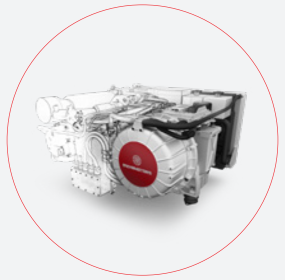
ANNUAL REPORT

Steyr Motors AG develops and produces high-performance diesel engines with the highest power density and durability for heavy-duty vehicles and boats. Steyr Motors also produces generator sets, as well as engine-optimised software solutions with digital networking.

Steyr Motors supports its discerning customers throughout the entire product life cycle with long-lasting original components and service know-how derived directly from development and production.

Marine Engines

Vehicle Engines



Service, Parts & Competences

CONTENT

„We can confidently state that Steyr Motors is at the beginning of a new growth phase.“

Julian Cassutti
CEO

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

2024 was an important year in the history of Steyr Motors AG. The turnaround, which we have worked hard to achieve in recent years, is impressively reflected in our revenues and earnings for 2024. The successful IPO in the Scale segment of the Frankfurt Stock Exchange also marked another important milestone. We can say with confidence that Steyr Motors is at the cusp of a new phase of growth.

Forecasts for 2024 fulfilled

2024 was an extremely successful year for Steyr Motors AG, as our business figures show. With revenues growing by 9.2% to EUR 41.7 million and EBIT adjusted for restructuring and consulting costs coming to EUR 10.1 million together with unadjusted EBIT of EUR 6.5 million, we have met our forecasts for 2024. We would like our shareholders to participate in the successes achieved in 2024. The Management Board and Supervisory Board will therefore propose the distribution of a dividend of EUR 0.55 per dividend-entitled share at the Annual General Meeting on May 7. However, our growth potential is far from exhausted. Steyr Motors, as one of the world’s leading companies in the development and production of customized high-performance engines with high power density and durability and with a high-quality and diverse global customer base, is facing an extremely exciting and promising era.

We are currently experiencing very dynamic growth in demand for our products in the civil sector, but particularly also in the defense sector. It probably goes without saying that in the current environment characterized by multiple geopolitical challenges in combination with the goals formulated by many governments entailing a massive increase in spending on national defense, a supercycle in the defense sector is emerging for our market segment. Steyr Motors is ideally positioned to benefit from this development. At the end of 2024, our total order backlog of firm orders for the period up to the end of 2027, consisting of firm orders, blanket orders and non-binding sales commitments, was valued at just under EUR 150 million. It should be noted that the increases in defense budgets planned by various governments have barely come to fruition so far. In other words, most of the anticipated boom still lies ahead of us and will only show up in our books in the next few years.

Technological progress driving growth

An important technical highlight is the progress made in the development of our new 2-cylinder auxiliary power unit (APU). This compact, state-of-the-art unit delivers 30 kW of electrical power, can be cold-started down to –46 degrees Celsius and is ideal for use in battle tanks. We expect the new product to be ready for series production by mid-2026.

A preliminary delivery agreement signed after the 2024 reporting date in February 2025 with one of the leading European manufacturers of tactical vehicles for a new main battle tank platform underpins the potential of our new development. Further intensive talks and contract negotiations are also underway with several well-known defense companies. We are therefore very confident that this product will significantly boost our growth from 2026.

Global expansion bearing fruit

In the year under review, we also set the course for our international growth strategy. In November 2024, for example, we opened a new office in Beijing, China, as our official Asian representative office. This is being accompanied by important emissions certification for the Chinese market. By expanding into China, we are tapping into new market opportunities for civil marine business and gradually expanding our presence in key markets such as China, Indonesia, Taiwan, Vietnam and Singapore. After the 2024 reporting date, Steyr Motors AG opened another office in Jakarta, Indonesia, thus taking another important step to further accelerate growth in the booming Asian region. Our presence in Indonesia gives us access to one of the largest and most dynamic markets in Southeast Asia. We are in an excellent position to address the emerging local civil marine market effectively by building a comprehensive network in Indonesia. Thanks to an increasing number of customer inquiries and the new orders already received, we see good opportunities to continue our expansion and growth in these regions.

IPO the highlight of the year

We have also raised the external perception of Steyr Motors to a new level. Our successful listing on the Frankfurt Stock Exchange in October 2024 followed by our secondary listing on the Vienna Stock Exchange in February 2025 mark further milestones in our growth strategy. This will significantly boost our visibility among German, Austrian and international investors and improve our access to the capital market. The stock market listing gives us the greatest possible flexibility to implement our expansion plans. In addition, the publicity and greater transparency associated with the IPO promote the trust of our customers and business partners and have already led to new business inquiries (including from the United States).

LETTER TO THE SHAREHOLDERS

Surge in revenues expected in 2025

We have every reason to be confident about 2025 and beyond. In light of the milestones set last year, the existing order backlog, and ongoing customer discussions, the Management Board expects further strong growth. Looking forward to 2025, we expect revenues to increase by at least 40% over 2024 on the basis of an output of more than 1,250 engines (previous year: 729 engines). We project an EBIT margin of at least 20%. Growth is being driven in particular by our heightened activities in Asia, the MENA region and North and South America. We also fully reaffirm our medium-term forecast, which, based on our high order backlog, envisages a fourfold increase in adjusted EBIT by 2027 – and thereafter on an unadjusted basis.

Finally, we would like to thank our dedicated employees for their tireless efforts and passion – they are the foundation of our success. Our thanks also extend to our shareholders for their trust and continued support. We look to the future with confidence and determination and invite you to join us as we continue the Steyr Motors growth story.

Best regards,

Julian Cassutti
CEO, Steyr Motors AG

REPORT OF THE SUPERVISORY BOARD
of Steyr Motors AG

DEAR SHAREHOLDERS,

Following the Company's successful transformation and realignment in 2023, the 2024 financial year was characterized by continuous, sustainable growth. With the successful conversion of the Company into a stock corporation, including a merger and a successful capital increase, the shares were listed in the Scale segment of the Frankfurt Stock Exchange in Germany for the first time at the end of October. This process was essential for the Company's future successful development. It has significantly increased the level of awareness of Steyr Motors, and this should have a positive effect on its growth in the long term. The Company performed very encouragingly in the year under review in terms of both revenues and profitability. It was subsequently listed on the Vienna Stock Exchange in February 2025. Looking ahead to 2025 and the coming years, Steyr Motors AG is focusing on sustainable, international growth.

Trusting cooperation between the Supervisory Board and the Management Board

In 2024, the Management Board consulted the Supervisory Board on all key decisions affecting the Company. Cooperation was characterized by consistently constructive discussions between the Supervisory Board and the Management Board and active advice provided by the Supervisory Board, both during and outside its meetings. The Supervisory Board was always informed promptly and comprehensively about all issues of importance to the Company. The main focus was on the alignment of business policy, the Company's development, its net assets, financial position and results of operations as well as risk management and the progress made in complying with legal requirements. As a result, the Supervisory Board was always in a position to advise the Management Board closely and to fulfill its task of careful monitoring at all times. The Supervisory Board was also informed about important business transactions in written and verbal form outside of its meetings as part of regular reporting.

The Supervisory Board also reviewed important business transactions requiring its approval in accordance with the rules of procedure of the Management Board and made decisions on the transactions presented after extensive consultation and internal discussion.

Composition of the Supervisory Board

In accordance with Article 7.1 of its Articles of Association, the Company's Supervisory Board consists of at least three and a maximum of seven members elected at the annual general meeting or delegated by the shareholders. At the annual general meeting of Mutares Austria Holding-01 GmbH on September 23, 2024, Dr. Christian Klingler, Mr. Simon Brüseken and Ms. Katerina Zenz were elected to the Supervisory Board as representatives of the principal shareholder. Following the listing of the shares of Steyr Motors AG in the open market of the Frankfurt Stock Exchange, Mr. Martin Brandner and Mr. Stefan Fraundorfer were also elected to the Supervisory Board as representatives of the Company's works council. At the extraordinary shareholder meeting held on October 23, 2024, Mr. Fabian Schlegel and Mr. Philipp Berghofer were elected to the Supervisory Board by the shareholders, while Mr. Simon Brüseken and Ms. Katerina Zenz stepped down from the Supervisory Board. The Chairman of the Supervisory Board is Dr. Christian Klingler, the Deputy Chairman is Mr. Fabian Schlegel.

The Supervisory Board has voluntarily formed an Audit Committee, consisting of Mr. Fabian Schlegel as Chairman and Mr. Martin Brandner and Mr. Philipp Berghofer as ordinary members.

There are no other committees.

Composition of the Management Board

Since his appointment by the Supervisory Board on September 27, 2024, Mr. Julian Cassutti has managed the Company as the sole member of the Management Board. He was appointed to the Management Board by the Supervisory Board for a term of office of three years and two months. The service contract with Mr. Julian Cassutti expires on December 31, 2027.

Activities of the Supervisory Board in 2024

In 2024, the Supervisory Board performed with due care and diligence the duties assigned to it by law, the Articles of Association and the rules of procedure. The members of the Supervisory Board – individually and collectively – have the necessary knowledge, skills and experience to perform their duties for Steyr Motors AG. Furthermore, the members of the Supervisory Board devoted sufficient time and commitment to fulfilling their duties, something which is reflected in an attendance rate of 100% at the meetings (including the Audit Committee).

The Supervisory Board held a total of three meetings in 2024. Two meetings were held virtually and one in person in 2024. The following main topics were discussed at the meetings:

Meeting on September 27, 2024
(virtual)

- **Election of the Chairman and Deputy Chairman of the Supervisory Board**
- **Appointment of the Management Board of Steyr Motors AG**

Meeting on October 23, 2024
(virtual)

- **Re-election of the Chairman of the Supervisory Board and his deputy following the extraordinary shareholder meeting on October 23, 2024**

Meeting on November 28, 2024
(at the Company's Offices in Steyr)

- **Capital market compliance and clarification of insider information and transactions**
- **Discussion and resolution on the approval of the rules of procedure for the**
  - Management Board
  - Supervisory Board
- **Report of the Management Board on the situation of Steyr Motors AG, particularly**
  - Net assets, financial position and results of operations
  - Liquidity situation and forecast
  - Reactions of customers, suppliers and (potential) investors to the IPO
  - Budget for 2025
- **Approval of the budget for 2025**
- **Resolution on the establishment of the Audit Committee and election of the Chair and committee members**
- **Resolution of the Supervisory Board on the conclusion of the audit contract with the auditor for the 2024 financial year**

The auditors from Grant Thornton ALPEN-ADRIA Wirtschaftsprüfungsgesellschaft GmbH joined the meeting online and reported on the progress of the preliminary audit as planned.

Audit Committee

The Audit Committee consists of three members. These are Mr. Fabian Schlegel, Mr. Martin Brandner and Mr. Philipp Berghofer. The tasks of the Audit Committee include, in particular, reviewing the accounts and monitoring the accounting process, the risk management system, compliance and the audit of the

REPORT OF THE SUPERVISORY BOARD

financial statements. It prepares the resolutions of the Supervisory Board on the annual financial statements and the proposal for the appropriation of the Company's unappropriated surplus. The Committee submits a proposal to the Supervisory Board for the appointment of the auditor. In 2024, several meetings were held between the Chairman of the Audit Committee and the Company's CFO to discuss fundamental accounting issues and to coordinate deadlines, among other things. The Chairman of the Audit Committee regularly reports to the Supervisory Board on the Committee's activities.

Adoption and approval of the Annual Financial Statements

Grant Thornton ALPEN-ADRIA Wirtschaftsprüfungsgesellschaft GmbH, Klagenfurt am Wörthersee, audited the annual financial statements and the management report of Steyr Motors AG as of December 31, 2024, which had been prepared in accordance with the Austrian Commercial Code ("UGB"), and the IFRS single-entity financial statements in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the European Union, and issued an unqualified audit opinion in each case. As part of the audit of the annual financial statements, the auditor conducted an audit of the accounting-related internal control system in order to take account of the findings on its effectiveness in the further selection of audit procedures. The audit did not reveal any indications of shortcomings in the accounting-related internal control system.

The Supervisory Board examined the annual financial statements and management report of Steyr Motors AG as of December 31, 2024, particularly with regard to legality, regularity and expediency, and discussed the documents in detail with the Management Board and the auditor as the basis for a draft audit report. The auditor reported on the results of the audit at the Supervisory Board meeting on March 12, 2025 as a whole and on the individual focal points of the audit and answered the questions of the members of the Supervisory Board in detail. The members of the Supervisory Board took note of the audit reports and audit opinions and critically assessed and discussed them with the auditors, who answered questions on the nature and scope of the audit and the audit findings. The Supervisory Board was able to satisfy itself of the correctness of the audits and the audit reports. It conducted its own detailed review of the annual financial statements and the management report.

No objections were raised following the conclusion of this audit. The Supervisory Board therefore approved the results of the audit at its meeting on March 12, 2025. The annual financial statements prepared by the Management Board were duly adopted and approved by the Supervisory Board. The Supervisory Board agreed with the management report and the assessment of the company's future development.

Thanks

The Supervisory Board would like to express its sincere thanks for the work performed by the employees and the Management Board of Steyr Motors AG. It was an economically successful year, and the Supervisory Board is looking forward to 2025 with great anticipation.

Steyr-Gleink, March 12, 2025
The Supervisory Board of Steyr Motors AG

Dr. Christian Klingler
Chairman of the Supervisory Board

Entrance to the modern office building - an innovative working environment with contemporary architecture.

