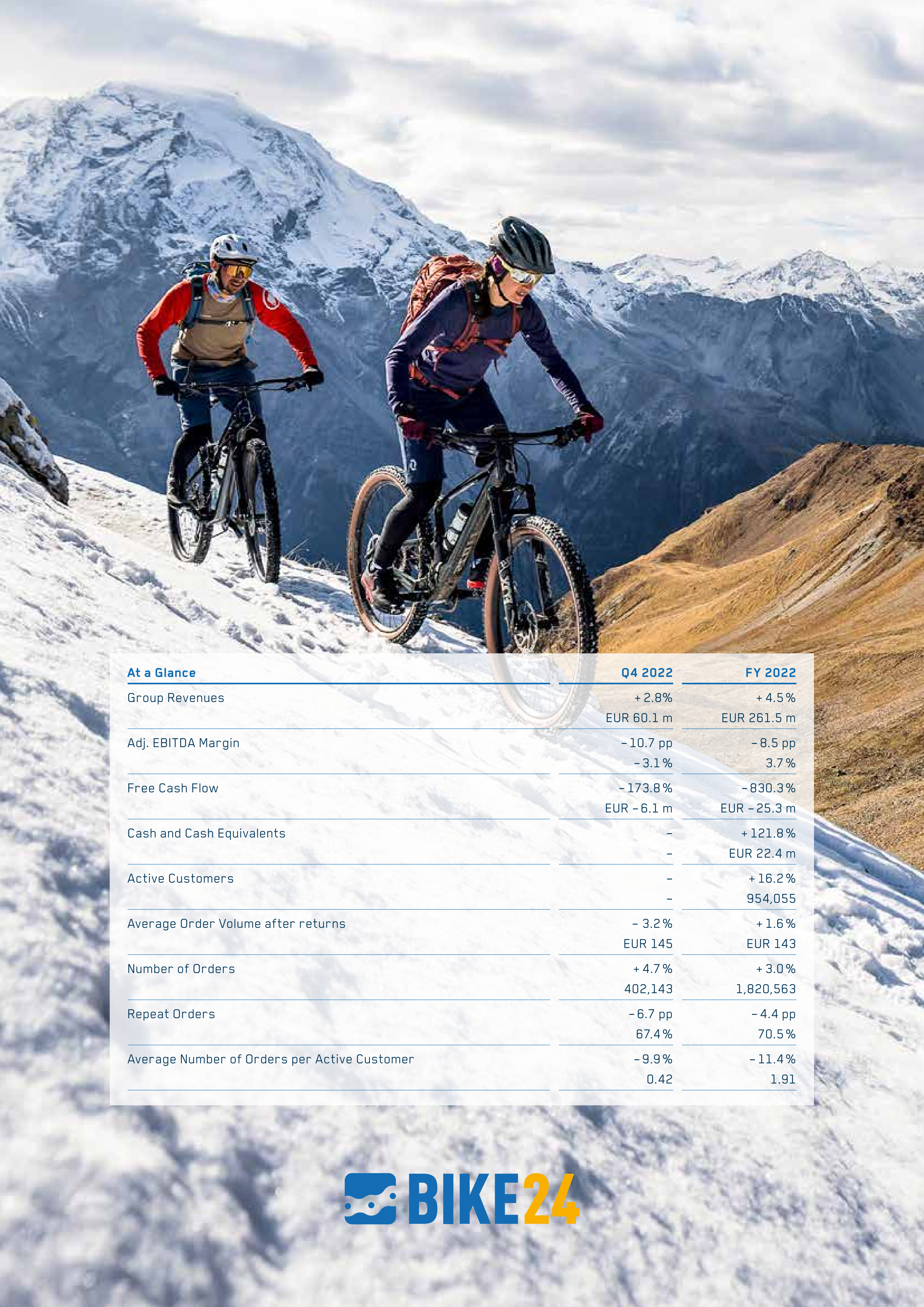
WE KEEP YOU RIDING

ANNUAL REPORT 2022

BIKE24



At a Glance	Q4 2022	FY 2022
Group Revenues	+ 2.8 % EUR 60.1 m	+ 4.5 % EUR 261.5 m
Adj. EBITDA Margin	– 10.7 pp – 3.1 %	– 8.5 pp 3.7 %
Free Cash Flow	– 173.8 % EUR – 6.1 m	– 830.3 % EUR – 25.3 m
Cash and Cash Equivalents	– –	+ 121.8 % EUR 22.4 m
Active Customers	– –	+ 16.2 % 954,055
Average Order Volume after returns	– 3.2 % EUR 145	+ 1.6 % EUR 143
Number of Orders	+ 4.7 % 402,143	+ 3.0 % 1,820,563
Repeat Orders	– 6.7 pp 67.4 %	– 4.4 pp 70.5 %
Average Number of Orders per Active Customer	– 9.9 % 0.42	– 11.4 % 1.91

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COMPANY OVERVIEW

THIS IS BIKE24

9 LOCAL ONLINE STORES

2 LOGISTICS CENTERS: DRESDEN AND BARCELONA

CUSTOMERS IN MORE THAN 80 COUNTRIES

HIGH POTENTIAL FOR FURTHER GROWTH

ON TRACK FOR FURTHER EXPANSION IN EUROPE

Our goal is to become the one-stop shop for everything around cycling in all major European cycling countries. That's why we also rolled out our successful playbook to France and Italy in 2022. In early 2023, our localized online stores were also launched in the Netherlands, Belgium, and Luxembourg.

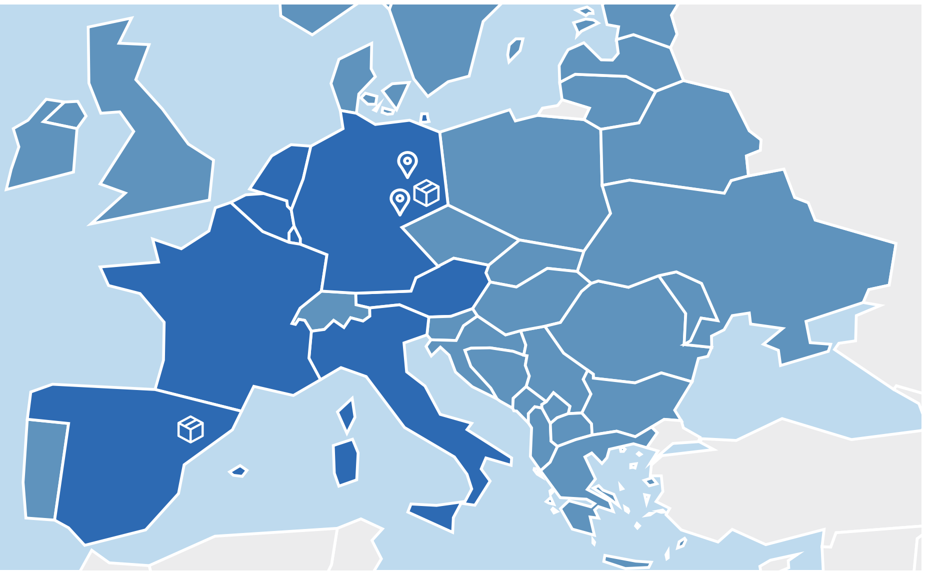
Logistics center Barcelona

Logistics center Dresden

9 LOCAL ONLINE STORES

2 LOGISTICS CENTERS:
DRESDEN + BARCELONA

2 PHYSICAL SERVICE POINTS
BERLIN + DRESDEN



INTERNATIONALIZATION STRATEGY TAKES EFFECT

Since the past year, avid cyclists in France and Italy have finally been able to order from country-specific BIKE24 online stores. This allows us to offer customers in two additional cycling nations in Southern Europe a tailored shopping experience in their national language.

The growth rates in markets with localized stores show that this internationalization strategy is working and that we are hitting the nerve of our target groups. Just as in Spain, customer numbers and order volumes in both countries rose sharply shortly after the launch. At the same time, we continue to record significant growth rates in Spain as well.

NEW LOGISTICS CENTER LAUNCHED AS PLANNED

We have set a milestone for further international growth with our new logistics center in Barcelona. As announced, it entered the pilot phase at the end of 2022 with the shipment of first test packages. Since then, we are significantly expanding our logistics capacities and can now also supply our customers in Southern Europe quickly and cost-effectively.

NEXT ROLLOUT TO MORE PROMISING MARKETS

The year 2023 began with the rollout of the localized online stores for the Netherlands, Belgium, and Luxembourg. This brings us another step closer to our goal of taking a leading position in all key European markets.

The Netherlands, where there are more bikes than inhabitants, is not the only promising market for us. Thanks to our proximity to our home market Germany, we already have a high level of awareness in the Benelux region, which will help us to expand our customer base.

IN THE NETHERLANDS, 23 MILLION BIKES MEET A POPULATION OF JUST 17.6 MILLION PEOPLE.

NEW CUSTOMERS AND SALES GROWTH (2022):

ACTIVE CUSTOMERS (LOCALIZED MARKETS): 145,543	SPAIN	FRANCE	ITALY
NEW CUSTOMERS	+ 39,758	+ 52,339	+ 28,630
SALES GROWTH	+ 94 %	+ 279 %	+ 145 %

SALES POTENTIAL THROUGH SECOND LOGISTICS LOCATION: UP TO + 280 MILLION EUROS

+ 38% FULL-BIKE SALES

OVER 60 BRANDS IN THE FULL-BIKE SEGMENT

RECONFIRMED AS CLIMATE-NEUTRAL SERVICE PROVIDER IN 2022

2 PHYSICAL SERVICE POINTS: DRESDEN AND BERLIN

KEEPING AN EYE ON THE TRENDS

WITH TAILWINDS TO THE TOP

Remaining successful for over 20 years also means anticipating market trends and keeping up with them. One growth area in which we have strengthened our position is the full-bike segment. We are also raising our sustainability standards and creating a link between online shopping and offline service.

Logistics Center Dresden

ONGOING STRONG DEMAND FOR FULL-BIKES

For more and more people, the bike is becoming a cost-effective and climate-friendly alternative to a car. Despite the high level of already existing bikes in Germany, for example, demand remains high. This applies to traditional bikes without electric assistance as well as to e-bikes.

While the previous year was still characterized by supply challenges in this segment, supply chains recovered faster than expected in 2022. As a result, we were once again able to offer our customers a broad range of products with over 60 brands in all bike categories. We saw a surge in our full-bike sales, well above the industry average. This shows that our customers continue to appreciate our exceptional product range, giving us a unique selling point in the market.

IN GERMANY, 250 MILLION JOURNEYS ARE MADE EVERY DAY.

190 MILLION
of which are shorter than 10 kilometers.

65 MILLION
of which are shorter than 5 kilometers.

Source: ZIV (German cycling association)

Full-bike assembly hall

STRATEGIES IN PLACE FOR EVEN MORE SUSTAINABILITY

We are not only committed to climate protection by promoting cycling with our business model. The topic of sustainability also has a high priority in our company. Last summer, BIKE24 was once again confirmed as a climate-neutral service provider. In doing so, we included another aspect in the analysis for this period: the greenhouse gas emissions resulting from waste disposal. Recertification for 2022 is also already underway.

To give us an even broader footprint in terms of sustainability, we also hired the position of Head of ESG last fall. Following a stakeholder survey on this topic, we are now developing a comprehensive ESG strategy. This will cover not only environmental and climate protection, but also social issues and good corporate governance.

For a cross-company commitment to more sustainable e-commerce, BIKE24 also signed the “Cycling Industry Sustainable Packaging Pledge” last year together with 90 companies from the cycling industry. The goals of the alliance include using size-optimized, recyclable, and reusable packaging and reducing the use of plastics.

MERGING ONLINE AND OFFLINE

Since mid-2022, in addition to our Service Point in Dresden, our founding city, we also opened a counterpart in Berlin. This means that we now also have a physical contact point for our customers in Germany’s number one cycling metropolis. Located in the center of the city near the main railway station at Humboldthafen, the store offers, among other things, the possibility to choose the perfect bike with the help of our bike fitting machine, to pick up goods ordered online or to carry out repairs. By combining online shopping with offline services, we offer the constantly growing community of bike enthusiasts an additional product experience.

INTERVIEW WITH THE BOARD

ON A CYCLING TOUR WITH ANDRÉS MARTIN-BIRNER AND TIMM ARMBRUST

Timm Armbrust (CFO), Andrés Martin-Birner (Founder & CEO)

MR. MARTIN-BIRNER, MR. ARMBRUST, WE MEET HERE IN BARCELONA, WHERE BIKE24 NOW HAS A SECOND LOGISTICS CENTER. IS A VISIT TO THE SPANISH METROPOLIS ALSO WORTHWHILE FOR BIKE ENTHUSIASTS?

ANDRÉS MARTIN-BIRNER Absolutely. Barcelona is an excellent place to explore by bike. Today, the city has a network of bike paths covering more than 300 kilometers and ranks 13th in the Copenhagenize Index, a ranking of the 20 most bike-friendly cities in the world. Recently, I became aware of the "Bicibus", or bicycle bus. It is a bicycle convoy for children on their way to school. The roads on the route are closed to cars during this time. This is a clever idea to get children used to cycling at an early age and hence to promote the traffic turnaround in the metropolis. For all cyclists, of course, the surrounding countryside also has many great routes to offer. So, Catalonia should definitely be on the bucket list for cycling enthusiasts.

SO NOW YOU HAVE A LOGISTICS CENTER IN THIS CYCLING REGION. HOW WILL THE NEW LOCATION AFFECT YOUR BUSINESS IN SOUTHERN EUROPE?

ANDRÉS MARTIN-BIRNER Our business in the cycling nations of Spain, France and Italy is developing highly successfully, with sales up 163 percent in fiscal year 2022, and offers us plenty of potential for further growth. The new logistics center is key to leveraging this potential. Above all, by enabling us to offer our customers in Southern Europe a fast, low-cost delivery service. Speed of delivery is a crucial factor here, because if you need a spare part to get your bike back in shape, for example, you don't want to wait long for it. No wonder that we are very pleased that we were able to ship the first packages from Barcelona at the end of last year as planned. This means we have reached the next milestone in our internationalization strategy.

TIMM ARMBRUST The number of active customers in the southern European markets rose by 227 percent last year. This shows that people there have been waiting for a wide range of cycling-related services like those we offer. In addition to our warehouse in Dresden, the Barcelona site offers us logistics capacity for an additional annual sales volume of up to 280 million euros in the medium term. This means we are optimally prepared for the growing demand in Southern Europe.

>>

DOES THE NEW LOCATION IN BARCELONA OFFER ADVANTAGES IN TERMS OF SUSTAINABILITY?

TIMM ARMBRUST With the central warehouse in Barcelona, we are shortening the delivery routes in Southern Europe and are thus focusing on a more sustainable solution. At the same time, our new AutoStore facility promotes sustainability at the site: the boxes in this fully automated storage and picking system are stacked in a cube without any significant gaps and are moved by robotic vehicles. This is not only a space-saving and highly efficient solution. It also saves energy, as no lighting or heating is required in this area of the warehouse.

WITH THE BENELUX REGION, YOU HAVE ALREADY EXPANDED YOUR LOCALIZED ONLINE STORES TO THE NEXT REGION. WHAT ARE YOUR EXPECTATIONS FOR THE MORE INTENSIVE DEVELOPMENT OF THESE MARKETS, WHICH ARE QUITE SMALL IN COMPARISON?

ANDRÉS MARTIN-BIRNER The Netherlands are known to be the number 1 cycling country in Europe with an excellent cycling infrastructure. According to statistics, there are more bikes than inhabitants. This makes it a very attractive market for us, especially in terms of accessories and clothing. Overall, BIKE24 already has a high profile in the Benelux region due to its proximity to Germany. The localized online stores now also take down the language barrier for our customers, so we expect high growth rates in these countries as well. In addition, we are also offering localized payment methods there for the first time and are thus adapting even more closely to regional characteristics.

DESPITE THE POSITIVE DEVELOPMENT IN YOUR FOREIGN MARKETS, YOU MUST HAVE FELT THE TENSED CONSUMER MOOD IN GERMANY IN PARTICULAR. IS THE REVIEW OF THE CORE MARKET POSITIVE OR NEGATIVE?

TIMM ARMBRUST I think we can consider ourselves lucky that we have come through the year so well compared to many other e-commerce companies. Of course, we also felt the effects of the general reluctance to buy. It is also only understandable that people have postponed major purchases for the time being in view of the war in Ukraine and the resulting cost increases. At the same time, not least the rising prices at gas stations have further fueled the trend towards cycling. And so, despite the downturn in consumer spending, full-bike sales in Germany have continued to rise significantly, with an increase of 38 percent.

ANDRÉS MARTIN-BIRNER You know, we've been in the market for over 20 years now and really know it very well. That has helped us in the challenging environment, among other things, in purchasing. Now that the supply chains for full-bikes have recovered, we are once again able to fully meet our customers' wishes in this segment.

HOW DO YOU SEE THE COST TRENDS FOR FULL-BIKES AND ACCESSORIES? DO CUSTOMERS HAVE TO BRACE THEMSELVES FOR HIGH PRICE INCREASES HERE, AS IN MANY OTHER AREAS?

ANDRÉS MARTIN-BIRNER I think that in the medium-term we will face slight price increases for full-bikes and accessories again. However, thanks to our long-standing supplier relationships and high purchase volumes, we can always offer very good value for money to our customers. I am therefore very confident that everyone will continue to find the right bike for their budget at BIKE24.

SO THE INTERNATIONAL MARKETS AND FULL-BIKE SALES HAVE DEVELOPED POSITIVELY.
BUT HOW SATISFIED ARE YOU WITH BIKE24'S OVERALL PERFORMANCE IN THE PAST FISCAL YEAR?

TIMM ARMBRUST Given the general economic situation, we are very satisfied with the result. We increased sales by about five percent and reached the upper end of our forecast, which we adjusted in July. This was due to a particularly strong second half of the year. In addition, our growth rates clearly exceed the industry average; after all, the German Bicycle Industry Association (ZIV) reported slightly declining production figures for bicycles and e-bikes for the first half of 2022. This shows that our offering strikes a chord with our target group. At the same time, however, we have to concede that our profitability indicator – the adjusted EBITDA margin – was in the lower third of the forecast corridor at 3.7 percent. It is therefore more important than ever that we continued to systematically implement our strategic initiatives despite all the turbulence, because our investments have put us in pole position to sustainably grow faster than the market and play a decisive role in shaping it. We are convinced that our growth course will again have a positive impact on our profitability indicators in the medium-term.

AND WHAT IS THE SITUATION IN YOUR CORE MARKET IN GERMANY?

ANDRÉS MARTIN-BIRNER The DACH region is still the largest and therefore also the most important market for us. Of course, we can't record growth here on the same scale as in the new international markets. Nevertheless, there is a steady upward trend here as well, so that we were again able to achieve a slight increase in sales in 2022. As a result, our German business remained stable – but at a much higher level than before the Covid pandemic. The total number of bikes in Germany is currently at an all-time high, which continues to drive demand for parts, accessoires and clothing.

WOULD YOU PROVIDE AN OUTLOOK FOR 2023:
WHERE DO YOU EXPECT THE JOURNEY TO GO?

ANDRÉS MARTIN-BIRNER The first highlight of the year is already behind us: the launch of our localized online stores for the Benelux region. Now it's time to develop these markets in order to achieve similar growth rates there as in Southern Europe. In addition, 2023 will also be marked by the expansion of our sustainability activities. We are publishing our first sustainability report in line with this annual report. We are also working on a comprehensive ESG strategy that includes all areas. And of course we have many more milestones to go, such as a summer tour to present BIKE24 to customers throughout Europe, as well as an expanded service offering at our Service Points. **It remains exciting!**

BIKE24
ON THE CAPITAL MARKET


BIKE24
uyn
ULTEGRA
SHIMANO
SCHWALBE

SHARE PRICE DEVELOPMENT

Key figures of the BIKE24 SHARE

Closing price on December 30, 2022	EUR 3.84
Number of shares outstanding as of December 31, 2022	44,166,666
Market capitalization as of December 31, 2022	EUR 169.6 m
Annual high	EUR 15.91
Annual low	EUR 2.45
Designated Sponsor	Berenberg | Hauck & Aufhäuser*

* until 01/2023

2022:
A YEAR WITH HEADWINDS FOR CAPITAL MARKETS

Macroeconomic turmoil, war and unrest characterized the year 2022. After years of normal volatility and significant gains in equity investments, the year 2022 marked a trend reversal. The Covid pandemic had accelerated pre-existing trends, interrupted others and triggered new ones again. In addition, the inflation rate rose sharply, and with it interest rates. The begin of the war in Europe required a reassessment of political risks – also and especially for investors. Germany's leading index, the DAX, lost more than 12 % of its value in 2022 and ended the year at 13,923 points. The lowest point was reached at the end of September, when the index was just below 12,000 points.

BIKE24 SHARE: FLUCTUATIONS IN THE MARKET ENVIRONMENT AND SHIFTS AMONG INVESTORS LEAVE THEIR MARK

Since June 25, 2021, the shares of Bike24 Holding AG have been listed on the Frankfurt Stock Exchange. The listing took place in the strictly regulated and internationally oriented Prime Standard segment. The company entered stock exchange trading with an issue price of EUR 15.00 per share.

Over the course of 2022, the market environment proved volatile and the BIKE24 share was unable to escape this trend. The year began with a price of EUR 15.91 per share. Like many other technology and e-commerce companies worldwide, BIKE24 suffered a drop in its share price since then. The share ended the year at a price of EUR 3.84. It reached its lowest point at the end of September with a closing price of EUR 2.45.

Despite this turbulence, the company expects to benefit from a recovery in demand in the medium-term. The increasing popularity of bicycles and e-bikes as environmentally friendly means of transport offers opportunities for long-term growth and could put the share back on a more positive course.

INVESTOR RELATIONS WORK AND DIALOG WITH THE CAPITAL MARKETS

Regular capital market dialogue and ongoing, transparent reporting on significant events and developments are critical principles for investor relations work at BIKE24. The main objective is, on the one hand, to maintain and further expand confidence in the business model and, on the other hand, to ensure the necessary transparency to enable analysts, shareholders and potential investors to have an understandable and appropriate assessment of the company.

BIKE24 is committed to presenting its business model, the European cycling market, and growth and earnings opportunities in a way that is comprehensible to all capital market participants. In addition to reporting on quarterly, half-yearly and annual results, the company informs the capital markets and interested members of the public about current business developments and significant corporate events in quarterly conference calls and regular press releases. Furthermore, the Management Board and the Investor Relations team have already participated in numerous individual discussions as well as (in part virtual) investor conferences.

Institute	Recommendation	Target price
Berenberg	Buy	5.00 EUR
JP Morgan	Hold	4.50 EUR
NuWays*	Hold	3.40 EUR

* formerly Hauck & Aufhäuser

As of March 20, 2023

SUPERVISORY BOARD REPORT

FOR THE 2022 FISCAL YEAR

BIKE24

INTRODUCTION

Fiscal year 2022 was the third consecutive year of uncertainty about the continuing progress of the COVID-19 pandemic and in regard to any new restrictions and the directly associated economic effects. The fiscal year was also marked by the enormous geopolitical challenges caused by Russia's war of aggression against Ukraine, which fundamentally changed the framework for joint trade as well as for security of supply around the world. The Management Board responded to this situation decisively by discontinuing deliveries to Russia and Belarus at an early stage.

Initial supply bottlenecks, increases in costs due to inflation, and growing consumer restraint associated with economic uncertainty also affected the bicycle industry and our business. Nevertheless, BIKE24 reported growth of just under 5 %, which was moderate but still profitable compared to the previous year. The Company thus achieved the revenue and earnings targets that had been lowered at mid-year. In view of the many challenges, this is a respectable achievement by the management and all of the roughly 500 employees.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

In the reporting year, the Supervisory Board demonstrated requisite care in the full performance of the duties incumbent upon it pursuant to the law, the Articles of Association, and the Rules of Procedure and based its work on the requirements of the German Corporate Governance Code (GCGC). The Management Board and Supervisory Board worked together very constructively to successfully develop BIKE24 further.

We monitored and advised the Management Board in its management of the Company on the basis of its detailed reports provided in written and oral form. The Management Board was available to the Supervisory Board at all times for any discussions and explanations. The Supervisory Board was able to satisfy itself that the work of the Management Board was lawful, expedient, and proper. In this way, the Supervisory Board was always informed about the Company's and Group's situation, corporate planning, fundamental issues of corporate policy, strategy, and sustainability, investment projects, the risk situation and risk development, and the situation in terms of personnel.

In the committees and meetings, the members of the Supervisory Board had sufficient opportunity to critically examine the reports and resolutions that the Management Board submitted and proposed. In particular, all significant issues were intensively discussed and checked for plausibility.

The Supervisory Board held a total of four meetings in the reporting year. The Audit Committee met five times, and the Presidential Committee four times. Attendance at the meetings of the Supervisory Board and its committees was 100 %. All members of the Supervisory Board and its committees attended all meetings. All meetings of the Supervisory Board and the committees were held in a hybrid format, with participation by two-way video and audio transmission permitted in addition to attendance in person.

On matters to be decided between meetings, we adopted resolutions using the resolution-by-circulation procedure.

FOCUS OF THE SUPERVISORY BOARD'S DELIBERATIONS AND REVIEWS

In addition to the Group's quarterly financial results, key topics of deliberation over the past fiscal year included supply chain bottlenecks, the war in Ukraine, macroeconomic limiting conditions resulting from the Ukraine war, the energy crisis and inflation as well as their impact on the Company and updates on ongoing strategic projects. The Supervisory Board also dealt with the adjustment of the forecast for the 2022 fiscal year, the multi-year plan, preparation of the Remuneration Report, the remuneration system, and the Compliance Statement in accordance with the GCGC, as well as other items on the agenda. Furthermore, the Supervisory Board monitored and advised the Management Board on sustainability issues. The Chairman of the Supervisory Board advised the company intensively on the development of an ESG strategy, for example in the context of a joint ESG workshop, as well as on the regular strategy updates of the Management Board.

INTENSIVE WORK OF THE COMMITTEES

To perform its duties, the Supervisory Board formed two committees: the Presidential Committee and the Audit Committee. The primary task of the Supervisory Board committees is to prepare decisions and topics for the plenary meetings.

The Presidential Committee consists of the Chairman, Mr. Ralf Kindermann, the Deputy Chairman, Dr. Michael Weber, and Ms. Bettina Curtze.

The members of the Audit Committee are Sylvio Eichhorst (Chairman), Dr. Michael Weber (Deputy Chairman), and Ralf Kindermann.

