WE KEEP YOU RIDING

ANNUAL REPORT 2023

BIKE24

At a Glance	Q4 2023	FY 2023
Group Revenues	– 21.8 %	– 13.5 %
	EUR 47.1 m	EUR 226.3 m
Adj. EBITDA Margin	– 4.0 pp	–5.0 pp
	– 7.0 %	– 1.3 %
Free Cash Flow	243.9 %	121.2 %
	EUR 8.8 m	EUR 5.4 m
Cash and Cash Equivalents	–	– 17.7 %
	–	EUR 18.4 m
Active Customers	–	– 3.4 %
	–	921,555
Average Order Volume after returns	– 3.4 %	– 3.9 %
	EUR 140	EUR 137
Number of Orders	– 18.2 %	– 10.7 %
	328,766	1,625,087
Repeat Orders	– 0.4 pp	–1.1 pp
	67.0 %	69.3 %
Average Number of Orders per Active Customer	– 15.4 %	– 7.6 %
	0.4	1.8

BIKE24

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THE RIDE

COMPANY OVERVIEW

THIS IS BIKE24

BIKE24

11 LOCAL ONLINE STORES

2 LOGISTICS CENTERS: DRESDEN AND BARCELONA

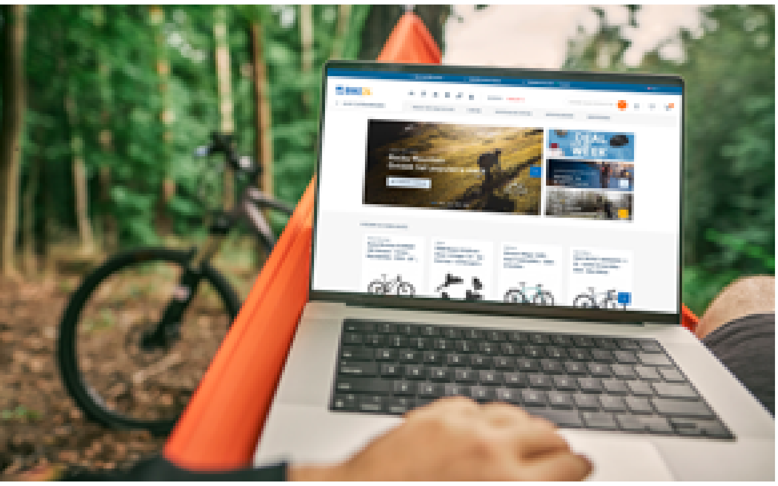
CUSTOMERS IN MORE THAN 80 COUNTRIES

LAUNCH OF OUR ONLINE SHOPS IN
THE NETHERLANDS, BELGIUM, AND LUXEMBOURG

OUR CUSTOMER JOURNEY ACROSS EUROPE

CUSTOMER-CENTRICITY IN FOCUS

We continue our journey to become the premier destination for online bike shopping in Europe's booming cycling nations. Aligned with our strategy, in 2023, we further expanded our successful model and ventured into new markets. Beginning with the expansion into France and Italy in 2022, we placed our commitment to customer proximity and quality at the forefront of our efforts. This vision was successfully realized in the first quarter of 2023 with the launch of our localized online shops in the Netherlands, Belgium, and Luxembourg.



INTERNATIONALIZATION AS THE KEY TO EXPANSION

STRENGTHENING PRESENCE IN THE BENELUX COUNTRIES

In 2023, we advanced our international ambitions by launching localized online shops in the Netherlands, Belgium, and Luxembourg. These steps not only strengthen our presence in the Benelux countries but also contribute to our goal of establishing a leading position in all major European markets. The geographical proximity to our home base in Germany and the high affinity for cycling in this region offer promising opportunities for future growth.

NEW CUSTOMERS AND SALES GROWTH 2023

	SPAIN	FRANCE	ITALY	BELGIUM	THE NETHERLANDS	LUXEMBOURG
NEW CUSTOMERS	37,058	56,918	32,262	21,716	28,566	1,062
SALES GROWTH (IN EUR M)	8.9	14.7	7.4	6.3	6.6	1.5

SETTING THE STAGE FOR SUSTAINABLE GROWTH

CLOSE TO THE MARKET, CLOSE TO CUSTOMERS

For over 20 years, we've maintained our position in the market by countering the constantly evolving industry conditions with a reliable strategy. Our success formula includes not only our uniquely extensive product range but also our customer-friendly service and lightning-fast shipping. Thus, BIKE24 becomes the central hub for the rapidly growing community of bike enthusiasts, promoting green mobility with every bike sold—a growth field that reflects a long-term societal trend.

OUR "SECRET SAUCE"

SUPERB LOGISTICS

HIGH AVAILABILITY

BROAD ASSORTMENT

THE RIGHT BRANDS

LINGERING TREND: GROWTH IN THE COMPLETE BIKE SEGMENT

The bike is becoming an increasingly cost-effective and environmentally friendly alternative to the car for more people. Despite the high coverage in countries like Germany, the demand for new bikes remains high. This applies to both non-electric bikes and e-bikes. We continue to experience strong growth, particularly in the complete bike segment. Employers often support this by offering bike leasing contracts. BIKE24 has responded to this demand: In our shop, customers can choose from eight reputable leasing providers such as JobRad, BikeLeasing, BusinessBike, among others.

UNDERSTANDING CUSTOMERS AND SERVICE OPTIMIZATION

We believe that strong customer relationships are key to long-term success. Therefore, we invest in our community and promote interaction both online and offline. This enables us to understand what customers need for a successful shopping experience and tailor our offerings to their needs. Our localization strategy allows for targeted offers and services for our customers across Europe, increasing our regional presence as well. We are convinced that our range appeals to enthusiasts across Europe. With the localization, we leverage our growth potential, strengthen our customer relations, and enhance our regional presence.

The opening of the logistics center in Barcelona in 2022 has also shortened delivery times in Southern Europe, and the introduction of new payment systems, expanded search filters, and improved financing offers has further optimized the shopping experience. With our service points in Berlin and Dresden, we bridge the gap between e-commerce and personal interaction. At both locations, we offer not only individual consultation but also bike sizing and workshop services. They also serve as the starting point for events like community rides.

MILLION-MILE RANGE AT 19,500 KILOMETERS.

BIKE24 SUMMER TOUR

15 STOPS | 19,500 KILOMETER

In 2023, we reached customers who are not within the vicinity of our service points for the first time with our BIKE24 SUMMER TOUR: Our BIKE24 van made 15 stops in Italy, Germany, Belgium, and Spain, appearing at festivals and bike parks. Highlights such as group rides, workshops, and competitions have been shared on our social media channels, reaching over 7 million cycling enthusiasts both online and offline.

LAYING THE FOUNDATION FOR SUSTAINABLE GROWTH

The year 2023 marks a pivotal transition in the development of BIKE24. As we began the year, we deliberately chose a course of consolidation and transformation to position ourselves optimally for future growth. We took significant steps to strengthen our internal structure and solidify our strategic direction. Additionally, we intensified our commitment to sustainability and innovation by developing a comprehensive ESG strategy and actively advocating for a more sustainable future. We are convinced that green mobility, particularly cycling, is a crucial part of this future. Thus, we have taken all measures to solidify our position as the leading destination for online bike shopping in Europe.

INTERVIEW WITH THE BOARD

IN CONVERSATION WITH ANDRÉS MARTIN-BIRNER AND TIMM ARMBRUST

BIKE24

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

2023 WAS A CHALLENGING YEAR FOR THE ENTIRE INDUSTRY.
HOW MUCH DID THE TENSE MARKET CONDITIONS AT THE BEGINNING OF 2023 AFFECT BIKE24?

ANDRÉS MARTIN-BIRNER

The overall economic situation undoubtedly brought challenges for BIKE24. Especially at the beginning of the year, there were significant overstock issues. Many retailers lowered their prices to reduce inventory. We faced this competition and successfully reduced our stocks. While there are still overcapacities, we are now in a position to steer our prices with a focus on healthy margins. Overall, we have maintained ourselves in a declining market environment, even achieving double-digit growth in new markets such as France, the Netherlands, and Belgium—equally in the crucial product segment of 'complete bikes.' Additionally, we strengthened our internal structure and further developed our strategic direction to be optimally positioned for future growth.

TIMM ARMBRUST

We took early measures to make the company robust against market fluctuations, aiming to weatherproof it. Prioritizing profitability over unconditional growth. This strategy proved effective, and we saw visible improvements towards the end of the year.

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WHAT IMPACT DID INTERNATIONALIZATION THROUGH THE LAUNCH OF NEW SHOPS IN THE BENELUX COUNTRIES HAVE ON THE COMPANY?

ANDRÉS MARTIN-BIRNER

We are convinced that our range is attractive to enthusiasts throughout Europe. With the localization, we are exploiting our growth potential, creating customer proximity and a regional presence. By our range and customer service are available in the respective national language and the usual payment payment methods can be selected, we are not only removing barriers but also creating proximity. Through the localization of offers and local content, we were able to win new customers, deepen our connection with users and offer a more personalized shopping experience that meets the needs and preferences of the respective region.

WHAT ROLE DOES THE OPENING OF THE NEW LOGISTICS CENTER IN BARCELONA PLAY?

TIMM ARMBRUST

As a cornerstone of our internationalization strategy, the location is crucial for us to be perceived as a local expert in Southern Europe. By establishing faster delivery times through the logistics center, we directly impact our customers' shopping experience.

HOW DO INNOVATIONS AT THE SERVICE POINTS COMPLEMENT THE ONLINE OFFERING?

ANDRÉS MARTIN-BIRNER

Our online offering is comprehensive, ranging from selection to consultation, which can be done via email, phone, or even video. With the service points in Berlin and Dresden, we expand this offering and engage in personal contact with customers and the community. They serve as hubs for consultation, assistance with repairs, or shared events such as rides. Introducing bike sizing enables customers to find the perfect bike for them in our online shop and elevate their digital shopping experience to a more personal level. Thus, we strengthen the connection to our company and create a tailored shopping experience that increases customer satisfaction and loyalty.

WHAT INSIGHTS HAVE YOU GAINED FROM DIRECT CUSTOMER INTERACTION THROUGH THE BIKE24 SUMMER TOUR?

ANDRÉS MARTIN-BIRNER

The BIKE24 SUMMER TOUR was a great opportunity for us to bring the BIKE24 brand from the digital into the real world and interact directly with our dedicated community. We specifically targeted our new markets, offering expert workshops, organized community rides, featuring well-known influencers, and our international team. Through these personal interactions, we gained valuable insights into the needs, preferences, and challenges of our customers. This direct connection helped us receive feedback first-hand, enabling us to better tailor our products, services, and shopping experience to local conditions.

HOW WILL BIKE24 UTILIZE THE INSIGHTS AND DEVELOPMENTS GAINED TO GROW?

ANDRÉS MARTIN-BIRNER

Our strategy is to further strengthen customer focus and promote professional standards by developing innovative solutions and continuously improving our services, drawing valuable insights from customer feedback. For example, we received input from their feedback for the upcoming overhaul of filters and search functionalities in the webshop. Thus, we aim not only to solidify our position as a leading provider in bicycle retail but also to foster long-term customer loyalty.

WHAT ARE THE PROSPECTS FOR 2024?

TIMM ARMBRUST

Our ambition has always been to grow profitably year by year. However, until a broad market recovery occurs, our goal for 2024 is to first stabilize revenue and continue working on profitability. This will position us to achieve sustainable growth in the coming years.

ANDRÉS MARTIN-BIRNER

Over the past 20 years, we have proven that we are well-positioned to continuously grow as the leading European online shop for bikes. Our business model remains intact, even as we face a challenging market situation and endure setbacks. We have actively managed the challenges and weathered this time comparatively well. Now, we aim to return BIKE24 to its past success: Our team has the ambition and passion to do so.

BIKE24
ON THE CAPITAL MARKET

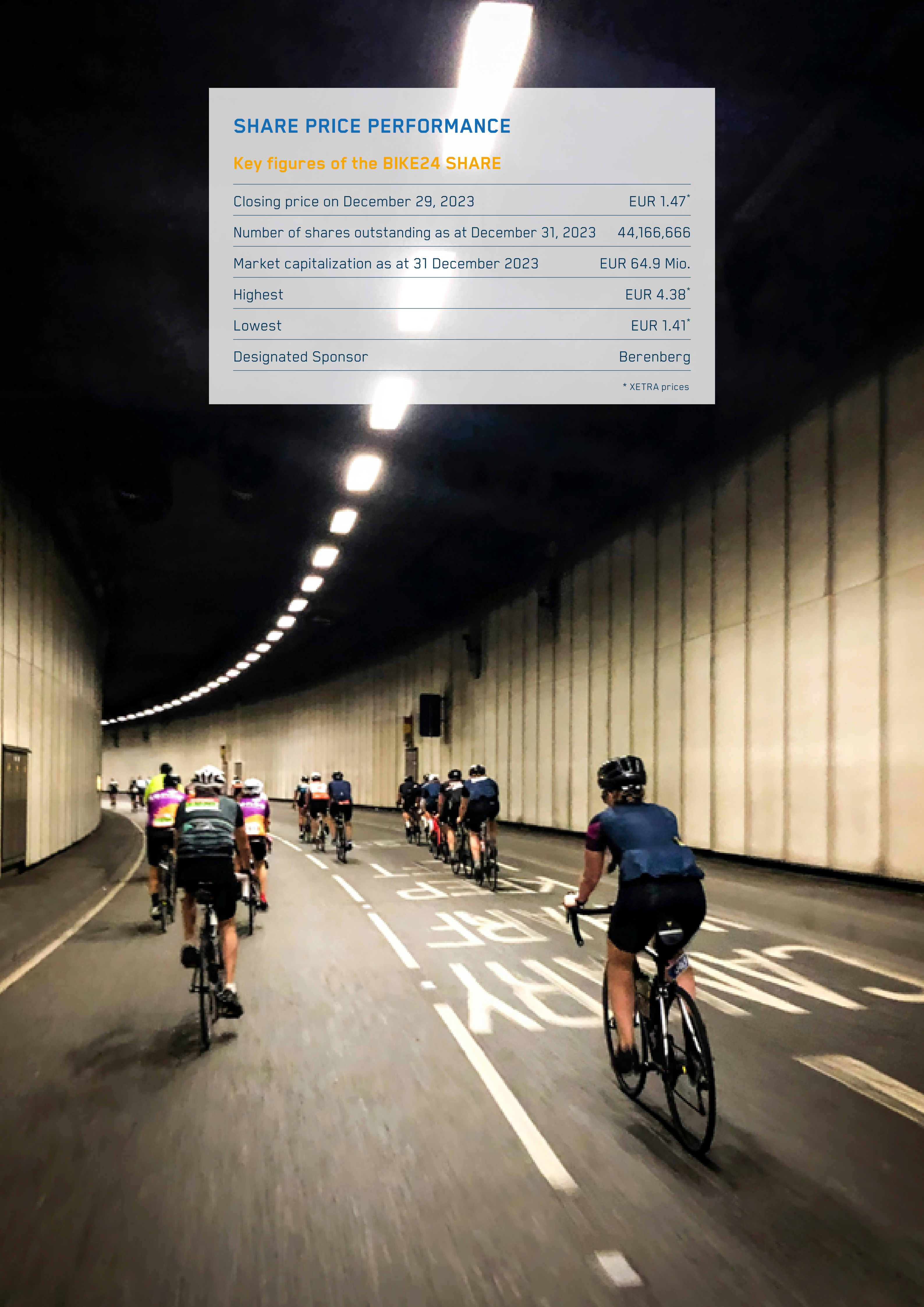

0494 LHH

SHARE PRICE PERFORMANCE

Key figures of the BIKE24 SHARE

Closing price on December 29, 2023	EUR 1.47*
Number of shares outstanding as at December 31, 2023	44,166,666
Market capitalization as at 31 December 2023	EUR 64.9 Mio.
Highest	EUR 4.38*
Lowest	EUR 1.41*
Designated Sponsor	Berenberg

* XETRA prices



2023: Significant headwinds for e-commerce companies

As in the previous year, 2023 was challenging for the German economy with a decline in gross domestic product (GDP), high albeit softening inflation and a relatively stable labor market. Despite this, the German share index, DAX, reached its new record high of just over 17,000 points in December 2023. The annual performance of the DAX showed an upward trend, and the index closed the year at around 16,752 points, which represents an increase of around 20 % compared to the start of the year. Germany's gross domestic product fell by 0.3 % overall in 2023. This decline was caused by various factors, such as persistent inflation and declining demand both domestically and globally. Private consumption fell by 0.8 %, investments shrank by 0.3 % and government spending fell by 1.7 %. However, net foreign trade demand made a positive contribution to the economy, as imports fell more sharply than exports. The inflation rate fell steadily over the course of the year to 3.2 % in November 2023, after peaking at 8.7 % in January and February 2023.

BIKE24 share: rising financing costs and lower margins weigh on share price

The shares of Bike24 Holding AG (BIKE24) have been listed on the Frankfurt Stock Exchange since June 25, 2021. The listing took place in the strictly regulated and internationally oriented Prime Standard segment. Throughout 2023, the (stock) market environment proved to be challenging, particularly for technology and e-commerce companies, due to a continuously depressed consumer sentiment and increased financing costs, and the BIKE24 share was unable to escape this trend. The share began trading at a price of EUR 3.98 at the start of the year and ended the year at a price of EUR 1.47. The BIKE24 share reached its low in November 2023 at a price of EUR 1.41.

Despite this turbulence, the company is prepared to benefit from a potential recovery of the cycling industry in the future, provided consumer sentiment does not deteriorate further. The continued high popularity of traditional bikes and e-bikes as an environmentally friendly means of transportation offers opportunities for long-term growth and could put the share back on a more positive trajectory. However, persistent overcapacity, particularly for the bike segments, is depressing market prices across the entire industry and thus having a negative impact on margins, which is weighing on the company's valuation.

Investor relations work and dialog with the capital markets

Open dialog with the capital markets and continuous, transparent reporting on significant events and developments are key principles of BIKE24's investor relations work. The main objective is to maintain and build confidence in the business model and to ensure the necessary transparency to enable analysts, shareholders and potential investors to evaluate the company in an understandable and appropriate manner.

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

Institute	Recommendation	Target price
Berenberg	Buy	2.50 EUR
Montega	Buy	3.30 EUR

As at February 15, 2024

REPORT OF THE SUPERVISORY BOARD

FOR THE 2023 FISCAL YEAR

BIKE24

Introduction

The fiscal year 2023 was again dominated by extremely adverse macroeconomic conditions as a result of unfavorable geopolitical developments.

Up until the spring, the Russian war of aggression in Ukraine led to concerns about sufficient energy supplies and sharply rising energy prices. Rising energy and production costs were reflected in record-high inflation rates, especially at the beginning of the fiscal year. This prompted the US Federal Reserve and then the European Central Bank to raise the key interest rates at an unprecedented pace, leading to a sharp rise in interest rates and the much-cited interest rate turnaround. In addition to the many other crises (such as the climate crisis and the resulting extreme weather conditions), the escalating conflict in the Middle East in October 2023 created further uncertainty.

Multiple crises and rapidly rising costs led to very low consumer sentiment and a decline in purchasing power.

Unfortunately, the weather did not give the bicycle industry the tailwind it needed in 2023, as the spring was relatively wet and cold, delaying the start of the cycling season for the majority of the population.

These extremely unfavorable conditions did, of course, have an impact on the industry. According to the Zweirad-Industrie-Verband (ZIV), sales of e-bikes in Germany fell by 850,000 units, a decline of 12 %, in the first five months of 2023 (more up-to-date data was not yet available at the end of February). For traditional bicycles, this decline was 830,000 units respectively 20 % compared to the same period last year.[1] Furthermore, according to bevh (Bundesverband E-Commerce und Versandhandel Deutschland e. V.), gross sales of goods in e-commerce fell by a double-digit 11.8 % to EUR 79.7 billion in 2023 after EUR 90.4 billion in 2022.[2]

This loss in revenue hit the industry, which is suffering from overcapacity in some areas, hard and led to a price war that also affected business profits.

In these adverse circumstances, the Company had to constantly contend with unforeseeable headwinds on its journey through the 2023 fiscal year. The Company therefore had to adjust its forecast twice. While the business results for the 2023 fiscal year were in line with the adjusted forecast in terms of the revenue, the adjusted EBITDA margin was just below the lower end of the adjusted forecast. The main reason for this was larger write-downs on inventories (31. 12. 2023: EUR 5.0 million vs. 31. 12. 2022: EUR 2.8 million). Inventories were built up significantly during the pandemic and due to supply chain problems at this time. Although the Company managed to significantly reduce inventories despite the difficult conditions, there are still individual product groups in which there are overcapacity. In addition, the Company has adjusted the write-down methodology due to the current market situation, which led to a higher need for write-down.

The Supervisory Board assumes that 2024 will be another challenging fiscal year. However, it believes that the Company is well positioned for the challenges ahead. The Supervisory Board continues to rely on the continuity and expertise of the current Management Board at the top of the Group, which is why the employment contracts with both members of the Executive Board have been extended with effect from January 1, 2024 until December 31, 2027.

[1] https://www.ziv-zweirad.de/2023/06/15/fahrrad-und-e-bike-markt-in-den-ersten-monaten-2023/

[2] https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle

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.

The Supervisory Board 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 – including between the meetings – for any discussions and explanations. In this way, the Supervisory Board was always informed about the Company's and the Group's situation, the corporate planning, fundamental issues of the corporate policy, the strategy and sustainability, investment projects, the risk situation and risk development, and the situation in terms of personnel. In particular, the Management Board reported regularly on the general economic situation, the profitability and liquidity of the Company, the revenue and earnings situation, and market developments.

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. As a result, the Supervisory Board was able to satisfy itself that the work of the Management Board was expedient and proper.

Individual disclosure of meeting attendance

A total of six Supervisory Board meetings were held during the year, five of which were in a hybrid format allowing virtual participation in addition to in-person attendance. One Supervisory Board meeting was held purely virtually via video conference. In addition, the Supervisory Board passed four resolutions using the resolution-by-circulation procedure.

The Audit Committee held five meetings, all of which were held in a hybrid format allowing virtual participation in addition to in-person attendance.

The Presidential Committee met six times. Four of its meetings were held in a hybrid format, allowing virtual participation in addition to in-person attendance, and two meetings were held purely virtually via video conference. In addition, the Presidential Committee passed one resolution using the resolution-by-circulation procedure.

Attendance at the meetings of the Supervisory Board and its committees was 100 %.

The attendance of each member of the Supervisory Board at the meetings of the Supervisory Board and its committees during the fiscal year 2023 is shown in the following table.

	Full Supervisory Board	Presidential Committee	Audit Committee
Ralf Kindermann	6/6 (100 %)	6/6 (100 %)	5/5 (100 %)
Dr. Michael Weber	6/6 (100 %)	6/6 (100 %)	5/5 (100 %)
Sylvio Eichhorst	6/6 (100 %)		5/5 (100 %)
Bettina Curtze	6/6 (100 %)	6/6 (100 %)	

Main topics of the Supervisory Board's deliberations and reviews

In addition to the Group's quarterly results, the main topics of deliberation in the past fiscal year were the impact of the macroeconomic conditions resulting from the war in Ukraine, the escalation of the conflict in the Middle East, the energy crisis, inflation, the turnaround in interest rates, and their effects on the Company. The Supervisory Board also negotiated and approved the extension of the employment contracts of the two members of the Management Board, as proposed by the Presidential Committee. The Supervisory Board further advised the Company on short and long-term strategic planning, including at a strategy meeting in November 2023. The Company's revenue and earnings situation and their impact on corporate and liquidity planning were discussed in detail. Other items on the agenda included the adjustment of the forecast for the fiscal year 2023, the renewal and amendment of the syndicated loan agreement, the preparation of the Remuneration Report, the remuneration system, and the Compliance Statement with the German Corporate Governance Code. The Supervisory Board also monitored and advised the Management Board on sustainability issues.

Intensive work of the committees

To perform its duties, the Supervisory Board has 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 members of the Presidential Committee are Mr. Ralf Kindermann as chairman of the committee, Dr. Michael Weber and Ms. Bettina Curtze.

