VOLUNTARY DISCLOSURE

The provisions of the Austrian Takeover Act (ÜbG) and the German Securities Acquisition and Takeover Act (WpÜG) do not apply to this joint reasoned statement

Voluntary Joint Reasoned Statement by the Management Board and the Supervisory Board

of

Steyr Motors AG

Im Stadtgut B 1
4407 Steyr-Gleink
Austria
(FN 583243 k)

Regarding the Voluntary Public Purchase Offer (Cash Offer)

by

SMOT Acquisition GmbH

ICON Tower 24, Wiedner Gürtel 13
1100 Vienna
Austria
(FN 678879 b)

To the shareholders of

Steyr Motors AG

Im Stadtgut B 1
4407 Steyr-Gleink
Austria
(FN 583243 k)

as of October 22, 2026

Bearer shares of Steyr Motors AG: ISIN AT0000A3FW25
Tendered bearer shares of Steyr Motors AG: ISIN AT0000A3Y5G9
Tendered bearer shares of Steyr Motors AG/Additional Acceptance Period: ISIN AT0000A3Y5H7

as of November 02, 2026

Table of Contents

1. GENERAL INFORMATION 1
- **1.1 Legal Basis 1**
- **1.2 Independent Review by SMOT Shareholders; Factual Basis 2**
- **1.3 Publication of this Statement and any Supplements and/or Additional Statements 3**
- **1.4 Notice to SMOT Shareholders residing in the United States or elsewhere outside the Republic of Austria 3**

2. BACKGROUND 3
- **2.1 Information on Steyr Motors AG 3**
- **2.2 Share Capital and Shares 4**
- **2.3 Shareholder Structure of SMOT 4**
- **2.4 Members of the Management Board and Supervisory Board of SMOT 4**
- **2.5 Structure of the SMOT Group 5**

3. THE BIDDER AND ITS AFFILIATED ENTITIES 5
- **3.1 Information on the Bidder 5**
- **3.2 Information About the Red Cat Group 5**
- **3.3 The Bidder's Interest in Steyr Motors AG 6**
- **3.4 Material Legal Relationships with the Target Company and Shareholders 6**
- **3.5 Business Combination Agreement 6**

4. SUMMARY OF THE BIDDER'S OFFER 8
- **4.1 Subject Matter of the Purchase 8**
- **4.2 Offer Price 9**
- **4.3 Amendment and Improvement of the Offer 9**
- **4.4 Conditions 9**
- **4.5 Acceptance Period, Acceptance, and Settlement of the Offer 10**
- **4.6 Announcements and Publication of Results 11**
- **4.7 Shareholders' Right of Withdrawal in the Event of Competing Offers 11**
- **4.8 Equal Treatment; No Additional Payment 11**

5. VALUATION OF THE OFFER PRICE 12
- **5.1 Offer Price 12**
- **5.2 Offer Price in Relation to Historical Stock Prices 12**
- **5.3 Fairness Opinion 13**
- **5.4 Analyst Estimates for the SMOT Stock 14**
- **5.5 Summary Assessment of the Reasonableness of the Offer Price 15**

6. FUTURE SHAREHOLDING AND CORPORATE POLICY 16
- **6.1 Reasons for the Offer 16**
- **6.2 The Bidder's Business Policy Objectives and Intentions 16**
- **6.3 Impact on the Stock Exchange Listing 17**
- **6.4 Impact on Employment and Business Locations 17**
- **6.5 Transparency Regarding Any Commitments Made by the Bidder to the Governing Bodies of the Target Company 18**
- **6.6 Impact on Creditors and the Public Interest 18**
- **6.7 Financing of the Offer 18**
- **6.8 Regulatory Approvals and Procedures 19**

7. CONFLICTS OF INTEREST OF SMOT'S BOARD MEMBERS 19
- **7.1 Management Board 19**
- **7.2 Supervisory Board 19**

8. SUMMARY, RECOMMENDATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD 20
8.1 Arguments in favor of accepting the offer 20
8.2 Information for SMOT Shareholders Intending to Accept the Offer 22
8.3 Recommendation 23

9. FURTHER INFORMATION 23

Glossary

Acceptance Period 12
Additional Acceptance Period 12
Articles 5
BaFin 1
Banking Day 3
Bidder 1
Business Combination Agreement 7
Competing Offer 8
Custodian Bank 12
Declaration of Acceptance 12
Delisting 20
EUR 3
Fairness Opinion 14
GesAusG 9
Irrevocable Undertaking 7
Long Stop Date 11
Management Board 1
MAR 1
Maximum Consideration 21
Minimum Acceptance Threshold 11
Offer 1
Offer Conditions 11
Offer Document 1
Offer Price 10
PwC 14
Red Cat 1
Red Cat Group 1
Settlement Agent 12
SMOT 1
SMOT Group 1
SMOT Share 1
SMOT Shareholders 1
SMOT Shares 1
Statement 1
Supervisory Board 1
Target Company 1
Tendered SMOT Shares 12
Transaction 1
ÜbG 1
United States 6
USD 3
VWAP 14
WpÜG 1

1. GENERAL INFORMATION

SMOT Acquisition GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) under Austrian law with its registered office in Vienna and business address at ICON Tower 24, Wiedner Gürtel 13, 1100 Vienna, registered in the Commercial Register (*Firmenbuch*) of the Vienna Commercial Court under FN 678879 b (the "**Bidder**"), a wholly-owned subsidiary of Red Cat Holdings, Inc., a corporation organized under the laws of the State of Nevada, United States of America, with its principal place of business in South Salt Lake, Utah, United States of America ("**Red Cat**" and, together with its affiliates, excluding the SMOT Group, the **"Red Cat Group**"), announced on October 19, 2026 its decision to make a voluntary public purchase offer (cash offer) to the shareholders of Steyr Motors AG, a stock corporation (*Aktiengesellschaft*) under Austrian law with its registered office in Steyr and business address at Im Stadtgut B 1, 4407 Steyr-Gleink, registered in the Commercial Register of the Steyr Regional Court under FN 583243 k ("**SMOT**" or the "**Target Company**" and, together with its affiliates, the "**SMOT Group**") (the "**Offer**" and, together with its implementation, the "**Transaction**"). To this end, the Bidder published an offer document on October 22, 2026 (the "**Offer Document**"). The shareholders of SMOT are hereinafter referred to as the "**SMOT Shareholders**".

The Bidder's offer is directed toward the acquisition of all no-par value bearer shares (*auf den Inhaber lautende Stückaktien*) of the Target Company, each representing a proportionate amount of EUR 1.00 of the Target Company's share capital (ISIN AT0000A3FW25), that are not already held directly by the Bidder, including all ancillary rights existing as of the date of the Offer Document, in particular the right to dividends (each, an "**SMOT Share**" and collectively, the "**SMOT Shares**"). The Offer will be conducted exclusively in accordance with Austrian law.

1.1 Legal Basis

The SMOT Shares are not admitted to trading on a regulated market but are exclusively included in trading on the Scale (*Freiverkehr*) market segment of the Frankfurt Stock Exchange and on the direct market plus market segment of the Vienna Stock Exchange, both of which are multilateral trading facilities (MTFs). The SMOT Shares are therefore not admitted to trading on a regulated market within the meaning of Section 1(8) of the Austrian Takeover Act ("**ÜbG**") nor to trading on an organized market within the meaning of Section 2(7) of the German Securities Acquisition and Takeover Act ("**WpÜG**"). The provisions of the ÜbG and the WpÜG therefore do not apply to the offer. Regulation (EU) No. 596/2014 (Market Abuse Regulation, "**MAR**") and other applicable capital markets regulations remain unaffected.

Accordingly, the Offer Document has not been reviewed or approved by the Austrian Takeover Commission, the German Federal Financial Supervisory Authority ("**BaFin**"), or any other securities regulatory authority in or outside the Republic of Austria or the Federal Republic of Germany (Section 2.2 of the Offer Document). Consequently, the management board of SMOT ("**Management Board**") and the supervisory board of SMOT ("**Supervisory Board**") are also not obligated to issue a reasoned statement within the meaning of Section 14 of the Austrian Takeover Act (ÜbG) or a reasoned opinion within the meaning of Section 27(1) of the German Securities Acquisition and Takeover Act (WpÜG).

This joint reasoned statement by the Management Board and the Supervisory Board ("**Statement**") is provided on a voluntary basis. The Target Company, the Bidder, and Red Cat have agreed in the Business Combination Agreement (see Section 3.5 of this Statement)— exclusively in the relationship between the parties and without legal effect on SMOT shareholders—that the Management Board and the Supervisory Board will issue a reasoned statement regarding the Offer and publish it on the Target Company's website; this is a voluntary measure.

In line with the customary content of a reasoned statement, this Statement includes, in particular, an assessment of whether the consideration offered and the other terms of the Offer adequately take into account the interests of all SMOT Shareholders, and what effects the offer is likely to have on the Target Company—in particular on employees (regarding jobs, terms of employment, and the future of locations)— creditors, and the public interest, based on the Bidder's strategic plans for the Target Company. Furthermore, the Statement addresses the objectives pursued by

the Bidder through the Offer, as well as the intention of the members of the Management Board and the Supervisory Board—to the extent they are holders of SMOT Shares—to accept the Offer. The Management Board and the Supervisory Board have decided to issue a joint statement and each adopted the content of this Statement on October 30, 2026. Since this statement constitutes a voluntary opinion by the Management Board and the Supervisory Board, and since the provisions of the ÜbG and the WpÜG do not apply, it is expressly noted that the content and scope of this statement do not necessarily correspond to the content and scope required under the ÜbG and the WpÜG. This Statement is issued exclusively in accordance with Austrian law.

Since the Austrian Takeover Act (ÜbG) and the German Securities Acquisition and Takeover Act (WpÜG) do not apply, there is no legal obligation to attach a statement from the works council to this Statement.

