

# MANAGEMENT REPORT OF STEYR MOTORS AG

## for the IFRS single-entity financial statements as of December 31, 2025

### Basis of the Company

#### Business model and organization

Steyr Motors AG (“Steyr Motors,” “the Company”) engineers and assembles high-performance diesel engines with maximum power density and durability for heavy-duty vehicles and boats, as well as generator sets. In addition, it offers motor-optimized software solutions featuring digital networking.

Steyr Motors AG’s unique selling point is its ability to engineer customized solutions for the use of diesel engines in special situations and to subsequently assemble them in small series. Thanks to a power density of up to 70 kW per liter of displacement, which the competition is barely able to match, Steyr engines deliver substantially higher power than comparable units despite their lower weight and more compact dimensions.

This high power density is made possible by the unique, patented motor block design, which delivers twice the power density for high-performance applications. A power density of 35 kW per liter of displacement is the market standard.

All developments based on bespoke requirements incorporate competitive differentiators such as low weight, high-performance, multi-fuel capability, robustness, as well as the high altitude and cold-start capabilities required by the market.

An additional advantage offered by Steyr engines for the customers of Steyr Motors AG, who mainly operate in the defense sector, is the ability to use alternative fuels thanks to an oil-lubricated injection system without sacrificing performance and without increased wear, even with fuels that have lower lubrication properties.

All Steyr Motors engines are engineered and assembled at the Steyr site, while the Company’s markets are spread across the globe. In Steyr Motors’ defense business, the strategic focus for further business development is particularly on NATO states, which have substantially stepped up their defense spending

in the main areas in which Steyr engines are deployed – tanks and armored vehicles. In the predominantly civilian marine business, opening up new markets in which the Company has previously had little or no presence remains a priority.

#### Economic Environment

According to the ifo Institute in Germany (source: “ifo Economic Forecast Winter 2025”, published on December 11, 2025), the **global economy** is expected to grow by about 2.5% in both 2026 and 2027. The industrial sector should therefore benefit from rising global demand and continue recovering.

The autumn report (source: “European Commission – Autumn 2025 Economic Forecast”, published on November 17, 2025) states that the **Eurozone** economy proved to be substantially more resilient in the first three quarters of 2025 than expected. Real GDP growth exceeded the spring forecasts, driven by a sharp increase in exports ahead of the anticipated hikes in import tariffs as well as unexpectedly high capital spending, particularly on equipment and intangible assets. The sustained expansion in the third quarter underscores the resilience of the European economy to external shocks. Growth in the Eurozone is estimated to reach 1.2% in 2026, accelerating to 1.4% in 2027. The economy looks set to benefit from a robust labor market, declining inflation and favorable borrowing costs. For Germany, growth of 1.2% is expected in 2026 and 2027. Spain should remain above the average with growth of 2.3% (2026) and 2.0% (2027), while below-average growth rates are anticipated for other major economies such as France and Italy.

After a prolonged period of stagnation, the **Austrian economy** (source: “WIFO Economic Forecast 4/2025”) displayed preliminary signs of recovery in 2025, with gross domestic product (GDP) expected to have grown by about 0.5%. This positive trend should continue in 2026 and 2027, with GDP growth of over 1% anticipated in both years. At 3.5%, inflation will remain elevated in 2025 but is expected to drop to around 2.5% in the following years. The

unemployment rate should fall to around 7% by 2027, supported by rising additions to the workforce and demographic changes. The export and industrial sector is expected to rebound slightly, but remains vulnerable to external risks, while consumer spending shows little momentum due to subdued income growth. Public-sector budgets remain under consolidation pressure, and this should cause the total public-sector deficit to shrink from 4.6% of GDP in 2025 to 4% in 2027. Overall, WIFO expects Austria to experience a moderate but sustained economic recovery over the next few years.

**Asia** remains the growth engine driving the global economy (source: “European Commission – Autumn 2025 Economic Forecast”, published on November 17, 2025). Economic growth of 4.9% is projected for this region in both 2026 and 2027. India is expected to remain the fastest-growing country with growth of 6.5% in 2026 and 6.4% in 2027. Growth looks set to slow in China; even so, economic output should widen by 4.6% in 2026 and by 4.4% in 2027. The emerging markets are expected to benefit from robust domestic demand but face challenges from global trade conflicts as well as structural adjustments.