STEYR MOTORS ON THE CAPITAL MARKET

Successful but volatile year for the stock markets in 2024

In 2024, the stock markets were characterized by uneven performance but closed the year on a very successful note. The geopolitical conflicts in Ukraine and the Middle East triggered uncertainty on the markets. In particular, the global equity markets were heavily influenced by economic challenges. Muted consumer spending and flat industrial production in the Eurozone fueled fears of a recession and were accompanied by only a gradual decline in inflation. In the second half of the year, the markets began to price in a turnaround in central banks' interest rates. At the same time, inflation leveled off again over the course of the second half of the year. The subsequent interest rate cuts fueled hopes of economic stabilization. Monetary easing, the strength of the US economy in particular and optimism over the monetarization of artificial intelligence propelled the stock markets to new record highs in many regions.

Among the leading indices, the US markets recorded the largest gains, with the S&P 500 rising by around 23.8%. Germany's leading index, the DAX, gained 18.8%, making it the top performer among the major European indices. By contrast, the MDAX and SDAX, whose members are generally much more exposed to the German economy, did not fare as well. The MDAX lost 5.7% over the year, while the SDAX also closed the year down just on 1.8%. The Scale All Share Index, which includes Steyr Motors, closed 5.8% lower in 2024. This reflects the reluctance of both institutional and private investors to invest in small and mid-caps, while the gains in the blue-chip segments were underpinned by the performance of less popular companies, particularly in the high-tech segment.

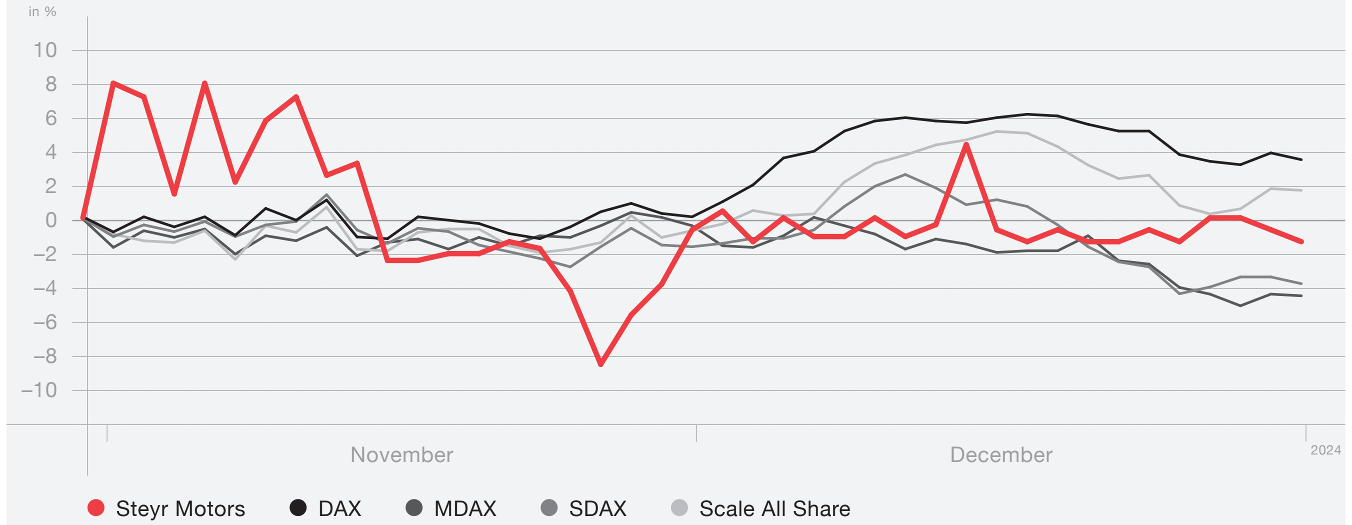
The industries relevant for Steyr Motors performed disparately in 2024. The defense sector, as measured by the STOXX Europe Total Market Aerospace & Defense Index, which includes numerous customers of Steyr Motors, closed the year 33.1% higher. On the other hand, the automotive sector declined by 12.2% in 2024, as the performance of the STOXX Europe 600 Automobiles & Parts Index shows.

Share performance since initial listing including benchmark indices

The shares of Steyr Motors AG have been listed in the Scale segment of the Frankfurt Stock Exchange since October 30, 2024, with an initial price of EUR 15.90. Prior to first-time listing, 1,110,000 shares were issued to institutional investors at a price of EUR 14.00 per share under a private placement. The shares arose from a capital increase with a gross issue volume of EUR 2.8 million and from the shares of EUR 12.7 million held by Mutares SE & Co. KGaA. The total placement was valued at roughly EUR 15.5 million, equivalent to 21.3% of the company's shares after the capital increase. The XETRA closing price for 2024 stood at EUR 13.80. This marks a decline of 1.4% compared to the placement price. In the same period, the DAX rose by 2.2%, while the SDAX fell by 0.5% and the Scale All Share Index by 4.7%.

The share reached a high of EUR 16.20 on October 30 and a low of EUR 12.45 on November 22. Average daily trading volumes on the XETRA electronic trading platform since the initial listing comprised 5,842 shares.

Comparative performance



Key figures of the Steyr Motors share

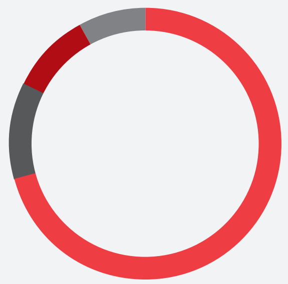
		2024
Number of shares (December 31, 2024)	Number in millions	5.2
Market capitalization (December 31, 2024)	EUR million	71.8
Closing price[1] (December 31, 2024)	EUR	13.80
High of the year[1] (October 10, 2024)	EUR	16.20
Low for the year[1] (November 22, 2024)	EUR	12.45
Trading volumes (daily average)[1]	Number	5,842

[1] All figures based on XETRA prices. XETRA trading volumes since listing.

Shareholder structure

The largest shareholder with 70.9% of the shares is Mutares SE & Co. KGaA. Under the private placement completed ahead of the stock market listing, B&C Holding Österreich GmbH was acquired as a new anchor shareholder with an interest of 9.9%. Members of management and employees hold a further 7.8% of the shares. 14% of the shares are free float.

Shareholdings by investor



Mutares SE & Co. KGaA	70.9 %
Free float	11.4 %
B&C Holding Österreich GmbH	9.9 %
Management and employees	7.8 %

Share data

Ticker	4X0
WKN	A40TC4
ISIN	AT0000A3FW25
Index membership	Scale All Share
Transparency level	Open Market
Market segment	Regulated unofficial market
Stock exchanges	XETRA, Frankfurt, Berlin, Düsseldorf, Munich, Stuttgart, Tradegate
Sector	Automotive and mechanical engineering
Number of shares	5,200,000
Class of shares	Ordinary shares
Designated sponsor	Hauck Aufhäuser Lampe Privatbank AG

Investor relations

Steyr Motors maintains regular and transparent contact with all stakeholder groups such as institutional and private investors, financial analysts and media representatives. On example of this is the company's attendance at the German Equity Forum in Frankfurt/ Main in November 2024. Steyr Motors plans to additionally expand its financial communication activities by participating in conferences and roadshows and using own formats for example.

Further information on the share is available to interested investors on the Investor Relations website at ir.steyr-motors.com.

Analysts see upside of 117%

The Steyr Motors share is regularly analyzed and evaluated by Hauck Aufhäuser, which has given it a "buy" rating. The analysts have set a target price of EUR 30.00, translating into upside of around 117% over the closing price on December 30, 2024.

Financial calendar 2025

February 5–6, 2025	Hamburg Investor Days
February 10, 2025	Listing on the Vienna Stock Exchange
February 19, 2025	Virtual Austrian Conference
March 18, 2025	Publication of the 2024 Annual Report
May 7, 2025	Annual General Meeting
May 14, 2025	Publication of Q1 figures
July 31, 2025	Publication of H1 figures
October 23, 2025	Publication of Q3 figures

High Power lightweight marine engines: Ideal for commercial and private use, certified according to SOLAS and Rescue standards.

MANAGEMENT REPORT OF STEYR MOTORS AG
for the IFRS single-entity financial statements as of December 31, 2024

Basis of the Company

Business model and organization

With effect from October 15, 2024, Mutares Austria Holding-01 GmbH was merged as the acquiring company with Steyr Motors Betriebs GmbH (registered office in Steyr, FN°497037°m) as the transferring company as of the merger date December 31, 2023 at its book value and the registered office was relocated to Steyr.

With effect from October 19, 2024, Mutares Austria Holding-01 GmbH was converted into a stock corporation under Austrian law and the company renamed "Steyr Motors AG" (hereinafter "Steyr Motors" or "the Company").

The Company prepared IFRS consolidated figures for the 2023 financial year for the first time. Due to the upstream merger of Steyr Motors Betriebs GmbH into Mutares Austria Holding-01 GmbH as the acquiring company, this group has now been absorbed. The previous year's IFRS consolidated figures, which contained the same assets and liabilities as these financial statements, are used as comparative figures for these IFRS single-entity financial statements.

Until October 15, 2024, the purpose of Steyr Motors AG was to manage its own assets and to operate as a holding company with a 100% share in Steyr Motors Betriebs GmbH. After the merger took effect, the Company's purpose was to engineer and assemble drive units and to trade in goods of all kinds. Steyr Motors AG engineers and assembles high-performance diesel engines with maximum power density and durability for heavy-duty vehicles and boats as well as generator sets and engine-optimized software solutions incorporating digital networking.

Steyr Motors AG's unique selling point is its ability to engineer customized solutions for the use of diesel engines in vehicles for special situations and to subsequently assemble them in small series. Thanks to a power density of up to 70 kW per liter of displacement, which the competition is barely able to match, the Steyr engine delivers significantly more power from a smaller engine at a lower weight (so-called "power-to-weight ratio").

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

In all developments based on customer-specific requirements, attention is paid to the unique selling points of low weight, high performance, multi-fuel capability, robustness and the high altitude and cold-start capabilities required by the market.

An additional benefit of Steyr Motors engines for customers of Steyr Motors AG, who are mainly in the defense sector, is the possibility of operating the engines with alternative fuels without sacrificing performance and free of any wear due to low the lubrication of aviation fuels (made possible by an oil-lubricated injection system).

All Steyr Motors engines are developed and assembled at the Steyr site, while the Company's sell-side markets are spread across the world. In Steyr Motors' defense business, the strategic focus for further business development activities is on NATO countries in particular, which have stepped up defense spending in the main areas in which Steyr Motors engines are used – tanks and armored vehicles – since the outbreak of the Ukraine war in 2022. In the Company's predominantly civil marine business, the focus is on opening up new regional markets in which it has previously had little or no presence. This is particularly the case in Asia, where new customers were gained in several markets in the year under review.

Economic Environment

According to the ifo Institute in Germany (source: "ifo Economic Forecast Winter 2024", published on December 12, 2024), the **global economy** experienced moderate growth in 2025 and 2026. Industry is expected to benefit from rising global demand and to continue recovering. Total global economic output should widen by 2.6% in both 2025 and 2026. Economic production in the United States is set to grow by 2.5% and 2.4% in 2025 and 2026. respectively.

In the **Eurozone**, the economy picked up in the reporting period, expanding by 0.9% year on year, driven by exports and industrial production, which benefited from lower energy prices. Inflation in the Eurozone is expected to average 2.3% in 2025 and 2026.

The Austrian Institute of Economic Research projects muted conditions in **Austria** and anticipates moderate economic growth of 0.6% in 2025 and 1.2% in 2026 (source: "WIFO Economic Forecast 4/2024", published in December 2024). While minor growth was originally forecast for 2024, the economic situation unfortunately deteriorated in 2024, with real economic contraction of 1.0%. Muted demand in the current year is placing a damper on producer and consumer price inflation. As labor supply continues to grow and employment growth flattens out, WIFO expects unemployment to continue rising to 7.4% in 2025, dropping to 7.0% in 2026 (7.0% in 2024).

In the emerging markets in **Asia**, the International Monetary Fund (IMF) expects economic growth to decline by 0.2% to 4.4% in 2025 according to the "World Economic Outlook" of October 2024. Economic growth in China should slow from 5.2% in 2023 to 4.8% in 2024 and 4.5% in 2025.

In the **United States**, the IMF forecasts economic growth of 2.8% for 2024, slowing to 2.2% in 2025 according to the "World Economic Outlook" of October 2024. The upward revision of 0.6 percentage points since the January 2024 update reflects stronger than expected economic growth in the fourth quarter of 2023 and the expectation that this trend will continue until the end of 2024.

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

Business Performance

The greatest success in 2024 was clearly Steyr Motors AG's IPO and the listing in the Scale segment of the Frankfurt Stock Exchange in October 2024. This yielded gross proceeds of EUR 2,800 thousand for Steyr Motors AG from the issue of 200,000 new shares and thus strengthened the Company's liquidity and equity base sustainably.

In the year under review, Steyr Motors AG achieved growth in both the "Civil" and "Defense" segments and exceeded the revenues and earnings targets defined in the budget that had been prepared in the fourth quarter of 2023. The "Civil" segment comprises all revenues with marine distributors as well as revenues directly with civilian vehicle OEMs (mainly in the locomotive sector), while the "Defense" division is made up of all revenues derived from vehicle and marine OEMs in the military sector. In addition, the Company's presence at specialist conferences and trade fairs was stepped up and customer acquisition in general was actively pursued in order to additionally expand its market position and open up new business opportunities in the medium to long term.

In 2024, the price increases ranging from 7.5% to 21%, some of which had been agreed with customers in 2023, led to increases in revenues and margins and covered all revenue-relevant components. These adjustments were necessary to meet the increased supply chain costs and to safeguard margins, thus ensuring continued growth.

