial statements were prepared under the assumption of the continuation of the company.

The accounting of the companies included in the consolidated financial statements is based on uniform accounting standards. With the exception of newly applied standards, these are identical to those of the 2024 financial year and were applied by all companies included. The individual financial statements of all subsidiaries have been prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements are prepared in the functional currency of the parent company, the euro. Unless otherwise indicated otherwise, all amounts are rounded to the nearest EUR 1,000 (EUR k), although rounding-related differences may occur.

The consolidated balance sheet is divided into non-current and current assets and liabilities. The presentation of the consolidated income statement is based on the cost of sales method. The consolidated statement of cash flows is prepared using the indirect method.

All current assets and liabilities are generally realised or settled within a period of twelve months after the balance sheet date or a business cycle. All other assets and liabilities are generally realised or settled outside this period.

4. NEWLY APPLIED STANDARDS AND INTERPRETATIONS

The following table shows the mandatory standards and interpretations that are to be applied for the first time, and have already been adopted by the EU Commission as of December 31, 2025:

First-time adoption January 1, 2025	New standards and interpretations	Published by the IASB
	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	August 15, 2023

All amended standards and interpretations are not relevant to the Bajaj Mobility Group or have no material impact.

5. STANDARDS AND INTERPRETATIONS TO BE APPLIED IN THE FUTURE

The following table shows the **changes to standards and interpretations already adopted by the EU Commission**, which, however, were not yet mandatory at the reporting date and were not applied prematurely:

First-time adoption January 1, 2026	New standards and interpretations	Published by the IASB
	Amendments to IFRS 9 Financial instruments and IFRS 7 Financial instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	May 30, 2024
	Amendments to IFRS 9 Financial instruments and IFRS 7 Financial instruments: Disclosures - Contracts Referencing Nature-dependent Electricity	Dec 18, 2024
	Annual Improvements Volume 11	July 10, 2025
January 1, 2027		
	IFRS 18 Presentation and Disclosure in Financial Statements	Apr 09, 2024

The IASB and the IFRIC have adopted further standards and interpretations, but these are not yet mandatory in the 2025 financial year, have **not yet been adopted by the EU Commission**. These are the following standards and interpretations:

New or amended standards and interpretations	Published by the IASB	Date of application of IASB
IFRS 19 Subsidiaries without Public Accountability: Disclosures	May 09, 2024	Jan 01, 2027
Amendments to IFRS 19 Subsidiaries without public accountability - Disclosures	Aug 21, 2025	Jan 01, 2027
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency	Nov 13, 2025	Jan 01, 2027

The standards or interpretations to be applied in the future are not expected to result in any material changes to assets, liabilities or other disclosures in the consolidated financial statements. The Group has analysed and assessed the impact of the first-time application of IFRS 18, in particular with regard to the structure of the income statement, the statement of cash flows and the additional disclosure requirements for *management performance measures*. The Bajaj Mobility Group assumes that there will be no material impact on the consolidated financial statements due to the standards to be applied in the future. The review of the impact of the standard on the way information is grouped in the financial statements, including the items currently referred to as "other", has not yet been finalised; the Group does not expect any significant impact in this respect either.

6. ESTIMATES AND DISCRETIONARY DECISIONS

To a certain extent, estimates and assumptions must be made in the consolidated financial statements that affect the assets and liabilities on the balance sheet, the disclosure of contingent liabilities at the balance sheet date and the presentation of expenses and income in the financial year. When making estimates, the Executive Board takes into account empirical values and current forecasts. The amounts actually generated may differ from the estimates if assumed parameters develop contrary to expectations. If new circumstances become known, they will be taken into account accordingly and previous assumptions will be adjusted.

- » In particular, assumptions are made to assess the recoverability of company values and intangible assets with an indeterminate useful life. In the 2024 financial year, all goodwill was already fully written down due to the identified need for impairment. In addition, the Group has intangible assets with indefinite useful lives on the balance sheet: As of the balance sheet 2025 date, the brands “KTM” in the amount of EUR k 61,103 (previous year: EUR k 61,103) and “GASGAS” in the amount of EUR k 10,355 (previous year: EUR k 10,355) were balanced. Further explanations can be found in point 23 “Intangible assets”. In addition, further information on impairments can also be found in Item 14 “Other operating expenses and expenses related to impairments” and item 24 “Property, plant and equipment” and Item 22 “Assessments of the impairment of assets in accordance with IAS 36”.
- » When assessing the approach to deferred tax assets, assumptions are made regarding the assessment of offsetting against deferred tax liabilities and the availability of positive tax results. As of December 31, 2025, no deferred tax assets on loss carryforwards were reported (previous year: EUR k 207,461), as the tax assets incurred in 2024 were offset against the restructuring profit in 2025 in accordance with the current legal situation pursuant to Section 23a (2) of the Corporate Income Tax Act. For more information, see item 26 “Deferred tax assets and liabilities”.
- » As part of cash flow hedge accounting, estimates must be made of the occurrence and amount of future cash flows. In the 2025 financial year, previously existing foreign currency derivatives were wound up, so that the Group has no derivatives or hedging relationships as of the balance sheet date of December 31, 2025. Details of the sensitivities to currency and interest rate risks can be found in the explanatory notes in Section VII “Financial Risk Report”.
- » In addition, estimates are made when recognizing and measuring liabilities for employee benefits. Assumptions are made on the following factors: expected values, demographic assumptions such as the retirement age of women / men and employee turnover, as well as financial assumptions such as the actuarial interest rate and future wage and salary trends. As of the balance sheet date, obligations for employee benefits in the amount of EUR k 15,294 (previous year: EUR k 19,618) were recognized. Further information can be found in the explanations under item 35 “Obligations for employee benefits”.
- » In the case of provisions, estimates are made to assess the probability of occurrence and the expected amount for the valuation of the obligation. These assumptions mainly relate to provisions for guarantees and warranties. Based on empirical values, a direct correlation per product group was found between warranty and warranty expenses incurred and sales revenues. Based on many years of experience, the Executive Board assumes that this relationship will remain constant. The average percentage of guarantee and warranty expenses as a percentage of revenue is reviewed several times a year and adjusted if necessary. The amount of the provision is thus calculated as an average share of guarantee and warranty expenses in revenue determined over a three-year observation period. As of December 31, 2025, provisions for guarantees and warranties in the amount of EUR k were 10,891 (previous year: EUR k 15,524). The restructuring provision recognized in the previous year due to the restructuring proceedings was fully used up in the 2025 financial year (previous year: EUR k 31,424). The development of provisions for guarantees and warranties can be found in item 39 “Provisions”.
- » The determination of the fair value of assets and liabilities acquired in a business combination and the useful lives of those assets is based on management's judgments.
- » In the case of leases, estimates are made about the economic useful life and interest rates. The economic useful life is assumed to be analogous to that of non-leased assets, as their operational use does not differ from each other. Essentially, the assumed economic useful life corresponds to the term of the leasing contract. The interest rates used are based on interest rate swap curves of different currencies and maturities based on the external rating of Bajaj Mobility AG, which were used according to the duration of the leases. Further information can be found under item 24 “Property, plant and equipment” and under item 46 “Leases as lessees”.
- » In the case of inventories, estimates are made in connection with consumption follow-up procedures and range analyses. In addition, impairment requirements due to long storage periods and limited sales opportunities are recorded on a case-by-case basis. The valuation methodology for model year devaluation, which was adjusted in the previous year as part of the restructuring proceedings, was also retained for the 2025 financial year. The heuristic used for model year depreciation continues to assume a more advanced ageing of the underlying inventory of finished motorcycle goods in order to be able to more accurately reflect future uncertainties in the determination of the net realizable value in accordance with IAS 2 in the opinion of management.

» Furthermore, PIERER New Mobility Deutschland GmbH is still in an ongoing tax audit procedure in Germany. Due to claims established by the tax audit, the company is generally at risk of an additional tax payment. The company considers the claims of the German tax authorities to be unfounded. The company is working on a joint solution with the German and Austrian tax offices to avoid a tax risk.

The following **discretionary decisions** have been made in the application of accounting policies in the Bajaj Mobility Group:

- » Assessments are made on the derecognition requirements of IFRS 9. Further information can be found under item 42 "Classification and fair values".
- » Development costs are capitalized according to the accounting policy shown. The initial capitalization of the costs is based on assumptions made by management to assess the future economic benefits of the expenditure incurred and the technical feasibility of the developed product or process as well as its marketability.
- » In determining whether control exists in accordance with IFRS 10, management exercises discretion in determining the relevant activities of the subsidiaries and in determining whether the Group currently has the capacity to direct the relevant activities due to its existing rights in the subsidiaries.

Impact of climate-related aspects on accounting

In preparing the consolidated financial statements, management has taken into account the effects of climate change, in particular in relation to the disclosures in risk reporting, non-financial reporting and the Group's stated sustainability targets. These considerations did not have a material impact on the financial reporting judgements and estimates. This is also in line with management's assessment that climate change is not expected to have a material impact on the assessment of going concern in the context of the financial statements. The following specific points were taken into account:

- » The Group continues to invest in new technologies, including the development of electric platforms, new climate-neutral forms of propulsion and the further development of battery technologies for two-wheelers.
- » The Group continues to invest in on-site renewable energy generation solutions for our facilities.
- » Management has taken into account the impact of climate change on a number of key estimates in the annual financial statements, including:
 - the estimates of future cash flows used in impairment assessments or to assess whether there are indications of impairment;
 - the carrying amount of non-current assets (e.g. intangible assets and goodwill);
 - the estimates of future profitability used in our assessment of the impairment of deferred tax assets; and
 - the long-term assumptions for the identification and determination of dismantling or replacement obligations.

II. SCOPE OF CONSOLIDATION

7. CONSOLIDATION PRINCIPLES

All subsidiaries are included in the consolidated financial statements of Bajaj Mobility AG by means of **full consolidation**. Subsidiaries are companies controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control begins and until the date on which control ends. Unless otherwise stated, the amount of the non-controlling interests is recognized at the pro rata net assets of the acquired company excluding goodwill.

Shares in associates are reported in the balance sheet item “Investments accounted for using the equity method”.

The **presentation currency** of the Bajaj Mobility Group is the euro. The subsidiaries and the investments accounted for using the equity method prepare the annual financial statements in their functional currency. Assets and liabilities included in the financial statements to be consolidated are translated using the mid-market exchange rate on the balance sheet date and the items in the profit and loss account are translated into the average foreign exchange rate for the financial year. The following key exchange rates for the Bajaj Mobility Group were used for currency translation into the reporting currency:

	Closing rate		Average foreign exchange rate	
	Dec 31, 2025	Dec 31, 2024	2025	2024
US-Dollar	1.1750	1.0389	1.1314	1.0808
Swiss Franc	0.9314	0.9412	0.9366	0.9534
Japanese Yen	184.0900	163.0600	169.5133	164.0558
South African Rand	19.4439	19.6188	20.1379	19.8325
Mexican Peso	21.1180	21.5504	21.6301	20.0134
Australian Dollar	1.7581	1.6772	1.7543	1.6438
Chinese Renminbi	8.2262	7.5833	8.1099	7.7733

Source: Rates according to the ECB as of December 31, 2025

8. CHANGES IN THE SCOPE OF CONSOLIDATION

All subsidiaries under the legal or de facto control of Bajaj Mobility AG have been included in these consolidated financial statements as of December 31, 2025. The number of companies in the scope of consolidation developed as follows in the 2025 financial year:

	Fully consolidated subsidiaries	Entities held at equity
As at December 31, 2023	80	4
Additions in the scope of consolidation	9	2
Disposals from the scope of consolidation	-10	-1
Thereof disposals due to merger	-8	0
As at December 31, 2024	79	5
Additions in the scope of consolidation	1	0
Disposals from the scope of consolidation	-14	-1
Thereof disposals due to merger	0	0
As at December 31, 2025	66	4
thereof entities abroad	45	2

Bajaj Mobility AG, as the parent company of the Bajaj Mobility Group, was not included in this list. The companies included in the consolidated financial statements and their first-time consolidation dates are listed in Chapter XII “Group companies”.

Changes to fully consolidated companies

MV Agusta Motor S.p.A.

As of December 31, 2024, the Group classified its shares in MV Agusta Motor S.p.A., Varese, Italy, as well as its shares in all other MV Agusta companies, as “held for sale”. As explained in the 2025 half-year financial statements, the various conditions precedent contained in the contract concluded at the beginning of June could not be fulfilled until July 9, 2025. The contractual agreements were finally signed on the same day. Those conditions contained, in particular, the approvals of the transaction by Austrian and Italian authorities and a participating credit institution.

Upon conclusion of the agreement on July 9, 2025, control of the MV Agusta companies was transferred to Art of Mobility S.A., Luxembourg – the previous minority owner. For reasons of simplification, the deconsolidation took place as of July 1, 2025, as between July 1, 2025 and July 9, 2025 there were no transactions that had a material impact on the net assets, financial position and results of operations of the MV Agusta companies and would have excluded this simplified procedure.

At the time of the sale, the “MV Agusta” disposal group consisted of a total of six companies. As such, it was classified, measured and deferred in the balance sheet as “held for sale” in accordance with the requirements of IFRS 5 until deconsolidation on July 1, 2025. In accordance with the valuation requirements of IFRS 5, an impairment expense of EUR k 1,065 was recognised in the 2025 financial year up to the date of deconsolidation, which is mainly based on investments made in technical plant and machinery at MV Agusta.

The result of the deconsolidation is as follows:

EUR k	
Assets classified as held for sale	140,657
Liabilities classified as held for sale	88,482
Net assets disposed	52,175
Net assets disposed	-52,175
Purchase price receivable	21,600
Liabilities from earn out and written put options	63,838
Result from deconsolidation (gain)	33,263
Disposed cash and cash equivalents classified as held for sale	-9,552
Net cash outflow on disposal	-9,552

The Group has a purchase price claim of EUR k 21,600 from the sale, which is to be paid by Art of Mobility S.A. in installments up to the end of 2026. As of December 31, 2025, the Group had received EUR k 6,600 of this. The purchase price receivable is shown under other current assets and receivables. In addition, the conditional purchase price liability previously recognized by the first-time consolidation and the liability arising from written put options were derecognized through profit or loss, as they became irrelevant upon the conclusion of the contract and the associated transfer of the shares.

KTM Sportcar GmbH

At the beginning of June 2025, the group signed a letter of intent to sell its entire KTM X-BOW business to an international group of investors. It has been agreed to structure the sale as a mixture of an asset and share deal, whereby individual assets, in particular PG&A, semi-finished and finished products as well as the stake in KTM Sportcar GmbH, are to be sold. As explained in the 2025 half-year financial statements, in view of the very likely completion of this transaction, the Group has classified KTM Sportcar GmbH as well as the assets associated with the transaction as “held for sale” as of June 30, 2025.

Similar to MV Agusta above, the agreed conclusion of the contract was subject to various conditions precedent, in particular the approval of the transaction under antitrust law. These were finally fulfilled on October 16, 2025, and the contractual agreements were finally signed on the same day.

The control over KTM Sportcar GmbH and the assets subject matter of the contract were transferred to the buyers upon conclusion of the agreement on October 16, 2025. For reasons of simplification, the deconsolidation took place as of October 1, 2025, as no transactions took place between October 1, 2025 and October 16, 2025 that had a material impact on the net assets, financial position and results of operations of KTM Sportcar GmbH or the aforementioned assets and would have excluded this simplified procedure.

In accordance with the valuation requirements of IFRS 5, an impairment loss of EUR k 616 on non-current assets was recognized in the 2025 financial year up to the date of deconsolidation.

The result of the deconsolidation is as follows:

EUR k	
Assets classified as held for sale	10,827
Liabilities classified as held for sale	1,794
Net assets disposed	9,033
Purchase price receivable	7,600
Consideration received	7,600
Net assets disposed	-9,033
Consideration received	7,600
Result from deconsolidation (loss)	-1,433
Consideration received	0
Disposed cash and cash equivalents classified as held for sale	-591
Net cash outflow on disposal	-591

The purchasers were granted a short-term payment term. As of the balance sheet date of December 31, 2025, this purchase price receivable had already been settled in cash.

In addition, the transaction provides for the successive sale of KTM XBOW finished products to the buyer at book value. As a result, the associated inventories continue to be reported as "held for sale" as of the balance sheet date (EUR k 5,781). Between the date of the deconsolidation and the balance sheet date, the Group had already received cash and cash equivalents of EUR k 2,822 from KTM XBOW finished products sold at book value.

KTM Technologies GmbH

As part of the Group's restructuring measures, the former 100% subsidiary KTM Technologies GmbH (now NXT Technologies GmbH) was sold to Pierer Konzerngesellschaft mbH, a company related with Bajaj Auto International Holdings AG until the change of ownership. The associated purchase agreement was signed and completed on July 24, 2025, and the purchase price of the shares was set at one euro.

Control of the former KTM Technologies GmbH was transferred to the acquirer upon conclusion of the agreement on July 24, 2025. For reasons of simplification, the deconsolidation took place on July 31, 2025, as no transactions took place in the interim period that had a material impact on the net assets, financial position and results of operations of the former KTM Technologies GmbH and would have excluded this simplified procedure.

The result of the deconsolidation is as follows:

EUR k	
Non-current assets	286
Current assets	864
Non-current liabilities	167
Current liabilities	778
Net assets disposed	205
Means of payment	0
Consideration received	0
Net assets disposed	-205
Consideration received	0
Result from deconsolidation (loss)	-205
Consideration received	0
Disposal of cash and cash equivalents	-115
Net cash outflow on disposal	-115

PIERER Innovation GmbH and DealerCenter Digital GmbH

The previous fully consolidated 100% subsidiary PIERER Innovation GmbH (now NIMBLE Innovation GmbH) and the associated 74.46% subsidiary DealerCenter Digital GmbH were sold to PIERER Digital Holding GmbH, a company related with Bajaj Auto International Holdings AG until the change of ownership. The associated purchase agreement was signed and completed on September 8, 2025, and the purchase price of the shares was set at one euro.

In addition, as part of the purchase price, it was contractually agreed that KTM AG would acquire IP rights from PIERER Innovation GmbH in the amount of EUR k 1,000 prior to the execution of the contract. From the point of view of the Bajaj Mobility Group, this represents a cash-effective equity grant at the time of the deconsolidation.

The control over PIERER Innovation GmbH and its subsidiary was transferred to the acquirer upon conclusion of the agreement on September 8, 2025. For reasons of simplification, the deconsolidation took place on September 1, 2025, as no transactions took place in the interim period that had a material impact on the net assets, financial position and results of operations of PIERER Innovation GmbH and its subsidiary and would have excluded this simplified procedure.

The result of the deconsolidation is as follows:

EUR k	
Non-current assets	988
Current assets	278
Non-current liabilities	204
Current liabilities	3,034
Net assets disposed	-1,972
Means of payment	0
Subsidy to be paid	-1,000
Consideration received	-1,000
Net assets disposed	1,972
Non-controlling interests	-285
Consideration received	-1,000
Result from deconsolidation (gain)	687
Consideration received	-1,000
Disposal of cash and cash equivalents	-405
Net cash outflow on disposal	-1,405

FELT

As part of its orderly cessation of business in the bicycle sector, the Bajaj Mobility Group entered into a comprehensive agreement towards the end of the 2025 financial year to amend shareholdings in the FELT companies of the PIERER New Mobility Group, specifically FELT Bicycles GmbH, FELT Bicycles North America Inc. and FELT Bicycles Espana S.L.U.

The shares held in FELT Bicycles North America Inc. and in FELT Bicycles Espana S.L.U. through the 70% subsidiary FELT Bicycles GmbH, were sold to the previous minority owners for a purchase price of four euro by contract dated November 26, 2025. Until then, FELT Bicycles GmbH held 100% of the shares in FELT Bicycles North America Inc. and FELT Bicycles España S.L.U. At the same time, PIERER New Mobility GmbH acquired the outstanding minority shares in FELT Bicycles GmbH for a purchase price of two euros. The minority owners were employed in executive positions of the FELT subgroup until the time of the transaction.