The **US economy** (source: “European Commission – Autumn 2025 Economic Forecast”, published on November 17, 2025) is losing momentum after a solid year in 2025. Growth of 1.9% is forecast for 2026, rising to 2.1% in 2027. The economy is being buoyed by fiscal stimulus, interest rate cuts and investments in artificial intelligence. The impact of the high import tariffs is expected to diminish from 2027 onwards.

#### Report on the Company’s Business Performance and Position, including its Net Assets, Financial Position and Results of Operations

##### Business Performance

Steyr Motors AG achieved growth in both the Civil and Defense segments in the 2025 financial year, meeting the revenue and earnings targets that had been adjusted in the fourth quarter. Steyr Motors AG’s Civil segment comprises all revenues from marine distrib-

utors as well as revenues from civilian automotive OEMs (mainly in the locomotive sector). The Defense segment includes all revenues from vehicle and marine OEMs in the military sector. In addition, the Company’s presence at trade fairs was stepped up and customer acquisition actively pursued in order to additionally expand its market position and open up new business opportunities.

In the 2025 financial year, the price increases led to increases in revenues and margins and affected all revenue-relevant components. This adjustment was necessary to cover the increased costs in the supply chain and to protect earnings quality in the interests of continued business growth.

One key focus was on gaining new customers in the marine market, particularly in Asia. In this context, the Company has signed a new five-year framework agreement with Trysun, securing binding orders for at least 750 additional engines for the Asian market until 2030. The engines are initially produced directly at the site in Steyr, Austria, and then exported to China, meaning that the contract provides directly plannable revenues as well as high forward visibility over several years. Additionally, new customers were gained in India and South Korea. These measures make it possible to monetize the total product life cycle more effectively and establish long-term customer relationships.

Building on these marketing successes, a joint venture was established and is already operating, forming the basis for a multi-stage localization strategy in China as well as the neighboring Asian markets. The main purpose of the joint venture is to establish local production and to harness additional market potential beyond the minimum volume already secured. This joint venture does not involve any capital spending on the part of Steyr Motors and thus generates direct growth without placing any burden on investment planning.

In addition to South-East Asia, the MENA (Middle East and North Africa) region has been defined as a priority for future business growth. In the year under review, the existing key account team was strengthened in this regard, and new partners (distributors and sales

representatives) were signed up to reinforce the marketing network. Steyr Motors opened an office in Dubai to strategically expand its presence in the Middle East. Operations began in 2025, with the legal incorporation of the local entity expected to be completed by the end of the first quarter of 2026. This creates the basis for sustainable growth in what is a strategically important market for the Company.

Further sales successes were also achieved in the United States. The exclusive delivery of engines for US Navy SEAL boats, which has been ongoing for years, was also stepped up in the 2025 financial year and supplemented with further engine deliveries.

On the engineering side, the activities initiated in 2024 to standardize the Steyr Motors product portfolio were continued, with further progress achieved. The customer-oriented development of the APU has resulted in intensified discussions with several OEMs concerning bespoke solutions. In addition, several vehicle acceptance tests and high altitude tests were successfully completed in conjunction with customers. These once again confirm the reliability of Steyr Motors engines under challenging conditions.

In the Maintenance, Repair & Overhaul (MRO) segment, the expansion of activities at the training center, which was opened in 2024, is particularly noteworthy. From the second half of 2025, it was possible to complete overhauls of engines and diesel units on an expanded scale. As well as this, follow-up orders for 2026 have already been gained and incorporated in the planning system.

In tandem with its regional expansion, Steyr Motors has additionally stepped up its search for strategic partners. The M&A activities that have been initiated are currently in the due diligence phase, with a focus on a clear strategic alignment with Steyr Motors. In addition to Asia, the search for partners also focused on finding potential partners in North America and Europe in order to additionally strengthen market access, vertical technological integration and industrial scaling. The aim is to identify at least one strategic partner and to complete by mid-2026 a transaction that will make a sustainable contribution to Steyr Motors' global growth strategy.

**Earnings Position of the Company including Financial Performance Indicators**

Volume sales of engines came to 923 units in 2025 (previous year: 729 units). At the same time, growth was achieved in spare parts and engineering business.