1.2 Independent Review by SMOT Shareholders; Factual Basis

Forward-looking statements made by the Management Board and the Supervisory Board in this Statement are assumptions and estimates that, by their nature, involve uncertainties. Words such as "should", "will", "expect", "intend", "estimate", "plan", or similar expressions indicate forward-looking statements. However, the assumptions underlying such assessments may change after the date of publication of this Statement, due, among other things, to political, economic, or legal events. The accuracy of these statements cannot therefore be guaranteed.

It is expressly noted that the content of this Statement reflects only the state of knowledge of the members of the Management Board and the Supervisory Board as of the date of their respective resolutions about this Statement, namely October 30, 2026, and refers to the Offer Document published by the Bidder on October 22, 2026. To the extent that terms such as "at present", "currently", "now", or "today" are used, they refer to this date unless otherwise specified. The Management Board and the Supervisory Board do not intend to update this Statement and assume no obligation to do so, unless required by law. The Management Board and the Supervisory Board reserve the right to issue a further statement regarding any changes to the Offer.

Furthermore, it is noted that this Statement contains information provided by the Bidder in the Offer Document and in the Business Combination Agreement, as well as other publicly available information regarding the Bidder, Red Cat, and the Red Cat Group, which the Management Board and Supervisory Board cannot comprehensively verify for accuracy and have not done so. To the extent that this Statement refers to, quotes, summarizes, or reproduces the Offer Document, such references are merely for informational purposes; the Management Board and the Supervisory Board neither endorse the Offer Document nor assume any liability for its accuracy or completeness. The Management Board and the Supervisory Board have not reviewed any non-public documents of the Bidder or Red Cat and can neither verify the intentions expressed by the Bidder nor influence their implementation. The Bidder's intentions described in the Offer Document refer, pursuant to Section 12 of the Offer Document, to the time of their publication; it cannot be ruled out that the Bidder and Red Cat may subsequently change their intentions, unless these have been bindingly agreed upon in the Business Combination Agreement.

The Management Board and Supervisory Board note that the description of the Offer contained in this Statement does not claim to be exhaustive and that the provisions of the Offer Document are decisive for the content and execution of the Offer. Consequently, this Statement cannot serve as a substitute for each SMOT Shareholder independently and on their own responsibility reviewing the Offer by consulting all available sources of information in order to establish, on this basis, a foundation for deciding whether to accept or reject the Offer. The assessments and recommendations contained in this Statement are in no way binding on SMOT Shareholders. The provisions of the Offer Document alone govern the content and execution of the Offer. The individual circumstances of each SMOT Shareholder (including their personal tax situation and any legal obligations, such as security interests in SMOT Shares or restrictions on sale) could not be taken into account. The Management Board and Supervisory Board recommend that SMOT Shareholders seek individual tax and legal advice. The Management Board and Supervisory Board are neither responsible nor liable for the decisions made by SMOT Shareholders.

Unless expressly stated otherwise, times mentioned in this Statement are in Central European Time (CET). "**EUR**" refers to the currency of the European Union, and "**USD**" refers to the U.S. dollar. A "**Banking Day**" is a day that is not a Saturday, Sunday, or public holiday in Austria and on which banks in Vienna are open for regular business.

1.3 Publication of this Statement and any Supplements and/or Additional Statements

This Statement, as well as any supplements and/or additional statements regarding possible changes to the Offer, will be published on the Target Company's website at https://ir.steyr-motors.com/en/publications/ in German and in a non-binding English translation. No warranty is provided as to the accuracy or completeness of the English translation; only the German version is authoritative.

1.4 Notice to SMOT Shareholders residing in the United States or elsewhere outside the Republic of Austria

The mailing, publication, distribution, dissemination, or making available of the Offer Document or any other documents related to the Offer outside the Republic of Austria may be subject to legal restrictions pursuant to Section 2.4 of the Offer Document. In Section 2.5 of the Offer Document, the Bidder notes that the Offer may be accepted by all SMOT Shareholders in accordance with the provisions of the Offer Document and applicable legal regulations; however, acceptance outside the Republic of Austria may be subject to legal restrictions. Neither the Bidder nor any of its affiliates assumes any responsibility for ensuring that acceptance of the Offer outside the Republic of Austria is permissible under the applicable regulations. The Management Board and the Supervisory Board recommend that all persons who receive the Offer Document outside the Republic of Austria or who wish to accept the Offer but are subject to the securities laws or other relevant legal provisions of another jurisdiction inform themselves of the applicable legal situation and act in accordance with it.

The Bidder further notes in Section 2.6 of the Offer Document that the Offer is a cross-border offer subject to disclosure and other procedural requirements under Austrian law that differ from those applicable to takeover offers under the procedures and laws of the United States. Neither the United States Securities and Exchange Commission nor any other securities regulatory authority of a U.S. state has approved or disapproved the offer or confirmed the adequacy or completeness of the offer document. According to the Bidder, SMOT Shareholders who are residents, have their registered office, or have their habitual residence in the United States may find it difficult to enforce their rights and claims under U.S. securities laws, as both SMOT and the Bidder are incorporated outside the United States. These SMOT Shareholders may not be able to sue a company domiciled outside the United States or its officers in a U.S. court for violations of U.S. securities laws; furthermore, difficulties may arise in enforcing judgments issued by a U.S. court outside the United States.

2. BACKGROUND

2.1 Information on Steyr Motors AG

SMOT is a stock corporation under Austrian law with its registered office in Steyr and its business address at Im Stadtgut B 1, 4407 Steyr-Gleink, registered in the Commercial Register of the Steyr Regional Court under FN 583243 k. SMOT Shares (ISIN AT0000A3FW25) are not admitted to trading on a regulated market but are included in trading on the Scale (Freiverkehr) market segment of the Frankfurt Stock Exchange and on the direct market plus market segment of the Vienna Stock Exchange. SMOT's fiscal year corresponds to the calendar year.

According to the Articles, SMOT's corporate purpose is (i) the development and manufacture of powertrains, (ii) the maintenance and repair of powertrains and engines, (iii) the acquisition, holding, and disposal of equity interests in companies engaged in the development, production, and distribution of powertrains and engines, (iv) the trading of goods of all kinds, and (v) the acquisition, holding, and management of equity interests in companies and entities of all kinds, both domestically and abroad, as well as the management of companies and entities both domestically and abroad.

SMOT is a leading global provider in the development and production of high-performance, custom-designed specialty motors characterized by high efficiency and durability. Its motors are primarily used in specialized military vehicles, boats (both military and civilian), and as auxiliary power units for battle tanks and locomotives. SMOT's products are characterized by a compact and lightweight design with an excellent power-to-weight ratio, as well as by robustness and durability. In addition, SMOT develops and produces engine-optimized software solutions with digital connectivity. In addition to selling and customizing its products, SMOT supports its customers throughout the entire product lifecycle with durable original components and service expertise derived directly from development and production.

SMOT's production facility and research and development center are located at Im Stadtgut B 1, 4407 Steyr-Gleink. In fiscal year 2025, the SMOT Group employed an average of 122 full-time equivalent employees (2024: 104); currently, the SMOT Group's workforce comprises approximately 147 employees. Further information about SMOT is available on the Target Company's website at [https://www.steyr-motors.com/]. The information on this website is not part of this Statement.

2.2 Share Capital and Shares

As of the date of this Statement, SMOT's share capital amounts to EUR 5,251,261.00 and is divided into 5,251,261 no-par value bearer shares (*auf den Inhaber lautende Stückaktien*) with the ISIN AT0000A3FW25. Each SMOT Share represents a proportionate amount of EUR 1.00 of the Target Company's share capital, entitles the holder to one vote, and confers full voting and dividend rights. There are no other classes of shares. The Target Company does not hold any of its own shares.

Pursuant to Section 5.1 of SMOT's articles of association (*Satzung*) (the "**Articles**"), there is authorized capital (*genehmigtes Kapital*) in the amount of EUR 2,500,000.00, which authorizes the Management Board, with the approval of the Supervisory Board, to increase the share capital within five years of SMOT's registration as a stock corporation, in one or more tranches if applicable, by issuing up to 2,500,000 bearer common shares against contributions in cash and/or in kind. As a result of the capital increase against contributions in kind, excluding the subscription rights of existing shareholders, carried out on June 30, 2026 by partial utilization of the authorized capital, by which the share capital was increased from originally EUR 5,200,000.00 by EUR 51,261.00 to a total of EUR 5,251,261.00, the remaining authorized capital now amounts to EUR 2,448,739.00.

2.3 Shareholder Structure of SMOT

To the best of the knowledge of the Management Board and the Supervisory Board, the shareholder structure as of the date of publication of this Statement is as follows:

Shareholders	**Bearer Shares**	**Percentage of Share Capital**
B & C Holding Österreich GmbH	780,000	approx. 14.85%
Free float	4,471,261	approx. 85.15%
Total	**5,251,261**	**100.00%**

2.4 Members of the Management Board and Supervisory Board of SMOT

Pursuant to Section 6.1 of SMOT's Articles, the Management Board consists of at least one and no more than four members, with the number of members determined by the Supervisory Board. The SMOT Management Board currently consists of Julian Cassutti (Chief Executive Officer) and Björn Krausmann (Chief Financial Officer).

Pursuant to Section 7.1 of SMOT's Articles, the Supervisory Board consists of at least three and no more than seven members elected by the General Meeting in accordance with the provisions of the Austrian Stock Corporation Act, as well as as many employee representatives as required under the Austrian Labor Constitution Act. The SMOT Supervisory Board currently consists of

the following five individuals: Dr. Rolf Wirtz (Chairman, shareholder representative), Alexander Fitzka, MSc (Vice Chairman, shareholder representative), Mag. Gerhard Schwartz (shareholder representative), Martin Brandner (employee representative), and Raphael Buchberger (employee representative).

2.5 Structure of the SMOT Group

In addition to SMOT as the parent company, the SMOT Group includes, in particular, Steyr Motors Operations GmbH, SLC Ejendomme ApS, Steyr Motors Middle East Equipment Trading FZE, BUKH A/S, BUKH Asia Holding A/S, and BUKH Jiangyin Trading Co. Ltd. In addition, SMOT is currently establishing a joint venture in Singapore (Steyr Power Ltd.) with Shangyan Power Technology Jiangsu Co., Ltd.