In addition, the trademark right "FELT", which was fully impaired in the 2024 financial year due to the impairment provisions of IAS 36, was acquired by FELT Bicycles España S.L.U. for an amount of EUR k 3,248 from FELT Bicycles GmbH, of which EUR k 750 was settled directly in cash. In addition, an agreement was signed to waive mutual claims and liabilities, whereby EUR k 2,094 of the Bajaj Mobility Group's outstanding claims against FELT Bicycles North America Inc. will still be settled by the latter in accordance with the agreement.

The associated contracts were finally signed and executed between 15 and 18 December 2025, which also transferred control over the companies to the acquirers. Since an associated letter of intent had already been signed at the end of November 2025 and no transactions took place in the period between 1 and 15 December that would have had a material impact on the net assets, financial position and results of operations of the FELT companies and would have precluded this simplified procedure, the deconsolidation was carried out as of December 01, 2025 for the sake of simplification.

The result of the deconsolidation is as follows:

EUR k	
Non-current assets	449
Current assets	8,277
Non-current liabilities	178
Current liabilities	9,661
Net assets disposed	-1,113
Means of payment	750
Purchase price receivable	4,592
Waiver of claims and liabilities against the departing companies	-7,667
Consideration received	-2,325
Net assets disposed	1,113
Non-controlling interests	-205
Consideration received	-2,325
Result from deconsolidation (loss)	-1,416
Consideration received	750
Disposal of cash and cash equivalents	-2,281
Net cash outflow on disposal	-1,531

Other

Also in connection with the withdrawal from the bicycle business, the subsidiaries PIERER New Mobility UK Ltd., Northamptonshire, Great Britain, and PIERER New Mobility Asia Ltd., Taichung City, Taiwan, were liquidated in the 2025 financial year. The liquidation of PIERER New Mobility UK Ltd. became legally binding on July 29, 2025, and its deconsolidation was carried out on July 31, 2025. With regard to PIERER New Mobility Asia Ltd., the liquidation took effect on September 29, 2025, and its deconsolidation took effect on September 30, 2025. Since both were former sales companies, they had neither significant capital nor assets or debts. In total, the Group incurred a result from the deconsolidation of EUR k -43.

In order to be able to effectively structure the liquidation of the bicycle segment, PIERER New Mobility Bulgaria OOD, Plovdiv, Bulgaria, acquired the outstanding minority stake of 50.0% in the already fully consolidated PIERER MAXCOM MOBILITY OOD, Plovdiv, Bulgaria, from the minority owner MAXCOM in June 2025. The acquisition was made for strategic reasons, as the existing operational relationships with PIERER New Mobility Bulgaria OOD would have characterized a merger or liquidation of high regulatory complexity, which would have further delayed the withdrawal from the bicycle segment. The purchase price amounted to EUR k 8,000, which was not paid in means of payment, but in bicycles provided as tangible objects. This successive acquisition of further company shares, which is to be treated without affecting profit or loss, reduced the equity or non-controlling interests in the equity of the Bajaj Mobility Group by EUR k 8,000, as the existing put option on non-controlling interests became obsolete with the sale of the property, plant and equipment in view of the underlying agreements (see item 32 "Non-current assets held for sale and disposal groups").

Changes in companies accounted for using the equity method

On January 3, 2025, the 49.0% stake in MR IMMOREAL GmbH (formerly: PIERER IMMOREAL GmbH), which had already been classified as “held for sale” in the 2024 financial year, was sold to Pierer Konzerngesellschaft mbH. Both companies were related companies until the change of ownership of Bajaj Auto International Holdings AG. The Bajaj Mobility Group realized a return of EUR k 175 from this, as the sale price was fixed with the original purchase price and the Group valued the shares in 2024 according to the equity method. At the same time, the financial receivables in the amount of EUR k 24,689, which were also classified as “held for sale”, were sold.

As of December 31, 2025, the Bajaj Mobility Group has classified and valued its 20% stake in KISKA GmbH as “held for sale”. As a result, the Group incurred an impairment expense of EUR k 2.

III. SEGMENT REPORTING

At Bajaj Mobility AG, business activities are managed on the basis of the two divisions “Motorcycle” and “Bicycle”. The individual divisions are managed separately and reported to Bajaj Mobility AG in accordance with IFRS accounting standards. The key decision-maker relevant to the segment report is the full Executive Board of Bajaj Mobility AG. Segment reporting is carried out in accordance with the internal reports with the Motorcycle, Bicycle and Other segments.

As already explained in the previous year's annual report, the Executive Board of Bajaj Mobility AG decided at the end of 2024 to discontinue its business activities in the “Bicycle” sector. The corresponding Supervisory Board resolution was passed in the 2025 financial year. In order to pursue this strategic objective, significant operational activities in the bicycle sector were reduced and discontinued in the 2025 financial year. However, the discontinuation of all operating activities in this area has not yet been fully completed as of the balance sheet date of December 31, 2025, and the Group will generate revenue-generating residual activities from the sale of inventories at least in the first quarter of 2026. In addition, the Group will meet its statutory warranty obligations accordingly over the next two years. Against this background, the presentation as a discontinued operation in accordance with IFRS 5 is not relevant, which is why segment reporting is carried out below in the same way as in the previous year.

MOTORCYCLE

The “Motorcycle” segment includes the development, production and sale of motorcycles under the “KTM”, “Husqvarna Motorcycles” and “GASGAS” brands as well as components under the “WP” brand. The Motorcycle segment is formed by KTM AG and its subsidiaries and comprises 54 subsidiaries included in the consolidated financial statements as of December 31, 2025, located in Austria, the USA, Japan, China, South Africa, Mexico, India, Australia and New Zealand as well as in various other countries in Europe and Asia. It also holds shares in assembly companies in the Philippines and China.

BICYCLE

PIERER New Mobility GmbH and its subsidiaries form the “Bicycle” segment of the Bajaj Mobility Group with the brands “Husqvarna E-Bicycles”, “GASGAS Bicycles” and “FELT Bicycles”. The Group is currently pushing for a complete cessation of all business activities in this business area, as explained in detail above. As of the balance sheet date of December 31, 2025, the segment comprises 8 fully consolidated companies.

OTHER

In the “Other” section, Bajaj Mobility AG itself, Avocado GmbH, PIERER E-Commerce GmbH, PIERER E-Commerce North America Inc. and Platin 1483 GmbH are summarized.

None of the segments is dependent on external customers within the meaning of IFRS 8.34. Deliveries and services between the segments are made at customary market conditions. The segment control parameter EBIT describes the operating result for the period before financial result and income taxes. The investments relate to asset additions from property, plant and equipment and intangible assets (excluding lease additions in accordance with IFRS 16). Earnings accounted for using the equity method are included in EBIT in accordance with the structure of the consolidated income statement. Working capital employed is the sum of inventories and trade receivables less trade payables as of the reporting date. Net debt corresponds to the sum of current and non-current financial liabilities (including lease liabilities) less cash and cash equivalents as of the reporting date; it was significantly influenced by the restructuring profits achieved in the 2025 financial year, as explained in item 2 “Information in connection with the restructuring proceedings of major subsidiaries completed in 2025”.

The segment information for the 2025 and 2024 financial years is broken down among the segments described as follows:

2025	Motorcycles	Bicycle	Other	Consolidation	Total
EUR k					
Revenue between the segments	44	27	0	-71	0
External revenue	939,346	68,289	1,755	0	1,009,389
segment revenue	939,390	68,316	1,755	-71	1,009,389
Cost of sales	-927,855	-63,004	-91	71	-990,879
Selling and racing expenses	-186,958	-15,328	-2,503	0	-204,789
Research and development expenses	-79,936	-1,021	1,986	0	-78,972
Administration expenses	-153,405	-2,967	845,266	-874,596	-185,702
Other operating income and expenses	10,406	-300	1,348	-7,408	4,046
Expenses relating to impairments according to IAS 36	-729	0	-652	0	-1,381
Expenses relating to impairments according to IFRS 5	-1,681	0	-2	0	-1,683
Restructuring gain	1,192,120	0	7,511	-6,497	1,193,134
Result from at-equity holdings	5,105	0	-436	0	4,670
Result from operating activities	796,457	-14,305	854,182	-888,501	747,833
Result before tax	-133,909	-337	-2,288	799,356	662,822
Investments ¹⁾	80,440	304	119	-3,108	77,756
Depreciation and amortization	-133,909	-337	-2,288	0	-136,534
thereof impairment according to IAS 36	-729	0	-652	0	-1,381
thereof impairment according to IFRS 5	-1,681	0	-2	0	-1,683
Balance sheet total	1,556,799	28,326	2,568,163	-2,567,215	1,586,073
Equity	692,043	-329,705	2,108,827	-2,085,927	385,237
Working capital employed	341,490	-1,171	-7,907	10,235	342,647
Net debt	435,036	333,930	375,617	-346,175	798,409

2024	Motorcycles	Bicycle	Other	Consolidation	Total
EUR k					
Revenue between the segments	39,875	394	62,497	-102,766	0
External revenue	1,763,841	111,093	4,087	0	1,879,021
segment revenue	1,803,716	111,487	66,584	-102,766	1,879,021
Cost of sales	-1,638,085	-329,566	-686	38,357	-1,929,980
Selling and racing expenses	-272,713	-34,223	-7,654	15,222	-299,368
Research and development expenses	-74,798	-2,879	-13,234	10,474	-80,437
Administration expenses	-178,980	-9,474	-47,181	38,505	-197,130
Other operating income and expenses	-42,494	-249	-518	3,931	-39,330
Expenses relating to impairments according to IAS 36	-334,684	-25,976	0	0	-360,660
Expenses relating to impairments according to IFRS 5	-147,311	0	0	0	-147,311
Result from at-equity holdings	-1,772	-217	-7,033	0	-9,022
Result from operating activities	-887,121	-291,096	-9,721	3,721	-1,184,217
Result before tax	-666,561	-34,722	-1,629,175	1,053,859	-1,276,598
Investments ¹⁾	231,237	1,295	261	0	232,793
Depreciation and amortization	-666,562	-34,723	-4,168	2,019	-703,434
thereof impairment according to IAS 36	-334,684	-25,976	0	0	-360,660
thereof impairment according to IFRS 5	-147,311	0	0	0	-147,311
Balance sheet total	2,323,364	194,529	-705,279	583,220	2,395,834
Equity	-138,492	-306,691	-909,721	1,161,155	-193,749
Working capital employed	443,763	88,873	6,110	-13,329	525,417
Net debt	1,607,117	376,945	-336,955	-4,392	1,642,715

1) Excluding IFRS 16 (Leasing); lease additions amounted to EUR k 4,568 in 2025 (previous year: EUR k 39,252)

INFORMATION ABOUT GEOGRAPHICAL AREAS

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

EUR k	Non-current assets	
	Dec 31, 2025	Dec 31, 2024
Austria	655,011	761,066
Europe (excl. Austria)	16,570	3,479
North America incl. Mexico	75,642	92,273
Other regions	2,902	3,318
Total	750,124	860,136

The breakdown of revenues by geographical area can be found in item 9 "Revenue".

IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement is prepared according to the cost of sales method.

9. REVENUE

Revenue is generally recognized after the transfer of risk in accordance with the terms and conditions (Incoterms) or after the time of provision of the service, less cash discounts, customer bonuses and discounts.

The breakdown of external sales by geographical area is based on the location of the customers. Sales by geographic region of the Group are as follows:

EUR k	2025	2024
Austria	55,329	81,139
Europe (excl. Austria)	414,988	941,341
North America incl. Mexico	337,066	545,448
Other regions	202,007	311,093
	1,009,389	1,879,021

Variable considerations such as price discounts, sales bonuses and discounts are reported as revenue reductions. The obligations for variable consideration are reported as contractual obligations within the meaning of IFRS 15. The contractual obligations for variable consideration regarding price discounts, sales bonuses and discounts as of December 31, 2025 amount to EUR k 28,186 (previous year: EUR k 46,744).

As warranty services are not sold separately, they are merely an assurance that the products sold will meet the agreed specifications. Since these warranty services do not go beyond the statutory or industry-typical warranty obligations in terms of time or content, this is a so-called *assurance-type* warranty, which does not represent a separate performance obligation. Accordingly, warranty services will continue to be recognised in accordance with IAS 37.

10. COST OF PRODUCTION OF SERVICES PROVIDED TO GENERATE SALES

The Group's cost of goods sold is made up as follows:

EUR k	2025	2024
Cost of materials and cost of purchased services	710,945	1,487,058
Personnel expenses	90,778	134,256
Depreciation of property, plant and equipment and amortization of intangible assets	12,249	49,716
Amortization of capitalized development costs	83,425	81,666
Other operating income and expenses	93,482	177,284
	990,879	1,929,980

Other operating expenses and income in the 2025 financial year include EUR k 3,006 due to the discontinuation of development projects in the course of strategic realignments (previous year: EUR k 101,853).

The cost of goods sold for the purpose of generating sales includes income from realized currency translation differences in the amount of EUR 6,254 (previous year: expenses of EUR k 950).

11. SELLING AND RACING EXPENSES

The Group's sales and racing expenses are made up as follows:

EUR k	2025	2024
Cost of materials and cost of purchased services	28,086	44,098
Personnel expenses	97,614	119,506
Depreciation of property, plant and equipment and amortization of intangible assets	12,674	12,977
Other operating expenses	104,770	175,468
Sponsorship income and other operating income	-38,356	-52,681
	204,789	299,368

12. RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses are made up as follows:

EUR k	2025	2024
Cost of materials and cost of purchased services	10,292	10,311
Personnel expenses	49,931	43,915
Depreciation of property, plant and equipment and amortization of intangible assets	6,581	8,255
Other operating expenses	28,050	48,625
Subsidies and other operating income	-15,882	-30,669
	78,972	80,437

The types of expenses presented in research and development expenses include research costs and development costs that cannot be capitalized. Personnel expenses excluding effects from capitalized development costs amounted to EUR k 75,623 (previous year: EUR k 116,134). Overall, research and development expenses before capitalization of development costs amounted to EUR k 140,985 (previous year: EUR k 235,096) and thus 14.0% (previous year: 13.1%) of sales.

13. ADMINISTRATIVE EXPENSES

The Group's administrative expenses are made up as follows:

EUR k	2025	2024
Cost of materials and cost of purchased services	1,157	11,146
Personnel expenses	60,076	80,892
Depreciation of property, plant and equipment and amortization of intangible assets	23,405	42,308
Other operating expenses	102,227	69,023
Other operating income	-1,164	-6,239
	185,701	197,130

The increase in other operating expenses relating to administrative expenses in the 2025 financial year results in particular from consulting services used (EUR k 43,354, increase by EUR k 2,819 compared to the previous year) as well as one-off expenses from the derecognition of the intangible asset under construction for the technical redesign of the management of the dealer network, as explained under item 23 "Intangible assets" (EUR k 27,166).

14. OTHER OPERATING EXPENSES AND EXPENSES RELATED TO IMPAIRMENTS

Other operating expenses and expenses related to impairments are made up as follows:

EUR k	2025	2024
Changes in consolidation scope	3,054	10,369
Other miscellaneous expenses	35,830	46,664
Other operating expenses	38,884	57,033
Expenses relating to impairments according to IAS 36	1,381	360,660
Expenses relating to impairments according to IFRS 5	1,683	147,311
Expenses relating to impairments of assets	3,064	507,971
	41,948	565,004

The expenses from the changes in the scope of consolidation relate to expenses of EUR k 3,054 from deconsolidations carried out. For further explanations, please refer to item 8 "Changes in the scope of consolidation".

The remaining other expenses in the 2025 financial year also include various expenses that were incurred in connection with the restructuring proceedings and could not be allocated to the other sub-areas. In contrast to the previous year, in the 2025 financial year this includes in particular and mainly damages payments as well as corporate and other consulting services as well as the impairment of the purchase price receivable from the sale of the "MV Agusta" disposal group.

In the 2025 financial year, expenses related to impairments include expenses of EUR k 1,683 (previous year: EUR k 147,311) from the classification of assets as "held for sale" and disposal groups, as well as EUR k 1,381 (previous year: EUR k 360,660) from impairments in accordance with IAS 36.

The impairments relating to assets and liabilities held for sale as well as disposal groups in the amount of EUR k 1,179 are attributable to the "MV Agusta" disposal group and thus until the deconsolidation of the disposal group due to the valuation of new fixed assets acquired in the 2025 financial year in accordance with IFRS 5. EUR k 616 are attributable to the classification as "held for sale" of KTM Sportcar GmbH and the sale of related assets, also until their deconsolidation.

In the 2025 financial year, rented vacant premises were classified as no longer necessary for operations. Against this background, the associated capitalized usage rights were impaired by EUR k 1,381. Further information on this can be found in item 22 "Assessments of the impairment of assets in accordance with IAS 36".

15. OTHER OPERATING INCOME

Other operating income is recognized if the economic benefit arising from the underlying contract is probable and a reliable determination of the income is possible.

The Group's other operating income totaled EUR k 43,037 (previous year: EUR k 17,703). In the 2025 financial year, these relate to deconsolidations in the amount of EUR k 33,263 affecting profit or loss, specifically with regards to the "MV Agusta" disposal group in the amount of EUR k 63,263 and the sale of the shares in PIERER Innovation GmbH in the amount of EUR k 687. The expenses from the impairment of the purchase price receivable from the sale of the "MV Agusta" disposal group were recognized under other operating expenses in accordance with the underlying facts and the timing of the transaction. Further details can be found in item 8 "Changes in the scope of consolidation".

The remaining other operating income of EUR k 9,774 in the 2025 financial year is mainly due to income of MV Agusta Motor S.p.A. in the amount of EUR k 3,100, which is not fully attributable until its final consolidation, as well as income from the disposal of fixed assets of EUR k 3,707.

16. RESULT FROM INVESTMENTS MADE USING THE EQUITY METHOD

The share of profit/loss of associates accounted for using the equity method and the elimination of interim results with these companies are shown in the income statement as a separate item in the result of operating activities. All associates accounted for using the equity method are investments that are involved in the operational activities of the Bajaj Mobility Group as major suppliers or customers.

The result of companies accounted for using the equity method is as follows:

EUR k	2025	2024
KISKA GmbH	-399	-7,033
KTM Asia Motorcycle Manufacturing Inc.	-174	-799
Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.	5,279	-832
MV Agusta Motor S.p.A.	0	34
LX Media GmbH	-36	-392
	4,670	-9,022

In the previous year, the acquired earnings of Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd. were significantly burdened by write-downs of receivables amounting to 70% of the company, due in particular to receivables from KTM AG, which is in restructuring proceedings. The equity result of KTM Asia Motorcycle Manufacturing Inc. includes depreciation and amortization of the company in the amount of EUR k 55. The shares in KISKA GmbH were classified as “held for sale” as of December 31, 2025, resulting in an impairment expense of EUR k 2. Further information on this matter can be found under item 32 “Non-current assets held for sale and disposal groups”.

17. FINANCIAL AND INVESTMENT RESULT

The financial and investment result is made up as follows:

EUR k	2025	2024
Interest income	6,505	25,837
Interest expense	-84,562	-123,641
Other financial and participation result	-6,954	5,423
	-85,011	-92,381

The Group's other financial and investment income is made up as follows:

EUR k	2025	2024
Foreign exchange valuation of bank deposits	-248	630
Foreign exchange valuation of loans given	-6,181	3,216
Valuation interest rate swap	0	-139
Cost of hedging	29	1,718
Interest expenses for employee benefits	-554	0
Other	0	-2
	-6,954	5,423

18. INCOME TAXES

The Group's income tax expenses and income are divided into current and deferred taxes as follows:

EUR k	2025	2024
Current tax	-3,982	-6,982
<i>thereof prior years</i>	108	-2,601
Deferred taxes	-68,673	203,673
	-72,655	196,691

Income taxes include taxes on income and income paid or payable in the individual countries as well as deferred taxes. The Austrian companies of the Bajaj Mobility Group are subject to a corporate tax rate of 23%.