As a result, revenues increased by EUR 6,823 thousand (up 16.4% year-on-year) to EUR 48,480 thousand in the 2025 financial year, up from EUR 41,657 thousand in the previous year. This trend strengthens the Company's market position. The following table shows the revenues in 2025, broken down into the Civil and Defense segments:

Revenues Civil & Defense Steyr Motors AG			
in EUR thousands			
2025	19,635	28,846	48,480 (+16.4%)
2024	16,061	25,596	41,657
	● Civil	● Defense	

The cost of materials, including changes in inventories, amounted to EUR 25,705 thousand in 2025 (previous year: EUR 21,983 thousand), which was slightly below the previous year's figure relative to revenues. The volume-induced additional consumption of raw materials, supplies and consumables due to the increased output was largely offset by measures to enhance efficiency as well as the optimized use of resources.

In the 2025 financial year, price adjustments were implemented on the customer side, and this helped to stabilize gross profit despite the persistently challenging market environment. The gross margin came to 47.7% in the year under review (previous year: 48.7%), as it was not possible to pass on the increased costs in full. The price adjustments made a significant contribution to securing the Company's profitability at the operating level. A detailed presentation of the gross profit can be found in the segment report in the notes to the IFRS financial statements.

Personnel expenses increased from EUR 9,557 thousand in the previous year to EUR 12,752 thousand in the 2025 financial year. This primarily reflected targeted recruiting in all areas of expertise to meet the heightened market and performance requirements. At the end of the year, Steyr Motors had 128 full-time equivalent employees (previous year: 110), particularly in engineering, while additional capacities were created to ensure that both internal development projects and customer projects could be completed on time. Production capacity was expanded to cover the increased production output. In addition, the sales team was reinforced to boost market presence, to accelerate efforts to gain new customers and to drive forward international expansion.

Other expenses fell from EUR 5,498 thousand in the 2024 financial year to EUR 5,317 thousand in the 2025 financial year. They mainly comprise legal and consulting costs of EUR 1,574 thousand, which were incurred primarily in connection with M&A activities. In the previous year, this figure had included consulting services of EUR 1,967 thousand provided by Mutares SE & Co. KGaA in connection with the restructuring of the Company. As these expenses no longer arose in the 2025 financial year, this helped to reduce other operating expenses.

Other operating expenses also include contributions, fees and incidental financial expenses, in particular factoring fees and capital market-related costs. IT and administrative expenses were attributable in particular to additional recruiting and investments in software solutions to support operational and administrative processes. Repairs and maintenance remained unchanged over the previous year.

Advertising and travel expenses rose as a result of the broadened market presence, particularly due to travel to customers and participation in events and trade fairs. Office space expenses climbed mainly due to higher electricity costs, primarily as a result of the increased grid costs in 2025. This item also includes fleet expenses and other operating expenses.

Revenues, EBIT and adjusted EBIT are the financial performance indicators used by the Company's Management Board.

EBIT of EUR 5,775 thousand was generated in the 2025 financial year as a result of the measures implemented in the year under review concentrating on opening up new markets, the further development of the product portfolio as well as the search for strategic partners. This translates into an EBIT margin of 11.9% on revenues of EUR 48,480 thousand. Adjusted EBIT amounted to EUR 7,040 thousand in the 2025 financial year (adjusted EBIT margin 14.5%). The table below reconciles EBIT with adjusted EBIT:

<b>EBIT reconciliation</b>		
in EUR thousands	2025	2024
<b>EBIT</b>	<b>5,775</b>	<b>6,474</b>
Restructuring expenses and exceptional items	956	1,674
Fees paid to Mutares	0	1,967
Extraordinary capital market costs	112	0
Stock options for employees	198	0
<b>EBIT adjusted</b>	<b>7,040</b>	<b>10,115</b>

### Net Assets and Financial Position

Non-current assets of EUR 12,714 thousand (previous year: EUR 10,340 thousand) include right-of-use assets in accordance with IFRS 16 of EUR 4,140 thousand (previous year: EUR 4,490 thousand), intangible assets of EUR 6,196 thousand (previous year: EUR 3,997 thousand) and property, plant and equipment of EUR 2,378 thousand (previous year: EUR 1,853 thousand). Capital expenditure in the 2025 financial year primarily entailed software investments (including investments in software for a next-generation engine control unit, improved engine test bench software and a new digital tool for incoming invoices) and new tools to optimize product costs and eliminate obsolescence. The increase in intangible assets is mainly due to capitalized development costs in accordance with IAS 38.