The Presidential Committee held six meetings over the past fiscal year. In addition to preparing the meetings of the Supervisory Board, this committee focused on preparing the renewal of the employment contracts of the members of the Management Board, reviewing the appropriateness of the remuneration of the members of the Management Board, preparing the Remuneration Report, preparing the efficiency review (self-assessment) of the Supervisory Board, and assessing the independence of the individual members.

The members of the Audit Committee are Mr. Sylvio Eichhorst as chairman of the committee, Dr. Michael Weber and Mr. Ralf Kindermann.

The Audit Committee held five meetings in the reporting year. It received regular reports on the results of the internal audit, risk reporting from risk management, compliance matters, and the Company's liquidity planning. Furthermore, the Audit Committee obtained the required declaration of independence from the auditor, reviewed the auditor's qualifications, and concluded a fee agreement with the auditor. 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 on this to the rest of the audit committee. Furthermore, the Audit Committee consulted with the auditor also without the Management Board present. The Audit Committee also discussed the non-audit services provided by the auditors.

The heads of the relevant functions (including the Head of Internal Audit and the Head of Finance) and the auditors were also available at the committee meetings to report and answer questions on individual agenda items.

Annual and consolidated financial statements 2023 audited and approved

The Management Board prepared the annual financial statements in accordance with the provisions of the German Commercial Code (HGB), the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), and the combined management report for Bike24 Holding AG and the Group.

The auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, audited the annual financial statements, the consolidated financial statements, and the combined management report, and issued an unqualified auditor's report in each case.

All the above-mentioned documents were discussed at the meeting of the Supervisory Board on March 21, 2024, 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 a conflict of interest 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 year 2023 and the combined management report, 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 concluded that there were no objections to the annual and consolidated financial statements or the combined management report. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual and consolidated financial statements and the combined management report prepared by the Management Board. The annual financial statements of Bike24 Holding AG were thus adopted.

Corporate governance and Compliance Statement

The Supervisory Board has concerned itself intensively with the rules set out in the German Corporate Governance Code (GCGC). Implementation of its recommendations was reviewed in order to monitor compliance with the GCGC. Together with the Management Board, the Supervisory Board issued an updated Compliance Statement in November 2023. The deviations from the GCGC recommendations are explained in the Compliance Statement. The Compliance Statement 2023 was made publicly available on the Company's website.

Conflicts of interest

Each member of the Supervisory Board is required to disclose to the full Board any conflicts of interest, in particular those that may arise as a result of advisory or board functions with customers, competitors, suppliers, lenders, or other third parties. No conflicts of interest were reported in the past fiscal year.

Changes to the Supervisory Board and Management Board

In 2023, there were no changes to the composition of either the Management Board or the Supervisory Board.

Professional development

The members of the Supervisory Board are generally responsible for the professional development measures required for their duties and receive appropriate support from the Company. Internal and external experts are consulted at Supervisory Board meetings on relevant topics in order to provide targeted training and broaden Company-related expertise. The members of the Supervisory Board also had the opportunity to contact internal experts directly at any time, even outside meetings.

Supervisory Board self-assessment

The Supervisory Board regularly assesses how effectively it, as a body as a whole, and its committees are performing their duties. The efficiency with which tasks are performed is assessed using a structured questionnaire, the results of which were analyzed, evaluated, and discussed by both the full Supervisory Board and the Presidential Committee at the meeting in October 2023. It was found that the work of the Board is organized efficiently. Any opportunities for improvement identified will be incorporated into the future work of 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 this challenging reporting year. On behalf of the Supervisory Board, I would also like to thank our customers and business partners for their loyalty. Finally, special thanks go to all our shareholders for the trust they have placed in us over the past fiscal year.

Dresden, March 21, 2024

For the Supervisory Board

Ralf Kindermann
Chairman of the Supervisory Board of
Bike24 Holding AG

REMUNERATION REPORT

Remuneration Report

1. Introduction and review of the 2023 reporting year

1.1. Introduction

The Remuneration Report of Bike24 Holding AG, Dresden (hereinafter referred to as "BIKE24" or the "Company") for the 2023 reporting year includes individualized information about the remuneration granted and owed to members of the Management Board and the Supervisory Board of the Company as well as explanations of the underlying remuneration system. 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 and the statutory auditor's report on the formal audit performed are available on the Company's website at: https://corporate.bike24.com/en. Further information on the Company's current remuneration system is also available on the Company's corporate website.

1.2. Review of the 2023 reporting year

Fiscal year 2022 was the third consecutive year of uncertainty about the continued progress of the COVID-19 pandemic and the directly associated economic effects. The fiscal year was also marked by the enormous geopolitical challenges posed 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. This had a serious impact on consumer sentiment and therefore on the entire industry (both e-commerce and the bicycle industry). In extraordinary cases, the Company's remuneration system provides for the Supervisory Board to approve appropriate supplementary remuneration components in the form of a one-time or multiple cash payment to a member of the Management Board, taking into account the interests of the Company, if the deviation is in the interest of the long-term well-being of BIKE24. The Supervisory Board has recognized the very good work of the members of the Management Board in the fiscal year 2022 and has made use of its right to temporarily deviate from the remuneration system in the fiscal year 2023 and to grant a one-time special bonus to both members of the Management Board in order to ensure the long-term loyalty of the members of the Management Board to the Company.

The Remuneration Report for the 2023 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 27, 2023, 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 2022 reporting year with a majority of 86.19 %. Due to the high level of approval of the Remuneration Report, no changes were made to the remuneration system, its implementation, or the way it is reported in the 2023 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 the long-term variable remuneration also significantly exceeds the portion of the 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.

In extraordinary circumstances (e.g., during a severe economic crisis), the Supervisory Board may temporarily deviate from the remuneration system if this is in the long-term interest of the Company. The supplementary remuneration components may not exceed 100 % of the annual base salary and must be in line with the target and maximum remuneration requirements.

The remuneration system for the Management Board 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. The remuneration system applicable for the fiscal year was approved by the Annual General Meeting on June 21, 2022 with an approval rate of 88.43 %. The structure of the remuneration system is reported on the following pages.

3. Remuneration of the members of the Management Board

3.1. Management Board remuneration in the 2023 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 2023 reporting year, the structure of the individual remuneration components, and the targets on which they are based.

Management Board remuneration system 2023

Component	Design
Performance-independent remuneration	
Base remuneration	■ Contractually agreed fixed base 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-related annual bonus ■ Cap: 150 % of the target amount ■ Target amount at 100 % ■ Two target dimensions (weighting): – 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	
Penalty/clawback	■ Possibility of withholding or clawing back performance-related remuneration components in the event of inaccurate consolidated financial statements or compliance breaches
Maximum remuneration	■ The maximum compensation for an individual member of the Management Board is EUR 2,000,000.
Post-contractual non-competition clause	■ Two-year non-compete clause after leaving the Management Board, with payment of a compensation 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 base remuneration, performance-independent remuneration includes fringe benefits and retirement benefit plans.

The base annual remuneration is paid monthly in twelve equal installments. In the 2023 reporting year, each member of the Management Board received base remuneration of EUR 252 k.

In addition to their base 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 base remuneration for the reporting year in question. The Supervisory Board may grant compensatory payments 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 base remuneration, the Management Board member has a fixed monthly amount at their 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 base 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 agreed upon annually by March 31 of the current reporting year at the latest and comprise 70 % quantitative targets as well as 30 % qualitative targets. The performance criteria for the quantitative targets consist of the consolidated EBITDA figure adjusted for one-time effects ("Adjusted EBITDA") and a portion or all of the following 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 2023 reporting year (annual bonus 2022) can be seen in the following overview:

Financial targets

Performance criterion	Weighting of the 2022 reporting year in %	Target values in EUR k (100 % target achievment)	Actual values of the 2022 reporting year in EUR k	Target achievement in %
Consolidated revenue according to IFRS 2022	50	283,800	261,522	0
Adjusted EBITDA 2022	50	26,500	9,656	0
Financial target achievement				**0**

Non-financial targets

Performance criterion	Weighting of the 2022 reporting year in %	Target values in & (100 % target achievment)	Actual values in % 2022 reporting year	Target achievement in %
Expansion of the "Full-Bikes" product segment	50	30	38	110
Tapping into new European bicycle markets	50	100	216	150
Non-financial target achievement				**130**

Total target achievement

Performance criterion	Weighting of the 2022 reporting year in %	Target achievement in %
Financial targets	70	0
Non-financial targets	30	130
Total target achievement		**0**

This resulted in the following target achievement per active Management Board member for the 2022 annual bonus:

Name of the Management Board member	Target amount in EUR k (100 % target achievement)	Target achievement in %	Amount paid out in EUR k
Andrés Martin-Birner	50	0	0
Timm Armbrust	50	0	0

As achievement of the financial targets was below 70 %, the Management Board member has not received a bonus under the applicable remuneration system and STI rules.

In deviation from the remuneration system, the Supervisory Board has granted the members of the Management Board a one-time special bonus for the fiscal year 2022. This year was marked by the enormous geopolitical challenges posed 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. As a result of the crisis, financial targets could not be met, resulting in the complete loss of short-term variable remuneration. In order to recognize the excellent work of the members of the Management Board during this severe economic crisis and to ensure that they remain with the Company, the Supervisory Board is granting a one-time special bonus of EUR 25,000. If it is in the long-term interest of the Company, the Supervisory Board may temporarily deviate from the remuneration system and approve appropriate additional remuneration components in the form of a one-time or repeated cash payment.

The amounts paid out in 2023 (in this case payment of the one-time special bonus, as the annual bonus for 2022 was not paid) will be offset against the remuneration granted and owed in the 2023 reporting year in accordance with Section 162 (1) AktG.

According to the interpretation of Section 162 (1) AktG used here, the annual bonus for 2023 will be "granted" or "owed" in the 2024 reporting year, which is why we will report on the annual bonus for 2023 in the Remuneration Report for the fiscal year 2024.

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 realization at specific points in time on the timeline) 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 (CO2 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 commentary 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	107 %
Tapping into new European bicycle markets	
Expansion of the "Full-Bikes" product segment	
Preparation of a Sustainability Report for the fiscal year 2022	

	Target value (100 % target achievement)	Actual values of the 2022 reporting year	Target achievement
Financial targets			
Organic consolidated revenue growth	13.4 %	5 %	0 %
Group EBITDA	EUR 26.5 m	EUR 9.7 m	0 %
Total			**0 %**

	Target price in EUR (100 % target achievement)	Price in EUR*	Target achievement
Stock price development target			
Stock price increase of 7.5 %	17.16	4.00	0 %

Based on the target achievement presented, the number of stock options to be granted for the third 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	36 %	356	15.49	22,957
Timm Armbrust	1,000	36 %	356		22,957

The third tranche was issued to the members of the Management Board in April 2023 with an exercise price of EUR 3.31.

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.

* Volume-weighted average of closing prices in XETRA trading in December 2022

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 waiting period are settled either in cash or in stock of the acquirer, depending on the Company's decision.

For the third tranche issued in the 2023 reporting year, a total of 45,914 stock options were allocated to the members of the Management Board:

Name of the Management Board member	Number as of January 1, 2023	Options granted or promised in the 2023 reporting year	Fair value upon option grant in EUR k	Options exercised in reporting year 2023	Options expired in reporting year 2023	Number as of December 31, 2023
Andrés Martin-Birner	129,034	22,957	23	–	–	151,991
Timm Armbrust	129,034	22,957	23	–	–	151,991

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 options	Timm Armbrust Number of outstanding options
July 1, 2021*	15.00	64,517	64,517
April 1, 2022	18.35	64,517	64,517
March 29, 2023	3.31	22,957	22,957

In the fourth tranche issued for the 2023 reporting year, further stock options will be allocated to the members of the Management Board in April 2024. This allocation will be "granted" or "owed" in the reporting year 2024 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 2024.

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 2023 reporting year.

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

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 2023 reporting year, excluding fringe benefits, retirement benefit plan commitments, compensation payments, and granting of stock options.

Target remuneration

	Andrés Martin-Birner		Timm Armbrust	
	2023 in EUR k	2023 in %	2023 in EUR k	2023 in %
Performance-independent remuneration				
Base 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) (2) (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 2023 reporting year can be exercised in 2027 at the earliest. The maximum remuneration is reviewed and reported in the Remuneration Report of the fiscal year affected by the exercise.

3.6. Review of the appropriateness of Management Board remuneration

The Supervisory Board regularly reviews the appropriateness of Management Board remuneration. To this end, the Supervisory Board also consults external advisors on specific occasions (e. g. before extending employment contracts with members of the Management Board, in the event of changes to the remuneration system).

A vertical remuneration comparison is regularly carried out, in which the relationship between the amount and structure of Management Board remuneration and the remuneration of senior management and the workforce as a whole is assessed. In addition to a status quo analysis, the vertical comparison also takes into account the development of remuneration ratios over time. Moreover, the level and structure of remuneration are assessed based on Bike24 Holding AG's positioning in a comparable market (horizontal comparison). The comparative market consists of selected companies of comparable size from the e-commerce and start-up sector in Germany as well as a European competitor listed on a foreign stock exchange. The horizontal comparison includes a comparison of the target and maximum remuneration. In addition to the fixed remuneration, the short and long-term remuneration components and, if available, the company retirement benefit are also examined as remuneration elements.

3.7. 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 2023 reporting year, the Supervisory Board has not identified any reason to make use of the option provided for in the remuneration system.

3.8. 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 2023 reporting year.

3.9. Post-contractual non-compete clause

When leaving the Management Board, the members of the BIKE24 Management Board shall be subject to a two-year non-compete clause, with it also being possible for the Company to waive the non-compete clause or for there to be release of the Company from the non-compete 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-compete clause.

3.10. Amount of individual remuneration of members of the Management Board in the 2023 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 2023 reporting year. In this context, the remuneration granted and owed within the meaning of Section 162 (1) AktG includes the base annual remuneration paid in the 2023 reporting year, the fringe benefits accrued, the retirement benefit plan contributions, the one-time special bonus, 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	
	2023 in EUR k	2023 in %	2023 in EUR k	2023 in %
Performance-independent remuneration				
Base remuneration	252	80	252	79
Special bonus	25	8	25	8
Fringe benefits	5	2	7	2
Retirement benefits	10	3	12	4
Total	**292**	**93**	**296**	**93**
Performance-related remuneration				
Annual bonus	–	–	–	–
Equity-Settled Stock Options Program	23	7	23	7
Total	**23**	**7**	**23**	**7**
Total remuneration	**315**	**100**	**318**	**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 2023 reporting year will be made in the reporting year 2024 according to the Articles of Association of the Company and will be added to the remuneration granted and owed in the Remuneration Report for the reporting year 2024 in accordance with Section 162 (1) AktG.

The following table shows the payment of the remuneration components granted and owed in the 2023 reporting year, including their relative share, pursuant to section 162 AktG.

	Base remuneration		Committee remuneration		Total remuneration	
	2023 in EUR k	2023 in %	2023 in EUR k	2023 in %	2023 in EUR k	2023 in %
Ralf Kindermann (Chairman)	35	74	13	26	48	100
Dr. Michael Weber (Deputy Chairman)	25	71	10	29	35	100
Bettina Curtze	20	80	5	20	25	100
Sylvio Eichhorst	20	67	10	33	30	100
Total remuneration	**100**	**73**	**38**	**27**	**138**	**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	Change in the 2023 reporting year compared to the 2022 reporting year
Management Board			
Andrés Martin-Birner	+ 284.4	– 56.3	– 22.7
Timm Armbrust	+ 282.0	– 56.3	– 22.2
Supervisory Board			
Ralf Kindermann (Chairman)	–	–	+ 71.4
Dr. Michael Weber (Deputy Chairman)	–	–	+ 100.0
Bettina Curtze	–	–	+ 71.4
Sylvio Eichhorst	–	–	+ 71.4
Key earnings figures			
Net income of Bike24 Holding AG[2]	– 20,562.1[1]	– 98.4	– 37,301.9
Adjusted EBITDA	+ 14.5	– 68.4	– 130.1
Average remuneration of employees on a full-time equivalent basis			
Employees of the Company[2]	+ 11.7	+ 14.0	+ 8.1

On behalf of Management Board

signed by Andres Martin-Birner
(CEO)

signed by Timm Armbrust
(CFO)

On behalf of the Supervisory Board

signed by Ralf Kindermann
(Chairman of the Supervisory Board)

[1] Due to the merger of Bike24 Support GmbH into Bike24 Holding AG, the change in the 2021 reporting year is not comparable.
[2] 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 01. January 2023 to 31. December 2023 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 (09.2023). 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 QMS 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 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, March 21,2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Lucas	Leser
Wirtschaftsprüfer	Wirtschaftsprüfer
German Public Auditor	German Public Auditor

CORPORATE GOVERNENCE STATEMENT

The Corporate Governance Statement
pursuant to Sections 289f and 315d of the German Commercial Code
as well as the Compliance Statement 2023
has been made available to the public on the company's website at

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

COMBINED MANAGEMENT REPORT

BIKE24 HOLDING AG, DRESDEN,
FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2023

Foundations of the Group

Organizational structure

Bike24 Holding AG (hereinafter also referred to as "BIKE24") is the holding company of the Bike24-Group based in Dresden, Germany. The company is registered under the commercial register number HRB 41483 at the register court in Dresden. The Group's operating business is mainly conducted by the 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 essentially corresponds to the reporting of Bike24 Holding AG. Supplementary information is provided in the section "Summary report on the annual financial statements".

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

As at 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. Bike24 Retail GmbH, Dresden, Germany
IV. Best Bike Brands GmbH, Dresden, Germany
V. Bike24 Support ES, S.L., Barcelona, Spain

While Bike24 GmbH bundles the operating business in connection with stationary and online retail, the own-brand business is located at Best Bike Brands GmbH. The other subsidiaries provide internal services, such as logistics services, IT and marketing services, the operation of stores on behalf of Bike24 GmbH and customer service.

Management Board and Supervisory Board

The executive 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 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 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 strategy and organization, corporate communications, marketing, logistics, procurement, own brands and all other tasks not assigned to the Finance department. Timm Armbrust (CFO) is responsible for financing, controlling, auditing, risk management, accounting, legal and compliance, taxes, investor relations, IT, human resources, customer service and retail stores.

The Supervisory Board, consisting of four members, not only appoints the Management Board, but also advises it regularly and monitors its management of the company. 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 these to the Annual General Meeting.

Both bodies work closely together for the benefit of Bike24 Holding AG. Further details can be found in the Corporate Governance Statement, which is available in the Investor Relations/Governance & ESG section of the company's website at https://ir.bike24.com.

Business model and strategy

BIKE24 is one of the leading online cycling platforms in continental Europe with the broadest and deepest product assortment and 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.

With 70,000 items from over 800 brand manufacturers, the BIKE24 online store offers customers an extensive range in terms of breadth and depth. This includes numerous premium brands such as Specialized, Garmin, Santa Cruz, Assos and Castelli. The ultra-modern, automated warehouse in Dresden – as well as a smaller one in the Barcelona area – allow the company to process orders quickly. Over 80 % of the products can be dispatched on the same day if ordered by 3 pm. Within Germany, they usually reach customers the very next day.

BIKE24 is currently focusing on continental Europe with localized online stores in Germany, Austria, France, Italy and Spain as well as in the Benelux region. 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. In addition to the somewhat more established expansion markets of Spain, France and Italy, Belgium, the Netherlands and Luxembourg (Benelux) in particular have been identified as growth markets. To develop these markets, we are pursuing a growth strategy that provides for the localization of our offering, including website content in the respective national languages, the adaptation of our product mix and locally customary payment systems, delivery options and regional customer service. Another important cornerstone of our strategy is the expansion of our product range, particularly with regard to traditional bicycles and e-bikes.

The company’s plan to return to growth in the future is supported by fundamental macroeconomic trends. These include increased environmental awareness, the growing demand for intelligent and sustainable mobility concepts - driven by the European “Green Deal” –, the ongoing fitness trend, increased health awareness, and customers' growing preference for premium products. At the same time, a shift in demand from bricks-and-mortar retail to online retail has been noticeable for years.

Nevertheless, it should be noted that the current macroeconomic uncertainties as well as rather cautious customer spending have also left their mark on the Bike24-Group. As many producers have been slow to adapt their production processes to the new demand following the above-average growth in 2020 and 2021, overcapacities on both the retailer and manufacturer side are weighing on companies' balance sheets. However, as this is mainly seen as a temporary burden, it has no impact on Bike24-Group's long-term strategy.

Control system

Our key financial performance indicators include figures on growth, profitability, and capital structure. We use revenue and the adjusted EBITDA margin as the most important key figures for managing the Group. We are convinced that adjusting the EBITDA margin for special items improves both transparency and long-term comparability for assessing the performance and profitability of the Bike24-Group.

We define adjusted EBITDA as earnings before interest, taxes, depreciation, and amortization, adjusted for transaction costs, expenses for share-based payments, the currently ongoing implementation of an ERP system and other non-recurring expenses. The adjusted EBITDA margin represents adjusted EBITDA in relation to Total Income.

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

We use other financial performance indicators to assess the success of our company. These performance indicators include Revenue by country, Other Income, Total Expenses, Working Capital and Net Cash Flows from operating activities.

In addition to the financial performance indicators, we also use other non-financial performance indicators. As the latter are not significant for the internal management of the company, no forecast is provided for them. However, the management board is compensated based on the achievement of non-financial performance indicators, in particular those relating to sustainability.

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 2023 financial year, the number of active customers fell by 3 % to 922 thousand due to a subdued consumer sentiment.

Number of orders

Defined as the total number of orders that were not canceled in the twelve months prior to the end of the reporting period. Compared to the previous year, the number of orders fell by 11 % to 1.625 million. As this decline was weaker than the decline in the Bike24-Group's total sales, it can be assumed that some customers opted for cheaper alternatives (“down trading”).

Orders from returning customers

Orders that are not a customer's first order with BIKE24 in relation to the total number of orders. The share fell slightly by 1.2 pp to 69.3 % in 2023.

Average number of orders per active customer

The average number of orders per active customer and per year fell from 1.9 to 1.8 in the reporting period.

Average shopping basket

The average shopping basket is defined as the value of sold goods (after returns and excluding VAT) divided by the number of orders in the reporting period. It fell from EUR 143 to EUR 137 (– 4 %) in the 2023 financial year. It has a direct impact on the Group's sales.

Procurement

A cornerstone of our business model is a comprehensive product portfolio in terms of depth and breadth, which represents added value for both our customers and our suppliers. Optimized procurement and supply chain management is therefore of particular importance to the Bike24-Group.

We keep the majority of the most popular products in stock, which enables us to keep delivery times short. At the same time, we benefit from favorable purchase prices thanks to volume discounts and long-established supplier relationships with our brand partners and suppliers.

Procurement expenses represent a high proportion of operating expenses. Expenses for merchandise, consumables and supplies amounted to EUR 171.7 million or 75.8 % of sales in the 2023 financial year (previous year: EUR 192.7 million or 73.7 % of sales). The increase in procurement expenses as a percentage of sales is due to currently lower sales prices and higher discounts, which are still necessary due to overcapacities in the market. Procurement expenses are generally a key factor in improving earnings and/or being able to offer our customers attractive prices.

BIKE24 mainly procures its goods in Europe or on the basis of supply contracts in euros, meaning 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 company 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. Development costs in this context are only capitalized if the costs can be reliably determined, the product or process is technically and economically feasible, a future economic benefit is probable and BIKE24 has the intention and sufficient resources to complete the development and use or sell the asset. Otherwise, the development costs are recognized in the consolidated statement of profit or loss and other comprehensive income under other expenses. After initial recognition, capitalized development costs are measured at cost less accumulated depreciation and amortization and accumulated impairment losses. As at December 31, 2023, the carrying amount of internally generated intangible assets was EUR 9.6 million (previous year: EUR 7.4 million). The historical acquisition and production costs amounted to EUR 10.8 million (previous year: EUR 7.9 million), while accumulated depreciation and amortization amounted to EUR 1.2 million (previous year: EUR 0.5 million) as at the balance sheet date.

