LIVEWIRE: 5 YEARS IN AND 1% OF PLAN · PART 4 OF 4

IT WAS DECIDED IN NOV 2025

The quarter was reported in July 2026. The outcome was settled eight months earlier, in a loan agreement.

S2, STRIPPED

LIVEWIRE: 5 YEARS IN AND 1% OF PLAN · THE ROUTE

FOUR PARTS. ONE THESIS.

JUNEAU AVENUE, THE LENDER'S ADDRESS

PART 1 OF 4

THE GROWTH

386% is 55 bikes to 267. The plan was 100,000. The miss is the story.

PART 2 OF 4

THE LINEUP

$29,799 to $4,999. Premium to price. The overhead never followed.

PART 3 OF 4

THE CONTRACTS

Buying bikes loses money. Not buying them costs money. Both in writing.

PART 4 OF 4 · THIS POST

THE LOAN & THE FINAL WORD

Nov 2025: equity backstop out, secured claim in. $85M due Dec 2027.

FIFTEEN MONTHS, FIVE FILINGS

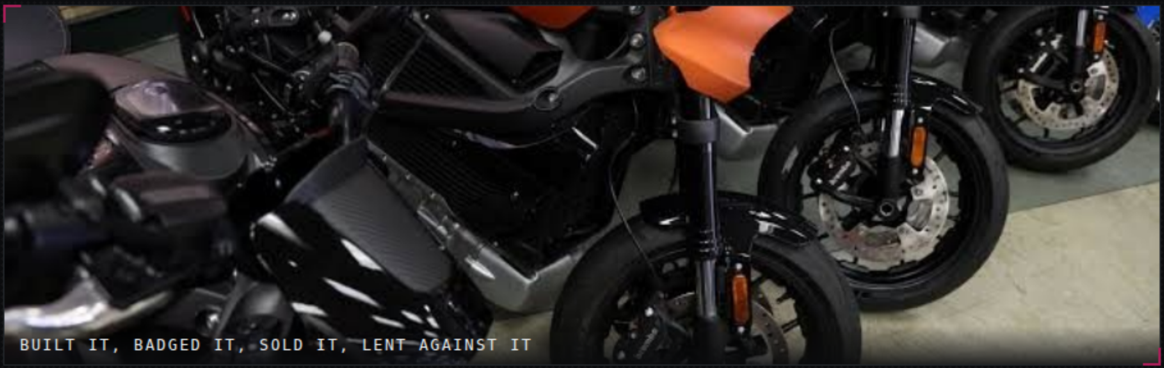
FEB 2024
$100M convertible loan. If LiveWire can't repay, H-D converts to equity. Never drawn.

NOV 2025
Conversion feature REMOVED. Security interest over substantially all assets added. Covenants added.

DEC 2025
$75M drawn. Interest accrues to maturity.

FEB 2026
"Does not plan to make additional investments."

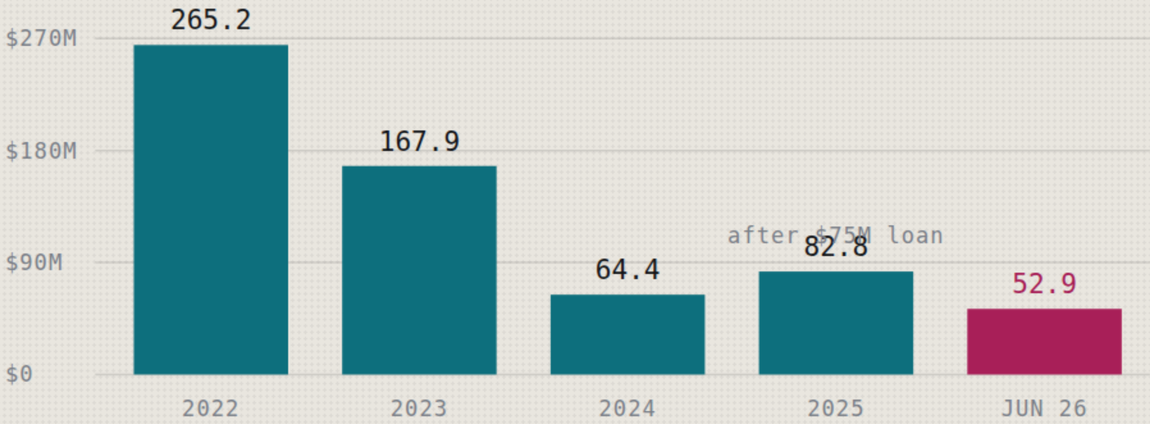
MAY 2026
Five-year strategy. No LiveWire target.
The word "electric" does not appear.



IN FIFTEEN MONTHS, HARLEY-DAVIDSON MOVED FROM PARENT TO SECURED CREDITOR.

Every step is a filed instrument with a date on it. What the sequence means is interpretation. That it occurred is not.