As of December 31, 2024, deferred tax assets on loss carryforwards of domestic companies in the amount of EUR k 206,742 were recognized, which were used up in the 2025 financial year.

Until December 31, 2023, Bajaj Mobility AG formed a group within the meaning of corporate income tax law with Pierer Konzerngesellschaft mbH. Since the 2024 financial year, Bajaj Mobility AG has been the group parent of a group within the meaning of corporate income tax law. The tax income equalization between the group parent and the group member is regulated in the group and tax apportionment agreement. If positive income is attributed to the group sponsor by the group member, the positive tax apportionment amounts to 23% of the positive income attributed. In the case of attribution of losses, the group member does not receive a tax apportionment. Non-offset losses are considered evident for the group member to offset against its positive results in the future.

The calculation of foreign income taxes is based on the laws and regulations in force or passed in the individual countries. The income tax rates applied to foreign companies vary from 9% to 36.0%.

A reconciliation calculation between the expected tax income or tax expense for the financial year (application of the consolidated tax rate of 23% (previous year: 23%) to profit before tax and the tax expense actually reported can be presented as follows:

EUR k	2025	2024
Earnings before income taxes	662,822	-1,276,598
Expected tax income or expense	-152,449	293,618
Non-temporary differences and other tax additions	56,019	6,750
Recognition / Value adjustments / Consumption of loss carryforwards	-4,773	-89,869
Taxes in relation to prior periods	-458	-20,838
Effects of foreign tax rates	1,413	2,498
Effect of the share on entities accounted for using the equity method	0	-1,986
Investment benefits	3,723	6,924
Other	6,592	-406
Booked tax	-92,600	196,691
Waiver of claims by the tax authorities in accordance with restructuring proceedings	17,275	0
Income taxes according to profit and loss statement	-72,658	196,691

The non-temporary differences and other tax additions include the DTA recognition and the ongoing effect of the sevenths of Bajaj Mobility AG at 57 EUR million. Other items also include the effects of deconsolidation.

The reconciliation item "Recognition / Impairments / Consumption of loss carryforwards" results from current losses and deductible temporary differences of companies outside the Austrian tax group for which no deferred tax assets are recognized due to a lack of impairment.

The taxes from previous periods in the current year mainly relate to effects in connection with foreign taxes. In the previous year, these were effects from the change in the Austrian tax group structure.

Global minimum taxation

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 January 1, 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 with regard to 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.

19. EARNINGS PER SHARE AND PROPOSAL FOR APPROPRIATION OF EARNINGS

Earnings per share in the current 2025 financial year amounted to EUR 17.60 (previous year: EUR-29.30) and is calculated as follows:

EUR k	2025	2024
Result - Owner of the parent company (in EUR k)	594,957	-990,265
Total number of shares (shares)	33,796,535	33,796,535
Impact of treasury and new shares (shares)	0	0
Weighted average of stocks	33,796,535	33,796,535
Basic (=diluted) earnings per share (EUR)	17.60	-29.30

In accordance with the provisions of the Austrian Stock Corporation Act, the individual financial statements of Bajaj Mobility AG as of December 31, 2025, prepared in accordance with Austrian accounting standards, form the basis for the dividend distribution.

For the 2025 financial year, it is proposed not to pay a dividend. No dividend was paid out based on the 2024 retained loss.

20. EXPENSES FOR THE AUDITOR

The expenses for the auditor MOORE CENTURION Wirtschaftsprüfungs- und Steuerberatungs GmbH (previous year: Deloitte Audit Wirtschaftsprüfungs GmbH) attributable to the reporting period are as follows:

EUR k	2025	2024
Audit of the annual financial statements of all individual companies as well as audit of the consolidated financial statements	138	744
Other assurance services	0	0
Other services	0	0
	138	744

21. EMPLOYEES

The number of employees is shown including temporary workers and external employees as well as on the basis of the number of heads:

As of January 1, 2025	5,310
Changes during the financial year	-1,528
As of December 31, 2025	3,782

As of December 31, 2025, 2,250 Employees (previous year: 3,290) and 1,532 Workers (previous year: 2,020). As of December 31, 2025, 3,080 Employees (previous year: 4,099) are employed in Austria and 702 Employees (previous year: 1,211) abroad. On average, the group employed 4,138 Employees (previous year: 5,888), of which 1,651 Employees (previous year: 3,482) and 2,487 Workers (previous year: 2,406).

Total personnel expenses in the 2025 financial year, excluding effects from the capitalization of development costs, amount to EUR k 327,021 (previous year: EUR k 450,788).

V. NOTES TO THE CONSOLIDATED BALANCE SHEET

22. ASSESSMENTS OF THE IMPAIRMENT OF ASSETS IN ACCORDANCE WITH IAS 36

Recoverable amount of individual assets

In the 2025 financial year, leased premises were classified as no longer necessary for business operations. The associated leases were terminated in the 2025 financial year and will expire at the end of the 2026 financial year. Against this background, the Group reviewed the carrying amounts of its rights of use relating to buildings for impairment. Due to the vacancy of the premises already prevailing or foreseeable on the balance sheet date and the lack of further use of the assets, these were written down by EUR k 1,381. The impairment loss was recognized under other operating expenses and reported as a separate line item in the profit and loss statement.

Impairment test of cash-generating units

Intangible assets with an indefinite useful life are not depreciated on a scheduled basis in accordance with IAS 36 "Impairments", but are subject to an annual impairment test.

For the 2025 financial year, the impairment test carried out did not reveal any need for impairments or reversals of impairment losses in the cash-generating units "KTM" and "PIERER New Mobility" (in the previous year: determined impairment requirements). During the financial year, there were no indications that impairment losses recognized in the past no longer existed or had decreased.

Since the assets of the CGU "PIERER New Mobility" had already been fully impaired in the previous year no further impairment test was carried out in the 2025 financial year. Against this background, the CGU "PIERER New Mobility" does not have any (valuable) assets that were tested or impaired in the course of the impairment test in the 2025 financial year.

The operating assets of the cash-generating units are compared with their value in use and depreciated to the lower value in use, unless there is a higher fair value less cost of sale. If there are indications for a reversal of impairment after a previously applied impairment, a corresponding reversal of impairment must be carried out on the value of amortized costs as the upper limit or the lower, determined need for reversal of impairment. The value in use is determined by using the discounted cash flow method assuming a pre-tax WACC of 10.1% (2024: 9.5%) for the CGU "KTM". All other things being equal, an increase in the pre-tax WACC to 11.9% or a reduction in the planned future EBITs by 17.7% would result in the carrying amount of the CGU corresponding to the recoverable amount for the CGU 'KTM'.

The forecast of cash flows is based on the financial budgets or forecast calculations approved by the management, taking into account the medium-term strategy goals. The medium-term planning includes a more detailed planning horizon of five years and is based on internal assumptions about future sales, price and cost developments, the future development of new markets as well as the composition of the product mix and other factors.

The rough planning phase used in the previous year was no longer used in the impairment test for the 2025 financial year. Based on the findings gained in the 2025 financial year, the management assumes that a settled state will be achieved by the 2030 plan year. Following the five-year of the last planning year, the cash flow of the last rough planning period was used to determine the estimated cash flows beyond this period by extrapolation, assuming constant evolution using a 1% growth rate and going concern. The assumptions made are essentially based on experience of the past and management's assessment.

23. INTANGIBLE ASSETS

Intangible assets are capitalized at acquisition or production cost in the same way as property, plant and equipment and measured less depreciation. The scheduled depreciation is determined according to the straight-line depreciation method on the basis of the following useful lives:

Years	Useful life
Software and concessions	3-5
Intangible assets created by the group	5

In the case of self-generated intangible assets, the production period is divided into a research, development and model maintenance phase. Costs incurred in the research and model update phase are recognized immediately in the income statement. Expenditure in the development phase is capitalized as intangible assets if the criteria of IAS 38.57 are met. The intangible assets generated by the company are measured at cost less depreciation and amortization. Scheduled depreciation is carried out according to the straight-line depreciation method on the basis of a useful life of essentially five years. The useful life of five years, which is used in particular for capitalized development costs, is based on empirical values in connection with the underlying product life cycles. The scheduled depreciation of capitalized development costs that can be clearly assigned to specific products or processes takes place with the start of series production.

The intangible assets with an indefinite useful life, such as the "KTM" brands in the amount of EUR k 61,103 EUR (previous year: EUR k 61,103) and "GASGAS" in the amount of EUR k 10,355 (previous year: EUR k 13,346) in the context of the "KTM" brands recognized by purchase price allocations, were subject to an impairment test in accordance with IAS 36, as explained in the previous item 22 "Assessments of the impairment of assets in accordance with IAS 36". The Executive Board assumes an indefinite useful life of the trademarks, as the rights in the relevant sales markets are not subject to any temporal, legal or contractual restrictions and there is no economic devaluation due to the lasting recognition of the trademarks. In the 2025 financial year, the above-mentioned trademarks were not impaired in the course of the impairment test.

The breakdown of intangible assets and their development in the 2025 and 2024 financial years is presented in the following table:

EUR k	Development expenses	Concessions, industrial property rights and similar rights and benefits as well as licenses derived therefrom	Customer relationships and trademarks	Assets under construction	Total
COST OF ACQUISITION AND PRODUCTION					
As at January 1, 2024	659,635	101,666	108,176	33,613	903,090
Additions	135,392	4,965	0	19,970	160,327
Disposals	-105,543	-17,460	-59,749	-600	-183,352
Changes in the scope of consolidation	0	12,789	41,982	612	55,383
Currency translation	0	41	0	0	41
Transfers	0	9,597	0	-9,771	-174
As at December 31, 2024	689,484	111,598	90,409	43,824	935,317
As at January 1, 2025	689,484	111,598	90,409	43,824	935,317
Additions	46,131	349	0	1,187	47,667
Changes in the scope of consolidation	-1,027	-1,058	0	0	-2,085
Transfers	0	7,519	0	-7,519	0
Disposals	-159,208	-11,726	0	-34,845	-205,779
Currency translation	0	-110	0	0	-110
As at December 31, 2025	575,380	106,572	90,409	2,646	775,009
ACCUMULATED DEPRECIATION					
As at January 1, 2024	152,969	75,103	6,051	0	234,123
Additions	81,819	17,907	6,391	8	106,125
Impairments	101,818	1,830	44,672	9,838	158,158
Disposals	0	-14,123	-38,282	-17	-52,422
Changes in the scope of consolidation	0	12,455	120	-8	12,567
Currency translation	0	24	-2	1	23
Transfers	0	34	0	0	34
As at December 31, 2024	336,605	93,230	18,950	9,822	458,608
As at January 1, 2025	336,605	93,230	18,950	9,822	458,608
Additions	65,695	5,336	0	0	71,031
Impairments	0	122	0	16	138
Disposals	-154,143	-9,517	0	-7,664	-171,323
Changes in the scope of consolidation	-796	-957	0	0	-1,753
Currency translation	0	-56	0	0	-56
Transfers	0	1,631	0	-1,631	0
As at December 31, 2025	247,360	89,789	18,950	544	356,645
Carrying amounts December 31, 2024	352,879	18,368	71,459	34,002	476,709
Carrying amounts December 31, 2025	328,020	16,782	71,459	2,102	418,363

With a transfer agreement dated September 17, 2013, KTM AG has acquired the license right for the use of the “Husqvarna” brand from PIERER Industrie AG, an related company at the time, for EUR k 10,000. The license right is depreciated as planned over the remaining useful life of 2 years.

The additions to intangible assets were corrected in the consolidated cash flow statement by EUR k -1,881 (previous year: EUR k 38,483) with regard to their ineffectiveness.

In the 2025 financial year, development costs of non-usable assets in the amount of EUR k 3,006 fully booked. The reason for the discontinuation of the underlying development projects was the further sharpening of the strategic orientation of the Group's development activities. No impairment of assets not ready for use was recognized in the financial year in accordance with IAS 36 (previous year: EUR k 101,835).

The impairments of intangible assets in the 2025 financial year relate to impairments due to classification as “held for sale” in accordance with IFRS 5 in the amount of EUR k 138 (previous year: impairments in accordance with IFRS 5 and IAS 36 in the amount of EUR k 158,158).

In the 2025 financial year, the Group's Executive Board made a strategic decision to discontinue the technical redesign of the management of the dealer network, which was under construction under intangible assets, due to expected additional costs. The Group incurred an expense of EUR k 27,166 from the derecognition of this project, which was recognized in other operating expenses in the area of administrative expenses.

No financing costs in accordance with IAS 23 were capitalized for intangible assets, in particular development costs.

24. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at cost less depreciation. The scheduled depreciation is determined according to the straight-line depreciation method on the basis of the following useful lives:

Years	Useful life
Buildings	10-50
Machinery/tools	2-10
Fixtures, fittings and equipment	3-10

The calculation of the economic useful lives stated above is essentially based on empirical values on the wear and tear of the underlying assets in the course of their operational use.

The production costs of self-built plants include the individual costs, including attributable material and manufacturing overheads. Financing costs arising from the direct allocation of debt capital or from the application of an average capitalization interest rate to the expenses incurred are not capitalized in accordance with IAS 23 due to a lack of qualifying assets.

In accordance with IAS 20, investment grants from the public sector are to be treated as compensation for the associated depreciation. The net method according to IAS 20.24 (reduction of acquisition and production costs resulting in lower depreciation offset) is used. In the 2025 financial year, additions related to fully capitalized research and development expenses (previous year: EUR k 12,570) were reduced by a total of EUR k 5,033 (previous year: EUR k 12,570).

The breakdown of property, plant and equipment and their development in the 2025 and 2024 financial years are shown in the following table:

EUR k	Land	Buildings	Technical equipment and machinery	Fixtures, fittings and equipment	Assets under construction	Total
COST OF ACQUISITION AND PRODUCTION						
As at January 1, 2024	52,731	351,511	336,627	191,724	18,629	951,222
Additions	1,887	21,128	24,094	17,888	49,167	114,164
Disposals	-39	-38,418	-111,753	-22,965	-6,142	-179,317
Changes in the scope of consolidation	39	33,580	96,838	8,595	10,527	149,579
Currency translation	847	2,824	11	1,838	277	5,797
Transfers	0	3,745	38,221	5,003	-47,202	-233
Reclassification as held for sale	-3,735	-27,027	-466	-796	0	-32,024
As at December 31, 2024	51,730	347,343	383,572	201,287	25,256	1,009,188
As at January 1, 2025	51,730	347,343	383,572	201,287	25,256	1,009,188
Additions	582	426	4,491	3,852	20,739	30,090
Changes in the scope of consolidation	0	-97	-1,157	-1,577	-1	-2,833
Transfers	0	172	26,624	10,267	-37,062	0
Disposals	877	-16,029	-19,291	-28,008	-987	-63,438
Currency translation	-1,623	-7,194	-31	-4,392	-103	-13,342
As at December 31, 2025	51,566	324,621	394,207	181,429	7,841	959,665
ACCUMULATED DEPRECIATION						
As at January 1, 2024	1,032	109,580	234,389	122,335	0	467,336
Additions	270	21,795	42,853	26,996	1	91,915
Impairments	11,541	63,022	41,516	15,229	9,342	140,650
Disposals	-39	-36,687	-107,736	-21,086	-3,890	-169,438
Changes in the scope of consolidation	0	18,115	83,426	7,726	208	109,475
Currency translation	0	572	-6	1,111	-2	1,675
Transfers	0	-21	0	-146	0	-167
Reclassification as held for sale	0	-1,108	-108	-341	0	-1,557
As at December 31, 2024	12,804	175,268	294,334	151,824	5,659	639,889
As at January 1, 2025	12,804	175,268	294,334	151,824	5,659	639,889
Additions	226	15,133	28,435	18,593	0	62,386
Impairments	0	1,576	406	583	358	2,924
Disposals	0	-11,818	-16,263	-26,144	-492	-54,717
Changes in the scope of consolidation	0	-2	-931	-1,017	-1	-1,952
Currency translation	-2	-1,770	-10	-2,806	2	-4,585
Transfers	0	0	4,591	0	-4,591	0
As at December 31, 2025	13,028	178,387	310,561	141,033	935	643,944
Carrying amounts December 31, 2024	38,926	172,075	89,238	49,463	19,597	369,299
Carrying amounts December 31, 2025	38,537	146,234	83,646	40,397	6,906	315,721

In the 2025 financial year, additions included investments of EUR k 4,568 (previous year: EUR k 39,252) as additions from leases that were not cash effective as of the balance sheet date. For further details, please refer to item 46 "Leases as lessees". The additions to other property, plant and equipment were corrected in the consolidated statement of cash flows by EUR k -15,316 (previous year: EUR k -5,646) with regard to their cash ineffectiveness.

As of the balance sheet date, property, plant and equipment in the amount of EUR k 57,289 (previous year: EUR k 103,500) were secured by pledge deeds entered and deposited in the land register, primarily for liabilities to banks.

The application of IFRS 5 and IAS 36 resulted in impairment losses totaling EUR k 2,924 on property, plant and equipment in the 2025 financial year. On the one hand, these relate to the ongoing valuation of property, plant and equipment in accordance with IFRS 5 for the “MV Augusta” disposal group and the reclassification of KTM Sportcar GmbH and associated assets as “held for sale” until their respective deconsolidation or sale. The impairment expense pursuant to IAS 36 relates to capitalized right-of-use rights to buildings, as explained in item 22 “Assessments of the impairment of assets in accordance with IAS 36”.

25. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The companies accounted for using the equity method are associates and not joint ventures. The interests in associates that are included using the equity method are considered to be immaterial individually. As of December 31, 2025, the financial assets accounted for using the equity method are KTM Asia Motorcycle Manufacturing Inc., CFMOTO-KTMR2R Motorcycles Co., Ltd., and LX Media GmbH. Changes in companies accounted for using the equity method can be found in item 8 “Changes in the scope of consolidation”.

KTM Asia Motorcycle Manufacturing Inc., Philippines, was founded in June 2016 together with partner Ayala Corp. and started CKD (Completely-Knocked-Down) assembly for KTM motorcycles in the Philippines in mid-2017. In the 2025 financial year, this share was completely depreciated due to uncertain going concern forecasts.

KTM's joint venture in China with partner CFMOTO was established in 2018 financial year under the name “Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.”. The company commenced operations in the 2021 financial year. In Hangzhou, China, mid-range motorcycles are produced. The Bajaj Mobility Group intensified its cooperation with CFMOTO in the 2023 financial year and expanded production in the joint venture.

As of December 31, 2025, the Bajaj Mobility Group has classified and valued its 20% share in KISKA GmbH as “held for sale”. As a result, the Group incurred an impairment expense of EUR k 2. Kiska GmbH is a design company that provides services in the field of development and design. The balance sheet date of Kiska GmbH is March 31, which was set before the acquisition of the share. A change in the balance sheet date is not sought due to materiality considerations. For the purpose of accounting using the equity method, an unaudited interim financial statement as of December 31 was used in each case.

The carrying amounts of financial assets accounted for using the equity method developed as follows in the financial year:

EUR k	2025	2024
Book value of investments as of 1/1	14,130	33,870
Acquisition of shares	0	14,679
Changes in scope of consolidation (step acquisition)	0	-11,066
Classified as held for sale	-1,302	-10,748
Disposal of shares	0	-3,753
Pro rata net result (less elimination of interim result)	4,665	-2,736
Other eliminations of interim results	4	214
Impairment of investments	-57	-6,286
Other comprehensive income	-1,399	488
Dividends	0	-599
Other	0	67
Book value of investments as of 12/31	16,041	14,130

The other elimination of interim results represents those recognized on inventories supplied by companies accounted for using the equity method and in stock with the Bajaj Mobility Group at the balance sheet date. Other comprehensive income consists of foreign currency effects.

26. DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes on tax loss carryforwards are recognized taking into account their prompt realization. Deferred tax assets and liabilities are shown on a netted basis with the same tax jurisdiction and similar maturity. For the differences in the tax basis of fully consolidated or equity-accounted shares to the corresponding group equity, deferred taxes are only deferred if realization is likely in the foreseeable future. The calculation is based on the income tax rate customary in the respective country at the time of the expected reversal of the difference in value.

In total, deferred tax assets and liabilities are calculated from the following balance sheet items:

EUR k	Dec 31, 2025	Dec 31, 2024
Deferred tax assets:		
Property, plant and equipment	9,624	0
Inventories	4,961	13,970
Financial investments	87,128	48,776
Liabilities for employee benefits	1,663	2,498
Provisions	422	544
Liabilities	12,228	17,368
Receivables and other current assets	5,471	0
	121,497	83,156
Loss carryforwards	0	207,461
Offsetting	-107,500	-206,491
	13,997	84,126
Deferred tax liabilities:		
Receivables and other current assets	0	108,607
Intangible assets	94,508	98,777
Non-current assets	13,557	0
	108,065	207,384
Offsetting	-107,500	-206,491
	565	893

The temporary differences in deferred tax liabilities in the item 23 "Intangible assets" are mainly due to the development costs that cannot be capitalized for tax purposes and to differences in the recognition of the "KTM" brand.

The tax loss carryforwards in the Bajaj Mobility Group amount to EUR k 313,130 in 2025 (previous year: EUR k 1,185,907), of which EUR k -313,130 (previous year: EUR k -284,628) were not recognized. The tax loss in Austria can be carried forward indefinitely. In addition, there are deductible temporary differences and tax credits amounting to EUR k 7,866 (previous year: EUR k 0).

As of December 31, 2025 (and in the previous year), it was assumed that, due to the tax provisions currently in force, the differences between the tax participation approach and the proportionate equity of the subsidiaries included in the IFRS consolidated financial statements (*outside-basis differences*) can remain tax-free in the foreseeable future or the reversal of the differences can be controlled by the group.

Furthermore, it can be assumed that the differences between the tax participation approach and the carrying amount of the financial assets accounted for using the equity method (*outside-basis differences*) will remain tax-free in the foreseeable future, as no sale of these investments is planned.

In connection with shares in subsidiaries and companies accounted for using the equity method, no deferred tax deferrals were recognized in accordance with IAS 12.39 for taxable temporary differences in the amount of EUR k 515 (previous year: EUR k 2,681).

27. OTHER NON-CURRENT ASSETS AND RECEIVABLES

EUR k	Dec 31, 2025	Dec 31, 2024
Receivables from financing activities	197	347
Receivables from subleases	514	515
Other	9,047	2,385
	9,758	3,247

Other non-current assets mainly include deposits and advance payments to suppliers. The increase in this position is due in particular to the collateral required by the Group's suppliers following the insolvency proceedings of the 2024 and 2025 financial years.

28. INVENTORIES

The stocks are made up as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Raw materials and supplies	115,107	96,859
Work in progress	31,392	31,465
Finished goods and merchandise	230,563	489,528
	377,062	617,852

EUR k	Dec 31, 2025	Dec 31, 2024
Inventories (gross)	428,049	770,272
Write-down	-50,987	-152,420
Inventories (net)	377,062	617,852

With regard to the underlying assessments for the valuation of inventories, reference is made to the explanations under item 6 "Estimates and discretionary decisions".

29. TRADE RECEIVABLES

Trade receivables are made up as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
To third parties	114,671	237,166
From associates	76	6,363
From affiliated companies	0	45,893
	114,747	289,422

Gross trade receivables from third parties are reduced by impairments in the amount of EUR k 15,444 (previous year: EUR k 27,957) decreased. This also includes lump-sum value adjustments in accordance with the expected credit loss model in accordance with IFRS 9, as set out in Chapter VII "Financial Risk Report".

The change in receivables from affiliated companies is primarily due to the change of ownership of Bajaj Auto International Holdings AG, the parent company of Bajaj Mobility AG.

The impairment losses on trade receivables developed as follows:

	EUR k
As at January 1, 2024	7,406
Changes in the scope of consolidation	284
Currency Translation	80
Allocations to individual value adjustment	22,458
Allocation to valuation allowance for expected losses	493
Utilization	-1,582
Reversals	-1,107
Reclassification as held for sale	-75
As at December 31, 2024 = as of January 1, 2025	27,957
Changes in the scope of consolidation	-1,481
Currency Translation	-1,620
Allocations to individual value adjustment	6,776
Utilization	-15,214
Reversal of valuation allowance for expected losses	-481
Reversals	-493
As at December 31, 2025	15,444

Expenses for the complete derecognition of trade receivables from third parties amounted to EUR k 1,834 (previous year: EUR k 2,122).

Further information on the measurement of trade receivables and on default risks can be found under Chapter VII "Financial Risk Report".

30. OTHER CURRENT ASSETS AND RECEIVABLES

Subsidies will be considered as soon as there is certainty that they will flow to the Bajaj Mobility Group and that the group can meet the requirements set.

Other current assets, including current receivables from financing activities, are made up as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Receivables from derivative financial instruments	0	6
Current receivables from financing activities	2,700	5,793
Asset backed securities / factoring financing	2,530	39,875
Purchase price claim from selling MV Agusta	11,660	0
Receivables from financial institutes	17,207	0
Other	10,198	13,358
Other current financial assets	44,296	59,032
Subsidies	14,246	25,769
Advance payments for inventories	73,762	10,388
Other prepayments, prepaid expenses	24,467	23,985
Receivables from value added taxes (from tax group settlement with Pierer Industrie AG)	0	3,600
Receivables from tax authorities	16,524	26,473
Other	1,063	5,472
Other current non-financial assets	130,061	95,687
Other current assets and receivables	174,357	154,719

For the receivable from the sale of the disposal group 'MV Agusta', as explained in item 8 "Changes in the scope of consolidation", expected credit losses of EUR k 3,340 were recognized in the 2025 financial year.

The input tax receivables from the offsetting of tax groups with Pierer Industrie AG, a formerly affiliated company, were completely eliminated in the course of the restructuring of the tax group in the 2024 and 2025 financial years. The tax group owner is now Bajaj Mobility AG.

The position "Other" among other current non-financial assets includes other receivables of various types in the financial year 2025.

The receivables sold in connection with the factoring program newly launched in the 2025 financial year will be derecognized in accordance with the provisions of IFRS 9 and taking into account ongoing commitments. As part of the factoring program, monthly revolving insured trade receivables are sold up to a maximum volume of EUR k 100,000 (previous year: EUR k 350,000 under another program with similar economic content). Further information on the factoring program can be found under item 42 "Classification and fair values".

31. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances, bank deposits, cheques and fixed deposits with a maximum of three months (calculated from the date of acquisition) and are measured at amortized cost on the balance sheet date.

For further details on the change in cash and cash equivalents, please refer to the disclosures on the statement of cash flows in Chapter VI of these notes to the consolidated financial statements.

32. NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS

In the course of the 2025 financial year, all assets and disposal groups classified as “held for sale” in the previous year were sold.

At the end of the 2025 financial year, the Group classified the remaining holdings from the sale of KTM Sportcar GmbH as well as the shares in KISKA GmbH as “held for sale”. The resulting impact on the net assets, financial position and results of operations of the Group can be seen in the table below. This is followed by an explanation of all related facts of the 2025 financial year.

Overview of all assets held for sale and related liabilities			Dec 31, 2025
EUR k	KTM Sportcar GmbH	KISKA GmbH	Total
Non-current assets:			
Investments accounted for using the equity method	0	1,300	1,300
	0	1,300	1,300
Current assets:			
Inventories	5,781	0	5,781
	5,781	0	5,781
Assets held for sale and disposal groups	5,781	1,300	7,081

Regarding assets and disposal groups already classified as “held for sale” in the financial year 2024

Building, equipment and land of PIERER & MAXCOM MOBILITY OOD

In March 2025, the assets held for sale of PIERER & MAXCOM MOBILITY OOD, Plovdiv, Bulgaria, were sold for the purchase price of EUR k 35,000. The Bajaj Mobility Group received these funds in March 2025 and were immediately transferred to a fiduciary account with which the outstanding bank loans of PIERER & MAXCOM Mobility OOD with DSK Bank (as of March 31, 2025: EUR k 37,705) were largely repaid. The gain on disposals realized in the 2025 financial year amounts to EUR k 4,385. This gain on the sale deviates by EUR k 148 from the value expected as of the balance sheet date of December 31, 2024, as a detailed list of purchased assets was only prepared and agreed upon retrospectively. Non-sold assets relate in particular to leased commercial vehicles and IT equipment.

At equity shares in MR IMMOREAL GmbH and related financial receivables

In addition, the 49.0% share in MR IMMOREAL GmbH (formerly: PIERER IMMOREAL GmbH), Wels, was sold. The shares were sold back to the original seller, Pierer Konzerngesellschaft mbH, on January 3, 2025. The purchase price corresponded to the original purchase price (EUR k 10,879). The capital gains realized in the 2025 financial year amount to EUR k 0. At the same time, financial receivables from MR IMMOREAL GmbH in the amount of EUR k 24,689 were sold at book value together with the shares.

MV Agusta

The sale of the “MV Agusta” disposal group, which was classified as such in the previous year, is explained in more detail under item 8 “Changes in the scope of consolidation”. In addition to the result from the deconsolidation, there is also an explanation of the purchase price.

Concerning assets and disposal groups newly classified as “held for sale” in the financial year 2025

KTM Sportcar GmbH

At the end of the first half of 2025, the shares in KTM Sportcar GmbH were classified and valued as “held for sale” together with other assets on the basis of the signing of a letter of intent to sell. The sale took place in the second half of the 2025 financial year. The inventories, which remain unchanged as “held for sale”, relate to KTM XBOW finished products associated with the transaction, which will be successively sold to the buyer at book value. In view of this, further related explanations can also be found under item 8 “Changes in the scope of consolidation”.

At equity shares in KISKA GmbH

At the end of December 2025, the Executive Board made the strategic decision to sell the 20% share in KISKA GmbH. As of December 31, 2025, the Bajaj Mobility Group has classified and valued these shares as “held for sale” because pre-contractual agreements have already been reached with the majority shareholder in KISKA GmbH and the sale is therefore highly likely. As a result, the Group incurred an impairment expense of EUR k 2.

33. GROUP EQUITY

The development of consolidated equity in the financial year and in the previous year is shown in the consolidated statement of changes in equity.

As in the previous year, the Company's share capital amounts to EUR 33,796,535 and is divided into 33,796,535 no-par value bearer shares, each of which represents an equal shareholding in the share capital. The shares grant the ordinary rights to which shareholders are entitled under the Austrian Stock Corporation Act. These include the right to payment of the dividend resolved at the Annual General Meeting and the right to exercise voting rights at the Annual General Meeting. All shares were paid up in full. The share capital reported in the consolidated financial statements corresponds to the share capital reported in the individual financial statements of Bajaj Mobility AG.

In accordance with IFRS 9, 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 it is subsequently recognized in profit or loss or recognized directly in the cost or carrying amount of a non-financial asset or liability. The hedging cost reserve shows the gains and losses of the portion excluded from the designated hedging transaction that relates to the forward element of the foreign exchange forward transaction. These are initially recognized as other comprehensive income and, like the gains and losses, are recognized in the reserve from hedging transactions. As of December 31, 2025, the Group no longer has any cash flow hedge relationships, as already explained in the consolidated financial statements 2024. The development of the cash flow hedge reserve and the reserve for hedging costs is explained in more detail under item 44 “Hedging”.

In the 2022 financial year, the Bajaj Mobility Group acquired outstanding shares in KTM AG amounting to 0.2% as part of a squeeze-out by granting a cash settlement. However, the minority shareholders concerned did not claim the full amount of cash to which they were entitled within the statutory period. For this reason, the Group received previously deposited cash of EUR k 2,835 in the 2025 financial year, which was recognized directly in equity.

Non-controlling interests comprise third-party interests in the equity of the consolidated subsidiaries:

EUR k	KTM AG	Others and consolidation	Total
Dec 31, 2025			
Revenue	939,390	69,999	1,009,389
Profit/loss for the period	852,612	-262,448	590,164
Other comprehensive income	-8,380	0	-8,380
Total comprehensive income	844,232	-262,448	581,784
Profit/Loss attributed to non-controlling interests	-3,875	-918	-4,793
Other comprehensive income attributed to non-controlling interests	0	0	0
Non-current assets	774,070	-194	773,876
Current assets	782,729	29,467	812,196
Non-current liabilities	618,878	325,538	944,416
Current liabilities	245,878	10,541	256,419
Net assets	692,043	-306,806	385,237
Carrying amount of non-controlling interests	1,849	387	2,236
Cash flow from operating activities	-54,134	33,313	-20,821
Cash flow from investing activities	317,074	-330,593	-13,519
Cash flow from financing activities	-288,267	290,867	2,600
Total cash flow	-25,327	-6,414	-31,741
Dividends to non-controlling interests	0	0	0

EUR k	KTM AG	Others and consolidation	Total
Dec 31, 2024			
Revenue	1,802,554	76,467	1,879,021
Profit/loss for the period	-1,083,001	3,094	-1,079,907
Other comprehensive income	-1,695	26	-1,669
Total comprehensive income	-1,084,696	3,120	-1,081,576
Profit/Loss attributed to non-controlling interests	-89,896	254	-89,642
Other comprehensive income attributed to non-controlling interests	0	0	0
Non-current assets	1,023,980	-76,470	947,510
Current assets	1,298,073	150,251	1,448,324
Non-current liabilities	-192,831	-3,246	-196,077
Current liabilities	-2,269,275	-124,231	-2,393,506
Net assets	-140,053	-53,696	-193,749
Carrying amount of non-controlling interests	1,692	1,322	3,014
Cash flow from operating activities	-418,956	-17,006	-435,962
Cash flow from investing activities	-338,971	-1,539	-340,510
Cash flow from financing activities	696,684	-2,007	694,677
Total cash flow	-61,243	-20,552	-81,795
Dividends to non-controlling interests	754	0	754

The non-controlling interests in the motorcycle segment include non-controlling interests of subsidiaries of KTM AG and relate to the companies CERO Design Studio S.L. and KTM MOTOHALL GmbH as of the reporting date of December 31, 2025.

For the levels of participation, please refer to the list of participations in Chapter XII.

The impact of the transactions with non-controlling interests and the change in shareholders' equity during the financial year is as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Acquired (-) resp. derecognised (+) carrying amount of non-controlling interest	-8,297	65
Received (+) resp. paid (-) purchase price to non-controlling shareholders	8,000	0
Difference amount recognised in equity	-297	65

The development of other comprehensive income after tax in consolidated equity was as follows:

EUR k	Reserves including retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Interests non-controlling shareholders	Total consolidated equity
Dec 31, 2025						
Currency translation differences	0	0	-9,805	-9,805	482	-9,323
Cost of hedging	0	-2,081	0	-2,081	0	-2,081
Revaluation reserve from defined benefit plans	3,024	0	0	3,024	0	3,024
	3,024	-2,081	-9,805	-8,862	482	-8,380
Dec 31, 2024						
Currency translation differences	0	0	4,048	4,048	0	4,048
Cost of hedging	0	-6,233	0	-6,233	0	-6,233
Revaluation reserve from defined benefit plans	516	0	0	516	0	516
	516	-6,233	4,048	-1,669	0	-1,669

34. FINANCIAL LIABILITIES

The Group's financial liabilities as of the balance sheet date for the financial year and the previous year are as follows:

EUR k	Nominal amount	Carrying amount	Residual term ≤ 1 year	Residual term > 1 year
Dec 31, 2025				
Liabilities to banks and similar institutes	31,051	31,051	3,762	27,288
Restructuring loans	450,000	471,619	0	471,619
Loans from affiliated companies	350,000	374,670	0	374,670
Lease liabilities	58,339	58,339	16,695	41,645
Total financial liabilities	889,390	935,679	20,457	915,222

EUR k	Nominal amount	Carrying amount	Residual term ≤ 1 year	Residual term > 1 year
Dec 31, 2024				
Promissory note loans	495,000	495,000	495,000	0
Registered bonds	110,000	110,000	110,000	0
Liabilities to banks and similar institutes	359,445	359,445	330,613	28,832
Liabilities from factoring program between group companies	63,415	63,415	63,415	0
Liabilities from supplier finance arrangements between group companies	15,871	15,871	15,871	0
Lease liabilities	87,796	87,796	23,275	64,521
Other interest-bearing liabilities	674,595	674,595	674,595	0
Total financial liabilities	1,806,122	1,806,122	1,712,769	93,353

In the 2025 financial year, the Group realized a restructuring profit, which was mainly attributable to financial liabilities. The related explanations can be found under item 2 "Information in connection with the restructuring proceedings of major subsidiaries completed in 2025". The realized restructuring gain was omitted at EUR k 1,019,903 on financial liabilities, which specifically corresponds to a balance sheet value of financial liabilities of EUR k 1,457,006, which was part of the restructuring proceedings.

The remaining liabilities to credit institutions relate to loans from subsidiaries of the group that were not part of the restructuring proceedings.

To settle the restructuring quotas, Bajaj Auto International Holdings BV, Netherlands, has granted the Bajaj Mobility Group a restructuring loan of EUR k 450,000 with a term of three years, i.e. until December 30, 2028, via KTM AG. The deviation between nominal and book value shown above is due to interest accruals and accruals. Bajaj Auto International Holdings B.V. has been an affiliated company since the change of majority ownership of Bajaj Auto International Holdings AG and Bajaj Mobility AG.

At the same time, Bajaj Auto International Holdings AG provided its subsidiary Bajaj Mobility AG with a loan of EUR k 350,000, the funds of which were used to a significant extent to settle intra-group receivables of KTM AG and thus ultimately also accrued 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. The deviation between nominal and book value shown above is due to interest accruals.

Although lease liabilities were also subject to the restructuring proceedings, they were analyzed in detail by the insolvency administrators and listed as conditionally registered creditor claims. The reason for this is the basic operational necessity of the leased assets. In the case of such leases that were discontinued, a restructuring profit amounting to EUR k 2,332 was recognized, which corresponds to a level of lease liabilities of EUR k 3,331.

35. OBLIGATIONS FOR EMPLOYEE BENEFITS

The obligations for employee benefits are made up of obligations for severance and anniversary bonuses:

EUR k	Dec 31, 2025	Dec 31, 2024
Severance	15,294	19,618
Anniversary bonuses	6,593	7,289
	21,886	26,907

Special features in the course of the restructuring procedure

In the previous year, a (restructuring) provision was already recognized for those claims of employees that were issued as a result of terminations between January 1 and 19, 2025. The terminations in question had already been communicated by the restructuring administrators before the balance sheet date of the previous year and formed the basis of the restructuring plan. The associated provision was used in full in the 2025 financial year.

Severance payments

Due to legal regulations, the Bajaj Mobility Group is obliged to make a severance payment to all employees in Austria whose employment relationship began before January 1, 2003 upon termination by the employer or at the time of retirement. This performance-based obligation depends on the number of years of service and the relevant salary at the time of severance pay and amounts to between two and twelve months' salary.

For all employment relationships established in Austria after December 31, 2002, the Group pays 1.53% of the salary per month into a company employee provision fund, in which the contributions are invested in an employee's account and paid out to him or passed on as an entitlement upon termination of the employment relationship. The company is only obliged to pay the contributions that are recognized in the expenditure for which they were paid in the financial year for which they were paid (defined contribution obligation). For employees of Austrian group companies who entered into employment on or after January 1, 2003, contributions for severance payments to a statutory employee provision fund in the amount of 1.53% of wages or salaries were paid. In the past financial year, premiums totaling EUR k 3,174 (previous year: EUR k 4,688) were paid.