Additions to internally generated intangible assets in the amount of EUR 2.9 million (previous year: EUR 4.8 million) were capitalized in the 2023 financial year. These relate to internal development costs of EUR 2.1 million (previous year: EUR 1.7 million) and external development costs of EUR 0.8 million (previous year: EUR 3.1 million).

Marketing

The aim of our marketing activities is to generate the greatest possible relevant traffic to our websites and to further strengthen our established brand. Thanks to our broad product range, our organically grown and established brand and our customer-oriented marketing approach, we are able to generate the majority of our website traffic from unpaid organic and direct website visits. Marketing expenses for performance marketing (e. g. Google AdWords or PayPerClick on price comparison portals) amounted to 1.3 % of revenue in 2022. In the 2023 financial year, we increased expenses for performance marketing as part of targeted sales campaigns to reduce overcapacities and expand our business activities to other regions. However, at 1.5 % of sales, they remain at a low level.

Employees

As slight sales growth was expected at the start of the 2023 financial year, staff was increased accordingly. The company is also keen to address the shortage of skilled workers with internal development opportunities.

As at December 31, 2023, the Bike24-Group employed a total of 555 people including trainees (previous year: 551). In 2023, the number of external and temporary employees was significantly reduced in order to respond to the new market situation, reduce costs and train internal employees in a more targeted manner. Compared to the previous year's reporting date, the number of external employees in the areas of logistics and administration was reduced from 45 to 9.

	Ø 2023	Ø 2022	December 2023	December 2022
FTE	523	478	524	493
Number of employees	558	540	555	551

HR 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 offers training with a focus on compliance and internal knowledge transfer. In addition, the modular BIKE24 Leader Development program 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 language training and selected in-house training courses.

As an employer, we see it as our responsibility to guarantee our employees a safe and healthy workplace. The aim of our Health & Safety measures is to prevent accidents and work-related illnesses. We also offer ophthalmological examinations by our company doctor and, if necessary, full coverage of the cost of computer glasses. Flu vaccinations are also part of our health services.

We want to optimize the work-life balance with individual home office agreements. In addition, other benefits such as a company pension scheme, job tickets, discounted fitness offers 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 are involved in many other activities to leave a sustainable footprint. These include measures to protect resources and the climate as well as promoting our employees to do so by supporting associations in our neighborhood.

We have been certified as a climate-neutral company by DEKRA since 2020. To achieve this, we first analyzed our total CO_2 emissions resulting from 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.

In addition, the company was awarded 18 points in the S&P Global CSA Score, a sustainability survey on environmental, social and governance topics, in 2023, which corresponds to an above-average result in the 60th percentile.

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 economic environment in 2023 was characterized by a combination of ongoing and new challenges. The global economy continued to face the aftermath of the COVID-19 pandemic, including partial supply chain disruptions and further escalating geopolitical tensions in Ukraine and the Middle East. Trade relations were reconsidered and the global supply chain faced major challenges in adapting to the new normal.

Inflation reached a multi-year high in many countries, prompting central banks around the world to tighten monetary policy and raise interest rates in order to ensure price stability. At the same time, extreme weather events and the urgency of combating climate change increased the focus on sustainable investments and the transformation to a green economy. These complex conditions required adapted economic policy measures and increased international cooperation to strengthen the resilience of the global economy and promote an inclusive and sustainable growth path.

Growth in the eurozone was subdued, influenced by weak domestic demand, negative contributions from net exports and stagnating industrial production. By contrast, the service sector recorded slight growth. Inflation and restrictive financing conditions dampened private consumer spending, while corporate and public investment made a positive contribution. Despite an expected recovery in real incomes and private consumer spending in the second half of 2023, the overall growth outlook remained subdued, with a downward revision of the forecast compared to previous expectations. Financing conditions, influenced by higher interest rates, and weaker lending had a negative impact on global demand as well.

According to initial calculations by the German Federal Statistical Office (Destatis), price-adjusted GDP in Germany fell by around 0.3 % in 2023, after growing by an estimated 1.8 % in 2022.[1]

Industry development

The effects of high inflation were also felt across the industry. According to bevh (Bundesverband E-Commerce und Versandhandel Deutschland e. V.), gross sales of goods in e-commerce fell by a double-digit 11.8 % to EUR 79.7 billion in 2023, compared to EUR 90.4 billion in 2022.[2]

According to the Zweirad Industrie Verband (ZIV), sales of e-bikes in Germany fell by 850,000 units or 12 % in the first five months of 2023 (more up-to-date figures were not yet available at the end of February 2024). For traditional bikes, this decline amounted to 830,000 units or 20 % compared to the same period last year. This decline is mainly due to subdued consumer sentiment and poor weather at the start of the cycling season. For 2023 as a whole, the ZIV expects sales of around 2 million e-bikes. This would be around 10 percent less than in the record year 2022 with 2.2 million units.[3]

Retailer's inventories were fuller than originally expected, although there were still restrictions in terms of selected items due to supply bottlenecks. Business was particularly good with high-quality bikes, especially pedelecs/e-bikes, which were mostly sold as part of leasing contracts. At the same time, the industry felt a general reluctance to buy in the lower price categories and in the aftermarket due to increased inflation.

[1] https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html
[2] https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle
[3] https://www.ziv-zweirad.de/2023/06/15/fahrrad-und-e-bike-markt-in-den-ersten-monaten-2023/

Business performance

Key figures Bike24-Group

in EUR million	2023	2022	Change
Revenue	226.3	261.5	– 13.5 %
Total income	226.5	261.8	– 13.5 %
EBITDA (adjusted)	– 2.9	9.7	– 130.1 %
EBITDA margin (adjusted)	– 1.3 %	3.7 %	– 5.0 pp
EBIT	– 83.5	– 7.5*	> 100 %
Loss before tax	– 89.7	– 9.2*	> 100 %
Comprehensive loss	**– 80.4**	**– 6.4***	**> 100 %**

Characterized by continued high inflation, fears of recession and ongoing overcapacities on both the retailer and manufacturer side, 2023 was a challenging year for the economy as a whole, which BIKE24 ended with a 13.5 % decline in revenue to EUR 226.3 million and an adjusted EBITDA margin of – 1.3 % (previous year: 3.7 %). The number of active customers also decreased in the 2023 financial year to 922 thousand (previous year: 954 thousand), which corresponds to a decline of 3.4 % compared to the previous year. The number of orders fell by 10.7 % to EUR 1.625 million. The order frequency per customer averaged 1.8 orders per year, a slight decrease compared to the previous year (1.9 orders per year). 69.3 % of orders (previous year: 70.5 %) were placed by returning customers. The average shopping basket amounted to EUR 137 (previous year: EUR 143), which corresponds to a decrease of 3.9 %.

In the original forecast for 2023, the company assumed robust sales growth and a slightly positive adjusted EBITDA margin. We adjusted the forecast over the course of the financial year due to specific challenges relating to macroeconomic factors and ongoing geopolitical upheavals and the associated impact on the overall economic situation. In particular, we noticed a change in consumer behavior in some regions and product groups, which led to lower sales. At the same time, overcapacities in full-bikes and accessories led to enormous price pressure, which had a negative impact on margins. The company has therefore adjusted its forecast twice and revised the final target corridor for sales growth to between – 16 % and – 11 % and an adjusted EBITDA margin of between – 1 % and + 1 %. While the updated guidance corridor for sales growth was achieved, the adjusted EBITDA margin was slightly lower. This was communicated through an ad hoc announcement on 28 February 2024.

The following table shows the forecast development for the financial year 2023:

	Sales growth	Adjusted EBITDA margin
Annual Report 2022	0 % to + 10 %	0 % to 3.5 %
Adjustment (July 2023)	– 10 % to – 5 %	– 1 % to 1 %
Adjustment (October 2023)	– 16 % to – 11 %	– 1 % to 1 %
Result	**– 13.5 %**	**– 1.3 %**

The guidance for the current financial year 2024 can be found in the forecast report.

* adjusted due to an immaterial error

Sales and earnings position

Adjusted figures are calculated and reported to ensure a transparent presentation of ongoing operations. The adjustments include individual items if they lead to significant effects in a reporting year. These individual items may relate in particular to one-off transaction costs, share-based payments or other extraordinary expenses.

In the reporting year, adjustments were made to EBITDA for EUR 3.2 million (previous year: EUR 2.5 million). Of this amount, EUR 0.7 million (previous year: EUR 1.5 million) relates to personnel costs and EUR 2.5 million (previous year: EUR 1.0 million) to other operating expenses. While the adjusted personnel costs largely relate to the share option program and internal personnel costs in connection with the planned ERP system implementation, the adjustments to other operating expenses largely include external personnel costs in connection with the planned ERP system implementation and expenses in connection with the extensions of the syndicated loan agreement.

Sales distribution

81 % (previous year: 87 %) of total sales of EUR 226.3 million resulted from the sale of parts, accessories and clothing (PAC). The full-bike segment contributed 19 % to Group sales (previous year: 13 %). While sales in the PAC segment fell by – 19 %, the full-bike segment recorded growth of + 25 %. This difference can be explained by the fact that while the trend towards sustainable mobility continues unabated, customers remain cautious when it comes to discretionary products.

From a regional perspective, the DACH region was once again the largest market with sales amounting to EUR 146.9 million, which corresponds to a decrease of 14 % or EUR 24.8 million compared to the previous year. In the localized markets (Spain, France, Italy, Belgium, the Netherlands and Luxembourg), sales rose by 18 % to EUR 45.4 million (previous year: EUR 38.5 million), mainly driven by a strong increase in the Netherlands (+ 66 %) and Belgium (+ 46 %). The exceptionally strong increase in Belgium and the Netherlands is partly due to the introduction of localized content in these countries at the beginning of 2023. Spain recorded a slight decline in sales (– 2 %), sales increased in France (+ 20 %) and Italy (+ 6 %). In the remaining European markets, sales fell by 26 % to EUR 24.2 million, while sales in the rest of world fell by 48 % to EUR 9.9 million.

The gross margin fell by around 2.2 percentage points (pp) to 24.2 % in the reporting period. This is mainly due to overcapacities on both the manufacturer and retailer side in the full-bikes and accessories categories, which resulted in increased sales promotions that had a negative impact on margins.

Other operating expenses amounted to EUR 35.1 million (previous year: EUR 35.2 million). The revenue-related decline in selling expenses was offset by an increase in other expenses, in particular expenses in connection with the extension of the syndicated loan agreement and consulting costs for a planned IT system implementation. Other expenses increased as a percentage of sales. Personnel expenses decreased slightly (2023: EUR 25.4 million; 2022: EUR 26.1 million), mainly due to lower share-based compensation expenses. In particular, the significant drop in revenue and the lower gross margin led to earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR – 6.1 million, which was below the previous year's figure of EUR 7.2 million.

Adjusted for special items amounting to EUR 3.2 million, which are primarily related to non-capitalizable investments and expenses in connection with the extensions of the syndicated loan agreement, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) amounted to EUR – 2.9 million compared to EUR 9.7 million in the same period of the previous year. This corresponds to an adjusted EBITDA margin of – 1.3 % (previous year: 3.7 %).

Based on the current market conditions and future prospects, the impairment test for 2023 resulted in one-off depreciation and amortization of the entire goodwill (EUR 56.8 million), other intangible assets (EUR 4.4 million) as well as property, plant and equipment (EUR 0.5 million). Further information can be found in section F.1 of the Notes.

TEUR	2023	2022
Earnings before interest and taxes (EBIT)	**– 83,495**	**– 7,485***
Depreciation and amortization	15,692	14,692*
Impairment of non-current assets	61,720	–
Share-based compensation expenses	80	1,132
Expenses for long-term incentive plans	–	– 185
Employee stock expenses	–	2
Expenses for non-capitalizable investments	1,527	768
Transaction costs regarding IPO or M&A	476	153
Syndicated loan agreement	869	–
Other non-recurring expenses	220	579
Adjusted earnings (adjusted EBITDA)	**– 2,910**	**9,656**
Margin	**– 1.3 %**	**3.7 %**

The (unadjusted) operating result (EBIT) amounted to EUR – 83.5 million after EUR – 7.5 million* in 2022. After deducting interest and taxes, the Group generated a net result of EUR – 80.4 million after EUR – 6.4 million* in 2022.

Financial position

The Group's total assets decreased by 27.7 % to EUR 246.6 million as at December 31, 2023 after EUR 340.9 million* as at December 31, 2022.

At EUR 149.2 million, non-current assets were 32.3 % below the level at the comparative reporting date (EUR 220.3 million*), mainly due to the goodwill, brand and customer base impairment resulting from the impairment test. Depreciation was carried out due to slower future sales growth than originally planned.

Current assets fell by 19.2 % or EUR 23.2 million in the 2023 financial year, from EUR 120.6 million to EUR 97.4 million. In particular, the reduction in inventories by EUR 13.0 million from EUR 84.3 million to EUR 71.3 million is the reason for the decline in current assets. The reduction in inventories was due to targeted sales campaigns and a significantly lower purchasing volume, particularly in the second half of the year.

Other assets fell by EUR 3.4 million to EUR 5.3 million. This was mainly due to lower tax assets and prepayments.

Cash and cash equivalents of EUR 18.4 million were below the level of EUR 22.4 million on the comparative reporting date of December 31, 2022. The decline is due to costs in connection with the ERP system implementation and investments in the full-bike segment.

* adjusted due to an immaterial error

The decrease in non-current liabilities from EUR 56.8 million* to EUR 46.6 million is mainly the result of the reduction in deferred tax liabilities due to the depreciation and amortization of the brand and the customer base as well as the netting of deferred tax assets on loss carryforwards. Other financial liabilities decreased by EUR 1.8 million from EUR 17.4 million to EUR 15.6 million, which corresponds to the expected decrease due to lease payments in the financial year.

Current liabilities include Liabilities to banks of EUR 38.7 million. The financing will be used for the strategic initiatives of localization and the associated rental of new warehouse space in Spain as well as the growth market of full-bikes. Trade payables remained at the previous year's level at EUR 7.2 million. Other liabilities, which primarily relate to provisions for personnel costs and tax liabilities, also fell from EUR 15.6 million to EUR 12.7 million in the financial year. This decrease is due to a EUR 1.0 million reduction in VAT liabilities and a EUR 1.0 million decrease in other liabilities, which primarily relate to outstanding invoices. Current liabilities were EUR 3.7 million below the level on the comparative reporting date and amounted to EUR 61.9 million as at December 31, 2023.

As a result of the negative consolidated net profit for the year of EUR 80.4 million, total equity fell from EUR 218.4 million* to EUR 138.1 million. Consequently, the equity ratio fell by 8.1 percentage points from 64.1 % to 56.0 % compared to the balance sheet date of December 31, 2022.

Cash Flow development

BIKE24 generated cash flow of EUR 6.2 million from operating activities in the 2023 financial year (previous year: EUR – 11.9 million). This was derived from the full-year revenues, taking into account non-cash expenses and income as well as the change in working capital. The increase is mainly due to the reduction in inventories and other assets and thus working capital.

The cash outflow from investing activities fell by EUR 7.3 million compared to the previous year and amounted to EUR – 6.4 million. The change is mainly due to the investments made in the previous year in the construction of the logistics center in Spain, which has been completed at the beginning of 2023.

BIKE24 recorded a cash outflow of EUR 3.8 million from financing activities compared to a cash inflow of EUR 37.8 million in the same period of the previous year. In the previous year, the syndicated loan was drawn down in the amount of EUR 39.0 million, while a repayment of EUR 2.0 million was made in the current financial year.

With cash and cash equivalents of EUR 18.4 million, the Group had sufficient liquidity as at December 31, 2023, to meet current payment obligations. The Group's solvency was secured throughout the 2023 financial year. In the short term, the company is financed by equity and loans.

* adjusted due to an immaterial error

Principles and objectives of financial management

The management of cash and working capital is at the heart of BIKE24's financial management. Maintaining liquidity is also an overriding objective. The type and scope of cash transactions are geared towards our operating business. A rolling twelve-month cash flow plan is used to determine liquidity requirements.

On June 11, 2021, BIKE24 concluded a syndicated loan agreement for credit facilities in the amount of EUR 50 million. This agreement was extended in March 2023 for the first time with adjusted conditions.

The "minimum liquidity" stipulated in the loan agreement was met every month. From the third quarter 2023 onwards, a minimum EBITDA ratio also had to be met. This ratio was met in the third quarter, but was not met as at the balance sheet date. Liabilities to banks were reported as due in the short term as at December 31, 2023. The Group notified the financing banks of this breach of covenant at an early stage and obtained an adjustment to the agreement as part of the subsequent negotiations. In accordance with the amendment agreement dated March 15, 2024, the banks waive their special right of termination.

On March 15, 2024, the existing syndicated loan agreement was extended again until April 30, 2025 at slightly modified conditions. The interest margin was left largely unchanged. The initial interest rate is 6.75 % plus Euribor and will be reviewed for the first time on March 31, 2024 on the basis of the net gearing ratio for the first quarter then ended. In addition, the minimum liquidity covenant was adjusted in line with the company's financial plan. The assurance for the minimum EBITDA was suspended and will be tested again for the first time for the quarter ending December 31, 2024, whereby the relevant key figures were also adjusted to the company's financial plan. The company will make regular quarterly repayments of EUR 2.0 million (a repayment of EUR 2.0 million was made for the first time on December 31, 2023).

Bike24 Holding AG and other significant Group companies provide customary transaction collateral under the loan agreement.

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

Overall statement on the economic situation of the Group

As in the previous year, the 2023 financial year was characterized by geopolitical and economic turbulence, particularly the wars in Ukraine and the Middle East and their global impact, which further exacerbated the existing economic problems in many countries. The economic impact of the COVID-19 pandemic and persistent economic inequalities both within countries and globally remained major challenges. Many countries struggled with unemployment, the rising cost of living and the strain on public budgets.

The company's guidance was adjusted during the course of the financial year due to specific challenges relating to macroeconomic factors and ongoing geopolitical upheavals and the associated impact on the overall economic situation. In particular, a change in consumer behavior was observed in some regions and product groups, which led to lower sales. At the same time, overcapacities for full-bikes and accessories led to enormous price pressure, which had a negative impact on margins. The company has therefore adjusted its forecast twice and revised the final target corridor for sales growth to between – 16 % and – 11 % and anticipated an adjusted EBITDA margin of between – 1 % and + 1 %. While the updated target corridor for revenue was achieved, the adjusted EBITDA margin was slightly lower. This was communicated through an ad hoc announcement on February 28, 2024.

On the other hand, the company made further progress in implementing its internationalization strategy and adapting the product portfolio to local needs. This contributed to the above-average growth, particularly in the new markets of Belgium and the Netherlands. The successful reduction of excess inventories over the course of the year and the associated close balancing of earnings and sales development should also be emphasized.

Forecast report

According to the International Monetary Fund (IMF), global growth is expected to amount to 3.1 % in 2024 and rise to 3.2 % in 2025. Increased interest rates by central banks to combat inflation and a withdrawal of fiscal support in view of the high level of debt are weighing on economic activity. Inflation is falling faster than expected in most regions as supply-side problems are mostly resolved and monetary policy can be described as rather restrictive. Global inflation is expected to fall to 5.8 % in 2024 and 4.4 % in 2025.[4]

According to the European Commission, the EU economy has made a weaker-than-expected start to 2024 following subdued growth last year. In the winter interim forecast, growth in the EU is reduced from 0.6% in the autumn forecast to 0.5 % in 2023 and to 0.9 % (from 1.3 %) in 2024. In 2025, economic activity in the EU is expected to continue to grow by 1.7 %.

Inflation is expected to weaken faster than originally forecasted in fall. According to the Harmonized Index of Consumer Prices (HICP), inflation in the EU is expected to fall from 6.3 % in 2023 to 3.0 % in 2024 and 2.5 % in 2025.

In 2023, growth was held back by the dwindling purchasing power of private households, the sharp tightening of monetary policy, the partial withdrawal of fiscal support and falling foreign demand. After narrowly avoiding a technical recession in the second half of last year, the outlook for the EU economy remains weak in the first quarter of 2024.

However, economic activity is expected to gradually accelerate this year. As inflation continues to fall, real wage growth and a robust labor market should support an upturn in consumption. Despite falling profit margins, investment is likely to benefit from a gradual easing of credit conditions and the continued implementation of economic stimulus initiatives. In addition, trade with foreign partners is expected to normalize after a weak development last year.[5]

There are mixed expectations for the German economy in 2024. A survey of German business associations conducted by the German Economic Institute (IW) shows a predominantly pessimistic mood. The majority of associations expect a weak year for investments, and only nine out of 47 associations forecast a higher level of production. Concerns are focused on global crises, high interest rates, a weak global economy and an uncertain budget situation. German companies are particularly burdened by high energy prices, which puts them at a competitive disadvantage compared to US companies.[6]

The cycling industry has ambivalent feelings about 2024. While overcapacities at both retailers and manufacturers are dampening the general mood, there are some signs of an imminent recovery. After the peak phase during the coronavirus years, the industry faced a slowdown in the economy in 2023. Consumer restraint led to weaker than originally forecasted demand. Nevertheless, the industry has a promising future ahead of it. The outlook is positive: a new "cycling monitor" from the Federal Ministry for Digital and Transport shows that around a quarter of Germans can imagine buying a bicycle in 2024.[7]

[4] https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[5] https://ec.europa.eu/commission/a/detail/en/ip_24_730
[6] https://www.iwkoeln.de/studien/michael-groemling-keine-erholung-in-sichtweite.html
[7] https://bmdv.bund.de/SharedDocs/DE/Artikel/StV/Radverkehr/fahrradmonitor.html

However, according to the German Cycling Industry Association (ZIV), the situation remains challenging in the short term. The association expects the current difficult market situation with high stock levels to continue until the end of 2024 or the beginning of 2025, after which the market will normalize or consolidate.[8]

As already communicated, BIKE24 is currently focusing on profitability, which may temporarily mean a decline in sales as customers have to adjust to the new prices. While the gross margin has already improved in the first two months of 2024, revenue is down on previous years due to the Covid-related high comparative values. Overall, an increase in sales of between + 1 % and + 5 % is expected in the 2024 financial year compared to 2023. Future gross profit in the bicycle industry depends primarily on whether the general consumer climate improves and whether the selling pressure caused by excessively high inventories among all market participants is reduced. From today's perspective, the company expects an adjusted EBITDA margin of + 0.7 % to + 4.2 % for the 2024 financial year. However, there is considerable uncertainty about consumer behavior.

[8] https://www.pd-f.de/2024/02/08/fahrradmarkt-2024-angespannte-lage-aber-viele-positive-vorzeichen_18998

Opportunities & risks

As an internationally operating group, Bike24 Holding AG is exposed to a variety of risks associated with the business activities of BIKE24 and its subsidiaries or arising from external influences. A risk is defined as the danger that events, developments or actions may prevent the Group or one of its affiliated companies from achieving its objectives. This includes financial and non-financial risks. At the same time, it is important to identify opportunities in order to secure and expand competitiveness. An opportunity is 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 also essentially the same. 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, assess and actively manage the entrepreneurial risks associated with our business at an early stage. To this end, Bike24 Holding AG introduced a standardized risk management system ("RMS") in 2021. The activities in connection with the RMS, including all relevant measures to identify, assess and mitigate BIKE24's key risks, are defined in a standardized process ("risk management cycle") and documented in the risk management guideline. The system is designed in such a way that it complies with the applicable legal requirements and the relevant industry standards. It is based on the COSO-II risk management framework. The risk management system covers the entire Bike24-Group, in which only Bike24 GmbH is currently a relevant operating unit.

Company-wide risk management and sustainability activities are bundled in the ESG, Internal Audit and Risk Management department to ensure close integration of sustainability issues in risk management.

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

Company-level controls are an essential part of an effective internal control system. They serve to create 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 company level are the "tone from the top", the integrity and ethical values of the management and the corporate governance system – consisting of the risk management system, compliance management system and internal audit.

Significant risks were identified for key business processes at transaction level and procedures were developed and implemented to control these risks. The risks and controls are documented in a risk-control matrix.