3. THE BIDDER AND ITS AFFILIATED ENTITIES

The following information is based on Section 4 of the Offer Document. The information contained in Section 4 of the Offer Document has not been reviewed, or has not been fully reviewed, by the Management Board and the Supervisory Board.

3.1 Information on the Bidder

The Bidder, SMOT Acquisition GmbH, is a limited liability company established under Austrian law with its registered office in Vienna and its business address at ICON Tower 24, Wiedner Gürtel 13, 1100 Vienna, registered in the Commercial Register of the Vienna Commercial Court under FN 678879 b. The Bidder is represented by Christian Koji Ericson as sole managing director. The Bidder's share capital amounts to EUR 10,000. The Bidder's fiscal year is the calendar year. The Bidder has no subsidiaries.

The sole shareholder of the Bidder is Red Cat (Red Cat Holdings, Inc.), a corporation organized under the laws of the State of Nevada with its principal place of business in South Salt Lake, Utah, and its business address at 2800 South West Temple Street, Suite 2, South Salt Lake, UT 84115, United States of America. Red Cat's fiscal year is the calendar year. Red Cat is authorized to issue 500,000,000 shares of common stock with a par value of USD 0.001 per share; 152,714,362 shares of common stock are outstanding (as of August 4, 2026, as reported in the Quarterly Report on Form 10-Q filed with the SEC for the quarter ended June 30, 2026). Red Cat's shares are listed for trading on the NASDAQ Stock Market under the ticker symbol "RCAT."

Red Cat's executive officers and directors are Jeffrey M. Thompson (Chairman and Chief Executive Officer), Christian Morrison (Chief Financial Officer), Christian Koji Ericson (Chief Operating Officer), Nicholas Liuzza Jr. (Director), Christopher R. Moe (Director), Joseph Freedman (Director), and General Paul Edward Funk II (Ret.) (Director). Red Cat's three largest shareholders are State Street Corporation, with approximately 7.9%; Jeffrey M. Thompson, with approximately 7.7%; and Hood River Capital Management LLC, with approximately 6.9% of Red Cat's shares. The remaining approximately 77.5% of Red Cat's shares are held by the public.

3.2 Information About the Red Cat Group

Red Cat is a provider of advanced cross-domain drone and robotics solutions for defense and national security based in the United States of America ("**United States**"). Through its wholly-owned subsidiaries Apium Swarming Technologies, Quaze Technologies, Teal Drones, and FlightWave Aerospace, Red Cat develops hardware and software manufactured in the United States to support military, government, and public safety operations in the air, on land, and at sea. Its family of systems, led by Black Widow™, provides tactical capabilities for small unmanned aerial vehicle systems (sUAS). Through Blue Ops, Inc., Red Cat is also active in the field of unmanned surface vehicles (USVs) and delivers integrated platforms to enhance security and cross-domain operational effectiveness.

Red Cat was originally founded in 1984 under the laws of the State of Colorado as Oravest International, Inc. In November 2016, it changed its name to TimefireVR, Inc. and relocated its headquarters to Nevada. In May 2019, Red Cat entered into a stock swap agreement with Propware, as a result of which Propware shareholders acquired an 83% stake and management

control of Red Cat; in connection with this, the company was renamed Red Cat Holdings, Inc. Since then, Red Cat has completed a series of acquisitions and financings that have expanded the scope of its operations in the drone industry. In fiscal year 2025, Red Cat generated gross revenue of USD 40.7 million and reported a pre-tax loss of USD 71.6 million.

3.3 The Bidder's Interest in Steyr Motors AG

Pursuant to Section 4.4 of the Offer Document, as of the date of publication of the Offer Document, neither the Bidder nor Red Cat nor any other company of the Red Cat Group holds any SMOT Shares. Apart from the Irrevocable Undertaking (see Section 3.4 of this Statement), the Management Board and Supervisory Board are not aware of any agreements entered into by the Bidder or Red Cat under which the transfer of SMOT Shares could be demanded.

In Section 2.6 of the Offer Document, the Bidder notes that, to the extent permitted by applicable law, the Bidder and persons acting on its behalf may, before, during, or after the expiration of the acceptance period or the Additional Acceptance Period, directly or indirectly acquire SMOT Shares outside the scope of the Offer, enter into agreements regarding their acquisition, or conclude derivative transactions related thereto. This also applies to other securities that are directly convertible into, exchangeable for, or exercisable into SMOT Shares. Such acquisitions may take place on the stock exchange at market prices or over-the-counter as negotiated transactions. Information regarding such acquisitions will be disclosed by the Bidder and/or persons acting on its behalf in accordance with the laws or regulations applicable in Austria or any other relevant jurisdiction.

3.4 Material Legal Relationships with the Target Company and Shareholders

On October 21, 2026, the Bidder, Red Cat, and SMOT entered into a business combination agreement (the **"Business Combination Agreement**"), the essential terms of which are summarized in Section 3.5 of this Statement.

On October 11, 2026, the Bidder entered into an agreement with B & C Holding Österreich GmbH, pursuant to which B & C Holding Österreich GmbH undertook to accept the Offer for a total of 780,000 SMOT Shares (corresponding to approximately 14.85% of SMOT's share capital and voting rights) no later than 25 Banking Days after the start of the acceptance period (the **"Irrevocable Undertaking**").

3.5 Business Combination Agreement

The Business Combination Agreement sets forth the material terms of the Transaction, the parties' mutual intentions and agreements in this regard, the planned future organizational and corporate governance structure, and the business strategy pursued through the Transaction. The key provisions of the Business Combination Agreement can be summarized as follows:

3.5.1 Key Terms of the Offer

The Business Combination Agreement provides that the Bidder will make a voluntary public cash offer to SMOT Shareholders to acquire all SMOT Shares at an offer price of EUR 39.00 per SMOT Share. The Offer was to be subject exclusively to the following conditions: (i) clearance of the Transaction by the competent foreign direct investment authorities in Austria, Australia, Italy, and the United Kingdom by June 30, 2027, at the latest; (ii) a minimum acceptance threshold of 50% plus one SMOT Share; (iii) the absence of a capital increase; and (iv) the absence of insolvency proceedings. The Bidder is entitled, at its sole discretion, to waive, in whole or in part, any or all of the offer conditions, including by lowering the minimum acceptance threshold. The acceptance period was to be approximately eight weeks and, including all extensions (excluding the Additional Acceptance Period), may not exceed sixteen weeks without the prior written consent of SMOT; the Additional Acceptance Period shall not exceed seven weeks.

3.5.2 Support for the Offer

SMOT has undertaken to support the Offer to the extent permitted by law and in compliance with the duties of care and loyalty of its governing bodies. The Management Board and the Supervisory

Board have undertaken to prepare a reasoned statement without delay and to publish it on the Target Company's website.

In the Business Combination Agreement, SMOT has further committed, to the extent permitted by law, to the following in particular:

- SMOT will refrain from, and will ensure that every company in the SMOT Group refrains from, taking any actions or steps that could adversely affect the success or timely completion of the Offer;
- SMOT will not actively seek a competing public offer by a third party for SMOT shares (a "**Competing Offer**") or a comparable alternative transaction, nor will it engage in discussions aimed at such an offer or provide confidential documents in connection therewith;
- SMOT will conduct its business in all material respects in the ordinary course of business and in accordance with its previous practices, and in particular will refrain from taking certain actions, such as the acquisition or disposal of material assets with a value exceeding EUR 300,000.00 in any single transaction or EUR 1,000,000.00 in total (subject to certain exceptions), as well as the issuance of new shares or other equity-related instruments; the implementation of the joint venture in Singapore (Steyr Power Ltd.) remains unaffected by this;
- SMOT will take all measures necessary for the technical processing of the Offer via a separate ISIN and will cooperate appropriately with the Bidder and the settlement agent;
- to obtain the necessary regulatory approvals, SMOT will cooperate with Red Cat and the Bidder to the extent permitted by law, in particular in preparing the filings and in connection with all submissions; Red Cat and the Bidder, respectively, will take the lead in these proceedings.

The obligation to issue the reasoned statement in the manner described above is subject to the conditions that (i) the terms of the Offer correspond in all material respects to the terms agreed upon in the Business Combination Agreement (or are more favorable), (ii) no offer document for a Competing Offer has been published whose consideration exceeds the Offer Price by at least 15% and the Bidder has not matched it in a timely manner, and (iii) there are no other circumstances under which the members of the Management Board would breach their statutory duties by supporting the Offer. The Management Board and the Supervisory Board are not precluded from acting in accordance with their fiduciary duties under Austrian law, in particular under the Austrian Stock Corporation Act (*Aktiengesetz*), and, where applicable, from recommending a Competing Offer under the circumstances described in the preceding sentence.

3.5.3 Headquarters, Location, Workforce, and Employees

In the Business Combination Agreement, the parties have agreed on certain guiding principles for their intended cooperation. To this end, certain intentions of Red Cat and the Bidder regarding the SMOT Group were documented in the Business Combination Agreement, and Red Cat and the Bidder confirmed the importance of the SMOT Group's workforce to SMOT's continued success.

In particular, the Bidder has committed, for a period of three (3) years from the settlement of the Offer, not to cause SMOT to relocate its corporate headquarters and principal place of business from Austria, nor to relocate the locations of its material operations and assets (material parts of the business), in particular the production facility and the R&D site at Im Stadtgut B 1, 4407 Steyr-Gleink, Austria. Furthermore, the Bidder has undertaken, among other things, not to cause any amendments to or terminations of existing works agreements, collective bargaining agreements, or similar agreements—particularly those concerning working conditions—within the SMOT Group for the duration of the Business Combination Agreement, and not to cause SMOT to issue layoffs of workers for operational reasons for a period of two (2) years from the settlement of the Offer, unless SMOT finds itself in a situation where its continued existence is at risk.