One focus was on customer acquisition in the marine market, particularly in Asia. Here, the Company established a new sales channel and entered into a contract with a new customer in China to significantly boost volumes in future years. Further new customers were gained in Taiwan, Vietnam and Indonesia. These measures make it possible to monetarize the entire product life cycle more effectively and establish long-term customer relationships. In addition, incentives for existing customers were created through an improved discount and bonus system. The contract signed with a new Chinese customer in June 2024 providing for a minimum purchase volume of 200 engines by the end of 2025 is particularly noteworthy.

In addition to South East Asia, the MENA (Middle East and North Africa) region has been defined as a priority for further business development. In the year under review, the existing key account team was strengthened in this regard and new partners (distributors and sales representatives) signed up to reinforce the sales network. These strategic measures are intended to support the further expansion of the Company's presence in a fast-growing market.

Further sales successes were also achieved in the United States. The exclusive delivery of engines for US Navy Seal boats, which began in 2023, was also stepped up in 2024 and supplemented with further deliveries.

On the engineering side, the activities initiated in 2023 to standardize the Steyr Motors product portfolio were continued, with further progress achieved. In customer-oriented engineering business, discussions with several OEMs on customized solutions for the Steyr APUs were stepped up. In addition, several vehicle acceptance tests and high altitude tests were successfully completed in conjunction with customers, once again confirming the viability of Steyr Motors engines under challenging conditions.

In the "Maintenance, Repair & Overhaul" ("MRO") division, the reopening of the Steyr Motors training center and the establishment of the training and service organization, which is now equipped for the future, is worthy of particular mention. The number of general overhauls of engines and diesel units was increased in the fourth quarter of 2024.

Report on the Branches

The Company continued to hold the shares in the subsidiaries Steyr Motors North America, Inc. and Steyr Motors Hongkong Co. Limited at the beginning of the year. The Hong Kong company was permanently closed in December 2024 and liquidation completed. The liquidation of the US subsidiary (Steyr Motors North America Inc.) was commenced at the beginning of 2024 and completed in April 2024.

The Company has no other branch offices.

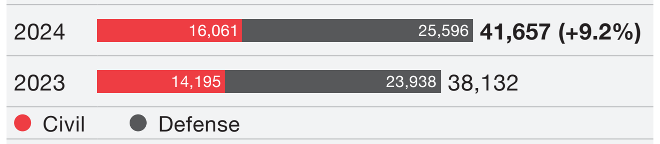
Earnings Position of the Company including Financial Performance Indicators

Volume sales of engines came to 729 units in 2024 (previous year: 764 units). At the same time, growth was achieved in spare parts and licensed engine production.

As a result, revenues grew by EUR 3,525 thousand to EUR 41,657 thousand in 2024, up from EUR 38,132 thousand in the previous year (up 9.2% year-on-year). This trend strengthens the Company's market position. Table 1 below shows the revenues in 2024, broken down into the "Civil" and "Defense" segments:

Revenues Civil & Defense Steyr Motors AG

in EUR thousands



The cost of materials amounted to EUR 22,902 thousand in 2024, thus remaining at the previous year's level of EUR 22,143 thousand (up 3.5% year-on-year). The increased consumption of raw materials and supplies due to the higher output was offset by the more efficient use of resources. Reflecting the price increases implemented, the gross profit generated in 2024 improved significantly (see segment report in the IFRS notes).

Personnel expenses fell from EUR 10,080 thousand in the previous year to EUR 9,557 thousand in 2024. This is due to the redundancy plan implemented at the beginning of 2023, which caused one-off costs of EUR 1,571 thousand for staff layoffs in 2023.

Other operating expenses fell substantially from EUR 7,765 thousand in 2023 to EUR 5,498 thousand in 2024. These mainly include expenses of EUR 1,967 thousand from consulting services provided by Mutares SE & Co KGaA in connection with the restructuring of the Company (previous year: EUR 3,866 thousand) and maintenance and repair costs of EUR 774 thousand (previous year: EUR 518 thousand). In connection with the IPO of Steyr Motors AG in October 2024, one-off IPO and M&A costs of EUR 1,050 thousand arose.

The Company's revenues, EBIT[1] and adjusted EBIT[2] are the financial performance indicators used by the Company's Management Board.

As a result of the optimization measures, most of which had been implemented in 2023, EBIT of around EUR 6,474 thousand was achieved in 2024, translating into an EBIT margin of 15.5% on revenues of EUR 41,657 thousand. Adjusted EBIT amounted to EUR 10,115 thousand in 2024 (adjusted EBIT margin 24.3%). Table 2 reconciles EBIT with adjusted EBIT:

EBIT reconciliation

in EUR thousands	**2024**	2023
EBIT	**6,474**	**−5,778**
Expenses for staff compensation plans		1,571
Restructuring and one-off expenses	1,674	533
Fees paid to Mutares	1,967	3,866
Book loss on sale and lease back		3,388
EBIT adjusted	**10,115**	**3,581**

1 EBIT = "Earnings before interest and taxes", i.e. the balance of the following income and expense items in accordance with Section 231 of the Austrian Companies Act (UGB): revenues +/(–) change in inventories of finished goods and work in progress and services not yet invoiced + other own work capitalized + other operating income (-) cost of materials and other purchased production services (–) personnel expenses (–) depreciation and amortization (–) other operating expenses

2 To calculate adjusted EBIT, one-off effects in connection with M&A activities and restructuring expenses are eliminated.

MANAGEMENT REPORT OF STEYR MOTORS AG

Net Assets and Financial Position

Non-current assets of EUR 10,340 thousand December 31, 2023: EUR 8,752 thousand) include right-of-use assets in accordance with IFRS 16 of EUR 4,490 thousand (previous year: EUR 4,760 thousand), intangible assets of EUR 3,997 thousand (previous year: EUR 1,561 thousand) and property, plant and equipment of EUR 1,853 thousand (December 31, 2023: EUR 1,473 thousand). Capital expenditure in 2024 primarily entailed software (including investments in software for a next-generation engine control unit, improved engine test bench software and a new digital incoming invoice tool) and new tools to optimize product costs and eliminate obsolescence. The increase in intangible assets is mainly due to capitalized development costs in accordance with IAS 38.

An increase in capital spending in property, plant and equipment is expected for 2025, particularly to support the planned production ramp-up and to implement new and existing development projects.

Within current assets, working capital remained stable. Inventories did not change significantly over the previous year, amounting to EUR 12,457 thousand in 2024 (2023: EUR 12,501 thousand). Since the third quarter of 2024, basic engines have been stockpiled specifically for the marine sector to improve delivery capabilities significantly in this strategically important segment and to meet customer requirements with short lead times. This measure also aims to avoid uneven capacity utilization and ensure stable production output. This stockpiling will continue in 2025 to execute existing customer orders and address future demand in the marine sector more efficiently. By utilizing the existing factoring facilities effectively, the Company was able to reduce trade receivables to EUR 2,096 thousand (December 31, 2023: EUR 3,569 thousand) despite a strong fourth quarter in 2024. This funding method has enabled the Company to optimize its liquidity and reduce its dependence on incoming receivables.

Liquidity was improved in particular through the consistent optimization of payment terms and the acquisition of new customers who were included in factoring operations. The Company's cash and cash equivalents climbed from EUR 5,719 thousand as of December 31, 2023 to EUR 8,164 thousand as of December 31, 2024. In addition, the investment of free funds was optimized in the interests of a more efficient use of capital. Overall, these measures helped to reinforce the Company's financial stability and flexibility.

The Company continues to rely on factoring operations to finance its operating business. A new factoring agreement was signed in December 2024. Significantly improved conditions were negotiated under the new factoring agreement, on the basis of which lower financing costs and therefore additional liquidity can be expected from March 2025. These measures are intended to additionally reinforce liquidity and create additional financial leeway in day-to-day business.

With equity of EUR 22,338 thousand as of December 31, 2024, the Company has an equity ratio of 62.6% (previous year: 48.3%) and thus a solid basis for financing its forecast growth.

The liabilities of EUR 13,372 thousand (December 31, 2023: EUR 16,457 thousand) include lease liabilities of EUR 4,699 thousand (previous year: EUR 4,825 thousand), trade payables of EUR 3,378 thousand (December 31, 2023: EUR 2,804 thousand) and provisions of EUR 3,803 thousand (previous year: EUR 3,355 thousand). There was a significant decline in current tax liabilities, which dropped to EUR 206 thousand in 2024 (previous year: EUR 4,494 thousand). The average payment period (DPO) improved over the previous year thanks to continuous improvements to payment terms.

The Company's individual cash flows in 2024 break down as follows:

in EUR thousands	**2024**	2023
Cash flow from operating activities	2,027	4,683
Cash flow from investing activities	−1,049	8,081
Cash flow from financing activities	1,467	−9,303

Report on the Risks and Expected Development of the Company

Material Risks and Uncertainties

Supplier risks

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

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

Quality problems: In the start-up phase for new products, the likelihood of quality problems is higher, which in turn can lead to delays or cost overruns.

Planning and control risks

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

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

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

Dependence on niche markets

Marine and specialty markets such as defense and industrial applications are specific niches characterized by limited volumes. A heavy concentration on a small number of customers or markets harbors the risk that a sudden market weakness or shift in demand may cause a drop in sales. A particularly large customer or a specific industry could become dominant. If this customer is lost, this could have serious consequences. However, Steyr Motors has framework contracts with important customers that guarantee stability and plannability for a certain period of time and reduce the risk of sudden declines in sales.

Market competition and price pressure

Strong competitors such as Volvo Penta, Yanmar and Cummins are exerting price pressure on Steyr Motors. These larger OEMs can offer lower prices and better service thanks to their production capabilities and global distribution networks. However, Steyr Motors deliberately positions itself away from large-scale production and instead focuses on individualization, technological innovation and quality. Customized solutions for specific customer requirements set Steyr Motors apart from standardized mass production. This focus can be associated with higher production costs, but offers opportunities to serve specialized niche markets.

Technological challenges

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

Dependence on export markets and geopolitical risks

Export dependency: A large part of Steyr Motors' business consists of exports to international markets. Changes in trade relations, customs duties and regulatory hurdles (e.g. due to political instability or protectionism) can render market access more difficult. Geopolitical risks, such as embargoes or trade conflicts, may restrict access to important markets or critical raw materials. Macroeconomic factors: Fluctuations on the raw materials markets, geopolitical instability or trade barriers may have a negative impact on the supply chain.

Financial risks

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

Currency fluctuations: As Steyr Motors is heavily export-oriented, fluctuations in exchange rates (e.g. between the euro and the US dollar) may have a negative impact on earnings.

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

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

Quality and production risks

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

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

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

Regulatory and compliance risks

Environmental regulations: Compliance with future emissions standards is crucial for the long-term competitiveness of the "Marine" segment. Increasingly stringent emission requirements also necessitate heavy capital expenditure.

Certifications and approvals: In the military and industrial sectors in particular, products must undergo strict certification processes. Delays in certification or non-compliance with the requirements may lead to delays and additional costs.

Dependence on qualified personnel

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

Economic uncertainty and fluctuating demand

Exposure to economic cycles:
Demand for engines, particularly in the leisure and industrial sectors, may be influenced by economic cycles. In economic downturns, demand for new boats and engines may fall, resulting in lower revenues. With its product portfolio, Steyr Motors focuses on tailor-made engines for mission-critical defense and civilian applications and only to a very small extent on the leisure market, which means that its dependence on economic fluctuations in the leisure sector can be classified as low.

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

Outlook

The current forecasts of the International Monetary Fund (IMF) point to growth in all international markets relevant for Steyr Motors.

The majority of Steyr Motors AG's customers come from the defense sector. Since the outbreak of the war in Ukraine, there has been increased spending by government agencies in all relevant sales markets, and the current and expected future growth rates are significantly higher than those for the economy as a whole:

in %	2026	2025
Aggregate global economy	3.3	3.3
Aggregate Eurozone	1.4	1.0
Germany	1.1	0.3
United States of America	2.1	2.7
Spain	1.8	2.3
India	6.5	6.5
China	4.5	4.6

After the reopening of the Steyr Motors Training Center in June 2024, the first training courses for key account customers and marine distributors have now commenced, with a further increase in MRO revenues expected. Following the signing of a service agreement with a key account customer, preliminary overhauls and repairs of diesel aggregates at the Steyr site were completed in the fourth quarter of 2024; further revenue growth is projected for 2025, while work is underway to gain additional customers for the MRO division, particularly in the MENA region.

The forecast for the rest of the year continues to indicate positive trends, with additional growth expected in the “Civil” segment in particular, but also in the “Defense” segment.

Looking forward to 2025, Steyr Motors anticipates revenue growth of at least 40% due to greater output for the Chinese and Asian markets, the completion of several development contracts – especially for the 2-cylinder APU solutions for battle tanks – as well as further growth in the marine market, particularly through SOLAS-certified applications. Further growth is expected in this segment in subsequent periods due to ongoing talks with several shipyards and also directly with the US Navy regarding the next tender. Following intensified negotiations with several OEMs concerning Steyr Motors' 2-cylinder APU, the first contracts with new customers should be signed by the beginning of 2025, possibly resulting in prototype deliveries as early as in 2025. In volume terms, this also means a significant increase in output to over 1,250 units in 2025.

Following EBIT of EUR 6,474 thousand in 2024 (EBIT margin of 15.5%), an EBIT margin of at least 20.0% is expected for 2025.