Overall responsibility for our RMS and ICS lies with the Management Board. The company-wide risk and opportunity situation is evaluated and the results of the internal control process are explained at the Supervisory Board meetings on a quarterly basis. The Supervisory Board's Audit Committee is responsible in particular for monitoring accounting and the accounting process as well as the appropriateness and effectiveness of the ICS, the RMS and the internal audit system. The status of the ICS and RMS is reported to the Audit Committee on a regular basis.

The ICS and RMS are constantly being developed in order to adapt the systems to increasing regulatory and operational requirements and to increase the maturity of the systems. As part of the current implementation of a new ERP system, risks and controls for the changed business processes were updated or redefined and documented accordingly in the risk control matrix. In addition, continuous improvements to the ICS are made on the basis of findings from internal or external audits.

Nevertheless, there are inherent limitations to the effectiveness of any risk management and control system. For example, no system – even if it has been assessed as appropriate and effective – can guarantee that all actual risks will be identified in advance or that any process violations will be excluded under all circumstances.

Compliance Management System (CMS)

The ICS and RMS also include a CMS geared towards the company's risk situation. Our CMS is based on the three pillars of prevention, detection and response. The compliance management system is based on the new compliance manual published in the 2022 financial year. In addition to a Code of Conduct, this contains a Corporate Compliance Framework Guideline, a Business Partner Code of Conduct and individual guidelines on the most important topics, such as antitrust law, gifts, invitations and hospitality, sponsorship and donations, corruption prevention, money laundering and terrorism 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 raise employees' awareness of compliance issues and provide them with targeted training.

The entire CMS is continuously adapted to the 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 this end, the company has implemented a system of preventive, detective and monitoring controls that ensure a methodical and uniform approach to the preparation of the company's financial statements.

The main control mechanisms include the definition of processes, including responsibilities, the introduction of approval and review concepts and – where possible – the separation of functions. Documented procedural instructions and guidelines as well as checklists, which are regularly updated, are in place to ensure uniform accounting throughout the Group. The company software used is protected against unauthorized access by appropriate IT equipment.

To monitor the effectiveness of the ICS, regular reviews of accounting-related processes are carried out by Internal Audit. In addition, the Supervisory Board's Audit Committee monitors the effectiveness of the system designed and set up by the Management Board.

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 specified 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 the regular Management Board and Supervisory Board meetings. A process has been implemented to report significant changes in risk on an ad-hoc basis.

As part of the risk assessment, the identified risks are systematically evaluated in terms of the extent of damage and the probability of occurrence. When assessing risks, we consider both gross and net risks. The gross risk represents the inherent risk before risk-mitigating measures. The net risk is the remaining risk after all risk-mitigating measures have been implemented. On the one hand, this approach enables a comprehensive understanding of the impact of risk-mitigating measures and, on the other, forms the basis for scenario analyses. Active risk management and thus further optimization of the risk landscape is achieved by setting a target risk for material net risks, including the definition of planned countermeasures.

Our risk assessment in this report only reflects the net expected value (impact on the operating result). We have identified those risks with a net expected value of at least EUR 500,000 as critical risks. Our risk system also includes non-quantifiable risks, i. e. risks that cannot be directly translated into EUR. These primarily include losses that take into account potential damage to 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 in the four levels "unlikely", "possible", "probable" or "highly probable". These levels are underlaid with percentage ranges for the probability of occurrence, which are shown in the table below:

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

When assessing the potential extent, we distinguish between the four categories "low", "moderate", "significant" and "critical". These categories are also assigned threshold values with regard to the potential extent of damage in EUR.

Level	Damage amount in k EUR
Low	≤ 50
Moderate	51 – 200
Significant	201 – 500
Critical	> 500

All identified risks are classified and visualized in a risk matrix based on an assessment of the probability of occurrence and the impact of damage:

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

- Very high
- High
- Medium
- Low

The risk matrix makes it easier to compare the respective priority of risks and provides additional transparency with regard to BIKE24's overall risk position. The categorization of risks from "low" to "very high" 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 the main risks and opportunities

In this report, we explain the main financial and non-financial risks and opportunities for the company's target achievement in the 2024 financial year and beyond.

Thanks to our product portfolio, our expertise and our innovative strength, we are convinced that we can exploit the opportunities resulting from our entrepreneurial activities and successfully meet the challenges arising from the risks listed below.

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

Presentation of risks

Macroeconomic situation

Also during 2023, the war in Ukraine, among other things, caused great uncertainty among consumers, not least due to the significant price increases for electricity and gas. Persistently high inflation rates have impaired purchasing power, which has led to a noticeable decline in demand. The ongoing macroeconomic crisis continues to affect consumer behavior. At the same time, competition remains high due to the remaining oversupply, which increases the pressure on margins. This can have a significant negative impact on customer KPIs. The earnings risk from customer consumption behavior and its impact on operations therefore remains high.

In order to counteract the highly competitive pressures and continue to meet customer expectations, BIKE24 relies on a broad product range and a focus on high-margin brands and products. In addition, the company is increasingly focusing on active inventory management in order to avoid unnecessary high stock levels. The aim is to keep inventories at a level that covers assumed customer demand in order to maintain liquidity and reduce the risk of impairment of inventories in the annual financial statements. In addition, the procurement department was organizationally and technically restructured during the financial year in order to be able to react more quickly to changes in the future.

The impairment risk of inventories that nevertheless exists is taken into account through appropriate measurement. In the financial year, BIKE24 reported a write-down of inventories of EUR 5.0 million (previous year: EUR 2.8 million).

As a further measure, BIKE24 continues to work on optimizing operational and administrative costs. Processes can also be further automated or made more efficient through the introduction of a new ERP system.

Liquidity

Due to the persistently tense market situation, there is uncertainty as to how customer behavior and therefore the Bike24 Group's business will develop. A rolling twelve-month cash flow plan is used to determine liquidity requirements, whereby positive and negative scenarios are also considered. From today's perspective, the planned cash flows of the scenarios considered are covered by the existing cash and cash equivalents and the agreed financial covenants are complied with.

The pessimistic scenario takes into account measures including the reduction of investments, optimization of cost structures and further measures relating to inventory management. In both scenarios, refinancing beyond April 30, 2025 is also planned. Due to the uncertain development of consumer behavior, the company may fall short of its planning and thus jeopardize compliance with the financial covenants. The management plans to commence negotiations with the financing banks for long-term refinancing beyond April 2025 in the near future.

These events and circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and constitutes a going concern risk within the meaning of Section 322 (2) sentence 3 HGB.

Cyber attack

The failure or significant impairment of business-critical IT systems and the 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 or the uncontrolled loss or outflow of data. This could lead to reputational damage, regulatory sanctions or restrictions in the execution of essential business processes.

In the 2023 financial year, the backup and recovery strategies for all business-critical IT systems were reviewed and optimized. To further improve the infrastructure and hosting strategy, critical and less critical systems were moved to cloud providers or SaaS solutions. There is also a central user management system with two-factor authentication to protect privileged access.

For security monitoring, 24/7 systems monitoring has been set up to respond quickly to threats, working with an external incident response team.

Cybersecurity insurance was also signed to mitigate financial risks.

According to the risk owners' assessment, the risk of a cyber attack has been reduced from a high to a moderate risk. This assessment is supported by the results of independent external audits.

Incident Response Management

The rapid growth of our business activities over the past few years has challenged the development of our IT organization and the processes behind it. BIKE24's in-house IT is only able to manage continuous operations around the clock to a limited extent, which could lead to inadequate response times for disaster recovery and business continuity management in the event of cyber attacks. Customer-specific in-house developments and highly customized system environments created additional complexity for the teams and limited the ability to contract external support services.

The measures implemented to increase the reliability of critical IT infrastructure components and the 24/7 system monitoring by an external incident response team also led to a reduction in risk to a moderate level in this area.

Presentation of opportunities

Further shift from offline to online

Increasing digitalization has been observed across all industries for years. The online share is already very pronounced in the non-food sector in particular. While the online share in the cycling industry is still lagging behind other sectors, significant growth is also evident here. If the change in consumer shopping behavior, away from stationary bicycle retailers and towards online retailers, occurs faster than expected, the company could benefit disproportionately from this.

Established brand

Many visits to the company's website come from organic and therefore non-advertised channels. This is partly due to the high brand awareness of BIKE24. An established brand is particularly advantageous for consumers who are ordering products online for the first time in order to prevent misuse or a negative experience. New customers can quickly gain trust through above-average ratings on consumer portals such as Trustpilot. This trust and high brand awareness could help the company to benefit disproportionately from the growing market and the shift from offline to online.

Established supplier relationships/preferred partner

With over 800 different brands, with some of which relationships have existed since the company was founded more than 20 years ago, BIKE24 offers a very broad brand portfolio. These established and long-term relationships help the company to compensate for short-term over- or under-capacity of individual products and to be able to offer an alternative product if necessary.

Expansion of geographical presence

The company has a track record of expanding its business geographically through localized content. Each new region added represents an expansion of the total addressable market and offers significant growth opportunities. BIKE24 plans to open up further new regions in the future through local websites and marketing campaigns.

Market adjustments and consolidations

The year 2023 was characterized by unprecedented liquidity challenges throughout the entire cycling industry. Certain capacities, some of which had only been expanded in the previous year, could no longer be fully utilized as demand was significantly lower than in previous years. This has led to the first insolvencies and consolidations on both the manufacturer and retailer side. While this may lead to overcapacities in the short term, as additional inventories are thrown onto the market, this shakeout also offers opportunities for BIKE24 in the coming years. As market shares are reallocated, retailers might consolidate further and negotiating power vis-à-vis manufacturers increases accordingly.

Overall assessment of the risk and opportunity situation

For identifiable risks within the Bike24-Group that could have a negative impact on the net assets, financial position and results of operations, we have taken countermeasures in the reporting year - where possible and appropriate - and/or made provisions in the balance sheet if there is a corresponding probability of occurrence. Following an in-depth analysis of the overall risk situation, no risks that could jeopardize the continued existence of the Group as a going concern have been identified from today’s perspective, including for the forecast period.

Risk reporting on the use of financial instruments

The financial instruments held by the Group include receivables, liabilities, credit balances and bank loans. We consider the risk of bad debts to be very low, both now and in the future. Thanks to a strong customer diversification, effective receivables management and predominantly secure payment methods, defaults are low. Where default and credit risks are identified for financial assets, appropriate value adjustments are made.

The Group endeavors to pay liabilities within the agreed payment periods, sometimes even earlier to receive early payment discounts, if available. The sales and liquidity situation is monitored daily. The Group pursues a conservative risk policy in cash management.

Non-financial statement*

Legal basis

This non-financial Group statement relates to the business activities of the Bike24-Group ('BIKE24') and was prepared in accordance with Sections 315b and 315c of the German Commercial Code (HGB). It presents our sustainability priorities, describes our management approaches, lists performance indicators and explains individual sustainability initiatives.

The non-financial Group statement also contains the information required in accordance with Article 8 of Regulation (EU) 2020/852 (hereinafter referred to as the "EU Taxonomy Regulation") of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 and the delegated acts adopted on the basis thereof. The supplementary delegated act 2022/1214 of March 9, 2022 regarding nuclear energy and gas is not applicable to BIKE24.

Business model

Information on our business model can be found under "Group fundamentals" in the combined management report.

Strategy

Sustainable action is an integral part of BIKE24's business model. After all, we support green mobility with every item – whether pedal, helmet or full-bike – that we sell. Each department is constantly developing new measures to strengthen sustainability aspects. Be it the calculation and compensation of CO2 emissions, which we have been doing since 2020, the switch to "green electricity" or regular employee surveys. After all, sustainability is not just about environmental and climate protection, but also about good corporate governance and social commitment.

At the end of 2022, we began defining the key ESG risks and opportunities for BIKE24 and systematizing them with the measures already in place. In addition to management, key stakeholders were also included in this analysis. In particular, our customers, employees, suppliers, investors and other stakeholders from the areas of logistics, finance and other associations. Over 300 of our stakeholders took part in the survey, which helped us to understand their expectations and concerns regarding our ESG performance and to identify new ESG risks and opportunities. This allows us to ensure that our ESG strategy is in line with our stakeholders' expectations. And this is the basis for an ESG strategy that reflects BIKE24's values and priorities and systematically contributes to creating long-term value for all stakeholders.

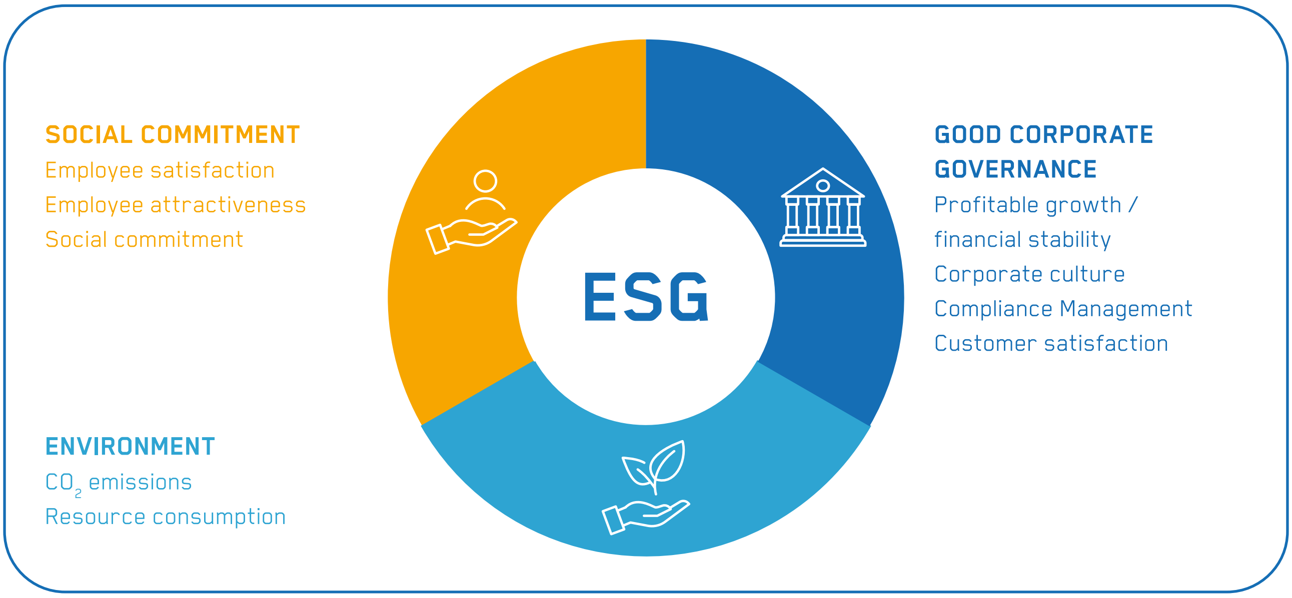
From the 2024 financial year onward, BIKE24 is obliged to report its sustainability activities in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) 2022/2464 issued at the beginning of 2023.

A key component of reporting is the materiality analysis. The definition of materiality here follows the so-called principle of "double materiality". Material in the sense of this principle are sustainability topics that

a) are associated with opportunities or risks for the course of business, net assets, financial position and results of operations (outside-in perspective) and
b) have a positive or negative impact on people, the environment and society as a result of the business activities, business relationships and products or services of the Bike24-Group (inside-out perspective).

* The notes in this section are not part of the audit of the consolidated financial statements.

The result of our joint analysis revealed the following cornerstones for our ESG activities:



Environmental and social impacts in supply and value chains are also part of the materiality analysis. BIKE24 has initiated a project to implement the CSRD reporting obligations. Key milestones include:

a. Checking whether the focus topics identified in the stakeholder dialog take into account all CSRD-relevant ESG topics, particularly along the supply and value chain,
b. a definition of material impacts, risks and opportunities for the relevant ESG topics and the assessment based on a uniform assessment matrix,
c. defining suitable measures and KPIs for monitoring and managing ESG risks,
d. determining the specific reporting requirements from the sustainability reporting standards, the so-called "European Sustainability Reporting Standards" (ESRS).

Key topics

In the following table, we classify our sustainability focus areas in accordance with the requirements of Sections 315b and 315c of the German Commercial Code (HGB) and report on our sustainability activities.

Aspects required by HGB	BIKE24 focus topic
Environmental concerns	CO_2 emissions Resource consumption
Employee interests	Employee satisfaction Employer attractiveness
Social issues	Social commitment
Human rights	Compliance management
Anti-corruption	Compliance management

As part of the risk management process, the risk owners regularly identify and assess financial and non-financial risks for BIKE24's business activities that are linked to BIKE24's own business activities or the company's business relationships and its products. There were no material risks from non-financial aspects for 2023. Please also refer to our comments on the risk and opportunity report in the combined management report.

The key non-financial performance indicators are presented in the "Foundations of the Group" section of the combined management report.

CO_2 emissions

BIKE24 is working on a sustainable reduction of CO_2 emissions. The company is also actively working on innovative solutions to reduce emissions, especially in the supply chain. This includes investing in energy-efficient technologies, increasing the use of renewable energies and continuously reviewing processes.

ZERTIFIKAT

KLIMANEUTRALES UNTERNEHMEN

Als unabhängiger Partner bestätigt DEKRA Assurance Services GmbH die Klimaneutralität des Unternehmens:

BIKE24

Die Treibhausgasbilanz des Unternehmens **Bike24 GmbH*** beträgt gemäß den Vorgaben des Greenhouse Gas Protocols:

4.653 tCO_2e

- Scope 1: 6 tCO2e
- Scope 2: 515 tCO2e
- Scope 3: 4.131 tCO2e**

Aus dem Unternehmensprozess resultierende Emissionen wurden mit der Hilfe von hochwertigen Kompensationszertifikaten ausgeglichen. Es wurde ein freiwilliger Beitrag zum Klimaschutz geleistet und durch die Unterstützung der nachfolgenden Projekte kompensiert:

- Grid connected Wind Power Project, India (GS3705)
- Madre de Dios Forest Protection Project, Peru (VCS868)

Folgende Angaben wurden von DEKRA Assurance Services GmbH überprüft:

- Stichprobenartige Überprüfung der Datenbasis
- Berechnung der Treibhausgasemissionen
- Stilllegung der Kompensationszertifikate

Weitere Details im Treibhausgasbericht für den Zeitraum 01.01.2020 bis 31.12.2020.

Stuttgart, den 17.05.2021 Zertifikatsnummer: 990521041

ppa. **DEKRA Assurance Services GmbH** Simona Gläser - Director

i.V. **DEKRA Assurance Services GmbH** Peter Paul Ruschin - Head of Sustainability Services

** berücksichtigte Scope 3 Emissionsquellen: Dienstreisen, nachgelagerter Transport
* in die Emissionsberechnung wurde gemäß der Struktur die Bike24 Service GmbH einbezogen

DEKRA Assurance Services GmbH – Handwerkstraße 15 – 70565 Stuttgart – Germany

Klimaneutrales Unternehmen 2020

ZERTIFIKAT

KLIMANEUTRALES UNTERNEHMEN

Für den Zeitraum 01.01.2021 bis 31.12.2021 bestätigt DEKRA Assurance Services GmbH als unabhängiger Partner die Klimaneutralität des Unternehmens:

Bike24 Holding AG
Breitscheidstraße 40
01237 Dresden

Die Treibhausgasbilanz des Unternehmens beträgt gemäß den Vorgaben des Greenhouse Gas Protocols:

5384 tCO_2e

- Scope 1: 13 tCO_2e
- Scope 2: 561 tCO_2e
- Scope 3: 4810 tCO_2e*

Aus dem Unternehmensprozess resultierende Emissionen wurden mit der Hilfe von hochwertigen Kompensationszertifikaten ausgeglichen. Durch die Unterstützung der nachfolgenden Projekte wurde ein freiwilliger Beitrag zum Klimaschutz geleistet und die Emissionen kompensiert:

- Windenergie Projekt in Brasilien (VCS)
- Waldschutz Projekt in Kolumbien (VCS)
- Biogas Projekt in China (Gold Standard)
- Solarenergie Projekt in Indien (Gold Standard)

Folgende Angaben wurden von DEKRA Assurance Services GmbH überprüft:

- Stichprobenartige Überprüfung der Datenbasis
- Berechnung der Treibhausgasemissionen
- Reduktion von Emissionen aus dem Bereich Transport und Stromverbrauch
- Stilllegung der Kompensationszertifikate

Weitere Details im Treibhausgasbericht.

Stuttgart, den 30.06.2022 Zertifikatsnummer: 990622073

ppa. **DEKRA Assurance Services GmbH** Simona Gläser - Director

i.V. **DEKRA Assurance Services GmbH** Peter Paul Ruschin - Head of Sustainability Services

*berücksichtigte Scope 3 Emissionsquellen: Dienstreisen (ohne Hotelübernachtungen), Abfall und der Transport der Waren

DEKRA Assurance Services GmbH – Handwerkstraße 15 – 70565 Stuttgart – Germany

Klimaneutrales Unternehmen 2021

ZERTIFIKAT

KLIMANEUTRALES UNTERNEHMEN

Für den Zeitraum 01.01.2022 bis 31.12.2022 bestätigt DEKRA Assurance Services GmbH als unabhängiger Partner die Klimaneutralität des Unternehmens:

Bike24 Holding AG
Breitscheidstraße 40
01237 Dresden

Die Treibhausgasbilanz des Unternehmens beträgt gemäß den Vorgaben des Greenhouse Gas Protocols:

5.245 tCO_2e

- Scope 1: 40 tCO_2e
- Scope 2: 320 tCO_2e
- Scope 3: 4.885 tCO_2e*

Aus dem Unternehmensprozess resultierende Emissionen wurden mit der Hilfe von hochwertigen Kompensationszertifikaten ausgeglichen. Durch die Unterstützung der nachfolgenden Projekte wurde ein freiwilliger Beitrag zum Klimaschutz geleistet und die Emissionen kompensiert:

- Wasserkraft in Bugoye, Uganda
- Wasserkraft in Virunga, D.R. Kongo
- Solar energy in India (zwei Projekte: Karnataka & Maharashtra und Jaloya)

Folgende Angaben wurden von DEKRA Assurance Services GmbH überprüft:

- Stichprobenartige Überprüfung der Datenbasis
- Berechnung der Treibhausgasemissionen
- Stilllegung der Kompensationszertifikate

Weitere Details im Treibhausgasbericht.

Stuttgart, den 09.06.2023 Zertifikatsnummer: 990623056

ppa. **DEKRA Assurance Services GmbH** Simona Gläser - Director

i.V. **DEKRA Assurance Services GmbH** Peter Paul Ruschin - Head of Sustainability Services

* berücksichtigte Scope 3 Emissionsquellen: Dienstreisen (inklusive Hotelübernachtungen), Abfall, Anfahrt der Mitarbeiter, Transport der Waren, Einkauf der Verpackungsmaterialien, Wasser

DEKRA Assurance Services GmbH – Handwerkstraße 15 – 70565 Stuttgart – Germany

Klimaneutrales Unternehmen 2022

Since 2020, the company has been working with DEKRA to prepare the annual carbon footprint in accordance with the Greenhouse Gas Protocol and offset the CO_2 emissions assessed.

The Greenhouse Gas Protocol defines three scopes along which greenhouse gas emissions can be categorized. "Scope 1" emissions are direct greenhouse gas emissions resulting from the combustion of fuels such as gas or oil or from processes such as the production of chemical products. "Scope 2" emissions refer to the indirect emissions associated with the energy produced that is purchased by a company. "Scope 3" emissions are the indirect greenhouse gas emissions that occur when a company purchases products from other suppliers and/or uses services. This means that they can arise from a variety of processes, supply chains and business relationships that are more difficult to measure and quantify than the direct emissions that come from internal processes.

Our aim is to determine and present the CO_2 emissions along the value chain as comprehensively as possible in order to be able to implement further measures to reduce CO_2 emissions.

These include the use of logistics companies that have a more modern fleet and therefore cause fewer emissions or the continuous optimization of packages and routes. However, this also includes expecting manufacturers to reduce CO_2 emissions, as we have already codified in our Business Partner Code of Conduct. Or the reduction of travel distances for our employees through attractive home office solutions.

We compensate for unavoidable CO_2 emissions with professionally managed projects. In 2023, for example, we supported a solar energy project in India and a hydropower project in Uganda. Both projects are certified with the internationally recognized "Verified Carbon Standard".