3.5.4 Financing

Red Cat has confirmed in the Business Combination Agreement and has undertaken that, at the time of settlement, the Bidder will have sufficient immediately available funds to pay the total Offer Price for all SMOT Shares tendered in the Offer, as well as all related costs and expenses. Red Cat will finance the Offer Price from its own available cash and cash equivalents. These derive, in particular, from a rights offering conducted by Red Cat in April/May 2026.

3.5.5 Corporate Actions

Under the Business Combination Agreement, Red Cat is not precluded from seeking, following settlement of the Offer, a delisting of the SMOT Shares from the direct market plus market segment of the Vienna Stock Exchange and/or the Scale market segment of the Frankfurt Stock Exchange, a squeeze-out of minority shareholders pursuant to the Austrian Squeeze-out Act (*Gesellschafter-Ausschlussgesetz*, "**GesAusG**"), or other structural measures with respect to SMOT. SMOT has undertaken to support such measures to the extent permitted by law and subject to the fiduciary duties of the Management Board. The Management Board and Supervisory Board will only adopt a final resolution on the implementation of the respective measure once the preparatory documents, in particular any valuation, are available.

3.5.6 Management Board, Supervisory Board

In the Business Combination Agreement, Red Cat expresses its confidence in SMOT's management and declares that it does not intend to make any changes to the composition of the Management Board.

Red Cat does not intend to change the size of the Supervisory Board (currently five members). Following the settlement of the Offer, Red Cat intends to be represented on the Supervisory Board in a manner that appropriately reflects its ownership stake, subject to the appointment of its representatives by the General Meeting. It has been agreed that, shortly after the settlement of the Offer, an extraordinary General Meeting (in compliance with the statutory 28-day notice period) will be convened to remove and re-elect members of the Supervisory Board.

3.5.7 Term of the Business Combination Agreement

The Business Combination Agreement has a fixed term of one year, beginning on October 21, 2026, although selected provisions survive the term for a limited period (in particular, the agreements regarding site protection). In addition, the Business Combination Agreement provides for termination rights of each party under certain defined circumstances.

4. SUMMARY OF THE BIDDER'S OFFER

The following summarizes selected information about the Offer, taken exclusively from the Offer Document or the Bidder's public disclosures. For further details, particularly regarding the terms of the Offer, the acceptance period, the Additional Acceptance Period, the acceptance and settlement procedures, and the right of withdrawal, please refer to the Offer Document. The description of the Offer in this Statement is not intended to be exhaustive and should be read in conjunction with the Offer Document. Each SMOT Shareholder is solely responsible for obtaining full knowledge of the Offer Document and for taking the actions they deem appropriate.

4.1 Subject Matter of the Purchase

The Bidder's Offer is directed toward the acquisition of all SMOT Shares (ISIN AT0000A3FW25) that are not already held directly by the Bidder. Since, according to its own statement, the Bidder does not hold any SMOT Shares as of the date of publication of the Offer Document, the Offer relates to a total of up to 5,251,261 SMOT Shares; this corresponds to 100% of SMOT's current share capital.

The Offer is being conducted by the Bidder in the form of a voluntary public purchase offer (cash offer) exclusively under Austrian law. The Offer is not subject to the Austrian Takeover Act (ÜbG) or the German Securities Acquisition and Takeover Act (WpÜG) (including the German regulation on the content of the offer document, the consideration in takeover offers and mandatory offers, and the exemption from the obligation to publish and submit an offer), since

the SMOT Shares are not admitted to trading on a regulated market but are exclusively included in trading on multilateral trading facilities. The Management Board and the Supervisory Board have not conducted their own review of the Offer with regard to compliance with the relevant statutory provisions.

4.2 Offer Price

The Bidder offers to SMOT Shareholders, in accordance with the provisions of the Offer Document, to acquire the SMOT Shares, including all ancillary rights existing as of the date of the Offer Document—in particular the right to dividends for the 2026 fiscal year—as well as all undistributed profits prior to the date of the Offer Document, at a price of

EUR 39.00

per SMOT Share (cum dividend 2026) (the "**Offer Price**") (Sections 6 and 13 of the Offer Document), including all ancillary rights existing as of the date of the Offer Document, in particular the right to dividends, including the right to dividends for the 2026 fiscal year (cum 2026 dividend), as well as all undistributed profits prior to the date of this Offer Document. Consequently, any dividends of SMOT that are resolved or paid after the date of this Offer Document shall accrue to the Bidder.

Since neither the ÜbG nor the WpÜG nor the WpÜG Offer Regulation applies to the Offer, there are no statutory minimum price requirements for the Offer pursuant to Section 13.1 of the Offer Document. The Bidder was therefore free to determine the Offer Price.

4.3 Amendment and Improvement of the Offer

The Bidder may amend the Offer before the expiration of the Acceptance Period by waiving one or more Offer Conditions, lowering the Minimum Acceptance Threshold, increasing the Offer Price, and/or extending the Acceptance Period. Contracts already concluded through acceptance will, to the extent permitted by law, be automatically adapted to the amended terms and conditions. Waiving Offer Conditions or lowering the Minimum Acceptance Threshold does not result in an automatic extension of the Acceptance Period; amendments to the Offer do not trigger a right of withdrawal for SMOT Shareholders who have already accepted the Offer (Section 8.4 of the Offer Document).

4.4 Conditions

Pursuant to Section 7.1 of the Offer Document, the Offer and the contracts resulting from its acceptance are subject to the following conditions precedent, summarized below (the "**Offer Conditions**"):

4.4.1 Minimum Acceptance

Upon expiration of the acceptance period, the sum of the SMOT Shares for which the Offer has been validly accepted, the SMOT Shares acquired by the Bidder or to be transferred pursuant to agreements outside the Offer, and certain indirectly attributable SMOT Shares shall amount to at least 50% of SMOT's share capital plus one SMOT Share (excluding any SMOT Shares held by SMOT itself); as of the date of the Offer Document, this corresponds to at least 2,625,632 SMOT shares (the "**Minimum Acceptance Threshold**").

4.4.2 No Capital Increase

Between the publication of the Offer Document (October 22, 2026) and the expiration of the Acceptance Period, SMOT (i) has not increased its share capital (including through the exercise of the authorized capital pursuant to Section 5.1 of the Articles or of any conditional capital) and (ii) has not granted, sold, committed to sell, transferred, or otherwise disposed of any SMOT Shares.

4.4.3 No Insolvency Proceedings

Between the publication of the Offer Document and the expiration of the acceptance period, SMOT has not published any ad hoc announcement pursuant to Article 17 of the MAR stating that

(a) insolvency proceedings have been opened against SMOT's assets, (b) SMOT's Management Board has filed for the opening of insolvency proceedings, or (c) there are grounds that would require an application for the opening of insolvency proceedings.

4.4.4 Foreign Direct Investment Clearance

No later than the end of day on June 30, 2027 ("**Long Stop Date**"), the Transaction has been, by the competent foreign direct investment authorities in Austria, Australia, Italy, and the United Kingdom, (a) approved; (b) deemed approved because all applicable statutory waiting periods have expired; or (c) declared by the respective authority not to require approval.

The Offer Conditions each constitute independent and severable conditions. The Bidder expressly reserves the right, to the extent permitted by law, to waive all or any individual Offer Conditions at any time and/or to lower the Minimum Acceptance Threshold; an effective waiver shall be deemed equivalent to the satisfaction of the relevant Offer Condition (Section 7.2 of the Offer Document). If the Offer Conditions have not been satisfied by the Long Stop Date or have definitively failed prior to the Long Stop Date, and the Bidder has not effectively waived them, the Offer shall lapse; the contracts concluded through acceptance shall not be consummated and shall become void.

The Management Board and Supervisory Board are of the opinion that the Offer Conditions are customary for transactions of this kind and adequately take into account the legitimate interests of the Bidder and the Target Company. The Offer Conditions correspond to the conditions agreed upon in the Business Combination Agreement. Through the Irrevocable Undertaking of B & C Holding Österreich GmbH, a stake of approximately 14.85% of SMOT's share capital has already been contractually secured, which counts toward the Minimum Acceptance Threshold.

4.5 Acceptance Period, Acceptance, and Settlement of the Offer

The Offer may be accepted from October 23, 2026, through December 18, 2026, 5:00 p.m. (CET), inclusive. Pursuant to Section 8.2 of the Offer Document, the Bidder expressly reserves the right to extend the acceptance period to a maximum of sixteen weeks. The Bidder will announce any extension without undue delay prior to the expiration of the acceptance period on Red Cat's website at https://ir.redcatholdings.com/tender-offer. The period for accepting the Offer, including any extension, is uniformly referred to in this Statement as the "**Acceptance Period**".

For SMOT Shareholders who have not accepted the Offer within the Acceptance Period, an additional acceptance period begins on the first Banking Day following the announcement of the Offer's result after the expiration of the Acceptance Period and ends on January 29, 2027, at 5:00 p.m. (CET), unless the acceptance period has been extended (the "**Additional Acceptance Period**").

The Bidder has appointed UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna, as settlement agent (the "**Settlement Agent**"). Acceptance of the Offer must be declared in writing to the investment firm or financial institution that maintains the securities account of the respective SMOT Shareholder (the **"Custodian Bank**") for a precisely specified number of SMOT Shares (the **"Declaration of Acceptance**"). The Custodian Bank will block the relevant SMOT Shares in the securities account of the accepting SMOT Shareholder. Acceptance is deemed effective and timely if (i) the Declaration of Acceptance is received by the Custodian Bank within the Acceptance Period and (ii) the Settlement Agent has received the Declaration of Acceptance no later than 5:00 p.m. (CET) on the second Banking Day following the expiration of the Acceptance Period, and the corresponding SMOT Shares have been rebooked to the Settlement Agent. The SMOT Shares tendered into the Offer will be rebooked into ISIN AT0000A3Y5G9 on the second or third Banking Day, respectively, following the expiration of the Acceptance Period (expected to be December 22 or 23, 2026, respectively) (the **"Tendered SMOT Shares**"); for the Additional Acceptance Period, this applies mutatis mutandis under ISIN AT0000A3Y5H7. The Bidder recommends contacting the Custodian Bank no later than three Banking Days before the expiration of the Acceptance Period or the Additional Acceptance Period, respectively.