MANAGEMENT REPORT OF STEYR MOTORS AG

Report on research and development

In 2024, Steyr Motors engaged in several major research and development projects, some of which had been commenced in 2023. The first ongoing project concerns the standardization of the 6-cylinder engine with the aim of addressing a wide range of customer requirements in a standard engine, improving efficiency along the supply chain and, at the same time, optimizing material costs through larger purchases of individual components.

The second ongoing development project concerns the standardization of the 2-cylinder auxiliary power unit (“APU”) to meet heightened requirements with regard to the electrical output of the diesel unit and at the same time ensure the cold-start capability of the engine at significantly lower temperatures. The two projects were initiated in response to greater customer requirements for Steyr Motors and are partly charged to these customers via one-off engineering expenses.

In the second half of 2024, a new project to satisfy the CHINA II emissions standard was launched to complement the existing projects. Following the successful completion and achievement of the performance tolerance, a significant market for commercial sales will open up for Steyr Motors' range of marine engines.

In addition, two development projects are underway for the development of new engines with outputs of 160kW and 200kW to meet the specific requirements of one defense customer in particular. The 160kW engine is expected to be ready for series production in the first quarter of 2025, and greater quantities will be sold in the current financial year. Development of the new 200 kW engine will be completed by the 4th quarter of 2025. Preliminary deliveries of the engine after the prototype phase are not expected to start until 2026.

Mutares Austria Holding-01 GmbH did not conduct any research and development in 2023.

Steyr-Gleink, February 28, 2025

Julian Cassutti
Management Board

High-performance diesel engines with high power density for extreme conditions.

STATEMENT OF COMPREHENSIVE INCOME

in EUR thousands	Note	2024	2023
Revenues	5	41,657	38,133
Changes in inventories of finished goods and work in progress		919	–1,077
Other income	6	614	279
Cost of materials and procurement costs	7	–22,902	–22,143
Gross profit		**20,288**	15,192
Personnel expenses (PEX)	8	–9,557	–10,080
Other expenses (OPEX)	9	–5,498	–7,765
Capitalized development costs	10	2,168	1,214
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**7,401**	–1,439
Depreciation and amortization	11	–907	–951
Impairments	11	–20	–3,388
Earnings before interest and taxes (EBIT)		**6,474**	–5,778
Financial income	12	325	223
Financial expenses	12	–598	–303
Net financial result		**–273**	–80
Earnings before taxes		**6,201**	–5,858
Current income tax expense	13	–209	–4,510
Deferred income tax expense	13	–1,116	1,238
Net profit for the year (= comprehensive income)	8	**4,876**	–9,130

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024

in EUR thousands	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	15	3,997	1,561
Property, plant and equipment	16	1,853	1,474
Right-of-use assets	17	4,490	4,760
Other financial assets		0	0
Deferred tax assets	13	0	957
Total non-current assets		**10,340**	8,752
Current assets			
Inventories	18	12,457	12,501
Other financial assets	19	2,653	1,313
Trade receivables and other receivables	20	2,096	3,569
Cash and cash equivalents	21	8,164	5,719
Total current assets		**25,370**	23,102
Total assets		**35,710**	31,854

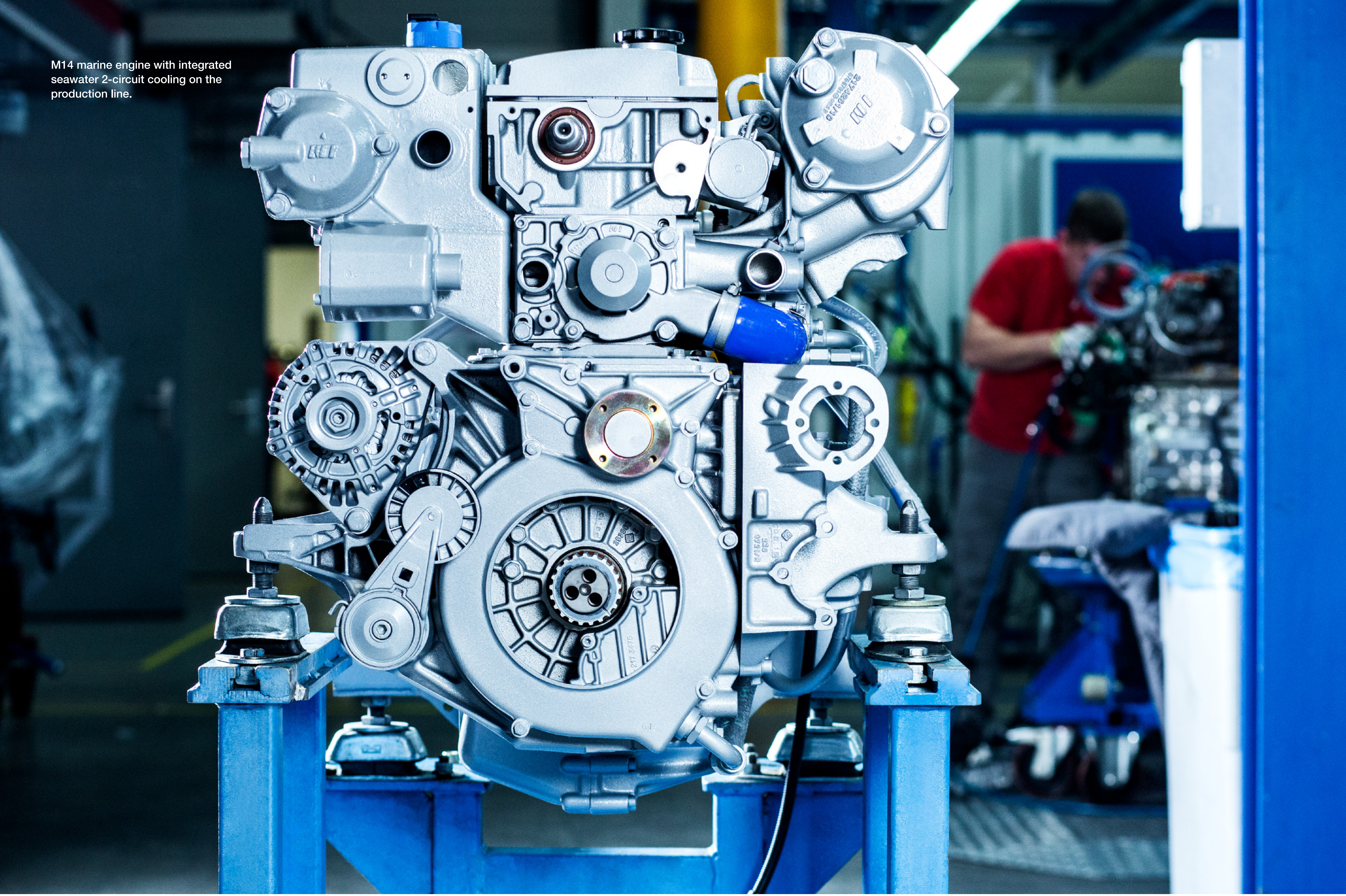
EQUITY AND LIABILITIES			
Capital and reserves			
Subscribed capital	22	5,200	35
Share premium	22	6,545	4,000
Retained earnings	22	10,593	11,362
Total equity		**22,338**	15,397
Non-current liabilities			
Non-current lease liabilities	23	4,291	4,478
Deferred tax liabilities	13	159	0
Non-current provisions	25	703	975
Total non-current liabilities		**5,153**	5,453
Current liabilities			
Trade payables and other liabilities	24	3,378	2,804
Current tax liabilities	13	206	4,494
Current lease liabilities	23	408	347
Other current financial liabilities	26	531	372
Current provisions	25	3,101	2,380
Deferred income	27	595	607
Total current liabilities		**8,219**	11,004
Total liabilities		**13,372**	16,457
Total equity and liabilities		**35,710**	31,854

STATEMENT OF CHANGES IN EQUITY

in EUR thousands	Subscribed capital	Share premium	Retained earnings	Total
Amount on January 1, 2023	35	0	33,492	**33,527**
Net profit for the year			−9,130	**−9,130**
Dividends			−21,000	**−21,000**
Allocation to share premium		12,000		**12,000**
Withdrawal from share premium		−8,000	8,000	**0**
Amount on December 31, 2023	35	4,000	11,362	**15,397**
Net profit for the year			4,876	**4,876**
Capital increase	4,965			**4,965**
Issue of new shares	200	2,545		**2,745**
Dividends			−5,645	**−5,645**
Amount on December 31, 2024	5,200	6,545	10,593	**22,338**

CASH FLOW STATEMENT

in EUR thousands	Note	**2024**	2023
Cash flows from operating activities			
Net profit for the year		4,876	−9,130
Finance income	12	−325	−222
Finance expenses	12	598	303
Non-cash tax expense	13	1,324	3,272
Capitalized development costs	10	−2,168	−1,214
Amortization and depreciation (+)	11	927	4,339
Other non-cash expenses (+) / income (–)		−58	−269
Changes in net working capital			
Increase (–) /decrease (+) in inventories	18	45	4,137
Increase (–) / decrease (+) in trade and other receivables	20	131	1,711
Increase (+) /decrease (–) in trade payables	24, 26	722	−11
Increase (+) / decrease (–) in provisions	25	448	1,879
Cash inflow from operating activities			
Cash flows from earnings before taxes		**6,521**	4,793
Income taxes paid		−4,494	−110
Net cash inflow from operating activities		**2,027**	4,683
Cash flows from investing activities			
Interest received	12	149	0
Dividends received	12	175	222
Proceeds from the disposal of intangible assets and property, plant and equipment	17	0	8,300
Payments for intangible assets and property, plant and equipment	15, 16	−1,074	−326
Settlement of lease liabilities		−299	−116
Net cash outflow/inflow from investing activities		**−1,049**	8,081
Cash flows from financing activities			
Dividend paid		−5,645	−9,000
Interest paid on lease liabilities	12	−314	−132
Interest paid	12	−284	−170
Increase (+) / decrease (–) in share capital	22	5,165	0
Proceeds from the issue of new shares	22	2,545	0
Cash flows from financing activities		**1,467**	−9,303
Net increase in cash and cash equivalents		**2,444**	3,460
Cash and cash equivalents at the beginning of the reporting year	21	**5,719**	2,259
Cash and cash equivalents at the end of the reporting year	21	**8,164**	5,719



M14 marine engine with integrated seawater 2-circuit cooling on the production line.

NOTES TO THE IFRS FINANCIAL STATEMENTS
of Steyr Motors AG, Steyr-Gleink

1. Reporting company

Steyr Motors AG (hereinafter referred to as "Steyr Motors" or "the Company") is an Austrian manufacturer of high-performance diesel engines. The address of its registered offices is Im Stadtgut B1, 4407 Steyr-Gleink, Austria. The Company is a stock corporation ("Aktiengesellschaft") established and operating under Austrian law.

Its business activities include the development and production of high-performance diesel engines with maximum power density and durability for use in heavy-duty vehicles and boats. Steyr Motors also produces generator sets and engine-optimized software solutions featuring digital networking.

The reporting date is December 31, 2024. The Company's financial year covers the period from January 1 to December 31.

As of the reporting date, mutares Holding-91 GmbH held 70.87% of the Company's shares. 100% of the shares in mutares Holding-91 GmbH are held by Mutares SE & Co KGaA, Arnulfstrasse 19, 80335 Munich, Germany. Steyr Motors AG is therefore in a group relationship with Mutares SE & Co KGaA and its affiliated companies. The Company is included in the consolidated financial statements of its parent company Mutares SE & Co. KGaA, Munich. These are available at the headquarters of the ultimate parent company.

2. Basis of reporting

These single-entity financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

3. Going concern status

As of the date on which it approved the financial statements, the Management Board has the justified expectation that the Company has sufficient resources to continue operating in the foreseeable future. The single-entity financial statements were therefore prepared on the basis of the going concern assumption in accordance with IAS 1.

4. Functional and reporting currency

In accordance with IAS 21, these single-entity financial statements are presented in euros, the Company's functional currency, which is the currency of the primary economic environment in which it operates. Unless otherwise stated, all financial information presented in euros has been rounded to the nearest thousand. The aggregation of rounded amounts may cause rounding differences due to the use of automatic calculation aids.

Monetary amounts in a foreign currency must be reported on each reporting date using the closing rate. Non-monetary items that are measured at historical cost are recognized using the exchange rate prevailing on the date of the transaction. Non-monetary items measured at fair value are recognized at the price determined as fair value at the applicable point in time.

5. Revenue and segment reporting

i) Revenues from the main products and services

The Company's revenues from its main products and services in accordance with IFRS 8.32 are shown in the following table:

in EUR thousands	**2024**	2023
Engines	21,865	21,144
License Manufacturing	6,717	6,189
Engineering	1,254	1,098
Spare Parts/MRO[1]	11,821	9,702
Total revenues	**41,657**	**38,133**

[1] Maintenance, Repair, Overhaul

ii) Geographical information

The Company's revenues from external customers by geographical location in accordance with IFRS 8.33 are shown in the following table:

in EUR thousands	**2024**	2023
Europe	25,654	25,400
of which Austria	160	108
North America	2,458	3,116
Asia	10,348	6,470
Rest of the World	3,197	3,147
Total revenues	**41,657**	**38,133**

iii) Segment revenues and earnings

The accounting policies for the reportable segments correspond to the accounting policies described in note 36.

The reportable revenues generated by the segments of Steyr Motors AG in accordance with IFRS 8 are pooled in the following segments:

- **Civil**
- **Defense**

The segmentation of the Company is based on the intended use of the engines manufactured and spare parts supplied. The "Defense" segment includes all revenues with military vehicle manufacturers for main propulsion engines and diesel generators as well as for boats used for military purposes, while the "Civil" segment comprises revenues from civilian boat and locomotive manufacturers.