Year	Climate protection project	Country	Share in t
2019	Clean Wind Energy	India	293.05
	Energy efficient cooking stoves	Ghana	293.05
2020	Forest Conservation	Peru	2,327
	Wind Energy	India	2,326
2021	Household biogas	China	1,126
	Solar Energy	India	1,352
	Wind Energy	Brazil	1,453
	Forest Conservation	Colombia	1,453
2022*	Hydropower	Uganda	1,350
	Solar Energy	India	1,350

* As soon as our carbon footprint for 2022 has been confirmed by DEKRA, we will offset the remaining CO_2 emissions for 2022 that have not yet been compensated.

Resource consumption

We attach great importance to using all resources sparingly and responsibly. By implementing circular economy principles, we strive to minimize the consumption of raw materials and maximize the use of recycled materials. Our supply chain is actively involved in our resource efficiency efforts.

We need professional and resilient packaging to ship our products safely. In 2023, we put a total of 383 (previous year: 468) tons of packaging material made of paper, cardboard and paperboard (PPK) and 15 (previous year: 22) tons of plastic into circulation in Germany. Secondary packaging, i. e. our own packaging, accounted for 308 (previous year: 357) tons of PPK and 11 (previous year: 12) tons of plastics. The packaging used by manufacturers (primary packaging) comprised 75 (previous year: 111) tons of PPK and 4 (previous year: 10) tons of plastics.

Packaging consumption (secondary packaging) in tons	2023	2022	Changes
Cardboard, paper, carton (PPK)	308	357	– 13.7 %
Plastic	11	12	– 8.3 %

In line with the decline in sales of 13.5 % compared to the previous year, primary packaging consumption fell by 13.7 % (PPK) and 8.3 % (plastic).

For us, using resources responsibly doesn't just mean reducing packaging. We also rely on recycled raw materials. Our cardboard and plastic packaging is already largely made from 100 % recycled material.

We are working consistently to reduce packaging consumption, for example by optimally cutting secondary packaging, and to use the necessary packaging made from sustainable materials. To this end, we not only constantly review our processes, we have also joined forces with 90 other companies from the bicycle industry to form the Cycling Industry Sustainable Packaging Pledge in 2022. The aim of this network is, among other things, to use size-optimized, reusable and recyclable packaging and to further reduce the use of plastics.

Employee satisfaction and employer attractiveness

Without our motivated and committed employees, we would not be able to achieve our goal of becoming the central point of contact for online bike shopping in Germany and in the booming European cycling nations.

It is therefore very important to us to obtain an up-to-date picture of BIKE24 from the perspective of our employees. We regularly ask our employees for feedback on their overall impression of BIKE24 as an employer, our social and ecological contribution, our culture, the facilities at the workplace and the quality of teamwork. This year's employee survey is currently being evaluated and the results will be incorporated into the further development and promotion of our employees and their interests.

Our activities to promote employee satisfaction focus on the following areas: Employee participation and communication, appropriate pay and benefits, training and working environment.

The interests of employees are safeguarded by the works council, the youth trainee representatives and the representatives for severely disabled employees. Employees can also report violations or suspected cases at any time via the anti-discrimination officer or the internal anonymous reporting (whistleblower) system. Independently of these bodies, we promote a culture of open communication. Company information is regularly communicated via town hall meetings and internal newsletters. Questions from employees are actively encouraged. There are also other direct communication channels with line managers via feedback tools or the "Lunch&Talk", where you can have lunch with a member of the management board.

In addition to an appropriate salary, we offer our employees numerous other benefits. These range from discounted bike leasing, employee discounts in the online store, free fitness facilities and subsidies for public transport tickets.

BIKE24 offers continuous training opportunities via an online portal and in personal exchanges in the so-called "Leadership Cycle". In addition, individual training needs and requests are discussed and budgeted with employees every year.

BIKE24 is currently investing heavily in improving the working environment by remodeling the main building in Dresden. The aim is to significantly improve the working experience.

The compatibility of work and private life and thus employee satisfaction are very important to BIKE24. Accordingly, BIKE24 offers flexible working hours, extensive home office arrangements and workation, i.e. the combination of work and vacation.

Social commitment

The basic idea behind our various cycling projects is to engage with local cycling enthusiasts and strengthen local cycling networks and infrastructure. We also focus on sustainability aspects and the promotion of charitable causes.

The following stops on our BIKE24 Summer Tour are examples of this:

May – Dresden:
In our hometown, we organized our Summer Tour Stop in consultation with the city administration with the aim of setting an example for sustainable mobility at a junction of the highly frequented Elbe cycle path and offered curious people workshops on repair and bicycle travel, for example.

June – Berlin:
We use our new service point in Berlin for an awareness campaign to promote the partnership of the local Team Rynkebys, a Europe-wide charity initiative that undertakes a star ride from various international cities to Paris to raise funds and visibility for children's cancer research.

August – Greenhil Bike Park Sauerland:
During our visit to this very special bike park project, we were able to experience the bike scene and support it with an attention-grabbing video production on site. A group of MTB enthusiasts have opened a unique year-round bike park built on a former ski slope that fell victim to climate change, using and recycling only local materials for the development.

But we are also involved in other areas.

For example, we use the services of Lebenshilfe Dresden e.V. for document disposal.

In November, all employees were invited to cycle along to the BIKE24 fundraising campaign to collect donations in kind for the Nickern children's and youth farm in Dresden and the social institution PES Cruilla in Barcelona. Further donations were also made to the local associations Dirt and Dust e.V. and Obdachlosen und Bedürftigen e.V.

Compliance management

For explanations on risk and compliance management, please refer to the "Disclosures on Corporate Governance Practices" in the Corporate Governance Statement and the comments on opportunities and risks in the combined management report.

EU taxonomy

In accordance with Article 8 of the EU Taxonomy Regulation, this non-financial group statement contains information on economic activities that are classified as taxonomy-eligible and environmentally sustainable (taxonomy-compliant) within the meaning of this Regulation.

We determined our taxonomy-eligible economic activities by examining whether our economic activities corresponded to the activity descriptions listed in Note I (Climate change mitigation) and Note II (Climate change adaptation) of Delegated Act 2021/2139. Our analysis showed that we carry out taxonomy-eligible activities in the areas of "Operation of personal mobility equipment, bicycle logistics" (activity 6.4) and "Acquisition and ownership of buildings" (activity 7.7).

In a further step, we examined whether the taxonomy-eligible activities make a significant contribution to achieving one or more environmental objectives, whether these activities do not significantly harm the other environmental objectives ("Do Not Significantly Harm", DNSH) and whether the minimum social standards in accordance with the EU Taxonomy Regulation are complied with and are therefore deemed to be taxonomy-compliant. The external partners were unable to provide sufficient evidence for the activity "Acquisition and ownership of buildings". In principle, building owners or lessors are obliged to provide evidence of all criteria for taxonomy-compliant economic activities. This applies in particular to the DNSH criteria and minimum social protection. Therefore, the fulfillment of these criteria cannot be guaranteed in the future. For the activity "Operation of personal mobility equipment, bicycle logistics", it has not yet been possible to conclusively verify whether all specific criteria and definitions of the applicable EU Taxonomy Regulation can be met and documented. We are therefore not reporting any taxonomy-compliant economic activities in this financial year.

In accordance with the delegated act on Article 8 of the EU Taxonomy Regulation, the share of taxonomy-eligible turnover is calculated as the portion of net turnover resulting from products or services related to taxonomy-eligible economic activities (numerator) divided by net turnover (denominator) within the meaning of Article 2(5) of Directive 2013/34/EU. The activity "Operation of personal mobility equipment, bicycle logistics" includes revenue from traditional and e-bikes (see corresponding breakdown in the notes to the consolidated financial statements under E.1 Revenue). This amounts to EUR 42.1 million, which corresponds to 18.6 % of total Group sales. In the previous year, traditional and e-bikes accounted for 12.9 % of Group sales.

Capital Expenditure comprises additions to Property, Plant and Equipment and Intangible Assets during the financial year under review before Depreciation and Amortization and Revaluations, including those resulting from revaluations and impairments, for the financial year in question and excluding changes in fair value. The denominator also includes additions to Property, Plant and Equipment and Intangible Assets resulting from lease agreements.

The numerator corresponds to the part of the Capital Expenditure contained in the denominator that corresponds to one of the following points:

A) that relate to assets or processes associated with economic activities aligned with the taxonomy,
B) Part of a plan to expand the economic activities aligned with the taxonomy or to enable the economic activities eligible for the taxonomy to be aligned with the taxonomy ("investment plan"),
C) in connection with the acquisition of the production of taxonomy-aligned economic activities and individual measures that enable the target activities to become low-carbon or lead to greenhouse gas reductions, provided that these measures are implemented and operational within 18 months.

Our total investment expenditure amounted to EUR 6.4 million in the 2023 financial year. This corresponds to the total additions reported in the notes to the consolidated financial statements under F.1 Intangible Assets and Goodwill and F.2 Property, Plant and Equipment. Of this amount, EUR 0.8 million relate to taxable additions from leasehold improvements and assets under construction. Significantly higher capital expenditure was reported in the previous year (EUR 25.3 million), which was due in particular to the capitalization of right-of-use assets within the meaning of IFRS 16, mainly relating to the warehouse in Spain. As a result, the share of taxonomy-eligible activities was also higher (EUR 11.7 million). There is no investment plan to enable taxonomy compliance due to the lack of ownership or rights-of-use to the buildings (leases).

OPEX includes direct, non-capitalized costs relating to research and development, building renovation measures, short-term rentals, maintenance and repairs and all other direct expenses relating to the ongoing maintenance of Property, Plant and Equipment assets by the company or third parties to whom activities are outsourced that are necessary to ensure the continued and effective functioning of these assets (denominator).

The numerator corresponds to the part of the operating expenses contained in the denominator that corresponds to one of the following points:

A) Related to assets or processes associated with taxonomy-aligned economic activities, including training and other human resource alignment requirements, and direct non-capitalized costs representing research and development,
B) Part of the investment plan to expand the economic activities aligned with the taxonomy or to enable the economic activities eligible for the taxonomy to be aligned with the taxonomy within a predetermined timeframe,
C) In connection with the acquisition of the production of economic activities aligned with the taxonomy and with individual measures that enable the target activities to become low-carbon or lead to greenhouse gas reductions, provided that these measures are implemented and put into operation within 18 months.

Our non-capitalizable costs in connection with the maintenance and repair of assets amounted to EUR 0.1 million in the 2023 financial year. This corresponds to the taxonomy-eligible OpEx for maintenance and repair expenses attributable to the rights-of-use of existing leases and has not changed significantly compared to the previous year.

We allocated the calculated revenue, capital expenditure (CapEx) and operating expenditure (OPEX) only to the environmental goal of climate protection. This eliminated double counting.

Taxonomy-aligned turnover of the activity

Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria				
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)
		EUR millions	%	%	%	%	%	%
A. Taxonomy eligible activities								
A.1 Environmentally sustainable activities (Taxonomy aligned)								
			0 %	0 %	0 %	0 %	0 %	0 %
			0 %	0 %	0 %	0 %	0 %	0 %
			0 %	0 %	0 %	0 %	0 %	0 %
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0 %	0 %	0 %	0 %	0 %	0 %
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)								
Operation of personal mobility devices, cycle logistics		42.08	18 %					
			0 %					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		42.08	19 %					
Total (A.1 +A.2)								
B. Taxonomy-non-eEligible activities								
Turnover of Taxonomy-non-eligible activities		184.26	81 %					
Total (A. + B.)		**226.34**	**100 %**					

Biodiversity and ecosystems (10)	DNSH criteria (Does not significantly harm) Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		%	E	T
0 %								0 %		
0 %								0 %		
0 %								0 %		
0 %	Y	Y	Y	Y	Y	Y	Y	0 %	0 %	0 %

Taxonomy-aligned CapEx of the activity

Economic activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria				
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)
		EUR millions	%	%	%	%	%	%
A. Taxonomy eligible activities			13 %					
A.1 CapEx of environmentally sustainable activities (Taxonomy-aligned)								
			0 %	0 %	0 %	0 %	0 %	0 %
			0 %	0 %	0 %	0 %	0 %	0 %
			0 %	0 %	0 %	0 %	0 %	0 %
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0 %	0 %	0 %	0 %	0 %	0 %
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)								
Acquisition and ownership of buildings (CapEx A)		0.80	13 %					
			0 %					
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.80	13 %					
Total (A.1 + A.2)								
B. Taxonomy-non-eEligible activities								
CapEx of Taxonomy-non-eligible activities		5.60	88 %					
Total (A. + B.)		**6.40**	**100 %**					

	DNSH criteria (Does not significantly harm)						Minimum Safeguards	Taxonomy aligned proportion of total CapEx, year N	Category (enabling activity)	Category (transitional activity)
Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(20)	(21)
%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		%	E	T
0 %								0 %		
0 %								0 %		
0 %								0 %		
0 %	Y	Y	Y	Y	Y	Y	Y	0 %	0 %	0 %

Taxonomy-aligned OpEx of the activity

Economic activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria				
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)
		EUR millions	%	%	%	%	%	%
A. Taxonomy eligible activities			100 %					
A.1 CapEx of environmentally sustainable activities (Taxonomy-aligned)								
			0 %	0 %	0 %	0 %	0 %	0 %
			0 %	0 %	0 %	0 %	0 %	0 %
			0 %	0 %	0 %	0 %	0 %	0 %
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0 %	0 %	0 %	0 %	0 %	0 %
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)								
Acquisition and ownership of buildings (OpEx A)		0.10	100 %					
			0 %					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.10	100 %					
Total (A.1 + A.2)								
B. Taxonomy-non-eEligible activities								
OpEx of Taxonomy-non-eligible activities		0.0	0 %					
Total (A. + B.)		**0.10**	**100 %**					

	DNSH criteria (Does not significantly harm)						Minimum Safeguards	Taxonomy aligned proportion of total OpEx, year N	Category (enabling activity)	Category (transitional activity)
Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	(17)	(18)	(20)	(21)
%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		%	E	T
0 %								0 %		
0 %								0 %		
0 %								0 %		
0 %	Y	Y	Y	Y	Y	Y	Y	0 %	0 %	0 %

Brief report on the annual financial statements

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

Control system

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

Economic situation of Bike24 Holding AG

The company provides services for other Group companies, primarily for the operating company Bike24 GmbH. Bike24 Holding AG's revenue mainly results from management service agreements with subsidiaries. During the 2023 financial year, the company had an average of 44 employees (previous year: 56).

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

in EUR k	2023	2022
Revenue	3,134	4,783
Other operating income	117	87
Personnel expenses	– 3,906	– 3,607
Other operating expenses	– 3,817	– 2,413
Income from profit transfer agreements	72	1,021
Expenses from loss absorption	– 41,221	– 965
Depreciation and amortization of financial assets	– 35,342	– 62
Other interest and similar income	12,015	2,166
Interest and similar expenses	– 4,392	– 1,214
Taxes on income and earnings	76	402
Earnings after taxes	– 73,263	197
Other taxes	0	0
Net loss/profit for the year	**– 73,263**	**197**
Profit carried forward	**12,323**	**12,126**
Accumulated loss (profit)	**– 60,940**	**12,323**

Bike24 Holding AG reports a net loss of EUR –73.3 million for the 2023 financial year. This represents a decrease of EUR 73.5 million compared to the previous year. This is primarily due to lower income from profit transfer agreements and increased expenses from loss absorption as well as an impairment of financial assets.

After offsetting against the existing net retained profits, the accumulated loss as at December 31, 2023 amounts to EUR – 60.9 million (previous year: net retained profits of EUR 12.3 million). This is to be carried forward to new account.

In addition to the sales generated on the basis of the management service agreement, the net loss for the year is mainly the result of write-downs on financial assets (EUR 35.3 million) and expenses of EUR – 41.2 million from the assumption of losses from Bike24 Service GmbH and Best Bike Brands GmbH. This was offset by income of EUR 0.1 million from the profit transfer agreement with Bike24 Retail GmbH.

As in the previous year, personnel expenses (EUR 3.9 million) and other operating expenses (EUR 3.8 million) also had a negative impact on earnings. Other operating expenses in the financial year were mainly characterized by expenses in connection with the extensions of the syndicated loan agreement and other project expenses and were therefore significantly higher than in the previous year.

At EUR 7.6 million, the interest result is positive in contrast to the previous year. This is due to loans to affiliated companies exceeding the syndicated loan.

Net assets and financial position

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

In EUR k	2023	2022
Assets		
Fixed assets	114,100	149,442
Current assets	131,437	133,245
Prepaid expenses and deferred charges	250	643
	245,787	**283,330**
Liabilities		
Equity	161,852	235,115
Provisions	1,060	995
Liabilities	81,862	47,221
Deferred tax liabilities	1,013	–
	245,787	**283,330**

Total assets decreased by EUR 37.5 million to EUR 245.8 million in the reporting period.

Fixed assets result entirely from shares in affiliated companies, primarily Bike24 Service GmbH (EUR 114.1 million, previous year EUR 149.4 million), which in turn is the sole shareholder of the operating company Bike24 GmbH.

On the assets side, receivables from affiliated companies increased from EUR 126.2 million in the previous year to EUR 126.4 million in 2023. This includes receivables from loans granted to subsidiaries, including interest (EUR 118.2 million), as well as goods and services (EUR 8.1 million) mainly provided on the basis of the management service agreement and income from existing profit and loss transfer agreements (EUR 0.1 million).

The equity and liabilities side of the balance sheet is mainly determined by the reduced equity of EUR 161.9 million as at December 31, 2023 as well as liabilities to banks from the syndicated loan agreement drawn down to a large extent in 2022 (EUR 38.0 million) and liabilities from profit and loss transfer agreements (EUR 41.2 million). As at the balance sheet date, the equity ratio was 65.9 % (previous year: 83.0 %).

Opportunities and risks

As the company only operates as an intragroup 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 and Risks" in the combined management report.

Forecast

Due to the nature of the company's business activities, its future development is closely linked to the development of the Group. We expect a significant improvement in the annual result for 2024 due to lower expenses from loss transfers. With regard to economic and market-specific developments, please refer to the Group's forecast report.

Takeover-related disclosures and explanations

Supplementary disclosures in accordance with § 289a and § 315a HGB

Composition of subscribed capital

The share capital of Bike24 Holding AG as of December 31, 2023 amounts to EUR 44,166,666 and is divided into 44,166,666 no-par value bearer shares. As at December 31, 2023, the company held 1,239 treasury shares that were not used as part of the employee bonus program. These are deducted from subscribed capital. Each share carries one vote and, with the exception of any new shares not entitled to dividends, an equal share of the profit in accordance with the dividend distribution resolved by the Annual General Meeting.

Shareholders' rights and liabilities are governed by the German Stock Corporation Act (AktG) in conjunction with the company's Articles of Association, which are available in full on the Investor Relations/Governance & ESG section of the website. In accordance with the Articles of Association, shareholders are not entitled to individual securitization of their shares.

Restrictions relating to voting rights or the transfer of shares

The company is not entitled to any rights from treasury shares. In the cases of Section 136 AktG, voting rights from the shares concerned are excluded by law.

The shares held by existing shareholders were subject to a customary lock-up period of six months following the listing of the company's shares on the stock exchange, or twelve months in the case of shares held by members of the Management Board and Supervisory Board.

Shareholdings exceeding 10 % of the voting rights

To the company's knowledge, there were the following direct or indirect shareholdings in the voting capital that exceeded 10 % of the voting rights on the balance sheet date:

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

Shares with special rights that confer powers of control

The company does not hold any shares with special rights that confer powers of control.

Type of voting right control if employees hold an interest in the capital

The company is not aware of any employees who hold an interest in the capital and who do not exercise their voting rights directly.

Regulations and provisions on the appointment and dismissal 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 AktG. In accordance with Section 84 AktG, members of the Management Board are appointed by the Supervisory Board for a maximum term of office of five years, whereby, in accordance with the recommendation of the German Corporate Governance Code, the first appointment of a member of the Management Board should be for a maximum of three years. In accordance with Article 5 of the Articles of Association, the Management Board consists of at least two members. The number of members is determined by the Supervisory Board. In accordance with Section 84 (2) 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 carried out by the Supervisory Board.

Unless otherwise stipulated by mandatory statutory provisions, resolutions of the Annual General Meeting are passed by a simple majority of the votes cast and, if applicable, by a simple majority of the capital represented in accordance with Section 16 (3) of the Articles of Association. In accordance with Section 179 AktG, the Articles of Association can only be amended by a resolution of the Annual General Meeting. Amendments to the Articles of Association that only affect the wording can be resolved by the Supervisory Board. Amendments to the Articles of Association become effective upon entry in the commercial register in accordance with Section 181 (3) AktG. A majority of 75 % of the share capital represented is required to amend the purpose of the company in accordance with Section 179 (2) AktG. The Articles of Association do not make use of the option to determine a larger capital majority for this purpose.

Powers of the Management Board to issue or buy back shares

The management board is authorized to increase the company's share capital by up to EUR 18,750,000.00 until June 6, 2026 with the approval of the Supervisory Board by issuing up to 18,750,000 no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2021). The authorization can be used in full 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 also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in full or in part in the following cases:

- in the event 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 of the final determination of the issue price (simplified exclusion of subscription rights). The shares issued with the 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 is reduced by the proportionate amount of the share capital attributable to those shares that are sold as treasury shares during the validity of this authorization with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG;
- in the case of capital increases against contributions in kind, in particular for the purpose of business combinations or the acquisition of companies, parts of companies and/or to service conversion or option rights and conversion obligations;
- to grant holders of option or conversion rights a subscription right 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 fulfilling conversion obligations;
- to service employee participation programs or share-based compensation;
- for the implementation of a scrip dividend;
- if an option to acquire additional new shares (greenshoe option) agreed with the relevant banks in connection with the placement or an offer of shares is fulfilled, if shares are made available to the banks by existing shareholders as part of any over-allotment of shares, but the banks are unable to acquire sufficient shares on the market in connection with stabilization measures to be able to repay the securities loans.

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 carried out 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 serves exclusively to grant shares to fulfill subscription rights to shares (share 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 (with a total nominal value of up to EUR 500 million) has not been exercised to date.

Authorization by the Annual General Meeting to acquire treasury shares

On June 7, 2021, the Annual General Meeting of the company resolved to authorize the Management Board, with the approval of the Supervisory Board, to acquire treasury shares in the company up to a total of 10 % of the company's share capital existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised until the end of June 6, 2026, while observing the principle of equal treatment (Section 53a AktG). Together with other treasury shares which the company has already acquired and still holds or which are attributable to the company in accordance with Sections 71a et seq. of the German Stock Corporation Act (AktG), the shares acquired on the basis of this authorization may not exceed 10 % of the company's share capital at any time.

Significant agreements of the company subject to a change of control

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

- The syndicated loan agreement is subject to standard market provisions in the event of a change of control, which give the participating lenders the option of terminating their loan commitment and demanding full repayment of the outstanding loans.