Pursuant to Section 9.6 of the Offer Document, the Bidder will bear the fees and costs charged by Custodian Banks that are directly related to the settlement of the Offer, up to a maximum amount

of EUR 9.00 per account. Any additional costs and expenses incurred by Custodian Banks or foreign investment service providers, as well as any taxes, stamp duties, and similar levies, shall be borne by the respective SMOT Shareholders accepting the Offer. For further details regarding the acceptance and settlement of the Offer, please refer to Section 9 of the Offer Document. As described in Section 18 of the Offer Document, the Bidder recommends that SMOT Shareholders seek tax advice regarding the tax consequences of accepting the Offer, taking into account their personal circumstances, before accepting the Offer.

4.5.1 Trading in Tendered SMOT Shares

If the Offer Conditions have not been satisfied by the expiration of the Acceptance Period (or have not been effectively waived), the Bidder will, pursuant to Section 9.2 of the Offer Document, apply to the Vienna Stock Exchange for the Tendered SMOT Shares (ISIN AT0000A3Y5G9) to be separately tradable on the Vienna Stock Exchange from the sixth Banking Day following the expiration of the Acceptance Period up to and including the third Banking Day prior to completion of the settlement of the Offer. Purchasers of Tendered SMOT Shares assume all rights and obligations arising from the contracts concluded through acceptance of the Offer. SMOT must consent to the transfer to the new ISIN and has undertaken in the Business Combination Agreement to take the necessary measures for this purpose. The Management Board and Supervisory Board note that the trading volume and liquidity of the Tendered SMOT Shares depend on the respective acceptance rate and may therefore be non-existent or low and subject to significant fluctuations. It cannot be ruled out that a sale of the Tendered SMOT Shares on the Vienna Stock Exchange will not be possible due to a lack of demand. SMOT Shares that are not tendered into the Offer will continue to be traded under ISIN AT0000A3FW25.

4.6 Announcements and Publication of Results

On October 22, 2026, the Bidder published the Offer Document on Red Cat's website at https://ir.redcatholdings.com/tender-offer in German as well as in a non-binding English translation; in the event of any discrepancies, the German version shall prevail in accordance with Section 2.1 of the Offer Document.

Pursuant to Section 19 of the Offer Document, all announcements and notices by the Bidder in connection with the Offer will be published on Red Cat's website at https://ir.redcatholdings.com/tender-offer. In particular, the Bidder will announce any extension of the Acceptance Period and, without undue delay after the expiration of the Acceptance Period and after the expiration of the Additional Acceptance Period, the total number of SMOT Shares tendered into the Offer and the corresponding acceptance rate. Pursuant to Section 7.3 of the Offer Document, the Bidder will also promptly announce if (i) an Offer Condition has been fulfilled, (ii) an Offer Condition has been waived, (iii) the Minimum Acceptance Threshold has been effectively reduced, (iv) all Offer Conditions have been fulfilled or waived, or (v) the Offer has lapsed.

4.7 Shareholders' Right of Withdrawal in the Event of Competing Offers

If, prior to the expiration of the Acceptance Period, a person other than the Bidder publishes an offer document for a Competing Offer whose consideration exceeds the Offer Price by at least 15%, and the Bidder does not match it in a timely manner, SMOT Shareholders who accepted the Offer prior to the publication of the Competing Offer are entitled to a right of withdrawal under the conditions set forth in Section 15 of the Offer Document. Withdrawal is possible only during the Acceptance Period; there is no right of withdrawal for contracts concluded during the Additional Acceptance Period. For details, reference is made to Section 15 of the Offer Document.

4.8 Equal Treatment; No Additional Payment

In the absence of the applicability of the ÜbG and the WpÜG, there are no statutory provisions under which SMOT Shareholders who have accepted the Offer would participate in a purchase of SMOT Shares by the Bidder outside the Offer at a higher price. The Offer Document does not provide for any corresponding adjustment or additional payment.

5. VALUATION OF THE OFFER PRICE

5.1 Offer Price

The Offer Price is EUR 39.00 per SMOT Share (cum dividend 2026). The Offer is a voluntary public purchase offer to which no statutory minimum price requirements apply (see Section 1.1 and Section 4.1 of this Statement).

The Management Board and Supervisory Board have thoroughly examined the question of the adequacy of the Offer Price for SMOT Shares from a financial perspective and have carefully and thoroughly analyzed and evaluated it in light of the Target Company's current strategy. In particular, the following factors were taken into account: the market price of SMOT Shares prior to the publication of the announced Offer Price on October 19, 2026; historical market prices over specific reference periods; the price targets published by financial analysts for the Target Company; and certain other assumptions, information, and considerations, particularly with regard to the strategy for SMOT pursued by the Management Board. The opportunities and risks arising for the Target Company and its business activities in the current market environment were also taken into account.

In addition, the Management Board and Supervisory Board obtained a fairness opinion from PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich ("**PwC**"), in accordance with the standard "Principles for the Preparation of Fairness Opinions" (IDW S 8) of the Institute of Public Auditors in Germany (IDW) (the **"Fairness Opinion**"), the content of which was discussed in detail with representatives of PwC and taken into account in their assessment following an independent critical evaluation.

5.2 Offer Price in Relation to Historical Stock Prices

In the opinion of the Management Board and the Supervisory Board, the market prices of SMOT Shares constitute a relevant and widely recognized criterion for assessing the appropriateness of the Offer Price. However, the Management Board and the Supervisory Board point out that the informative value of stock market prices may be limited, as SMOT Shares have only been listed on the Frankfurt Stock Exchange since October 30, 2024, and additionally on the Vienna Stock Exchange since February 10, 2025, and trading liquidity is considered low.

On October 16, 2026, the last trading day before the announcement of the Bidder's decision to submit the Offer on October 19, 2026, the SMOT Share (XETRA closing price) closed at EUR 30.26. The Offer Price of EUR 39.00 per SMOT Share is thus EUR 8.74, or approximately 28.9%, higher than this closing price.

To smooth out short-term price fluctuations, in addition to the closing price in XETRA trading on the last trading day prior to the announcement of the Bidder's decision to submit the Offer and the announced Offer Price, volume-weighted average prices ("**VWAP**") over reference periods of three, six, nine, and twelve months up to and including October 16, 2026, were taken into account. These volume-weighted average prices of the SMOT Share (XETRA) for the last three, six, nine, and twelve months prior to and, including October 16, 2026, as well as the amounts and percentages by which the Offer Price exceeds these prices in each case, are as follows:

Reference Price (XETRA)	Price in EUR	Premium in EUR	Premium in %
Closing price (last trading day prior to the publication of the Bidder's decision to make the Offer)	30.26	8.74	approx. 28.9
1-Month VWAP	30.63	8.37	approx. 27.3
3-Month VWAP	30.82	8.18	26.5
6-Month VWAP	32.81	6.19	approx. 18.9
9-Month VWAP	36.43	2.57	approx. 7.0

Reference Price (XETRA)	Price in EUR	Premium in EUR	Premium in %
12-Month VWAP	37.36	1.64	approx. 4.4

Source: *FactSet; premiums commercially rounded.*

To the extent that the market price of the SMOT Share reacted to the publication of the Bidder's decision to submit the Offer on October 19, 2026, the Management Board and Supervisory Board are of the opinion that the market price formed thereafter primarily represents a reaction to this announcement and is of only limited significance for the assessment of the Offer Price.

A comparison with the Vienna Stock Exchange shows very similar average prices across all reference periods. The Offer Price is above all of the average prices considered. Overall, the Offer Price thus represents a premium over the historical stock prices of the SMOT Share, although this premium decreases as the reference period lengthens. In the opinion of the Management Board and the Supervisory Board, this is primarily attributable to the decline in the stock price in connection with the postponement of orders in, among others, the Middle East and India, as well as the profit warning issued on August 17, 2026.

5.3 Fairness Opinion

The Management Board and Supervisory Board have engaged PwC, acting as an independent and impartial expert for the Management Board and Supervisory Board, to render the Fairness Opinion on whether the Offer Price of EUR 39.00 per SMOT Share is financially fair within the meaning of IDW S 8. The valuation date for the Fairness Opinion was October 20, 2026. In its Fairness Opinion, PwC concludes that the Offer Price per SMOT Share offered by the Bidder is financially fair to the SMOT Shareholders as of the date of the Fairness Opinion, on the basis of and subject to the matters set out in the Fairness Opinion.

According to IDW S 8, financial adequacy in the event of a sale exists if the price under review falls within or above a range of values determined on a net present value basis and market price-based values used for comparison. In this regard, PwC applied, in particular, the discounted cash flow method as a net present value-based approach, as well as the multiples method based on trading multiples, an analysis of stock market prices, an analysis of financial analysts' price targets, information from discussions with SMOT's Management Board, and other publicly available information.

In the Fairness Opinion, PwC concludes that, subject to the assumptions contained therein, the announced Offer Price of EUR 39.00 per SMOT Share as of the valuation date is financially appropriate within the meaning of IDW S 8.

PwC's compensation is not contingent on the outcome of the Fairness Opinion or on the completion of the announced Offer.

The Management Board and the Supervisory Board note that the Fairness Opinion was issued solely for the information of the Management Board and the Supervisory Board in connection with their independent assessment of the Offer Price from a purely financial perspective. It does not replace an independent assessment of the Offer Price by the Management Board and the Supervisory Board and does not contain any recommendation to accept or reject the Offer. The Fairness Opinion is not addressed to third parties, in particular not to SMOT Shareholders or the Bidder, and does not confer any rights or protective effects in favor of third parties. Neither PwC's consent to attach the Opinion Letter to this Statement nor the fact that it was provided to the Management Board and the Supervisory Board entitles third parties to rely on the Fairness Opinion or to derive any rights from it.