The Presidential Committee held four meetings over the past fiscal year. In addition to preparing the meetings of the Supervisory Board, the focus of this committee was on reviewing the appropriateness of the Management Board's remuneration and revising the remuneration system submitted for approval at the Annual General Meeting pursuant to Section 120a (1) of the German Stock Corporation Act (AktG), specifying the content requirements for the reports of the Management Board, preparing the efficiency review (self-assessment) of the Supervisory Board, and assessing the independence of the individual members.

The Audit Committee held five meetings in the reporting year. The Committee obtained the required declaration of independence from the auditor, reviewed the auditor's qualifications, and concluded a fee agreement with the auditor. The Audit Committee also discussed the services provided by the auditor in addition to the audit. The Committee received regular reports on the establishment of the risk management system and internal auditing, risk management reporting, the internal control system, and compliance matters. The quality of the audit was also addressed by the Audit Committee. The Committee discussed with the auditor the assessment of audit risks, the determination of audit priorities, and the audit strategy, planning, and results. During the audit, the Chairman of the Audit Committee regularly discussed the progress of the audit with the auditor. The Chairman of the Audit Committee reported this to the rest of the Committee. Furthermore, the Audit Committee consulted with the auditor also without the Management Board present.

At the committee meetings, the heads of relevant functions (among others, the Head of Internal Audit and the Head of Finance) and the auditors were available to provide reports and answer questions regarding individual agenda items.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2022 AUDITED AND APPROVED

The Management Board prepared the annual financial statements for fiscal year 2022 in accordance with the German Commercial Code (HGB), the consolidated financial statements in accordance with IFRS, and the combined management report. These were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Dresden, and each received an unqualified audit opinion.

All these documents, including the Management Board's proposal for the appropriation of net profit, were discussed at the Supervisory Board meeting on March 29, 2023, which was also attended by representatives of the auditors. The auditors reported on the focal points and primary findings of their audit and addressed the audit matters of particular importance.

The auditors made themselves available to the members of the Supervisory Board for detailed discussions. There were no circumstances that might indicate bias on the part of the auditor. The Audit Committee, which received the documents submitted by the Management Board and the auditor's reports for preliminary review, reported to the Supervisory Board on the primary content as well as the results of its review and made recommendations for the resolutions of the Supervisory Board.

The Supervisory Board examined the annual and consolidated financial statements for fiscal 2022, the combined management report, and the Management Board's proposal for the appropriation of net profit, taking into account the report of the Audit Committee. The Supervisory Board concurred with the results of the auditor's review. On the basis of its own review, the Supervisory Board determined that there were objections neither to the annual and consolidated financial statements nor to the combined management report. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual and consolidated financial statements prepared by the Management Board as well as the combined management report. The annual financial statements of Bike24 Holding AG were thus adopted.

Following our own review – in particular taking into account the development of earnings and financial planning, the interests of shareholders, and with a view to preserving liquidity – we will propose to the Annual General Meeting, together with the Management Board, that the Retained Earnings for fiscal year 2022 be carried forward to new account.

CORPORATE GOVERNANCE AND COMPLIANCE STATEMENT

The Supervisory Board has concerned itself intensively with the set of rules of the GCGC. The implementation of the recommendations was reviewed in order to monitor compliance with the GCGC. Together with the Management Board, we issued an updated Compliance Statement in November 2022. The deviations from the GCGC recommendations are explained in the Compliance Statement. The Compliance Statement is being made permanently available to shareholders on the Company's website.

CONFLICTS OF INTEREST

In compliance with the GCGC, each member of the Supervisory Board discloses any conflicts of interest that may arise. No conflicts of interest involving members of the Management Board or Supervisory Board were reported in the past fiscal year.

CHANGES TO THE SUPERVISORY BOARD AND MANAGEMENT BOARD

In 2022, there have been no changes to the composition of either the Management Board or the Supervisory Board.

THE SUPERVISORY BOARD EXPRESSES ITS THANKS

The Supervisory Board would like to thank all employees and the members of the Management Board for the hard work they did during a challenging period. The Supervisory Board looks forward to continuing to demonstrate great commitment as it accompanies the Company in an advisory and monitoring capacity. In closing, we would also like to express our thanks to all shareholders and business partners for the trust they have placed in us.

Dresden, March 29, 2023

On behalf of the Supervisory Board

signed by Ralf Kindermann
Chairman of the Supervisory Board of Bike24 Holding AG

REMUNERATION REPORT

Remuneration Report

1. Introduction and review of the 2022 reporting year

1.1. Introduction

The Remuneration Report of Bike24 Holding AG, Dresden (hereinafter referred to as "Bike24" or the "Company") for the 2022 reporting year includes individualized information about the remuneration granted and owed to active and former members of the Management Board and the Supervisory Board of the Company as well as explanations of the underlying remuneration system. The group of active and former members of the Management Board includes former Managing Directors of Bike24 Support GmbH, which was merged into Bike24 Holding AG in April 2021 as part of the IPO. Within the Remuneration Report, Bike24 also shows how the remuneration of the bodies fosters the long-term development of the Company. The Company's Management Board and Supervisory Board are responsible for preparing the Remuneration Report in accordance with Section 162 of the German Stock Corporation Act (AktG). Bike24's Remuneration Report as well as the statutory auditor's report on the formal audit performed are available on the Company's website at: https://ir.bike24.com/websites/bike24/English/5000/governance-_-esg.html
Further information on the Company's current remuneration system is available at:
https://ir.bike24.com/websites/bike24/English/5000/governance-_-esg.html

1.2. Review of the 2022 reporting year

The Annual General Meeting held on June 21, 2022, approved the remuneration system for the members of the Management Board with an approval rate of 88.43 %. In this context, an environmental, social, and responsible governance (ESG) component was added to the remuneration system for members of the Management Board. The changes to the remuneration system primarily relate to the strategic targets listed under "3.3.2. Long-term variable remuneration", which also include targets designed to promote the sustainable orientation of the Company with regard to ESG. The structure of the remuneration system is reported on the following pages.

Against the backdrop of the Company's change of legal form to a stock corporation, the Managing Director contracts of the active members of the Management Board were converted into Management Board employment contracts in 2021. The remuneration system resolved in June 2022 will apply to the two active members of the Management Board. In addition, individual remuneration components were granted to the members of the Management Board within the meaning of Section 162 AktG in the 2022 reporting year, in part on the basis of provisions that were the subject of the previous Managing Director contracts or the previously applicable remuneration system (prior to adjustment by the Annual General Meeting on June 21, 2022). Where relevant, these remunerations are also presented and explained below.

The Remuneration Report for the 2022 reporting year was prepared in accordance with Section 162 AktG and complies with the recommendations and suggestions of the German Corporate Governance Code (GCGC). On June 21, 2022, the Annual General Meeting approved the Remuneration Report on the remuneration granted and owed individually to the members of the Management Board and Supervisory Board of the Company for the 2021 reporting year with a majority of 85.88 %. Due to the high level of approval of the Remuneration Report, no further changes were made to the remuneration system, its implementation, or the way it is reported in the 2022 reporting year.

2. Remuneration system for members of the Management Board

The Supervisory Board of Bike24 is responsible for shaping the structure of the Management Board remuneration system and determining the remuneration of the individual members of the Management Board. The system for providing remuneration to the members of the Company's Management Board includes fixed and variable components. In this context, the remuneration system is intended to contribute to the advancement of the business strategy and the sustainable development of the Company over the long term, in particular to foster the successful development of the Company and the Bike24 stock, and thus to align the interests of shareholders and the Management Board, as well as to ensure appropriate but at the same time competitive remuneration of the Management Board.

To foster long-term and sustainable development of the Company, the remuneration of the members of the Management Board is linked to the business strategy and the corporate planning on which it is based. The current strategy and planning are aimed at assuming a leading position in the market of the online bicycle trade and thus serve the long-term development of the Company. The portion of long-term variable remuneration also significantly exceeds the portion of short-term variable remuneration. The short-term variable remuneration is intended to ensure the ongoing implementation of the operating objectives, the achievement of which is essential as a basis for the long-term development of the Company together with its subsidiaries (collectively referred to as the "Bike24 Group"). The long-term portion of the variable remuneration enables the members of the Management Board to participate in the relative and absolute development of the stock price so that the interests of the shareholders and the management objectives are in line with each other. This gives the Management Board an incentive to increase the value of the Company on a lasting and sustainable basis. Furthermore, the Company's focus on sustainability and ESG targets is a strategic target of the Company.

The Management Board remuneration system is to be submitted to the Annual General Meeting for approval when there are significant changes to the remuneration system but also every four years at a minimum.

3. Remuneration of the members of the Management Board

3.1. Management Board remuneration in the 2022 reporting year at a glance

The following table provides an overview of the components of the remuneration system applicable to the active members of the Management Board in the 2022 reporting year, the structure of the individual remuneration components as well as the targets on which they are based.

Management Board remuneration system 2022

Component	Design
Performance-independent remuneration	
Basic remuneration	■ Contractually agreed fixed basic annual remuneration ■ Payment in twelve monthly installments
Fringe benefits	■ Company bicycle ■ Allowances for insurance ■ Reimbursement of costs incurred in connection with work
Retirement benefits	■ Monthly contribution to private retirement benefit plan ■ Monthly contribution to direct insurance
Performance-related remuneration	
Short-term variable remuneration (annual bonus)	■ Performance-based annual bonus ■ Cap: 150 % of the target amount ■ Target amount at 100 % ■ Two target dimensions (weighting in %): □ Quantitative performance targets (70 %): – Adjusted EBITDA[1] (for the definition, see also 3.3.1.) – Revenue targets[2] □ Qualitative performance targets (30 %): – Strategic targets
Long-term variable remuneration (Equity-Settled Stock Options Program)	■ Share-based long-term remuneration ■ Term of 10 years ■ Waiting period of 4 years ■ Three equally weighted target dimensions: □ Strategic targets (including ESG targets) □ Financial targets and □ A certain increase in the Bike24 stock price within the previous calendar year
Further remuneration arrangements	
Post-contractual non-competition clause	■ Two-year non-competition clause after leaving the Management Board, with payment of a waiting allowance amounting to 50 % of the most recent contractual remuneration received
Benefits in case of premature termination of employment	■ Any severance payments are limited to two years' remuneration and may not amount to more than the remaining term of the employment contract

[1] Adjusted for one-time effects to improve transparency as well as long-term comparability for assessment of the performance and profitability of Bike24, including its subsidiaries ("Bike24 Group").

[2] The revenue targets are measured against the consolidated revenue of the Bike24 Group, which is prepared in accordance with the published International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") (consolidated revenue according to IFRS).

3.2. Performance-independent remuneration

In addition to basic remuneration, performance-independent remuneration includes fringe benefits and retirement benefit plans.

The basic annual remuneration is paid monthly in twelve equal installments. In the 2022 reporting year, each member of the Management Board received basic remuneration of EUR 252 k.

In addition to their basic remuneration, members of the Management Board receive fringe benefits in the form of a Company bicycle, insurance allowances, and reimbursement of expenses associated with their work. The value of all fringe benefits granted may not exceed 25 % of the basic remuneration for the reporting year in question. The Supervisory Board may grant a compensatory amount to the extent that remuneration benefits acquired prior to the transfer to the Management Board of Bike24 Holding AG are forfeited as part of the transfer. The Supervisory Board may determine whether the compensation is to be invested in Bike24 shares in whole or in part and held for a minimum period.

Furthermore, the Company pays the premiums for a direct insurance policy that exists or that is to be concluded for each member of the Management Board. In addition, to the to the basic remuneration, the Management Board member has a fixed monthly amount at his free disposal which shall be used for private retirement benefit purposes. This amount is determined from the maximum amount of the employer's contribution to German retirement benefits insurance, subject to the contribution assessment ceiling (East). The value of all retirement benefit commitments for a reporting year may not exceed 10 % of basic remuneration.

3.3. Performance-related remuneration

3.3.1. Short-term variable remuneration (annual bonus)

The short-term variable remuneration (short-term incentive, "STI") takes the form of an annual bonus. The amount of the annual bonus is based on the achievement of the targets agreed upon with the Supervisory Board. These targets are principally agreed upon annually by March 31 of the current reporting year and comprise 70 % quantitative targets as well as 30 % qualitative targets. Performance criteria of quantitative targets consist of the consolidated EBITDA figure adjusted for one-time effects ("Adjusted EBITDA") and a portion or all of the subsequent revenue targets: (i) consolidated revenue according to IFRS; (ii) revenue of the DACH region; and (iii) revenue of the expansion markets. The qualitative targets consist of the strategic targets, rolling out the business to other European bicycle markets, and expanding the "Full-Bikes" product segment.

Target achievement is calculated separately for all target figures. The Supervisory Board defines milestones (degree of implementation at certain points on the time axis) for individual strategic targets, based on the corporate planning. These milestones are used to determine the degree of target achievement. If at least 70 % is not achieved in a target category, the member of the Management Board does not receive a bonus. Target achievement is determined at the end of the reporting year. The two target dimensions mentioned above are used to calculate a weighted percentage of target achievement, which is first multiplied by itself and then by the target bonus. The bonus is limited to 150 % of the target bonus.

The performance criterion for the remuneration granted within the meaning of Section 162 (1) AktG in the 2022 reporting year (annual bonus 2021) can be seen in the following overview:

Performance criterion	Weighting of the 2021 reporting year in %	Target values in EUR k (100 % target achievement)	Actual values of the 2021 reporting year in EUR k	Target achievement in %
Consolidated revenue according to IFRS 2021	50	238,363	250,164	105
Adjusted EBITDA 2021	50	31,032	30,596	99
Total				**102**

In derogation from the newly concluded remuneration system, the annual bonus granted within the meaning of the German Stock Corporation Act is based on the remuneration practice underlying the old Managing Director contracts, as the Managing Director contracts were not converted into Management Board employment contracts until partway through the 2021 fiscal year. Based on these arrangements, only quantitative targets were agreed upon in the past, with the weighting of quantitative targets being 100 % and that of qualitative targets 0 %. Accordingly, adjusted EBITDA and consolidated revenue in accordance with IFRS, each assigned weighting of 50 %, were the financial performance criteria as the assessment basis for the 2021 annual bonus. Just like with the new remuneration system, the calculated target achievement is multiplied by itself and then by the target amount. The annual bonus is also limited to 150 % of the target amount.

This resulted in the following target achievement per active Management Board member for the 2021 annual bonus:

Name of the Management Board member	Target amount in EUR k (100 % target achievement)	Target achievement	Amount paid out in EUR k
Andrés Martin-Birner	50	102 %	52
Timm Armbrust	50	102 %	52

For the former members of the Management Board, this resulted in the following pro-rata target achievement for the 2021 annual bonus:

Name of the former member of the Management Board	Target amount in EUR k (100 % target achievement)	Target achievement	Amount paid out in EUR k
Lars Witt until April 2021	17	102 %	17
Carsten Wich until April 2021	14	102 %	14

The amounts paid out in 2022 of the 2021 annual bonus are added to the remuneration granted and owed in the 2022 reporting year within the meaning of section 162 (1) AktG.

According to the understanding of Section 162 (1) AktG used here, the 2022 annual bonus is "granted" or "owed" in the 2023 reporting year, which is why we will report on the 2022 annual bonus in the Remuneration Report for the 2023 fiscal year.

3.3.2. Long-term variable remuneration (Equity-Settled Stock Options Program)

Long-term variable remuneration (long-term incentive, "LTI") is a long-term, multi-year performance-related remuneration component that is allocated annually on the basis of performance and structured as a stock option program. Under the stock option program established in 2021, Bike24 may issue stock options to members of the Management Board as well as to other beneficiaries. At Bike24's discretion, the Company may also settle the exercised stock options in cash, in whole or in part. The stock options are issued in four tranches. The issue of the first tranche took place on the day of Bike24's IPO on June 25, 2021. The remaining tranches will be issued annually from the first quarter of 2022, depending on the achievement of targets for performance.

The number of tranche stock options to be granted for a reporting year depends on the following targets:

1. Strategic targets (including ESG targets)
2. Financial targets
3. A certain increase in the stock exchange price of the Bike24 share within the previous calendar year.

The targets are set annually – generally by the end of March of the relevant fiscal year at the latest – and are included in the overall target achievement in equal proportions (one-third in each case).

Strategic targets are defined as targets that have as their object future measures for implementing the business strategy that are incorporated into corporate planning. Such goals are interim targets related to the development of new European bicycle markets and expansion of the "Full-Bikes" product segment as well as targets that help bring the Company further in line with its ESG targets. Milestones (degree of implementation at certain points on the time axis) are defined for the individual targets and then used for the determination of target achievement. In order to gear the Company toward the ESG objectives on a lasting basis as envisaged in the strategy, the Supervisory Board is guided by the catalog of criteria of Environment (CO_2 emissions, shipping, packaging), Social (employee satisfaction, customer satisfaction, diversity), and Governance (compliance/reporting, data protection, supply chain), with the help of which it defines one or more targets from the ESG area.

In the case of ESG targets, targets that can be quantitatively measured are provided for the specific performance criteria in use wherever possible. In each case, a target value is determined that corresponds to 100 % target achievement, along with a threshold value and a cap that may not exceed 150 % under any circumstances. As with the other strategic targets, either specific milestones or other key figures are defined if quantitatively measurable targets are not possible. These milestones and key figures are then used to determine whether the target has been specifically achieved.

The performance criteria used for the financial targets are organic consolidated revenue growth and adjusted EBITDA margin. Target values corresponding to 100 % target achievement are derived from the annual planning, and the values corresponding to higher or lower target achievement are then determined on this basis. The values from the Bike24 Group's consolidated financial statements and management report for the respective reporting year are used as actual values.

For the stock price target, the stock option program defines the target for the increase in stock price during the fiscal year. Reaching or exceeding this price is defined as 100 % target achievement, and not reaching this price is defined as 0 % target achievement. The degree of target achievement is determined on the basis of the actual percentage difference between the relevant closing price and the relevant opening price. The relevant closing price is the volume-weighted average of the closing prices of the Bike24 stock in Xetra trading (or a comparable successor system) during the last month of the relevant fiscal year. The relevant opening price is the volume-weighted average of the closing prices of the Bike24 stock in Xetra trading (or a comparable successor system) during the last month of the financial year preceding the fiscal year in question.

To determine the specific number of stock options to be issued, a EUR amount has been contractually agreed upon (the target amount). The number of stock options to be issued for the respective fiscal year is determined by dividing the target amount by the expected profit from a stock option to be issued for the respective fiscal year pursuant to the agreement (anticipated option profit). In each case, one-third of this preliminary number of stock options is allocated to the strategic targets (including ESG targets), the financial targets, and the stock price target. Each third is multiplied by the target achievement factor. The amounts calculated in this way for the three target categories are then added together, resulting in the number of stock options to be issued for the fiscal year in question. In all cases, the maximum number of stock options to be granted to a member of the Management Board for a reporting year, excluding stock options granted with the IPO, is 64,517. Under the Bike24 Holding AG stock program, a maximum of 780,000 stock options will be issued to members of the Management Board.

The following tables show the performance criteria set by the Supervisory Board for the stock options granted for the reporting year, within the meaning of Section 162 (1) AktG.

		Target achievement
Strategic targets	Tapping into new European bicycle markets Expansion of the "Full-Bikes" product segment	110 %

		Growth target in % (100 % target achievement)	Actual values for the 2021 reporting year in %	Target achievement
Financial targets	Organic consolidated revenue growth	26	25.6	98 %
	Adjusted EBITDA margin	12.8	12.2	95 %
Total				96.5 %

		Target price in EUR (100 % target achievement)	Price in EUR*	Target achievement
Stock price development target	Stock price increase of 3.92 %	15.59	15.96	100 %

* Volume-weighted average of closing prices in Xetra trading in December 2021

In derogation from the newly adopted remuneration system, the target agreement for the second tranche does not contain an ESG component, as the targets were agreed on the basis of the old remuneration system prior to adjustment by the Annual General Meeting on June 21, 2022.

Based on the target achievement presented, the number of stock options to be granted for the second tranche was as follows:

Name of the Management Board member	Target amount in EUR k (100 % target achievement)	Target achievement	Target amount in EUR k	Anticipated option profit in EUR	Number of stock options to be granted*
Andrés Martin-Birner	1,000	102 %	1,020	15.49	64,517
Timm Armbrust	1,000	102 %	1,020		64,517

* Number of stock options to be granted according to calculation formula: 65,849 stock options. Pursuant to the terms and conditions of participation, a maximum of 64,517 stock options can be granted per Management Board member in the reporting year.

The second tranche was issued to the members of the Management Board in April 2022 with an exercise price of EUR 18.35.

The stock options are subject to a waiting period of four years until they can be exercised for the first time and have a total term of ten years, in each case from the date of issue. After the end of the waiting period, the stock options can be exercised outside defined vesting periods. The stock options vest one year after the issue date (the "vesting period") until the end of the term. After that, they expire automatically and without compensation.

The stock options of a member of the Management Board for whom the vesting period has not yet expired are reduced on a pro-rata-temporis basis if the member resigns from office or if the Management Board activity of the member ends for reasons such as the regular end of their contract being reached without reappointment and without the employment relationship ending at the same time. In the event of a change of control, the waiting time is shortened to the point in time of the change of control. Stock options that are still within the vesting period are settled either in cash or in stock of the acquirer, depending on the Company's decision.

For the second tranche issued in the 2022 reporting year, a total of 129,034 stock options were allocated to the members of the Management Board:

Name of the Management Board member	Number as of January 1, 2022	Stock options granted or promised in the 2022 reporting year	Fair value upon option grant in EUR k	Stock options exercised in reporting year 2022	Stock options expired in reporting year 2022	Number as of December 31, 2022
Andrés Martin-Birner	64,517	64,517	88	–	–	129,034
Timm Armbrust	64,517	64,517	88	–	–	129,034

The outstanding stock options of the members of the Management Board are divided among the various issue tranches as follows:

Tranche	Exercise price in EUR	Andrés Martin-Birner Number of outstanding stock options	Timm Armbrust Number of outstanding stock options
July 1, 2021*	15.00	64,517	64,517
April 1, 2022	18.35	64,517	64,517

* Date of granting of options within the meaning of IFRS 2.

In the third tranche issued for the 2022 reporting year, further stock options will be allocated to the members of the Management Board in April 2023. This allocation will be "granted" or "owed" in the reporting year 2023 in accordance with the understanding of Section 162 (1) AktG in use here. The corresponding reporting will be made in the Remuneration Report for the reporting year 2023.

3.4. Remuneration paid by third parties for Management Board activities

With regard to their activities on the Management Board of Bike24, the members of the Management Board neither received nor were promised any benefits from third parties in the 2022 reporting year.

3.5. Target and maximum remuneration

The remuneration system determines the share of the annual base remuneration, the STI, and the LTI in the total target remuneration. It provides for the following ranges:

Annual base remuneration:	16 % to 30 %
STI:	3 % to 15 %
LTI:	60 % to 80 %
Fringe benefits:	0.5 % to 5 %
Retirement benefit plan commitments:	0.5 % to 3 %

Accordingly, the share of performance-independent remuneration in the total target remuneration is 17 % to 37 %, and the share of performance-related remuneration is 63 % to 83 %.

The following table shows the respective target remuneration of the active members of the Management Board for the 2022 reporting year, excluding fringe benefits, retirement benefit plan commitments, compensation payments, and granting of stock options.

Target remuneration

	Andrés Martin-Birner		Timm Armbrust	
	2022 in EUR k	2022 in %	2022 in EUR k	2022 in %
Performance-independent remuneration				
Basic remuneration	252	19	252	19
Total	**252**	**19**	**252**	**19**
Performance-related remuneration				
Annual bonus	50	4	50	4
Equity-Settled Stock Options Program	1,000	77	1,000	77
Total	**1,050**	**81**	**1,050**	**81**
Total remuneration	**1,302**	**100**	**1,302**	**100**

The remuneration system provides for maximum remuneration for the members of the Management Board, that is, a maximum amount that may be paid to a member of the Management Board in total for a fiscal year. The maximum remuneration for a member of the Management Board is based on the promised remuneration components. This maximum remuneration pursuant to Section 87a (1) sentence 2 no.1 AktG is EUR 2,000 k for each of the two members of the Management Board. Compliance with the maximum remuneration can be verified or ensured at the earliest when the stock options granted are exercised. The stock options granted in the 2022 reporting year can be exercised in 2026 at the earliest. The maximum remuneration is reviewed and reported in the Remuneration Report of the fiscal year affected by the exercise.

3.6. Penalty and clawback rules

In the event that the Management Board seriously violates applicable law or the Company's internal codes of conduct, the Supervisory Board has the option of withholding variable remuneration components not yet paid out or of clawing back such components, in whole or in part. Withholding or clawback is at the discretion of the Supervisory Board.

In the 2022 reporting year, the Supervisory Board has not identified any reason to make use of the option provided for in the remuneration system.

3.7. Benefits in case of premature termination of employment

In the event of premature termination of the employment relationship, claims are limited to the remaining term of the contract, with a maximum limit of two years' remuneration. The severance payment is to be offset against any waiting allowance payable to the Company under a post-contractual non-competition clause.

No early termination benefits were granted in the 2022 reporting year.

3.8. Post-contractual non-competition clause

When leaving the Management Board, the members of the Bike24 Management Board shall be subject to a two-year non-competition clause, with it also being possible for the Company to waive the non-competition clause or for there to be release of the Company from the non-competition clause provided for by contract. The departing members of the Management Board will be paid half of their last contractual remuneration as compensation for the period of the non-competition clause.

3.9. Amount of individual remuneration of members of the Management Board in the 2022 reporting year

The following table shows the remuneration granted and owed to each individual active member of the Management Board within the meaning of Section 162 (1) AktG in the 2022 reporting year. In this context, the remuneration granted and owed within the meaning of Section 162 (1) AktG includes the basic annual remuneration paid in the 2022 reporting year, the fringe benefits accrued, the retirement benefit plan contributions, the annual bonus paid in 2021, and the fair value of the stock options granted determined in accordance with IFRS.

Remuneration granted and owed to active members of the Management Board

	Andrés Martin-Birner		Timm Armbrust	
	2022 in EUR k	2022 in %	2022 in EUR k	2022 in %
Performance-independent remuneration				
Basic remuneration	252	62	252	62
Fringe benefits	5	1	5	1
Retirement benefits	10	2	12	3
Total	**267**	**66**	**269**	**66**
Performance-related remuneration				
Annual bonus	52	13	52	13
Equity-Settled Stock Options Program	88	22	88	22
Total	**140**	**34**	**140**	**34**
Total remuneration	**407**	**100**	**409**	**100**

The following table contains the remuneration granted and owed to each individual former member of the Management Board within the meaning of Section 162 (1) AktG in the 2022 reporting year. In this context, the remuneration granted and owed within the meaning of Section 162 (1) AktG includes the performance-related remuneration paid out in the 2022 reporting year, which is presented on a pro-rata basis up until the merger in April 2021. No other pro-rata remuneration components were granted in the reporting year.