Compensation agreements between the company and members of the management board or 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 21, 2024

The Management Board

Andrés Martin-Birner   Timm Armbrust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RACING
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RACING

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

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

I. Consolidated Statements of Profit or Loss and other comprehensive income

in EUR k, except share and earnings per share data	Note	December 31, 2023	December 31, 2022 (adjusted)
Revenue and other income			
Revenue	E.1	226,337	261,522
Other income		186	262
Total income		**226,523**	**261,785**
Operating expenses			
Personnel expenses	E.2	– 25,385	– 26,078
Expenses for merchandise, consumables and supplies	E.3	– 171,674	– 192,687
Impairment loss on trade receivables	E.4	– 492	– 576
Other expenses	E.5	– 35,057	– 35,235
Depreciation and amortization	F.1/F.2	– 15,692	– 14,692*
Impairment of non-current assets	F.1	– 61,720	–
Total expenses		**– 310,018**	**– 269,269***
Earnings before interest and taxes (EBIT)		**– 83,495**	**– 7,485***
Finance income and expense			
Finance income	E.6	61	2
Finance expenses	E.6	– 6,304	– 1,679
Finance expense, net	E.6	– 6,243	– 1,678
Loss before tax		**– 89,738**	**– 9,162***
Income tax income	E.7	9,335	2,741*
Result for the period		**– 80,403**	**– 6,421***
Other comprehensive result		–	–
Total comprehensive result		**– 80,403**	**– 6,421***
Earnings per share			
Basic earnings per ordinary share	E.8	– 1.82 €	– 0.15 €
Diluted earnings per ordinary share	E.8	– 1.82 €	– 0.15 €
Weighted average number of ordinary shares outstanding (basic)	E.8	44,165,427	44,165,416
Weighted average number of ordinary shares outstanding (diluted)	E.8	44,165,427	44,165,416

* adjusted due to an immaterial error

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

II. Consolidated Statements of Financial Position

in EUR k	Note	December 31, 2023	December 31, 2022 (adjusted)
Assets			
Intangible assets	F.1	113,975	126,461
Goodwill	F.1	–	56,753
Property, plant and equipment	F.2	35,234	37,035*
Financial assets	F.12.1	9	6
Total non-current assets		**149,218**	**220,254***
Inventories	F.3	71,339	84,298
Other assets	F.5	5,307	8,724
Income tax receivables		1,069	2,224
Trade and other receivables	F.4	1,259	2,978
Cash and cash equivalents		18,414	22,375
Total current assets		**97,387**	**120,598**
Total assets		**246,605**	**340,853***
Equity			
Subscribed capital	F.6	44,165	44,165
Capital reserves	F.6	180,087	180,007
Retained Loss		– 86,165	– 5,762*
Total Equity		**138,087**	**218,410***
Liabilities			
Other financial liabilities	F.8	15,628	17,449
Provisions	F.9	334	412
Deferred tax liabilities	F.10	30,662	38,980*
Total non-current Liabilities		**46,624**	**56,840***
Liabilities to banks	F.7	38,734	39,503
Other financial liabilities	F.8	1,839	1,803
Provisions	F.9	1,493	1,492
Other liabilities	F.11	12,652	15,590
Trade payables	F.12	7,176	7,215
Total current liabilities		**61,894**	**65,602**
Total liabilities		**108,518**	**122,442***
Total equity and liabilities		**246,605**	**340,853***

* adjusted due to an immaterial error

III. Consolidated cash flow statement

in EUR k	Note	2023	2022 (adjusted)
Cash flows from operating activities			
Result for the period		**– 80,403**	**– 6,421***
Adjustments for:			
– Depreciation and amortization	F.1/F.2	15,692	14,692*
– Impairment on non-current assets		61,720	–
– Losses from the disposal of fixed assets		7	0
– Write-ups to financial assets	F.12.1	– 3	– 2
– Finance income	E.6	– 61	– 2
– Finance expense	E.6	6,304	1,679
– Income from income taxes	E.7	– 9,335	– 2,741*
– Share-based compensation expenses	C.9	80	1,132
– Employee stock expenses	F.6	–	2
– Transaction costs	E.5	–	21
Result of the period after adjustments		**– 6,000**	**8,361**
Changes in:			
– Inventories	F.3	12,959	– 16,138
– Trade and other reveivables	F.4	1,719	– 1,122
– Other assets	F.5	3,492	342
– Trade and other payables	F.12.1	– 39	– 4,083
– Other liabilities	F.11	– 2,938	1,724
– Provisions	F.9	– 77	– 42
Cash generated from operating activities		**9,117**	**– 10,958**
Interest paid		– 5,087	– 1,401
Income taxes refunded		2,172	478
Net cash used in operating activities		**6,202**	**– 11,882**
Cash flows from investing activities			
Acquisition of property, plant and equipment		– 3,113	– 8,306
Acquisition of intangible assets		– 3,246	– 5,318
Net cash used in investing activities		**– 6,359**	**– 13,624**
Cash flows from financing activities			
Payments related to the issue of shares	E.5	–	– 21
Proceeds from transactions with owners		–	352
Proceeds from liabilities to banks		–	39,000
Repayment of liabilities to banks		– 2,000	–
Payment of lease liabilities		– 1,804	– 1,536
Net cash used in/from financing activities	**G.4**	**– 3,804**	**37,795**
Decrease (increase) in cash and cash equivalents		**– 3,961**	**12,289**
Cash and cash equivalents at the beginning of the period		22,375	10,086
Cash and cash equivalents at the end of the period		**18,414**	**22,375**

* adjusted due to an immaterial error

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	Nominal value treasury shares	Capital reserve	Retained Loss	Total equity
Balance as of January 1, 2022 (adjusted)		44,166	– 1	178,873	659*	223,697*
Share-based compensation	E.2	–	–	1,132	–	1,132
Issue of employee shares	E.2	0	–	2	0	2
Result for the period		–	–	–	– 6,421*	– 6,421*
Comprehensive result after taxes		–	–	–	–	–
Comprehensive result after taxes		–	–	–	– 6,421*	– 6,421*
Balance as of December 31, 2022 (adjusted)		**44,166**	**– 1**	**180,007**	**– 5,762***	**218,410***
Balance as of January 1, 2023 (adjusted)		44,166	– 1	180,007	– 5,762*	218,410*
Share-based compensation	E.2	–	–	80	–	80
Issue of employee shares	E.2	–	–	–	–	–
Result for the period		–	–	–	– 80,403	– 80,403
Total comprehensive result		–	–	–	–	–
Comprehensive result		–	–	–	– 80,403	– 80,403
Balance as of December 31, 2023		**44,166**	**– 1**	**180,087**	**– 86,165**	**138,087**

* adjusted due to an immaterial error

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 founded in Germany on August 22, 2019 and registered in the commercial register of the District Court of Dresden Department B under the official number 41483. The company has its registered office at Breitscheidstraße 40, 01237 Dresden, Germany.

The Bike24-Group operates an e-commerce store with two physical stores and is mainly active in the retail of high-quality bicycles, bicycle parts, bicycle accessories, bicycle clothing as well as running, swimming and outdoor products.

The consolidated financial statements of the Bike24-Group were approved for publication by the Management Board on March 21, 2024.

A.2 Accounting principles

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as applicable in 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 commercial law that are to be applied in accordance with Section 315e (3) of the German Commercial Code (HGB).

The accounting and valuation methods listed below were applied uniformly to all periods presented in the consolidated financial statements, unless otherwise stated.

The Bike24-Group's financial year ends on December 31. All intragroup transactions are eliminated as part of the preparation of the consolidated financial statements.

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

Going concern assumption as the basis for accounting

Due to continued high inflation, fears of recession and the associated change in consumer behavior as well as persistent overcapacity, the Group was unable to meet the original forecasts for 2023. As a result, the Group did not meet the "minimum EBITDA" financial covenant agreed in the syndicated loan agreement as at December 31, 2023. The financing banks therefore had a special right of termination. The Group notified the financing banks of this breach of covenant at an early stage and obtained an amendment to the agreement as part of the subsequent negotiations.

The existing syndicated loan agreement was extended until April 30, 2025 by way of an amendment agreement on March 15, 2024. The banks therefore waived their special right of termination. The amendment agreement dated March 15, 2024 includes minimum liquidity and minimum EBITDA as financial covenants.

Due to the ongoing tense market situation, there is uncertainty as to how customer behavior and thus the Bike24-Group's business will develop. The Management Board has therefore prepared scenarios as part of a sensitivity analysis. This shows that the financial covenants will be met from today's perspective under both realistic and pessimistic assumptions. The pessimistic scenario takes into account measures including the reduction of investments, optimization of cost structures and other measures relating to inventory management. In both scenarios, refinancing beyond April 30, 2025 is also planned. Due to the uncertain development of consumer behavior, the company may fall short of its planning and thus jeopardize compliance with the financial covenants. The management plans to enter into negotiations with the financing banks for long-term refinancing beyond April 2025 in the near future.

These events and circumstances indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern and that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The Management Board is of the opinion that the financial covenants can be met, even in the pessimistic scenario, and that the refinancing will succeed as planned, so that the Bike24-Group has sufficient resources to continue its business activities 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, insofar as they have an impact on the consolidated financial statements.

Effective date	New standards or amendments to existing standards 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 in connection with assets and liabilities from a single transaction (amendments to IAS 12)	Yes	None
May 23, 2023	Reform of the international tax system – model regulations for Pillar 2 – amendments to IAS 12	Yes	None

b) New and revised standards that have been issued but have not yet entered into force

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

Effective date	New standards or amendments to existing standards Standards	Adoption by the EU	Impact on the Bike24-Group
January 1, 2024	Amendments to IFRS 16: Lease liabilities from a sale and leaseback transaction	Yes	None
	Amendments to IAS 1: Non-current liabilities with ancillary conditions (Covenants)	Yes	Yes, extended disclosures in the notes
	Amendments to IAS 7 and IFRS 7: Reverse factoring agreements	Open	None
January 1, 2025	Lack of exchangeability - amendments to IAS 21	Yes	None
Open	Amendments to IFRS 10 and IAS 28: Disposals of assets of an investor in or contribution to his associated company or joint venture	Open	None

B. Composition of the group

B.1 Basic principles of consolidation

Intragroup balances and transactions as well as unrealized income and expenses from intragroup transactions are eliminated in the preparation of the consolidated financial statements in accordance with IFRS 10.B86. The accounting and valuation methods were applied uniformly for all subsidiaries.

B.2 Consolidated companies

The consolidated financial statements comprise the annual financial statements of the company and its wholly owned subsidiaries. Subsidiaries are companies 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 on which control begins until the date on which control ends. The acquisition costs for shares in subsidiaries as part of company acquisitions are offset against the proportionate fair value of the acquired assets and liabilities at the time of acquisition. Any positive difference arising from the offsetting is reported as Goodwill and capitalized in the amount of the acquired share in the respective subsidiary.

The names and registered offices of the subsidiaries, i.e. the companies included in the consolidated financial statements in accordance with Section 313 (2) No. 1 HGB, as well as the share of capital held 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 to the scope of consolidation in the 2023 financial year compared to the previous year.

C. Summary of significant accounting policies

C.1 Distinction 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 normal operating business cycle of the Bike24-Group. The normal operating cycle is less than one year and begins with the procurement of Inventories and ends with the receipt of Cash and cash equivalents in return 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 the respective 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 applicable on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the closing rate for the respective reporting period. Any resulting translation differences are recognized in the consolidated income statement and statement of comprehensive income.

C.3 Intangible assets and goodwill

Recognition and valuation

After initial recognition, intangible assets with finite useful lives are measured at cost less accumulated depreciation and amortization and any accumulated impairment losses. The useful life of intangible assets can be defined as determinable or indeterminable.

Goodwill, the brand, customer relationships and ERP software were recognized as part of the acquisition of Peloton MidCo2 GmbH in 2019. The acquisition was accounted for as a business combination in accordance with IFRS 3. The customer relationships were measured 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 only capitalized if the acquisition and production costs can be reliably determined, 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 the development of the asset and to use or sell it. Otherwise, the development costs are recognized in the consolidated income statement and statement of comprehensive income within Other expenses or Personnel expenses as they are incurred. After initial recognition, capitalized development costs are measured at cost less accumulated depreciation and amortization and any accumulated impairment losses. Internal development costs in the amount of EUR k 2,097 (previous year: EUR k 1,697) were capitalized in these consolidated financial statements.

Subsequent acquisition or production costs are only capitalized if they represent an increase in the future economic benefit of the respective asset. All other costs are recognized in the consolidated income statement and 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 as soon as they are ready for use. The amortized amounts are reported in the consolidated income statement and statement of comprehensive income under Depreciation and amortization. If there are indications that intangible assets with a determinable useful life 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 assets	Estimated useful life
Brand	15 years
Customer relationship	15 years
Software	3 – 5 years
Other intangible assets	3 – 5 years

Goodwill is tested for impairment annually by the company in the fourth quarter or if there is an indication that it may be impaired; further information on this can be found in Notes C.12 and F.1.

C.4 Property, plant and equipment

Recognition and valuation

Property, plant and equipment are recognized at acquisition or production cost and subsequently measured less accumulated depreciation and any accumulated impairment losses.

Acquisition or production costs include the acquisition price and all directly attributable costs incurred to bring 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 is recognized as an asset if it is probable that the future economic benefits associated with the asset that will flow to the company will exceed the benefits that would have been generated if the asset had not been acquired.

A gain or loss from the disposal of Property, plant and equipment is recognized in the consolidated income statement and statement of comprehensive income under Other income or Other expenses.

Subsequent acquisition costs are only capitalized if it is probable that the Bike24-Group will receive a future benefit from the acquisition.

All repair and maintenance costs are recognized as expenses when they are incurred.

Depreciation

Property, plant and equipment less estimated residual values are depreciated on a straight-line basis over their estimated useful lives and reported under Depreciation and amortization in the consolidated income statement and statement of comprehensive income. Land is not depreciated and amortized.

If 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 are depreciated separately. These consolidated financial statements do not include any assets that are accounted for using the component approach.

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

Type of Property, plant and equipment	Estimated useful life
Buildings	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 if there are indications of impairment. Impairment losses are reversed if the reasons for a previous impairment no longer exist.

C.5 Leases

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

The Bike24-Group's leases relate to real estate and motor vehicles. The leasing terms are negotiated on an individual basis and may contain a range of different conditions. Lease agreements can be negotiated for a fixed period or include renewal options.

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 and amounts expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Bike24-Group is reasonably certain to exercise, 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 an extension option is sufficiently certain, the Management Board of the Bike24-Group examines the forecasts for planned growth and the capacity of existing leases.

At the inception of the lease, the Bike24-Group recognizes a right-of-use asset and a lease liability.

The lease liability is measured as the present value of the expected lease payments over the term of the lease. The lease liability is discounted using the implicit interest rate underlying the lease or, if this cannot be readily determined, using the incremental borrowing rate of the Bike24-Group. 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 of between 0.11 % and 5.58 % for the periods presented. Subsequently, lease liabilities are measured at amortized cost using the effective interest method. They are remeasured if the future lease payments change due to a change in an index or interest rate, if the Bike24-Group's estimate of the amount expected to be payable under a residual value guarantee changes, if the Bike24-Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a change in a quasi-fixed lease payment.

If the lease liability is remeasured in this way, the carrying amount of the right-of-use asset is adjusted accordingly. If the carrying amount of the right-of-use asset is reduced to zero, this is recognized in the consolidated income statement and statement of comprehensive income under Depreciation and amortization.

The interest expenses associated with the term of the lease are recognized in the consolidated income statement and statement of comprehensive income over the term of the lease.

The right-of-use asset is initially recognized at cost. This comprises the initial measurement of the lease liability and all lease payments made prior to the commencement date, plus any initial direct costs incurred, less any lease incentives received and the estimated costs of dismantling the underlying asset.

The right-of-use asset is subsequently depreciated 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 asset reflects the exercise of a purchase option by the Bike24-Group. In this case, the right-of-use asset 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 by any impairment losses and adjusted for any remeasurements of the lease liability.

To date, no impairments have been identified for the rights of use of the Bike24-Group.

The Bike24-Group reports right-of-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.

There are no leases in which the Bike24-Group is the lessor as at the balance sheet date.

Short-term leases and leases of low-value assets

The Bike24-Group has entered into leases that fall under the exemption for low-value assets under IFRS 16. These are not recognized in the consolidated statement of financial position. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the term of the lease. There were no short-term leases as at the reporting date.

C.6 Inventories

Inventories are recognized at the lower of cost and net realizable value. The acquisition or production cost corresponds to the acquisition price less purchase price reductions plus the costs incurred to bring the Inventories to their current location. The cost of Inventories is determined using the first-in, first-out method. The net realizable value corresponds to 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, the carrying amount is written down 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 regularly reviewed to determine how long they have been in stock. Inventories that have been in stock for more than one year are depreciated at different rates depending on their age structure. The amount of the write-down rates is based on past experience, taking into account expected price reductions and the lower turnover rate. Past values are used for this purpose and estimates are made for the further sale of the goods. Inventories with a storage period of less than one year are tested for impairment and, if necessary, written down to the lower fair value.

The carrying amount of Inventories is recognized as an expense when the Inventories are sold. Expenses for merchandise, consumables and supplies are recognized as expenses. Depreciation and amortization on the net realizable value and losses are recognized as expenses in the period in which they occur. Reversals of impairment losses 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. As 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 and other receivables and liabilities, 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 arise. All other financial assets and liabilities are initially recognized on the date when the company becomes a party to 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), the transaction costs that are directly attributable to its acquisition or issue are added or deducted. Trade receivables without a significant financing component are initially measured at the 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 measured 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 affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

Financial assets are measured at amortized cost if both of the following conditions are met:
- It is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets lead to cash flows at fixed points in time, which represent principal and interest payments on the outstanding principal amount.

A financial asset is measured at fair value through other comprehensive profit/loss if both of the following conditions are met:
- It is held as part of a business model whose objective is to collect contractual cash flows as well as to sell financial assets, and
- The contractual terms of the financial assets result in cash flows at fixed points in time that represent solely payments of principal and interest on the outstanding principal amount.

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

Cash and cash equivalents comprise cash on hand and bank balances, including payment service providers with a banking license. 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 the business is managed and information is provided to management. The information to be considered includes:

- the stated policies and objectives for the portfolio and the implementation of these policies in practice; this includes whether management's strategy is to collect contractual interest income, maintain a particular interest rate profile, match the term of a financial asset with the term 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 this business model) and how these risks are managed;
- how the management is remunerated – e. g. whether the remuneration is based on the fair value of the assets under management or on the contractual cash flows received – and
- Frequency, volume and timing of sales of financial assets in previous periods and expectations about future sales activities.

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

For the purposes 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 credit risk associated with the principal amount outstanding over a specified period of time, as well as for other basic credit risks, costs (e. g. liquidity risk and administrative costs) and a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount, the Bike24-Group considers the contractual terms of the instrument. This includes an assessment of whether the financial asset contains a contractual agreement that could change the timing or amount of the contractual cash flows so that they no longer meet these conditions. The Bike24-Group takes this assessment into account:

- certain events that would change the amount or timing of the 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 entitlement to cash flows from a specific asset (e. g. no rights of recourse).

An early redemption feature is consistent with the sole payments of principal and interest criterion if the amount of the early redemption substantially comprises unpaid principal and interest on the principal amount outstanding, which may include appropriate consideration for the early termination of the contract. In addition, a condition for a financial asset acquired at a premium or discount to the contractual principal amount that permits or requires prepayment at an amount that is substantially the contractual principal amount plus accrued (but unpaid) contractual interest (which may include reasonable consideration for early termination of the contract) is treated as meeting the criterion if the fair value of the prepayment feature is not significant at inception.

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, exchange rate gains and losses and impairments are recognized in profit or loss. A gain or loss from 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 in the amount of lifetime expected credit losses, except for the following allowances, which are measured in the amount of the 12-month expected credit loss:

- Debt instruments with a low default risk as at the balance sheet date, and
- other debt instruments and bank balances for which the default risk (e.g. the credit default risk over the expected term 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, the Bike24-Group considers appropriate and reliable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyses based on past experience of the Bike24-Group and well-founded estimates, 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 overdue.

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

- it is unlikely that the debtor will be able to pay its loan obligation in full to the Bike24-Group without the Bike24-Group having to resort to measures such as the realization of collateral (if any), or
- the financial assets are more than 180 days overdue.

Expected credit losses over the term are expected credit losses that result from all possible default events during the expected term 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 of the reporting date (or a shorter period if the expected term 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 term during which the Bike24-Group is exposed to credit risk.

Depreciation and amortization

The gross carrying amount of a financial asset is written off if the Bike24-Group does not reasonably believe that the financial asset is recoverable in whole or in part. The Bike24-Group writes off the gross carrying amount if the financial asset is more than 180 days overdue, based on past experience in the realization of 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 classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative or was 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 expenses, are recognized in the consolidated statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign currency gains and losses are recognized in profit or loss. A gain or loss from 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 all or part of the credit line will be drawn down. In this case, the fee is deferred until the credit line is utilized. If there are no indications that the credit line is likely to be drawn down in full or in part, the fee is capitalized as an advance payment for the provision and reversed over the term of the corresponding credit line. Embedded derivatives are separated from the host contract under certain conditions and recognized separately.

C.8.3 Derecognition

C.8.3.1 Financial assets

The Bike24-Group derecognizes a financial asset when:

- their contractual right to cash flows from the financial asset expires 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 of the transferred asset.

C.8.3.2 Financial Liabilities

The Bike24-Group derecognizes a financial liability when the contractual liabilities are discharged, cancelled or expire. 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 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 as a net amount in the balance sheet when the Bike24-Group has a currently 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 transferred 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, at the measurement date. The fair value of a liability reflects the risk of non-fulfilment.

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

If 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 that is measured at fair value has a bid 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 at 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 on initial recognition the fair value 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 this financial instrument is to be measured at fair value on initial recognition. This amount is adjusted to account for the difference between the fair value and the transaction price. As part of subsequent measurement, this difference must be recognized in profit or loss in an appropriate manner over the term 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 with regard to the determination of fair values. This includes a finance team that has general responsibility for monitoring all significant fair value measurements, including Level 3 fair values, and reports directly to the Management Board.

The finance team performs a regular review of significant unobservable inputs and valuation adjustments. If information from third parties, such as price quotations 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 these valuations are to be assigned.

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

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

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities.
- Level 2: Measurement parameters that are not the quoted prices included in Level 1, but which can be observed for the asset or liability either directly (i. e. as a price) 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 measurement is allocated 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 were concluded with the Management Board and employees in management positions. For share options granted, the date of signing corresponds to the grant date. For options whose granting is dependent on the achievement of targets defined 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 a suitable valuation model and recognized on a straight-line basis until the vesting date as Personnel expenses with a corresponding increase in Equity. Service and market-independent performance conditions are not taken into account when determining the fair value of remuneration agreements at the grant date. 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 at the end of 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 for the amount expected to be paid if there is a present legal or constructive obligation to pay that amount as a result of past service provided by the employee and the amount of the obligation can be estimated reliably.

C.10 Provisions

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

The amount of the provisions is determined by discounting the expected future cash flows at a pre-tax interest 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 financial expense.

The statutory warranty period for products sold by the Bike24-Group is 24 months. Provisions for warranties are recognized at the time of sale of the underlying products. The amount of the provision for warranties is calculated with estimates based on historical warranty data and expected probabilities of utilization. Potential expected recourse against the manufacturer is recognized under Other Assets.

C.11 Revenue from contracts with customers

IFRS 15 establishes principles for reporting to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In accordance with 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. Revenue recognition upon fulfillment of the individual performance obligations.

The Bike24-Group generates the majority of its revenue from the sale of goods and services to customers via its website (online sales). 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 the consideration is made up of fixed amounts. Revenue is recognized at the time when the customer obtains control of the goods. In the case of an order via the website, the customer obtains control when the delivery has been made. If the goods are purchased in a store, the customer obtains control of the goods at the time of purchase.

Delivery has been made when the goods have been dispatched to their destination, the risks of loss have been transferred 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 include a single performance obligation, such as the sale of a distinct 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.

The contracts with customers do not contain any significant financing components. Invoices are issued when the goods are dispatched and are generally payable within 30 days. If the goods are purchased in a store, payment is always made directly on site.

If the power of disposal over the goods has not yet been transferred to the customer, a contract 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 bank transfer, PayPal, AmazonPay or prepayment. Payments received in advance from the sale of goods are recognized as contract liabilities under Other liabilities in the consolidated statement of financial position until the goods are shipped. As the goods are usually delivered to the customer within up to 5 days, contract liabilities are not discounted.

Customers can return or exchange purchased goods within 30 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 revenue recognized. The Bike24-Group recognizes a refund liability for expected returns as a reduction of revenue and a right of return as a reduction of Expenses for merchandise, consumables and supplies. 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 the expected return costs. The refund liability is reported under Other liabilities and the right of return under Other assets. The Bike24-Group reviews the estimates of expected returns at each balance sheet date and updates the previously recognized amounts of the right of return and the refund liability accordingly.

As the contracts only contain a single performance obligation, the transaction price is allocated to this 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 (with the exception of Inventories and deferred tax assets) to determine whether there are any indications of impairment. If such indications exist, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually and, if necessary, when a triggering event occurs.