The Management Board and the Supervisory Board further note that the Fairness Opinion does not constitute a valuation report as typically prepared by auditors in accordance with the requirements of German or Austrian corporate law. The Management Board has confirmed in writing to PwC that all necessary information and documents were provided in full and accurately. The Fairness Opinion does not take into account any events occurring after the valuation date. It is based on certain assumptions; a full reading of the Opinion Letter is necessary to understand

its scope. The Management Board and the Supervisory Board have each independently examined the Fairness Opinion in detail, discussed its methods and results thoroughly, and subjected it to their own critical assessment. Based on their own experience, the Management Board and the Supervisory Board have each, independently of one another, satisfied themselves as to the plausibility and appropriateness of the procedures, methods, and analyses applied by PwC and have conducted their own assessment of their appropriateness. In the opinion of the Management Board and the Supervisory Board, the methods described in the Fairness Opinion are standard and internationally recognized procedures, the application of which is appropriate with regard to the Offer and for the purposes of this Statement.

PwC's analysis and assumptions, which ultimately led to the conclusion that the Offer Price is financially reasonable from the perspective of a SMOT shareholder, are consistent with the views of the Management Board and the Supervisory Board in this regard, taking into account SMOT's future development and growth potential. The Management Board and the Supervisory Board therefore endorse the statements and assessments made by PwC in the Fairness Opinion to this extent; these correspond to their respective expectations based on the assumptions they themselves have made. This applies to the valuation analyses that support the valuation and thus, in the view of the Management Board and the Supervisory Board, demonstrate the financial reasonableness of the Offer Price from various perspectives and under various considerations. The Management Board and the Supervisory Board have each independently concluded that there are no relevant indications that would make the offer price appear unreasonable.

5.4 Analyst Estimates for the SMOT Stock

In assessing the appropriateness of the Offer Price, the Management Board and the Supervisory Board also took into account the price targets for SMOT Shares published by financial analysts and available to the Target Company. As of October 20, 2026, the following current analyst reports were available, each published after August 17, 2026, the day of publication of the profit warning:

Analyst	Date	Recommendation	Price Target in EUR	Premium / (Discount) in %
Baader Europe / AlphaValue	August 20, 2026	Buy	40.30	approx. (3.2)
Cantor Fitzgerald Europe	August 21, 2026	Overweight	39.50	approx. (1.3)
NuWays AG	August 20, 2026	Buy	49.00	approx. (20.4)

Source: Analyst reports; deviations commercially rounded.

The announced Offer Price is below the target prices considered, though only slightly below those of Baader Europe/AlphaValue and Cantor Fitzgerald Europe. All analysts mentioned had adjusted their target prices downward following the profit warning on August 17, 2026. Analysts' expectations represent their personal assessments, and their perspectives naturally differ from one another. The Management Board and Supervisory Board further note that price targets are generally 12-month targets—that is, the stock price is estimated one year after the publication of the respective report—so that the Offer Price, by contrast, enables shareholders to realize value at a fixed amount without having to rely on these 12-month price targets materializing. Furthermore, in the opinion of the Management Board and the Supervisory Board—which aligns with PwC's assessment in this regard—the analyst reports are based on a high level of ambition regarding the assumed long-term growth and the expected earnings trend, the full attainability of which cannot be sufficiently substantiated. Against this backdrop, the Management Board and the Supervisory Board are of the opinion that the analysts' price targets do not preclude the adequacy of the Offer Price.

Following the publication of the Bidder's decision to submit the Offer and the announced Offer Price, the financial analysts listed below have updated their analyst reports as follows:

Analyst	Date	Recommendation	Price Target in EUR	Premium / (Discount) in %
Baader Europe / AlphaValue	October 22, 2026	Reduce	39.60	approx. (1.5)
Cantor Fitzgerald Europe	October 23, 2026	Neutral	39.50	approx. (1.3)

Source: Analyst reports; deviations commercially rounded.

The Management Board and Supervisory Board draw particular attention to the report by Cantor Fitzgerald Europe dated October 23, 2026. According to this report, SMOT Shareholders are recommended to accept the Offer. In Cantor Fitzgerald Europe's assessment, the offer price of EUR 39.00 per SMOT share was essentially in line with the fair value determined by Cantor Fitzgerald Europe (target price EUR 39.50). The premium of 28.9 per cent on the unaffected closing price of 16 October 2026 already reflected the realization of the order pipeline, which Cantor Fitzgerald Europe only takes into account in its estimates from the 2028 financial year onwards. Furthermore, the Offer would relieve SMOT Shareholders of the risk that delayed contract awards could continue to have a negative impact on the share price. Finally, according to Cantor Fitzgerald Europe's assessment, the growth – which is heavily skewed towards later years and irregular in nature – can be better realized outside the scope of the capital market's quarterly scrutiny.

According to the report dated October 22, 2026 prepared by Baader Europe / AlphaValue, the Offer Price of EUR 39.00 per SMOT Share fairly values SMOT's defense business, whilst Baader Europe / AlphaValue's price target of EUR 39.60 is close to the Offer Price.

ODDO BHF has not changed its recommendation (Outperform) or its target price (EUR 50.00) from a report dated August 7, 2026 – i.e. prior to the profit warning – in its updated report of October 22, 2026.

5.5 Summary Assessment of the Reasonableness of the Offer Price

The Management Board and the Supervisory Board have independently and separately reviewed and assessed the fairness of the Offer Price of EUR 39.00 per SMOT Share with due diligence and weighing the overall circumstances. In doing so, they have taken into account, in particular but not exclusively, the following aspects that support the fairness of the Offer Price:

- The Offer Price includes a premium of EUR 8.74, or approximately 28.9%, over the XETRA closing price of the SMOT Share on the last trading day prior to the publication of the announced offer price.
- Relative to the volume-weighted average prices over the past three, six, nine, and twelve months, the offer price represents premiums of approximately 26.5%, 18.9%, 7.0%, and 4.4%, respectively.
- The Fairness Opinion concludes that the Offer Price is financially reasonable within the meaning of IDW S 8.
- The Management Board and Supervisory Board remain convinced of SMOT's strategy, competitive position and long-term prospects. At the same time, they recognize that the timing of converting existing framework agreements into revenue depends on factors beyond SMOT's control and may – as has been the case in recent months – be delayed; this is consistent with the implementation and timing risks typical of an ambitious growth trajectory and has, at times, contributed to increased volatility in the SMOT share price.
- Given the low trading liquidity of SMOT shares, the Offer Price enables SMOT Shareholders to realize value at a fixed amount within a foreseeable timeframe, regardless of the implementation risks associated with the planned production ramp-up and possible further order delays.

The Management Board and the Supervisory Board have also considered that the Offer Price is slightly below certain price targets set by financial analysts and that the premium relative to the longer-term average prices is lower.

Even taking these aspects into account, the Management Board and the Supervisory Board have reached a unanimous conclusion that the Offer Price of EUR 39.00 per SMOT Share is fair, adequate, and attractive. This assessment is based on an overall evaluation of the net present value and market price-oriented benchmarks used, without any single benchmark being given decisive weight; the Offer Price falls within the range of values determined in accordance with recognized valuation methods. The Management Board and Supervisory Board have also considered that a higher value could only be achieved in the future if the long-term revenue and earnings expectations were met in full and as planned; both whether and when this would occur are uncertain, whereas the Offer Price provides a fixed amount of consideration. The factors arguing against the adequacy of the Offer Price – in particular the analysts' price targets, some of which exceed the Offer Price – do not, upon careful consideration, call this conclusion into question, as they are based on a high level of growth ambition that can only be realized in the long term.

6. FUTURE SHAREHOLDING AND CORPORATE POLICY

The Bidder's intentions set forth below are based on the information provided by the Bidder in the Offer Document, in particular in Section 12 of the Offer Document, and relate to the date of publication of the Offer Document. Material intentions and obligations of the Bidder and Red Cat have been agreed upon in the Business Combination Agreement (see Section 3.5 of this Statement).

6.1 Reasons for the Offer

The Bidder and Red Cat believe that a merger of the Red Cat Group and the SMOT Group represents a compelling strategic opportunity (Section 11.1 of the Offer Document). In light of ongoing developments in the field of defense technology, demand is rising for integrated, mission-critical solutions that combine advanced unmanned systems with reliable propulsion technologies. The merger would create a stronger platform for serving defense and government customers worldwide while accelerating growth opportunities for both companies.

6.2 The Bidder's Business Policy Objectives and Intentions

6.2.1 SMOT's Strategy and Future Business Operations

The Bidder's vision for SMOT is focused on growth, investment, and a long-term partnership. The Bidder views SMOT as a strategic platform with significant expansion potential and intends to preserve SMOT's identity, capabilities, and leadership while investing additional resources to drive future growth (Section 12.1.1 of the Offer Document). The Bidder believes that SMOT has the potential to significantly expand its role as a leading provider of advanced propulsion solutions with the strong support of Red Cat. Red Cat intends to leverage SMOT's core competencies as a key component of the entire Red Cat Group and to promote the further development of the SMOT Group.

6.2.2 Management Board and Supervisory Board

Pursuant to the Business Combination Agreement, Red Cat has confidence in SMOT's management and does not intend to make any changes to the composition of the Management Board. The Offer Document sets forth the Bidder's intention to preserve SMOT's management (Section 12.1.1 of the Offer Document). Even after the completion of the Offer, the Management Board will continue to manage the Target Company under its own responsibility in accordance with Austrian stock corporation law. The Bidder intends not to change the size of the Supervisory Board and, following the settlement of the Offer, to be represented on the Supervisory Board in proportion to its ownership stake in SMOT, subject to the appointment of its representatives by SMOT's General Meeting (Section 12.3 of the Offer Document).

The Management Board and the Supervisory Board consider the Bidder's intention to be represented on the Supervisory Board in proportion to its ownership interest to be reasonable and customary in transactions of this nature. They welcome the fact that the size of the Supervisory Board is not to be changed and that Red Cat recognizes the importance of stability and continuity in the work of the Supervisory Board.