Remuneration granted and owed to former members of the Management Board

	Lars Witt until April 2021		Carsten Wich until April 2021	
	2022 in EUR k	2022 in %	2022 in EUR k	2022 in %
Performance-independent remuneration				
Basic remuneration	0	0	0	0
Performance-related remuneration				
Annual bonus	17	100	14	100
Total	**17**	**100**	**14**	**100**

4. Remuneration of the members of the Supervisory Board

Pursuant to Section 12 of the Articles of Association of Bike24, the ordinary members of the Supervisory Board receive fixed remuneration of EUR 20 k for each reporting year. The Chairman of the Supervisory Board receives a fixed remuneration amount of EUR 35 k, and the Deputy Chairman receives EUR 25 k. Supervisory Board members who were not in office for the entire reporting year receive one-twelfth of the agreed remuneration for each month in office or part thereof.

Supervisory Board members who serve as Chairman of a committee receive additional annual fixed remuneration of EUR 7.5 k for this service. The Chairman of the Audit Committee receives EUR 10 k. Supervisory Board members who are members of a committee but do not serve as Chairman of the committee receive additional annual remuneration of EUR 5 k for this membership. Insofar as the function of Chairman or membership is not exercised for the entire reporting year, remuneration is granted on a pro-rata basis.

The members of the Supervisory Board are also reimbursed for any expenses incurred and for any value-added tax payable on their income.

The fixed remuneration and the remuneration for committee work are due at the end of the respective fiscal year and are paid in the following fiscal year. The payment of the fixed remuneration and the committee remuneration for the 2022 reporting year will be made in the reporting year 2023 and will be added to the remuneration granted and owed in the Remuneration Report for the reporting year 2023 in accordance with Section 162 (1) AktG.

The following table shows the payment of the remuneration components granted and owed in the 2022 reporting year, including their relative share, pursuant to section 162 AktG.

	Basic remuneration		Committee remuneration		Total remuneration	
	2022 in EUR k	2022 in %	2022 in EUR k	2022 in %	2022 in EUR k	2022 in %
Ralf Kindermann (Vorsitzender)	20	74	7	26	28	100
Dr. Michael Weber (stellv. Vorsitzender)	15	83	3	17	18	100
Bettina Curtze	12	80	3	20	15	100
Sylvio Eichhorst	12	67	6	33	18	100
Total remuneration	**58**	**75**	**19**	**25**	**77**	**100**

5. Comparative presentation of remuneration and earnings development (vertical comparison)

The following table shows the relative development of the remuneration of the members of the Management Board, the Supervisory Board, the other employees, and the development of the Company's earnings on the basis of selected key earnings figures.

Comparative presentation of annual changes (vertical comparison)

Annual change in %	Change in the 2021 reporting year compared to the 2020 reporting year	Change in the 2022 reporting year compared to the 2021 reporting year
Management Board		
Andrés Martin-Birner	+ 284.4[1]	– 56.4
Timm Armbrust	+ 282.0[1]	– 56.3
Supervisory Board		
Ralf Kindermann (Chair)	–	–
Dr. Michael Weber (Deputy Chair)	–	–
Bettina Curtze	–	–
Sylvio Eichhorst	–	–
Key earnings figures		
Net income of Bike24 Holding AG[2]	– 20,562.1	– 98.4
Adjusted EBITDA	+ 14.5	– 68.4
Average remuneration of employees on a full-time equivalent basis		
Employees of the Company[3]	+ 11.7	+ 14.0

[1] Pursuant to Section 162 (1) sentence 2 no.1 AktG, all remuneration components subject to disclosure must be included in the vertical comparison. The figure for the previous year has therefore been adjusted by the LTI component.

[2] Due to the merger of Bike24 Support GmbH into Bike24 Holding AG, the change in the 2021 reporting year is not comparable.

[3] All employees of the Bike24 Group except for the management body/Management Board

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON EXAMINATION OF THE REMUNERATION REPORT PURSUANT TO SECTION 162 (3) AKTG

To Bike24 Holding AG, Dresden,

Opinion

We have formally examined the remuneration report of Bike24 Holding AG for the financial year from 1 January to 31 December 2022 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

Basis for Opinion

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (08.2021). Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board of Bike24 Holding AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Our Responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Handling Potential Misleading Presentations

In connection with our examination our responsibility is to read the remuneration report by taking into account the findings of the audit of the annual financial statements and, in doing so, remain alert for indications of misleading presentations in the remuneration report to determine whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

If, based on the work we have performed, we conclude that there is such misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Dresden, 29 March 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Lucas	Leser
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

CORPORATE GOVERNANCE STATEMENT

AND CORPORATE GOVERNANCE REPORT

The 2022 Corporate Governance Statement
has also been made permanently available
to the public on the company's website at

https://ir.bike24.com/websites/bike24/English/5000/governance-_-esg.html

in the section ESG & Compliance.

COMBINED MANAGEMENT REPORT

BIKE24 HOLDING AG, DRESDEN,
FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2022

Fundamentals of the Group

Organizational structure

Bike24 Holding AG (also referred to as "BIKE24") is the holding company of the BIKE24-Group with its registered office in Dresden, Germany. The company is registered under the commercial register number HRB 41483 with the register court in Dresden. The Group's operating business is conducted by its wholly owned subsidiary Bike24 GmbH. The Company and the BIKE24-Group also operate under the business name BIKE24.

The Company's shares have been traded in the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange since June 25, 2021.

The reporting on the situation of the BIKE24-Group also essentially corresponds to the reporting of Bike24 Holding AG. Supplementary disclosures are presented in the section "Condensed report on individual financial statements".

The consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as "Group"). The balance sheet date is December 31.

With regard to the Group structure, the following changes have occurred compared to the description in last year's annual report: On May 2, 2022, a profit and loss transfer agreement was concluded between Bike24 Holding AG as the controlling company and Best Bike Brands GmbH as the dependent company, which was approved by the shareholders' meeting of Best Bike Brands GmbH in notarized form on May 5, 2022 and by the annual general meeting of Bike24 Holding AG on June 21, 2022. The profit and loss transfer agreement serves in particular to establish a fiscal unity as of January 1, 2022 and was entered in the commercial register on June 29, 2022.

Furthermore, a profit and loss transfer agreement was concluded between Bike24 Holding AG as the controlling company and Bike24 Retail GmbH as the dependent company on May 2, 2022, which was approved by the shareholders' meeting of Bike24 Retail GmbH in notarized form on May 5, 2022 and by the shareholders' meeting of Bike24 Holding AG on June 21, 2022. The profit and loss transfer agreement serves in particular to establish a fiscal unity as of January 1, 2022 and was entered in the commercial register on June 28, 2022.

As of the balance sheet date, Bike24 Holding AG held 100% of the shares in the following companies:

I. Bike24 Service GmbH, Dresden, Germany
II. Bike24 GmbH (indirectly via Bike24 Service GmbH), Dresden, Germany
III. Bike 24 Retail GmbH, Dresden, Germany
IV. Best Bike Brands GmbH, Dresden, Germany
V. Bike24 Support ES, S.L., Barcelona, Spain

Management Board and Supervisory Board

The governing bodies of the Company are the Management Board, the Supervisory Board and the Annual General Meeting. The Company has a dual management and control system consisting of the Management Board and the Supervisory Board. The duties and powers of these bodies are determined by the German Stock Corporation Act (AktG), the Articles of Association and the Rules of Procedure of the Supervisory Board and the Management Board.

The Management Board of Bike24 Holding AG currently comprises two members, who are jointly responsible for the management of the Group: Andrés Martin-Birner (CEO) is responsible for Group strategy and organization, corporate communications, marketing, logistics, purchasing and all other tasks not assigned to the Finance department. Timm Armbrust (CFO) is responsible for financing, controlling, auditing, risk management, accounting, legal and taxes, investor relations, IT, human resources, customer service and retail stores.

The Supervisory Board, consisting of four members, not only appoints the Executive Board, but also regularly advises it and monitors its management activities. The Supervisory Board is directly involved in decisions of fundamental importance to the Company. In particular, it examines the annual and consolidated financial statements and the combined management report and reports on them to the Annual General Meeting.

Both bodies work closely together for the benefit of BIKE24. Further details can be found in the corporate governance statement which is available in the Investor Relations section on the Company's website at https://ir.bike24.com.

Business model and strategy

BIKE24 considers itself to be one of the leading online cycling platforms in continental Europe with a clear focus on the premium segment. Founded in 2002 by Andrés Martin-Birner, Falk Herrmann and Lars Witt, the company is aimed at the community of cycling enthusiasts.

The BIKE24 online store offers customers an extensive range in terms of breadth and depth with 70,000 items from over 800 brands and manufacturers. This includes numerous premium brands such as Specialized, Garmin, Santa Cruz, Assos and Castelli. The state-of-the-art, automated AutoStore system in Dresden allows the company to process orders quickly. More than 80 % of the products can be shipped on the same day if ordered by 3 pm. Within Germany, they usually reach customers the next day.

BIKE24's current focus is on continental Europe, with localized online stores in Germany, Austria, France, Italy, and Spain, and, since February 2023, for Belgium, the Netherlands and Luxemburg. In addition, the international store supplies customers in more than 80 countries worldwide.

Although we do not rule out opportunistic acquisitions, our strategic focus is on organic growth. We have identified growth opportunities in the selected expansion markets of Spain, France, and Italy. To develop these markets, we are pursuing a growth strategy that involves localizing our offering, including websites in the respective local language, adapting our product mix, locally customary payment systems, delivery options, and regional customer service. Another important cornerstone of our strategy is also the expansion of our product range, particularly with regard to traditional bikes and e-bikes.

Growth is supported by fundamental macroeconomic trends. These include increased environmental awareness, growing demand for smart and sustainable mobility concepts – driven by the European "Green Deal" – the ongoing fitness trend, as well as heightened health consciousness and a growing preference among customers for premium products. At the same time, the shift in demand from brick-and-mortar retail to online retail, which has been evident for years, has recently been further accelerated by the Covid pandemic.

We believe we are well positioned to take advantage of these market opportunities. Our broad product range, access to leading brand partners and suppliers, our innovative logistics and warehousing systems, strong customer loyalty and our established brand represent high barriers to entry for competitors.

Control system

Our key financial performance indicators include growth, profitability and capital structure. We use revenues and the adjusted EBITDA margin as the most significant key performance indicators for managing the Group. We believe that adjusting the EBITDA margin for special items improves both transparency and long-term comparability for assessing the performance and earnings power of the BIKE24-Group.

We define adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, adjusted for transaction costs, cash-effective growth bonuses, share-based payment expenses and other non-recurring expenses. The adjusted EBITDA margin represents adjusted EBITDA as a percentage of total revenue.

Adjusted earnings figures (e.g. EBITDA and EBIT) are not defined in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU.

We use other financial performance indicators to manage our business and evaluate the success of our company. These performance indicators include revenue by country/market, other income, total expenses, working capital levels, and net cash provided by operating activities.

In addition to the financial performance indicators, we use other **non-financial performance indicators**:

Number of active customers

We define the number of active customers as customers who have placed at least one order in the last twelve months. In the financial year 2022, the number of active customers increased by 16.2 % to 954 thousand.

Number of orders

Defined as the total number of orders not cancelled in the twelve months prior to the end of the reporting period. The number of orders increased by 3 % year-on-year to 1.821 million. This performance indicator, derived from the value of goods, provides information on the growth of the operational business of the Group.

Orders from returning customers

Orders that are not a customer's first order with BIKE24 divided by the total number of orders. The number fell slightly by 4.3 pp to 70.5 % in 2022.

Average number of orders per active customer

The average number of orders per active customer and per year fell from 2.2 to 1.9 in the reporting period.

Average order value

The average order value is defined as the value of goods (after returns and excluding VAT) divided by the number of orders in the reporting period. It increased from EUR 140 to EUR 143 (+ 2.1 %) in fiscal year 2022 and has a direct impact on the Group's sales.

Procurement

A cornerstone of our business model is a product portfolio that is comprehensive in depth and breadth and represents added value for both our customers and our suppliers. Therefore, optimized procurement and supply chain management is of particular importance for the BIKE24-Group.

We keep the majority of the most sought-after products in stock, which enables us to keep delivery times short. At the same time, we benefit from advantageous purchasing prices thanks to volume discounts and long-established supplier relationships with our brand partners and suppliers. Data-driven monitoring of our inventory allows us to plan procurement ahead with relatively low depreciation and/or amortization.

Procurement expenses represent a high share of operating expenses. In fiscal 2022, expenses for merchandise, consumables and supplies amounted to EUR 192.7 million or 73.7 % as a percentage of sales (2021: EUR 171.4 million or 68.5 % of sales). There was a significant increase in procurement expenses due to the sharp rise in inflation in 2022, caused, among other things, by disruptions in supply chains due to the Covid pandemic as well as the war in Ukraine. In principle, procurement expenses are a key factor in improving earnings and/or being able to offer our customers even more attractive prices.

BIKE24 mainly purchases its goods in Europe or on the basis of contracts in euros, so that there are no major foreign currency risks. There are no dependencies on individual suppliers; the largest supplier is responsible for around 10 % of the purchasing volume.

Research and development

The BIKE24-Group continuously invests in the optimization of logistics processes, the improvement of technological expertise and data-driven analysis in order to constantly improve the customer experience. Research and development costs in this context are generally capitalized only if the costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and BIKE24 has the intention and sufficient resources to complete the development and to use or sell the asset. Otherwise, the development costs are recognized in other expenses in the consolidated statement of profit or loss and other comprehensive income. Subsequent to initial recognition, capitalized development costs are measured at cost less accumulated depreciation and amortization and accumulated impairment losses. As of December 31, 2022, the carrying amount of internally generated intangible assets was EUR 7.4 million (2021: EUR 3.1 million). The historical acquisition and production costs amounted to EUR 7.9 million (2021: EUR 3.1 million), the accumulated amortization amounted to EUR 0.5 million as of the balance sheet date (2021: EUR 0.1 million).

In fiscal year 2022, additions to internally generated intangible assets in the amount of EUR 4.8 million (2021: EUR 3.0 million) were capitalized. These relate to internal development costs of EUR 1.7 million (2021: EUR 0.9 million) and external development costs of EUR 3.1 million (2021: EUR 2.3 million).

Marketing

The aim of our marketing activities is to generate the greatest possible relevant traffic on our websites and to further strengthen our established brand. Thanks to our broad product range, our organically grown and established brand, and our customer-focused marketing approach, we are able to generate the majority of our website traffic from unpaid organic as well as direct website visits. Marketing expenses for performance marketing (e. g., Google AdWords or PayPerClick on price comparison websites) were 0.6 % of revenue in 2021. In 2022, we selectively increased expenses for performance marketing as part of our growth strategy and the expansion of our business activities to further regions. However, at 1.3 % of sales, they remain at a low level during 2022.

Employees

Current growth and the changing world of work are accompanied by an increasing need for qualified employees. At the same time, there is a serious shortage of skilled workers on the German labor market. We have therefore introduced various concepts for personnel recruitment and training and development.

As of December 31, 2022, the BIKE24-Group employed a total of 551 people (previous year: 464), including trainees.

	Ø 2022	Ø 2021	December 2022	December 2021
FTE	478	393	493	435
# of employees	540	419	551	464

Personnel development aims to increase employee qualifications in order to create the best possible professional development opportunities and equip managers with practical tools. We also promote cross-departmental process optimization and implemented the BIKE24 Academy in 2021 as an e-learning platform that provides training focused on compliance and internal knowledge transfer. In addition, the modular management program BIKE24 Leader Development was introduced to support managers in their professional and personal development and to ensure cross-departmental networking. We promote the individual development of our employees through training courses, language training and selected in-house training courses.

As an employer, we see it as our responsibility to ensure a safe and healthy workplace for our employees. The aim of our health and safety measures is to prevent accidents and work-related illnesses. Furthermore, we offer ophthalmological examinations by our company doctor and, if necessary, full coverage of the costs for computer workplace glasses. Covid and flu vaccinations are also part of the health services offered. In connection with the Covid pandemic, we have developed a comprehensive hygiene concept.

We want to optimize the work-life balance with individual work-from-home arrangements. In addition, other benefits such as company pension schemes, job tickets, discounted fitness or bike leasing models are intended to increase BIKE24's attractiveness as an employer. We are convinced that a motivated team forms the basis for the success of our growth strategy.

Sustainability

As a responsible company, we engage in many activities to increase our corporate sustainability. These include measures to protect resources and the climate as well as to promote our employees or support associations in our neighborhood.

Since 2020, we have been certified by DEKRA as a climate-neutral company. To achieve this, we have previously analyzed our total CO_2 emissions generated by the direct combustion of fossil fuels, electricity consumption and shipping. To compensate for this, we support a hydropower project in Uganda and a solar energy project in India, among others.

Further information on our commitment can also be found on the company's website at **https://corporate.bike24.com** in the Sustainability section.

Economic Report

Economic framework conditions

The global economy faced several macroeconomic and geopolitical challenges in 2022, most notably the Covid pandemic, the war in Ukraine, and increased inflation. In the first half of the year, the economy experienced some pandemic-related catch-up effects. However, this economic recovery, which had already begun in 2021, was slowed in the second half of 2022 by persistently high inflation rates in the euro zone and North America and associated concerns of a recession. Russia's war against Ukraine and the associated Western economic sanctions against Russia also had a massive impact on raw material prices, causing producer and consumer prices to rise sharply. As a result of the war, BIKE24 decided to discontinue business activities in Russia and Belarus. Due to the small volume of business in these countries to date (< 5 % of total sales), this did not have any material impact on the Group's net assets, financial position and results of operations.

Although the procurement and supply situation showed first signs of easing in the second half of the year, the economic environment remained challenging, particularly in the second half. Fears of recession and persistently high inflation led to cautious purchasing behavior on the part of customers. Overall, economic output in the euro zone increased slightly by 3.5 % according to the IMF. In Germany, the increase in 2022 amounted to 1.9 %.[1]

Industry development

The effects of high inflation were also felt in the industry. According to bevh (Bundesverband E-Commerce und Versandhandel Deutschland e.V. - German Trade Association), gross sales of goods in e-commerce fell to EUR 90.4 billion in 2022, down from EUR 99.1 billion in 2021, representing a decline of 8.8 %.[2]

Demand for products in the German bicycle and e-bike industry was robust despite the pandemic, war in Europe and inflation, according to the German Cycling Association.[3] According to data for the year 2022, sales in the industry remained stable overall. Vendors' inventories were slightly overstocked, although there were still shortages for certain specialist equipment due to supply bottlenecks. Business was particularly good with high-end bikes, especially e-bikes, which were sold preferentially under leasing agreements. At the same time, the industry felt the price pressures in the lower-end categories and the aftermarket due to increased inflation.

In addition, the industry had to contend with delivery problems at the beginning of 2022. This particularly affected various components for e-bikes (batteries, display, chips). For the frame production, numerous manufacturers are continuing their efforts to relocate production from China to other countries, primarily in Asia.

[1] https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023#Projections
[2] https://www.bevh.org/presse/pressemitteilungen/details/umsaetze-im-e-commerce-mit-waren-und-dienstleistungen-erneut-ueber-100-milliarden-euro.html
[3] https://www.ziv-zweirad.de/marktdaten/detail/article/marktdaten-2022/

Business performance

Key figures BIKE24-Group

in EUR million	2022	2021	Changes
Revenue	261.5	250.2	4.5 %
Total income	261.8	250.3	4.6 %
EBITDA (adjusted)	9.7	30.6	– 68.4 %
EBITDA margin (adjusted)	3.7 %	12.2 %	– 8.5 pp
EBIT	– 7.8	6.1	– 227.3 %
Profit/Loss before tax	– 9.5	3.9	– 344.5 %
Comprehensive profit/loss after tax	**– 6.6**	**2.2**	**– 396.9 %**

Characterized by high inflation, fears of recession and the persistently tense situation on the procurement market, 2022 was a challenging year for the economy as a whole, which BIKE24 nevertheless ended with a +4.5 % increase in revenues to EUR 261.5 million and an adjusted EBITDA margin of 3.7 % (2021: 12.2 %). Particularly noteworthy is the development of active customers, whose number increased to 954 thousand (2021: 821 thousand), up 16.2 % year-on-year. The number of orders increased slightly by 3.0 % to 1.821 million. Order frequency per customer averaged 1.9 orders per year, a slight decrease compared with the previous year (2.2 orders per year). 70.5 % of orders (2021: 74.8 %) were placed by returning customers. The average order value was EUR 143 (2021: EUR 140), an increase of 2.1 %.

As part of our original guidance for 2022, we assumed robust sales growth and only a slight decline in the EBITDA margin. We updated the guidance in July 2022 already due to specific challenges relating to macroeconomic factors such as the war in Ukraine and the associated impact on the overall economic situation. In particular, we have seen a change in consumer behavior in some regions and product groups, resulting in lower sales growth. At the same time, costs for materials and personnel rose disproportionately, resulting in a negative effect on our profit margins. We have therefore adjusted the target corridor for sales growth to – 5 % to + 5 % and anticipated an adjusted EBITDA margin of between + 3 % and + 6 %. With actual sales growth of 4.5 % and an adjusted EBITDA margin of 3.7 %, we achieved this forecast despite the challenging economic environment.

The growth in sales is mainly attributable to the increased number of orders and active customers, particularly in the newly localized European markets.

The following table shows the course of the guidance development for fiscal year 2022:

	Sales growth	Adjusted EBITDA margin
Annual Report 2021	+ 10 % to + 17 %	9 % to 10 %
Update (July 2022)	– 5 % to + 5 %	3 % to 6 %
Result	**+ 4.5 %**	**3.7 %**

Expectations for the current fiscal year 2023 can be found in the forecast report.

Sales and earnings situation

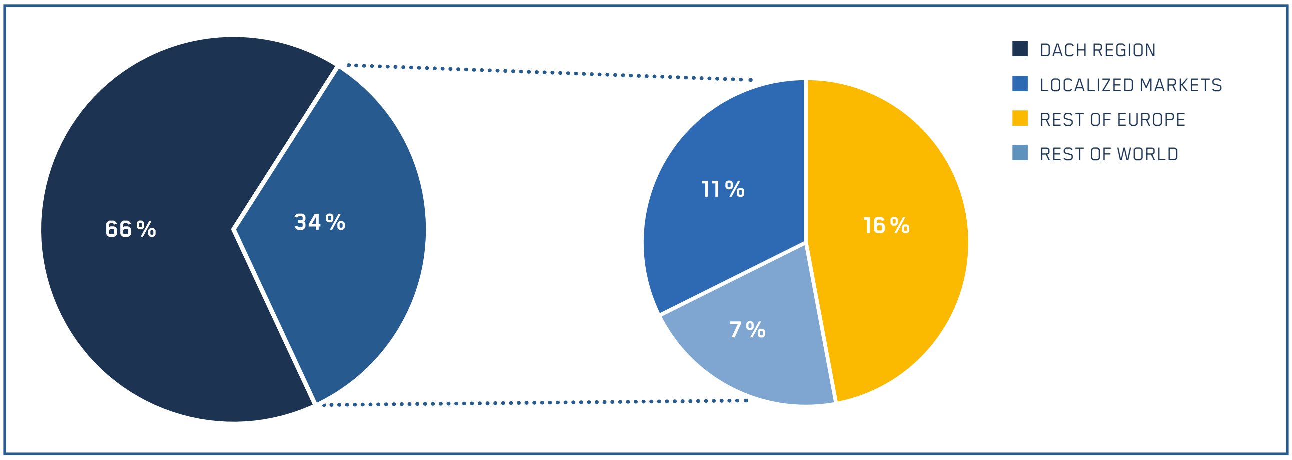
Adjusted figures are calculated and reported in order to provide a transparent presentation of the current business. The adjustments include individual items that have a material effect in the relevant reporting year. These items may relate in particular to one-time transaction costs, share-based payments or other special charges.

In the reporting year 2022, the following adjustments were made to EBITDA in the amount of EUR 2.5 million (2021: EUR 10.3 million) to adjust the result. Of this amount, EUR 1.5 million (2021: EUR 3.1 million) relates to personnel expenses and EUR 1.0 million (2021: EUR 7.2 million) to other operating expenses.

Sales distribution

87 % of total sales of EUR 261.5 million (2021: 90 %) resulted from the sale of parts, accessories and apparel (PAC). Full-bikes contributed 13 % to Group sales (2021: 10 %).

From a regional perspective, the DACH area was once again the largest sales market with a share of sales amounting to EUR 171.6 million, which corresponds to a slight increase of 1 % or EUR 1.4 million compared to the previous year. In Spain, the first market with a localized offering, sales increased by 94 % to EUR 9.1 million, and in all localized European markets (Spain, Italy, France) sales increased by 163 % to EUR 28.3 million. The strongest growth market was France with a sales increase of 279 % to EUR 12.3 million. In the rest of the world (including the UK since 2021), sales amounted to EUR 18.8 million, 10 % below the previous year's level.



The gross margin decreased by around 5 percentage points (pp) to 26.3 % in the reporting period. This was mainly due to pricing pressure resulting from the difficult macroeconomic environment. Increased purchasing prices contributed to the decline, and it was not always possible to pass on price increases to customers.

Due to increased marketing and sales costs in the course of implementing the internationalization strategy of Bike24-Group, other operating expenses amounted to EUR 35.2 million (2021: EUR 35.2 million, thereof EUR 5.9 million transaction costs incurred in connection with the IPO in the previous year). Furthermore, personnel expenses increased significantly, mainly as a result of general salary adjustments and new hires, especially in the 2nd and 3rd management levels (2022: EUR 26.1 million; 2021: EUR 23.2 million). In addition to the lower gross margin, the increases in marketing and selling expenses as well as personnel expenses led to earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 7.2 million, which was below the previous year's figure of EUR 20.3 million.

Adjusted for special items of EUR 2.5 million, which mainly relate to share-based compensation and long-term bonus payments, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) amounted to EUR 9.7 million, compared with EUR 30.6 million in the prior-year period. This corresponds to an adjusted EBITDA margin of 3.7 % (2021: 12.2 %).

in EUR k	2022	2021
Earnings before interest and taxes (EBIT)	**– 7,784**	**6,113**
Depreciation and amortization	14,992	14,227
Share-based compensation	1,132	1,762
Expenses for long-term incentive plans	– 185	185
Non-recurring personnel expenses	123	–
Expenses for growth bonuses	–	825
Expenses for growth bonuses Advisory Board	–	1,046
Employee stock expenses	2	293
Expenses for investments not eligible for capitalization	768	8
Transaction costs related to IPO or M&A	153	6,039
Stand order direction in Spain	81	89
Other non-recurring expenses	375	9
Adjusted EBITDA	**9,656**	**30,596**
Margin	3.7 %	12.2 %

The (unadjusted) operating result (EBIT) was EUR – 7.8 million after EUR 6.1 million in 2021, a decrease of 227.3 %. After deduction of interest and taxes, the Group generated a net result of EUR – 6.6 million after EUR 2.2 million in 2021.