Within current assets, working capital increased in the 2025 financial year. Inventories rose from EUR 12,457 thousand in the previous year to EUR 17,106 thousand. This mainly reflects the stockpiling of raw materials, supplies and consumables. In 2025, inventories were particularly accumulated to secure basic marine engine production and supplies of critical spare parts in order to ensure prompt availability in line with customer requirements. The purpose of this precaution was to improve delivery capabilities in this strategically significant segment on a sustained basis and to meet customer requirements with short lead times. Furthermore, the accumulation of inventories helps to smooth out fluctuations in production capacity utilization and stabilizes output. The stockpiling completed in the 2025 financial year forms the basis for business in 2026 and is not intended to be permanent in nature. Further stockpiling is only planned to the extent necessary to fulfill existing customer orders efficiently and to meet expected demand in marine business.

Inventories of finished and semi-finished products were valued at EUR 2,438 thousand and were thus largely unchanged over the previous year (previous year: EUR 2,400 thousand). They reflect continued demand-driven production and inventory management.

The sharp revenue growth in the fourth quarter of the 2025 financial year caused trade receivables to widen to EUR 7,393 thousand as of the reporting date (previous year: EUR 2,096 thousand). The main reason for this was that not all customers complied with the agreed factoring terms in the strong fourth quarter, or individual business partners exceeded the defined limits. As a result, trade receivables were up on the previous year. Moving forward, the existing conditions are to be adjusted in light of this situation to ensure the best possible use of factoring and liquidity instruments in the 2026 financial year.

Thanks to the consistent optimization of payment terms as well as the acquisition of new customers included in factoring operations, the liquidity situation remained stable throughout 2025 as a whole. In addition, the allocation of free funds was optimized to ensure more efficient capital employment, thereby enhancing the Company's financial stability and flexibility.

The Company's cash and cash equivalents amounted to EUR 7,307 thousand as of December 31, 2025, down on the previous year's figure of EUR 8,164 thousand as of December 31, 2024.

In the 2025 financial year, a dividend of EUR 2,860 thousand was distributed. With equity standing at EUR 23,558 thousand as of December 31, 2025, the Company has an equity ratio of 52.2% (previous year: 62.6%) and thus a solid basis for financing its forecast growth.

The liabilities of EUR 21,566 thousand (previous year: EUR 13,372 thousand) include lease liabilities of EUR 4,450 thousand (previous year: EUR 4,699 thousand), trade payables of EUR 2,985 thousand (previous year: EUR 3,378 thousand) and provisions of EUR 3,533 thousand (previous year: EUR 3,803 thousand). Deferred tax liabilities rose to EUR 1,091 thousand (previous year: EUR 159 thousand). This is primarily attributable to temporary differences related to the increase in intangible assets as well as the utilization of unused tax losses.

Deferred income fell to EUR 32 thousand (previous year: EUR 596 thousand), with this decline primarily attributable to the repayment of a development advance. Moreover, current tax liabilities increased to EUR 410 thousand in 2025 (previous year: EUR 206 thousand).

In the 2025 financial year, a reverse factoring program was used for the first time, under which supplier liabilities are settled by a service provider in accordance with the original payment terms agreed upon with the suppliers. Steyr Motors uses this instrument to extend the payment periods for supplier liabilities and to optimize liquidity management. In 2025, this resulted in the recognition of other financial liabilities of EUR 8,330 thousand (previous year: EUR 0 thousand).

Reverse factoring and the continuous improvement of payment terms led to a shorter average payment period (DPO) compared with the previous year. Payments to the bank are included in the cash flow from operating activities, as they continue to form part of the Company's normal operating cycle and remain primarily operational in nature.

The Company's individual cash flows in the 2025 financial year break down as follows:

<b>Cash flows</b>		
in EUR thousands	2025	2024
Cash flow from operating activities	4,564	2,027
Cash flow from investing activities	-1,778	-1,049
Cash flow from financing activities	-3,547	1,467

## Report on the Risks and Expected Development of the Company

### Significant risks and uncertainties

#### Customer risk

**The Company is exposed to risks in connection with the financial performance of individual customers.** Despite the existing factoring agreement, there is a credit risk in the case of receivables that exceed the credit limits granted by the factor. Steyr Motors bears the credit risk for these sales if customers fail to meet their payment obligations or if receivables are rejected by the factor.

