STEYR MOTORS AG

STOCK OPTION PROGRAM 2025

****** This document is to be regarded as a non-binding convenience-translation. The binding version in German language is also available on the homepage of the Company. ******

1. General

The Supervisory Board of Steyr Motors AG (**the** "**Company**") has developed a stock option program for the current sole member of the Management Board, Julian Cassutti, and another suitable member of the Management Board who is currently being sought. The aim of this stock option program is to create performance incentives for the option holders for the long-term stable development of the Company's business.

The options to be granted under the stock option program are to be backed by conditional capital in accordance with § 159 (2) (3) of the Austrian Stock Corporation Act (AktG), the issue of which is to be resolved by the General Meeting.

The principles of the stock option program are set out below.

2. The principles underlying the design of the stock options and performance incentives

The company's purpose is to manufacture high-performance diesel engines from purchased components and to sell them to customers in the military and non-military sectors. The Company's activities essentially consist of three areas: (i) purchasing components (sourcing), (ii) assembly, and (iii) sales.

The stock options can only be exercised if a minimum share price is reached over a certain period of time. The stock options exist at a previously agreed exercise price, which motivates the Company's Management Board to maximise the share price in the medium to long term.

The share price primarily reflects the Company's expected profits from its business activities. These profits are mainly influenced by the performance of the three areas mentioned above:

(i) The cheaper and more secure (minimisation of the risk of supply chain disruptions or abusively inflated prices) the sourcing is,

(ii) the more efficient and reliable (risk of operational disruptions; risk of quality defects) the products are and

(iii) the more engines can be sold at the highest possible price (retention of existing customers and increase in sales volume with them; acquisition of new customers; and optimisation of the price/sales volume ratio),

the higher the (expected) future profit and thus the share price of the Company will be.

In order to achieve the highest possible share price, the Management Board must therefore manage the three key areas of the Company in an optimal manner. The allocation of stock options thus effectively incentivises members of the Management Board to manage the Company in a sustainable manner and in the interests of the shareholders. The vesting period, the obligation to hold a certain proportion of the shares, and the forfeiture and clawback provisions serve to avoid a purely short-term incentive effect through short-term profit maximisation or manipulative measures.

3. Number and distribution of options to be granted and already granted

3.1 Eligible persons

The stock option program is only created for the sole member of the Management Board currently in office, Julian Cassutti, and another suitable member of the Management Board who is currently being sought ("**Management Board Member 2**").

3.2 Volume

Mr Cassutti will be entitled to subscribe for a total of 80,000 stock options in two tranches of 40,000 options each ("**Tranche 1**" and "**Tranche 2**"), with each option entitling the holder to subscribe for one share in the Company.

Management Board Member 2 shall also be entitled to subscribe for stock options totalling 80,000 options in two tranches of 40,000 options each ("**Tranche 1**" and "**Tranche 2**"), with each option also entitling the holder to subscribe for one share in the Company.

3.3 Options already granted

No stock options have been granted to date, either to Mr Cassutti or to employees, executives of the Company or members of the Supervisory Board.

4. Significant terms and conditions of the share option agreements

4.1 Exercise price

a) Mr Cassutti

For Mr Cassutti, the exercise price for the stock options amounts to EUR 46.00 per share acquired.

At the time of preparation of this report, the Company's share price is (EUR 61.00) and the target price expected by analysts is (EUR 61.00).

These values are strongly driven by demand expectations from customers in the defence and security industry, which in turn are primarily attributable to the war in Ukraine and the planned massive increase in defence spending by NATO member states. There is a risk that the aforementioned demand expectations will not be met (e.g. because the war in Ukraine comes to an end), which would likely lead to a decline in the share price.

Against this background, the Supervisory Board considers an exercise price of EUR 46.00 to be appropriate and a strong incentive for Mr Cassutti to also promote business with customers who are not in the armaments or defence sector, thereby taking the long-term financial well-being of the Company into account.

b) Management Board Member 2

The exercise price for Management Board Member 2 will only be determined when the stock options are actually granted and will be based primarily on the share price and the risks of a price decline at the time the stock options are granted.

4.2 Exercise condition and exercise window

Mr Cassutti is only entitled to exercise the stock options, which may also be exercised in part, if the average share price of the Company during the last six (6) months prior to the exercise of the options was not less than EUR 46.00. If there is a (partial) postponement of the exercise window due to suspension, the six-month window shall be postponed accordingly.

Mr Cassutti may exercise Tranche 1 in the period December 2027 ("**Exercise Window 1**"), including in part, whereby options not exercised in Exercise Window 1 shall expire.

Mr Cassutti may exercise tranche 2 in December 2028 ("**Exercise Window 2**"), including in part, whereby options not exercised in Exercise Window 2 shall expire.

The exercise windows for Management Board Member 2 will only be determined in connection with the actual granting of the stock options to this person.

Under certain circumstances, the start or expiry of an exercise window is suspended, for example if and for as long as the person entitled to exercise the options has access to insider information and is therefore not permitted to exercise the options.

4.3 Transferability

The options are neither transferable nor can the option right be encumbered (e.g. by pledging).

4.4 Holding period

A holding period of one year is agreed for shares acquired through the exercise of the stock options granted. This means that the acquired shares may not be sold in any form (e.g. sale, gift or exchange) or encumbered (e.g. pledged or granted as a right of usufruct) for a full year after acquisition. This provision is intended to strengthen the motivation for long-term positive development of the Company, as the option holders or owners of the acquired shares through the exercise of options will endeavour to ensure that the share price does not fall after the exercise of the options (at least for one year thereafter) and will thus be discouraged from taking measures that merely increase the share price in the short or medium term.

Breach of the obligation not to sell the shares before the expiry of the holding period shall be sanctioned by (i) an obligation to surrender any additional proceeds including interest at a rate of 4 (four) per cent *per annum* resulting from an early sale, and (ii) a contractual penalty of 6 gross monthly salaries.

4.5 Own participation

The option holders are obliged to hold a personal share in the Company amounting to 13,000 shares until they leave the Company's management board. However, this obligation only applies from the date on which the Company's shares are traded on a regulated market (i.e. no longer in the MTF segment) of a stock exchange. From this point in time, the option holders are obliged to fulfil this obligation within two (2) weeks, unless it has already been fulfilled.

4.6 Withdrawal of options and recoverability of shares

The Company is entitled to reclaim all or part of the shares already transferred to the option holders if it transpires that the transfer of the shares was based on incorrect data or if a diligent businessman concludes that the exercise condition was only met because the Company's capital market communication was incorrect in a material respect, provided that the option holder is responsible for the incorrect data or the inaccurate capital market communication.

The Company is also entitled to reclaim all or part of the shares already transferred to the option holders and/or to declare all or part of the stock options granted to be forfeited if circumstances exist or arise that entitle or would have entitled the Company to early terminate the mandate of the Member of the Management Board in accordance with § 75 AktG, whereby the withdrawal of confidence by the General Meeting is not included. For clarification: early dismissal is not required.

In the event of less serious misconduct, the Company may only declare some of the stock options granted to have lapsed, up to a maximum of 75% of the options not yet exercised.

The Supervisory Board shall make its decision at its discretion, taking into account the circumstances of the individual case, in particular the severity of the breach and the interests of the Company.

The Supervisory Board of Steyr Motors AG in July 2025