Net assets

The Group's total assets increased by 12.7 % to EUR 339.9 million as of December 31, 2022, compared to EUR 301.6 million as of December 31, 2021.

Non-current assets amounted to EUR 219.3 million, 5.0 % above the level of the comparative reporting date (EUR 209.0 million), mainly due to an increase in property, plant and equipment of EUR 16 million, the latter mainly resulting from investments in the Spanish location.

Current assets increased by 30.2 % or EUR 27.9 million from EUR 92.7 million to EUR 120.6 million in fiscal year 2022. Within current assets, supply chains recovering faster than expected and ultimately deliveries arriving faster than expected led to an increase in Inventories by EUR 16.1 million from EUR 68.2 million to EUR 84.3 million.

Other assets decreased slightly by EUR 1.5 million to EUR 8.7 million, mainly due to lower tax assets, prepaid expenses and other prepayments.

Cash and cash equivalents of EUR 22.4 million were significantly above the level of EUR 10.1 million as at the comparative reporting date of December 31, 2021, due to a larger drawdown of the syndicated loan.

Following a decline last year, non-current liabilities increased slightly from EUR 50.3 million to EUR 56.5 million. While provisions fell slightly from EUR 0.6 million to EUR 0.4 million, other financial liabilities increased from EUR 7.5 million to EUR 17.5 million. This is due, among other things, to the new warehouse in Spain (EUR 6.1 million).

Current liabilities include liabilities to banks of EUR 39.5 million resulting from the debt financing for the expansion of operations in Spain and the lease of the new Spanish warehouse facilities. Furthermore, trade payables decreased by EUR 4.1 million to EUR 7.2 million, a decrease of 36.1 %, which is due to the reduced purchasing volume at year-end 2022 compared to the strong purchasing period at year-end 2021. Other liabilities, which mainly relate to provisions for personnel expenses and tax liabilities, increased from EUR 13.9 million to EUR 15.6 million. Due to the liabilities to banks, total current liabilities were EUR 37.5 million above the level of the comparative reporting date and amounted to EUR 65.6 million as of December 31, 2022.

Following the capital increase in 2021 as part of the IPO and the associated significant increase in equity, equity fell in 2022 slightly by EUR 5.5 million to EUR 217.8 million in the reporting period as a result of the negative consolidated net income for the year. As a result, the equity ratio fell by 9.9 percentage points from 74.0 % to 64.1 % compared with the balance sheet date of December 31, 2021.

Financial position

BIKE24 generated a cash flow of EUR – 11.9 million from operating activities in the financial year 2022 (previous year: EUR – 9.5 million). This was derived from the net loss for the year, taking into account non-cash expenses and income as well as the change in working capital. The decrease is mainly due to the lower operating result and increased inventories, which in turn increase working capital needs. In addition to the slower-than-expected sales growth of the Group, the high level of inventory is also attributable to the changed supply situation, which improved quicker than expected and thus resulted in significantly earlier deliveries.

Cash outflow from investing activities increased by EUR 7.1 million compared to the previous year and amounted to EUR – 13.6 million. The change mainly results from investments in Spain and in intangible assets, such as software developed in-house.

BIKE24 recorded a cash inflow from financing activities of EUR 37.8 million compared to EUR 0.9 million in the same period of the previous year. This increase mainly results from the drawdown of the syndicated loan facility in the amount of EUR 39.0 million.

With cash and cash equivalents of EUR 22.4 million as at December 31, 2022, the Group has sufficient liquidity. The Group's solvency was secured throughout the financial year 2022. In the short-term, the company is financed by equity and loans.

Principles and objectives of financial management

The management of cash and cash equivalents and working capital is the focus of BIKE24's financial management. Maintaining liquidity is also an overriding objective. The type and scope of cash transactions are aligned with our operating business. Rolling twelve-month cashflow planning is used to determine liquidity requirements.

BIKE24 entered into a syndicated loan agreement for credit facilities in the amount of EUR 50 million on June 11, 2021.

The gross debt/equity ratio agreed in the loan agreement, which is calculated as the ratio of gross debt to adjusted EBITDA, was not complied with as of December 31, 2022, mainly as a result of the lower-than-expected adjusted EBITDA. The liabilities to banks were therefore reported as current as of December 31, 2022. The Group reported this breach of covenants to its financing banks at an early stage and obtained an adjustment to the agreement as part of the subsequent negotiations.

Accordingly, the syndicated loan agreement expiring on June 30, 2024 was extended to December 31, 2024 by amendment agreement dated March 24, 2023, with four yearly regular repayments of EUR 2 million to be made on the revolving facility from December 31, 2023 onwards. Furthermore, the amended syndicated loan agreement provides for an extension option for a maturity extension of either 12 or 24 months. The terms and conditions were adjusted to the current market situation. In particular, the interest margin has been changed from 1.5 % to 2.5 % p. a. (depending on gross leverage) to 2.75 % to 6.75 % p. a. (depending on net leverage). The initial interest margin is 5.75 % p. a. and will be reviewed for the first time on March 31, 2023, based on the net debt/equity ratio for the first quarter of 2023. The initial interest rate is thus 5.75 % p. a. plus EURIBOR with retroactive effect from January 1, 2023. Furthermore, the covenants were adjusted to the macroeconomic framework conditions and the covenant relating to the gross debt/equity ratio was suspended up to and including March 31, 2024. New covenants regarding minimum EBITDA and minimum liquidity are included. Bike24 Holding AG and other material group companies provide customary transaction collateral under the loan agreement.

BIKE24 was able to meet its payment obligations at all times. With regard to existing repayment obligations and contingent liabilities, as well as for details on financial risk management, we refer to Note F.12.

Overall statement on the economic situation of the Group

Fiscal year 2022 was characterized by geopolitical and economic turmoil, particularly the war in Ukraine and its global impact, which further exacerbated already existing economic problems in many countries. Despite intensive global efforts to combat COVID-19, the pandemic continued to weigh on economic development worldwide, causing lockdowns in China in particular and affecting global supply and logistics chains. The first signs of easing were not seen until the second half of the year. In view of the macroeconomic conditions, we adjusted our original forecast for fiscal 2022 during the course of the year. We achieved this adjusted forecast with our achieved sales growth of 4.5 % and an adjusted EBITDA margin of 3.7 %. Since the original forecast could not be achieved due to the difficult macroeconomic conditions, we estimate that the business development in the fiscal year 2022 has overall been rather unfavorable.

During the financial year, we made further progress in implementing our internationalization strategy and adapting our product portfolio to local conditions. This contributed to the above-average growth in those foreign markets where we have localized offerings. With the commissioning of the Southern European logistics center near Barcelona, Spain, at the end of 2022, we have once again strengthened the conditions for our future international business.

Forecast Report

Forecasts for global economic growth in 2023 are mixed. The International Monetary Fund (IMF) has slightly raised its global forecast for 2023. It cites "surprisingly robust" demand in the United States and Europe, driven by lower energy costs and China's economic reopening after Beijing lifted its strict COVID-19 restrictions. The IMF now forecasts growth of 2.9 % in 2023, up from 2.7 % in October.[4] In contrast, the World Bank's latest Global Economic Outlook report[5] predicts global economic growth will slow to 1.7 % in 2023 and 2.7 % in 2024 due to high inflation, increased interest rates, declining investment and disruptions caused by Russia's invasion of Ukraine. In addition, growth in the three largest economies, the United States, the European Union and China, is expected to slow further.[6]

Forecasts for euro area growth in 2023 are also mixed and differ significantly depending on the source of research. Wellington Management[7] expects a mild recession with a decline in gross domestic product (GDP) of – 0.5 %. Goldman Sachs[8], on the other hand, projects a – 0.1 % decline in 2023 and 1.4 % growth in 2024. The OECD[9] assumes real GDP growth of 0.5 % in 2023. For 2024, the OECD expects growth to recover to 1.4 % thanks to an increase in consumption and investment.

The European Commission[10] has raised its forecast for economic growth for its twenty euro member states: Instead of the originally assumed 0.3 %, growth of 0.9 % is now expected for 2023. For 2024, a growth rate of 1.6 % is forecasted for the EU and 1.5 % for the euro area. Nevertheless, major challenges remain, such as high energy costs and increased core inflation, which continues to weaken the purchasing power of individual households.

According to the International Monetary Fund (IMF), global inflation will slow to 6.6 % in 2023 and 4.3 % in 2024. Inflation is not expected to return to pre-pandemic levels until the mid-2020s, according to the IMF's World Economic Outlook report.[11] A similar picture is emerging for Europe. According to the European Commission's forecast, inflation in the EU countries will fall from 9.2 % in 2022 to 6.4 % in 2023 and then to around 2.8 %.[12]

With wage and salary increases of almost 4 %, pressure on the labor market is the most important factor driving inflation in Europe. At the same time, recession is likely to lead to a slight increase in the unemployment rate from 6.6 % to 7.2 %, according to Goldman Sachs.

The cycling industry has experienced an extremely positive development in recent years, which has been supported by several factors, including structural factors such as increased environmental and health awareness. Online retail also benefited from the general trend of offline-to-online, which accelerated again due to pandemic control measures. We believe that these long-term megatrends will remain intact.

[4] https://www.weforum.org/agenda/2023/02/imf-raises-growth-forecasts-for-2023-and-other-economy-stories-3-february/
[5] https://www.worldbank.org/en/news/press-release/2023/01/10/global-economic-prospects
[6] https://www.cnbc.com/2022/10/11/imf-cuts-global-growth-forecast-for-2023-warns-worst-is-yet-to-come.html
[7] https://www.wellington.com/en/insights/europe-economic-outlook-2023
[8] https://www.goldmansachs.com/insights/pages/gs-research/europe-outlook-2023-milder-recession-higher-terminal-rate/report.pdf
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[12] https://ec.europa.eu/commission/presscorner/detail/en/ip_23_707

In the short-term, however, the situation will remain challenging in 2023, according to the German Cycling Association (ZIV). The tensed supply situation is not expected to ease until the end of 2023. For certain products, on the other hand, over-capacities are leading to increased promotional activities. However, the ongoing economic and geopolitical consequences of the war in Ukraine are difficult to predict. At the same time, in view of the move away from fossil fuels from Russia, the association sees a signal for the increasing popularity of bicycles and e-bikes as a means of transport of the future.

In the first two months of fiscal year 2023, the downward trends from the previous year continued. This resulted in revenue losses compared to the same period of the previous year and a significantly lower gross profit margin. Nevertheless, supported by the launch of the local online stores for the Benelux countries and the expansion of the full-bikes product segment, BIKE24 expects overall revenue growth of 0 % to 10 % in fiscal year 2023 compared to 2022. Future gross profit in the bicycle industry depends primarily on whether the general consumer climate improves and whether the promotional pressure caused by excessively high inventories amongst market participants is reduced. From today's perspective, we expect a positive adjusted EBITDA margin of 0 % to 3.5 % for fiscal year 2023. However, there is considerable uncertainty with regard to consumer behavior.

Opportunities & Risks

As an internationally operating Group, BIKE24 is exposed to a variety of risks associated with the entrepreneurial activities of Bike24 Holding AG and its subsidiaries or resulting from external influences. A risk is understood to be the danger that events, developments or actions will prevent the Group or one of its affiliated companies from achieving its objectives. This includes financial as well as non-financial risks. At the same time, it is important to identify opportunities in order to secure and expand competitiveness. An opportunity is defined as the possibility of securing or exceeding the Group's planned targets as a result of events, developments or actions.

The risk and opportunity situation of Bike24 Holding AG is essentially dependent on the risk and opportunity situation of the Group and is essentially of the same nature. In this respect, the statements on the overall assessment of the risk and opportunity situation of the management also apply as a summary for Bike24 Holding AG.

Principles and objectives of the internal control system (ICS) and risk management system (RMS)

The aim of our risk management system is to identify the entrepreneurial risks associated with our business at an early stage, to assess and to actively manage them. To this end, Bike24 Holding AG introduced a standardized risk management system ("RMS") in 2021. The activities related to the RMS, including all relevant measures for identifying, assessing and mitigating BIKE24's key risks, are defined in a standardized process ("risk management cycle") and documented in the risk management policy. The system is designed to comply with the relevant legal requirements and relevant industry standards. It is based on the COSO II framework for risk management. The risk management system covers the entire BIKE24-Group, in which only Bike24 GmbH is currently a relevant operating unit.

In the reporting period, BIKE24 created a new ESG, Internal Audit and Risk Management role with the aim of integrating sustainability aspects more closely with risk management in order to record sustainability-related data in the RMS in the future.

BIKE24 has defined and implemented an internal control system (ICS). This comprises a system of measures, procedures and processes designed to ensure that at corporate and transaction level financial reports, business processes and transactions are reliable and effective and comply with legal requirements and corporate guidelines.

Enterprise-level controls are an essential component of an effective internal control system. They serve to provide an overall framework for internal controls and help to ensure that an organization's culture, values, and ethical standards are aligned with its business objectives.

Key elements of the ICS implemented by BIKE24 at the corporate level represent the "Tone from the Top", the integrity and ethical values of management, and the corporate governance system - consisting of the risk management system, compliance management system and internal audit.

At the transaction level, significant risks have been identified for major business processes and procedures to control these risks have been developed and implemented. The risks and controls are documented in a so-called risk-control matrix.

Overall responsibility for our RMS and ICS lies with the Management Board. In Management Board meetings, the company-wide risk and opportunity situation is evaluated on a quarterly basis and the results of the internal control process are explained. The Audit Committee of the Supervisory Board is responsible for monitoring accounting and its processed as well as the appropriateness and effectiveness of the ICS, the RMS and the internal auditing system. Accordingly, the Audit Committee receives regular reports on the status of the ICS and RMS.

Since the IPO, BIKE24 has been continuously developing the ICS and RMS in order to adapt the systems to the increased requirements. This process has not yet been fully completed. In addition, continuous improvements are made to the ICS based on findings from internal or external audits.

Notwithstanding this, there are inherent limitations to the effectiveness of any risk management and control system. No system – even if it has been assessed as appropriate and effective – can guarantee, for example, that all risks that occur will be detected in advance or that all process violations can be ruled out under all circumstances.

Compliance Management System (CMS)

The ICS and RMS also include a CMS aligned to the company's risk situation. Our CMS is based on the three pillars of prevention, detection and response. The basis of the compliance management system is the Compliance Manual, which was published in fiscal year 2022. In addition to a Code of Conduct, it contains a Corporate Compliance Framework, a Business Partner Code of Conduct and individual policies on key topics such as antitrust law, gifts, invitations and hospitality, sponsorship and donations, corruption prevention, money laundering and terrorist financing prevention, business partner due diligence, compliance in the procurement process, foreign trade law and data protection. The Compliance Manual is binding for all employees of the BIKE24-Group worldwide. In addition to the comprehensive set of rules, compliance training measures are carried out to sensitize employees to compliance issues and to provide them with targeted training.

The entire CMS is continuously adapted to business-specific risks and various local legal requirements. The findings from compliance risk management are used to derive measures for its further development.

Characteristics of the accounting-related internal control system

The aim of the internal control system for the accounting process is to ensure the reliability of external reporting by preparing financial statements that comply with regulations. To monitor the effectiveness of the ICS, regular reviews of accounting-relevant processes are carried out by means of internal controls. In addition, the Audit Committee of the Supervisory Board monitors the effectiveness of the system which was implemented by the Management Board.

The control mechanisms include the identification and definition of processes, approval levels, ensuring uniform accounting throughout the Group in accordance with IFRS by applying uniform accounting rules and guidelines, clarifying specific technical issues and complex matters on a case-by-case basis with the involvement of external experts, using standard and internally developed software in finance and accounting, and – wherever possible – applying the dual control principle. There are also documented procedural instructions and a system of guidelines (e. g. travel expenses guidelines etc.) which are updated on an ongoing basis.

Appropriate IT facilities protect the corporate software used from unauthorized access.

In fiscal year 2022, we also introduced and fully implemented a CMS in the area of value added tax ("VAT"). All processes were and are considered from a VAT perspective and assessed with a risk. The aim is to improve existing measures and documentation or establish missing measures and controls in order to reduce risks.

Organization, process and risk classification

Risks are identified and monitored both "top-down" and "bottom-up". The identified risks are assessed by risk owners from various functions on the basis of a common standard. The assessment is based on a time horizon of twelve months from the defined assessment date. A comprehensive risk identification and assessment is carried out once a year and documented in a risk report. In addition, quarterly updates are carried out and information on the status is provided at regular Executive Board and Supervisory Board meetings.

As part of the risk assessment process, the identified risks are systematically evaluated with regard to the extent of damage and the probability of occurrence. In the risk assessment, we consider both gross and net risks. The gross risk represents the inherent risk before risk-reducing measures. Net risk refers to the remaining risk after all risk-reducing measures have been implemented. This approach provides a comprehensive understanding of the impact of risk mitigation measures and forms the basis for scenario analyses.

Our risk assessment in this report exclusively reflects the net expected value (impact on operating profit). We have identified those risks as critical whose net expected value is at least EUR 500,000. In addition, our risk system also covers non-quantifiable risks, i.e., risks that cannot be directly translated into EUR. These primarily include damages that take into account a potential impairment of BIKE24's reputation or criminal law implications (with a focus on compliance risks). These risks can also be critical.

Risks are assessed in terms of their probability of occurrence on the basis of four levels: "unlikely," "possible," "probable" or "highly probable". These levels are underpinned by percentage ranges for the probability of occurrence, which are shown in the following table:

Probability of occurrence	Rating
Highly probable	75% – 100%
Probable	50% – 74.9%
Possible	25% – 49.9%
Unlikely	0% – 24.9%

In assessing the potential extent of damage, we distinguish between the four categories "low," "moderate," "significant," and "critical". These categories are also assigned limit values in terms of the possible extent of damage in EUR.

Stage	Extent of loss in EUR thousand
Low	≤ 50
Moderate	51 – 200
Significant	201 – 500
Critical	> 500

Based on the assessment of probabilities of occurrence and impact of damage, all identified risks are classified and visualized in a risk matrix:

Extent of damage		Probability of occurence			
		Unlikely 0 – 24.9 % ①	Possible 25 – 49.9 % ②	Probable 50 – 74.9 % ③	High probable 75 – 100 % ④
	Critical > EUR 500 k ④	4	8	12	16
	Significant EUR 200 – 500 k ③	3	6	9	12
	Moderate EUR 50 – 200 k ②	2	4	6	8
	Low < EUR 50 k ①	1	2	3	4

Very High

High

Medium

Low

The risk matrix facilitates the comparison of the respective priority of risks and provides additional transparency with regard to BIKE24's overall risk position. The categorization of risks from "low" to "critical" also serves to determine which risk information needs to be reported in more detail to both the Management Board and the Supervisory Board.

Overview and description of main risks and opportunities

In this report we explain the most significant financial and non-financial risks and opportunities for the company's target achievements in fiscal year 2023 and beyond. The current assessment of the risks shows that none of the risks reported below poses a threat to the company as a going concern.

Based on our product portfolio, our know-how and our strength in innovation, we are convinced that we will be able to exploit the opportunities arising from our entrepreneurial activities and successfully meet the challenges arising from the risks outlined below.

In principle, risks and opportunities that are not yet known today or are classified as immaterial may affect the results of operations, financial position and net assets in the future.

Presentation of risks

The following risk is assigned to the "very high" risk class:

Liquidity

Against the background of a challenging supply chain situation, order volumes were increased to ensure sufficient inventory levels. Macroeconomic challenges caused by the war in Ukraine led to a decline in consumer demand. Furthermore, long delivery times could mean that the procurement department may not be able to respond quickly enough to changes in customer demand. In this case, high financial commitments and low cash inflows due to reduced demand could lead to a critical decline in the liquidity base. In addition, the negative development of earnings in connection with a reduction in the equity base could result in non-compliance with the conditions of existing credit lines (financial covenants) in the future.

After the end of the reporting period, alternative financing options were reviewed and renegotiated in cooperation with banking partners. As part of the renegotiation, terms were adjusted to current market conditions, conditions were redefined and the term of the credit lines was extended to the end of 2024. We also reduced inventories, introduced a cost-cutting program and balanced purchasing volumes. This enabled us to reduce the risk class from originally "very high" at the end of the reporting period to "high" at the time of preparation of this annual report.

The following risks are assigned to the "high" risk class:

Cyber-attack

The failure or significant impairment of business-critical IT systems and supporting technical infrastructure due to cyber-attacks or other threats could significantly impair the smooth functioning of the company's business processes and lead to manipulation as well as uncontrolled loss or outflow of data. This could lead to reputational damage, regulatory sanctions or restrictions on the execution of essential business processes.

To counter IT security risks, a Chief Security Officer (CSO) role was created within the organization and has been filled since March 2021. To assess and evaluate the current security status, an IT security consulting firm was commissioned to conduct a penetration test. This identified medium risks relating to web technologies as well as network and server infrastructures. As a result, backup and recovery strategies for all business-critical IT systems were reviewed and optimized, with improvements to the backup strategy and the implementation of offline backup functions.

To improve the infrastructure and hosting strategy, critical and less critical systems were moved to cloud providers, while other systems were moved to dedicated cloud providers or SaaS solutions. Furthermore, centralized user management with two-factor authentication was introduced to protect privileged access. A centrally managed mobile device strategy was implemented to prevent data sharing between managed and unmanaged mobile apps and to avoid the use of bring-your-own-device (BYOD). For security monitoring, a 24/7 system monitoring was established to respond quickly to threats.

Cybersecurity insurance has also been singed to mitigate financial risks. In 2023, the plan is to implement new server and backup hardware for business-critical services to strengthen the IT infrastructure and introduce industry-standard high-availability components with backup solutions.

Incident Response Management

The rapid growth of our business over the past years challenges the development of the IT organization and underlying processes. BIKE24's in-house IT is limited in its ability to fully manage continuous operations around the clock. This can lead to insufficient response times for disaster recovery and business continuity management in the event of cyber-attacks. Customized in-house developments and highly customized system environments add complexity for teams and limit the ability to engage external support services.

We have taken a number of measures to strengthen our defenses. Critical IT infrastructure components were upgraded to increase their resilience. Systems were switched to cloud-based standard systems to ensure 24/7 support from external service providers and reduce complexity. We also created comprehensive documentation of the existing systems and specifications. We established high-utilization structures in the main infrastructure of server networks and hired additional IT specialists for administration and operations. A holistic development path for custom software was established to continuously improve the security of our systems.

Furthermore, we have completely switched our antivirus solution to a managed security service. For this, we rely on Crowdstrike as an EDR (Endpoint Detection and Response) solution with a 24/7 monitoring and incident response service.

Procurement management

In response to the supply chain crisis in early 2022, we increased our order volumes to ensure sufficient stock levels. However, macroeconomic changes caused by the war in Ukraine have noticeably reduced consumer demand. Long delivery times and contractual obligations have made it difficult for our procurement teams to respond quickly to changes in customer demand. In addition to customer demand, the product lifecycle also plays a role. When products become obsolete, they may have to be written-off or sold at a reduced price.

BIKE24 responds to these challenges through active inventory management. In addition, the company considers possible impairments of inventories in the financial statements and recognizes corresponding provisions (2022: EUR 2.8 million). In this way, BIKE24 aims to minimize the risk of obsolete stock while ensuring the company's financial stability.

Macroeconomic situation

The war in Ukraine has caused strong uncertainty among consumers, not least due to the substantial price increases for electricity and gas. Persistently high inflation rates have impacted purchasing power, leading to a noticeable decline in demand. This decline has been met by high inventory levels resulting from supply chains being restored more quickly than expected. As a result, retailers are facing the problem of high inventories tying up liquidity. If the macroeconomic crisis persists, consumer spending will continue to be affected in the medium-term. At the same time, competition remains high due to oversupply, which increases pressure on margins. Although supply chains have been functioning again recently, new external factors such as a renewed flare-up of the Covid-outbreak or the emergence of a new type of pandemic could quickly disrupt supply chains again. This could lead to availability problems and result in higher purchase prices, especially for high-end products.

BIKE24 carefully monitors macroeconomic developments and responds to the current consumer uncertainty by reviewing sourcing and reducing inventories to maintain liquidity. Although BIKE24 has limited ability to influence overall macroeconomic risk, the company monitors inventory trends on a weekly basis to identify potential shortages and respond quickly.

To counteract the highly competitive pressure, BIKE24 relies on a broad product range and a focus on high-margin brands and products such as full-bikes. In addition, the company actively manages inventory to avoid unnecessary overstock. The aim is to maintain inventories at a sufficient level in order to ensure liquidity and reduce the risk of impairment of inventories.

Presentation of opportunities

Accelerated shift from offline to online shopping

Increased digitalization has been observed across all industries for years. In the non-food sector in particular, the online share is already very pronounced. While the online share in the cycling industry is still lagging behind other industries, significant growth can be seen here as well. If the change in consumer shopping behavior, away from stationary bicycle retailers and towards online retailers, occurs faster than expected, the company could benefit over-proportionately from this.

Established brand

Much of the company's website traffic comes from organic and thus via non-paid channels. This is due, among other things, to the high brand awareness of BIKE24. Especially for consumers who are ordering bicycle (accessories) online for the first time, an established brand is advantageous in order to rule out misuse or a negative experience. New customers can quickly gain confidence through above-average ratings on review websites such as Trustpilot. This trust and the high brand awareness could help the company to benefit over-proportionately from the continuously growing market.

Established supplier relationships/preferred business partner

With over 800 different brands, with some of which relationships have existed since the company was founded almost 20 years ago, BIKE24 offers a very broad brand and partner portfolio. These established and long-term relationships help the company to compensate for sudden overcapacities or supply shortages of individual products and to be able to offer alternatives if necessary.

Expansion of geographical presence

The company has a track record of expanding its operations geographically through localized content offerings. Each new region represents an expansion of the total addressable market and offers significant growth opportunities. BIKE24 plans to add more new regions in the future through localized online shops and marketing campaigns.

Mergers, acquisitions, shareholdings, partnerships

We continuously monitor the cycling industry for opportunities like strategic mergers, acquisitions, minority shareholdings and partnerships that can complement our (organic) growth. Such activities may help us strengthen our position in our current geographies or enter new and/or underserved markets.

Overall assessment of the risk and opportunity situation

For identifiable risks within the BIKE24-Group that could have a negative impact on net assets, financial position and results of operations, we have taken countermeasures during the reporting year – to the extent possible and reasonable – and/or made balance sheet provisions where there is a corresponding probability of occurrence. After a detailed analysis of the overall risk situation, from today's perspective there are no major risks that could jeopardize the ongoing existence of the company – whether in the present or near future.