There is also a risk that framework agreements contracts are not fulfilled, particularly if customers fail to call off the quantities promised or expected. Similarly, the use of non-binding forecasts by customers may result in shortfalls in planned production volumes or capacity utilization targets, potentially causing financial disadvantages.

#### Supplier risks

**Availability problems:** In complex supply chains in particular, it may be difficult to source critical parts or raw materials on time and in the required quantities. This may be caused by bottlenecks or delays on the part of suppliers.

**Dependence on single-source suppliers:** If Steyr Motors is heavily dependent on only one or a few suppliers for specific components, the loss of this source may lead to production losses.

**Quality problems:** In the ramp-up phase for new products, the probability of quality problems is greater, which in turn can lead to delays or cost overruns.

#### Planning and control risks

**Lack of synchronization between departments:** In complex supply chains, poor or delayed coordination between procurement, production, logistics and sales can lead to delays or bottlenecks.

**Forecasting and inventory management:** Erroneous forecasts of market demand or production capacity can lead to overproduction or shortfalls.

**Bottlenecks in logistics:** Global supply chains in particular can experience transportation bottlenecks, delays in customs clearance or other logistical problems that disrupt the schedule.

#### Dependence on niche markets

**Marine and specialty markets such as military and industrial applications are specific niches characterized by limited volumes.** A heavy concentration on a small number of customers or markets harbors the risk that a sudden market weakness or shift in demand may cause a significant drop in sales. A particularly large customer or a specific industry could become dominant. If this customer is lost, this could have serious consequences.

#### Market competition and price pressure

**Strong competitors** such as Volvo Penta, Yanmar and Cummins are exerting heavy price pressure on Steyr Motors. These larger OEMs can offer lower prices and better service thanks to their production capabilities and global distribution networks. Steyr Motors must therefore set itself apart through technology and quality. This may, however, lead to higher production costs, making it more difficult to remain competitive.

The sustained high demand in the global defense market, which is being driven by increasing defense budgets and the muted state of the commercial automotive sector, is prompting more and more engine producers to enter this attractive market segment. This heightened competition may cause greater price pressure, more stringent technological requirements and more

intense competition for key contracts. This gives rise to a risk in that market share may be harder to protect, and it may not be possible to achieve planned sales volumes to the extent expected.

#### Technological challenges

**Technological change in the automotive and marine industries,** particularly the transition to zero-emission drives and electric or hybrid solutions, can pose a significant risk for diesel engine manufacturers such as Steyr Motors. If regulations to reduce carbon emissions are tightened, demand for conventional diesel engines may fall if Steyr Motors does not switch to alternative drive technologies quickly enough. Research and development costs for new technologies, such as hybrid or low-emission engines, could rise sharply, putting a strain on financial stability.

#### Dependence on export markets and geopolitical risks

**Export dependency:** A large part of Steyr Motors' business consists of international exports. Changes in trade relations, customs duties and regulatory hurdles (e.g. due to political instability or protectionism) can render market access more difficult. Geopolitical risks, such as embargoes or trade conflicts, may restrict access to important markets or critical raw materials.

**Macroeconomic factors:** Fluctuations on the commodity markets, geopolitical instability or trade barriers may have a negative impact on the supply chain.

#### Sales and market risk

**As Steyr Motors primarily delivers on the basis of Incoterms EXW/FCA,** the customer generally bears the transport and customs risks. However, rising import tariffs – such as those recently discussed and implemented in the United States – may increase the cost structure for customers significantly and thus adversely affect demand, order volumes or the competitiveness of our products in individual markets. Changes in international trade relations and customs tariffs pose a calculable but significant risk for future business.

#### Financial risks

**Capital-intensive production:** The production of motors is capital-intensive, particularly in the case of specialized applications. High fixed costs and investments in technology and infrastructure may place pressure on the Company if sales fall.