Changes in the revenues of the two segments are shown in the table below:

in EUR thousands	**2024**	2023	Percentage change
Civil	16,061	14,195	13.1%
Defense	25,596	23,938	6.9%
Total	**41,657**	**38,133**	**9.2%**

2024 in EUR thousands	Civil	Defense	Other income	**Total**
Revenues	16,061	25,596		41,657
Changes in inventories	498	420		919
Other income			614	614
Cost of materials and incidental procurement costs	−9,768	−13,134		−22,902
Gross profit	**6,791**	**12,883**	**614**	**20,288**
Gross profit as a percentage	**42.3%**	**50.3%**	**–**	**48.7%**

2023 in EUR thousands	Civil	Defense	Other income	**Total**
Revenues	14,195	23,938		38,133
Changes in inventories	–571	–506		–1,077
Other income			279	279
Cost of materials and incidental procurement costs	–8,871	–13,271		–22,143
Gross profit	**4,753**	**10,160**	**279**	**15,192**
Gross profit as a percentage	**33.5 %**	**42.4 %**	**–**	**39.8 %**

A breakdown of the segment earnings below gross profit is not possible due to the Company's size and structure, as overhead costs (primarily personnel and other costs as well as depreciation and amortization) are not allocated to the segments in practice.

iv) Disclosures on main customers

Of the revenues in accordance with IFRS 8.34 from the Defense segment, EUR 10,913 thousand (2023: EUR 10,182 thousand) is attributable to the Company's largest customer and EUR 6,718 thousand (2023: EUR 6,188 thousand) to its second-largest customer. No other single customer contributed 10% or more to the Company's revenues in 2024 or 2023.

6. Other income

Other income is reported separately in the income statement in accordance with IAS 1.82; these items include income that is not directly related to the Company's main business activities.

in EUR thousands	**2024**	2023
Mineral oil tax rebate	72	2
Currency translation gains	79	20
Research premium	234	57
Other income	229	200
Total other income	**614**	**279**

7. Cost of materials and procurement costs

The cost of materials and procurement costs are included in the statement of comprehensive income as follows and measured and recognized in accordance with IAS 2:

in EUR thousands	**2024**	2023
Material	19,751	19,399
Wage contributions	1,936	1,873
Transportation / customs	859	547
Other cost of materials	356	323
Total cost of materials and procurement costs	**22,902**	**22,143**

8. Personnel expenses (PEX)

The Company's personnel expenses break down as follows:

in EUR thousands	**2024**	2023
Wages	1,844	2,262
Salaries	5,660	5,823
Social expenses	2,053	1,995
Total personnel expenses	**9,557**	**10,080**

At the beginning of 2023, the number of employees was reduced by around 30 under a redundancy plan. One-off termination expenses in connection with this measure amounted to EUR 1,571 thousand. As of December 31, 2024, there were remaining payment obligations of EUR 69 thousand to former employees under this redundancy plan. These are payable in monthly installments until the end of the first quarter of 2026.

9. Other expenses (OPEX)

in EUR thousands	**2024**	2023
Other miscellaneous operating expenses	2,027	4,851
Legal and consulting costs	1,049	595
Contributions, fees, donations, incidental financial costs	750	165
Administration	517	785
Repairs and maintenance	462	249
Advertising and travel expenses	287	296
Cost of premises	168	485
Fleet	96	7
Marketing expenses	66	30
Rents, leases, rental leasing, license fees	36	12
Foreign-currency translation	29	0
Basic levies and other taxes	19	5
Warranties, goodwill, claims, insurance	3	285
Risk provisioning expenses	–11	0
Total other expenses (OPEX)	**5,498**	**7,765**

In connection with the restructuring of Steyr Motors AG in 2023 and 2024 and the associated intensive support from consultants hired by the Mutares Group, costs of EUR 1,967 thousand (2023: EUR 3,866 thousand) arose in the year under review and are included above in "Other miscellaneous operating expenses". The contracts between the Company and the Mutares Group for the provision of advisory services were terminated after the former's IPO in October 2024. No further related costs have arisen since January 2025. The allocations include recharged costs for external management personnel of EUR 627 thousand (previous year: EUR 755 thousand).

The Company's IPO in October 2024 resulted in exceptional IPO & M&A costs, which impacted earnings in 2024 by a total of around EUR 1,050 thousand. These particularly entailed the legal and consulting costs described above (e.g. for the investment bank, lawyers, various other consultants).

10. Capitalized development costs

in EUR thousands	**2024**	2023
Internal projects	1,591	487
Customer projects	576	738
Total capitalized development costs	**2,167**	**1,225**

In the year under review, the Company pursued five development projects that were capitalized in accordance with the criteria of IAS 38 (see note 35(g)). This includes the development of three new 6-cylinder engines, two of which are being engineered on behalf of a customer, as well as a new 2-cylinder auxiliary diesel unit and a new marine engine for the expansion of the Company's position in the Asian market. The Management Board currently expects these ongoing development projects to be successfully completed in the next 6 - 15 months.

Non-capitalizable research and development costs of EUR 3,892 thousand arose in the year under review (previous year: EUR 2,864 thousand).

11. Depreciation and amortization

in EUR thousands	**2024**	2023
Depreciation and amortization	907	351
Impairments	20	3,388
Total	**927**	**4,339**

The impairments of EUR 3,388 thousand in 2023 were mainly attributable to the sale and leaseback transaction, as the property in Steyr was sold for a price below its carrying amount.

The increase in depreciation and amortization in 2024 compared to the previous year is primarily due to the full-year amortization of the right-of-use assets relating to the property following the above-mentioned sale and leaseback transaction.

12. Net financial result

The Company's net financial result is presented in accordance with IFRS 7, including risks, as follows.

in EUR thousands	2024	2023
Income from affiliated companies	303	223
Other interest income	22	0
Total financial income	**325**	**222**
Interest expense from affiliated companies	–3	–72
Interest expenses under leases	–314	–132
Other interest expenses	–281	–98
Total financial expenses	**–598**	**–303**
Net financial result	**–273**	**–80**

The interest expense from affiliated companies is attributable to guarantee commission – see note 33(c).

The increase in interest expense under leases is mainly due to the sale and leaseback transaction in 2023. Rent for the property was paid to the new property owner for only five months in 2023.

The other interest expenses are mainly attributable to factoring operations (2024: EUR 248 thousand, 2023: EUR 84 thousand). As factoring did not commence until the end of the first quarter of 2023, the interest expense in the comparison period is correspondingly lower. The increase in factoring interest is due to the full-year effect, the higher maximum commitment under the factoring agreement (see note 20) and an increase in the number of customers included in factoring operations.

13. Income taxes

Income tax expense represents the sum total of current tax expense and deferred taxes in accordance with IAS 12. A tax rate of 23% was used to calculate the current tax expense and deferred taxes.

Current income taxes

in EUR thousands	2024	2023
Actual tax expense		
Current year	209	4,510
Adjustment for previous years	0	0
Total	**209**	**4,510**

The tax expense for the year under review can be reconciled with the profit for the period as follows:

in EUR thousands	2024	2023
Earnings before taxes	6,201	–5,858
Income tax expense at a tax rate of 23% (2023: 24%)	1,426	–1,406
Effects of non-tax-deductible expenses	16	4,797
Effects of tax-free income	–117	–119
Tax expense for the year under review	**1,325**	**3,272**

Deferred taxes

in EUR thousands	2024	2023
Deferred tax asset from		
Unused tax losses	533	1,147
Property, plant and equipment	57	70
Provisions	41	22
Total deferred tax assets	**631**	**1,238**

in EUR thousands	2024	2023
Deferred tax liabilities from		
Intangible assets	778	281
IPO costs	13	0
Total deferred tax liabilities	**790**	**281**
Deferred taxes, net	**–159**	**957**

Due to the restructuring of the Company in 2023, unused tax losses of EUR 5,045 thousand arose in Austria at the level of Steyr Motors Betriebs GmbH. As a result of the positive tax base in 2024, EUR 2,828 thousand (75% of the income for the year under review) was available to reduce corporate tax charges in Austria in 2024. As of December 31, 2024, unused tax losses of EUR 2,217 thousand are still available on the basis of the applicable tax calculation. The Management Board assumes that the remaining unused tax losses will be fully utilized by the end of 2025.

In 2023, a sale worth EUR 18,671 thousand arose at the level of Mutares Austria Holding-01 GmbH for tax purposes as a result of the repayment of capital contributions. The resulting corporate tax liabilities of EUR 4,474 thousand accruing at the level of Mutares Austria Holding-01 GmbH as of December 31, 2023 were settled in full in 2024.

14. Earnings per share

Earnings per share are calculated in accordance with IAS 33.70(a) by dividing the earnings attributable to shareholders by the weighted average number of ordinary shares outstanding during the reporting period.

in EUR	2024
Profit for the period	4,876,188
Number of shares outstanding on the reporting date	5,200,000
Earnings per share	**0.94**

The Company has only been a stock corporation ("Aktiengesellschaft") since October 2024, before which it was a limited liability company ("Gesellschaft mit beschränkter Haftung"). For this reason, a comparison of the earnings per share with the previous year is not provided.

As of December 31, 2024, there were no equity or debt instruments liable to have a dilutive effect on earnings per share. As a result, diluted earnings per share are not disclosed.

15. Intangible assets

See note 35 (g) for details of the accounting policies.

Changes in intangible assets are shown in the following table:

in EUR thousands	Software	Patents	Development costs	Total
Historical cost				
Amount on January 1, 2023	432	498	0	**930**
Additions	18	0	1,214	1,233
Reclassified	0	0	0	0
Disposals	–24	–78	0	–103
Amount on December 31, 2023	426	420	1,214	2,060
Additions	351	0	2,167	2,518
Disposals	–214	–29	0	–243
Amount on December 31, 2024	563	391	3,381	4,335
Cumulative depreciation				
Amount on January 1, 2023	334	146	0	**480**
Depreciation and amortization	51	71	0	122
Disposals	–24	–78	0	–103
Amount on December 31, 2023	361	139	0	499
Depreciation and amortization	44	38	0	82
Disposals	–214	–29	0	–243
Amount on December 31, 2024	191	148	0	338
Carrying amount				
on December 31, 2024	372	243	3,381	**3,997**
on December 31, 2023	65	281	1,214	**1,561**
on January 1, 2023	98	353	0	**451**

See note 10 for details of capitalized development costs.

Explanation of the impairment tests performed

Impairment tests were carried out to verify the value of the capitalized development costs. The free cash flows for the years from 2025 to 2032 were calculated and discounted using the weighted average cost of capital (WACC). The result was then compared with the assets recognized. The WACC was determined on the basis of a peer group and amounts to 7.54% for the detailed planning period.

Overview of the results of impairment tests

in EUR thousands	Capitalized development costs	Current valuation
Customer projects	1,329	2,513
Internal projects	2,052	4,734
Total	**3,381**	**7,247**

An increase in the WACC of 2.0% is simulated for sensitivities in scenario one. Scenario two assumes a 25% reduction in revenues over the entire observation period and scenario three a combination of both effects.

Impairments

in EUR thousands	Scenario 1	Scenario 2	Scenario 3
Customer projects	–14	–196	–305
Internal projects	0	0	–31
Total	**–14**	**–196**	**–336**

16. Property, plant and equipment

See note 35 h for details of the accounting policies.

Changes in property, plant and equipment are shown in the following table:

in EUR thousands	Land and buildings	Technical equipment and machinery	Operating and business equipment	Prepayments made and assets under construction	Total
Historical cost					
Amount on January 1, 2023	10,167	2,023	4,761	82	**17,033**
Additions	899	0	502	37	1,437
Reclassified	0	0	82	–82	0
Disposals	–11,066	–1,991	–2,536	0	–15,593
Amount on December 31, 2023	0	32	2,808	37	2,877
Additions	0	0	464	260	724
Disposals	0	0	–52	0	–52
Amount on December 31, 2024	0	32	3,220	297	3,549
Cumulative depreciation					
Amount on January 1, 2023	944	1,172	1,667	0	**3,784**
Depreciation and amortization	1,821	847	1,349	0	4,018
Disposals	–2,766	–1,991	–1,641	0	–6,398
Amount on December 31, 2023	0	28	1,376	0	1,404
Depreciation and amortization	0	4	340	0	344
Disposals	0	0	–52	0	–52
Amount on December 31, 2024	0	32	1,664	0	1,696
Carrying amount					
on December 31, 2024	0	0	1,556	297	**1,853**
on December 31, 2023	0	4	1,433	37	**1,474**
on January 1, 2023	9,223	851	3,094	82	**13,250**

The disposals in 2023 are mainly attributable to the sale and leaseback transaction (see note 17 for details)

17. Right-of-use assets

See note 35(j) for details of the accounting policies.

Changes in right-of-use assets can be seen in the following table:

in EUR thousands	Buildings	Miscellaneous	Total
Historical cost			
Amount on January 1, 2023	0	0	**0**
Additions	4,820	140	4,960
Amount on December 31, 2023	4,820	140	4,960
Additions	106	124	230
Amount on December 31, 2024	4,926	264	5,190
Cumulative depreciation			
Amount on January 1, 2023	0	0	**0**
Depreciation and amortization	183	16	199
Amount on December 31, 2023	183	16	199
Depreciation and amortization	452	48	500
Amount on December 31, 2024	635	64	699
Carrying amount			
on December 31, 2024	4,291	199	**4,490**
on December 31, 2023	4,637	124	**4,761**
on January 1, 2023	0	0	**0**

In 2023, a sale and leaseback transaction had been completed for the Company's building and land. The sales price was EUR 8,300 thousand. The book loss realized from this transaction is recognized in full as an impairment. An 11-year lease was entered into with the new property owner and has been recognized as a right-of-use asset in accordance with the requirements of IFRS 16 since summer 2023.