We have identified the Group's ongoing internationalization strategy as the greatest current opportunity.

Risk reporting on the use of financial instruments

The Group's financial instruments include receivables, liabilities, credit balances and bank loans. We consider the risk of bad debt losses to be very low at present as well as for the foreseeable future. Thanks to a strong customer base, effective receivables management and predominantly secure payment methods, defaults are low. Where default and credit risks are identified for financial assets, appropriate allowances are made.

The Group aims to pay liabilities within the agreed payment terms, and, if offered, even earlier to receive cash discount. The sales and liquidity situation is monitored on a daily basis. The Group pursues a conservative risk policy in its cash management.

Condensed report on individual financial statements

The management report and the group management report of Bike24 Holding AG have been combined. The following notes are based on the individual financial statements of Bike24 Holding AG, which were prepared in accordance with the provisions of the German Commercial Code (HGB).

Control

Net income is the key performance indicator for managing the company. This is significantly influenced by earnings contributions of the subsidiaries.

Economic situation of Bike24 Holding AG

The company provides services for other Group companies, mainly for the operational entity Bike24 GmbH. The revenues of Bike24 Holding AG result mainly from management service agreements with its subsidiaries. During the fiscal year 2022, Bike24 Holding AG employed an average of 56 (2021: 52) employees directly.

The results of operations of Bike24 Holding AG are presented in the following condensed income statement:

in EUR	1. 1. – 31. 12. 2022	1. 1. – 31. 12. 2021
Revenue	4,783,230.67	4,273,474.98
Other income from operations	86,772.53	8,374,923.70
Personnel expenses	– 3,606,875.15	– 3,819,358.76
Other operating expenses	– 2,413,479.89	– 13,848,753.14
Income from profit and loss transfer agreements	1,021,447.10	21,355,236.06
Expenses from loss transfer	– 964,951.06	0.00
Depreciation and amortization of financial assets	– 62,159.07	0.00
Other interest and similar income	2,166,164.40	2,213,839.08
Interest and similar expenses	– 1,214,377.78	– 2,946,639.50
Taxes on income and earnings	401,526.46	– 3,408,699.48
Earnings after taxes	197,298.21	12,194,022.94
Other taxes	– 365.67	– 419.00
Net income	**196,932.54**	**12,193,603.94**

Bike24 Holding AG reports a net profit of EUR 0.2 million for the fiscal year 2022. This represents a decrease of EUR 12 million compared to the previous year. This is mainly due to lower other operating income, which decreased by EUR 8.2 million to EUR 0.1 million, and lower income from profit transfer agreements, which decreased by EUR 20.3 million to EUR 1.0 million.

After offsetting for the existing net profit, the net profit as of December 31, 2022 will amount to EUR 12.3 million. This should be carried forward to new account.

In addition to the sales generated on the basis of the management service agreement, the net profit for the year resulted mainly from the income from the profit transfer of Bike24 Service GmbH of EUR 1.0 million. This was offset by expenses of EUR 1.0 million from the loss transfer of Best Bike Brands GmbH.

As in the previous year, personnel expenses and other operating expenses also had a negative impact on earnings. The decrease in personnel expenses by EUR 0.2 million, despite an increase in the number of employees, is mainly due to lower bonus expenses in 2022. Other operating expenses in the previous year were mainly influenced by the consulting costs incurred in connection with the IPO.

In contrast to the previous year, net interest income was positive at EUR 1.2 million. This was due to significantly lower interest expensesfrom the new syndicated loan agreement reached in 2021.

Net assets and financial position

The financial position of Bike24 Holding AG is presented in the following condensed balance sheet:

	2022	2021
Assets		
Fixed assets	149,442,218.99	149,442,218.99
Current assets	133,244,932.91	93,116,898.18
Prepaid expenses	643,272.26	1,026,994.33
	283,330,424.16	**243,586,111.50**
Liabilities		
Equity	235,114,996.03	234,916,400.49
Provisions	994,801.95	1,142,659.00
Liabilities	47,220,626.18	7,527,052.01
	283,330,424.16	**243,586,111.50**

Total assets increased by EUR 39.7 million to EUR 283.3 million in the reporting period.

Fixed assets result entirely from shares in affiliated companies, mainly in Bike24 Service GmbH (EUR 149.4 million), which in turn is the sole shareholder of the operational Bike24 GmbH.

In terms of assets, receivables from affiliated companies increased from EUR 87.1 million in the previous year to EUR 126.2 million in 2022. This includes receivables from loans to subsidiaries, including interest payments (EUR 120.1 million), as well as goods and services (EUR 5.1 million) provided on the basis of the management service agreement and income from existing profit and loss transfer agreements (EUR 1.0 million).

Liabilities and equity are mainly determined by slightly increased equity of EUR 235.1 million and liabilities to banks from the syndicated loan agreement that was mainly drawn down in 2022 (EUR 39.0 million). As at the balance sheet date on December 31, the equity ratio was 83.0 % (2021: 96.4 %).

Opportunities and risks

As the company operates only as an internal service provider, the risks and opportunities of Bike24 Holding AG essentially correspond to those of the Group. In this respect, we refer to the section "Opportunities & Risks" in the combined management report.

Guidance

Due to the nature of the Company's business, its future development is closely linked to the development of the Group. We do not expect any significant change in the company's net income for 2023. With regard to economic and market-specific developments, we refer to the Group's forecast report.

Takeover law disclosures

Supplementary disclosures pursuant to § 289a and § 315a German Commercial Code – HGB

Composition of subscribed capital

The share capital of Bike24 Holding AG as of December 31, 2022 amounts to EUR 44,166,666, divided into 44,166,666 no-par value bearer shares. As of December 31, 2022, there were 1,239 shares held in treasury that were not utilized under the employee bonus program. These are deducted from the subscribed capital. Each share outstanding carries one vote and, with the exception of any new shares not entitled to dividends, an equal share in the profits in accordance with the dividend distribution resolved by the Annual General Meeting.

The rights and obligations of shareholders are based on the German Stock Corporation Act (AktG) in conjunction with the Company's Articles of Association, the full text of which is available on the website in the Investor Relations/Governance & ESG section. The right of shareholders to individual certification of their shares is excluded under the Articles of Association.

Restrictions affecting voting rights or the transfer of shares

The Company is not entitled to any voting rights from treasury shares. In cases covered by Section 136 of the German Stock Corporation Act (AktG), the voting rights attached to the shares concerned are excluded by law.

The shares held by the existing shareholders were subject to a customary lock-up period of six months and twelve months, respectively, with respect to the shares held by the members of the Executive Board and the Supervisory Board following the listing of the Company's shares on the stock exchange.

Shareholdings in the capital exceeding 10 % of the voting rights

To the Company's knowledge, the following direct or indirect shareholdings in the voting capital exceeded 10 % of the voting rights at the balance sheet date:

Name	Share in %
Riverside Partners, LLC (REF VI Bike Holding)	31.30

Shares with special rights conferring powers of control

The Company does not hold any shares with special rights conferring powers of control.

Type of voting rights control when employees hold an interest in share capital

Employees who hold an interest in the capital and who do not exercise their voting rights directly are not known to the Company.

Rules and Regulations on the Appointment and Removal of Members of the Management Board and on Amendments to the Articles of Association

Members of the Management Board are appointed and dismissed on the basis of sections 84 and 85 of the German Stock Corporation Act (AktG). Pursuant to Section 84 of the German Stock Corporation Act (AktG), members of the Management Board are appointed by the Supervisory Board for a maximum term of five years, whereby in accordance with the recommendation of the German

Corporate Governance Code, when a member of the Management Board is appointed for the first time, the appointment should be for a maximum of three years. In accordance with § 5 of the Articles of Association, the Management Board consists of at least two persons. The number of members is determined by the Supervisory Board. Pursuant to Section 84 (2) of the German Stock Corporation Act (AktG), the Supervisory Board may appoint a member of the Management Board as Chairman. The appointment of members of the Management Board, the conclusion of employment contracts and the revocation of appointments as well as the amendment and termination of employment contracts are made by the Supervisory Board.

Unless mandatory provisions of the law stipulate otherwise, resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast and, where applicable, by a simple majority of the capital represented, in accordance with § 16 (3) of the Articles of Association. In accordance with § 179 of the Stock Corporation Act, the Articles of Association may only be amended by a resolution of the Annual General Meeting. Amendments to the Articles of Association which only affect the wording may be resolved by the Supervisory Board. Pursuant to Art. 181 par. 3 of the Stock Corporation Act, amendments to the Articles of Association become effective upon entry in the Commercial Register. In accordance with § 179 (2) of the Stock Corporation Act, a majority of 75 % of the share capital represented is required to amend the corporate purpose of the Company; the Articles of Association do not make use of the option of specifying a larger share majority for this purpose.

Authority of the Management Board to issue or repurchase shares

The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to EUR 18,750,000.00 by issuing up to 18,750,000 no-par value bearer shares against cash and/or non-cash contributions until June 6, 2026 (Authorized Capital 2021). The authorization may be exercised in whole or in part, once or several times. Shareholders are generally entitled to subscription rights.

No use has been made of the authorized capital to date.

The Management Board is further authorized, in each case with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part in the following cases:

- in the case of capital increases, insofar as this is necessary to offset fractional amounts;
- in the case of capital increases against cash contributions, if the issue price of the new shares is not significantly lower than the stock market price of shares of the same class at the time the issue price is finally determined (simplified exclusion of subscription rights). The shares issued with exclusion of subscription rights may not exceed 10 % of the share capital existing at the time the authorization becomes effective or at the time the authorization is exercised. This maximum limit of 10 % of the share capital shall be reduced by the pro rata amount of the share capital attributable to those shares which are sold as treasury shares during the period in which this authorization takes effect, excluding subscription rights in accordance with Section 186 (3) sentence 4 AktG;
- in the case of capital increases against contributions in kind, in particular for the purpose of a business combination or the acquisition of companies, parts of companies and/or to service conversion or option rights and conversion obligations;
- in order to grant holders of option or conversion rights subscription rights to new no-par value bearer shares in the Company to the extent to which they would be entitled after exercising the option or conversion rights or after fulfillment of conversion obligations;
- to service employee stock option programs or share-based compensation;
- for the implementation of a stock dividend;
- upon fulfillment of an option to acquire additional new shares (greenshoe option) agreed with the relevant banks in connection with the placement or an offer of shares, if the banks are provided with shares by existing shareholders as part of any over-allotment of shares, but the banks do not acquire sufficient shares in the market in connection with stabilization measures to be able to repay the securities loans.

With the exception of the greenshoe option used in the course of the IPO, no use has been made of the exclusion of subscription rights to date.

The share capital is conditionally increased by up to EUR 17,191,908.00, divided into up to 17,191,908 no-par value bearer shares (Conditional Capital 2021/I). The conditional capital increase will only be implemented to the extent that holders of subscription rights to shares in the Company exercise their option or conversion rights and the Company does not grant treasury shares or a cash settlement to fulfill the subscription rights. The share capital is also conditionally increased by up to EUR 1,558,092 by issuing up to 1,558,092 new no-par value bearer shares (Conditional Capital 2021/II). Conditional Capital 2021/II is exclusively for the purpose of granting shares to fulfill subscription rights to shares (stock options). The conditional capital increase will only be implemented to the extent that subscription rights are exercised, and the Company does not grant treasury shares or a cash settlement to fulfill the subscription rights.

The authorization to issue convertible bonds and/or bonds with warrants (up to EUR 500 million) has not been exercised to date.

Authorization by the Annual General Meeting to acquire treasury shares

The Annual General Meeting of the Company resolved on June 7, 2021 to authorize the Management Board, with the approval of the Supervisory Board, to acquire treasury shares of the Company up to a total of 10 % of the Company's capital stock existing at the time the resolution is adopted or – if this value is lower – at the time the authorization is exercised, until the end of June 6, 2026, in compliance with the principle of equal treatment (Section 53 a AktG). Together with other treasury shares which the Company has already acquired and still holds or which are attributable to the Company pursuant to §§ 71a AktG, the shares acquired on the basis of this authorization may at no time exceed 10 % of the Company's capital stock.

Significant agreements of the Company under the condition of a change of control

Bike24 Holding AG has entered into the material agreements listed below, which contain provisions in the event of a change of control, which may occur, among other things, as a result of a takeover bid:

- For the syndicated loan agreement, customary market provisions exist for the event of a change of control, which give the participating lenders the option to terminate the contract and demand full repayment of the outstanding loans.

Compensation agreements of the Company with members of the Management Board or with employees in the event of a takeover bid

The Company has not entered into any compensation agreements with members of the Management Board or employees in the event of a takeover bid.

Dresden, March 29, 2023

The Board of Directors

Andrés Martin-Birner Timm Armbrust


BMC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), AS ADOPTED BY THE EUROPEAN UNION
FOR BIKE24 HOLDING AG

BIKE24

I. Consolidated Statements of Profit or Loss and other Comprehensive Income

in EUR k, except share and earnings per share data	Note	December 31, 2022	December 31, 2021
Revenue and other income			
Revenue	E.1	261,522	250,164
Other income		262	182
Total income		**261,785**	**250,346**
Operating expenses			
Personnel expenses	E.2	– 26,078	– 23,151
Expenses for merchandise, consumables and supplies	E.3	– 192,687	– 171,398
Impairment loss on trade receivables	E.4	– 576	– 242
Other expenses	E.5	– 35,235	– 35,215
Depreciation and amortization	F.1/F.2	– 14,992	– 14,227
Total expenses		**– 269,568**	**– 244,233**
Earnings before interest and taxes (EBIT)		**– 7,784**	**6,113**
Finance income and expenses			
Finance income	E.6	2	1
Finance expenses	E.6	– 1,679	– 2,243
Finance expense, net	E.6	– 1,678	– 2,243
Earnings before taxes (EBT)		**– 9,462**	**3,871**
Income tax income (expense)	E.7	2,836	– 1,639
Result for the period		**– 6,626**	**2,232**
Other comprehensive result		–	–
Total comprehensive result		**– 6,626**	**2,232**
Earnings per share			
Basic earnings per ordinary share	E.8	– 0.15 €	0.05 €
Diluted earnings per ordinary share	E.8	– 0.15 €	0.05 €
Weighted average number of ordinary shares outstanding (basic)	E.8	44,165,416	40,959,109
Weighted average number of ordinary shares outstanding (diluted)	E.8	44,165,416	40,959,109

The accompanying notes are an integral part of these consolidated financial statements.

II. Consolidated Statements of Financial Position

in EUR k	Note	December 31, 2022	December 31, 2021
Assets			
Intangible assets	F.1	126,461	132,135
Goodwill	F.1	56,753	56,753
Property, plant and equipment	F.2	36,088	20,065
Financial assets	F.12.1	6	3
Total Non-current assets		**219,307**	**208,955**
Inventories	F.3	84,298	68,160
Other assets	F.5	8,724	10,197
Income tax assets		2,224	2,352
Trade and other receivables	F.4	2,978	1,856
Cash and cash equivalents		22,375	10,086
Total current assets		**120,598**	**92,651**
Total assets		**339,905**	**301,606**
Equity			
Subscribed capital	F.6	44,165	44,165
Capital reserves	F.6	180,007	178,873
Retained Loss (Earnings)		– 6,410	216
Total Equity		**217,762**	**223,254**
Liabilities			
Liabilities to banks	F.7	0	995
Other financial liabilities	F.8	17,449	7,493
Provisions	F.9	412	641
Deferred tax liabilities	F.10	38,681	41,168
Total Non-current Liabilities		**56,541**	**50,296**
Liabilities to banks	F.7	39,503	11
Other financial liabilities	F.8	1,803	1,577
Provisions	F.9	1,492	1,304
Other liabilities	F.11	15,590	13,866
Trade payables	F.12	7,215	11,298
Total current liabilities		**65,602**	**28,056**
Total liabilities		**122,143**	**78,352**
Total equity and liabilities		**339,905**	**301,606**

The accompanying notes are an integral part of these consolidated financial statements.

III. Consolidated Statements of Cash Flow Statement

in EUR k	Note	December 31, 2022	December 31, 2021
Cash flows from operating activities			
Result for the period		**– 6,626**	**2,232**
Adjustments:			
– Depreciation and amortization	F.1/F.2	14,992	14,227
– Losses from the disposal of fixed assets		0	9
– Write-ups to financial assets	F.12.1	– 2	– 3
– Finance income	E.6	– 2	– 1
– Finance expenses	E.6	1,679	2,243
– Income (2021: expense) from income taxes	E.7	– 2,836	1,639
– Share-based compensation expenses	C.9	1,132	1,762
– Employee stock expenses	F.6	2	293
– Transaction costs	E.5	21	5,916
Result for the period after adjustments		**8,361**	**28,317**
Changes in:			
– Inventories	F.3	– 16,138	– 30,008
– Trade and other receivables	F.4	– 1,122	135
– Other assets	F.5	342	– 4,165
– Trade payables	F.12	– 4,083	3,067
– Other liabilities	F.11	1,724	7,521
– Provisions	F.9	– 42	– 1,017
Cash generated from operating activities		**– 10,958**	**3,850**
Interest paid		– 1,401	– 3,158
Income tax refunded (2021: Income tax paid)		478	– 10,236
Cash outflow from operating activities, net		**– 11,882**	**– 9,544**
Cash flows from investing activities			
Acquisition of intangible assets		– 5,318	– 3,301
Acquisition of property, plant and equipment		– 8,306	– 3,210
Net cash used in investing activities		**– 13,624**	**– 6,511**
Cash flows from financing activities			
Proceeds from the issue of shares (less costs)		–	97,000
Payments related to the issue of shares	E.5	– 21	– 6,696
Proceeds from transactions with owners		352	1,215
Payments related to the share buyback	E.2	–	– 406
Proceeds from liabilities to banks		39,000	–
Repayment of liabilities to banks		0	– 88,660
Payment of lease liabilities		– 1,536	– 1,547
Net cash from financing activities	**G.4**	**37,795**	**906**
Net increase (decrease) in cash and cash equivalents		**12,289**	**– 15,149**
Cash and cash equivalents at the beginning of the period		10,086	25,235
Cash and cash equivalents at the end of the period		**22,375**	**10,086**

The accompanying notes are an integral part of these consolidated financial statements.

IV. Consolidated Statement of Changes in Equity

in EUR k	Note	Subscribed capital	Capital reserves	Retained Loss (Earnings)	Total Equity
Balance as of January 1, 2021		**25**	**122,879**	**– 2,016**	**120,888**
Conversion of capital reserves to subscribed capital		37,475	– 37,475	–	0
Capital increase from the issue of shares ("IPO")		6,666	93,334	–	100,000
Transaction costs related to the issuance of shares (EUR 3,780 k), net of taxes (EUR 1,194 k)		–	– 2,587	–	– 2,587
Transactions with owners (EUR 1,567 k) net of taxes (EUR 495 k)		–	1,072	–	1,072
Share-based compensation		-	1,762	–	1,762
Acquisition of treasury shares		– 17	– 389	–	– 406
Issue of employee shares		16	277	–	293
Result for the period		-	–	2,232	2,232
Comprehensive profit/loss after taxes		–	–	–	–
Result for the period		**–**	**–**	**2,232**	**2,232**
Balance as of December 31, 2021		**44,165**	**178,873**	**216**	**223,254**
Balance as of January 1, 2022		**44,165**	**178,873**	**216**	**223,254**
Share-based compensation	E.2	–	1,132	–	1,132
Issue of employee shares	E.2	0	2	–	2
Result for the period		–	–	– 6,626	– 6,626
Comprehensive profit/loss after taxes		–	–	–	-
Comprehensive profit/loss after taxes		**–**	**–**	**– 6,626**	**– 6.626**
Balance as of December 31, 2022		**44,165**	**180,007**	**– 6,410**	**217,762**

The accompanying notes are an integral part of these consolidated financial statements.

V. Notes to the Consolidated Financial Statements

A. Principles of the consolidated financial statements

A.1 Company information

Bike24 Holding AG (hereinafter referred to as the "Company" or, together with its subsidiaries, as the "Bike24-Group") is a stock corporation (Aktiengesellschaft) incorporated in Germany on August 22, 2019 and is registered in the Commercial Register (Handelsregister) of the Disrict Court (Amtsgericht) of Dresden, Department B under the official number 41483. The Company has its headquarter in Breitscheidstrasse 40, 01237 Dresden, Germany.

The Bike24-Group operates an e-commerce shop with two local stores and is mainly active in the sale of high-quality bicycles, cycling parts, accessories & clothing (PAC) as well as running, swimming and outdoor products.

The consolidated financial statements of the Bike24-Group were authorized for issue by the Management Board on March 29, 2023.

A.2 Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU"), taking into account the recommendations of the International Financial Reporting Standards Interpretations Committee ("IFRIC"). In addition, the consolidated financial statements take into account the supplementary provisions of German commercial law required to be applied pursuant to Section 315e (3) of the German Commercial Code ("HGB").

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements unless otherwise stated.

The financial year of the Bike24-Group ends on December 31. All intercompany transactions are eliminated in the course of preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated. The consolidated financial statements have been prepared in euros ("EUR"), which is the functional currency of the Bike24-Group's subsidiaries. Unless otherwise stated, all amounts in these consolidated financial statements have been rounded to the nearest k. Differences may arise from the addition of individual amounts and percentages due to rounding. A dash ("–") indicates that an item is not applicable, a zero ("0") indicates that an item has been rounded to zero. The consolidated statement of income has been prepared using the nature of expense method.

The consolidated financial statements have been prepared on a going concern basis. Management believes that the Bike24-Group has sufficient resources to continue as a going concern for the foreseeable future.

A.3 Changes in significant accounting policies and disclosures

a) New and revised standards and interpretations applied for the first time in the financial year

The Bike24-Group has applied the following amendments to IFRS adopted by the European Union uniformly for all periods presented to the extent that they have an impact on the consolidated financial statements.

Effective date	New standards or amendments to existing standards	Adoption by the EU	Impact on the Bike24-Group
April 1, 2021	COVID-19-related tenant relief under the June 30, 2021 (Amendments to IFRS 16)	Yes	None
January 1, 2022	Onerous Contracts – Costs of Fulfilling Contracts (Amendments to IAS 37)	Yes	None
	Annual improvements to IFRS standards 2018 – 2020	Yes	None
	Property, plant and equipment: Revenue before planned use (amendments to IAS 16)	Yes	None
	Reference to the Framework (Amendments to IFRS 3)	Yes	None

b) New and revised standards that have been issued but are not yet effective

As of the date of authorization of these consolidated financial statements, the Bike24-Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective.

Effective date	New standards or amendments to existing standards	Adoption by the EU	Impact on the Bike24-Group
January 1, 2023	IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts	Yes	None
	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Yes	None
	Definition of estimates (amendments to IAS 8)	Yes	None
	Deferred taxes relating to assets and liabilities arising from a single transaction (amendments to IAS 12)	Yes	None
January 1, 2024	Amendments to IFRS 16: Lease Liabilities Arising from a Sale and Leaseback Transaction	Yes	None
	Amendments to IAS 1: Non-current liabilities with covenants	Yes	Yes, extended disclosures in the notes
Open	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10, IAS 28)	Yes	None

B. Composition of the group

B.1 Basic principles of consolidation

Intra-group balances and transactions, as well as unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements in accordance with IFRS 10.B86. The accounting policies have been applied consistently to all subsidiaries.

B.2 Consolidated companies

The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiaries. Subsidiaries are entities that are controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date when control commences until the date when control ceases. The cost of investments in subsidiaries acquired in a business combination is offset against the Group's share of the fair value of the assets acquired and liabilities assumed at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognized as goodwill and capitalized to the extent of the Group's interest in the subsidiary.

The names, registered offices and share of capital of the subsidiaries, i.e. the companies included in the consolidated financial statements in accordance with Section 313 (2) No. 1 HGB, are listed below.

In addition to Bike24 Holding AG, the following subsidiaries of the Bike24-Group were included in the scope of consolidation:

Subsidiaries	Location	Percentage of participation
Bike24 Support ES, S.L.	Barcelona, Spain	100 %
Bike24 Retail GmbH	Dresden, Germany	100 %
Best Bike Brands GmbH	Dresden, Germany	100 %
Bike24 Service GmbH	Dresden, Germany	100 %
Bike24 GmbH	Dresden, Germany	100 %

There were no changes in the scope of consolidation in fiscal year 2022 compared with the previous year.

C. Summary of significant accounting policies

C.1 Difference between current and non-current classification

The Bike24-Group classifies assets and liabilities according to their maturity. Assets and liabilities are classified as Current if they are expected to be realized within one year or within the Bike24-Group's normal operating business cycle. The normal operating business cycle is less than one year and starts with the acquisition of Inventories and ends with the receipt of cash or cash equivalents as consideration for the sale of Inventories. Inventories, Trade and other receivables and Trade payables are generally classified as Current.

C.2 Foreign currency conversion

The consolidated financial statements of the Bike24-Group are prepared in euros. The euro is the functional currency of the subsidiaries included in the Group and the reporting currency of the parent company. The functional currency is determined for each company of the Bike24-Group. The items included in the financial statements of each company are measured using this functional currency. The functional currency is defined as the currency of the primary economic environment in which the respective company operates. Transactions in foreign currencies are translated at the exchange rate prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the closing rate of the respective reporting period. Any resulting translation differences are recognized in the consolidated statement of income and comprehensive income.

C.3 Intangible assets and goodwill

Recognition and valuation

Subsequent to initial recognition, intangible assets that have limited useful lives are valued at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of Intangible assets may be determinable or non-determinable.

As part of the acquisition of Peloton MidCo2 GmbH in 2019, goodwill, the brand, customer relationships and ERP software were recognized. The acquisition was accounted for as a business combination in accordance with IFRS 3. The customer relationships were valued using the residual value method. Based on this method, the present value of the expected cash flows from the customer relationships was determined. The brand was valued using the license price analogy method. The ERP software was valued using the reproduction cost method.

Development costs are capitalized only if the cost can be measured reliably, the product or process is technically and commercially feasible, it is probable that future economic benefits associated with the asset will flow to the Bike24-Group and the Bike24-Group has the intention and sufficient resources to complete development of the asset and to use or sell it. Otherwise, development costs are recognized in the consolidated profit and loss account and the statement of comprehensive income within other expenses and personnel expenses as incurred. Subsequent to initial recognition, capitalized development costs are measured at cost less any accumulated depreciation and amortization and any accumulated impairment losses. In the consolidated financial statements, internal development costs in the amount of EUR 1,697 k (2021: EUR 854 k) were capitalized.

Subsequent costs are capitalized only to the extent that they represent an increase in the future economic benefits embodied in the respective asset. All other costs are recognized in the consolidated profit and loss account and the statement of comprehensive income under other expenses at the time they are incurred.