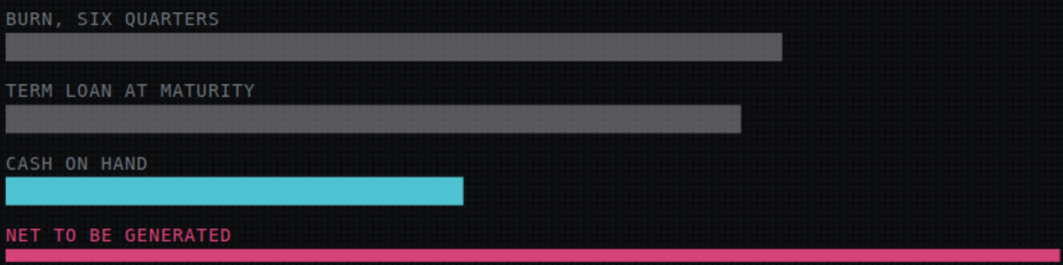
CASH, AND WHERE IT WENT



The 2025 increase is **borrowed money, not earned.**

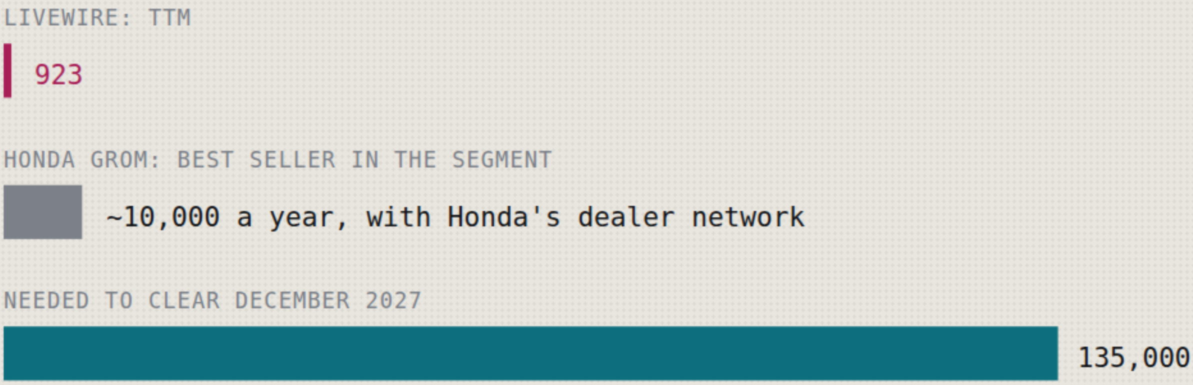
WHAT HAS TO BE FOUND BY 15 DECEMBER 2027

Burn, six quarters	$89.7M
Term loan at maturity	$85.0M
Less cash on hand	−$52.9M
Net to be generated	**$121.8M**



Interest accrues at SOFR + 4%, compounding, with nothing payable until maturity. The balance grows.

WHAT THAT MEANS IN MOTORCYCLES



All three drawn to one scale. **Twenty-one Honchos per dealer, per week, for fourteen months.**

THE REALISTIC CASE

2,000

S4 HONCHOS GLOBALLY IN A STRONG FIRST YEAR

THE BIKE THAT HAS TO DO IT

COVERS THIS MUCH OF ANNUAL BURN

3%

COVERS THIS MUCH OF THE DEC 2027 GAP

1.5%

Nothing below roughly **40,000 units** changes any conclusion.

CREDIT WHERE IT'S DUE · THE PEOPLE DID THE WORK

HONCHO REVEAL

–47%

COST PER MOTORCYCLE · 2024 → Q2 2026

$44,147 to $23,172. Real engineering, real sourcing.

–18%

OPERATING CASH BURN · H1 26 VS H1 25

$32.4M to $26.4M. Disciplined.

45.6%

STACYC GROSS MARGIN · Q2 2026

The only segment that makes money. A real business.

105

DEALERS · 88 → 96 → 105

Cut the network 30%, then rebuilt it. Harder than building one.

171%

RETAIL GROWTH · Q2 2026

Retail beat wholesale. Dealer stock went down. Not channel stuffing.

$4,999

S4 HONCHO · LAUNCHED

New platform, new price, new manufacturer, in the middle of all this.

WHY IT ISN'T ENOUGH

THE LINEUP THEY HAVE

WHAT THEY DON'T HAVE IS A LINEUP WITH VOLUME IN IT. WHAT THEY CAN'T GET IS A SET OF CONTRACTS THAT LET THEM WIN EVEN IF THEY FOUND ONE.

You cannot execute your way out of cost-plus, take-or-pay, a services agreement Harley can end on ninety days' notice, and a secured note held by your own parent. Those were signed by people above them, some before most of them arrived.

THE FINAL WORD · HARLEY-DAVIDSON

SAME BUILDING, DIFFERENT CHAIR

HARLEY DIDN'T LEAVE. IT CHANGED SEATS.

It still builds the bikes, at cost-plus. Still charges the services fee. Still floors the dealers through HDFS. Now collects SOFR + 4% on $76.8M secured on substantially all of LiveWire's assets, with a services agreement it can end on ninety days' notice.

It gets paid on the way up, on the way down, and on the way out. The 22% public float carries the risk without collecting a fee.

2026 WAS THE YEAR EVERYTHING WAS SUPPOSED TO HAPPEN. IT IS 2026. THEY ARE AT ONE PERCENT OF PLAN.

GROUND TRUTH NO. 01

That's the series. Ground Truth No. 02 takes up the parent: what LiveWire is doing to Harley-Davidson's own numbers.

Full brief: 14 sections in six parts, 260 filings, every source linked, corrections log published.
contactpatchadvisory.com/groundtruth