The addition of the buildings in 2024 relates entirely to the adjustment of the right-of-use assets to reflect the adjustment to the lessor's index as of January 1, 2024 and January 1, 2025.

The settlement structure for lease liabilities is presented in note 23.

18. Inventories

in EUR thousands	2024	2023
Raw materials, supplies and consumables	9,731	10,634
Work in progress	1,424	1,198
Finished goods	976	287
Prepayments	325	383
Total inventories	**12,457**	**12,501**

The amount of financing costs capitalized in 2024 stands at EUR 0 thousand (2023: EUR 0 thousand). Raw materials, supplies and consumables include an impairment of EUR 1,216 thousand (2023: EUR 1,051 thousand). An impairment of EUR 35 thousand was recognized for finished goods in 2024 (2023: EUR 0 thousand).

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As in 2023, no inventories were pledged as collateral for liabilities to banks as of December 31, 2024.

19. Other financial assets

in EUR thousands	2024	2023
Factoring	1,900	865
Input tax receivables	424	334
Creditors with debit accounts	146	4
Other receivables	184	110
Total other receivables	**2,653**	**1,313**

Other financial assets mainly comprise receivables from the factoring company of EUR 1,900 thousand (2023: EUR 865 thousand), which include the purchase price retention of 12% of the receivables purchased as of the reporting date (2023: 14%) and the counterclaims held by the Company's distributors under bonus agreements. Under an amendment to the factoring agreement, the retention will be reduced to 10% from 2025.

The increase in receivables from the factor in 2024 compared to the previous year is mainly due to the customer bonuses of EUR 1,050 thousand retained for the first time in the year under review.

As of the reporting date, the Company had a maximum commitment of EUR 10,000 thousand under the factoring agreement (previous year: EUR 5,000 thousand). This will increase to EUR 14,000 thousand from March 2025.

20. Trade and other receivables

a) Trade receivables

Most of the trade receivables have been sold to a factor and break down as follows:

in EUR thousands	2024	2023
Trade receivables	8,594	7,403
of which factored	−7,083	−6,176
Single loan loss allowances for receivables	−6	−13
Outstanding trade receivables as of the reporting date	**1,506**	**1,214**

Credit losses of EUR 19 thousand (2023: EUR 0 thousand) were recognized as an expense in 2024.

b) Other receivables

Other receivables in accordance with IAS 32 consist of the following items as of December 31, 2024:

in EUR thousands	2024	2023
Other receivables from affiliated companies	203	2.000
Other trade receivables	389	377
Single loan loss allowance for other receivables	0	−22
Total other receivables outstanding as of the reporting date	**591**	**2,355**

In 2023, a loan of EUR 2,000 thousand had been granted to a related party. It was repaid in full in 2024. Interest was charged on the loan at arm's length conditions.

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21. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank balances in accordance with IAS 7. The carrying amount of these assets equals their fair value. Foreign currency accounts are translated at the mean exchange rate applicable on the reporting date.

in EUR thousands	2024	2023
Cash at banks	4,164	5,719
Term deposits	4,000	0
Cash and cash equivalents	**8,164**	**5,719**

22. Equity

The called-up share capital equals EUR 5,200 thousand (previous year: EUR 35 thousand).

The shareholders approved a capital increase of EUR 4,965 thousand at the extraordinary general meeting of the former company Mutares Austria Holding-01 GmbH on September 27, 2024. At the extraordinary general meeting on October 23, 2024 of the company, which had since been renamed Steyr Motors AG, a further capital increase of EUR 200 thousand through the issue of new shares was approved. The share capital as of December 31, 2024 consists of 5,200,000 no-par value shares of EUR 1 each and therefore amounts to EUR 5,200 thousand (previous year: EUR 35 thousand).

These annual financial statements include an unallocated share premium of EUR 4,000 thousand (2023: EUR 4,000 thousand) and an allocated share premium resulting from an additional payment of EUR 2,545 thousand (2023: EUR 0 thousand) by the shareholders for the issue of shares. Both share premiums were recognized in accordance with the provisions of Austrian company law. In accordance with IAS 32.37, proportionate transaction costs of EUR 56 thousand were charged directly to the share premium in these IFRS financial statements.

For details of the changes in equity, reference should be made to the statement of changes in equity prepared in accordance with IFRS 9, IFRS 7, IAS 1 and IAS 32. Reference should be made to the notes on reserves and the statement of changes in equity for details of the reserves included in equity.

23. Lease liabilities

The following reconciliation shows the settlement dates of the lease payments. Lease liabilities due for settlement in less than one year are classified as current lease liabilities. The present values of future payments are shown in this case.

Settlement periods in EUR thousands	2024	2023
Up to 1 year	408	347
2-5 Years	1,796	1,605
More than 5 years	2,495	2,873
Total	**4,699**	**4,825**

From the Company's perspective, there is no significant liquidity risk with regard to its own lease liabilities. Lease liabilities are monitored by the finance function of Steyr Motors.

24. Trade payables and other liabilities

in EUR thousands	2024	2023
Current trade payables	2,793	2,407
Debtors with credit balances	0	103
Other trade payables	585	294
Trade payables	**3,378**	2,804
Current lease liabilities	408	347
Current tax liabilities	206	4,494
Miscellaneous other liabilities	531	372
Other liabilities	**1,144**	5,212
Non-current lease liabilities	4,291	4,478
Total liabilities	**8,813**	12,494
Non-current	4,291	4,478
Current	4,523	8,016
Total liabilities	**8,813**	**12,494**

Trade payables include all outstanding obligations to suppliers and service providers for goods and services received but not yet paid for in accordance with IAS 37 and IFRS 9.

The Management Board is of the opinion that the carrying amount of the trade payables corresponds approximately to their fair value.

25. Provisions

Changes in non-current provisions are shown in the table below:

in EUR thousands	January 1, 2024	Utilized	Reversed	Added	December 31, 2024
Warranties	885	–	291	–	594
Long-service benefits	90	–	–	19	109
Total	975	–	291	19	**703**
	January 1, 2023	Utilized	Reversed	Added	**December 31, 2023**
Warranties	677	–	–	208	885
Long-service benefits	148	148	–	90	90
Total	825	148	–	298	**975**

Changes in current provisions are shown in the table below:

in EUR thousands	January 1, 2024	Utilized	Reversed	Added	**December 31, 2024**
Distributor bonuses	993	697	296	1,155	1,155
Other provisions	622	482	13	587	714
Vacation	505	505	–	531	531
Personnel miscellaneous	195	148	–	577	624
Tax consultancy, external audit	65	65	–	77	77
Total	2,380	1,897	309	2,927	**3,101**
	January 1, 2023	Utilized	Reversed	Added	**December 31, 2023**
Distributor bonuses	–	–	–	993	993
Other provisions	64	93	6	657	622
Vacation entitlement	475	475	–	505	505
Personnel miscellaneous	86	86	–	195	195
Tax consulting, external audit	26	26	–	65	65
Total	651	680	6	2,415	**2,380**

The provisions for warranties are based on the best possible estimate of the Company's liability within the warranty period for engines and diesel generators in the light of known quality defects.

For the Company's marine distributors with whom an annual sales target has been agreed in order to positively influence the Company's sales and revenue target. If the sales targets are achieved, the marine distributors receive a refund in the following year, which is shown in the annual financial statements at its expected amount.

The provisions for "Personnel miscellaneous" mainly include bonuses not yet paid to employees and overtime not yet paid.

Other provisions predominantly include costs for services used but not yet invoiced. As of the reporting date, there is an outstanding obligation of EUR 69 thousand to employees under the redundancy plan implemented at the beginning of 2023 (2023: EUR 308 thousand).

Provisions of EUR 600 thousand that were reversed in 2024 relate to the items for which provisions were originally recognized (see note 5 "Revenues and segment reporting" and note 9 "Other expenses").

26. Other financial liabilities

Other financial liabilities include the following items:

in EUR thousands	**2024**	2023
Outstanding wages, salaries and employee bonuses	13	2
Tax liabilities – value added tax	106	0
Social security obligations	412	370
Other financial liabilities	**531**	**372**

27. Deferred income

In 2022, the Company joined a publicly funded development project for which it received an initial advance payment of EUR 553 thousand. This amount was recognized as deferred income. At the beginning of 2023, the Management Board decided to withdraw from this development project.

It assumes that the amount will be repaid in full in 2025.

in EUR thousands	**2024**	2023
Development project advance	553	553
Grants	42	54
Deferred income	**595**	**607**

28. Employees

In the year under review, the Company had an average of 106 full-time equivalents (2023: 110), of which 35 (2023: 39) were technical staff and 71 (2023: 71) office employees.

29. Contingent liabilities

Under the sale and leaseback transaction for the Company's head office in Steyr in 2023, the deposit demanded by the lessor was covered by deposit insurance. For this purpose, a guarantee of EUR 647 thousand was issued by an insurance company and handed over to the lessor.

30. Fees payable to statutory auditors

Expenses of EUR 55 thousand for the audit of these annual financial statements by Grant Thornton ALPEN-ADRIA Wirtschaftsprüfung GmbH are recognized as an expense in the annual financial statements. Costs of EUR 44 thousand arose for the audit of the previous year's financial statements of the former companies Mutares Austria Holding-01 GmbH and Steyr Motors Betriebs GmbH.

31. Supervisory Board and Management Board

a) Members of the Management Board and management in the year under review

Julian Cassutti, CEO (Managing Director of Mutares Austria Holding-01 GmbH from July 24, 2024, member of the Management Board of Steyr Motors AG from October 19, 2024)

Andreas Zopf, Managing Director of Mutares Austria Holding-01 GmbH (until July 24, 2024)

b) Members of the Supervisory Board in the year under review

Dr. Christian Klingler, Chairman of the Supervisory Board (from September 27, 2024)

Fabian Schlegel, Deputy Chairman of the Supervisory Board (from October 23, 2024)

NOTES TO THE IFRS FINANCIAL STATEMENTS

Philipp Berghofer, member of the Supervisory Board (from October 23, 2024)

Martin Brandner, employee representative (from October 3, 2024)

Stefan Fraundorfer, employee representative (from October 3, 2024)

Katerina Zenz, member of the Supervisory Board (from September 27, 2024 until October 23, 2024)

Simon Brüseken, member of the Supervisory Board (from September 27, 2024 until October 23, 2024)

c) Management remuneration

IAS 24 requires the remuneration of key management personnel to be disclosed. IAS 24.9 defines key management personnel as persons who are directly or indirectly responsible for planning, directing and controlling the activities of the Company. This includes the Management Board and Supervisory Board of Steyr Motors AG.

The fixed management remuneration (Management Board and first management tier, 7 persons in 2024, 7 persons in 2023) of Steyr Motors AG amounted to EUR 953 thousand in 2024 (2023: EUR 803 thousand). The variable remuneration stood at EUR 411 thousand (2023: EUR 356 thousand) and was deferred in 2024. The Supervisory Board received proportionate remuneration of EUR 7 thousand for its activities in the fourth quarter of 2024. As the Supervisory Board was not established until September 2024, there was no comparable remuneration in the previous year. The Chairman of the Supervisory Board receives annual remuneration of EUR 15 thousand and the other shareholder representatives on the Supervisory Board annual remuneration of EUR 10 thousand.

32. Related parties

In the year under review, the Company executed the following transactions with related parties within the Mutares Group as defined in IAS 24.18-19:

a) Shareholder loans

In 2023, a loan of EUR 2,000 thousand was granted by the Company to a related party and increased in several tranches during 2024. This loan was repaid in full in October 2024. Interest was charged at arm's length conditions and recognized as income from affiliated companies.

b) Consulting expenses

See explanations in note 10.

c) Guarantees

In connection with the acquisition of Steyr Motors Betriebs GmbH and Steyr Motors Immo GmbH in 2022, the seller received guarantees from the Company. These guarantees were provided by a related company and recharged to the Company in the form of a guarantee commission.

Fees were charged at arm's length conditions. In 2024, costs of EUR 3 thousand (2023: EUR 77 thousand) arose for Steyr Motors AG for the guarantees provided and were recognized within the Company's net financial result. These guarantees expired in the first quarter of 2024 and no further costs have been incurred by the Company since then.

d) IT services

Following the acquisition of Steyr Motors Betriebs GmbH by Mutares Austria Holding-01 GmbH at the end of 2022, various IT services from external providers were consolidated within the Mutares Group IT service company, particularly the hosting and updating of the Company's website as well as basic SAP operations. These IT services were charged to the Company, resulting in costs of EUR 62 thousand (previous year: EUR 18 thousand). The agreement between the Company and the related party for basic SAP operations was terminated in the fourth quarter of 2024; as a direct contractual relationship will be established in the first quarter of 2025, the costs will no longer be recharged by the related party. The agreement for further IT services remains in force as of the reporting date.

33. Events after the reporting date

On February 10, 2025, the Company was listed on the Vienna Stock Exchange in the "direct market plus" segment, in addition to the initial listing in the "Scale" segment of the Frankfurt Stock Exchange in October 2024. No new shares were issued in connection with this secondary listing in Vienna. The "direct market plus" segment is equivalent to the "Scale" segment in the non-regulated market. The secondary listing resulted in only minor one-time expenses, which will be recognized as an expense in the 2025 financial year.

Other than this, there were no significant events after the reporting date liable to have an impact on the 2024 annual financial statements.