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

The recoverable amount of an asset or a CGU is the higher of its value in use and its fair value less costs to sell. The fair value less costs to sell is based on the amount obtainable from the sale of an asset or a CGU in an arm's length transaction between knowledgeable, willing parties after deducting the costs of disposal associated with the transaction. The value in use is based on the 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 if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in the consolidated income statement and statement of comprehensive income under Depreciation and amortization of non-current assets. Depreciation and amortization are initially applied to Goodwill, with any remaining excess depreciation and amortization reducing the carrying amounts of other assets of the CGU on a pro rata basis.

Goodwill is not written up. For other assets, an impairment loss is 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 and amortization, had no impairment loss been recognized.

C.13 Income taxes

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

Current taxes

Current taxes comprise the expected tax liabilities or assets on the taxable income or tax loss for the financial year and any adjustments to the tax liability or asset 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 and reflects any tax uncertainties. The amount of expected tax liabilities or assets is determined using tax rates that have been enacted or substantively enacted by the balance sheet date. The Bike24-Group operates in Germany and 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 Management Board regularly assesses individual tax matters to determine whether there is room for interpretation with regard to the applicable tax regulations. If 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/loss and does not give rise to taxable and deductible temporary differences of the same amount;
- 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 from the initial recognition of Goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits, interest carryforwards 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 on the basis of the reversal of the relevant taxable temporary differences. If the amount of taxable temporary differences is not sufficient to capitalize 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 derecognitions are reversed if the probability of the utilization of future taxable results increases.

Deferred taxes are measured using the tax rates that are expected to apply when the temporary differences reverse and tax loss carryforwards are utilized. The tax rates used to measure deferred taxes as 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 measurement of deferred taxes reflects the tax consequences that arise 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 if 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, that intend either to settle current tax liabilities and assets on a net basis or to settle current tax liabilities simultaneously with the realization of the refund claims, in each 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 the recognition and measurement requirements of IAS 12 when there is uncertainty about income tax treatment. Estimates and assumptions must be made for recognition and measurement, e. g. whether an estimate is made separately or together with other uncertainties, whether a probable or expected value is used for the uncertainty and whether changes have occurred compared to the previous period. The detection risk is irrelevant for the recognition of uncertain balance sheet items. Accounting is based on the assumption that the tax authorities are investigating 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 and 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. The 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 in 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. If there is a non-dilutive effect, the corresponding instruments are not taken into account in the calculation of dilutive 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 Management 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 the 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 in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements are presented below:

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

In order to determine whether the exercise of an extension option is sufficiently certain, the Management Board of the Bike24-Group examines the forecasts for planned growth and the capacity of existing leases. For information on the exercise of extension options, see note C.5.

Continuation of business activities
Against the backdrop of the uncertain development of consumer behavior, the management has drawn up two planning scenarios, both of which assume that the company will continue as a going concern.

See note A.2 for further information.

Significant estimation uncertainties

Intangible assets: Impairment tests of Goodwill

The Bike24-Group performs an annual and, if necessary, event-driven test 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 on the basis of value-in-use calculations and subjected to a sensitivity analysis. These calculations require the use of estimates that have changed compared to the previous year, see note F.1.

Inventories: Valuation of inventories

Inventories are carried at the lower of cost and net realizable value, which requires an estimate of the future net realizable value of the inventories. When assessing the net realizable value of Inventories, the Bike24-Group takes into account the quantity and age structure of Inventories, the expected sales volume, the expected selling prices and the selling costs, taking into account long-term average values, see Note C.6. Due to the use of past experience, there is uncertainty which may lead to further depreciation and amortization in subsequent periods if selling prices and sales volumes are lower.

Revenue: Reduction in revenue

By law, customers in online retail have the option of returning goods within a period of 14 days without giving reasons. BIKE24 has extended this right of return to 30 days. In addition, goodwill returns are accepted for up to 60 days under certain conditions. Provisions are calculated for this based on past return rates and reported under the right of return. This is offset by an asset value of the goods that are returned to the warehouse

C.17 Assessments and evaluations of the current

In 2023, the global community faced several significant challenges. On the one hand, geopolitical tensions escalated, such as the ongoing conflict in Ukraine and the Middle East, leading to global security concerns and increased energy crises. The climate crisis manifested itself in the form of extreme weather events, forest fires and floods, which underlined the urgency of environmental protection and sustainable development. In addition, social and economic inequalities deepened, both within countries and globally, leading to social tensions and protest movements. The international community was confronted with the task of finding solutions to these complex problems and laying the foundations for a more sustainable and just world order.

Accordingly, the business and economic environment of the Bike24-Group was also negatively impacted in the 2023 financial year. While the COVID-19 pandemic has strengthened the trend towards cycling and sustainable mobility, the ongoing conflict in Ukraine and the resulting macroeconomic environment are having a negative impact on consumer sentiment, particularly in Germany, the most important market. While demand is stagnating in some cases, increased stock levels are leading to overcapacity in the market, which is having a negative impact on retailers' margins. Nevertheless, the Bike24-Group expects these overcapacities in the accessories market to be reduced over the course of the second half of 2024 and sales prices to stabilize again. On the other hand, increased Inventories at manufacturers of full-bikes are expected to lead to targeted sales campaigns and thus lower margins.

D. Segment reporting

The Bike24-Group consists of one operating and one reportable segment, which is based on how the CODM assesses the profitability of the Bike24-Group. EBITDA is used as a performance indicator, but this is only available at the level of the Group as a whole, meaning that there is only one segment.

As the Management Board is of the opinion that net sales are the most meaningful indicator for assessing the Bike24-Group in comparison with other companies operating in the same industry, this is also used as a performance indicator.

The following table shows the Bike24-Group's revenue by region. The regions comprise the country in which the company is headquartered as well as other main markets. For the presentation of geographical information, revenue was broken down based on the geographical location of customers.

in EUR k	2023	2022
Germany	123,500	144,476
Austria and Switzerland	23,368	27,168
Rest of Europe	69,632	71,078
Rest of the world	9,837	18,801
Total	**226,337**	**261,522**

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

Essentially all of the amounts included in revenue come from the sale of goods. No single customer contributed more than 10 % to the Bike24-Group's revenue in the financial years presented.

Of the non-current assets, 92 % (previous year: 94 %) are located in Germany, with the remainder in Spain.

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

E.1 Revenue

Revenue by product category is as follows:

in EUR k	2023	2022
Sales by product category		
Parts, accessories and clothing Traditional and e-bikes	184,262	227,742
Traditional and e-bikes	42,075	33,780
Total	**226,337**	**261,522**

Revenue from contract liabilities recognized in the 2023 financial year amounted to EUR k 2,158 (previous year: EUR k 2,133). Contract liabilities mainly relate to payments received from customers for which control of the goods has not yet been transferred to the customer. Further details on the general accounting methods for contract liabilities can be found in Note C.11.

E.2 Personnel expenses

Personnel expenses break down as follows:

in EUR k	2023	2022
Wages and salaries	– 18,966	– 16,639
Social security contributions	– 4,422	– 3,705
Expenses for long-term incentive plans	–	185
Share-based compensation expenses	– 80	– 1,132
Employee stock expenses	–	– 2
Other personnel expenses	– 1,917	– 4,785
Total	**– 25,385**	**– 26,078**

Personnel expenses include EUR k 32 (previous year: EUR k 21) in pension expenses. As at December 31, 2023, the Bike24-Group had the following share-based payment agreements; please refer to note C.9 for the general accounting methods.

Equity-settled stock option program

In the 2023 financial year, one tranche of share options was granted under the existing share option program to two members of the Executive Board and 24 employees in management positions. The grant date corresponds to the date on which the employee signed the share option program and was between 16 March 2023 and 20 October 2023. In addition, target agreements were concluded with the members of the Management Board and 23 other beneficiaries regarding a possible grant of share options in the 2024 financial year, which is dependent on the achievement of the targets set in the target agreement. The signing date of the respective target agreements, February 23 and May 9, 2023, serve as the provisional grant date. The share options vest after one year and can be exercised after a vesting period of four years from the date of grant.

For each employee, the weighted fair value of their share option was calculated using the Black-Scholes formula with the respective daily price on the grant date or provisional grant date. A total of 265,200 share options with a weighted average fair value of EUR 0.91 were granted and target agreements for 157,813 share options with a weighted average fair value of EUR 0.51 were concluded. No share options were exercised in the 2023 financial year. In the 2023 financial year, 10,598 share options with a weighted average fair value of EUR 0.89 were forfeited. The expense as at December 31, 2023 amounted to EUR k 80 (previous year: EUR k 1,132).

Volatility was determined using 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 share options.

	Stock option programs			
	Members of the Management Board		Employees in management position	
Input parameters	2023	2022	2023	2022
Fair value at grant date (in EUR)	0.00 to 0.99	0.00 to 1.80	0.00 to 1.17	0.00 to 1.83
Share price at grant date (in EUR)	1.47 to 2.96	3.84 to 9.52	1.47 to 3.22	3.40 to 10.44
Exercise price (in EUR)	1.53 to 3.31	3.31 to 18.35	1.53 to 3.31	3.18 to 17.28
Expected volatility (weighted average, in %)	43.82 to 44.02	42.24 to 44.43	43.82 to 44.13	42.13 to 44.75
Expected life (weighted average, in years)	4.00	4.00	4.00	4.00
Expected dividends (in %)	0.00	0.00	0.00	0.00
Risk-free interest rate (based on government bonds, in %)	1.87 to 2.32	0.46 to 2.47	1.87 to 2.78	0.07 to 2.47

Employee shares

In September 2021, Bike24 Holding AG repurchased 17,000 treasury shares at an average price of EUR 23.87 to give to its employees. The grant date was the day on which the employee provided their securities account number and was between November 4, 2021 and December 2, 2021. For each employee, the fair value of their 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. In the 2022 financial year, a further 96 shares with a weighted average fair value of EUR 17.32 were issued to employees; no shares were issued to employees in the reporting year. The expense in the previous year amounted to EUR k 2 and is recognized in personnel expenses. The remaining 1,239 treasury shares are reported as treasury shares in Equity, see note F.6.

During the 2023 financial year, the Bike24-Group employed an average of 558 people (previous year: 540).

of which industrial employees	143
– previous year	103
thereof salaried employees	319
– previous year	312
thereof part-time employees	94
– previous year	123
thereof temporary staff	2
– previous year	2

Other personnel expenses mainly include the costs for temporary workers in the logistics area in the amount of EUR k 1,155 (previous year: EUR k 3,805), which were significantly reduced compared to the previous year.

Further savings were made in the area of temporary administrative staff, which were reduced by EUR k 84.

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	2023	2022
Goods to generate revenue from contracts with customers	– 169,530	– 191,187
Value adjustments on Inventories	– 2,144	– 1,500
Total	**– 171,674**	**– 192,687**

E.4 Impairment loss on trade receivables

As part of receivables management, trade receivables in the amount of EUR k 492 (previous year: EUR k 576) were derecognized in the 2023 financial year. Expected credit losses on trade receivables in the amount of EUR k 26 (previous year: EUR k 57) were recognized in the 2023 financial year. Information on the method used to determine expected credit losses can be found in Notes F.12.2a and C.8.3.

E.5 Other expenses

Other operating expenses break down as follows:

in EUR k	2023	2022
Distribution costs	– 20,601	– 21,989
Performance marketing costs	– 3,358	– 3,508
Transaction costs	–	– 21
Other operating expenses	– 11,098	– 9,716
Total	**– 35,057**	**– 35,235**

Distribution costs mainly consist of packaging and freight costs as well as fees to payment service providers.

Due to the decline in revenue, selling expenses also fell in the 2023 financial year. However, this was only 6 % (EUR k 1,388) due to price increases by shipping service providers. Other operating expenses increased by EUR k 1,382. Among other things, this was due to increased IT consulting expenses due to a planned system changeover (EUR k 576) as well as legal, notary and consulting fees in connection with the extensions of the syndicated loan agreement (EUR k 869).

E.6 Financial expenses, net

Finance income and expenses break down as follows:

in EUR k	2023	2022
Finance income		
Other Finance income	61	2
	61	**2**
Finance expense		
Interest expense from leases	– 595	– 332
Interest expense for loans	– 5,452	– 1,081
Other interest expenses	– 257	– 266
	– 6,304	**– 1,679**
Financial result	**– 6,243**	**– 1,678**

The restructuring of the loan agreement led to a modification of the contractual payments due to changed conditions, which was reflected in the interest expense by a one-off effect in EUR k 2,251, see note F.7.

E.7 Income from income taxes

in EUR k	2023	2022
Actual taxes		
Current year	1,017	242
Previous year	–	108
	1,017	**350**
Deferred taxes		
Current year	8,019	2,392*
Previous year	299	–
	8,318	**2,392***
Income from income taxes	**9,335**	**2,741***

* adjusted due to a minor error

The effective tax rate of 31.58 % (previous year: 31.58 %) is based on the tax rate of the Bike24-Group and consists of corporation tax of 15 %, solidarity surcharge of 5.5 % on the corporation tax rate and trade tax of 15.75 %. The Group also operates in Spain with a tax rate of 25 %. The actual tax for the current year results from tax loss carry-backs of income from this year.

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

in EUR k	2023	2022
Profit/Loss before tax	**- 89,738**	**- 9,162***
Expected Group tax rate	**31.58 %**	**31.58 %**
Taxes at the expected Group tax rate	28,335	2,893*
Effects of differing national tax rates	10	- 11
Trade tax additions/reductions	- 86	- 160
Non-tax-deductible expenses	- 1,220	- 22
Depreciation and amortization of Goodwill	- 17,920	–
Taxes for previous years	–	108
Other	216	- 67
Income tax income	**9,335**	**2,742***
Total effective income tax rate (%)	**- 10.40 %**	**- 29.92 %***

* adjusted due to a minor error

E.8 Earnings per share

Earnings per share are calculated as follows:

	2023	2022
Result for the period attributable to the shareholders of Bike24 AG (in EUR k)	– 80,403	– 6,421*
Undiluted weighted average number of ordinary shares issued	44,165,427	44,165,416
Basic earnings per share in EUR	**– 1.82**	**– 0.15**

* adjusted due to a minor error

Basic earnings per share are calculated by dividing the Result for the period attributable to the shareholders of Bike24 AG by the undiluted weighted average number of shares outstanding.

Diluted earnings per share are calculated by dividing the Result for the period attributable to the shareholders of Bike24 AG by the diluted weighted average number of shares.

In accordance with IAS 33, 833,192 (previous year: 617,359) options from the share option program were not taken into account in the calculation of diluted earnings per share as at December 31, 2023, as they would have had an anti-dilutive effect. As a result, diluted earnings per share correspond to basic earnings per share.

F. Notes to the consolidated balance sheet

F.1 Intangible assets and goodwill

The 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 2023 financial year. Depreciation and amortization as well as impairment losses on intangible assets are reported in the consolidated income statement and statement of comprehensive income under "Depreciation and amortization" and "Impairment losses on non-current assets".

in EUR k	Goodwill	Trademark	Customer relationship	Software	Other	Intangible assets in development	Total
Acquisition costs							
Balance as of Januar 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
Balance as of Januar 1, 2023	56,753	97,330	51,740	1,862	3,335	6,124	217,144
Additions	–	–	–	–	594	2,996	3,591
Disposals	–	–	–	–	10	2	12
Transfers	–	–	–	–	7,060	– 7,441	– 381
Balance as of December 31, 2023	56,753	97,330	51,740	1,862	10,979	1,677	220,342
Accumulated Amortization and Impairment Losses							
Balance as of Januar 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
Balance as of Januar 1, 2023	–	20,547	10,923	1,178	1,282	–	33,930
Amortization	–	6,489	3,449	373	936	–	11,247
Impairment	56,753	2,928	1,556	–	–	–	61,237
Disposals	–	–	–	–	10	–	10
Transfers	–	–	–	–	– 38	–	– 38
Balance as of December 31, 2023	56,753	29,964	15,928	1,551	2,170	–	106,366
Carrying Amounts							
Balance as of December 31, 2022	56,753	76,783	40,817	684	2,054	6,124	183,214
Balance as of December 31, 2023	–	67,366	35,812	311	8,809	1,677	113,976

Impairment of goodwill and other intangible assets

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 CGU (consisting of the webshop) and is not deductible for tax purposes.

The recoverable amount of the CGU is determined on the basis of its value in use (in the previous year: fair value less costs to sell). The value in use is based on discounted cash flows. The key assumptions for determining the value in use are the underlying discount rates and growth rates for revenue, the development of the EBITDA margin and the perpetual annuity on the 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. The Management Board estimates the 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 the industry's growth forecasts.

The development of macroeconomic conditions and the decline in market capitalization were considered a triggering event, as a result of which an impairment test was already carried out as at June 30, 2023. There was no need for impairment. For further details, please refer to the half-year report 2023.

The cash flow forecasts determined by the Bike24-Group are based on the current business plan approved by the Management Board for the next 5 years (previous year: business plan for the next 5 years and sales forecasts for the next 10 years, assuming constant cost rates). This includes the following growth assumptions: Sales growth over the next five years of approx. 6.1 % p. a. (previous year: 15 %) due to the growth strategy in the European market. The growth rate in perpetuity is set at 1.5 % (previous year: 2.0 %).

The long-term market situation as well as the new market conditions and the company's future prospects led to an adjustment of the planning assumptions. The planning horizon was reduced from 15 years to 5 years.

The carrying amount of the CGU before impairment exceeded the recoverable amount of EUR k 172,444, with the result that a full impairment of goodwill in the amount of EUR k 56,753 and an impairment of the brand value in the amount of EUR k 2,928, as well as of the value of customer relationships in the amount of EUR k 1,556 and of property, plant and equipment in the amount of EUR k 483 were recognized in the 2023 financial year. The impairment losses are reported in full under impairment losses on non-current assets.

The main assumed growth rates, EBITDA margins and discount rates used to assess the impairment of the Bike24-Group's Goodwill were as follows:

in percent	December 31, 2023	December 31, 2022
Discount rate applied	13.33 %	10.22 %
Growth rate in the perpetual annuity	1.50 %	2.00 %
Estimated sales growth rate (average of the next 5 years)	6.1 %	15.30 %
Estimated sales growth rate (average of the following 10 years)	–	5.00 %
Estimated EBITDA margin (average of the next 5 years)	6.43 %	7.03 %
Estimated EBITDA margin (average of the following 10 years)	–	11.62 %
Estimated costs to sell	–	1.00 %

Any further deterioration in a material assumption would lead to further impairment losses.

Internally generated intangible assets

Other assets mainly relate to capitalized development costs, including for the webshop relaunch I and II, of EUR k 8,177 (previous year: EUR k 1,567). The acquisition and production costs of in-house developments amounting to EUR k 9,332 (previous year: EUR k 2,034) are made up of internal development expenses of EUR k 3,590 (previous year: EUR k 785) and costs for external development services of EUR k 5,741 (previous year: EUR k 1,249).

Intangible assets in the making relate to further internal EUR k 1,058 (previous year: EUR k 1,755) not yet ready for use and external EUR k 401 (previous year: EUR k 4,046) capitalized development expenses of EUR k 1,458 (previous year: EUR k 5,801) for a further IT project (previous year: two further IT projects).

In accordance with IAS 36.10a, an impairment test was carried out for the order management system project, which was not ready for use on the balance sheet date. This did not result in any need for impairment. The recoverable amount results from the future value in use and exceeds the carrying amount.

F.2 Property, plant and equipment

Property, plant and equipment developed as follows in the financial years presented:

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, 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**
Balance as of January 1, 2023	**3,174**	**10,015**	**2,746**	**6,670**	**24,007**	**106**	**46,718**
Additions	395	675	437	1,261	19	–	2,787
Disposals	6	–	101	–	–	–	107
Transfers	911	6,018	500	– 7,048	–	–	381
Balance as of December 31, 2023	4,474	16,707	3,581	884	24,027	**106**	**49,779**
Accumulated Depreciation and Impairment Losses							
Balance as of January 1, 2022	**364**	**1,838***	**335**	**–**	**3,409**	**38**	**5,984***
Depreciation	313	1,039*	526	–	1,794	29	3,701*
Disposals	–	–	1	–	–	–	1
Transfers	–	272	– 272	–	–	–	–
Balance as of December 31, 2022	**677**	**3,149***	**587**	**–**	**5,202**	**67**	**9,683***
Balance as of January 1, 2023	**677**	**3,149***	**587**	**–**	**5,202**	**67**	**9,683***
Depreciation	550	1,327	546	–	1,999	24	4,444
Impairment	–	483	–	–	–	–	483
Disposals	4	–	98	–	–	–	102
Transfers	–	– 273	310	–	–	–	38
Balance as of December 31, 2023	**1,223**	**4,686**	**1,346**	**–**	**7,201**	**91**	**14,546**
Carrying amounts							
Balance as of December 31, 2022	**2,497**	**6,866***	**2,158**	**6,670**	**18,805**	**39**	**37,035***
Balance as of December 31, 2023	**3,252**	**12,021**	**2,236**	**884**	**16,825**	**16**	**35,233**

* adjusted due to a minor error

As at the previous year's balance sheet date, assets under construction mainly related to non-operational facilities in the warehouse in Spain amounting to EUR k 5,801, of which EUR k 5,265 was attributable to the Autostore logistics system.

The office building, warehouses, stores and vehicles are right-of-use assets within the meaning of IFRS 16. Of the additions to office buildings, warehouses and stores in the previous year amounting to EUR k 11,716, EUR k 6,106 relate to the new warehouse in Spain.

Information on future undiscounted contractual obligations as at December 31, 2023 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 contract term. The extension options can only be exercised by the Bike24-Group and not by the lessors. The Bike24-Group assesses at the beginning of the lease whether it is reasonably certain that the extension 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 changes in circumstances occur that are within the Bike24-Group's control. In the reporting year, there were no changes in connection with the reassessment of the probability of exercising the extension option.

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

Further information can be found in the accounting policies in Note C.5.

F.3 Inventories

in EUR k	December 31, 2023	December 31, 2022
Consumables and supplies	221	81
Merchandise	71,117	84,217
Total	**71,339**	**84,298**

The Bike24-Group recognizes Inventories at the lower of cost and net realizable value. Inventories include write-downs in the amount of EUR k 4,954 (previous year: EUR k 2,753). Further information on the valuation allowances on Inventories classified as merchandise and on Expenses for merchandise, consumables and supplies in the 2023 financial year can be found in Note E.3.

The inventories of the Bike24-Group are assigned as security 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 do not bear interest. The maximum default risk as at the balance sheet date, which corresponds to the carrying amount of Trade and other receivables, was taken into account in the calculation of expected credit losses in accordance with IFRS 9. Information on the impairment of Trade and other receivables as well as the default, currency and interest rate risk of the Bike24-Group is explained in Note F.12.2.

The trade receivables of the Bike24-Group are assigned as security under a syndicated loan agreement.

For further information, see also 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, 2023	December 31, 2022
Value added tax receivables	540	1,530
Prepaid expenses and deferred charges	897	995
Advance payments	77	911
Right of return	1,521	1,914
Warranty claims	767	990
Creditors with debit balances	157	870
Other assets	1,348	1,513
Total	**5,307**	**8,724**

Other assets include security deposits in the amount of EUR k 403 (previous year: EUR k 418) and a bank account pledged as collateral in the amount of EUR k 450 (previous year: EUR k 450). For further information, see also 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 amounted to EUR k 44,165 as at the balance sheet date and is divided into 44,166,666 no-par value bearer shares with a nominal value of EUR 1 per share. 6,666,666 of these no-par value 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 the 2021 financial year and a further 96 in the 2022 financial year. The remaining 1,239 (previous year: 1,239) shares are reported as treasury shares as at the balance sheet date, see note C.9.

Capital reserves amounted to EUR k 180,087 as at the balance sheet date. The share option program led to an increase in capital reserves of EUR k 80 (previous year: EUR k 1,132). Please refer to C.9 for the calculation of expenses.