Amortization

Intangible assets with determinable useful lives are amortized on a straight-line basis over their estimated useful lives when they are ready for use. Amounts amortized are included in depreciation and amortization in the consolidated statement of income and comprehensive income. If there are indications that intangible assets with definite useful lives may be impaired, they are subjected to an impairment test. The Bike24-Group reviews the amortization methods, estimated useful lives and residual values at each balance sheet date and adjusts them if necessary.

The Bike24-Group has estimated the following useful lives for intangible assets:

Type of intangible asset	Estimated useful life
Brand	15 years
Customer relations	15 years
Software	3 – 5 years
Other assets Intangible assets	3 – 5 years

Goodwill is tested for impairment annually by the Company in the fourth quarter or whenever there is an indication that it may be impaired; for further information, please refer to Note C.12.

C.4 Property, plant and equipment

Recognition and valuation

Property, plant and equipment are stated at cost and subsequently measured less accumulated depreciation and amortization and any accumulated impairment losses.

Cost comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Property, plant and equipment are recognized as assets if it is probable that the future economic benefits associated with the asset that will flow to the entity will exceed the benefits that would have been received if the asset had not been acquired.

A gain or loss on the disposal of property, plant and equipment is recognized in other income or other expenses in the consolidated statement of income and comprehensive income.

Subsequent acquisition costs are capitalized only if it is probable that future economic benefits associated with the acquisition will flow to the Bike24-Group.

All repair and maintenance costs are expensed as incurred.

Depreciation

Property, plant and equipment, net of estimated residual values, are depreciated on a straight-line basis over their estimated useful lives and are included in depreciation and amortization in the consolidated statements of income and comprehensive income. Depreciation and amortization is not charged on land.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (components) of property, plant and equipment and depreciated separately. The accompanying consolidated financial statements do not include any assets accounted for using the component approach.

Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives:

Type of property, plant and equipment	Estimated useful life
Building	10 – 15 years
Technical equipment and machinery	5 – 14 years
Other equipment, factory and office equipment	3 – 23 years

Leasehold improvements are depreciated over the shorter of the lease term and the estimated useful life of the asset.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if necessary.

The Bike24-Group reviews property, plant and equipment for impairment whenever there is an indication that the asset may be impaired. Impairment losses are reversed if the reasons for a previous impairment no longer exist.

C.5 Leases

At the inception of the contract, the Bike24-Group assesses whether a contract constitutes or contains a lease. A contract is a lease or contains a lease if the contract conveys the right to control the use of an identified asset for a certain period of time in return for consideration.

The Bike24-Group's leases relate to real estate and cars. Lease terms are negotiated on an individual basis and may include a number of different conditions. Leases may be negotiated for a fixed period or may include renewal options.

In order to determine the lease terms, all facts and circumstances that provide economic incentives to exercise renewal options are taken into account. The lease terms include fixed payments as well as amounts expected to be paid under a residual value guarantee, the exercise price under a purchase option that is reasonably certain to be exercised by the Bike24-Group, lease payments in an optional renewal period if the Bike24-Group is reasonably certain to exercise a renewal option, and penalties for early termination of a lease unless the Bike24-Group is reasonably certain not to terminate early.

In order to determine whether the exercise of a renewal option is sufficiently certain, the Management Board of the Bike24-Group examines the forecasts for planned growth and the capacity of existing leases.

The Bike24-Group recognizes a right-of-use asset and a lease liability at the inception of the lease.

The lease liability is measured as the present value of the expected lease payments over the lease term. The lease liability is discounted using the implicit interest rate underlying the lease or, if this cannot be readily determined, the Bike24-Group's incremental borrowing rate. The Bike24-Group generally uses its incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Bike24-Group uses interest rates from various external financial data and makes certain adjustments to reflect the terms of the lease and the nature of the leased asset. The Bike24-Group has used incremental borrowing rates ranging from 0.07 % to 5.58 % for the periods presented. Subsequently, lease liabilities are measured at amortized cost using the effective interest method. They are remeasured when there is a change in future lease payments due to a change in an index or interest rate, a change in the Bike24-Group's estimate of the amount expected to be paid under a residual value guarantee, a change in the Bike24-Group's estimate of whether it will exercise a purchase, renewal or termination option, or a change in a quasi-fixed lease payment.

If the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. To the extent that the carrying amount of the right-of-use asset has been reduced to zero, this is recognized under depreciation in the consolidated profit and loss account and the statement of comprehensive income.

Interest expense associated with the lease term is recognized in the consolidated statement of income and comprehensive income over the lease term.

The right-of-use asset is initially measured at cost. This comprises the initial valuation of the lease liability and any lease payments made before the provision date, plus any direct costs initially incurred, less any lease incentives received and the estimated costs of dismantling the underlying asset.

The right of use is subsequently generally amortized on a straight-line basis over the lease term, unless ownership of the underlying asset is transferred to the Bike24-Group at the end of the lease term or the value of the right of use reflects the exercise of a purchase option by the Bike24-Group. In this case, the right of use is amortized over the useful life of the underlying asset. The estimation of the useful life is based on the same principles as the estimation of the useful life of property, plant and equipment. In addition, the right-of-use asset is regularly reduced for any impairment losses and adjusted for any revaluations of the lease liability.

To date, no impairment losses have been recognized for the Bike24-Group's rights of use.

The Bike24-Group reports rights to use assets that do not meet the definition of investment property as property, plant and equipment and lease liabilities under other financial liabilities in the consolidated statement of financial position.

As of the balance sheet date, there were no leases in which the Bike24-Group is the lessor.

Short-term leases and leases of low-value assets

The Bike24-Group has entered into leases that fall under the exemption for assets of low value under IFRS 16. These are not recognized in the consolidated statement of financial position. The lease payments related to these leases are recognized as an expense on a straight-line basis over the lease term.

C.6 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is the purchase price less any discount in the purchase price plus the costs incurred to bring the products to their present location. The cost of Inventories is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

In the event of an impairment of Inventories, a write-down to net realizable value is made and the lower net realizable value is recognized in the consolidated statement of financial position. If circumstances that led to inventories being written down to a lower value than cost in previous periods no longer exist, or if there is clear evidence of an increase in selling prices, the previously recognized impairment loss is reversed. Inventories are reviewed regularly to determine how long they have been in stock. Inventories that have been in stock for more than one year are written down. The amount of the write-down is based on past experience, taking into account expected price reductions due to the low turnover rate.

The carrying amount of Inventories is recognized as an expense when the Inventories are sold. This is reported under Expenses for merchandise, consumables and supplies. Depreciation and amortization on net realizable value and losses are recognized as an expense in the period in which they occur. Reversals of write-downs are recognized in the period in which the reversal occurs.

C.7 Treasury shares

The Bike24-Group has repurchased treasury shares with the aim of issuing them to employees. At the balance sheet date, remaining treasury shares are openly deducted from Subscribed capital, see note E.2.

C.8 Financial assets and Liabilities

A financial instrument is any contract that gives rise to both a financial asset of one party and a financial liability or equity instrument of another party. This includes both primary financial instruments, such as trade payables and other receivables and payables, and derivative financial instruments, such as foreign exchange contracts.

C.8.1 Accounting and initial valuation

Trade receivables and debt instruments issued are recognized from the date on which they arose. All other financial assets and liabilities are recognized for the first time on the trade date when the entity becomes a party to the contract under the contractual provisions of the instrument.

A financial asset (other than a trade receivable without a significant financing component) or a financial liability is initially measured at fair value. For an item that is not measured at fair value through profit or loss ("FVTPL"), transaction costs directly attributable to its acquisition or issue are added or deducted. Trade receivables without a significant financing component are initially measured at transaction price.

C.8.2 Classification and subsequent valuation

C.8.2.1 Financial assets

On initial recognition, a financial asset is classified and valued as follows:

- at amortized cost
- FVOCI debt instruments (investments in debt instruments measured at fair value with changes in other comprehensive profit/loss)
- FVOCI equity investments (equity investments valued at fair value with changes in other comprehensive profit/loss)
- FVTPL (at fair value with changes in value in profit or loss, in particular derivatives)

Financial assets are not reclassified after initial recognition unless the Bike24-Group changes its business model for managing financial assets. In this case, all financial assets concerned are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is valued at amortized cost if both of the following conditions are met:

- it is held within a business model whose objective is to hold financial assets to collect the contractual cash flows, and
- the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

A financial asset is valued at fair value through other comprehensive profit/loss if both of the following conditions are met:

- it is held within a business model whose objective is to collect the contractual cash flows as well as to sell financial assets, and
- the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

In all other cases and (especially in the case of derivatives) financial assets are measured at fair value through profit or loss.

Cash and cash equivalents comprise the cash and cash equivalents reported in the consolidated statement of financial position. Cash and cash equivalents comprise cash on hand and balances with banks, including payment service providers with banking licenses. There are no restrictions on disposal in any of the periods presented.

Assessment of the business model

The Bike24-Group makes an assessment of the objectives of the business model in which the financial asset is held at a portfolio level, as this best reflects the way in which the business is managed and information is provided to management. The information to be considered includes:

- stated policies and objectives for the portfolio and how those policies are carried out in practice; this includes whether management's strategy is to collect contractual interest income, maintain a particular interest rate profile, match the maturity of a financial asset with the maturity of an associated liability or expected cash outflows, or realize cash flows through the sale of the assets;
- how the results of the portfolio are evaluated and reported to management;
- The risks that affect the results of the business model (and the financial assets held under that business model) and how those risks are managed
- how management is compensated - for example, whether compensation is based on the fair value of assets under management or on contractual cash flows received - and
- The frequency, amount and timing of sales of Financial assets in prior periods and expectations about future sales activity.

Assessment of whether the contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as consideration for the time value of money and for the default risk associated with the principal outstanding over a period of time, as well as for other fundamental credit risks, costs (for example, liquidity risk and administrative costs), and a profit margin.

In assessing whether the contractual cash flows are solely payments of interest and principal on the principal amount, Bike24-Group considers the contractual arrangements of the instrument. This includes an assessment of whether the financial asset contains a contractual arrangement that could change the timing or amount of the contractual cash flows such that they no longer meet those terms. In making this assessment, the Bike24-Group considers:

- certain events that would change the amount or timing of cash flows;
- conditions that would adjust the interest rate, including variable interest rates;
- early repayment and extension options, and
- Conditions that restrict the Bike24-Group's right to receive cash flows from a specific asset (for example, no recourse).

An early repayment option is consistent with the interest-only and principal-only criterion if the amount of the early repayment includes, in substance, unpaid interest and principal on the principal outstanding, and may include appropriate consideration for the early termination of the contract. In addition, a condition on a financial asset acquired at a premium or discount to the contractual principal amount that permits or requires it to be redeemed early for an amount that is substantially the contractual principal amount plus accrued (but unpaid) interest on the contract (which may include appropriate consideration for early termination) is treated as complying with the criterion if the fair value of the early redemption option at inception is not significant.

Subsequent valuation and gains and losses

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. A gain or loss on derecognition is recognized in profit or loss.

Financial assets measured at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Impairment of non-derivative financial assets

The Bike24-Group recognizes allowances for expected credit losses ("ECL"):

- Financial assets measured at amortized cost.

The Bike24-Group measures allowances for credit losses at the amount of expected credit losses over the life of the loan, except for the following allowances, which are measured at the amount of the 12-month expected credit loss:

- debt instruments that have a low risk of default as of the balance sheet date, and
- other debt instruments and bank balances for which the default risk (for example, the credit default risk over the expected life of the financial instrument) has not increased significantly since initial recognition.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, Bike24-Group considers appropriate and robust information that is relevant and available without undue time and cost. This includes both quantitative and qualitative information and analysis based on Bike24-Group's past experience and sound judgment, including forward-looking information.

The Bike24-Group assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days past due.

The Bike24-Group considers a financial asset to be in default if:

- it is unlikely that the debtor will be able to pay its credit obligation in full to the Bike24-Group without the Bike24-Group having to resort to measures such as the liquidation of collateral (if any), or
- the financial asset is more than 180 days past due.

Expected credit losses over the term are expected credit losses resulting from all possible default events during the expected life of the financial instrument.

12-month credit losses are the portion of expected credit losses resulting from default events that are possible within twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

The maximum period to be taken into account when estimating expected credit losses is the maximum contractual period during which the Bike24-Group is exposed to credit risk.

Depreciation and amortization

The gross carrying amount of a financial asset is written down if Bike24-Group does not believe, based on reasonable judgment, that the financial asset is wholly or partly recoverable. The Bike24-Group writes off the gross carrying amount if the financial asset is more than 180 days past due, based on past experience in realizing such assets.

C.8.2.2 Financial Liabilities

Classification, subsequent valuation and gains and losses

Financial liabilities are generally classified as measured at amortized cost, including Trade payables and Liabilities to banks. A financial liability is designated as at fair value through profit or loss if it is classified as held for trading, is a derivative, or is designated as such upon initial recognition. Financial liabilities designated at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of income and comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. A gain or loss on derecognition is also recognized in profit or loss.

Fees paid for the provision of credit lines are recognized as transaction costs of the loan if it is probable that the credit line will be drawn down in full or in part. In this case, the fee is deferred until the line of credit is drawn down. If there is no indication that it is probable that all or part of the credit line will be drawn down, the fee is capitalized as a prepayment for the provision and amortized over the term of the corresponding credit line. Embedded derivatives are, under certain conditions, separated from the host contract and accounted for separately.

C.8.3 Derecognition

C.8.3.1 Financial assets

The Bike24-Group derecognizes a financial asset when:

- their contractual rights to cash flows from the financial asset expire, or
- it transfers its right to receive contractual cash flows in a transaction in which either:
  - substantially all the risks and rewards incidental to ownership of the financial asset are transferred, or
  - if the Bike24-Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.

C.8.3.2 Financial Liabilities

The Bike24-Group derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired. The Bike24-Group also derecognizes a financial liability when its contractual terms are modified and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the adjusted terms.

When a financial liability is derecognized, the difference between the carrying amount of the liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

C.8.4 Offsetting

Financial assets and liabilities are offset and presented in the statement of financial position as a net amount when the Bike24-Group has a present, enforceable legal right to set off the recognized amounts and it is intended either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

C.8.5 Valuation at fair value

The fair value is the price at which an asset would be sold or a liability would be transferred at the valuation date in an orderly transaction in the principal market or, if none exists, in the most advantageous market to which the Bike24-Group has access at that time. The fair value of a liability reflects the risk of non-performance.

Some of the Bike24-Group's accounting policies and notes require the determination of fair values for financial and non-financial assets and liabilities. When available, Bike24-Group determines the fair value of a financial instrument based on quoted prices in an active market for that instrument. A market is considered to be active if transactions for the respective asset or liability take place with sufficient frequency and in sufficient volume so that price information is continuously available.

Where no quoted prices exist in an active market, the Bike24-Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique used incorporates all factors that market participants would consider in pricing such a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, the Bike24-Group measures assets or long positions at the bid price and liabilities or short positions at the ask price.

The best evidence of fair value on initial recognition of a financial instrument is generally the transaction price, i.e. the fair value of the consideration transferred or received. If the Bike24-Group determines that the fair value at initial recognition differs from the transaction price and the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability nor based on a valuation technique in which all unobservable inputs can be considered immaterial, then that financial instrument shall be measured at fair value at initial recognition. This amount is adjusted to accrue the difference between fair value and transaction price. In subsequent valuation, this difference shall be recognized in profit or loss in an appropriate manner over the life of the instrument, but no later than when the instrument is fully measured using observable market data or the transaction is derecognized.

The Bike24-Group has established a control framework regarding the determination of fair values. This includes a finance team that has general responsibility for monitoring all significant fair value valuations, including Level 3 fair values, and reports directly to the Executive Board.

The finance team performs a regular review of significant unobservable inputs and valuation adjustments. When information from third parties, such as price quotes from brokers or price information services, is used to determine fair values, the finance team reviews the evidence obtained from the third parties to conclude that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy to which such valuations should be assigned.

Significant valuation issues are reported to the Executive Board of the Bike24-Group.

In determining the fair value of an asset or liability, the Bike24-Group uses observable market data to the extent possible. Based on the inputs used in the valuation techniques, the fair values are categorized into different levels of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation parameters that are not quoted prices included in Level 1, but that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

If the inputs used to determine the fair value of an asset or liability can be categorized into different levels of the fair value hierarchy, the fair value valuation is assigned in its entirety to the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the measurement as a whole.

C.9 Employee benefits

Share-based payments

Equity-settled share-based payment contracts have been concluded with the Management Board and employees in management positions. For stock options granted, the date of signing corresponds to the grant date. For options whose grant is dependent on the achievement of targets set out in a target agreement, the date of the target agreement serves as the provisional grant date. The fair value at the grant date is determined using an appropriate valuation model and recognized on a straight-line basis until the vesting date as Personnel expenses with a corresponding increase in equity. In determining the fair value of compensation arrangements at the grant date, service- and market-independent performance conditions are not taken into account. However, the probability that the conditions will be met is assessed as part of the Group's best estimate of the number of equity instruments that will vest over the vesting period.

Other short-term employee benefits

Short-term employee benefits of the Bike24-Group are recognized as an expense in the period in which the service is rendered. The Bike24-Group recognizes a liability, at the amount expected to be paid, when it has a present legal or constructive obligation to pay that amount as a result of past service rendered by the employee and the amount of the obligation can be estimated reliably.

C.10 Provisions

The Bike24-Group recognizes provisions for present legal or constructive obligations arising from past events when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are recognized at present value at the balance sheet date. This is determined by the Executive Board on the basis of the estimated costs required to settle the present obligation.

The amount of provisions is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount on provisions is recognized as a finance cost.

The statutory warranty period for the products sold by the Bike24-Group is 24 months. A provision for warranties is recognized at the time of the sale of the underlying products. The amount of the provision for warranties is based on estimates based on historical warranty data and expected probabilities of utilization.

C.11 Revenue from contracts with customers

The revenues of the Bike24-Group are presented in the consolidated profit and loss account and the statement of comprehensive income under the item Revenue. IFRS 15 establishes principles for reporting to users of financial statements the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. According to IFRS 15, the Bike24-Group recognizes revenue when control of a good is transferred to the customer. This is the case upon delivery. The Management Board applies the following five-step model to determine the timing and amount of revenue recognition:

1. identification of contracts with customers;
2. identification of separate performance obligations;
3. determination of the transaction price;
4. allocation of the transaction price to separate performance obligations; and
5. recognition of revenue upon fulfillment of individual performance obligations.

The Bike24-Group generates the majority of its revenues from the sale of goods and services via its website (online sales).

The Bike24-Group recognizes revenue from the transfer of goods or services to customers. Revenue is recognized in the amount of the consideration expected to be received by the Bike24-Group for the transfer of goods or services. The amount of consideration is composed of fixed amounts. Revenue is recognized when the customer obtains control of the goods. When an order is placed via the website, the customer obtains control when delivery is made. When goods are purchased in a retail store, the customer obtains control of the goods at the time of purchase.

Delivery shall be deemed to have taken place when the goods have been dispatched to their destination, the risks of loss have passed to the customer and the customer has either accepted the goods in accordance with the purchase contract, the acceptance provisions have expired or the Bike24-Group has objective evidence that all criteria for acceptance have been met.

The Bike24-Group assesses all promised goods and services and identified performance obligations at contract inception. Contracts with customers involve a single performance obligation, such as the sale of a separable bundle of goods and related activities to provide those goods and services (packaging, shipping, credit card processing, billing of duties and other transaction processing activities). As these related activities are not distinct performance obligations, revenue for these services is recognized when the performance obligation between the seller and the customer is satisfied.

Contracts with customers do not include a significant financing component. Invoices are issued upon shipment of the goods and are generally payable within 30 days. If the goods are purchased in a retail store, payment is generally made directly on site.

If control of the goods has not yet been transferred to the customer, a contractual liability is recognized. As soon as the customer obtains power of disposal over the goods, the corresponding revenue from the contract liability is recognized. Customers have the option of paying by credit card, invoice, SOFORT transfer, PayPal or prepayment. Payments received in advance from sales of goods are recognized as contract liabilities under Other liabilities in the consolidated statement of financial position until the goods are shipped. As delivery of the goods to the customer is usually made within up to 5 days, contract liabilities are not discounted.

Customers may return or exchange purchased goods within 14 days of receipt. Revenue is recognized to the extent that it is highly probable that there will not be a material adjustment to the cumulative recognized revenue. The Bike24-Group recognizes a refund liability as a reduction of Revenue and a right of return as a reduction of Expenses for merchandise, consumables and supplies for expected returns. The amount of the refund liability and the right of return is determined on the basis of historical data on the product groups. The right of return is measured at the previous carrying amount of the goods less expected return costs. The refund liability is recognized under Other liabilities and the right of return under Other assets. At each balance sheet date, the Bike24-Group reviews the estimates of expected returns and updates the previously recognized amounts of the right of return and the refund liability accordingly.

Since the contracts contain only one performance obligation, the transaction price is allocated to that performance obligation.

C.12 Impairment of non-financial assets

At each balance sheet date, the Bike24-Group reviews the carrying amounts of its non-financial assets (excluding Inventories and Deferred tax assets) to determine whether there is any indication of impairment. If such indications exist, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually and, if necessary, on an ad hoc basis when a triggering event occurs.

For the impairment test, assets are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. Fair value less costs to sell is based on the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs to sell associated with the transaction.

Value in use is based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized when the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in the consolidated statement of income and comprehensive income within depreciation and amortization. Depreciation and amortization, if any, is charged initially to goodwill, with any remaining excess reducing the carrying amounts of other assets of the CGU on a pro rata basis.

There are no reversals of impairment losses on goodwill. For other assets, impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

C.13 Income taxes

Income tax expense or income comprises current and deferred taxes. They are generally recognized in the consolidated statement of income and comprehensive income, except to the extent that income tax expense or benefit relates to a business combination or to items recognized directly in equity or in other comprehensive income ("OCI").

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or tax loss for the year and any adjustment to the tax payable or receivable from previous periods. The amount of current tax payable or receivable is the best estimate of the amount of tax expected to be paid or refunded, reflecting any tax uncertainties. The amount for expected tax liabilities or assets is determined using tax rates that have been enacted by the balance sheet date. The Bike24-Group operates in Germany and in Spain, where it generates its taxable income.

Current taxes relating to items recognized directly in equity are recognized in equity and not in the consolidated income statement and statement of comprehensive income. The Executive Board regularly assesses individual tax matters to determine whether there is any scope for interpretation with regard to the applicable tax regulations. Where necessary, income tax liabilities are recognized.

Current tax assets and liabilities are only netted if certain criteria are met.

Deferred taxes

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes and the carrying amounts used for tax purposes. Deferred taxes are not recognized for:

- temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit/Loss before tax nor taxable profit;
- temporary differences associated with investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future and, in the case of deductible temporary differences, no taxable profit will be available, in the case of taxable temporary differences, the Bike24-Group is able to control the timing of the reversal of the temporary differences, and
- taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Future taxable profits are determined based on the reversal of the relevant taxable temporary differences. If the amount of taxable temporary differences is not sufficient to recognize a deferred tax asset in full, future taxable profits, adjusted for the reversal of existing temporary differences, are determined based on the business plans of the individual subsidiaries of the Bike24-Group. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such write-downs are reversed when the probability of utilizing future taxable profits increases.

Unrecognized deferred tax assets are reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will be available against which they can be utilized.

Deferred taxes are measured using the tax rates expected to apply when the temporary differences reverse and tax loss carry-forwards are utilized. The tax rates used to measure deferred taxes at the balance sheet date are those that have been enacted or substantively enacted by the balance sheet date. Deferred taxes reflect any uncertainty with regard to income taxes.

The valuation of deferred tax reflects the tax consequences that would follow from the manner in which the Bike24-Group expects, at the balance sheet date, to recover the carrying amounts of its assets or settle its liabilities.

Deferred tax assets and deferred tax liabilities are offset when the Bike24-Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities, intending either to settle current tax liabilities and assets on a net basis, or to settle current tax liabilities simultaneously with the realization of refund claims, in any future period in which the settlement or realization of significant amounts of deferred tax liabilities or assets is expected.

The Bike24-Group applies IFRIC 23. IFRIC 23 clarifies the application of recognition and valuation requirements of IAS 12 when there is uncertainty about the income tax treatment. Estimates and assumptions must be made for recognition and valuation, e. g. whether an assessment is made separately or together with other uncertainties, a probable or expected value is used for the uncertainty and whether changes have occurred compared to the previous period. The risk of detection is irrelevant for the accounting of uncertain balance sheet items. The accounting is based on the assumption that the tax authorities will investigate the matter in question and that they have all the relevant information.

C.14 Segment reporting

An operating segment is a component of the Bike24-Group that engages in business activities from which it may earn revenues, incur expenses and for which discrete financial information is available that is used by the chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance. Bike24-Group has jointly designated its Chief Executive Officer and Chief Financial Officer as CODM.

C.15 Earnings per share

Earnings per share are calculated by dividing the Result for the period attributable to the shareholders of the Bike24-Group by the weighted average number of shares issued during the reporting period. All shares issued by the Bike24-Group are outstanding. The issue of share options results in dilutive effects that have an impact on earnings per share. To the extent that there is a non-dilutive effect, the corresponding instruments are not taken into account in the calculation of diluted earnings per share. There were no dilutive effects on earnings per share in the periods presented.

C.16 Significant discretionary decisions, assumptions and estimation uncertainties

The preparation of the consolidated financial statements of the Bike24-Group in accordance with IFRS requires the Executive Board to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, as well as the related disclosures in the notes and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in estimates are recognized prospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Significant Discretionary Decisions

Disclosures on judgments made in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements are presented below:

Leases: Incremental borrowing rates and the exercise of extension options
To determine the incremental borrowing rate, interest rates from various external financial data are used and certain adjustments are made to reflect the terms of the lease and the nature of the leased asset.

In order to determine whether the exercise of a renewal option is sufficiently certain, the Bike24-Group's Board of Directors examines forecasts for the planned growth and capacity of existing leases. For information on the exercise of renewal options, see Note C.5.

Significant estimation uncertainties

Intangible assets: Impairment tests of goodwill
The Bike24-Group performs an annual and, if necessary, an event-driven review to determine whether goodwill is subject to impairment in accordance with the accounting policies explained in note C.3. The recoverable amount of the cash-generating unit was determined using fair value less costs to sell calculations and subjected to a sensitivity analysis. These calculations require the use of estimates (see Note F.1).

Inventories: Valuation of Inventories

Inventories are stated at the lower of cost and net realizable value, which requires an estimate of the future net selling prices of the Inventories. In assessing the net realizable value of inventories, the Bike24-Group considers the quantity and age structure of inventories, expected sales volume, expected selling prices and selling costs, taking into account long-term average values (See Note F.3).