Net debt from defined benefit severance pay plans developed as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Present value of future defined benefits:		
As at 1/1	19,618	20,548
Changes in the scope of consolidation	0	-885
Current service cost	339	416
Interest expense	628	960
Payments made	-1,063	-1,233
Additions/disposals	0	-169
Actuarial gain/loss (other comprehensive income)	-3,927	670
Reclassification as held for sale	0	-847
Miscellaneous	-302	158
As at 12/31	15,294	19,618

The weighted remaining terms (duration) of the severance pay obligations are 9 years as of December 31, 2025 (previous year: 9 years).

Actuarial gain/loss is made up of the following factors:

EUR k	Dec 31, 2025	Dec 31, 2024
Change in expected values	-1,623	234
Change in demographic assumptions	-99	38
Change in financial assumptions	-2,204	398
Actuarial gain/loss	-3,927	670

The valuation of the obligation is based on the following assumptions:

	Dec 31, 2025	Dec 31, 2024
Discount rate	3.98%	3.41%
Trend in wages and salaries	1.90%	2.75%
Retirement age (with transitional provisions)	63 years	63 years

The discount rate was set taking into account the average maturities and average remaining life expectancy. The discount rate is the yield that is achieved on the market on the balance sheet date for first-class, fixed-interest industrial bonds.

Employee turnover is determined on a company-specific basis and taken into account depending on age/length of service. The actuarial assessments are based on country-specific mortality tables. The statutory retirement age for each country was chosen as the retirement age.

A change (+/- 0.5 percentage points) in the "actuarial interest rate" and "wage/salary trend" parameters would have had the following impact on the present value of future payments as of December 31, 2025:

Parameters	Change -0.50 percentage points	Change +0.50 percentage points
Discount rate	4.8%	-4.5%
Trend in wages and salaries	-4.5%	4.8%

A change (+/- 0.5 percentage points) in the “actuarial interest rate” and “wage/salary trend” parameters would have had the following impact on the present value of future payments as of December 31, 2024:

Parameters	Change -0.50 percentage points	Change +0.50 percentage points
Discount rate	4.6%	-4.3%
Trend in wages and salaries	-4.3%	4.6%

The following table shows the expected payments for the defined benefit plans over the next few years:

EUR k	Dec 31, 2025	Dec 31, 2024
Within the next 12 months	1,146	2,094
Between 2 and 5 years	5,076	6,379
Between 6 and 10 years	5,219	6,088
More than 10 years	11,340	14,175
Total expected payments	22,781	28,736

Jubilee bonuses

On the basis of collective agreements, companies of the Bajaj Mobility Group are obliged to pay jubilee bonuses to employees in Austria in accordance with the achievement of certain years of service (from 25 years of service) (performance-oriented obligation). The interest on this is recognized in other financial income. The obligations for claims from anniversary bonuses developed as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
As of January 1	7,289	7,419
Changes in the scope of consolidation	-17	0
Current service cost	530	587
Interest expense	242	371
Payments made	-174	-111
Additions/disposals	-27	-98
Actuarial gain/loss (through profit or loss)	-1,247	-245
Reclassification as held for sale	0	12
Other	-3	-646
as of December 31	6,593	7,289

The weighted remaining terms (duration) of the jubilee bonus obligations are 13 years as of December 31, 2025 (previous year: 14 years).

36. OTHER LONG- AND SHORT-TERM DEBTS

The other long-term liabilities are essentially made up as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Security deposits	5,246	7,338
Options on non-controlling interests	0	61,445
Purchase price liabilities	0	4,616
Other financial liabilities	205	118
Other non-current financial liabilities	5,451	73,517
Sundry other non-current non-financial liabilities	1,294	1,408
Other non-current non-financial liabilities	1,294	1,408
Other non-current liabilities	6,745	74,925

Both the options on non-controlling interests and the purchase price liabilities from the previous year were derecognized in the 2025 financial year as a result of changes in the scope of consolidation. In the previous year, the purchase price liabilities related in full, while the options on non-controlling interests to a significant extent (EUR k 55,753) related to the "MV Agusta" disposal group. The remaining options on non-controlling interests from the previous year related to the minorities in PIERER MAXCOM MOBILITY OOD, which were acquired in the 2025 financial year. The related explanations can be found under item 8 "Changes in the scope of consolidation".

The other short-term liabilities are essentially as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Liabilities from derivative financial instruments	0	222
Sales bonus	14,416	31,113
Price discounts	13,770	15,631
Liabilities from restructuring	1,845	0
Sundry other current financial liabilities	7,262	8,854
Other current financial liabilities	37,293	55,820
Current employee liabilities	26,116	60,960
Liabilities to tax offices	3,227	13,915
Prepayments	3,086	6,399
Sundry other current non-financial liabilities	0	-121
Other current non-financial liabilities	32,428	81,153
Other current liabilities	69,721	136,973

The liabilities arising from restructuring proceedings relate to the Group's liabilities recognized in the balance sheet at the time of the opening of the restructuring proceedings, which have not yet been asserted by the creditors. The Group has already realized the restructuring profits on this with the conclusion of the restructuring proceedings becoming legally binding. Creditors can assert their claims on the basis of national law over a period of several years, depending on the individual case.

Short-term personnel liabilities mainly include liabilities for unused vacations, liabilities for employee bonuses, liabilities to regional health insurance funds and liabilities from wages.

The other short-term liabilities included liabilities that were settled in the course of the restructuring proceedings. These led to a restructuring profit for the Bajaj Mobility Group of EUR k 39,417, of which EUR k 27,209 was attributable to current personnel liabilities. This corresponds to a carrying value of EUR k 57,577 or, with regard to personnel liabilities, EUR k 38,843. The related explanations can be found under item 2 "Information in connection with the restructuring proceedings of major subsidiaries completed in 2025".

37. TRADE PAYABLES

Trade payables are made up as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
To third parties	118,521	361,000
of which amounts that are part of supplier finance arrangements	0	59,204
To affiliated companies	16,878	5,712
To associates	13,764	15,145
	149,162	381,857

As already described above with regard to financial liabilities, the Group's realized restructuring profit also relates to trade payables, as they were also part of the restructuring proceedings. The related explanations can be found under item 2 "Information in connection with the restructuring proceedings of major subsidiaries completed in 2025". The realized restructuring gain was omitted at EUR k 133,815 on trade payables, which specifically corresponds to a carrying amount of trade payables subject to the restructuring proceedings after consolidation effects of EUR k 196,157.

With regard to the information on supplier financing agreements, reference should be made at this point to item 38 of the same name below.

38. SUPPLIER FINANCING AGREEMENTS

The supplier financing programs were discontinued with the opening of the restructuring proceedings under insolvency law in mid-November 2024. No new supplier financing program was set up in the 2025 financial year.

39. PROVISIONS

The Group sets aside provisions for guarantees and warranties for known, expected individual cases. Expected expenses are primarily based on past experience and are recognized at the time the products are sold.

The estimation of future expenses is inevitably subject to numerous uncertainties, which may lead to an adjustment of the provisions created in the future. It cannot be ruled out that the actual expenditure for these measures will exceed or fall short of the provisions created for them in an unforeseeable manner. Further details can be found in item 6 “Estimates and discretionary decisions”.

The development of provisions in the financial year was as follows:

EUR k	Provisions relating to guarantees and warranties	Provisions for litigations	Provisions for re-structuring	Other provisions	Total current provisions
As at January 1, 2024	20,523	1,199	0	149	21,871
Changes in the scope of consolidation	619	7,726	0	2,166	10,511
Utilization	-21,110	-8,347	0	-206	-29,663
Reversals	0	0	0	0	0
Additions	15,492	1,540	31,424	40,540	88,996
As at December 31, 2024	15,524	2,118	31,424	42,649	91,715
Changes in the scope of consolidation	0	-7	0	0	-7
Currency translation	0	311	0	0	311
Utilization	-12,915	-88	-31,424	-42,649	-87,076
Reversals	0	0	0	0	0
Additions	8,282	484	0	0	8,766
As at December 31, 2025	10,891	2,817	0	0	13,708

The provisions for restructuring created in the 2024 financial year were fully used up in the 2025 financial year in the course of the successful completion of the restructuring proceedings.

In the previous year, other provisions mainly included provisions for the settlement of existing contracts in the bicycle segment. In the 2025 financial year, these were fully utilized with the largely completed winding-up of the bicycle segment.

40. CONTINGENT LIABILITIES

As of the balance sheet date of December 31, 2025, the Bajaj Mobility Group has contingent liabilities from liability relationships for third-party credit lines in the amount of EUR k 4,630 (previous year: EUR k 4,000 from liability relationships for third-party credit lines).

On August 1, 2024, Bajaj Mobility declared to Erste Group Bank AG that it would exercise its rights as owner of various direct and indirect shareholdings in such a way that, in accordance with sound commercial practice, these would be financially equipped to service their liabilities arising from the ErsteConfirming business relationship in a timely manner.

From Bajaj Mobility AG's point of view, this declaration dated August 1, 2024 constitutes a soft letter of comfort, which does not result in any obligation on the part of Bajaj Mobility AG to pay or guarantee payments to Erste Group Bank AG as guarantor. The legal qualification of the declaration dated August 1, 2024 is currently the subject of legal clarification. Based on the current status, management does not expect any significant cash outflow from this matter.

VI. DISCLOSURES ON THE STATEMENT OF CASH FLOWS

Changes in the balance sheet items presented in the statement of cash flows cannot be derived directly from the balance sheet, as non-cash effects are neutralized.

Other non-cash expenses (income) in the cash flow from operating activities are made up of various individual items. These can be re-presented as follows:

EUR k	2025	2024
Non cash-effective gains / losses from changes in the scope of consolidation	-30,896	-5,922
Valuation of foreign currency positions	45,406	8,959
Valuations of receivables	2,712	15,340
Valuations of inventories	28,874	113,195
Not yet cash-effective income from subsidies	-10,849	-17,699
Restructuring expenses directly related to the restructuring gain	8,518	0
Creating / dissolving the restructuring provision	-31,424	31,424
Non cash-effective loss from ineligible VAT refunds	8,049	0
Other	20,756	31,797
Other non-cash income (expenses)	41,145	177,095

Non-cash income and expenses from changes in the scope of consolidation represent first-time and deconsolidation transactions affecting profit or loss.

Before the completion of the restructuring proceedings, various agreements were reached with creditors, on which the Group recognized restructuring gains. These agreements mainly relate to claims for damages and additional payments to employees and are included above under restructuring expenses for the realization of restructuring gains.

Payments made to realize the restructuring gain were recorded in full in cash flow from financing activities as a separate item. The individual lines of the cash flow statement, including those relating to cash flow from financing activities concerning financial liabilities, were adjusted for the associated non-cash and cash effects.

A reconciliation between the change in the balance sheet of financial liabilities and the values presented in the cash flow statement can be presented for the financial year as follows:

EUR k	Carrying amount 1/1/2025	Changes affecting cash flow	Changes that do not affect cash flow						Carrying amount 12/31/2025
			Booklet out due to the restructuring process	Acquisition / disposal	Changes in consolidation scope	Reclassification	Transaction costs	Accrued interest, currency valuation and others	
Current financial liabilities	1,689,494	-215,895	-1,453,674	0	-208	-51,211	0	35,256	3,762
Non-current financial liabilities	28,833	764,268		0	0	51,211	746	28,520	873,577
Leasing liabilities (current)	23,275	-21,625	-3,331	0	-142	18,517	0	0	16,695
Leasing liabilities (non-current)	64,521	0		-3,788	-131	-18,517	0	-439	41,645
Total	1,806,123	526,748	-1,457,005	-3,788	-481	0	746	63,336	935,679

A reconciliation between the change in financial liabilities in the balance sheet and the values presented in the statement of cash flows can be presented for the previous year as follows:

EUR k	Carrying amount 1/1/2024	Changes affecting cash flow	Changes that do not affect cash flow						Carrying amount 12/31/2024
			Acquisition / disposal	Changes in consolidation scope	Reclassification	Transaction costs	Accrued interest, currency valuation and others	Acquisition / disposal	
Current financial liabilities	52,378	687,911	0	5,417	933,478		0	10,310	1,689,494
Non-current financial liabilities	909,238	47,031	0	3,500	-933,478		2,542	0	28,833
Leasing liabilities (current)	19,671	-22,612	0	-559	26,775		0	0	23,275
Leasing liabilities (non-current)	53,611	0	37,006	1,072	-26,775	-435	0	42	64,521
Total	1,034,898	712,330	37,006	9,430	0	-435	2,542	10,352	1,806,123

A reconciliation between the balance sheet change in the positions of the working capital employed – specifically inventories, trade receivables and trade payables – and the values presented in the statement of cash flows can be presented for the financial year as shown below. The reported non-cash changes cannot be derived directly from the present consolidated financial statements, as the changes compared to the previous year are relevant for the consolidated statement of cash flows.

EUR k	Carrying amount 1/1/2025	Carrying amount 12/31/2025	CFS- relevant change in book values	Changes that do not affect cash flow						Changes affecting cash flow
				Booked out due to the restruc- turing process	Acquisit- ion / disposal	Changes in con- solidatio n scope	Impair- ments	Classi- fied as held for sale	Foreign ex- change valu- ations and others	
Inventories	617,852	377,062	240,790	0	0	-10,627	0	-28,118	-33,772	168,272
Trade receivables	289,422	114,747	174,675	0	0	-3,510	-2,124	-18,754	-69,932	80,355
Trade payables	381,857	149,162	-232,695	196,157	12,164	1,196	0	14,664	14,237	5,723
Total	1,289,131	640,971	182,770	196,157	12,164	-12,941	-2,124	-32,208	-89,468	254,350

A reconciliation between the change in the balance sheet of the working capital employed items – specifically inventories, trade receivables and trade payables – and the values presented in the statement of cash flows can be presented for the previous year as shown below. The reported non-cash changes cannot be derived directly from the present consolidated financial statements, as the changes compared to the previous year are relevant for the consolidated statement of cash flows.

EUR k	Carrying amount 1/1/2024	Carrying amount 12/31/2024	CFS- relevant change in book values	Changes that do not affect cash flow					Changes affecting cash flow
				Acquisit- ion / disposal	Changes in con- solidation scope	Impair- ments	Classified as held for sale	Foreign exchange valu- ations and others	
Inventories	857,255	617,852	239,403	0	34,654	-100,262	-89,845	6,899	90,849
Trade receivables	350,801	289,422	61,379	0	-23,884	-10,783	-13,341	-5,833	7,538
Trade payables	676,978	381,857	-295,121	18,070	-20,113	0	21,507	27,659	-247,999
Total	1,885,034	1,289,131	5,661	18,070	-9,343	-111,045	-81,680	28,724	-149,612

VII. FINANCIAL RISK REPORT

The Bajaj Mobility Group is subject to credit, market and liquidity risks with respect to its assets, liabilities and planned transactions. The aim of financial risk management is to manage and limit these risks. The Executive Board and the Supervisory Board are regularly informed about risks that could have a significant impact on business development. The principles of financial risk management are defined and monitored by the Supervisory Board and the Executive Board. Implementation is the responsibility of Group Treasury.

In the 2024 financial year, liquidity risks and ultimately the lack of liquidity at KTM AG in particular led to the opening of restructuring proceedings under insolvency law. As a result, the objectives of the Bajaj Mobility Group's financial risk management to ensure solvency and financial flexibility at all times were missed. However, the successful and planned implementation of the going concern prognosis, which was used as a plan for the restructuring proceedings, is fraught furthermore with uncertainties and is subject to exogenous and endogenous factors.

The opening of the insolvency restructuring proceedings, in particular of KTM AG, resulted in the derivatives used in hedging relationships being terminated by the offering banks. As a result, all of the Group's cash flow hedging relationships based on interest rate derivatives were terminated at the end of the 2024 financial year. No new derivatives or cash flow hedge relationships were issued in the 2025 financial year, so the Group does not have any of these as of the balance sheet date of December 31, 2025.

Currency risks

As a globally active company, the Bajaj Mobility Group is influenced by global economic parameters such as changes in currency parities or developments on the financial markets. In particular, the exchange rate development of the US dollar, which represents the highest individual risk in the Bajaj Mobility Group's foreign currency risk, plays a major role in the company's revenue and earnings development. Due to the increasing importance of the USD in purchasing, the foreign currency risk for the USD is significantly reduced ("*natural hedge*"). In the 2025 financial year, around 31% of sales (previous year: 25%) were generated in US dollars.

The Group also faces currency risks if financial assets and liabilities are settled in a currency other than the local currency of the respective company. The majority of the Group's companies invoice in local currency and are largely financed in local currency. Investments are mainly made in the local currency of the investing Group company. For these reasons, of course, currency positions usually result in closed.

A sensitivity analysis is performed for currency risk. This shows the effects of a +/- 10% change in the exchange rate on profit and loss, other comprehensive income and equity. The affected bank balances, receivables and liabilities of the Group as well as future inflows and outflows in foreign currency were used as a basis. It was assumed that the risk on the balance sheet date essentially represents the risk during the financial year. The Group tax rate of 23% was used as the tax rate. The analysis also assumed that all other variables, in particular interest rates, remained constant. The analysis included currency risks from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature.

Currency risks from euro positions in subsidiaries whose functional currency differs from the euro were allocated to the currency risk of the functional currency of the respective subsidiary. Risks from foreign currency positions other than the euro were aggregated at Group level. Exchange rate-related differences from the translation of financial statements into the Group currency were not taken into account.

The Bajaj Mobility Group bases its analysis on the following assumption:

- » For the sensitivity of profit and loss, bank deposits, receivables and liabilities of the Group in foreign currency that are not accounted for in the functional currency of the Group company are taken into account.

Increase (+) / decrease (-) EUR k	10% increase		10% decrease	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Change in earnings (after taxes)	-4,068	-20,905	4,972	25,550
Change in equity	-4,068	-20,905	4,972	25,550

Interest rate risks

Some of the financial instruments have variable interest rates on both the assets and liabilities. The risk therefore consists of rising interest expenses or decreasing interest income, which result from an adverse change in market interest rates. The information below relates to the characteristics of financial instruments as of the reporting date.

As already explained in the introduction, the opening of the restructuring proceedings under insolvency law entailed the scheduling of derivatives used in hedging relationships by the offering credit institutions. Cash flow hedge hedges on foreign currencies, which were primarily used in the sales subsidiaries KTM Sportmotorcycle GmbH and Husqvarna Mobility GmbH as well as their subsidiaries, remained unaffected by the termination by the banks. As of the balance sheet date of December 31, 2025, no interest rate swap was in place to hedge interest rate risks.

Interest rate risks mainly resulted from original, floating-rate financial instruments (cash flow risk). Sensitivity analyses were carried out for the interest rate risks of these financial instruments, which show the effects of hypothetical changes in the market interest rate level on earnings (after tax) and Group equity. The affected portfolios as of the balance sheet date were used as a basis. It was assumed that the risk at the balance sheet date essentially represents the risk during the financial year. The group tax rate of 23% was used as the tax rate. In addition, the analysis assumed that all other variables, especially exchange rates, remain constant.

The main causes of ineffectiveness in the context of interest rate hedging are

- » the impact of the counterparty's and the Group's credit risk on the fair value of the interest rate derivatives, which is not reflected in the change in the fair value of hedged cash flows due to changes in interest rates, and
- » the differences in parameters (e.g. interest rate adjustment dates) between the derivatives and the hedged items.

For interest rate risk, the exposures as of the reporting date in the form of book values and their contractual interest rate are as follows:

Increase (+) / decrease (-)	Note no.	Fixed interest	Variable interest	Not interest bearing	Total
Dec 31, 2025					
Cash and cash equivalents ¹⁾		0	137,270	0	137,270
Receivables from financing activities	28, 31	2,897	0	0	2,897
Financing volume ABS programm and factoring		0	-84,338	0	-84,338
Financial liabilities and lease liabilities	35	-21,890	-913,788	0	-935,679
Total		-18,994	-860,857	0	-879,851
Dec 31, 2024					
Cash and cash equivalents ¹⁾		0	163,407	0	163,407
Receivables from financing activities	28, 31	6,140	0	0	6,140
Financing volume ABS programm		0	-251,339	0	-251,339
Financial liabilities and finance lease liabilities	35	-392,353	-1,413,769	0	-1,806,122
Total		-386,213	-1,501,701	0	-1,887,914

1) Variable interest subject to zero percent floor for reference interest rate

A sensitivity analysis was carried out for the interest rate risk shown above. This shows the changes in the interest rate by +/- 100 basis points on profit and loss, other comprehensive income and equity.

