ASX Announcement

MotorCycle Holdings Limited (ASX:MTO)

17 July 2026

Statement regarding employee underpayments

MotorCycle Holdings Limited (ASX:MTO) ('MTO', the 'Company') has identified certain issues relating to the application of the Modern Awards that apply to the Company's employees, being the:

- Vehicle Repair, Services and Retail Award 2020;
- Commercial Sales Award 2020;
- Storage Services and Wholesale Award 2020; and
- Clerks – Private Sector Award 2020.

MTO takes its legal obligations to employees seriously.

Since identifying the issues, MTO took immediate steps to enact amendments to its payroll system to align with the Modern Award requirements. The most substantive finding has been the underpayment of leave loading for employees receiving over-Award payments.

The Company estimates that for current employees, at current wage rates, the remediation cost for unpaid leave loading for the period 1 July 2020 to 30 June 2026 is between $1.1m - 1.3m (pre-tax), with c$0.4m expected to be accounted for in FY26. This estimate does not include amounts for past employees during the relevant period which is the subject of further review due to the complexity of the calculations involved. These amounts are unaudited and the Company continues its detailed review to identify and resolve any other historical misapplications of the Awards. This review is progressing as a priority but involves complex matters of Modern Award interpretation and specialised analysis of large volumes of data.

Chief Executive Officer, Matthew Wiesner, said: "*While disappointing, our continuing focus on driving business transformation has identified these historical issues which have arisen, in part, due to the complexity of the Award structure. We apologise to our affected employees and are committed to rectifying the issues as soon as possible.*"

MTO is making a voluntary disclosure to the Fair Work Ombudsman and will engage with our employees and the Ombudsman on the review.

MTO will keep the market updated of any material developments in this matter.

ENDS.

This announcement has been authorised for release by the Board of Directors of MotorCycle Holdings Limited.

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About MotorCycle Holdings

MotorCycle Holdings Limited is a leading retailer and wholesale distributor of motorcycles, parts, and accessories, with 55 retail and wholesale operations across Australia and New Zealand. The company offers customers a diverse portfolio of leading motorcycle and accessory brands, along with servicing, repairs, financing, and insurance services.

Important Information

This announcement may contain certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled,' or 'continue,' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. MTO does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.