Revenue: Reduction in sales revenue

By law, customers in online commerce have the option of returning goods within a period of 14 days without giving any reason. A provision is calculated for this situation on the basis of past return rates and reported under the term "right of return". This is offset by the asset value of the goods that is returned to the warehouse.

C.17 Assessments and evaluations of the current polycrisis

After almost three years of the COVID-19 pandemic, economies around the world continue to be affected by destabilizing shocks. The consequences of the war between Russia and Ukraine led to a decline in economic activity worldwide. Rising inflation, less severe but ongoing supply chain disruptions, tighter monetary policy and higher political uncertainty are weighing on growth in many countries. In addition, the decline in fiscal policy support measures continues to have a negative impact on global economic activity. As a result, consumer confidence declined during 2022 and fell to a record low in the second half of the year in the world's major economies. This increased the risk of global stagflation.

Accordingly, the business and economic environment of the Bike24-Group was also negatively impacted in fiscal year 2022. While the COVID-19 pandemic has strengthened the trend towards cycling and sustainable mobility, the current Ukraine conflict and the resulting macroeconomic environment are having a negative impact on consumer sentiment, particularly in Germany, Bike24's most important market. While demand is stagnating in some cases, increased inventories are leading to overcapacities in the market, which are having a negative impact on retailers' margins. The Bike24-Group nevertheless expects that, due to order cancellations, these overcapacities will be reduced in the course of the second half of 2023 and that end prices will stabilize again.

D. Segment reporting

The Bike24-Group consists of an operating and reportable segment, which is based on how the CODM assesses the Bike24-Group's performance. Net sales are used to measure performance, as the Board of Directors believes that this information is most relevant for evaluating the Bike24-Group compared to other companies operating in the same industries.

The following table presents the Bike24-Group's revenues by region. The regions include the country in which the Company is headquartered and other major markets. To present geographic information revenue has been broken down into the geographical location of customers.

in EUR k	2022	2021
Germany	144,476	144,939
Austria and Switzerland	27,168	25,290
Rest of Europe	71,078	59,067
Rest of the world	18,801	20,868
Total	**261,522**	**250,164**

With the exception of Germany, no other country accounted for more than 10 % of the Bike24-Group's Revenue.

Substantially all amounts included in Revenue are derived from the sale of goods. No single customer contributed more than 10 % to the revenues of the Bike24-Group in the fiscal years presented.

Of the non-current assets, 94 % are located in Germany, the remainder is in Spain.

E. Notes to the consolidated statement of income and other comprehensive income

E.1 Revenue

Revenue by product category is as follows:

in EUR k	2022	2021
Sales by product categories		
Parts, accessories and clothing	227,742	225,638
Traditional and e-bikes	33,780	24,525
	261,522	**250,164**

In the previous year, "Parts, accessories, and apparel" were reported separately for the Bicycle segment and the Outdoor, Running, and Swimming segment ("Other"). For the financial year 2022, "Other" accounted for EUR 59,692 k (2021: EUR 58,304 k). For better comparability of the published financial data, these areas have been combined as "Parts, accessories and apparel".

Revenue from contract liabilities recognized in fiscal year 2022 amounted to EUR 2,133 k (2021: EUR 2,714 k). Contract liabilities mainly relate to payments received from customers for which the goods have not yet been transferred to the customer. Further details on contract liabilities can be found in Note F.11.

E.2 Personnel expenses

Personnel expenses consisted of the following:

in EUR k	2022	2021
Wages and salaries	– 16,639	– 12,711
Social security costs	– 3,705	– 2,655
Expenses for long-term incentive plans	185	– 185
Expenses for growth bonuses	–	– 825
Share-based compensation expenses	– 1,132	– 1,762
Employee stock expenses	– 2	– 293
Other personnel expenses	– 4,785	– 4,720
Total	**– 26,078**	**– 23,151**

As of December 31, 2022, the Bike24-Group has the following share-based payment arrangements; for general accounting policies, please refer to Note C.9:

Equity-settled stock option program

In 2022, a further tranche under the existing stock option program was granted to two Executive Board members and 3 employees in management positions. The grant date corresponds to the date on which the employee signed the stock option program and was between March 20, 2022 and November 30, 2022. In addition, target agreements were concluded with the members of the Management Board and 27 employees in management positions on a possible grant of stock options in fiscal year 2023, dependent on the achievement of the targets set out in the target agreement. The dates of the target agreements, April 5 and December 27, 2022, serve as provisional grant dates. The stock options vest after one year and can be exercised after a waiting period of 4 years from the grant date.

For each employee, the weighted average fair value of his or her stock option was determined using the Black-Scholes formula with the respective daily share price at the grant date. A total of 406,175 stock options with a weighted average fair value of EUR 1.56 were issued. No stock option was exercised in the financial year 2022. The expense as of December 31, 2022 amounts to EUR 1,132 k (2021: EUR 1,762 k).

Volatility was determined with the help of a peer group. For this purpose, the share prices and their daily changes of six companies similar to the Bike24-Group over a period of four years were used. The period is based on the waiting period for exercising the stock options.

Input parameters	2022	2021
Fair value at grant date (in EUR)	0.00 to 1.83	2.68 to 12.44
Share price at grant date (in EUR)	3.40 to 10.44	14.55 to 25.26
Exercise price (in EUR)	3.18 to 18.35	15.00 to 22.18
Expected volatility (weighted average, in %)	42.13 to 44.75	40.96 to 41.46
Expected life (weighted average, in years)	4.00	4.00
Expected dividends (in %)	0.00	0.00
Risk-free interest rate (based on government bonds, in %)	0.07 to 2.47	– 0.56 to – 0.68

Long Term Incentives Plan

The Long Term Incentive Plan 2021 ("LTIP ") for employees in management positions was discontinued at the end of 2022. All participating employees were offered a switch to the existing stock option program. All previous entitlements under the LTIP expire with the switch. As of December 31, 2022, income of EUR 185 k from the reversal of the provision is recognized in personnel expenses.

Employee shares

In September 2021, Bike24 Holding AG repurchased 17,000 treasury shares at an average price of EUR 23.87 to give them as a gift to its employees. The grant date was the day on which the employee communicated his securities account number and was between November 4, 2021 and December 2, 2021. For each employee, the fair value of his share gift was determined using the respective daily price on the grant date. A total of 15,665 shares with a weighted average fair value of EUR 18.68 were issued to employees on December 16, 2021. On January 7, February 10 and March 8, 2022, a further 96 shares with a weighted average fair value of EUR 17.32 were issued to employees. The expense of EUR 2 k (2021: EUR 293 k) is recognized in personnel expenses. The remaining 1,239 treasury shares are recognized as treasury shares in equity. Please refer to note F.6.

During fiscal year 2022, the Bike24-Group employed an average of 540 employees, of which 103 are commercial employees, 312 are salaried employees, 2 temporary employees and 123 part-time employees. During fiscal 2021, the Company employed an average of 419 employees, of which 90 were industrial, 249 salaried, 2 temporary and 79 part-time. Other personnel expenses mainly include the costs for temporary workers in logistics in the amount of EUR 3,805 k, which also increased by EUR 615 k compared to the previous year. In contrast, expenses for personnel recruitment in the amount of EUR 169 k were significantly reduced by EUR 386 k.

E.3 Expenses for merchandise, consumables and supplies

Expenses for merchandise, consumables and supplies relate to the procurement of goods to generate revenue from contracts with customers.

in EUR k	2022	2021
Goods used to generate revenue from contracts with customers	– 191,187	– 171,021
Write-downs of Inventories	– 1,500	– 377
Total	**– 192,687**	**– 171,398**

E.4 Impairment loss on trade receivables

As part of receivables management, trade receivables in the amount of EUR 576 k (2021: EUR 242 k) were derecognized in fiscal year 2022. In 2022, expected credit losses on trade receivables in the amount of EUR 57 k (2021: EUR 26 k) were recognized. Information on the method used to determine expected credit losses is provided in notes F.12.2.a and C.8.3.

E.5 Other expenses

Other operating expenses break down as follows:

in EUR k	2022	2021
Distribution costs	– 21,989	– 19,997
Performance marketing costs	– 3,508	– 1,562
Transaction costs	– 21	– 5,916
Other operating expenses	– 9,716	– 7,738
Total	**– 35,235**	**– 35,213**

Selling expenses mainly consist of packaging and freight costs as well as fees to payment service providers. The increase compared to the previous year is mainly due to a price increase in the costs of packaging materials and shipping.

Due to numerous marketing campaigns in the context of internationalization and new customer acquisition, as well as a major image campaign in the first quarter of 2022, performance marketing costs are significantly higher than in the previous year.

Transaction costs are related to the IPO on June 25, 2021, and expenses in fiscal year 2022 relate to consulting services from the previous year.

The increase in other operating expenses in the amount of EUR 1,977 k is due, among other things, to the EUR 1,064 k increase in IT and communications costs and the EUR 1,092 k increase in consulting expenses, which are mainly related to internationalization and other projects.

E.6 Financial expenses, net

Finance income and expenses broke down as follows:

in EUR k	2022	2021
Finance income		
Other Finance income	2	1
	2	**1**
Finance expenses		
Interest expense from leases	– 332	– 53
Interest expense for loans	– 1,081	– 1,870
Other interest expenses	– 266	– 320
	– 1,679	**– 2,243**
Financial result	**– 1,678**	**– 2,243**

E.7 Income tax income (expense)

in EUR k	2022	2021
Current taxes		
Current year	242	– 3,758
Previous year	108	51
	350	**– 3,707**
Deferred taxes		
Current year	2,486	2,179
Previous year	–	– 111
	2,486	**2,068**
Income tax income (expense)	**2,836**	**– 1,639**

The effective tax rate of 31.58 % (2021: 31.58 %) is based on the tax rate of the Bike24-Group 31.58 % and consists of corporate income tax of 15 %, solidarity surcharge of 5.5 % on the corporate income tax rate and trade tax of 15.75 %. Furthermore, the Group operates in Spain with a tax rate of 25 %. In fiscal year 2022, a tax loss carryback to fiscal year 2021 in the amount of EUR 1,841 k was utilized.

The following table shows the reconciliation between the expected and the reported income tax expense:

in EUR k	2022	2021
Profit/Loss before tax	**–9,462**	**3,871**
Expected Group tax rate	**31.58 %**	**31.58 %**
Taxes at the expected Group tax rate	2,988	–1,222
Effects of divergent national tax rates	–11	–
Trade tax additions/reductions	–160	–256
Non-tax-deductible expenses	–22	–105
Taxes for previous years	108	–59
Other	–67	4
Income tax income (+) / income tax expense (–)	**2,836**	**–1,639**
Total effective income tax rate (%)	**–29.97 %**	**42.34 %**

E.8 Earnings per share

In the calculation of diluted earnings per share as of December 31, 2022, 671,359 (2021: 265,184) options from the stock option program were not considered as they would have been anti-dilutive.

F. Notes to the consolidated balance sheet

F.1 Intangible assets and goodwill

Intangible assets and goodwill of the Bike24-Group consist of goodwill, the brand, customer relationships, software and other intangible assets.

The following table shows the development of Intangible assets and Goodwill of the Bike24-Group in the financial year 2022. Depreciation and amortization of Intangible assets are presented in the consolidated income statement and statement of comprehensive income, under the item "Depreciation and amortization".

in EUR k	Goodwill	Trademark	Customer relationship	Software	Other	Down payments	Total
Acquisition costs							
Balance as of January 1, 2021	56,753	97,330	51,740	1,862	585	267	208,537
Additions	–	–	–	–	1,919	1,382	3,301
Disposals	–	–	–	–	–	–	–
Transfers	–	–	–	–	200	– 209	– 9
Balance as of December 31, 2021	56,753	97,330	51,740	1,862	2,704	1,440	211,829
Balance as of January 1, 2022	56,753	97,330	51,740	1,862	2,704	1,440	211,829
Additions	–	–	–	–	406	4,913	5,318
Disposals	–	–	–	–	4	–	4
Transfers	–	–	–	–	229	– 229	–
Balance as of December 31, 2022	56,753	97,330	51,740	1,862	3,335	6,124	217,144
Accumulated Amortization and Impairment Losses							
Balance as of January 1, 2021	–	7,570	4,024	432	226	–	12,253
Amortization	–	6,489	3,449	373	378	–	10,689
Balance as of December 31, 2021	–	14,059	7,473	805	604	–	22,941
Balance as of January 1, 2022	–	14,059	7,473	805	604	–	22,941
Amortization	–	6,489	3,449	373	681	–	10,992
Disposals	–	–	–	–	4	–	4
Balance as of December 31, 2022	–	20,547	10,923	1,178	1,282	–	33,930
Carrying amounts							
Balance as of December 31, 2021	56,753	83,271	44,267	1,057	2,100	1,440	188,888
Balance as of December 31, 2022	56,753	76,783	40,817	684	2,054	6,124	183,214

Goodwill

On November 8, 2019, Bike24 Support GmbH acquired 100 % of the shares in Peloton MidCo2 GmbH. The goodwill resulting from this acquisition is attributable to Bike24 as a group of CGUs (consisting of the web shop and a store) of the Bike24-Group and is not deductible for tax purposes.

The recoverable amount of the CGU group is determined on the basis of fair value less costs to sell. The fair value is based on discounted cash flows and is classified as Level 3. The key assumptions used in determining fair value less costs to sell are the underlying discount rates and growth rates of revenues, the development of the EBITDA margin and the perpetual annuity on free cash flow after taxes. The values assigned to the key assumptions represent the Management Board's assessment of future trends in the relevant industries and are based on historical data from both external and internal sources. Management estimates discount rates as after-tax rates based on historical industry averages of the weighted average cost of capital. In addition, a market risk premium and the risk-free interest rate for Germany were used for the calculation. The growth rates are based on industry growth forecasts.

The cash flow forecasts determined by the Bike24-Group are based on the current business plan approved by the Board of Directors for the next five years and revenue forecasts for the further 10 years, with unchanged cost estimates. This includes the following growth assumptions: Sales growth over the next five years of approximately 15 % p. a. due to the growth strategy in the European market. The growth rate in perpetuity is assumed to be 2 %.

The assumed growth rate in perpetuity and discount rates used to assess the impairment of goodwill of Bike24-Group were as follows:

in percent	December 31, 2022	December 31, 2021
Discount rate	10.22 %	7.84 %
Perpetual annuity	2.00 %	2.00 %
Estimated sales growth rate (average of the next five years)	15.30 %	24.04 %
Estimated sales growth rate (average of the subsequent ten years)	5.00 %	5.00 %
Estimated EBITDA margin (average of the next five years)	7.03 %	9.87 %
Estimated EBITDA margin (average of the subsequent ten years)	11.62 %	11.67 %
Estimated costs of disposal	1.00 %	1.00 %

There were no impairment losses on goodwill in the financial years presented. The annual impairment test was performed as of December 31.

The development of macroeconomic conditions and the decline in market capitalization were considered as a "triggering event" due to which an impairment test has already been performed as of June 30, 2022. For further details, please refer to the half-year report 2022.

No change in a key assumption considered possible by management would cause the carrying amount to exceed the recoverable amount.

Impairment of other intangible assets

As the other intangible assets have a determinable useful life, an impairment test is only performed if there are indications of such an impairment. As no such indications were identified in the fiscal years presented, no impairment losses were recognized in fiscal year 2022.

Further information is provided in the accounting policies in Note C.3.

Internally generated Intangible assets

Other intangible assets mainly relate to capitalized development costs for the Webshop relaunch I of EUR 1,567 k. Acquisition and production costs in the amount of EUR 2,034 k (2021: EUR 1,822 k) comprise internal development expenses of EUR 785 k (2021: EUR 719 k) and costs for external development services of EUR 1,249 k (2021: EUR 1,103 k).

Advance payments for intangible assets include a further internal EUR 1,755 k (2021: EUR 135 k) and external EUR 4,046 k (2021: EUR 1,182 k) in capitalized development expenses of EUR 5,801 k (2021: EUR 1,317 k) for two additional IT projects.

In accordance with IAS 36.10a, an impairment test was performed for the Webshop Relaunch II and Order Management System projects that were not ready for use at the balance sheet date. This did not result in any impairment requirement. The recoverable amount is derived from the future value in use and exceeds the fair value.

F.2 Property, plant and equipment

The development of property, plant and equipment in the fiscal years presented is as follows:

in EUR k	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Office building, warehouse, store	Cars	Total
Acquisition costs							
Balance as of January 1, 2021	92	8,271	2,099	981	11,423	49	22,915
Additions	722	992	1,053	445	954	57	4,223
Disposals	95	–	269	–	86	–	450
Transfers	1,379	709	– 1,099	– 981	–	–	9
Balance as of December 31, 2021	2,098	9,972	1,785	445	12,291	106	26,697
Balance as of January 1, 2022	2,098	9,972	1,785	445	12,291	106	26,697
Additions	869	43	907	6,487	11,716	–	20,022
Disposals	–	–	1	–	–	–	1
Transfers	207	–	54	– 261	–	–	–
Balance as of December 31, 2022	3,174	10,015	2,746	6,670	24,007	106	46,718
Accumulated Depreciation and Impairment Losses							
Balance as of January 1, 2021	17	1,243	342	–	1,831	15	3,448
Depreciation	249	1,199	489	–	1,578	23	3,538
Disposals	93	–	261	–	–	–	354
Transfers	191	44	– 235	–	–	–	–
Balance as of December 31, 2021	364	2,486	335	–	3,409	38	6,632
Balance as of January 1, 2022	364	2,486	335	–	3,409	38	6,632
Depreciation	313	1,338	526	–	1,794	29	3,999
Disposals	–	–	1	–	–	–	1
Transfers	–	272	– 272	–	–	–	–
Balance as of December 31, 2022	677	4,096	587	–	5,202	67	10,630
Carrying amounts							
Balance as of December 31, 2021	1,734	7,486	1,451	444	8,882	69	20,065
Balance as of December 31, 2022	2,497	5,919	2,158	6,670	18,805	39	36,088

As of the balance sheet date, assets under construction mainly relate to non-operational assets in the warehouse in Spain in the amount of EUR 5,801 k, of which EUR 5,265 k relates to the Autostore.

The office building, warehouses, stores and cars are rights of use within the meaning of IFRS 16. Of the additions to office buildings, warehouse and store amounting to EUR 11,716 k, EUR 6,106 k relate to the new warehouse in Spain.

Information on the future undiscounted contractual obligations as at 31 December 2022 can be found in note F.12.

Some real estate leases contain extension options that can be exercised by the Bike24-Group up to one year before the end of the non-cancelable lease term. The extension options can only be exercised by the Bike24-Group and not by the lessors. At the beginning of the lease, the Bike24-Group assesses whether it is sufficiently certain that the renewal options will be exercised. The Bike24-Group reassesses whether it is reasonably certain that the options will be exercised if a significant event or significant change in circumstances occurs that is within the Bike24-Group's control. In the reporting year, the probability of exercising the renewal option was reassessed for one lease. As a result, the corresponding lease liability was increased by EUR 461 k and the right of use by EUR 460 k.

The effects of existing extension options were assessed individually for each leased property. The Bike24-Group estimates that the expected future lease payments would lead to an increase in the lease liability of EUR 4,451 k if the extension option were exercised.

For further information, please refer to the accounting policies in Note C.5.

F.3 Inventories

in EUR k	December 31, 2022	December 31, 2021
Raw materials and supplies	81	69
Merchandise	84,217	68,091
Total	**84,298**	**68,160**

Bike24-Group recognizes Inventories at the lower of cost and net realizable value. Inventories include valuation allowances of TEUR 2,753 (previous year: TEUR 1,249). Further information on the write-downs of Inventories classified as merchandise and expenses for merchandise, consumables and supplies in fiscal year 2022 can be found in Note E.3.

The Inventories of the Bike24-Group are assigned as collateral under a syndicated loan agreement.

F.4 Trade and other receivables

Trade receivables mainly include receivables from invoices to customers. Other receivables include receivables from credit card companies.

The carrying amount of Trade and other receivables approximates their fair value due to their short-term nature. Trade and other receivables are non-interest bearing. The maximum default risk at the balance sheet date, which corresponds to the carrying amount of Trade and other receivables, was taken into account in the calculation for expected credit losses in accordance with IFRS 9. Information about impairment of Trade and other receivables and default, currency and interest rate risk of the Bike24-Group is explained in note F.12.2.

For further information, please also refer to the accounting policies in Note C.8.

F.5 Other assets

Other assets of the Bike24-Group include the following items:

in EUR k	December 31, 2022	December 31, 2021
Sales tax receivables	1,530	1,040
Prepaid expenses	995	1,756
Prepayments	911	1,456
Right of return	1,914	1,672
Warranty claims	990	1,000
Creditors with debit balances	870	1,001
Other assets	1,513	2,272
Total	**8,724**	**10,197**

Other assets include security deposits of EUR 418 k (previous year: EUR 336 k) and a bank account pledged as collateral of EUR 450 k (previous year: EUR 566 k). For further information, please refer to the accounting policies in Note C.8 and Note F.12.1 on the classification of financial instruments and fair values.

F.6 Equity

Subscribed capital amounts to EUR 44,165 k at the balance sheet date and is divided into 44,166,666 no-par bearer shares with a nominal value per share of EUR 1. Of these, 6,666,666 no-par bearer shares were newly issued with the IPO on June 25, 2021. Bike24 Holding AG bought back 17,000 shares in September 2021, of which 15,665 were issued to employees in fiscal year 2021 and a further 96 in fiscal year 2022. The remaining 1,239 (2021: 1,335) shares are reported as treasury shares as of the balance sheet date, see note C.9.

The capital reserves amounted to EUR 180,007 k as of the balance sheet date. The stock option program led to an increase in the capital reserves in the amount of EUR 1,132 k (2021: EUR 1,762 k). For the calculation of expenses, please refer to C.9.

For the financial year 2022, the Result for the period in the amount of negative EUR 6,626 k (2021: EUR 2,232 k) was allocated to the accumulated deficit.

The Bike24-Group did not distribute any dividends in the periods presented.

F.7 Liabilities to banks

Liabilities to banks in the amount of EUR 40,000 k are secured by bank balances of the Bike24-Group, by assignment of trade receivables and by transfer of ownership of movable assets of the warehouse. The probability of utilization is considered to be low due to the good growth rates of Revenue in the past and the planned increases in Profit/Loss before tax in the coming years. The term is 3 years until June 25, 2024. The interest rate depends on the gross debt ratio and is nominally between 2.0 % and 2.73 %. The current interest rate is 2.73 %. The existing revolving credit facility with the lenders Oldenburgische Landesbank AG, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and Stadt- und Kreissparkasse Leipzig in the amount of EUR 10,000 k was unused as of December 31, 2022.According to the syndicated loan agreement, the gross debt ratio may not exceed a ratio of 3.25:1. This condition was not met as of the balance sheet date. The loan liabilities were therefore reported as current as of December 31, 2022. The existing syndicated loan agreement will be extended as of March 24, 2023, with adjusted conditions until December 31, 2024.

For further information, please refer to Note F.12.

F.8 Other financial liabilities

Other financial obligations exclusively comprise lease liabilities in accordance with IFRS 16.

F.9 Provisions

Non-current provisions

	Warranty provisions		Other Provisions		Total	
in EUR k	2022	2021	2022	2021	2022	2021
Balance as of January 1	**393**	**831**	**248**	**1,481**	**641**	**2,312**
Utilizations	–	191	–	1,352	–	1,543
Resolutions	393	247	185	66	578	313
Additions	345	0	4	185	349	185
Balance as of December 31	**345**	**393**	**67**	**248**	**412**	**641**

Short-term provisions

	Warranty provisions		Other Provisions		Total	
in EUR k	2022	2021	2022	2021	2022	2021
Balance as of January 1	**1,274**	**605**	**30**	**45**	**1,304**	**650**
Utilizations	990	605	–	25	990	630
Resolutions	–	–	–	–	–	0
Additions	1,048	1,274	130	10	1,178	1,284
Balance as of December 31	**1,332**	**1,274**	**160**	**30**	**1,492**	**1,304**

In the previous year, non-current other provisions included provisions for the long-term employee incentive plan (LTIP) in accordance with IAS 19 in the amount of EUR 185 k.

The warranty provision was calculated on the basis of past data on customer complaints. Future customer complaints are probable, but uncertain in terms of timing and amount.

F.10 Deferred tax liabilities

Deferred tax assets and liabilities are recognized for the following types of temporary differences and loss carryforwards, as well as the interest carryforward:

	Balance as of December 31, 2022			
in EUR k	Net	Deferred tax assets	Deferred tax liabilities	Deferred taxes recognized in profit or loss
Property, plant and equipment	6,184	–	6,184	(3,099)
Intangible assets	39,587	–	39,587	2,009
Inventories	30	–	30	106
Other current assets	(95)	(95)	–	141
Trade and other receivables	(10)	(10)	–	6
Other liabilities	(184)	(184)	–	(88)
Other financial liabilities	(6,079)	(6,079)	–	3,215
Liabilities to banks	162	–	162	(161)
Stock option program	(914)	(914)	–	358
Deferred tax liabilities (assets)	**38,681**	**(7,281)**	**45,962**	**2,486**
thereof non-current		(5,473)	45,771	
Deferred tax liabilities (assets), net	**38,681**	**(7,281)**	**45,962**	**2,486**

	Balance as of December 31, 2021			
in EUR k	Net	Deferred tax assets	Deferred tax liabilities	Deferred taxes recognized in profit or loss
Property, plant and equipment	3,085	–	3,085	244
Intangible assets	41,595	0	41,595	2,328
Inventories	136	–	136	(52)
Other current assets	46		46	(46)
Trade and other receivables	(4)	(4)	–	(11)
Provisions	(272)	(272)	–	(363)
Other financial liabilities	(2,864)	(2,864)	–	(197)
Liabilities to banks	2	–	2	(279)
Liabilities from stock option program	(556)	(556)	–	556
Deferred tax liabilities (assets)	**41,168**	**(3,696)**	**44,864**	**2,179**
thereof non-current	41,168			
Deferred tax liabilities (assets), net	**41,168**	**(3,696)**	**44,864**	**2,179**

The change in the net deferred tax liability was fully recognized as income tax income in fiscal years 2021 and 2022, respectively.

F.11 Other liabilities

Other liabilities break down as follows:

in EUR k	December 31, 2022	December 31, 2021
Short term		
Personnel-related liabilities	2,781	2,485
Prepaid expenses	2	1
Refund liability	2,448	2,334
Sales tax liabilities	4,782	3,705
Contractual liabilities	2,962	2,844
Other liabilities	2,615	2,497
Total	**15,590**	**13,866**

Personnel-related liabilities mainly include current wage and salary obligations, bonus and vacation obligations, and obligations from growth bonus agreements in the amount of EUR 500 k. In the previous year, other liabilities included liabilities from growth bonus agreements in connection with the IPO in the amount of EUR 1,000 k, which were paid out in the financial year 2022. As of the balance sheet date, other liabilities mainly relate to outstanding invoices in the amount of EUR 2,071 k (2021: EUR 1,021 k) and liabilities from the audit of the annual financial statements and tax consulting in the amount of EUR 516 k (2021: EUR 485 k).