Increase (+) / decrease (-)	Increase of 100 BP		Decrease of 100 BP	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
EUR k				
Change in earnings (after taxes)	6,629	-11,382	-6,629	11,382
Change in equity	6,629	-11,382	-6,629	11,382

Default risks (credit or credit risks)

The risk of default is the risk of financial loss in the event that a client or the contracting party to a financial instrument fails to meet his or her contractual obligations. The default risk of the Bajaj Mobility Group exists in principle with regard to trade receivables. The maximum payment terms granted were significantly reduced in the course of the restructuring proceedings: The maximum payment term in the 2025 financial year is 180 days (previous year: 270 to 360 days).

On the assets side, the reported book values also represent the maximum default risk. With the exception of the set-off agreement described in item 43 "Offsetting of financial assets and liabilities" of these notes to the consolidated financial statements, there are no general set-off agreements.

Trade receivables and contract assets

The default risk for receivables from customers can still be assessed as low overall, as the creditworthiness of new and existing customers is continuously checked and collateral is required.

The Group's risk management department carries out an analysis and assessment of new customers. First, these are analyzed individually with regard to their creditworthiness. The analysis includes external ratings, where available, as well as annual financial statements, credit agency information and bank information. Standardized contracts are concluded with customers throughout the Group, with specific sales limits being set for each customer and reviewed on an ongoing basis. All transactions that exceed these limits require the approval of the risk management department.

Default risks of receivables from customers are hedged in the Group by bank collateral (guarantees, letters of credit). The default risks are defined in internal guidelines and continuously monitored based on this.

There are largely long-standing business relationships with dealers and importers. By continuously monitoring the risk of default or the creditworthiness of the customers, each receivable is individually checked for the need for a value adjustment.

A summary of the risk of default for trade receivables as of December 31, 2025 is presented in the following table.

Trade receivables	Not impaired in creditworthiness	Creditworthiness impaired	Total
EUR k			
Not overdue	80,212	0	80,212
Overdue 1-30 days	15,051	0	15,051
Overdue 31-60 days	2,290	0	2,290
Overdue 61-90 days	890	0	890
Overdue > 90 days	7,458	24,292	31,750
Total gross carrying amount	105,900	24,292	130,192
Impairment loss	-313	-15,130	-15,444
Total	105,587	9,162	114,748

A summary of the risk of default for trade receivables as of December 31, 2024 is presented in the following table.

Trade receivables	Not impaired in creditworthiness	Creditworthiness impaired	Total
EUR k			
Not overdue	220,448	0	220,448
Overdue 1-30 days	34,188	0	34,188
Overdue 31-60 days	5,446	0	5,446
Overdue 61-90 days	4,583	0	4,583
Overdue > 90 days	3,309	49,460	52,769
Total gross carrying amount	267,974	49,460	317,434
Impairment loss	-794	-27,218	-28,012
Total	267,180	22,242	289,422

In order to determine the impairment requirements for trade receivables that have not been individually value-adjusted, the Bajaj Mobility Group evaluated the defaults of recent years. The analysis has shown that there is only a negligible risk for receivables with a certain overdue date. The assessment of loss ratios is based on historical default rates related to overdue dates and taking into account forward-looking information.

With regard to the balance of financial delivery and other receivables that are neither impaired nor in arrears in payment, there are no indications at the balance sheet date that the debtors will not meet their payment obligations. There are no concentration risks.

Estimation of expected credit losses

On the basis of the defaults actually observed in the past, an average default rate of 0.233% (previous year: 0.235%) of trade receivables was determined. Unchanged from the previous year, it remains the case that macroeconomic uncertainties and a persistently elevated interest rate level are causing a difficult market environment. The restructuring proceedings under insolvency law of the group, in particular of KTM AG, create an additional risk, because although these have been successfully concluded from a legal point of view, there are still uncertainties among (end) customers regarding the warranty services offered, product reliability, the supply of spare parts and other reputational damage, etc. The risk premium for future-related developments remained unchanged compared to the previous year. A reversal of EUR k 481 (previous year: allocation of EUR k 493) was recognized as an impairment of expected losses on trade receivables. The reason for this is the significantly reduced level of receivables as of the balance sheet date. As of December 31, 2025, the impairment charge for expected losses amounted to EUR k 313 (previous year: EUR k 794).

Changes in value adjustments relating to trade receivables

The development of value adjustments is described in the notes under item 29 "Trade receivables".

Cash and cash equivalents, other financial assets and derivatives

Credit losses on cash and cash equivalents and other financial assets are calculated on the basis of average default rates and the rating of the instrument. A significant change in credit risk is determined on the basis of rating and late payment.

Taking into account the short-term nature of this position and in view of the good rating of the banks, the Group assumes that these holdings are financial instruments with a low risk of default and that the expected losses are negligible.

There is no evidence of additional impairment requirements for financial assets.

Liquidity risks

The liquidity risks of the Bajaj Mobility Group are primarily due to the fact that cash inflows from sales revenues are below the planned assumptions due to a weakening in demand. The Bajaj Mobility Group countered this risk by maintaining a liquidity reserve in the form of unused credit lines and, if necessary, in the form of cash holdings with banks with a high credit rating. After completion of the restructuring procedures, the Group will again have sufficient liquidity coverage on the basis of current planning calculations. In addition, direct cash flow planning is carried out on a weekly basis and strict expenditure control is carried out via internal company approval processes against the background of the analysis of operationally necessary transactions

As described in item 42, the Group participates in a factoring program whose purpose is to enable efficient payment processing and interim financing. This enables the Group to centralize payments from trade receivables and at the same time maintain flexibility in liquidity management.

The Group's credit agreements do not contain any covenants entitling the holder to early maturity.

Free cash flow is a key performance indicator for the Bajaj Mobility Group.

The contractually agreed (undiscounted) cash flows (interest and principal payments) and the remaining maturities of the financial debt are made up as shown below. The information on payment terms refers to the status of contractual obligations as of December 31, 2025.

EUR k	Carrying amount 12/31/2025	Cash flows 2026			Cash flows 2027 to 2030			Cash flows from 2031 on		
		fixed interest	variable interest	redemption	fixed interest	variable interest	redemption	fixed interest	variable interest	redemption
Financial liabilities not measured at fair value										
At amortized cost										
Financial liabilities	877,339	2,184	95,667	2,537	6,056	164,533	857,926	22,550	0	16,876
Lease liabilities	58,339	0	1,586	16,695	0	3,193	29,584	0	3,640	12,061
Trade payables	149,162	0	0	149,162	0	0	0	0	0	0
thereof trade payables that are part of supplier finance arrangements	0	0	0	0	0	0	0	0	0	0
Other current and non-current financial liabilities	42,744	0	0	42,539	0	0	205	0	0	0
Total	1,127,585	2,184	97,253	210,933	6,056	167,727	887,715	22,550	3,640	28,937

EUR k	Carrying amount 12/31/2024	Cash flows 2025			Cash flows 2026 to 2029			Cash flows from 2030 on		
		fixed interest	variable interest	redemption	fixed interest	variable interest	redemption	fixed interest	variable interest	redemption
Financial liabilities measured at fair value										
Fair Value - Hedging instruments										
Other financial liabilities - derivatives with negative market value, assigned to receivables	188	0	0	188	0	0	0	0	0	0
Other financial liabilities - derivatives with negative market value (cash flow hedge)	34	0	0	34	0	0	0	0	0	0
Total	222	0	0	222	0	0	0	0	0	0
Financial assets not measured at fair value ¹⁾										
At amortized cost										
Financial liabilities	1,718,326	14,494	21,904	913,833	42,775	53,404	481,487	32,794	12,207	340,226
Trade payables	381,857	0	0	381,857	0	0	0	0	0	0
thereof trade payables that are part of supplier finance arrangements	59,204	0	0	59,204	0	0	0	0	0	0
Other current and non-current financial liabilities	129,115	0	0	129,115	0	0	0	0	0	0
Total	2,229,298	14,494	21,904	1,424,805	42,775	53,404	481,487	32,794	12,207	340,226
Total	2,229,520	14,494	21,904	1,425,027	42,775	53,404	481,487	32,794	12,207	340,226

1) Of which in insolvency proceedings: Financial liabilities of EUR k 943,488; liabilities from leases subject to conditional claims registration of EUR k 58,380; Trade payables EUR k 196,411; promissory note loan of EUR k 495,000; Other short- and long-term financial liabilities EUR k 174

VIII. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

41. BASICS

As of the balance sheet date of December 31, 2025, the Bajaj Mobility Group holds exclusively original financial instruments (previous year: additional derivative financial instruments). Primary financial instruments mainly include trade receivables, credit balances with credit institutions, liabilities to credit institutions, trade payables and financial liabilities. The holdings of the original financial instruments are shown in the consolidated balance sheet or in the notes to the consolidated financial statements.

Accounting policies for the consolidated financial statements

Receivables and other assets are measured at fair value at the time of acquisition and at amortized cost in subsequent periods under the category “*at amortized cost*” (AC). Financial receivables are also assigned to category AC and are measured at amortized cost.

The part of trade receivables that is part of the factoring program is assigned to the category “*at fair value through profit and loss*” (FVPL).

Financial debt is measured at amortized cost in the AC category. A difference between the amount received and the repayment amount is distributed over the term according to the effective interest method and recognized in the financial result. The costs of raising money in connection with financing taken out are amortized through profit or loss using the effective interest method. Liabilities are also measured at amortized cost. The Bajaj Mobility Group does not have any financial debt that is assigned to any category other than AC.

Impairments

Trade receivables do not have a significant financing component. Therefore, the simplified procedure for determining the expected credit loss is applied, according to which allowance for credit losses in the amount of the expected losses over the remaining term must be recognized for all instruments, regardless of their credit quality. In the case of trade receivables, this is less than twelve months and therefore corresponds to the 12-month loss. For an explanation of the amount, see Chapter VII “Financial Risk Report”.

To determine the expected credit loss, historical default data on receivables from the last ten years was collected and segmented by geographical region. Current economic factors and forecasts are also taken into account.

Individual value adjustments of financial assets are made when they are considered irrecoverable or partially irrecoverable. Indicators of individual value adjustments include financial difficulties, insolvency, breach of contract or significant late payment by customers. The individual value adjustments are made up of numerous individual items. A direct derecognition of the financial assets only takes place if the contractual rights to payments from the financial assets no longer exist (especially in the event of insolvency). If the amount of the impairment decreases in one of the following periods and this reduction can be objectively attributed to a situation that occurred after the impairment was recognized, the previously recognized impairment allowance is reversed by adjusting the impairment account.

42. CLASSIFICATION AND FAIR VALUES

The fair value of a financial instrument is determined by quoted market prices for the identical instrument on active markets (level 1 in accordance with IFRS 13). If no quoted market prices are available on active markets for the instrument, the fair value is determined using valuation methods whose essential parameters are based exclusively on observable market data (level 2). Otherwise, the fair value is determined on the basis of valuation methods for which at least one essential parameter is not based on observable market data (level 3).

Reclassifications between the categories under IFRS 9 are taken into account at the end of the reporting period. In the financial year, with the exception of the facts described below, there were no shifts between the levels.

The table below shows the measurement technique used in determining fair value in accordance with IFRS 13 and material non-observable inputs used.

Financial instruments measured at fair value		
Art	Evaluation technique	Essential, unobservable input factors
Financial liabilities	Discounted cash flows	Risk premium for own credit risk

The table below shows the carrying amounts and fair values of financial assets (asset-side financial instruments), separated by class or measurement category in accordance with IFRS 9. However, it does not include information on fair value or the level of financial assets and financial liabilities that have not been measured at fair value if the carrying amount is a reasonable approximation of fair value.

EUR k	Carrying amount 12/31/2025	Fair Value 12/31/ 2025	Fair Value				Total	Carrying amount 12/31/2025			
			Level 1	Level 2	Level 3	AC Amortised Cost		FVOCI Fair Value through OCI (w/o re- cycling)	FVPL Fair Value through P&L	Fair Value - Hedging instruments	
Financial assets measured at fair value											
Other non-current financial assets	216	216	-	-	216	216	-	216	-	-	
Trade receivables	2,232	2,232	-	-	2,232	2,232	-	-	2,232	-	
Total	2,448										
Financial assets not measured at fair value											
Cash and cash equivalents	137,270	-	-	-	-	-	137,270	-	-	-	
Trade receivables	112,515	-	-	-	-	-	112,515	-	-	-	
Other financial assets	53,838	-	-	-	-	-	53,838	-	-	-	
Total	303,623										
Total sum	306,071										

EUR k	Carrying amount 12/31/2024	Fair Value 12/31/ 2024	Fair Value				Carrying amount 12/31/2024			
			Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI (w/o re- cycling)	FVPL Fair Value through P&L	Fair Value - Hedging instruments
Financial assets measured at fair value										
Other current assets - derivatives with positive market value (cash flow hedge)	6	6	-	6	-	6	-	-	-	6
Trade receivables	8,424	8,424	-	-	8,424	8,424	-	-	8,424	-
Other non-current financial assets	215	215	-	-	215	215	-	215	-	-
Total	8,645									
Financial assets not measured at fair value										
Cash and cash equivalents	163,406	-	-	-	-	-	163,406	-	-	-
Trade receivables	280,999	-	-	-	-	-	280,999	-	-	-
Other financial assets	65,659	-	-	-	-	-	65,659	-	-	-
Total	510,064									
Total sum	518,709									

During the 2025 financial year, the previously existing ABS and factoring programs were finally wound up and terminated. As a result, the Bajaj Mobility Group entered into a new factoring program with a financial services provider in the 2025 financial year, under which the sold receivables are derecognized in accordance with the provisions of IFRS 9 on continuing involvement (as in the previous year). Under this factoring program, trade receivables are sold on a monthly revolving basis up to a maximum volume of EUR k 100,000 (previous year: EUR k 350,000).

As of the balance sheet date, trade receivables totaling EUR k 84,338 (previous year: EUR k 251,339) to third parties. Up to a contractually defined amount, the Group continues to bear a risk from credit risk-related defaults. As of December 31, 2025, the resulting maximum risk of loss is EUR k 2,530 (previous year: EUR k 2,648). At the time of the sale, the expected loss is generally recognized as a liability. The carrying amount of the ongoing exposure amounts to EUR k 2,530 as of December 31, 2024 (previous year: EUR k 2,648) and is shown under the other short-term liabilities. The carrying amount is the fair value of the ongoing exposure. In the reporting period, the ongoing commitment to EUR k -118 (previous year: EUR k -842) and has accumulated EUR k 2,530 since the start of the transaction (previous year: EUR k 2,648) recognized through profit or loss.

The Bajaj Mobility Group does not exercise control over the factoring portfolio companies, as the group does not have any existing rights to influence the relevant activities of the investment companies. This includes, in particular, the selection and financing of the receivables to be purchased as well as the collection of non-performing receivables.

The table below shows the carrying amounts and fair values of financial liabilities (financial instruments on the liabilities side) by class or measurement category in accordance with IFRS 9.

EUR k	Carrying amount 12/31/2025	Fair Value 12/31/ 2025	Fair Value				Carrying amount 12/31/2025			
			Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI (w/o re- cycling)	FVPL Fair Value through P&L	Fair Value - Hedging instruments
Financial liabilities not measured at fair value										
At amortized cost										
Financial liabilities	935,679	947,396	-	-	947,396	947,396	935,679	-	-	-
Trade payables	149,162	149,162	-	-	149,162	149,162	149,162	-	-	-
Other current and non-current financial liabilities	42,744	42,744	-	-	42,744	42,744	42,744	-	-	-
Total	1,127,585									
Total sum	1,127,585									

EUR k	Carrying amount 12/31/2024	Fair Value 12/31/ 2024	Fair Value				0			
			Level 1	Level 2	Level 3	Total	AC Amortised Cost	FVOCI Fair Value through OCI (w/o re- cycling)	FVPL Fair Value through P&L	Fair Value - Hedging instruments
Financial liabilities measured at fair value										
Fair Value - Hedging instruments										
Other financial liabilities - derivates with negative market value, assigned to receivables	188	188	-	188	-	188	-	-	-	188
Other financial liabilities - derivates with negative market value (cash flow hedge)	34	34	-	34	-	34	-	-	-	34
Total	222									
Financial assets not measured at fair value ¹⁾										
At amortized cost										
Financial liabilities	1,718,326	712,236	-	-	712,236	712,236	1,718,326	-	-	-
Trade payables	381,857	-	-	-	-	-	381,857	-	-	-
thereof trade payables that are part of supplier finance arrangements	59,204	-	-	-	-	-	59,204	-	-	-
Options on non-controlling interests ²⁾	61,445	-	-	-	-	-	-	61,445	-	-
Other current and non-current financial liabilities	67,670	-	-	-	-	-	67,670	-	-	-
Total	2,229,298									
Total sum	2,229,520									

1) Of which in insolvency proceedings: Financial liabilities of EUR k 943,488; liabilities from leases subject to conditional claims registration of EUR k 58,380; Trade payables EUR k 196,411; promissory note loan of EUR k 495,000; other short- and long-term financial debts EUR k 174.

2) Valuation is not carried out via OCI, but via the other reserves in equity, see point 33 for further explanations.

Net income from financial instruments by measurement categories under IFRS 9 includes net gains/losses, total interest income/expense and reduction losses and is composed as follows:

EUR k	from interests	from subsequent fair value measurement	from allowance	from result of disposal	from foreign exchange valuation	Net result (Total)
Dec 31, 2025						
Financial assets - Amortised Cost (AC)	6,505	0	-5,802	0	-248	455
Other financial liabilities - Amorisred Cost (AC)	-84,562		0	0	-6,181	-90,743
Total	-78,057	0	-5,802	0	-6,429	-90,288
Dec 31, 2024						
Financial assets - Amortised Cost (AC)	25,755	0	-26,967	0	630	-582
Fair Value through P&L (FVPL)	0	-139	0	0	0	-139
Other financial liabilities - Amorisred Cost (AC)	-118,164	0	0	0	3,216	-114,948
Total	-92,409	-139	-26,967	0	3,846	-115,669

The changes in impairment and derecognition relating to financial assets allocated to the amortized cost (AC) category are reported in other operating expenses in the respective overhead expenses. The remaining components of net income are included in financial income and financial expenses.

43. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

In the previous year, the Group had set-off agreements with banks in connection with derivatives. Since the Group does not have any derivatives as of the reporting date of the financial year, there are no corresponding offsetting agreements. In principle, the amounts owed under such agreements by each counterparty on a single day in respect of all outstanding transactions in the same currency were combined into a single net amount payable by one party to the other. In certain cases - for example, when a credit event such as a default occurs - all outstanding transactions under the agreement were terminated, the value was determined to be terminated, and only a single net amount was payable to offset all transactions. A netting in the balance sheet was not carried out, as there was usually no net settlement of several transactions from such framework agreements.

44. HEDGING

The derivative financial instruments concluded by the Group in the previous year (forward currency transactions and interest rate swaps) were concluded to hedge foreign currency and interest rate risk. The aim of the use of derivative financial instruments was to compensate for the differentiation of cash flows from future transactions. The expected sales revenues and material purchases in foreign currency served as the basis for planning future cash flows.

With the opening of the restructuring proceedings under insolvency law, in particular of KTM AG, the majority of the derivatives held at the time were already terminated by the financial service providers in the previous year. For example, the reserves created in equity were recognized in profit or loss in the 2024 financial year. The exception to this was a cash flow hedge on interest rate risk: In this case, the Group continued to assume the occurrence of the underlying cash flows, so that the Group carried out an instalment, profit or loss recognition over the actual remaining term of the hedging transaction until April 2025.