**Currency risk:** Currency fluctuations pose a significant financial risk for Steyr Motors' highly export-oriented business. Changes in exchange rates – particularly between the euro and the US dollar – may have a significant impact on revenues, margins, and operating earnings. Although prices are generally quoted in euros and calculated for the following period on the basis of an agreed exchange rate, short-term exchange rate fluctuations during the year may necessitate adjustments to prices or, where applicable, the acceptance of differing margin contributions.

**Cost overruns:** The project ramp-up costs can quickly exceed the calculated budget, particularly when unforeseen problems occur. Additional spending on personnel, machinery or external consultants may be required.

**Cash flow problems:** Delays in production ramp-ups may severely impact the Company's cash flow, particularly if customers are waiting for deliveries or payments are withheld until production stabilizes.

### Liquidity risk through factoring and reverse factoring

**The Company's liquidity management partially takes the form of factoring solutions.** Risks particularly arise from the dependence on the credit ratings of individual customers as well as the limits set by the factor. The Company addresses these risks by monitoring the receivables structure continuously and actively adjusting the payment and funding terms and conditions.

Since the 2025 financial year, it has been using a reverse factoring program to optimize liquidity management. A risk arises from the Company's dependence on a single financial service provider as, in the event of the termination of the program, the original payment terms would apply again, possibly causing short-term liquidity outflows. A confirmed credit facility of EUR 12,000 thousand is available as collateral and had not been utilized as of December 31, 2025.

### Quality and production risks

**Production problems or quality shortfalls in manufacturing** can cause delays, expensive recalls and reputational damage. As Steyr Motors operates in markets that demand high reliability (e.g. military and marine), quality problems are particularly critical.

**Production scalability:** In the event of an unexpectedly sharp increase in demand, it may be difficult to scale up production capacities quickly enough to execute orders.

**Production capacity:** The transition from prototype or small series production to full-scale production often requires considerable adjustments. An interruption to production, technical challenges or inefficient production processes can impede scaling.

### Regulatory and compliance risks

**Environmental regulations:** Compliance with future emissions standards is decisive for the long-term competitiveness of the Marine segment. More stringent emission requirements may necessitate significant capital spending.

**Certifications and approvals:** Products must undergo strict certification processes in the military and industrial sectors in particular. Delays in certification or failure to comply with the requirements may lead to delays and additional costs.

### Dependence on qualified personnel

**Steyr Motors relies heavily on highly qualified engineers and technicians** to develop and manufacture technologically sophisticated engines. The loss of key personnel or difficulties in recruiting suitable specialists could impair the Company's innovativeness, efficiency and planned growth.

### Economic uncertainty and fluctuating demand

**Exposure to economic cycles:** Demand for engines, particularly in the leisure and industrial sectors, may be influenced by cyclical factors. In economic downturns, demand for new boats and engines may fall, resulting in lower revenues.

**COVID-19-like crises:** Global pandemics or similar crises may severely impact production, supply chains and sales.

### Outlook

The current forecasts issued by the International Monetary Fund (IMF) (source: "Statista.com") point to growth in all international markets relevant for Steyr Motors AG.

Most of Steyr Motors' customers come from the defense sector. Since the outbreak of the war in Ukraine, there has been increased spending by government agencies in all relevant markets. The current and future expected growth rates are substantially above those for the economy as a whole (source: "European Commission – Autumn 2025 Economic Forecast", published on November 17, 2025) in the table below:

Region	2026	2027
in %		
Aggregate global economy	3.1	3.2
Aggregate Eurozone	1.2	1.4
Germany	1.2	1.2
United States of America	1.9	2.1
Spain	2.3	2.0
Asia	4.9	4.9
India	6.5	6.4
China	4.6	4.4

Following the opening of the Steyr Motors Training Center, the first training courses for key account customers and marine distributors have now commenced. Accordingly, a further increase in MRO revenues is expected. After a service agreement was signed with a key account customer, preliminary overhaul and repair services for diesel generators were completed at the Steyr site in the second half of 2025. Further revenue growth is forecast for the 2026 financial year. Particular efforts are being made in the MENA region to acquire additional MRO customers.

The forecast for the rest of the year continues to indicate positive trends, with additional growth expected in the civilian sector in particular, as well as in the military sector.

Spending on property, plant and equipment is expected to increase in the 2026 financial year. The planned investments are particularly aimed at supporting the intended production ramp-ups, further optimizing the sourcing strategy including the incremental localization of procurement and manufacturing input structures as well as implementing new and ongoing performance projects.