6.2.3 Business Policy Objectives and Intentions of the Bidder

The Management Board and the Supervisory Board have carefully and thoroughly reviewed the intentions of the Bidder and Red Cat as set forth in the Offer Document. Overall, the Management Board and the Supervisory Board are of the opinion that the intentions expressed by the Bidder are presented in a plausible and coherent manner and ensure the necessary continuity to further develop SMOT's business activities and expand its position as a leading provider of specialty motors and drive solutions. The Management Board and Supervisory Board assess these intentions and their potential effects as beneficial for SMOT's future and its business operations and therefore welcome them.

The Bidder's intention to preserve SMOT's identity, capabilities, and leadership and to invest additional funds to promote future growth, as well as Red Cat's intention not to make any changes to the composition of the Management Board, underscore—in the view of the Management Board and the Supervisory Board—the Bidder's interest in SMOT's continued existence as an independent company with its own identity. The Management Board and Supervisory Board view the merger with the Red Cat Group as an opportunity to make SMOT's products available to a broader circle of customers in the defense and government sectors and to accelerate growth opportunities.

6.3 Impact on the Stock Exchange Listing

Pursuant to Section 16(d) of the Offer Document, the Bidder intends, immediately following the settlement of the Offer and in consultation with SMOT, to arrange for the termination of the inclusion of SMOT Shares in trading on the Scale (Freiverkehr) market segment of the Frankfurt Stock Exchange and on the direct market plus market segment of the Vienna Stock Exchange ("**Delisting**"). In the Business Combination Agreement, SMOT has undertaken, to the extent permitted by law and subject to the Management Board's duties of care and loyalty, to take the necessary steps for the Delisting following the settlement of the Offer and at Red Cat's request.

In this case, SMOT Shareholders would no longer benefit from certain enhanced reporting requirements arising from the respective stock exchange regulations—in particular for the Scale (Freiverkehr) on the Frankfurt Stock Exchange—which, among other things, entails the obligation to prepare semiannual reports—and from the Market Abuse Regulation—in particular the obligation to publish ad hoc announcements. Such a termination of trading in the Scale market segment may lead to a reduction in the liquidity of SMOT Shares, which in turn may result in significantly greater price fluctuations of SMOT Shares in the future.

The Management Board and Supervisory Board will review and support the implementation of a delisting in accordance with applicable stock exchange rules and in compliance with their duties of care and loyalty.

6.4 Impact on Employment and Business Locations

The Bidder believes that the employees of SMOT and the SMOT Group play a central role in the company's future development. The Bidder has committed not to initiate any changes to or terminations of existing works agreements, collective bargaining agreements, or similar agreements, particularly those concerning working conditions (Section 12.2 of the Offer Document). Furthermore, in the Business Combination Agreement, Red Cat has committed not to cause SMOT to issue layoffs of workers at the Steyr site for operational reasons within two years of the settlement of the Offer, unless SMOT finds itself in a situation where its continued existence is at risk, and to respect the rights of employees and the works council, including existing structures. The Bidder supports measures to retain employees and management and will grant access to Red Cat's relevant support and development programs. The Bidder and SMOT intend to

jointly retain key personnel and ensure a smooth integration (Section 12.2 of the Offer Document).

The Bidder has further committed in the Business Combination Agreement not to relocate SMOT's registered office and corporate headquarters out of Austria, nor to relocate material operations and assets (material parts of the business), in particular the production facility and the R&D site, out of Steyr (Section 12.1.2 of the Offer Document). These obligations apply for a period of three years following the settlement of the Offer.

The completion of the Offer has no direct impact on SMOT's employees, their employment relationships, or their existing rights. All current employment relationships will continue with the respective company within the SMOT Group, and the Offer does not trigger a transfer of business. Furthermore, the completion of the Offer has no direct impact on the organization of employee representative bodies.

The Management Board and Supervisory Board welcome and support the commitments made regarding the headquarters and locations and view it as positive that Red Cat has committed to not amending or terminating existing works agreements and collective bargaining agreements, to respecting the rights of employees and the works council, and to not initiating any layoffs of workers at the Steyr site for two years following the settlement of the Offer. These commitments are viewed as a recognition of the SMOT Group workforce's contribution to the Target Company's success. The Management Board and Supervisory Board also welcome the Bidder's intention to support measures aimed at retaining employees and management, as retaining key personnel is a decisive factor for SMOT's long-term success.

6.5 Transparency Regarding Any Commitments Made by the Bidder to the Governing Bodies of the Target Company

According to Section 17 of the Offer Document, the Bidder has neither granted nor specifically suggested cash payments or other cash-equivalent benefits to members of the Management Board or members of the Supervisory Board in connection with the Offer; this excludes the payment of the Offer Price for SMOT Shares tendered by them as part of the Offer. For details, see Section 7 of this Statement.

6.6 Impact on Creditors and the Public Interest

Red Cat is financing the Offer Price with its own cash; therefore, the financing of the Offer does not result in SMOT incurring any acquisition financing costs. The Management Board and Supervisory Board welcome the Bidder's intention to invest additional funds to promote SMOT's future growth (Section 12.1.1 of the Offer Document). The Management Board and Supervisory Board will assess any future measures that could lead to an increase in SMOT's debt and/or future obligations in accordance with their duties.

The Transaction is subject to investment control procedures in Austria, Australia, Italy, and the United Kingdom (see Section 6.8 of this Statement).

6.7 Financing of the Offer

As of the date of publication of the Offer Document, the total number of shares issued by SMOT is 5,251,261; the Bidder does not hold any SMOT Shares. Based on an Offer Price of EUR 39.00 per SMOT Share, the total financing amount for the Bidder, assuming acceptance of the offer for all currently issued SMOT shares, would be EUR 204,799,179.00 (the **"Maximum Consideration**").

The Bidder states that Red Cat, as the Bidder's direct sole shareholder, has sufficient funds of its own (cash), derived in particular from a rights offering conducted in April/May 2026, to finance the Offer with respect to all SMOT Shares covered by the Offer, and has ensured that these funds will be available to the Bidder as of the relevant date (Section 14.2 of the Offer Document). Furthermore, in the Business Combination Agreement, Red Cat has confirmed to SMOT and undertaken that, as of the settlement date, the Bidder will have sufficient immediately available funds to pay the entire offer price and all related costs.

6.8 Regulatory Approvals and Procedures

Pursuant to Section 7.1.4 of the Offer Document, the Offer is conditional upon the Transaction having been approved by the competent authorities for foreign direct investments in Austria, Australia, Italy, and the United Kingdom by the Long Stop Date (June 30, 2027), or having been deemed approved, or having been declared not subject to approval. Merger control approvals are not a condition of the Offer. Red Cat will manage the proceedings and bear the regulatory fees. SMOT will cooperate to the extent permitted by law. Any conditions or commitments that impose a burden on the SMOT Group require SMOT's prior written consent. The Bidder expects to complete the investment control proceedings by the Long Stop Date; however, it cannot provide a binding commitment regarding the timing of the completion of the investment control proceedings (Section 9.5 of the Offer Document).

7. CONFLICTS OF INTEREST OF SMOT'S BOARD MEMBERS

In connection with the Offer and this Statement, the Bidder has not exercised any influence over the Target Company or its governing bodies.

7.1 Management Board

Neither the Bidder nor Red Cat has entered into any agreements with individual members of the Management Board. In the Business Combination Agreement, Red Cat expressed its confidence in SMOT's management and stated that it does not intend to make any changes to the composition of the Management Board. Julian Cassutti, as Chief Executive Officer, will, at the Bidder's request, make himself available to an appropriate extent for press conferences, interviews, road shows, and discussions with shareholders and other stakeholders to support the offer.

Julian Cassutti holds SMOT Shares as of the date of this Statement; Björn Krausmann holds no SMOT Shares as of the date of this Statement.

Neither the Bidder nor Red Cat nor any other companies of the Red Cat Group have granted, offered, or promised any cash payments or other cash-equivalent benefits to the members of SMOT's Management Board in connection with the Offer, with the exception of the payment of the Offer Price for SMOT Shares tendered under the Offer.

7.2 Supervisory Board

To the best of the Supervisory Board's knowledge, neither the Bidder nor Red Cat has entered into any agreements with individual members of the Supervisory Board. According to the Business Combination Agreement, the Bidder intends, following settlement of the Offer, to be represented in the Supervisory Board in a manner which corresponds to its shareholding in SMOT following settlement of the Offer, subject to the appointment of its representatives by the General Meeting of SMOT. At the Bidder's request, the Chairman of the Supervisory Board will make himself available to the Bidder to an appropriate extent for press conferences, interviews, roadshows, and discussions with shareholders and other stakeholders in support of the Offer.

The members of the Supervisory Board, Alexander Fitzka, MSc, and Mag. Gerhard Schwartz, have close ties to B & C Holding Österreich GmbH, but do not hold any executive positions. Neither of these two members of the Supervisory Board was involved in the negotiations or in the decision to enter into the Irrevocable Undertaking on behalf of B & C Holding Österreich GmbH.

No members of the Supervisory Board hold any SMOT Shares.

Neither the Bidder nor Red Cat nor any other companies of the Red Cat Group have granted, offered, or promised any cash payments or other cash-equivalent benefits to the members of SMOT's Supervisory Board in connection with the Offer, with the exception of the payment of the Offer Price for SMOT Shares tendered under the Offer.

8. SUMMARY, RECOMMENDATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Taking into account the information provided in this Statement, the overall circumstances of the Offer, and the objectives and intentions of the Bidder and Red Cat, the Management Board and the Supervisory Board are of the opinion that the Offer Price of EUR 39.00 per SMOT Share offered by the Bidder is fair, adequate, and attractive. The Management Board and the Supervisory Board assess the intentions of the Bidder and Red Cat, as set forth in the Offer Document and agreed upon in the Business Combination Agreement, as positive overall and believe that the Offer serves the strategic objectives and the well-understood interests of SMOT, SMOT Shareholders, the SMOT Group, its employees, and its customers.