As of the balance sheet date, the amounts relating to items designated as hedged items are as follows.

EUR k	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
Dec 31, 2025			
Foreign currency risk			
Sales and receivables	0	0	0
Inventory purchases	0	0	0
Interest rate risk			
Variable-rate instruments	0	0	0
Total	0	0	0
Dec 31, 2024			
Foreign currency risk			
Sales and receivables	0	0	0
Inventory purchases	0	0	0
Interest rate risk			
Variable-rate instruments	1,965	0	0
Total	1,965	0	0

The cash flow hedge reserve and the reserve for hedging costs (after tax) developed as follows:

EUR k	Costs of hedging hedge reserve	Cash flow hedge reserve	Total
As at January 1, 2024	-177	8,497	8,320
Amount reclassified to the income statement			
Realization of hedged item (recognized in revenues - currency risk)	177	613	790
Realization of hedged item (recorded in net interest income - interest rate risk)	0	-4,013	-4,013
Inventories			
Realization of hedged item (recorded in inventories / production costs - currency risk)	0	-121	-121
Change in fair value			
Addition - interest rate risk	0	-3,011	-3,011
As at December 31, 2024 = as of January 1, 2025	0	1,965	1,965
Amount reclassified to the income statement			
Realization of hedged item (recognized in revenues - currency risk)	0	-1,965	-1,965
As at December 31, 2025	0	0	0

45. CAPITAL MANAGEMENT

The objective of capital management is to maintain an adequate capital base so that a return for the shareholders commensurate with the company's risk situation, the future development of the company can be promoted and benefits can also be created for other interest groups. Although this fundamental objective was missed by the necessity of opening restructuring proceedings under insolvency law, especially in the previous year, the creditors' interests, which had thus come to the fore, can be regarded as largely satisfied with the legally binding conclusion of the restructuring proceedings. Following the change of majority ownership, the Bajaj Mobility Group pursues the goal of corporate financial sustainability.

The management considers capital to be exclusively the consolidated equity in the books in accordance with IFRS. As of the balance sheet date, the consolidated equity ratio was 24.3% (previous year: -8.1%). The change in equity is shown in the statement of changes in equity.

The strategy of the Bajaj Mobility Group aims to ensure that Bajaj Mobility AG and the other Group companies have an equity base that meets local requirements. Capital management is mainly managed on the basis of the key figures equity ratio, net debt, gearing and dynamic debt.

The **equity ratio** is as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Equity	385,237	-193,749
Balance sheet total	1,586,073	2,395,834
equity ratio	24.3%	-8.1%

Net debt is defined by the Group as the sum of short- and long-term financial liabilities (loans, lease liabilities, and other interest-bearing liabilities) less cash and cash equivalents. The objective is to secure long-term liquidity, efficiently draw on debt financing and limit financial risk while optimizing returns.

The net debt at the balance sheet dates stated is as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Non-current financial liabilities	915,222	93,353
Current financial liabilities	20,457	1,712,769
	935,679	1,806,122
Cash and cash equivalents	-137,270	-163,407
Net debt	798,409	1,642,715

The key figures “gearing” (ratio of net debt to equity) and the key figure “dynamic debt” (ratio of net debt to EBITDA) for the monitoring of capital are as follows:

EUR k	Dec 31, 2025	Dec 31, 2024
Equity	385,237	-193,749
Net debt	798,409	1,642,715
Gearing	207.3%	-847.9%
Net debt	798,409	1,642,715
EBITDA*	873,711	-480,783
Dynamic debt	0.9	-3.4

EBITDA is calculated as the result from operating activities or EBIT plus depreciation, amortization and impairment losses in accordance with IAS 36 and IFRS 5. In the 2025 financial year, the amount of depreciation was adjusted by disposals of assets impaired in the previous year in the amount of EUR k 10,656.

IX. LEASES

46. LEASES AS LESSEES

The Bajaj Mobility Group has concluded rental and leasing agreements for the use of land, operational and administrative buildings, offices and storage areas, machines (including CNC machines) and in the area of the vehicle fleet.

The group also rents IT equipment with contractual terms of between one and five years. These rental and leasing agreements are either short-term or (or and) they are based on items of low value. The Group has exercised the option under IFRS 16.5-.8 and has not recognized any right-of-use or lease liabilities for these lease and lease agreements.

In addition, leasing contracts for tools (special leasing) and machines are concluded with a term of 3-10 years.

In the 2025 financial year, the Group classified capitalized rights of use from rented, vacant premises that were primarily used for administrative purposes as no longer necessary for operations. The associated leasing contracts have already been terminated and an impairment of EUR k 1,381 attributable to them has been recognized.

Right-of-use assets and lease liabilities

The book value of the right-of-use assets is as follows:

EUR k	Land and buildings	Machinery	Fixtures, fittings and equipment	Total
Dec 31, 2025				
Balance as of 1/1	25,848	24,290	13,576	63,715
+ / - Additions and disposals due to changes in the scope of consolidation	-92	0	-229	-321
+ / - Foreign exchange translation on cost of acquisition and production	-558	0	-617	-1,176
+ Additions to right-of-use assets	708	2,521	1,340	4,568
- Disposals of right-of-use assets	-13,897	-11,758	-5,691	-31,346
- / + Additions to and disposals of depreciation due to changes in the scope of consolidation	0	0	98	98
+ / - Foreign exchange translation of cumulative amortization and depreciation	450	0	390	840
- Depreciation on right-of-use assets	-7,392	-4,121	-4,805	-16,318
- Impairment of right-of-use assets	-1,381	0	0	-1,381
+ Disposals of depreciation on right of use assets	9,741	8,629	4,620	22,990
Carrying amount 12/31/2025	13,427	19,561	8,681	41,668
Dec 31, 2024				
Balance as of 1/1	29,755	19,611	21,078	70,444
+ / - Additions and disposals due to changes in the scope of consolidation	2,118	363	2,895	5,376
+ / - Foreign exchange translation on cost of acquisition and production	-95	-2	266	169
+ Additions to right-of-use assets	14,511	18,204	6,537	39,252
- Disposals of right-of-use assets	-6,231	-7,283	-12,264	-25,778
- Reclass right-of-use assets held for sale	-378	0	-995	-1,373
- / + Additions to and disposals of depreciation due to changes in the scope of consolidation	-405	0	-2,599	-3,004
+ / - Foreign exchange translation of cumulative amortization and depreciation	-15	1	-153	-167
- Depreciation on right-of-use assets	-11,133	-6,313	-8,008	-25,454
- Impairment of right-of-use assets	-7,368	-7,016	-4,576	-18,960
+ Disposals of depreciation on right of use assets	4,711	6,560	10,824	22,095
+ Reclass of depreciation on right-of-use assets held for sale	378	0	738	1,116
Carrying amount 12/31/2024	25,848	24,125	13,743	63,716

The present value of the minimum lease payments as of the respective reporting date is as follows:

EUR k	Minimum lease payments	Interest payments	Present value of minimum lease payments
Dec 31, 2025			
< 1 year	15,984	1,586	16,695
> 1 to 5 years	35,074	3,193	29,584
> 5 years	15,701	3,640	12,061
	66,758	8,419	58,339
Dec 31, 2024			
< 1 year	25,651	2,363	23,288
> 1 to 5 years	53,815	4,412	49,403
> 5 years	18,931	3,827	15,104
	98,397	10,602	87,795

The payment obligations arising from leases are shown in the consolidated balance sheet under financial liabilities, see item 34 of this Annex.

Amounts recognized in the income statement and cash flow statement

2025 - Leases	EUR k
Interest expense on lease liabilities	1,749
Income from sub-leasing right-of-use assets	245
Expenses relating to short-term leases	5,211
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	22,055

2024 - Leases	EUR k
Interest expense on lease liabilities	3,908
Income from sub-leasing right-of-use assets	245
Expenses relating to short-term leases	5,978
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	25,281

The expenses for leases of an asset of low value mainly relate to rental and leasing contracts for IT equipment.

In the statement of cash flows, cash outflows for leases in the amount of EUR k 50,394 (previous year: EUR k 57,534) were recognized. Of this, EUR k 21,625 (previous year: EUR k 22,612; the reported value of EUR k 22,640 has been adjusted due to a calculation error) as repayments of lease liabilities in the cash flow from financing activities and EUR k 28,770 (previous year: EUR k 34,922) as expenses from short-term and lower-value leases as well as interest expense and income from subleases of right-of-use leases in the cash flow from operating activities.

Renewal Options

Some rental and leasing agreements contain extension options that can be exercised by the Group up to one year before the end of the non-terminable contract term. Where possible, the Group aims to include extension options when concluding new leases and leases in order to ensure operational flexibility. On the date of provision, the Group assesses whether the exercise of extension options is sufficiently secure. The Group shall redetermine whether the exercise of an extension option is reasonably certain in the event of a material event or change in circumstances within its control.

47. LEASES AS LESSORS

From a lessor's point of view, all leases are classified as operating leases because they are designed in such a way that the Bajaj Mobility Group retains substantially all risks and opportunities associated with ownership.

This does not apply to a sublease, which the Group classifies as a finance lease. This concerns the subletting by the group of a building that has been designated as a right of use in the property, plant and equipment. In the 2025 financial year, no new subleases were concluded and accounted for. In 2025, the Group generated interest income on lease receivables in the amount of EUR k 10 (previous year: EUR k 10). The lease receivables from subleases as of December 31, 2025 amount to: EUR k 767 (previous year: EUR k 767). Of this, EUR k 253 (previous year: EUR k 253) are due in less than a year and EUR k 514 (previous year: EUR k 514) in 1-5 years.

X. EXPLANATIONS OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

48. BUSINESS RELATIONSHIPS WITH RELATED PARTIES

According to the requirements of IAS 24, disclosures must be made about related party transactions.

If transactions with related parties led to changes in the scope of consolidation, the related statements were made with reference to the existence of an IAS 24-relevant transaction due to their proper allocation under item 8 "Changes in the scope of consolidation". At this point, reference should be made to the statements there. In the 2025 financial year, this related to the disposals of KTM Technologies GmbH, PIERER Innovation GmbH with DealerCenter Digital GmbH, as well as the FELT companies in the case of fully consolidated subsidiaries and, with regard to associated companies, the sale of the shares in MR IMMOREAL GmbH.

Change of ownership structure in the financial year, change of name

In 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 long-standing minority owner, the Bajaj Group, has provided extensive financing for the successful conclusion of all three proceedings.

On May 22, 2025, Bajaj Auto International Holdings B.V., Netherlands, entered into a call option agreement with Pierer Industrie AG, whose shares are held by Pierer Konzerngesellschaft mbH, which enabled Bajaj Auto International Holdings B.V. to acquire all shares held by Pierer Industrie AG in the former Pierer Bajaj AG and thus indirectly control of the former PIERER Mobility AG by the end of May 2026 at the latest.

The shares held by Pierer Industrie AG in the majority shareholder (formerly) Pierer Bajaj AG were transferred to Bajaj Auto International Holdings B.V. on November 18, 2025, after receiving all regulatory approvals. Bajaj Auto International Holdings B.V. is now the sole shareholder of the former Pierer Bajaj AG. Since then, it has also indirectly held a stake of around 74.94% of the shares of the former PIERER Mobility AG. As the majority shareholder, it exercises control over the former PIERER Mobility AG.

In the course of this change of 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. In the present consolidated financial statements and below, for reasons of clarity, the former company or group name will not be mentioned any further.

A cooperation with the Bajaj Group has been in place since 2007. The Bajaj Group is the largest motorcycle manufacturer in India with sales of around 4.7 million motorcycles and three-wheelers in the last financial year (balance sheet date March 31, 2025). The focus of the cooperation is the joint development of entry-level street motorcycles, which are produced in India and sold under the KTM and Husqvarna brands by both companies in their home markets.

However, the change of majority ownership also has consequences for the presentation of transactions with related parties in the 2025 financial year. For the 2025 financial year, the balance sheet figures based on the reporting date refer exclusively to the corresponding changes in the majority ratios, while the flow-related disclosures from the income statement also include those transactions that were carried out prior to this change. Consequently, transactions with Pierer Konzerngesellschaft mbH and subsidiaries controlled by it were considered related party transactions until November 18, 2025.

General information, explanatory information

As of December 31, 2025, 74.94% of the shares of Bajaj Mobility AG are held by Bajaj Auto International Holdings AG, whose shares are wholly owned by Bajaj Auto International Holdings B.V., a subsidiary of Bajaj Auto Ltd., India. Bajaj Auto Ltd. is the highest company of the entire group.

Transactions with related parties are grouped within the Bajaj Mobility Group according to “Related Companies”, “Associated Companies” and “Other Companies”.

Associates can be found in the statement of participations (see Chapter XII) and relate to all financial assets accounted for using the equity method.

Other companies are defined as all companies that are controlled by key management. In principle, Bajaj Mobility AG defines key management as members of the Executive Board and Supervisory Board and, if applicable, other managers in key positions who can exert a significant influence on the Group's financial and business policy decisions. In addition, family members of key management and their companies are also taken into account.

In the 2025 financial year and in the previous year, with the exception of the transactions also listed under item 8 “Changes in the scope of consolidation”, there were no material transactions with related parties (with the exception of the remuneration of the Executive Board and the Supervisory Board, see item 50). The transactions with related parties are as follows according to the grouping described:

EUR k	Shareholder related companies		Associated companies		Other companies	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Receivables	0	23,055	76	7,487	0	4,772
Liabilities	-16,758	-10,349	-13,764	-7,405	0	-5,188
Revenue	2,628	6,281	5,042	5,547	112	20,192
Expenses	-59,767	-104,645	-29,983	-84,393	-97,637	-154,858
Dividend	0	-12,514	0	0	0	-36

All related party transactions were carried out at customary market conditions. Key business relationships are explained below:

Shareholders related companies

Since the 2024 assessment, Bajaj Mobility AG has formed its own tax group in accordance with Section 9 of the Corporate Income Tax Act (KStG) within the meaning of the Austrian Corporate Income Tax Act. Since the 2024 financial year, the KTM AG Group has also been part of this steering group. As of December 31, 2025, due to the acquisition of the shares by Bajaj, there was no outstanding receivable (previous year: EUR k 13,806) against Pierer Konzerngesellschaft mbH.

In the 2025 financial year, Bajaj Auto International Holdings AG received no dividends (previous year: EUR k 12,503), and similarly, Pierer Konzerngesellschaft mbH did not receive any dividends in the 2025 financial year (previous year: EUR k 11) from Bajaj Mobility AG from the retained profit of the previous financial year.

On the expense side, the transactions with companies close to the shareholders from January to November 2025 mainly affect the Pankl Racing Group and other companies of the PIERER Group, which acted as suppliers of purchased parts for the Bajaj Mobility Group. These suppliers are companies of the Pierer Industrie AG Group. PIERER Industrie AG is a subsidiary of Pierer Konzerngesellschaft mbH, which is owned by Dipl.-Ing. Stefan Pierer. In addition, in the 2025 financial year, expenses were incurred vis-à-vis Pierer Konzerngesellschaft mbH and Pierer Industrie AG from the rebilling of services. Most of these expenses relate to group levies for IT and management services vis-à-vis Pierer Industrie AG.

Expenses of EUR k 13,623 (previous year: EUR k 23,705) were incurred with Pankl Racing Systems AG, Kapfenberg, expenses of EUR k 7,318 (previous year: EUR k 17,112) with Pankl Automotive Slovakia s.r.o., Topolcany, Slovakia, and expenses of EUR k 2,404 (previous year: EUR k 10,524) with Pankl Cooling Systems Dalian, China.

As of the balance sheet date of December 31, 2025, there were liabilities to Bajaj Auto Ltd in the amount of EUR k 16,758, but no receivables. For December 2025, Bajaj Auto Ltd. generated expenses of EUR k 12,643 (previous year, for the full financial year: EUR k 151,015) and small income of EUR k 6 (previous year: EUR k 5,681), mainly from the purchase of street motorcycles and parts. In addition, income from license fees relating to the month of December in the amount of EUR k 295 was accrued.

To settle the restructuring quotas in the KTM Group, Bajaj Auto International Holdings BV, Netherlands, has granted KTM AG a restructuring loan of EUR k 450,000 with a term of three years, i.e. until December 30, 2028.

At the same time, Bajaj Auto International Holdings AG has provided a loan of EUR k 350,000 to its subsidiary Bajaj Mobility 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.

Associates

In the financial year, KISKA GmbH, Anif, incurred expenses of EUR k 1,406 (previous year: EUR k 20,166) for development and design services as well as services in the area of brand development. The investment was classified and measured as "held for sale" at the end of the 2025 financial year. The related statements can be found under item 32 "Non-current assets held for sale and disposal groups".

KTM Asia Motorcycle Manufacturing Inc. was founded in June 2016 together with partner Ayala Corp. Since mid-2017, the company has been responsible for the CKD (Completely Knocked-Down) assembly for KTM motorcycles in the Philippines. In the 2025 financial year, the Group generated revenues of EUR k 1,109 (previous year: EUR k 2,269) and expenses of EUR k 6,692 (previous year: EUR k 7,837).

The joint venture in China with partner CF Moto was established in 2018 financial year under the name "Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd.". Since 2021, mid-range motorcycles have been produced in Hangzhou, China. In the 2025 financial year, the Group generated revenues of EUR k 360 (previous year: EUR k 3,208) and expenses of EUR k 21,236 (previous year: EUR k 56,390).

Bajaj Mobility AG holds a minority share in LX Media GmbH, Wels, which is indirectly controlled by Pierer Konzerngesellschaft mbH. LX Media GmbH provides web and IT services in the amount of EUR k 3,044 (previous year: EUR k 1,932).

Other companies

The classification of companies of the Bajaj Group as other companies was carried out under the explanations described in the introduction until November 2025. The member of the Supervisory Board of Bajaj Mobility AG, Mr. Srinivasan Ravikumar, is *Director* of Bajaj Auto International Holdings B.V. and *President of Business Development and Assurance* of Bajaj Auto Ltd. By November 2025, Bajaj Auto Ltd. had incurred expenses of EUR k 96,140 (previous year, for the full financial year: EUR k 151,015) and income of EUR k 106 (previous year: EUR k 5,681) from the purchase of street motorcycles and parts in the 2025 financial year.

With a transfer agreement dated on September 17, 2013, KTM AG has acquired the license right for the use of the "Husqvarna" brand from PIERER Industrie AG for EUR k 10,000. The license right is depreciated as planned over the remaining useful life of 2 years and regularly checked for its intrinsic value. The value of the license right was plausibly verified by a valuation at the time and the acquisition was approved by the Supervisory Board of KTM AG.

Customary deliveries of motorcycles and spare parts were made to dealers. Proceeds or receivables from other companies mainly relate to transactions with these merchants. The minority shares in the dealers were held by Pierer Industrie AG until November 2025.

49. GOVERNING BODIES OF BAJAJ MOBILITY AG

The following persons were appointed as members of the **Executive Board** with collective representation authority in the 2025 financial year. The dates refer to the entry dates in the Austrian commercial register:

Name	from / since	to
Mag. Gottfried Neumeister	Sep 01, 2024	
Mag. Petra Preining	Sep 16, 2025	
Dipl.-Ing. Stefan Pierer	May 05, 2020	Oct 03, 2025
Mag. Verena Schneglberger-Grossmann	Jun 01, 2025	Dec 31, 2025

The following ladies and gentlemen were appointed as members of the **Supervisory Board**:

Name	Function	from / since	to
Srinivasan Ravikumar	Chairman	Jan 13, 2026	
Dinesh Thapar	Deputy Chairman	Jan 13, 2026	
Pradeep Shrivastava	Member	Jan 13, 2026	
Dr. Wulf Gordian Hauser	Member	Jan 13, 2026	
Josef Blazicek	Chairman	Oct 19, 2021	Feb 07, 2025
Stephan Zöchling	Chairman	Feb 07, 2025	Jul 31, 2025
Mag. Ewald Oberhammer	Chairman	Jul 31, 2025	Jan 13, 2026
Rajiv Bajaj	Deputy Chairman	Oct 19, 2021	Jul 31, 2025
Mag. Friedrich Roithner	Member	Jan 24, 2025	Jul 31, 2025
Mag. Michaela Friepeß	Member	May 05, 2020	Jan 13, 2026
Dr. Ernst Chalupsky	Member	Oct 19, 2021	Jan 13, 2026
Dipl.- Ing. Dr. Iris Filzwieser	Member	Oct 19, 2021	Jan 13, 2026

50. EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

Remuneration for the Executive Board of the Bajaj Mobility AG Group includes salaries, benefits in kind, bonuses, severance payments and contributions to the company pension fund, and amounted to EUR k 1,965 in the 2025 financial year (previous year: EUR k 2,607). Furthermore, there were no additional payments to members of the Executive Board from previous periods. There is no agreement on a company pension scheme for members of the Executive Board. No pension fund payments were made to the Executive Board in the 2025 financial year.