For the 2023 financial year, the Result for the period of EUR k – 80,403 (previous year (adjusted): EUR k – 6,421*) 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 k 38,000 are secured by the Bike24-Group's bank balances, the assignment of trade receivables and the transfer of movable assets and Inventories assets. The probability of utilization is considered to be low due to the expected recovery of the bicycle market and the planned increases in Profit/Loss before tax in the coming years. The loan has a term until December 31, 2024 and bears interest at a variable prime rate and a premium depending on the net gearing ratio, with a nominal interest rate of between 8.50 % and 10.68 %. The current interest rate is 10.64 %. The existing revolving credit line 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 k 10,000 was unused as at December 31, 2023. For the 2023 financial

* adjusted due to a minor error

year, minimum liquidity had to be secured on a monthly basis. This key figure was met every month. In addition, there was a minimum EBITDA figure from the third quarter. This was met as at September 30, 2023. This ratio was not met as at the balance sheet date of December 31, 2023. The existing syndicated loan agreement will be extended on March 15, 2024 with adjusted conditions until April 30, 2025.

For further information, see note F.12. Please also refer to the comments on events after the balance sheet date in section G.6.

F.8 Other financial liabilities

Other financial obligations exclusively comprise lease liabilities. For further information, please refer to the notes in F.2 and G.4.

F.9 Provisions

Non-current provisions

	Warranty provisions		Other provisions		Total	
in EUR k	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Balance as of January 1	**345**	**393**	**67**	**248**	**412**	**641**
Utilization	345	–	–	–	345	–
Resolution	–	393	–	185	–	578
Additions	267	345	–	4	267	349
Balance as of December 31	**267**	**345**	**67**	**67**	**334**	**412**

Current provisions

	Warranty provisions		Other provisions		Total	
in EUR k	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Balance as of January 1	**1,332**	**1,274**	**160**	**30**	**1,492**	**1,304**
Utilization	681	990	120	–	801	990
Resolution	–	–	10	–	10	–
Additions	382	1,048	429	130	811	1,178
Balance as of December 31	**1,033**	**1,332**	**459**	**160**	**1,492**	**1,492**

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 liabilities and assets are recognized for the following types of temporary differences and loss carryforwards:

	Balance as of December 31, 2023			
in EUR k	Net	Deferred tax assets	Deferred tax liabilities	Deferred taxes recognized in profit or loss
Property, plant and equipment	5,831		5,831	652
Intangible assets	35,618		35,618	3,968
Inventories	136	– 166	301	– 106
Other current assets	– 25	– 25		– 70
Trade and other receivabeles	– 1	– 1		– 8
Other liabilities	– 190	– 190		6
Other financial liabilities	– 5,515	– 5,515		– 563
Liabilities to banks	– 215	– 215		377
Stock option program	– 939	– 939		25
Losses carried forward	– 4,037	– 4,037		4,037
Deferred tax liabilities (assets)	**30,662**	**– 11,089**	**41,750**	**8,318**
thereof non-current		– 8,976	41,750	
Deferred tax liabilities (assets), net	**30,662**	**– 11,089**	**41,750**	**8,318**

	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	6,483*	–	6,483*	– 3,194*
Intangible assets	39,587	–	39,587	2,009
Inventories	30	–	30	106
Other current assets	– 95	– 95	–	141
Trade and other receivabeles	– 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)	**38,980***	**– 7,281**	**46,262***	**2,392***
thereof non-current		– 5,473	45,771	
Deferred tax liabilities (assets), net	**38,980***	**– 7,281**	**46,262***	**2,392***

* adjusted due to a minor error

The change in net deferred tax liabilities was recognized in full as income tax income in the 2022 and 2023 financial years.

No deferred taxes were recognized for the interest carried forward in the amount of EUR k 3,768, as it is not sufficiently probable that these can be used within a foreseeable period of time.

F.11 Other liabilities

Other liabilities break down as follows:

in EUR k	December 31, 2023	December 31, 2022
Short term		
Liabilities relating to personnel	2,628	2,781
Prepaid expenses and deferred charges	0	2
Refund liability	2,139	2,448
Value added tax liabilities	3,818	4,782
Contract liabilities	2,437	2,962
Other liabilities	1,630	2,615
Total	**12,652**	**15,590**

Personnel-related liabilities mainly include current wage and salary obligations, bonus and vacation obligations in the amount of EUR k 2,128 as well as obligations from growth bonus agreements in the amount of EUR k 500.

Due to the right of return granted to the customer within 30 days, a refund liability is recognized in the amount of the consideration received, which BIKE24 is expected to have to repay to the customer. The shipping costs of the return and the processing of the return are included in the provision amount. For further information, see note F.12.1.

Other liabilities mainly relate to outstanding invoices in the amount of EUR k 1,000 (previous year: EUR k 2,071) and liabilities from the audit of the annual financial statements and tax advice in the amount of EUR k 537 (previous year: EUR k 516).

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 Liabilities that are not measured at fair value if 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 value.

Balance as of December 31, 2023 in EUR k	Corrying amount Total	IFRS 9-category	Level 1	Level 2	Level 3	Total
Financial assets						
Non-current financial assets						
Financial assets	9	FVTPL	–	–	9	9
Current financial assets						
Trade and other receivables	1,259	AC	–	–	–	–
Other assets	5,307		–	–	–	–
Thereof deposits and pledged bank account	853	AC	–	–	–	–
Cash and cash equivalents	18,414	AC	–	–	–	–
Total	**24,989**		**–**	**–**	**9**	**9**
Financial liabilities						
Non-current financial liabilities						
Other financial liabilities	15,628	N/A	–	–	–	–
Current financial liabilities						
Liabilities to banks	38,734	AC	–	–	–	–
Other financial liabilities	1,839	N/A	–	–	–	–
Refund liability	2,139	AC	–	–	–	–
Trade payables	7,176	AC	–	–	–	–
Total	**65,516**		**–**	**–**	**–**	**–**

Balance as of December 31, 2022 in EUR k	Corrying 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**		**–**	**–**	**–**	**–**

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

The carrying amounts of the financial assets and liabilities listed above, which are measured at amortized cost, are as follows as at December 31, 2023 and 2022:

in EUR k	December 31, 2023	December 31, 2022
Book value		
Financial assets measured at amortized cost	20,526	26,221
Financial Liabilities measured at amortized cost	– 48,049	– 46,718
Balance	**– 27,524**	**– 20,497**

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

If no quoted prices are available 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 takes into account all factors that market participants would consider when pricing such a transaction. The valuation model for investments is based on expected future payment flows. The fair value of liabilities to banks corresponds approximately to the carrying amount due to the variable interest rate, taking into account the credit risk.

There were no reclassifications between the various levels of the fair value hierarchy in the 2023 financial year. 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 liabilities measured at amortized cost. In the 2023 financial year, the application of the effective interest method resulted in interest expenses of EUR k 1,497; interest expenses of EUR k 202 were recognized for the previous year. Interest income of EUR k 56 (previous year: EUR 0) was recognized.

Attributions

In the 2023 and 2022 financial years, write-ups of EUR k 3 were made to financial assets. The write-ups are reported under "Other income" in the income statement and statement of 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 Management Board of the Company is responsible for establishing and monitoring the risk management of the Bike24-Group. The Bike24-Group's risk management aims at identifying and analyzing potential risks to which the Bike24-Group is exposed and minimizing the negative effects of these risks on the Bike24-Group's financial position.

a) Credit risk

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

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

The impairment losses on financial assets recognized in profit or loss are as follows:

in EUR k	December 31, 2023	December 31, 2022
Impairment losses on trade receivables	– 492	– 576
Total	**– 492**	**– 576**

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

As at December 31, 2023, the default risk for trade receivables mainly related to trade receivables within the DACH region.

The Bike24-Group uses an impairment matrix to measure the expected credit losses on trade receivables from individual customers. Trade receivables from individual customers comprise a large number of small balances.

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

The following table contains information on the estimated default risk and expected credit losses for trade receivables as at December 31, 2023:

in EUR k	Loss ratio	Gross carrying amount	Value adjustment
Current (not overdue)	0.34 %	532	2
1 – 30 days overdue	1.05 %	362	4
31 – 60 days overdue	6.28 %	32	2
61 – 90 days overdue	15.20 %	18	3
91 – 120 days overdue	32.80 %	5	2
121 – 150 days overdue	43.03 %	8	3
151 – 180 days overdue	38.08 %	4	1
More than 180 days overdue	42.00 %	22	9
		983	**26**

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

The development of value adjustments for trade receivables during the year was as follows:

in EUR k	2023	2022
Balance as of January 1	**57**	**26**
Recognized impairment losses	492	576
– of which reversal (previous year: addition) to impairment (ECL)	–31	31
Write-offs	–523	–545
Balance as of December 31	**26**	**57**

The derecognitions in the 2022 financial year also included prepayments made in EUR k 152; there were no significant derecognitions of prepayments made in the current financial year.

Trade and other receivables are reviewed monthly for outstanding items.

Expected credit losses from other receivables and Other assets are insignificant. Therefore, no impairment was recognized for other receivables and Other assets.

Cash and cash equivalents

As of December 31, 2023, the Bike24-Group had cash and cash equivalents in the amount of EUR k 18,414 (December 31, 2022: EUR k 22,375). Cash and cash equivalents are held at banks and financial institutions with a rating of Aaa, based on Moody's ratings.

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

b) Liquidity risk

Liquidity risk is the risk that the Bike24-Group may not be able to meet its financial liabilities as contractually agreed by delivering cash or other financial assets. 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 suffering unacceptable losses or damaging the reputation of the Bike24-Group.

For further information on the extension of the consortium agreement, see events after the balance sheet date under G.6.

The Bike24-Group is endeavoring to take advantage of all cash discounts. Increased liquidity requirements arise in February and March in particular, when deliveries of goods for the coming summer season arrive. If the existing cash and cash equivalents are not sufficient, the existing revolving credit line can be utilized.

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

		Contractual cash flows					
Balance as of December 31, 2023 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	38,734	41,774	–	41,774	–	–	–
Other financial liabilities	17,466	20,913	400	1,986	2,302	6,367	9,858
Trade payables	7,176	7,176	7,176	–	–	–	–
	63,376	**69,863**	**7,576**	**43,760**	**2,302**	**6,367**	**9,858**

		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**

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 aim of market risk management is to manage and control market risk within an acceptable range while optimizing returns.

Please refer to F.12.2 d) for information on currency risk.

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) as at the reporting date would have increased or decreased profit or loss and equity by EUR k 400. The analysis was based on the assumption that all other external factors 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 correspond to the functional currency. The risk exists only to a minor extent, as the main suppliers are based in the eurozone and the core market of the Bike24-Group is also in Europe. Trade and other receivables are exclusively in euros, as payment by "invoice" is only possible for German customers and invoices are issued in euros.

The summarized quantitative information on the currency risk of the Bike24-Group as reported to the Management Board is as follows:

December 31, 2023 in EUR k	GBP	USD
Trade receivables	–	–
Trade payables	–	8
Net risk in the balance sheet	**–**	**8**
Forecasted sales for the next 6 months	–	–
Forecasted purchases for the next 6 months	–	–
Net risk from forecast transactions	**–**	**–**
Net risk	**–**	**8**

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

The following key exchange rates were applied:

	Average exchange rate		Year-end cash course	
Euro	**2023**	**2022**	**2023**	**2022**
USD	1.08	1.05	1.11	1.07
GBP	0.87	0.85	0.87	0.89

All receivables and revenues are denominated in euros. The majority of goods are procured in the eurozone and paid for in euros, meaning that there is no currency risk. Only for a few selected suppliers are orders placed directly in the United States of America or the United Kingdom. The volume of goods procured in 2023 amounted to EUR k 444 (previous year: EUR k 1,949). The currency risk relating to these deliveries is considered insignificant for the Bike24-Group due to the amount of planned deliveries in foreign currency.

F.12.3 Capital management

The Bike24-Group is financed through ongoing 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 information on Liabilities to banks, see section F.7.

For capital management purposes, the Management Board monitors and approves the weekly bank transfers, thus monitoring the decrease and increase in Cash and cash equivalents, as shown in the consolidated balance sheet, as well as the ratio of total net debt to consolidated earnings before interest, taxes, depreciation and amortization. In addition, the Management Board prepares cash and cash equivalents planning, which is updated on an ongoing basis. In the periods presented, the Bike24-Group had sufficient cash and cash equivalents at all times to maintain its operating business.

The 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 commitments

Purchase commitments in connection with the purchase of goods as at December 31, 2023 amounted to EUR k 69,080 (previous year: EUR k 117,473). There is also a contingent liability from a rental agreement in the amount of EUR k 1,232 (previous year: EUR 0). This is a lease adjustment due to a landlord's investment in the office building at the Dresden site, which is not yet available for use.

G.2 Related companies and persons

Parent company and related parties

The main shareholder of Bike24 Holding AG is Riverside Partners, LLC. The main shareholder is represented 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 is not included in the consolidated financial statements as a subsidiary.

Related parties

Related parties are the members of the Management Board and the Supervisory Board 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 management matters, in particular financial matters and strategic decisions relating to the Bike24-Group.

G.3 Transactions with related parties and companies

a) Remuneration of the management body of the parent company

in EUR k	2023	2022
Short-term employee benefits	504	608
Expenses for share options	37	436
Other employee benefits	–	–
Total	**541**	**1,044**

b) Remuneration of key management personnel and business transactions with them

The remuneration of key management personnel is made up as follows:

in EUR k	2023	2022
Short-term employee benefits	391	656
Expenses for share options	65	529
Other employee benefits	–	–
Total	**456**	**1,185**

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

c) Other transactions with related parties and companies

in EUR k	Amount of transactions 2023	Amount of transactions 2022	Outstanding balances as of December 31, 2023	Outstanding balances as of December 31, 2022
Services and goods supplied by related parties	- 87	- 209	–	- 2
Income from the recharging of IPO-related costs	–	- 21	–	–
	- 87	**- 230**	–	- 2

Services from related parties mainly comprise service fees for management services and deliveries of goods. The balances are not collateralized and were not impaired in the periods presented. As part of the IPO in 2021, companies of Riverside Partners, LLC assumed part of the transaction costs. In the 2022 financial year, EUR k 21 was subsequently charged for IPO-related consulting services.

d) Transactions with members of the Supervisory Board

The remuneration of the members of the Supervisory Board is made up as follows:

in EUR k	2023	2022
Benefits due at short notice	153	142
Total	**153**	**142**

Other liabilities include EUR k 95 in outstanding payments to the Supervisory Board.

There were no other transactions by members of the Supervisory Board of the Bike24-Group in the 2023 financial year.

G.4 Notes to the consolidated cash flow statement

The consolidated cash flow statement is prepared in accordance with IAS 7 Cash Flow Statements and shows cash inflows and outflows. Cash outflows for the financial year, broken down into 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.

	2023			2022		
	Liabilities from loans	Liabilities from leases	Total	Liabilities from loans	Liabilities from leases	Total
Balance as of January 1	**39,503**	**19,252**	**58,755**	**1,006**	**9,070**	**10,076**
Interest payments	- 3,922	- 595	- 4,517	- 803	- 332	- 1,135
Proceeds from financial liabilities	–	–	–	39,000	–	39,000
Payments from financial liabilities	- 2,000	–	- 2,000	–	–	–
Lease payments	–	- 1,804	- 1,804	–	- 1,536	- 1,536
Total cash flows	**- 5,922**	**- 2,399**	**- 8,321**	**38,197**	**- 1,867**	**36,329**
Other changes						
Additions	–	19	19	–	11,717	11,717
Departures	- 300	–	- 300	- 780	–	- 780
Interest expense	5,453	595	6,048	1,081	332	1,412
Total other changes	**5,153**	**614**	**5,767**	**301**	**12,049**	**12,349**
Balance as of December 31	**38,734**	**17,467**	**56,201**	**39,503**	**19,252**	**58,755**

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

G.5 Fee for the auditor

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

in EUR k	2023	2022
Audit services	590	523
Confirmation services	–	–
Tax consultancy services	–	7
Other consulting services	2	5
Total	**592**	**535**

The fees for tax advisory services recognized in the 2022 financial year relate entirely to financial years ending before January 1, 2022, EUR k 3 of the fees for other consulting services recognized in the 2022 financial year relate to services rendered in financial years ending before that date.

G.6 Events after the balance sheet date

A significant event after the balance sheet date is the extension of the existing syndicated loan agreement on March 14, 2024 until April 30, 2025. The conditions will be adjusted to the current market situation. Subject to adequate documentation, the lenders have agreed to the adjustment of the agreement. The covenants regarding minimum liquidity and minimum EBITDA were adjusted.

G.7 Exemption from preparation, audit and disclosure

The subsidiaries Best Bike Brands GmbH, Bike24 Retail GmbH, Bike24 GmbH and Bike24 Service GmbH make use of the exemption option under Section 264 (3) 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 Compliance Statement on the Corporate Governance Code

The Corporate Governance Statement and the Compliance Statement 2023 on the German Corporate Governance Code have been made permanently available to the public on the company's website at https://ir.bike24.com/.

Dresden, March 21, 2024

The Management Board

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 21, 2024

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 2023, and the consolidated statement 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 2023, 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 (hereinafter: combined management report) of Bike24 Holding AG for the financial year from 1 January to 31 December 2023.

In accordance with German legal requirements, we have not audited 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. In accordance with German legal requirements, we have not audited the content of the cross-references specified in the Appendix to the Independent 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 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, 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 obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Material Uncertainty about the Ability to Continue as a Going Concern

Please refer to the disclosures in Section A.2 "Basis of accounting" in the notes to the consolidated financial statements as well as the disclosures in Section "Presentation of risks" in the combined management report in which management describes that the ongoing difficult market situation causes uncertainty as to how consumer behaviour and, as a result, the business of the Bike24 Group will develop. Management has therefore created scenarios as part of a sensitivity analysis. This analysis indicates that, from today's perspective, the financial covenants will be complied with under a realistic and a pessimistic scenario. The pessimistic scenario considers measures such as reducing investment spending, optimising cost structures and other measures relating to inventory management. Both scenarios also include planned refinancing beyond 30 April 2025. Due to the uncertain development of consumer behaviour, the Company may fall short of its budget and thus jeopardise compliance with the financial covenants. Management plans to commence negotiations with the financing banks on long-term refinancing beyond April 2025 in the near future.

As presented in Section A.2 "Basis of accounting" in the notes to the consolidated financial statements as well as in Section "Presentation of risks" in the combined management report, these events and conditions show that there is a material uncertainty that could cast significant doubt on the Group's ability to continue its business activities and which represents a going concern risk within the meaning of Section 322 (2) sentence 3 HGB.

In accordance with Article°10 (2)(c)(ii) of the EU Audit Regulation, we summarise our audit response with regard to this risk as follows:

In the course of our audit, we therefore identified the appropriateness of the going concern assumption as well as the appropriate presentation of the material uncertainty in connection with the ability to continue as a going concern as a material risk and conducted the following audit procedures, among others: with the involvement of our restructuring specialists, we took into account the uncertainties arising from the overcapacities in the bicycle market and the macroeconomic situation with regard to the assessment of the going concern assumption in planning and performing our audit. Our audit procedures included, among other activities, evaluating the assessment of the risks arising from the uncertainties for the Group's revenue and cost development, made by the Group's management and external advisors engaged to assess the plausibility of the budget.

We gained an understanding of the liquidity planning process and discussed the significant planning assumptions with respect to the projected available future cash flows from operating, financing and investing activities and forecast KPIs for future covenants calculations with those responsible. In doing so, we also examined the accuracy of the Group's forecasts.

Furthermore, we especially assessed the significant assumptions in liquidity planning, such as revenue and cost development. We also compared revenue and margins in the first two months of financial year 2024 with the budget. Furthermore, we compared whether the assumptions are consistent with internal explanations and external market assessments. In addition, we evaluated the reliability of the underlying data.

To take current forecast uncertainty into account, we analysed the effects of various scenarios arising from the overcapacities in the bicycle market and the macroeconomic situation on liquidity planning.

Finally, we assessed whether the disclosures in the notes in conjunction with the ability to continue as a going concern are appropriate.

We do not express a separate opinion on these matters.

The assumptions made by management and the presentation in the consolidated financial statements are reasonable.

Our opinions on the consolidated financial statements and the combined management report have not been modified in this regard.

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 2023. 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. In addition to the matter described in the section entitled "Material Uncertainty about the Ability to Continue as a Going Concern" we have identified the matters described below as key audit matters, which must be communicated in our independent auditor's report.

Recoverability of goodwill

Please refer to the disclosures in the notes to the financial statements, Section C "Summary of significant accounting policies", 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 report in the section entitled "Business performance".

The financial statement risk

Goodwill was identified in the context of an acquisition in financial year 2019. The carrying amount of this goodwill amounted to EUR 56.8 million as at 31 December 2023 (prior to impairment) and, at 18.7% 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 also carried out during the year. For impairment testing, the carrying amount is compared with the recoverable amount of the 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 2023.

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 development of the EBITDA margin over the next five years, the assumed terminal value on the free cash flow after taxes and the discount rate used.

In financial year 2023, competition intensified considerably in the bicycle market. Inventories are high while consumer demand is declining. This has a negative impact on the Group's future business and earnings prospects. The market situation, which management expects to persist in the long term, as well as the new market conditions and the Company's future prospects resulted in an adjustment of planning assumptions combined with a reduction of the planning horizon to five years. The reduction in expected future cash inflows associated with these adjustments resulted in an impairment loss totalling EUR 61.7 million. Of this amount, a full impairment of EUR 56.8 million was initially allocated to goodwill. The remaining impairment loss of EUR 4.9 million was allocated to other non-current assets. If the deterioration in earnings prospects is greater than expected or an increase in the discount rate occurs, further impairment losses will need to be recognised.

There is the risk for the consolidated financial statements that the existing impairment loss is not recognised in the amount required. There is also a risk that the related disclosures in the notes are not appropriate.

Our audit approach

With the involvement of our valuation and restructuring experts, we assessed the appropriateness of the significant assumptions, the adjustment of planning assumptions and the calculation methods of the Company for annual 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 examined the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with the earnings actually realised and by 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 methods is methodically and mathematically appropriate, we verified the valuation made by the Company using our own calculations and analysed 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.

Our observations

The calculation method used for the annual impairment testing of goodwill is appropriate and in line with the accounting policies to be applied. The Company's assumptions and data underlying the measurement are appropriate.

The related disclosures in the notes are appropriate.

Recoverability of merchandise

Please refer to note C to the financial statements ("Summary of significant accounting policies") for the disclosures 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 report in the section entitled "Business performance".

The financial statement risk

Merchandise totalling EUR 71.3 million was reported in the consolidated statement of financial position as at 31 December 2023 (PY: EUR 84.3 million); this includes write-downs of EUR 5.0 million (PY: EUR 2.8 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 are relevant in this regard. In addition, the age structure 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, especially in light of the overcapacities in the bicycle market and the challenging macroeconomic environment, the conflicts in Ukraine and in the Middle East and, as a result, deteriorating consumer behaviour.

Our audit approach
We evaluated the appropriateness of the significant assumptions and procedure 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 operating effectiveness 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 knowledge 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.

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 based on randomly selected samples of inventory items.

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 894500FCLU2M5GTUUR76-2023-12-31-de 4.zip"
(SHA256-Hashwert: 7f59313e41510b1fb01b4c6d36b2b589949e4c1fe8a48a9875491b6-adcc544ac)
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 2023, 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 QMS 1 (09.2022)).

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 the 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 27 June 2023. We were engaged by the Supervisory Board on 26 September 2023. We have been the group auditor of Bike24 Holding AG without interruption since financial year 2019, including three financial years during which the Company fulfilled the definition of a public interest entity within the meaning of Section 319a (1) sentence 1 HGB.

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).

In addition to the financial statement audit, we have provided to the Company or its controlled entities the following services that are not disclosed in the consolidated financial statements or in the combined management report:

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

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 German Company Register (Unternehmensregister) – 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, 21 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
(Original German version signed by:)

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 for the Company and the Group referred to in the combined management report,
- the Group's non-financial statement in the thus named section of the combined management report, and
- the information extraneous to management reports contained in the Section "Principles and objectives of the internal control system (ICS) and risk management system (RMS)" of the combined management report pursuant to Section A.5 of the German Corporate Governance Code 2022 regarding the effectiveness of the RMS and ICS.

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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Andrés Martin-Birner (Chairman),
Timm Armbrust

Chairman of the Supervisory Board

Ralf Kindermann

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