34. Approval of the financial statements

The financial statements were approved by the Management Board on February 28, 2025 and released for publication.

35. Summary of significant accounting policies

The Company has applied the following accounting policies for the first time in these single-entity financial statements in accordance with IFRS and used them consistently for all reporting periods presented, unless otherwise stated.

a) Reconciliation of consolidated IFRS figures with single-entity IFRS financial statements

The Company prepared consolidated IFRS figures for the first time as of December 31, 2023. In 2024, the subsidiary was merged with the parent company, resulting in the demise of the Group. The Company is therefore preparing single-entity IFRS financial statements for the first time for 2024. Due to the consolidation methods applied, the consolidated figures for 2023 already included all figures relating to the net assets, financial position and the results of operations of the parent company and the subsidiary. The consolidated figures for 2023 can therefore be used as comparative figures for the single-entity financial statements for 2024.

b) Estimation assumptions

In preparing the financial statements, management must make estimates and assumptions that affect the recognized assets and liabilities, the disclosure of other obligations on the reporting date and the recognition of income and expenses during the reporting period. These estimates and assumptions may have a significant impact on the presentation of the Company's net assets, financial position and results of operations. Reported figures may differ from these estimates and assumptions in the future.

Estimates and underlying assumptions are reviewed on an ongoing basis and comply with IAS 8 to ensure the transparency and comparability of the financial reports. Revisions to estimates are recognized prospectively.

NOTES TO THE IFRS FINANCIAL STATEMENTS

The main forward-looking assumptions and estimates subject to the risk of significant adjustments in future periods are explained below.

Intangible assets and property, plant and equipment

Subsequent measurement of intangible assets and property, plant and equipment subject to depreciation and amortization requires estimates and assumptions regarding the determination of the useful life and scheduled depreciation and amortization. These estimates are based on management's experience and judgments.

In connection with impairment testing of capitalized development costs, numerous assumptions and estimates must be made, in particular regarding expected future cash flows, discount rates and growth rates. Reference should be made to note 35 (c) for details of the impairment tests performed.

Leases

IFRS 16 requires estimates that influence the measurement of lease liabilities and right-of-use assets as well as the measurement of lease receivables. These include the provisions contained in contracts that come within the scope of IFRS 16, the terms of the contracts and the incremental borrowing rate used to discount future cash flows. The incremental borrowing rate is derived from the risk-free interest rate of the underlying term, adjusted for risk premiums. Determining the term of the lease is a key criterion in the application of IFRS 16.

Inventories

The measurement of inventories requires estimates with regard to the realizable selling prices and the production and distribution costs incurred up to the time of sale. For this purpose, a distinction is drawn between products for the broad marine market and vehicle engines that can only be used by individual OEMs. The average sales price achieved in the last 12 months is used to measure the value of marine engines. In the case of vehicle engines, the probability of a sale is also estimated in the absence of any call-off order from the customer.

Non-current provisions for employee benefits

Provisions for employee benefits are recognized for statutory obligations upon termination of employment and for long-service benefits under pay-scale agreements. Their value is measured in accordance with actuarial principles on the basis of assumptions regarding discount rates, future wage and salary increases, fluctuation rates and mortality rates.

Non-current provisions

The recognition and measurement of other provisions is subject to estimation uncertainties regarding the existence of the obligation, the probability of occurrence and the amount of the expected cash outflow.

c) Impairment of property, plant and equipment and intangible assets

At each reporting date, the Company reviews the carrying amounts of property, plant and equipment and intangible assets to determine whether there are any indications that these assets may be impaired. If such evidence is found, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. If the recoverable amount for the individual asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If an appropriate and consistent basis for allocation can be determined, the joint assets are allocated to the individual cash-generating units. Otherwise, they are allocated to smallest group of cash-generating units for which an appropriate and consistent basis for allocation can be determined..

Intangible assets with an indefinite useful life or those that are not yet available for use are tested for impairment at least once a year and whenever there is any indication of impairment.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine the value in use, the estimated future cash flows are discounted using a pre-tax interest rate. This pre-tax interest rate takes account of the current market estimate of the present value of the moment and the risks inherent in the asset, unless these are already reflected in the estimate of the payment flows.

If the estimated recoverable amount of an asset or cash-generating unit is less than the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment loss is recognized in profit and loss.

If the impairment is subsequently reversed, the carrying amount of the asset is increased to reflect the new estimate of the recoverable amount. The increase in the carrying amount is limited to the amount which would have arisen had no impairment been recorded for the asset or cash-generating unit in previous periods. A reversal of an impairment is recognized immediately in profit or loss if it eliminates the loss recognized for the asset in previous years.

d) Revenues

The Company generates its revenues from contracts with customers through the transfer of goods and services over time as well as at points in time in accordance with IFRS 15.115. Disclosure of revenues by main products and services is consistent with the revenue figures disclosed for each reportable segment in accordance with IFRS 8 Operating Segments (see note 5).

Revenues equal the consideration that the Company expects to receive under a contract with a customer. This does not apply to amounts collected on behalf of third parties. In accordance with IFRS 15, revenues must be recognized when a performance obligation has been satisfied through the transfer of a promised good or service to a customer. An asset is deemed to have been transferred when the customer obtains control over it. Control over a good or service is usually transferred at a specific point in time.

e) Other operating income

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to the grants and that the grants have been received.

f) Income taxes

Income tax expense represents the sum total of current tax expense and deferred taxes.

Current or deferred taxes are recognized in the income statement unless they relate to items that are recognized either in other comprehensive income or directly in equity. In this case, the current and deferred tax expense is also recognized in other comprehensive income or directly in equity.

The current tax expense is calculated on the basis of the taxable income for the year. Taxable income differs from the net profit for the year shown in the income statement due to expenses and income that are taxable or tax-deductible in later years if at all. The Company's liability for current taxes is calculated on the basis of the tax rates in force or enacted.

NOTES TO THE IFRS FINANCIAL STATEMENTS

Deferred taxes are recognized for the differences between the carrying amounts of assets and liabilities in the single-entity financial statements and the corresponding tax bases in the calculation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences; deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of other assets and liabilities resulting from events that affect neither taxable income nor net profit. The carrying amount of deferred tax assets is reviewed each year on the reporting date and reduced in value if it is no longer probable that sufficient taxable income will be available to realize the claim in full or in part. Deferred tax liabilities and assets are calculated on the basis of the expected tax rates and tax laws that are expected to apply when the liability is settled or the asset is realized.

Under Austrian law, deferred tax assets and liabilities are netted.

g) Intangible assets

Intangible assets acquired separately, i.e. not as part of a business combination, and with a determinable useful life are recognized at historical cost less accumulated amortization and impairment losses. Amortization is recognized as an expense on a straight-line basis over the expected useful life. The expected useful life and the amortization method are reviewed on each reporting date and any changes in estimates taken into account prospectively.

Separately acquired intangible assets with an indefinite useful life are recognized at historical cost less accumulated impairment losses.

Low-value assets with acquisition costs of up to EUR 1 thousand are recognized as an expense in the year of acquisition.

The following useful lives were applied as the basis for calculating depreciation:

– Patents: 13 to 14 years
– Licenses and software: 4 to 12 years

Internally generated intangible assets, with the exception of capitalized development costs, are not capitalized; instead, the corresponding expenses are recognized in profit or loss in the period in which they occur.

Costs of research activities are recognized as expenses in the period in which they occur.

An internally generated intangible asset resulting from development activities or from the development phase of an internal project is recognized if the following evidence has been provided:

– The completion of the intangible asset is technically feasible so that it will be available for use or sale.

– There is an intention to complete the intangible asset and to use or sell it.

– It is possible to use or sell the intangible asset.

– The intangible asset is expected to generate future economic benefits.

– Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset.

– It is possible to reliably determine the expenses attributable to the development of the intangible asset.

The amount at which an internally generated intangible asset is capitalized for the first time equals the sum total of the expenses incurred from the date on which the intangible asset first meets the above conditions. If an internally generated intangible asset cannot be capitalized or no intangible asset yet exists, the development costs are recognized in profit or loss in the period in which they occur.

In subsequent periods, internally generated intangible assets as well as acquired intangible assets are measured at historical cost less accumulated amortization and impairment. Capitalized development costs are generally amortized on a straight-line basis over a useful life of 7 to 10 years.

h) Property, plant and equipment

Technical equipment and machinery as well as office and business equipment are reported at historical cost less accumulated depreciation and impairment in accordance with IAS 16. Acquisition costs include the purchase price, transaction costs and subsequent acquisition costs less discounts received on the purchase price.

Property, plant and equipment are subject to depreciation on a straight-line basis over their useful lives. The expected useful lives and depreciation methods are reviewed on each reporting date and any necessary changes duly taken into account. Depreciation expense is recognized in profit or loss.

Low-value assets with acquisition costs of up to EUR 1 thousand are recognized as an expense in the year of acquisition.

The following useful lives were applied as the basis for calculating depreciation:

– Technical equipment and machinery: 10 years
– Business equipment: 2 – 12 years

i) Leases

IFRS 16 sets out a comprehensive model for identifying leases and for accounting by the lessor and lessee. It is generally applicable to all leases. A lease arises if the lessor grants the lessee the right to control an identified asset for a fixed period and the lessor receives consideration from the lessee in return. Lessees do not distinguish between operating leases and finance leases. Instead, the lessee must recognize the right to use a leased asset (“right-of-use asset”) and a corresponding liability for all leases. The only exceptions are short-term leases and leases for low-value assets, for which the payments are recognized as an expense in the income statement on a straight-line basis over the term of the lease. Steyr Motors makes use of these accounting conveniences. In accordance with IFRS 16.BC100, a limit of EUR 5,000 is applied to identify low-value assets. For information on the discretionary decisions and estimates applied in connection with leases, particularly for determining the lease term and the incremental borrowing rate, reference should be made to note 35(b).

The amount of the right-of-use asset at the time of addition equals the amount of the lease liability plus any initial direct costs incurred by the lessee. In subsequent periods, the right-of-use asset (with two exceptions) is measured at amortized cost until the end of the useful life of the leased asset or the end of the contract term, whichever occurs first, and depreciated on a straight-line basis.

NOTES TO THE IFRS FINANCIAL STATEMENTS

The lease liability is measured as the present value of the lease payments relevant for measurement that are paid during the term of the lease. The incremental borrowing rate is regularly used for discounting, as the interest rate on which the lease is based is generally not known to the Company. The incremental borrowing rate is determined for each lease on a country-specific and currency-specific risk-equivalent basis in the light of the applicable term. Subsequently, the discount factor on the carrying amount of the lease liability is unwound on the basis of the interest rate used for discounting and reduced by the lease payments made. Changes in lease payments generally lead to the remeasurement of the lease liability against the corresponding right-of-use asset with no effect on profit and loss. Steyr Motors does not draw any distinction between lease and service components.

j) Right-of-use assets

The Company assesses at the inception of a contract whether it constitutes or contains a lease. For all leases in which the Company is the lessee, it recognizes a right-of-use asset and a corresponding lease liability. This does not apply to short-term leases (defined as leases with a term of twelve months or less) and leases for low-value assets (such as tablets and personal computers, small items of office furniture and telephones). With these leases, the Group recognizes lease payments on a straight line basis over the lease term (unless another systematic basis is more representative of the time pattern of the user's benefit).

The lease liability is initially recognized at the present value of the lease payments not yet paid at the inception of the lease, discounted at the interest rate on which the lease is based. If this interest rate cannot be readily determined, the Company applies its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and inception date of the lease and is determined on the basis of a number of factors, including the risk-free interest rate based on government bond rates, a country-specific risk adjustment, a credit risk adjustment based on bond yields and a company-specific adjustment if the risk profile of the entity entering into the lease differs from that of the Company and the lease is not secured by a guarantee from such company.

The following lease payments are included in the measurement of the lease liability:

- Fixed lease payments (including de facto fixed payments), less incentive payments to be received;
- Variable lease payments tied to an index or rate, initially measured at the index or rate at the inception of the lease;
- Expected payments by the lessee under residual value guarantees;
- Exercise prices under call options if the lessee is reasonably certain to exercise them; and
- Penalties for the premature termination of leases unless early termination can be excluded with reasonable certainty.

k) Inventories

Inventories are presented in accordance with IAS 2.36(a) and measured at the lower of cost and net realizable value in accordance with IAS 2.9.

The acquisition or production costs of inventories are measured using the average cost method. Historical costs reflect the material costs; the transaction costs are shown using overhead rates. Production costs include directly attributable direct costs and overheads.

Net realizable value is the estimated selling price of the inventories less applicable production and selling expenses.

Borrowing costs within the meaning of IAS 23 are not capitalized.

l) Trade and other receivables

A payment period of between 30 and 60 days is usually granted for the sale of goods. No interest is charged on outstanding trade receivables.

The Company uses non-recourse factoring and the credit risk is assumed by the factor. Steyr Motors AG pursues the goal of selling the majority of its receivables to the factor, thereby minimizing its credit risk. Consequently, Steyr Motors AG retains the credit risk for only a small portion of receivables. A single loan loss allowance is recognized for the credit risk of the remaining receivables, where warranted. For reasons of materiality, an impairment matrix in accordance with IFRS 9 is not used. The Company has recognized a loss allowance of 100% for all receivables where the credit risk remains with the Company if these are more than 60 days overdue.

Foreign currency receivables are valued at the mean rate of exchange on the reporting date.

m) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that it will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. In accordance with IAS 37, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The expense for such provisions is recognized in the statement of comprehensive income.