F.12 Financial instruments and financial risk management

F.12.1 Classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table does not include fair value information for Financial assets and Financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value.

By their nature, the carrying amounts of cash and cash equivalents, trade and other receivables, other assets, other financial liabilities and trade payables approximate their fair values.

Balance as of December 31, 2022 in EUR k	Carrying amount Total	IFRS 9 category	Level 1	Level 2	Level 3	Total
Financial assets						
Non-current financial assets						
Financial assets	6	FVTPL	–	–	6	6
Current financial assets						
Trade and other receivables	2,978	AC	–	–	–	–
Other assets	8,724		–	–	–	–
Thereof deposits	868	AC	–	–	–	–
Cash and cash equivalents	22,375	AC	–	–	–	–
Total	**34,083**		**–**	**–**	**6**	**6**
Financial Liabilities						
Non-current financial liabilities						
Other financial liabilities	17,449	N/A	–	–	–	–
Current financial liabilities						
Liabilities to banks	39,503	AC	–	–	–	–
Other financial liabilities	1,803	N/A	–	–	–	–
Trade payables	7,215	AC	–	–	–	–
Total	**65,970**		**–**	**–**	**–**	**–**

Balance as of December 31, 2021 in EUR k	Carrying amount Total	IFRS 9 category	Level 1	Level 2	Level 3	Total
Financial assets						
Non-current financial assets						
Financial assets	3	FVTPL	–	–	3	3
Current financial assets						
Trade and other receivables	1,856	AC	–	–	–	–
Other assets	10,197		–	–	–	–
Thereof deposits	903	AC	–	–	–	–
Cash and cash equivalents	10,086	AC	–	–	–	–
Total	**23,045**		**–**	**–**	**3**	**3**
Financial Liabilities						
Non-current financial liabilities						
Liabilities to banks	995	AC	–	–	–	–
Other financial liabilities	7,493	N/A	–	–	–	–
Current financial liabilities						
Liabilities to banks	11	AC	–	–	–	–
Other financial liabilities	1,577	N/A	–	–	–	–
Trade payables	11,298	AC	–	–	–	–
Total	**21,374**		**–**	**–**	**–**	**–**

Other financial liabilities consist entirely of lease liabilities that do not fall within the scope of IFRS 9.

The carrying amounts of the above financial assets and liabilities measured at amortized cost and classified in accordance with IFRS 9 are as follows as of December 31, 2022 and 2021:

in EUR k	December 31, 2022	December 31, 2021
Carrying amount		
Financial assets measured at amortized cost	26,221	12,845
Financial liabilities measured at amortized cost	– 46,718	– 12,304
Total	**– 20,497**	**541**

Financial instruments are not offset as the Bike24-Group does not meet the criteria for offsetting.

Where quoted prices in an active market are not available, the Bike24-Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique used takes into account all factors that market participants would consider in pricing such a transaction. The valuation model for investments is based on expected future cash flows. The fair value of the Liabilities to banks approximates the carrying amount due to the variable interest rate taking into account the credit risk.

In fiscal year 2022, there were no reclassifications between the different levels of the fair value hierarchy. The Bike24-Group recognizes reclassifications between the levels of the fair value hierarchy at the end of the financial year.

Interest income and expenses

Interest expense is calculated by applying the effective interest rate to the gross carrying amount of the Liabilities measured at amortized cost. In the fiscal year 2022 there were EUR 202 k interest expenses, for the prior year EUR 15 k was recognized as interest expense. The Bike24-Group did not realize any material interest income in any of the periods presented.

Attributions

Write-ups to financial assets in the amount of EUR 3 k each were recognized in fiscal year 2022 as well as in fiscal year 2021. The write-up is reported in the item "Other income" in the statement of profit or loss and comprehensive income.

F.12.2 Financial risk management

The Bike24-Group is exposed to the following risks from the use of financial instruments:
a) Default risk
b) Liquidity risk
c) Market risk and interest rate risk
d) Currency risk

The Company's Management Board is responsible for establishing and monitoring the Bike24-Group's risk management. The risk management of the Bike24-Group is aimed at identifying and analyzing possible risks to which the Bike24-Group is exposed and minimizing the negative impact on the financial position of the Bike24-Group associated with these risks.

a) Credit risk

Trade and other receivables and Other assets
Default risk is the risk of financial loss to the Bike24-Group if a customer or the counterparty to a financial instrument fails to meet its contractual obligations. The default risk basically arises from the trade receivables of the Bike24-Group.

The maximum default risk corresponds to the carrying amounts of the financial assets.

Impairment losses on Financial assets recognized in profit or loss are as follows:

in EUR k	December 31, 2022	December 31, 2021
Allowances for trade receivables	–576	–242
Total	**–576**	**–242**

The default risk of the Bike24-Group is mainly influenced by the individual payment behavior of customers.

As of December 31, 2022, the default risk for trade receivables is mainly related to trade receivables within the DACH region.

The Bike24-Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers. Trade receivables from individual customers include a high number of balances with small amounts.

Loss rates are calculated using a "roll rate" methodology based on the probability that a receivable will progress through successive stages in payment delinquency. The roll rates are calculated for bad debts in different areas based on the following general credit risk characteristics: geographical region, age structure of the receivable and type of goods purchased.

The following table provides information on the estimated credit risk and expected credit losses for trade receivables as of December 31, 2022.

in EUR k	Loss rate	Gross carrying amount	Value adjustment
Current (not overdue)	0.38 %	601	2
1–30 days overdue	0.66 %	442	3
31–60 days overdue	4.77 %	41	2
61–90 days overdue	9.57 %	11	1
91–120 days overdue	46.03 %	24	11
121–150 days overdue	63.25 %	7	4
151–180 days overdue	61.25 %	4	2
More than 180 days overdue	74.00 %	42	31
		1,172	**57**

The loss ratios are calculated on the basis of actual credit losses within the last 12 months.

The development of the allowance for trade receivables during the year is as follows:

in EUR k	2022	2021
Balance as of January 1	26	67
Recognized valuation allowance expenses	576	242
– thereof addition to allowance	31	– 41
Write-offs	– 545	– 284
Balance as of December 31	57	26

The derecognitions in fiscal year 2022 also include advance payments made in the amount of EUR 152 k (2021: EUR 0).

Trade and other receivables are reviewed on a monthly basis for outstanding items.

Expected credit losses from other receivables and other assets are immaterial. Therefore, no allowance has been recognized for other receivables and other assets.

Cash and cash equivalents
As of December 31, 2022, the Bike24-Group held cash and cash equivalents in the amount of EUR 22,375 k (December 31, 2021: EUR 10,086 k). Cash and cash equivalents are held with banks and financial institutions that have a rating of Aaa, based on Moody's ratings.

The impairment of Cash and cash equivalents was determined based on the expected default within twelve months and reflects the short maturities. Bike24-Group believes that Cash and cash equivalents have a low credit risk based on external ratings of banks and financial institutions. The credit losses on Cash and cash equivalents are insignificant, therefore no impairment loss has been recognized for Cash and cash equivalents.

b) Liquidity risk

Liquidity risk is the risk that the Bike24-Group may not be able to meet its financial liabilities as contractually agreed to. The management of liquidity in the Group is intended to ensure that – as far as possible – sufficient liquid funds are always available to meet payment obligations as they fall due under normal circumstances as well as under strained conditions without incurring unacceptable losses or damaging the reputation of the Bike24-Group.

The Bike24-Group strives to take advantage of all cash discounts. An increased liquidity requirement arises in particular in February and March, when the deliveries of goods for the coming summer season arrive. If the existing stock of Cash and cash equivalents is not sufficient, the existing revolving credit line can be drawn upon.

The following table shows the remaining contractual maturities of the financial liabilities at the reporting date, including estimated interest payments. The amounts are undiscounted and presented gross including contractual interest payments. The effects of offsetting is not shown.

		Contractual cash flows					
Balance as of December 31, 2022 in EUR k	Carrying amount	Total	2 months or less	2 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
Non-derivative financial liabilities							
Liabilities to banks	39,503	40,525	350	40.175	–	–	–
Other financial liabilities	19,252	23,294	400	1.998	2,373	6,543	11,980
Trade payables	7,215	7,215	7,215	–	–	–	–
	65,970	**71,034**	**7,965**	**42.173**	**2,373**	**6,543**	**11,980**

		Contractual cash flows					
Balance as of December 31, 2021 in EUR k	Carrying amount	Total	2 months or less	2 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
Non-derivative financial liabilities							
Liabilities to banks	1,006	1,062	–	25	25	1,012	–
Other financial liabilities	9,070	9,221	266	1,358	1,647	4,467	1,484
Trade payables	11,298	11,298	11,298	–	–	–	–
	21,374	**21,581**	**11,564**	**1,383**	**1,672**	**5,479**	**1,484**

c) Market risk and interest rate risk

Market risk is the risk that changes in market prices – e.g. exchange rates, interest rates and share prices – will affect the Bike24-Group's earnings or the value of the financial instruments it holds. The objective of market risk management is to manage and control market risk within an acceptable range while optimizing returns.

For information on currency risk, please refer to F.12.2 d).

The Bike24-Group does not recognize any fixed-interest assets and liabilities at fair value through profit or loss. A possible change in interest rates of 100 basis points (bp) at the reporting date would have increased or decreased profit or loss and equity by EUR 341 k. In the analysis, it was assumed that all other external influencing factors would remain constant.

d) Currency risk

The Bike24-Group is exposed to transactional foreign currency risks to the extent that the quotation of currencies in which sales and purchase transactions as well as receivables and credit card transactions are carried out do not match the functional currency. The risk exists only to a minor extent, as the main suppliers are located in the euro area and the Bike24-Group's core market is also in Europe. Trade and other receivables are denominated exclusively in euros, as payment by "invoice" is only possible for German customers and invoices are issued in euros.

The summary quantitative information about the Bike24-Group's currency risk as reported to the Management Board is as follows:

December 31, 2022 EUR k	GBP	TWD	USD
Trade receivables		–	–
Trade payables	– 8	–	– 63
Net risk on the balance sheet	**– 8**	**–**	**– 63**
Forecasted sales for the next 6 months	–	–	–
Forecast purchases for the next 6 months	–	–	– 1,049
Net risk from forecast transactions	**–**	**–**	**– 1,049**
Net risk	**– 8**	**–**	**– 1,112**

December 31, 2021 EUR k	TWD	USD
Trade receivables	–	–
Net risk on the balance sheet	**–**	**–**
Forecasted sales for the next 6 months	–	–
Forecast purchases for the next 6 months	– 872	– 305
Net risk from forecast transactions	**– 872**	**– 305**
Net risk	**– 872**	**– 305**

The following significant exchange rates were applied:

	Average rate		Year-end spot rate	
Euro	**2022**	**2021**	**2022**	**2021**
TWD	31.15	32.91	32.52	31.12
USD	1.05	1.18	1.07	1.13
GBP	0.85	0.86	0.89	0.84

All receivables and sales revenues are denominated in EURO. Most goods purchased are procured in the euro zone and paid for in euros, so there is no currency risk. Only for a few selected suppliers are orders placed directly in the United States of America or Great Britain. The volume of goods procured in 2022 amounted to EUR 1,949 k. The currency risk in relation to these deliveries is considered to be immaterial for the Bike24-Group due to the amount of planned deliveries in foreign currency.

F.12.3 Capital Management

The Bike24-Group is financed by current business operations. In the short term, it is possible to draw on further revolving credit lines based on the existing revolving credit line agreements.

For capital management purposes, the Management Board monitors and approves weekly bank transfers, thus monitoring the decrease and increase in Cash and cash equivalents as presented in the consolidated statement of financial position and the ratio of total net debt to consolidated earnings before interest, taxes, depreciation, and amortization. In addition, the Management Board prepares a cash budget, which is updated on an ongoing basis. In the periods presented, the Bike24-Group always had sufficient cash and cash equivalents to maintain operations, so that the capital management objectives were met.

Target figures used to monitor capital management are sales growth, changes in inventories, payment terms, and interest and tax payments.

G. Other information

G.1 Contingent liabilities and contingencies

Purchase commitments in connection with the purchase of goods as of December 31, 2022 amounted to EUR 117,473 k (2021: EUR 162,470 k).

G.2 Related companies and persons

Parent company and ultimate controlling company

The main shareholder of Bike24 Holding AG is Riverside Partners, LLC. The main shareholder is represented as a representative on the Supervisory Board of the company and thus has a significant influence on the company.

As the parent company, Bike24 Holding AG, Dresden, prepares the consolidated financial statements for the largest and smallest group of affiliated companies. The consolidated financial statements are published in the Federal Gazette. Bike24 Holding AG itself, as a subsidiary, is not included in any consolidated financial statements.

Related persons

Related parties are the members of the Executive Board and the Management and Supervisory Boards of the Bike24-Group as well as their close relatives and family members.

In addition to its supervisory function, the Supervisory Board also advised the Management Board on all matters of management, in particular on financial matters and on strategic decisions of the Bike24-Group.

G.3 Transactions with related parties

a) Remuneration of the management body of the parent company

in EUR k	2022	2021
Short-term employee benefits	608	607
Expenses for stock options	436	1.022
Other employee benefits	–	0
Total	**1,044**	**1,629**

b) Compensation of key management personnel and transactions with them

Compensation of key management personnel is as follows:

in EUR k	2022	2021
Short-term employee benefits	656	611
Expenses for stock options	529	625
Other employee benefits	–	375
Total	**1,185**	**1,611**

In the previous year, other employee benefits included liabilities for profit-sharing and profit-sharing bonuses.

Members of the management in key positions or persons closely related to them may purchase goods from the Bike24-Group at employee conditions.

c) Other business transactions with related parties

in EUR k	Amount of transactions in 2022	Amount of transactions in 2021	Outstanding balances as of December 31, 2022	Outstanding balances as of December 31, 2021
Services and goods supplied by related parties	-209	-258	-2	–
Income from the recharging of IPO-related costs	-21	1,567	–	419
	-230	**1,309**	**-2**	**419**

Services from related parties mainly comprise service fees for management services and supplies of goods. The balances are not collateralized and were not impaired in the periods presented. Information on capital contributions by the parent company is presented in Note F.6.

As part of the IPO in 2021, a portion of the Transaction costs were assumed by companies of Riverside Partners, LLC. These amounted to EUR 1,567 k and were made as a contribution to equity. The deferred tax on the amount is EUR 495 k and was also recognized in equity. In the current financial year, EUR 21 k was charged subsequently for IPO-related consulting services.

d) Transactions with members of the Advisory Board existing until May 31, 2021

The remuneration of the members of the Advisory Board is as follows:

in EUR k	2022	2021
Services due at short notice	–	9
Other services	–	1,046
Total	**–**	**1,055**

In the previous year, other benefits included growth bonuses that were partially paid out in the second quarter of 2021 following the successful IPO. The outstanding liabilities of the previous year were settled in the second quarter of 2022.

e) Transactions with members of the Supervisory Board

The compensation of the members of the Supervisory Board is as follows:

in EUR k	2022	2021
Services due at short notice	142	78
Total	**142**	**78**

Other liabilities include EUR 142 k in outstanding payments to the Supervisory Board.

In the financial year 2022, there were the following transactions by members of the Supervisory Board of the Bike24-Group:

Supervisory Board member	Purchase/Sale	Price (in EUR)	Volume (in EUR)	Quantity	Date
Sylvio Eichhorst	–	–	–	–	–
Bettina Curtze	–	–	–	–	–
Michael Weber	–	–	–	–	–
Ralf Kindermann	Purchase Purchase	3.32 3.10	33,245.50 31,000.00	10,014 10,000	12.08.2022 17.11.2022

G.4 Notes to the consolidated cash flow statement

The consolidated statement of cash flows is prepared in accordance with IAS 7 Cash Flow Statements and shows the cash inflows and outflows for the financial year classified by cash flows from operating, investing and financing activities.

Cash flows from operating activities are presented using the indirect method by adjusting the Result for the period for non-cash transactions.

	2022			2021		
	Financial Liabilities	Liabilities under leases	Total	Financial Liabilities	Liabilities under leases	Total
Balance as of January 1	**1,006**	**9,070**	**10,076**	**89,600**	**9,692**	**99,292**
Additions	–	11,717	11,717	995	925	1,920
Disposals	- 780	–	- 780	-	–	-
Interest expense	1,081	332	1,412	1,870	53	1,923
Changes in liabilities	**1,306**	**21,119**	**22,425**	**92,465**	**10,670**	**103,135**
Interest payments	- 803	- 332	- 1,135	- 2,799	- 53	- 2,852
Proceeds from financial liabilities	39,000	–	39,000	–	–	-
Payments from financial Liabilities	–	–	–	- 88,660	–	- 88,660
Lease payments	–	- 1,536	- 1,536	–	- 1,547	- 1,547
Change in cash flow	38,197	- 1,867	36,329	- 91,459	- 1,600	- 93,059
Balance as of December 31	**39,503**	**19,252**	**58,755**	**1,006**	**9,070**	**10,076**

Information on cash flows in connection with leasing activities is provided in Note F.2.

G.5 Compensation for the auditor of the financial statements

The audit services comprise the audit of the consolidated financial statements and the annual financial statements of the consolidated companies.

in EUR k	2022	2021
Audit services	523	1,355
Confirmation services	–	548
Tax consulting services	7	189
Other consulting services	5	84
Total	**535**	**2,176**

The fees for tax consulting services recognized in fiscal year 2022 relate entirely to previous years. Of the fees for other consulting services recognized in fiscal year 2022, EUR 3 k relate to services provided in previous years.

G.6 Subsequent events

A significant event after the balance sheet date is the extension of the existing syndicated loan agreement until December 31, 2024. The terms and conditions will be adjusted to the current market situation. The lenders have agreed to the contractual adjustment, subject to sufficient documentation. The covenant relating to the gross leverage ratio will be suspended up to and including March 31, 2024, and new covenants relating to minimum EBITDA and minimum liquidity will be included.

G.7 Exemption to prepare, audit and disclose

The subsidiaries Best Bike Brands GmbH, Bike24 Retail GmbH, Bike24 GmbH and Bike24 Service GmbH make use of the exemption option of Section 264 (3) of the German Commercial Code (HGB) with regard to preparation, audit and disclosure, as the consolidated financial statements of Bike24 Holding AG have an exempting effect for them.

G.8 Declaration of conformity with the Corporate Governance Code

The Declaration on Corporate Governance and the Declaration of Conformity 2022 with the German Corporate Governance Code have been made permanently available to the public on the company's website https://ir.bike24.com/.

Dresden, March 29, 2023

The Board of Directors

Andrés Martin-Birner   Timm Armbrust

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group management report, which is combined with the management report of Bike24 Holding AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Dresden, March 29, 2023

Management Board

Andrés Martin-Birner   Timm Armbrust

Independent Auditor’s Report

To Bike24 Holding AG, Dresden

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Bike24 Holding AG, Dresden, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of Bike24 Holding AG for the financial year from 1 January to 31 December 2022.

In accordance with German legal requirements, we have not audited the components of the combined management report specified in the Appendix to the Independent Auditor’s Report.

The combined management report contains cross references that are not provided for by law. In accordance with German legal requirements, we did not audit the content of the cross-references specified in the Appendix to the Auditor’s Report or the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying combined management report as a whole provides an appropriate view of the Group’s position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the appendix to the independent auditor’s report. The combined management report contains cross-references that are not provided for by law. Our opinion does not extend to the cross-references specified in the Appendix to the Independent Auditor’s Report or the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW)). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtainedis sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment of goodwill

Please refer to the notes to the financial statements, Section C "Summary of the fundamental accounting and assessment methods", for more information on the accounting policies applied and assumptions used. Furthermore, we refer to the disclosures in the notes in Section F.1 "Intangible assets and goodwill" and the information on the Group's economic development in the combined management in the section entitled "Business performance".

The financial statement risk

Goodwill was identified in the context of an acquisition. The carrying value of this goodwill amounted to EUR 56.8 million as at 31 December 2022 and, at 16.7 % of total assets, accounts for a significant share of the assets.

Goodwill is tested for impairment annually, irrespective of any indication of impairment. If there is an impairment trigger during the year, an indicator-based (ad hoc) impairment test is additionally carried out during the year. For goodwill impairment testing, the carrying amount is compared with the recoverable amount of each cash-generating unit. If the carrying amount exceeds the recoverable amount, a need to recognise an impairment loss arises. The recoverable amount is the higher amount of fair value less costs to sell and value in use of the cash-generating unit. The reporting date for impairment testing is 31 December 2022.

Impairment testing of goodwill is complex and based on a range of assumptions that require judgement. These assumptions include, among others, the growth rates of the Group's revenue as well as the EBITDA margin's development over the next 15 years, the assumed terminal value on the free cash flow after taxes and the discount rate used.

Due to the significant decline in Bike24 Holding AG's market capitalisation during the financial year, goodwill was subject to indicator-based (ad hoc) impairment testing as at the effective date of 30 June 2022. Based on this impairment testing, Bike24 Holding AG did not identify any need to recognise impairment losses. Furthermore, no requirement to recognise an impairment loss was identified in the course of annual impairment testing as at 31 December 2022.

There is the risk for the consolidated financial statements that an existing need to recognise impairment losses is not identified. There is also a risk that the related disclosures in the notes are not appropriate.

Our audit approach

With the involvement of our valuation experts, we assessed the appropriateness of the significant assumptions and the Company's calculation method for both annual as well as indicator-based (ad hoc) impairment testing. To this end, we discussed the expected business and earnings development as well as the assumed long-term growth rates with those responsible for planning. We also reconciled this information with other internally available forecasts and the budget prepared by management and approved by the Supervisory Board. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analysing deviations. We compared the assumptions and data underlying the discount rate – in particular the risk-free rate, the market risk premium and the beta factor – with our own assumptions and publicly available information.

To assess whether the implementation of the valuation model is methodically and mathematically appropriate, we verified the measurement made by the Company using our own calculations and analysed any deviations.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount by calculating alternative scenarios and comparing these with the values stated by the Company (sensitivity analysis).

Finally, we assessed whether the disclosures in the notes regarding the recoverability of goodwill are appropriate. This also included an assessment of the appropriateness of disclosures in the notes in accordance with IAS 36.134(f) on sensitivity in the event of a reasonably possible change in key assumptions used for measurement.

Our observations

The valuation model underlying both the indicator-based (ad hoc) and the annual impairment testing of goodwill is appropriate and consistent with the applicable measurement principles. The Company's underlying assumptions and data are appropriate.

The related disclosures in the notes are appropriate.

Impairment of merchandise

Please refer to note C to the financial statements ("Summary of the fundamental accounting and assessment methods") for information on the accounting policies applied. Furthermore, we refer to the disclosures in the notes in F.3 "Inventories" and in E.3 "Expenses for merchandise, consumables and supplies" along with the information on the Group's economic development in the combined management in the section entitled "Business performance".

The financial statement risk

Merchandise totalling EUR 84.3 million was reported in the consolidated statement of financial position as at 31 December 2022 (PY: EUR 68.1 million); this includes write-downs of EUR 2.8 million (PY: EUR 1.2 million).

Inventories initially measured at cost (taking into account incidental acquisition costs and reductions in the cost of acquisition) must be reduced in value if their expected net realisable values no longer cover cost.

The determination of the net realisable values is subject to judgement. Net realisable value requires forward-looking estimates of future net selling prices. The expected selling prices and costs to sell are relevant in this regard. In addition, the ageing of inventories and expected sales volume play a significant role.

There is the risk for the consolidated financial statements that inventories are overstated due to an unidentified need for impairment. This is especially possible in light of the challenging macroeconomic environment, the Russia-Ukraine war and, as a result, deteriorating consumer behaviour.

Our audit approach

We have evaluated the appropriateness of the significant assumptions and procedures for determining net realisable values. For this purpose, we first obtained an understanding of how the process for determining net realisable values and identifying impairment losses is designed by interviewing employees in finance and the responsible specialist departments and by assessing the relevant documents.

Based on our understanding of the process, we assessed the establishment, design and functionality of the identified internal controls, in particular with regard to the determination of the expected net realisable values. We assessed the selling prices used to determine expected net realisable value based on the selling prices applicable immediately after the reporting date. In addition, we assessed the marketability analysis and evaluated whether the recognised write-downs are appropriate based on the historical experience of the Company's management and knowledge specific to the financial year. We assessed the historical experience using management's analysis of actual price reductions made over a representative period of time. With regard to taking specific findings for the financial year into account, we assessed whether the future development of net realisable values expected by management is appropriate, especially in view of the change in consumer behaviour.

As part of sampling of inventory items, we verified the computational accuracy of the calculations used to determine net realisable value, the need for write-downs as well as the underlying data.

Our observations

The assumptions underlying the net realisable value as well as judgements exercised by management are appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises:

- the unaudited components of the combined management report specified in the Appendix to the Independent Auditor's Report.

The other information also includes the remaining parts of the annual report.

The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file
ESEF Bike24 Holding KA 2022.zip"
(SHA256-Hashwert: 271d9d3cc871709119f848273e1eac188305ef1b6001ad6b85eaf14cdc63f862) sowie
„Bike24 Holding AG EA 2022.xhtml"
(SHA256-Hashwert: 9bea7555c3769076d0f48f1f582386f4ef5421c3db98aed4cba817ec4eb715c8)
made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2022, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on 21 June 2022. We were engaged by the Supervisory Board on 18 October 2022. We have been the group auditor of Bike24 Holding AG without interruption since financial year 2019, including two financial years during which the Company fulfilled the definition of a public interest entity within the meaning of Section 319a (1) sentence 1 HGB.

Besides the consolidated financial statements, we also audited Bike24 Holding AG's annual financial statements and the combined management report. We provided other advisory services in connection with the provision of capital cost parameters.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents.

The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Milan Lucas.

Dresden, 29 March 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Lucas Wirtschaftsprüfer (German Public Auditor)	Leser Wirtschaftsprüfer (German Public Auditor)

Appendix to the Independent Auditor's Report: components and cross-references of the combined management report not audited for content

We did not audit the following components of the combined management report:

- the combined corporate governance statement of the Company and the Group referred to in the combined management report.

We did not audit the contents of the cross-references in the combined management report not required by law as well as the information to which the cross-references refer:

- The Group's website, which is referred to in the combined management report.

Legal Notice

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Board of Directors

Andrés Martin-Birner (Chairman),
Timm Armbrust

Chairman of the Supervisory Board

Ralf Kindermann


BIKE24

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