The Management Board is optimistic about the 2026 financial year and, following delays in the execution of individual framework agreements in the previous year, anticipates accelerated growth, particularly in the second half of the year. The Management Board expects revenues to increase to EUR 75 – 95 million, accompanied by an EBIT margin of at least 15%. This growth is expected to be significantly driven by stepped-up market and selling activities in Asia, the MENA region and North and South America, as well as by non-organic effects that depend on the outcome of ongoing due diligence processes.

The medium-term forecast issued in connection with strategic planning for the 2027 financial year remains unchanged.

### Report on research and development

In the 2025 financial year, Steyr Motors pursued several major research and development projects, some of which had previously commenced in 2023. The first ongoing project concerns the standardization of the 6-cylinder engine. The objective is to address a wide range of customer requirements with a standard engine, improve efficiency along the supply chain and, at the same time, optimize material costs through larger purchases of individual components.

In addition, Steyr Motors made significant progress in the further development of its technology and product portfolio in the 2025 financial year. One focus was on the standardization of the new 2-cylinder auxiliary power unit (APU), which meets heightened requirements for electric output and simultaneously ensures cold start capabilities down to  $-46\text{ }^{\circ}\text{C}$ . The APU delivers 30 kW of electrical power, is specially designed for modern battle tank systems and thus addresses key customer requirements. The first prototypes were delivered in December 2025 and are currently undergoing testing, which will continue until mid-2026. Series production is expected to begin in early 2027. The project work is being carried out to address heightened customer requirements and is partly accounted for as non-recurring engineering expenses.

The M12 Power Unit is a modular energy backbone for modern defense applications, which is being developed simultaneously. This system features a detachable cooling unit for special requirements, a powerful generator unit and a robust base frame with an integrated tank system. The platform enhances the operational capability of the products under a wide range of environmental and stress conditions. Initial discussions regarding approvals and framework agreements with potential customers will be held as early as the first half of 2026 in order to address specific market requirements at an early stage and to create a reliable basis for forward planning visibility for series implementation.

In the second half of 2024, a new project to satisfy the China II emissions standard was launched to complement the existing projects. The successful completion of the project in the 2025 financial year and the achievement of performance tolerance opened up a significant market for commercial sales of the marine engine family for our local business partners Trysun and Steyr Motors.

In addition, two performance projects for a defense customer made further progress. New 160 kW and 200 kW engines were developed in this connection to meet specific operational requirements. The 160 kW engine reached series production readiness in the first quarter of 2025, with the result that preliminary major quantities were delivered in the same year. Development of the 200 kW engine was completed for the most part in the fourth quarter of 2025. Preliminary deliveries are scheduled for the end of 2026 after the completion of the prototype phase.

Another strategic milestone is the development of a new-generation engine in the 300 – 500 HP performance segment. It offers attractive growth potential thanks to strong global demand. The new 500 HP engine features a market-leading power-to-weight ratio. Preliminary order commitments have been received from Australia, Italy and the Netherlands. Part of the project costs are to be co-financed by external partners. The project plan envisages that functional prototypes will be developed and made available within the next 12 to 15 months, so that series production in the marine sector can begin by 2028. With this new performance segment, we are expanding our engine portfolio and simultaneously strengthening the market segment addressed by Steyr Motors, particularly in the area of tactical vehicles. The new engine is suitable for substantially larger and heavier vehicle platforms than the previous product portfolio. Thanks to the modular platform architecture, additional applications are being developed and economies of scale harnessed.

## Significant Characteristics of the ICS and Risk Management

### Internal control structures

Steyr Motors' internal control system (ICS) is based on a clear organizational structure that is defined in its Articles of Association. The Management Board conducts the Company's business in accordance with the statutory requirements as well as its rules of procedure and bears overall responsibility for the implementation of due and proper accounting (Article 6.4 of the Articles of Association). The allocation of functions and responsibilities within the Management Board is clearly determined in the rules of procedure, if there are several members appointed.