For the 2025 financial year (payment in the 2026 financial year), a total remuneration of EUR k 59 (previous year: EUR k 20) is proposed to the Supervisory Board of Bajaj Mobility AG.

As of the balance sheet date, there were no loans or advances to the members of the Supervisory Board of Bajaj Mobility AG.

XI. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 13, 2026, the Bajaj Mobility Group took further steps as part of its restructuring and announced measures. These include, in particular, a reduction in the workforce of around 500 employees, which mainly affects the white-collar sector and middle management. However, at the time of writing, it was not yet known to what extent and to what level these announced measures would have a concrete impact on the Group itself.

By contract dated January 14, 2026, the share in KISKA GmbH held for sale was sold to the previous majority shareholder, Loxone GmbH, at a balance sheet value of EUR k 1,300. The Bajaj Mobility Group did not receive any gains from the sale as a result. The agreement provides for payment of the purchase price in several annual tranches, starting on July 1, 2026. The last payment is to be made on July 1, 2029.

On February 26, 2026, the Group announced that KTM AG's financial liabilities had been successfully refinanced. KTM AG concluded a new loan agreement for a volume of EUR k 550,000 with an international banking consortium consisting of J.P. Morgan SE, HSBC, DBS Bank Limited and MUFG Bank Ltd. The loan is unsecured, has a term of five years and has total financing costs in the low to mid single-digit percentage range. The aim of this new loan is to repay the restructuring loan of EUR k 450,000 granted by Bajaj Auto International Holdings B.V. for the successful completion of the restructuring proceedings, thereby reducing the Group's interest burden.

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 due to 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, will evaluate 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 beyond this 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.

XII. GROUP COMPANIES

The statement of shareholdings contains all companies that have been included in the consolidated financial statements in addition to the parent companies and is presented in the Annex to the Notes to the Consolidated Financial Statements.

XIII. DECLARATION OF THE LEGAL REPRESENTATIVES (RELEASE)

The consolidated financial statements were approved by the Executive Board on March 03, 2026 (previous year: May 27, 2025) for review by the Supervisory Board, for submission to the Annual General Meeting and for subsequent publication. The Supervisory Board may initiate an amendment to the consolidated financial statements as part of its audit.

Mattighofen, March 03, 2026

The Executive Board of Bajaj Mobility AG



Mag. Gottfried Neumeister
CEO



Mag. Petra Preining
CFO

Annex to the Notes to the Consolidated Financial Statements: Statement of Shareholdings

STATEMENT ON SHAREHOLDINGS

ANNEX TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF BAJAJ MOBILITY AG, MATTIGHOFEN, AS OF DECEMBER 31, 2025

	Date of initial consolidation	12/31/2025		12/31/2024	
		Percentage %	Type of consolidation	Percentage %	Type of consolidation
Affiliated 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	FC	100.00	FC
KTM-Motorsports Inc., Murrieta, CA, USA	5/31/2005	100.00	FC	100.00	FC
KTM Japan K.K., Tokyo, Japan	5/31/2005	100.00	FC	100.00	FC
KTM Sportcar GmbH, Mattighofen	5/31/2005	-	-	100.00	FC
KTM Motorcycles S.A. Pty. Ltd., Midrand, South Africa	3/1/2009	100.00	FC	100.00	FC
KTM Sportmotorcycle Mexico C.V. de S.A., Lerma, Mexico	6/1/2009	100.00	FC	100.00	FC
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	FC	100.00	FC
Husqvarna Mobility GmbH, Mattighofen	1/1/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle Deutschland GmbH, Ursensollen, Germany	12/31/2013	100.00	FC	100.00	FC
KTM Switzerland Ltd., Frauenfeld, Switzerland	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle UK Ltd., Northamptonshire, United Kingdom	12/31/2013	100.00	FC	100.00	FC
KTM-Sportmotorcycle Espana S.L., Terrassa, Spain	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle France SAS, Saint-Priest, France	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle Italia S.r.l., Meran, Italy	12/31/2013	100.00	FC	100.00	FC
KTM-Sportmotorcycle Nederland B.V., Milsbeek, Netherlands	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle Scandinavia AB, Örebro, Sweden	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle Benelux S.A., Gembloux, Belgium	12/31/2013	100.00	FC	100.00	FC
KTM Canada Inc., Chambly, Canada	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle Hungária Kft., Budapest, Hungary	12/31/2013	100.00	FC	100.00	FC
KTM Central East Europe s.r.o., Bratislava, Slovakia	12/31/2013	100.00	FC	100.00	FC
KTM Österreich GmbH, Mattighofen	12/31/2013	100.00	FC	100.00	FC
KTM Nordic Oy, Helsinki, Finland	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle d.o.o., Marburg, Slovenia	12/31/2013	100.00	FC	100.00	FC
KTM Czech Republic s.r.o., Pilsen, Czech Republic	12/31/2013	100.00	FC	100.00	FC
KTM Sportmotorcycle SEA PTE. Ltd., Singapore, Singapore	1/1/2014	100.00	FC	100.00	FC
Husqvarna Mobility North America, Inc., Murrieta, CA, USA	12/1/2013	100.00	FC	100.00	FC

	Date of initial consolidation	12/31/2025		12/31/2024	
		Percentage %	Type of consolidation	Percentage %	Type of consolidation
Affiliated companies (continued):					
Husqvarna Motorsports, Inc., Murrieta, CA, USA	4/1/2015	100.00	FC	100.00	FC
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	FC	100.00	FC
KTM do Brasil Ltda., Sao Paulo, Brasilia	12/31/2017	100.00	FC	100.00	FC
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	FC	100.00	FC
KTM Australia Pty Ltd., Prestons, Australia	7/1/2019	100.00	FC	100.00	FC
HQVA Pty Ltd., Prestons, Australia	7/1/2019	100.00	FC	100.00	FC
KTM Motorcycles Distributors NZ Limited, Wellington Central, New Zealand	7/1/2019	100.00	FC	100.00	FC
GASGAS GmbH, Mattighofen	10/31/2019	100.00	FC	100.00	FC
GASGAS Motorcycles Espana S.L.U., Terrassa, Spain	1/1/2020	100.00	FC	100.00	FC
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	FC	100.00	FC
KTM (SHANGHAI) MOTO CO., LTD., Shanghai, China	7/15/2022	100.00	FC	100.00	FC
MV Agusta Motor S.P.A., Varese, Italy	3/1/2024	-	-	50.10	FC
Centro Stile MV Agusta S.r.l., Borgo Maggiore, San Marino	3/1/2024	-	-	100.00	FC
MV Agusta USA LLC, Pennsylvania, USA	3/1/2024	-	-	100.00	FC
MV Agusta Motorcycles GmbH, Mattighofen	9/21/2022	-	-	74.90	FC
MV Agusta Motorcycles North America, Inc., Murrieta, CA, USA	9/30/2022	-	-	100.00	FC
MV Agusta Services S.r.l. Meran, Italy	10/24/2022	-	-	100.00	FC
PIERER Produktion GmbH, Munderfing	11/26/2022	100.00	FC	100.00	FC
KTM Informatics GmbH, Mattighofen	7/13/2023	100.00	FC	100.00	FC
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	FC	50.01	FC
KTM Racing GmbH, Munderfing	2/29/2020	100.00	FC	100.00	FC
KTM Offroad Racing AG, Frauenfeld, Switzerland	2/25/2005	100.00	FC	-	FC
KTM MotoGP Racing AG (vormals: KTM-Racing AG), Frauenfeld, Switzerland	5/31/2005	100.00	FC	100.00	FC
KTM Racing North America Inc., Murrieta, CA, USA	6/16/2023	100.00	FC	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	FC	100.00	FC
PIERER New Mobility North America, Inc., Murrieta, CA, USA	10/1/2020	100.00	FC	100.00	FC

	Date of initial consolidation	12/31/2025		12/31/2024	
		Percentage %	Type of consolidation	Percentage %	Type of consolidation
Affiliated companies (continued):					
PIERER New Mobility UK Ltd., Northamptonshire, United Kingdom	12/31/2013	-	-	100.00	FC
PIERER New Mobility Asia Ltd., Taichung City, Taiwan	5/25/2022	-	-	100.00	FC
PIERER NEW MOBILITY AUSTRALIA PTY LTD, Prestons, Australia	10/13/2022	100.00	FC	100.00	FC
PIERER NEW MOBILITY BULGARIA OOD, Plowdiv, Bulgaria	3/30/2023	100.00	FC	100.00	FC
PIERER & MAXCOM MOBILITY OOD, Plowdiv, Bulgaria	1/1/2022	100.00	FC	50.00	FC
PIERER New Mobility S.A. Pty. Ltd., Midrand, South Africa	4/1/2015	100.00	FC	100.00	FC
Felt Bicycles GmbH, Munderfing	7/1/2024	100.00	FC	70.00	FC
Felt Bicycles North America Inc., Murrieta, CA, USA	7/1/2024	-	-	100.00	FC
Felt Bicycles Espana S.L.U., Barcelona, Spain	9/1/2024	-	-	100.00	FC
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	FC	100.00	FC
KTM Technologies GmbH, Anif	10/1/2008	-	-	100.00	FC
PIERER Innovation GmbH, Wels	3/31/2018	-	-	100.00	FC
DealerCenter Digital GmbH, Landshut, Germany	7/31/2021	-	-	75.46	FC
Avocodo GmbH, Linz	4/30/2019	100.00	FC	100.00	FC
Platin 1483. GmbH, Schweinfurt, Germany	12/31/2019	100.00	FC	100.00	FC
Associated companies:					
Kiska GmbH, Anif	-	20.00	AE	50.00	AE
PIERER Immoreal GmbH, Wels	-	-	-	49.00	AE
Zhejiang CFMOTO-KTMR2R Motorcycles Co., Ltd., Hangzhou City, Zhejiang, China	-	49.00	AE	49.00	AE
KTM Asia Motorcycle Manufacturing Inc., Binan, Laguna, Philippines	-	40.00	AE	40.00	AE
LX Media GmbH, Wels	-	20.00	AE	20.00	AE

FC: Full consolidation
 AE: Inclusion at Equity

AUDITOR'S REPORT



AUDITOR'S REPORT

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the accompanying consolidated financial statements of

**Bajaj Mobility AG,
Mattighofen,**

and of its subsidiaries (the Group) comprising the consolidated balance sheet as of 31. December 2025, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended, and the notes to the consolidated financial statements.

Based on our audit the consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as applied in the EU and the additional requirements of Section 245a of the Austrian Commercial Code (UGB).

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by 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 of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalization of Development Costs

We refer to the disclosures provided by management in the notes to the consolidated financial statements under item 23.

Risk to the Financial Statements

In the consolidated financial statements of Bajaj Mobility AG, capitalised development costs amounting to MEUR 328 are reported under the balance sheet item „Intangible assets“ and therefore represent a significant portion of the Group's total assets. In accordance with IAS 38, research costs are recognized as an expense, whereas development costs for future

standard products are capitalized, provided that the capitalization criteria pursuant to IAS 38.57 et seq. are met.

Key requirements for the recognition of development costs as assets include the feasibility of the development projects (including the possibility of technical implementation, the intention to complete them, and the ability to utilize them) and the expected generation of future economic benefits. The assessment of the feasibility of the projects is of significant importance to the accounting treatment, particularly due to the completed restructuring proceedings of the subsidiary KTM AG, and involves a higher degree of judgement. Demonstrating compliance with the recognition criteria requires management judgement and estimates. Therefore, we have identified the capitalization of development costs as a key audit matter.

Our Audit Approach

We assessed the capitalization of development costs as follows:

- Obtaining an understanding of management's process for distinguishing between research and development costs and for evaluating the recognition criteria for development costs in accordance with IAS 38.57 et seq.
- Evaluating the design, implementation, and operating effectiveness of management's process-related controls over the capitalization of development costs, including reviewing the documentation relating to management's assessment of project feasibility.
- Assessing, on a sample basis, whether appropriate distinction has been made between research and development costs that were capitalized as intangible assets.
- Assessing the appropriateness of the capitalized expenditures on a sample basis by comparing material costs, overhead costs, and the engineering hours incurred with external invoices and internal timesheets and payroll records.

Valuation of the cash-generating unit „KTM”

We refer to the disclosures provided by management in the notes to the consolidated financial statements under items 22 and 23.

Risk to the Financial Statements

In the consolidated financial statements of Bajaj Mobility AG as of 31 December 2025, assets for the "KTM" cash-generating unit are reported at MEUR 1,566 before consolidation. Of this amount, MEUR 61 is attributable to the KTM brand and MEUR 10 to the GASGAS brand. Bajaj Mobility AG therefore conducts an impairment test on the "KTM" cash-generating unit at least once a year and whenever there is a triggering event that the unit may be impaired.

For this purpose, Bajaj Mobility AG determines the recoverable amount of the "KTM" cash-generating unit by means of a discounted cash flow (DCF) method. The recoverable amount subsequently determined from the impairment test indicated sufficient headroom over the carrying amounts.

The valuation of the recoverable amount for cash-generating units requires assumptions and estimates, such as the projection of future net cash inflows and the determination of the appropriate discount rate to be applied.

Consequently, there is a risk for the consolidated financial statements that the use of inappropriate estimates could have a material impact on the recoverable amount of the "KTM" cash-generating unit and, as a result, on the carrying amount of assets in the

consolidated statement of financial position and the operating result in the consolidated income statement.

Our Audit Approach

We assessed the recoverability of the cash-generating unit „KTM“ with the involvement of our valuation specialist as follows:

- To assess the appropriateness of the underlying internal planning, we obtained an understanding of the planning process, discussed the assumptions regarding growth rates and operating results with the responsible key managers within the company, and compared the planning data used in the valuation with the current budget figures approved by the Management Board.
- We evaluated the methodology of the impairment test performed to assess its compliance with the relevant accounting standards. We benchmarked the assumptions used to determine the cost of capital rates against market and industry-specific data and tested the mathematical accuracy of the valuation model.
- Furthermore, we assessed the adequacy and appropriateness of the related disclosures regarding the brand in the consolidated financial statements.

Calculation and disclosure of the Restructuring gain

We refer to the disclosures provided by management in the notes to the consolidated financial statements under item 2.

Risk to the Financial Statements

In the previous financial year 2024, after examining alternatives, the Management Board of the significant group subsidiary, KTM AG, filed an application to open insolvency restructuring proceedings with self-administration over the assets of KTM AG and two other subsidiaries. As a consequence of the insolvency restructuring proceedings at the KTM Group, restructuring proceedings without self-administration were opened in the 2025 financial year for two further subsidiaries of BAJAJ Mobility AG. The insolvency proceedings were fully concluded in financial year 2025 following the timely deposit of the respective cash quotas and the final court confirmation of the restructuring plan.

Following the full legal conclusion of the restructuring proceedings, the insolvency administrator for the five companies began the disbursement of the filed and admitted claims to the creditors. These filed and admitted claims had already been paid out to the creditors by the balance sheet date of 31 December 2025. In the 2025 financial year, the Bajaj Mobility Group recognised a total gain from restructuring amounting to MEUR 1,193.

The calculation of the restructuring gain requires a careful determination of the carrying amount of the derecognised liabilities. Furthermore, the assessment of the insolvency law requirements for recognizing the restructuring gain is subject to inherent uncertainty arising from the complexity of the legal framework. There is consequently a risk for the consolidated financial statements that, due to the materiality of this matter, the Group's net assets, financial position, and results of operations may not be fairly presented. We have therefore determined the calculation and presentation of the gain from restructuring to be a key audit matter.

Our Audit Approach

We assessed the calculation and disclosure of the restructuring gain as follows:

We obtained an understanding of the process established as part of the insolvency proceedings for the evaluation and admission of creditor claims, as well as for their subsequent payment and derecognition from the financial statements.

In a further step, we evaluated the accounting principles relevant to the recognition of liabilities in connection with the accounting consequences of the conditional debt waiver under insolvency law and concluded that the restructuring gain should be recognized in the financial year.

Furthermore, we verified the recognized restructuring gain by reconciling the recorded amount with the payment records of the insolvency administrator.

In addition, we evaluated the adequacy and appropriateness of the related disclosures on the gain from restructuring in the consolidated financial statements.

Other Matters – Prior Year Consolidated Financial Statements

The consolidated financial statements for the financial year ended 31 December 2024, were audited by another auditor who issued an unmodified audit opinion on these consolidated financial statements on 27 May 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and our auditor's report thereon. We received the annual report (excluding the Supervisory Board's report) until the date of this audit opinion; the Supervisory Board's report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU and the additional requirements of Section 245a of the Austrian Commercial Code (UGB), for them to present a true and fair view of the assets, the financial position and the financial performance of the Group 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.

In preparing the consolidated financial statements, management is 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 for the Audit of the Consolidated Financial Statements

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 opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU regulation and Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 EU regulation and Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our 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.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

- We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.
- We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements comprising the details in accordance with section 243a UGB (Austrian Company Code), and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Additional information in accordance with article 10 of the EU regulation

We were elected as auditor by the annual general meeting on 19 November 2025. We were appointed by the Supervisory Board on 19 November 2025. We are auditors without cease since the financial year ended 31 December, 2025.

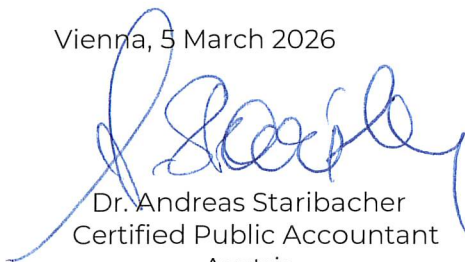
We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Andreas Staribacher, Certified Public Accountant.

Vienna, 5 March 2026



Dr. Andreas Staribacher
Certified Public Accountant
Austria



Stefan Weinzettl, MMSc
Certified Public Accountant
Austria

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the group financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 par. 2 UGB (Austrian Company Code) applies to alternated versions.

DECLARATION OF THE LEGAL REPRESENTATIVES

FOR THE FINANCIAL YEAR 2025 OF BAJAJ MOBILITY AG, MATTIGHOFEN

We confirm to the best of our knowledge that the consolidated financial statements, prepared in accordance with the applicable accounting standards, give as true a view as possible of the net assets, financial position and results of operations of the Group, that the Group management report presents the course of business, the results of operations and the position of the Group in such a way as to give as true a picture as possible of the net assets, financial position and results of operations of the Group, and that the Group management report reflects the material risks and uncertainties to which the company is exposed.

We certify to the best of our knowledge that the financial statements of the parent company, prepared in accordance with applicable accounting standards, give as true a view as possible of the net assets, financial position and results of operations of the company, that the management report presents the course of business, results of operations and the position of the company in such a way as to give as true a picture as possible of the net assets, financial position and results of operations, and that the management report presents the material risks and uncertainties to which the company is exposed.

Mattighofen, March 03, 2026

The Executive Board of Bajaj Mobility AG



Mag. Gottfried Neumeister
CEO



Mag. Petra Preining
CFO