The assessment of whether the Offer is advantageous for an SMOT Shareholder also depends on the shareholder's individual circumstances, in particular the respective purchase price, investment horizon, liquidity needs, and tax considerations. The Management Board and Supervisory Board therefore recommend that SMOT Shareholders give due consideration to their individual tax and financial circumstances before making a decision and, if necessary, seek expert advice.

The following remarks contain some aspects that the Management Board and Supervisory Board consider relevant to the decision of SMOT shareholders; such a list cannot be exhaustive, as individual circumstances cannot be taken into account.

8.1 Arguments in favor of accepting the offer

In the opinion of the Management Board and the Supervisory Board, the following considerations constitute reasons for accepting the Offer (the order does not reflect the importance of the individual considerations):

8.1.1 Premium over the unaffected market price and historical average prices

The Offer Price of EUR 39.00 per SMOT Share is approximately 27.3% above the XETRA closing price of the SMOT Share on October 16, 2026, the last trading day prior to the publication of the Bidder's decision to make the Offer (EUR 30.26), and approximately 28.9% and 26.5% respectively, above the VWAPs for the last one and three months up to and including that date (see Section 5.2 of this Statement).

8.1.2 Reasonableness of the Offer Price

The Management Board and Supervisory Board consider the Offer Price to be fair, adequate and attractive for SMOT Shareholders (see Section 5 of this Statement).

8.1.3 Timing of the implementation of framework agreements and the advantage of secured value realization

The Management Board and Supervisory Board are confident in SMOT's competitive position, product portfolio and long-term growth prospects. At the same time, they draw SMOT Shareholders' attention to the fact that, in the past, the timing of the conversion of existing framework agreements into revenue has, in some cases, been significantly delayed for reasons beyond SMOT's control. This has led, over the past nine months, to two adjustments to revenue and earnings forecasts, as well as to increased volatility in the SMOT share price. Whether, and at what point, the growth potential associated with the planned production ramp-up will be fully reflected in revenue and earnings therefore depends to a large extent on factors beyond SMOT's immediate control.

Against this background, given the low trading liquidity of the SMOT Shares, the Offer Price enables SMOT Shareholders to realize value at a fixed level and within a foreseeable timeframe, independent of the timing of future order intake.

8.1.4 Cash Payment

The Management Board and the Supervisory Board consider it appropriate and positive that a cash payment is to be made. There are no indications that any other form of consideration would be preferable in this case.

8.1.5 Acceptance by the Largest Shareholder

B & C Holding Österreich GmbH, as the largest shareholder of SMOT, has committed in the Irrevocable Undertaking to accept the Offer for 780,000 SMOT shares (approx. 14.85%) at the Offer Price. In the view of the Management Board and Supervisory Board, this underscores the appropriateness and attractiveness of the Offer Price.

8.1.6 Bidder's Intentions

The Bidder's and Red Cat's intentions regarding strategy, registered office and locations, employees, and corporate governance are reflected in the Business Combination Agreement and are assessed by the Management Board and Supervisory Board as beneficial for SMOT's future (see Section 6 of this Statement).

8.1.7 Possible Reduction in Free Float and Possible Structural Measures

SMOT Shareholders who do not accept the Offer should, among other things, take note of the information provided by the Bidder in Section 16 of the Offer Document as well as the following:

- SMOT Shareholders continue to bear the risks, but also the opportunities, associated with the future development of SMOT and the market price of SMOT Shares. The current market price of SMOT Shares also reflects the announcement of the Bidder's decision to make the Offer on October 19, 2026. It is uncertain whether the market price will remain at its current level, rise, or fall after the Offer is settled.

- SMOT Shares for which the Offer is not accepted may continue to be traded in the Scale (Freiverkehr) market segment of the Frankfurt Stock Exchange and in the direct market plus market segment of the Vienna Stock Exchange, as long as they remain listed there. However, the settlement of the Offer will result in a reduction in the free float. It is expected that supply and demand for SMOT Shares will decline, thereby reducing liquidity. Buy and sell orders may not be executed at all or may not be executed in a timely manner, and the reduction in liquidity could lead to significantly greater price fluctuations.

- Upon settlement of the Offer, the Bidder will hold a majority of the votes at SMOT's General Meeting (unless it has waived the Minimum Acceptance Threshold or lowered it) and will thus be able to exercise controlling influence over SMOT. Depending on the acceptance rate, the Bidder could hold the necessary majority to implement significant structural and other corporate-law measures at the General Meeting, such as the election and removal of Supervisory Board members, the granting or denial of discharge, amendments to the Articles, capital increases, and the exclusion of subscription rights. Only in certain limited cases would the Bidder be obligated under Austrian law to make an offer to minority shareholders to purchase their SMOT Shares in exchange for appropriate compensation based on a valuation of SMOT, or to grant other compensation; such a compensation offer could be equal in value to the offer price, but could also be lower or higher.

- The Bidder intends to initiate the Delisting immediately after the settlement of the Offer, in consultation with SMOT. In this case, SMOT Shareholders would no longer benefit from certain enhanced reporting requirements arising from the respective stock exchange regulations (in particular, the obligation to prepare semiannual reports) and from the MAR (in particular, the obligation to publish ad hoc announcements). Such a Delisting would mean that SMOT Shares could only be sold over-the-counter, and could lead to a further reduction in liquidity and greater price volatility for SMOT Shares. This creates the risk of being unable to find a buyer for the SMOT Shares and that any sale price achieved would be below the Offer Price.

8.2 Information for SMOT Shareholders Intending to Accept the Offer

SMOT Shareholders who intend to accept the Offer should, among other things, consider the following points (the order does not reflect the importance of the individual considerations):

8.2.1 Waiver of Future Appreciation Potential

SMOT Shareholders who accept the Offer will, upon its consummation, lose their membership and financial rights in the Target Company and will no longer participate in any positive development of the market price of SMOT Shares or of the business performance of the SMOT Group. Since the Offer Price is paid cum dividend 2026, any dividends of SMOT resolved or paid after the date of the Offer Document will accrue to the Bidder.

8.2.2 Alternative Sale via the Stock Exchange

It remains possible to sell SMOT Shares on the stock exchange. However, the Management Board and Supervisory Board point out that it is unclear whether the price of SMOT Shares will remain at its current level and whether the market will at any time provide sufficient liquidity for the sale of SMOT Shares, particularly in larger quantities. A sale via the stock exchange generally involves costs or fees; if the offer is accepted, the Bidder will bear the costs of the custodian banks up to EUR 9.00 per account (see Section 4.5 of this Statement).

8.2.3 Completion of the Offer is Subject to Conditions Precedent

If the Offer Conditions are not satisfied and the Bidder does not validly waive them, the Offer will not be consummated (see Section 4.4 of this Statement). Should the Offer not be consummated, this could have unforeseeable and significant effects on the market price of SMOT Shares. The Offer will be consummated and the Offer Price will be paid only once all Offer Conditions have been satisfied or the Bidder has effectively waived them. As a result of the investment control procedures, the settlement and payment of the Offer Price may be delayed until the tenth Banking Day following the Long Stop Date (June 30, 2027) or may not occur at all. Until then, accepting SMOT Shareholders may be restricted in their ability to dispose of the Tendered SMOT Shares. The purchasers of Tendered SMOT Shares assume all rights and obligations arising from the contracts concluded upon acceptance of the Offer; the trading volume and liquidity of the Tendered SMOT Shares may be very low and subject to significant fluctuations, and it cannot be ruled out that a sale on the stock exchange may not be possible at all due to a lack of demand.

8.2.4 Changes to the Offer; Limited Right of Withdrawal

The Bidder may amend the Offer prior to the expiration of the Acceptance Period, in particular by increasing the Offer Price, waiving Offer Conditions, or lowering the Minimum Acceptance Threshold. Such amendments do not trigger a right of withdrawal for SMOT Shareholders who have already accepted the Offer (Section 8.4 of the Offer Document). Withdrawal from acceptance of the Offer is possible only under the narrow conditions set forth in Section 15 of the Offer Document (in particular in the event of a Competing Offer with a consideration at least 15% higher) and only during the Acceptance Period; there is no right of withdrawal for contracts concluded during the Additional Acceptance Period.

8.2.5 No supplementary payment; possible subsequent squeeze-out

In the absence of the applicability of the ÜbG and the WpÜG, there are no statutory provisions under which SMOT Shareholders who have accepted the Offer would participate in a subsequent acquisition of SMOT Shares by the Bidder at a higher price; the Offer Document does not provide for any such top-up payment. SMOT Shareholders who accept the Offer will also not participate in any cash compensation payable in the event of certain structural measures implemented after settlement of the Offer (in particular, a squeeze-out pursuant to the GesAusG). Such cash compensation would be determined on the basis of the circumstances at the time of the resolution of the General Meeting and may be higher or lower than the Offer Price.

8.3 Recommendation

The Management Board and the Supervisory Board support the Offer and believe that it is in the best interests of the Target Company, its employees, its shareholders, and other stakeholders and that the Offer Price is fair, adequate and attractive. They, therefore welcome and support the Offer made by the Bidder and recommend that SMOT Shareholders accept the Offer and tender their SMOT Shares.

Regardless of this, all SMOT Shareholders must decide for themselves whether to accept the Offer, taking into account the overall circumstances as well as their personal situation and assessment of the possible future development of the value and market price of SMOT Shares. Subject to applicable law, the Management Board and Supervisory Board assume no liability for any financial disadvantages that may arise for an SMOT Shareholder as a result of accepting or rejecting the Offer.

Following extensive deliberation on the draft version of this Statement on October 30, 2026, the Management Board and Supervisory Board [unanimously] adopted this joint Statement and the recommendation to accept the Bidder's Offer.

9. FURTHER INFORMATION

For further information regarding this Statement by the Management Board and the Supervisory Board of Steyr Motors AG, please contact Carina Hentschel, Tel.: +43 676 6222367, Email: ir@steyr-motors.com.

Steyr, on November 02, 2026

Steyr Motors AG

The Management Board **The Supervisory Board**