### Control environment and monitoring

The Supervisory Board monitors the Management Board continuously. It has the right to determine those transactions that require its prior approval (Articles 6.4 and 9.5 of the Articles of Association). This ensures systematic supervision of the main financial processes. The Supervisory Board meets at least quarterly (Article 8.1 of the Articles of Association), may establish additional committees (Article 10 of the Articles of Association) and is authorized to inspect all books and records.

### Integration of risk management

Approval and reporting requirements for the Management Board ensure that financial risks – particularly those relating to the accounting process – are reported to the Supervisory Board at an early stage. Decisions on capital measures (Article 5 of the Articles of Association) or significant investments are subject to approval by the Supervisory Board.

### Information and communications systems

The Management Board is required to provide the Supervisory Board promptly with all information relevant for monitoring the accounting activities. In

particular, the documents must be submitted in text form at least one week in advance of the meetings of the Supervisory Board (Article 8.3 of the Articles of Association).

### ICS-related findings

The internal control system at Steyr Motors AG is based on a clear separation of responsibilities, as stipulated in the Articles of Association and the rules of procedure. The Supervisory Board must give its express approval for significant business and financial decisions. Regular meetings of the Supervisory Board ensure that the accounting process is monitored continuously. Minutes are taken of all meetings (Article 8.13 of the Articles of Association), thereby ensuring that the control process is documented in a comprehensible manner. The external auditor is required to attend the Annual General Meeting (Article 13.12 of the Articles of Association) and is available during the meeting to answer any questions from shareholders in the interests of greater transparency.

## Information on Capital, Shareholder, Voting and Control Rights

### Share capital and share structure

The share capital of Steyr Motors AG amounts to EUR 5,200,000 and is divided into 5,200,000 bearer shares (Article 4.1 of the Articles of Association). All shares grant one voting right (Article 13.2 of the Articles of Association). The share capital has been fully paid in cash (Article 4.2 of the Articles of Association).

### Exercise of voting rights

Each share has full voting entitlement. No restrictions on the exercise of voting rights are provided for in the Articles of Association. Voting rights can be exercised by representatives duly authorized in writing (Articles 13.3–13.5 of the Articles of Association). Eligibility to participate in the Annual General Meeting is determined on the basis of a record date (Article 12.1 of the Articles of Association).

### Control rights and special rights

The Articles of Association do not provide for any special control rights on the part of individual shareholders, such as multiple voting rights, special rights for the appointment of members to the Supervisory Board or the Management Board or veto-related special rights.

### Capital measures and authorizations granted to the Management Board

With the Supervisory Board's approval, the Management Board is authorized in accordance with Article 5 of the Articles of Association to increase the Company's share capital by up to EUR 2,500,000 (authorized capital) within five years after the reorganization of the Company subject to the exclusion of the shareholders' pre-emptive subscription rights. The Supervisory Board is authorized to amend the Articles of Association to reflect the capital measures that have been approved (Article 5.1 of the Articles of Association).

### Amendments to the Articles of Association and appointments to the Management Board

The Supervisory Board appoints and dismisses the members of the Management Board (Article 6.3 of the Articles of Association). The members of the Supervisory Board are bound by the general provisions of the Stock Corporation Act and the Articles of Association (Articles 7.1–7.6 of the Articles of Association). Amendments to the Articles of Association that relate purely to their wording may be adopted by the Supervisory Board itself (Article 9.1 of the Articles of Association) – in all other cases, the shareholders amend the Articles of Association subject to the majorities defined by law (Article 13.6 of the Articles of Association).

### Transferability of shares

As the Company has issued bearer shares (Article 4.1 of the Articles of Association), there are no transfer restrictions; accordingly, the shares are freely tradable. No claim to individual securitization of the shares is provided for (Article 4.5 of the Articles of Association).

### Change of control rules

The Articles of Association do not contain any provisions applicable in the event of a change of control (e.g. approval requirements, special redemption rights, variable voting rights).

### Holdings, Acquisition and Treasury Sale of Stock

Steyr Motors AG did not hold, acquire or sell any treasury stock in the year under review. As of the reporting date, it did not hold any treasury stock either directly or indirectly. Likewise, no treasury stock was pledged or held by third parties on behalf of the Company. In the 2025 financial year, no authorizations were granted or utilized for the acquisition of treasury stock pursuant to Section 65 of the Stock Corporation Act.

Steyr-Gleink, February 13, 2026



Julian Cassutti  
Management Board