Employee benefits

The material actuarial assumptions used to calculate the defined benefit obligation entail the discount rate, expected salary increases and mortality.

Based on the respective pay-scale agreements, Steyr Motors AG is obliged to pay employees long-service benefits after the achievement of certain years of service (25, 35 or 45 years of service). Provisions have been recognized for this obligation and are measured in accordance with actuarial principles. The calculations as of December 31, 2024 are based on a discount rate of 3.5% and an expected increase in the assessment basis of 3.5%; no fluctuation discount is applied. The retirement age was adopted on the basis of the 2003 pension reform. The AVÖ 2018-P mortality tables are used for this calculation.

In the previous year, provisions for long-service benefits had been calculated using actuarial principles. An interest rate of 2.75%, an expected increase in the assessment basis of 3.1% and a fluctuation discount of 10% were taken into account.

For short-term employee benefits (wages, sick pay, bonuses, etc.), the non-discounted amount of the benefits expected to be paid in exchange for the service rendered is recognized during the period in which the service is rendered.

The expected costs of the short-term employee benefits are recognized in the case of accumulating entitlements when the work that increases the employee's entitlement to future paid absences is performed. Non-accumulating entitlements, however, are recognized at the time when the absence occurs.

Liabilities under other long-term employee benefits are measured at the present value of the estimated future cash outflows that the Company expects for the services rendered by the employees up to the reporting date.

n) Trade payables

Trade payables mainly comprise outstanding amounts for the purchase of goods and services as well as current costs. Payment terms of 30 days on average (excluding supplier financing agreements) are agreed for trade purchases. There were no supplier financing agreements in 2024. Subsequently, different interest rates are due on the outstanding amount. The Company has implemented a process to ensure that all liabilities are settled within the originally granted payment period.

The Management Board believes that the carrying amount of trade payables corresponds to their fair value.

36. New and amended IFRS

New and amended IFRS to be applied for the first time

In the year under review, the IFRS issued the following new or revised IFRS that must be applied by the Company. This has no material impact on these single-entity financial statements. Furthermore, no statement can be made at this time regarding the effects on future transactions or agreements.

New and amended IFRS to be applied in the future

The following new or amended IFRS have been issued by the IASB but are not yet mandatory or have not yet been endorsed in European law. The Company did not early apply the new or amended guidance.

New and amended IFRS		To be applied in years beginning on or after the specified date:	Status of EU endorsement (as of the date of preparation)
Amendments to IAS 21	Lack of exchangeability – amendments to IAS 21	January 1, 2025	Pending
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture	Date of initial application postponed indefinitely	Pending
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 17)	January 1, 2026	Pending
Amendments to IFRS 18	IFRS 18 – Presentation and disclosures in financial statements	January 1, 2027	Pending
Amendments to IFRS 19	IFRS 19 – Subsidiaries without public accountability: Disclosures	January 1, 2027	Pending

Amendments to IAS 1 "Presentation of Financial Statements": Classification of liabilities as current or non-current and non-current liabilities with covenants

On January 23, 2020, the IASB issued "Classification of Liabilities as Current or Non-current" with amendments to IAS 1. The amendments are intended to clarify the criteria for classifying liabilities as current or non-current. Accordingly, the existing rights are taken into account as of the reporting date regardless of whether management intends to make an early repayment or actually exercises these rights.

On July 15, 2020, the first date of application of the amendments was initially postponed from January 1, 2022 to accounting periods beginning on or after January 1, 2023. As contentious application issues that the IASB had not previously considered have since been identified, it published further amendments to IAS 1 entitled "Non-current liabilities with covenants" on October 31, 2022. This clarifies that only those covenants that a company must fulfill on or before the reporting date influence the classification of a liability as current or non-current. However, it must disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Both the amendments already issued in January 2020 and the most recent ones are now mandatory for the first time for accounting periods beginning on or after January 1, 2024. The date of the EU endorsement is still open.

NOTES TO THE IFRS FINANCIAL STATEMENTS

The Management Board is therefore unable to make any statement at this time as to whether and to what extent this will result in any changes to the Company's future financial statements.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments address a conflict between the guidance in IAS 28 "Investments in Associates and Joint Ventures" and IFRS 10 "Consolidated Financial Statements". They clarify that, in the case of transactions with an associate or joint venture, the extent to which profit or loss is recognized depends on whether the assets sold or contributed constitute a business operation in accordance with IFRS 3.

The IASB postponed the date of first-time application of the amendments indefinitely in December 2015 pending possible amendments to IAS 28 from the research project on the equity method of accounting. It was resumed in October 2020 after a long break and in the context of the ongoing post-implementation review of IFRS 11.

The Management Board assumes that these potential amendments to IFRS 10 and IAS 28 will have no impact on the Company's future earnings.

Amendments to IAS 21 "Lack of exchangeability"

On August 15, 2023, the IASB published amendments to IAS 21 entitled "Lack of Exchangeability", which will require entities to make more disclosures in their financial statements when a currency cannot be converted into another currency. The amendments require entities to adopt a consistent approach to assessing whether a currency is convertible into another currency and, if not, to determining the applicable exchange rate and the required disclosures.

The amendments are to be applied in accounting periods beginning on or after January 1, 2025. EU endorsement is still pending.

The Management Board assumes that the amendments will not have any material impact on the Company's future financial statements.

Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

On May 25, 2023, the IASB published amendments to IAS 7 and IFRS 7 entitled "Supplier Finance Arrangements" to improve the transparency of supplier finance arrangements and their impact on an entity's liabilities, cash flows and liquidity risk. The amendments supplement existing guidance in the IFRS accounting standards and require an entity to disclose the following information:

- the terms of the contract
- the amount of liabilities forming part of the agreements, including a breakdown of the amounts for which the suppliers have already received payments from lenders and an indication as to where the liabilities are recognized in the statement of financial position;
- maturity bandwidths and
- information on liquidity risk.

The amendments must be applied in accounting periods beginning on or after January 1, 2024. EU endorsement is still pending.

The Management Board assumes that the amendments will not have any material impact on the Company's future financial statements.

Amendments to IFRS 16 "Lease liability in a sale and leaseback transaction"

On September 22, 2022, the IASB published amendments to IFRS 16 Leases that clarify the accounting treatment of sale and leaseback transactions after the transaction date.

With a sale and leaseback transaction, an entity sells an asset and leases the same asset back from the new owner for a certain period of time. Until now, however, there has been no precise guidance on how these transactions are to be assessed in reporting after this date. The new amendments supplement the requirements for sale and leaseback transactions in IFRS 16 to ensure uniform application of the accounting standard.

These amendments only affect the accounting treatment of leases resulting from sale and leaseback transactions and do not alter the accounting treatment for other types of leases.

The amendments must be applied in accounting periods beginning on or after January 1, 2024. EU endorsement is dated November 20, 2023.

The Management Board assumes that the amendments will not have any material impact on the Company's future financial statements.

37. Risk management

The Company's Management Board is responsible for establishing and monitoring risk management. Steyr Motors AG is exposed to financial risks to varying degrees.

a) Financial risks

Liquidity risk

Liquidity risk is the risk of not being able to meet all financial obligations as they fall due. As sufficient liquidity is available, the risk is considered to be low. Liquidity is maintained through the ongoing factoring of receivables.

Credit risk

Credit risk is the risk of financial losses that may arise from the non-fulfilment of contractual obligations by individual business partners. The receivables and other assets and bank balances reported under current assets represent the maximum credit risk. The risk particularly includes the risk of default. The risk of default arising from trade receivables is hedged by selling the receivables to a factor, which assumes the risk in full. A single loan loss allowance is recognized for receivables that have not been factored if there are any indications of impairment.

Foreign currency risk

Foreign currency risk arises from the settlement of transactions in a currency other than the Company's local currency. Despite the Company's strong export orientation, more than 90% of the procurement and sales volume is invoiced in euros, with only a small proportion of business transacted in US dollars. The actual foreign currency risk is therefore limited.

Interest risk

Interest risk comprises the negative effects of changes in market interest rates on interest payments, interest income and expenses and, where applicable, on equity. The interest risk to which the Company is exposed is limited to short-term finance through the existing factoring operations.

b) Capital risk management

The Company manages its capital with the aim of ensuring that it can operate on a going concern basis. The Company's overall strategy is to avoid financial liabilities and to maintain a positive net cash position. At the time the financial statements were prepared, the only external finance available and planned took the form of factoring. The Company's overall strategy is unchanged over 2023. The Company's capital structure consists of net debt (i.e. the liabilities listed in notes 23 and 26, less cash and bank balances) and the Company's equity. This is made up of shares, the share premium and retained earnings as stated in note 22. The Company is not subject to any externally imposed capital requirements.

The Company's Supervisory Board reviews the capital structure annually. The Company's goal of maintaining a positive net cash position was achieved on both reporting dates. The net cash position as of the respective reporting date is as follows:

in EUR thousands	**December 31, 2024**	December 31, 2023
Liabilities:	**5,230**	**5,197**
Non-current lease liabilities	4,291	4,478
Current lease liabilities	408	347
Other financial liabilities	531	372
Cash and cash equivalents	8,164	5,719
Net cash	**2,934**	**522**

ASSURANCE OF THE LEGAL REPRESENTATIVES
of Steyr Motors AG

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements of Steyr Motors AG give a true and fair view of the assets, liabilities, financial position and profit or loss of Steyr Motors AG, and the management report includes a fair review of the development and performance of the business and the position of Steyr Motors AG, together with a description of the principal opportunities and risks associated with the expected development of Steyr Motors AG.

Steyr-Gleink, February 28, 2025

Julian Cassutti
Management Board

AUDITOR'S OPINION

AUDITOR'S OPINION
Report on the IFRS financial statements

Opinion

We have audited the IFRS annual financial statements of

Steyr Motors AG,
Steyr-Gleink,

The financial statement comprise the statement of financial position as of December 31, 2024, the income statement, the statement of changes in equity and the cash flow statement for the financial year then ended, as well as the notes to the annual financial statements.

Based on our Audit, the accompanying IFRS annual financial statements comply with the legal requirements and provide a true and fair view of the company's financial position as of December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the EU (IFRS).

Basis for opinion

We conducted our audit in accordance with the Austrian principles of proper auditing. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under those requirements and standards are described in greater detail in "Auditor's Responsibilities for the Audit of the IFRS Annual Financial Statements" of our opinion. As required under Austrian commercial and professional regulations, we are independent of the company and have fulfilled our other professional duties in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our opinion is sufficient and appropriate to provide a basis for our opinion as of that date.

Emphasis of matter

The subsidiary **Steyr Motors Betriebs GmbH** was merged with the parent company **Mutares Austria Holding-01 GmbH** in 2024. In the interests of greater comparability, the comparative figures for the 2024 single-entity financial statements were presented on a consolidated basis. We refer to the disclosures made by the management in note 35a to the financial statements.

Our opinion has not been modified to reflect this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IFRS annual financial statements. We took these matters into account in our audit of the IFRS annual financial statements as a whole and in expressing our opinion. We do not express any separate opinion on these matters.

The key audit matters are presented below:

Capitalization of development costs in accordance with IAS 38.

Reasons for classification as a key audit matter

The capitalization of development costs requires a comprehensive assessment by management, including the identification of future benefits and the allocation of costs incurred to specific development projects. This calls for careful application of the assessment criteria of IAS 38. Due to the subjectivity and complexity of these assessments, the capitalized development costs were classified as a key audit matter.

Relevant audit procedures

During our audit, we reviewed the estimates and assumptions made by management regarding the capitalization of internally produced assets. This included the following:

- Review of the company's internal documentation on development projects and the correct identification of development costs.
- Verification of compliance with the capitalization criteria in accordance with IAS 38
- Examination of the calculations of expected future economic benefits and the allocation of costs.

Reference to other disclosures

The corresponding disclosures by Steyr Motors AG are included in note 15 "Intangible assets" and note 35 b "Estimation assumptions" of the annual financial statements.

Other information

Management is responsible for the other information. The other information comprises all information in the annual report with the exception of the IFRS annual financial statements, the management report and the auditor's opinion.

Our opinion on the IFRS financial statements does not cover this other information and we do not provide any form of assurance in this regard.

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

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

Responsibilities of the management and the Audit Committee for the IFRS annual financial statements

The management is responsible for preparing the IFRS annual financial statements and for ensuring that they comply with the International Financial Reporting Standards (IFRS) as endorsed by the EU and provide a true and fair view of the net assets, financial position and results of operations of the company. Furthermore, the management is responsible for such internal controls as have been determined necessary to enable the preparation of IFRS annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the IFRS annual financial statements, the management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, any matters related to its going-concern status and applying the going-concern basis of accounting unless the management either intends to liquidate the company or cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for monitoring the company's accounting process.

Auditor's responsibilities for the audit of the IFRS annual financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

– identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

– From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the management report

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

The management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

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

Opinion

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

Statement

On the basis of the knowledge gained and the understanding of the company and its environment obtained during the audit of the IFRS annual financial statements, no materially incorrect information was found in the management report.

Limitation of liability

The audit of the IFRS annual financial statements and the management report was requested in the absence of any statutory obligation ("voluntary audit"). We are only liable towards the client and third parties for intent and gross negligence; liability for gross negligence is limited to EUR 2 million in accordance with the liability provisions of Section 275 (2) UGB for the mandatory audit of a (small or medium-sized) company.

Responsible auditor

The auditor responsible for the audit of the financial statements is MMag. Simon Horst Preschern.

Klagenfurt am Wörthersee, February 28, 2025

Grant Thornton ALPEN-ADRIA
Wirtschaftsprüfung GmbH

MMag. Simon Horst Preschern
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