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Report of the management board on agenda item 6 (Resolution on the cancellation of the Authorized Capital 2021, the creation of new Authorized Capital 2024 with the option to exclude subscription rights and the corresponding amendment of Section 4 para. 4 of the articles of association)

Under agenda item 6 of the general meeting on June 14, 2024, the management board and the supervisory board propose the creation of a new authorized capital 2024 (“Authorized Capital 2024”) to replace the existing Authorized Capital 2021. In accordance with Section 203 para. 2 sentence 2 AktG in conjunction with Section 186 para. 4 sentence 2 AktG, for agenda item 6, the management board submits to the annual general meeting this report on the reasons for the authorization to exclude the subscription rights of shareholders when issuing the new shares:

In accordance with Section 4 para. 4 of the articles of association, the management board of the Company is authorized to increase the share capital of the Company, with the approval of the supervisory board, by up to EUR 18,750,000.00 at once or in stages by June 1, 2026 by issuing up to 18,750,000 new no-par value bearer shares in exchange for cash contributions (“Authorized Capital 2021”).

The nominal amount of the Authorized Capital 2021 corresponds to half of the share capital existing at the time of the authorization and thus to the maximum amount provided for at that time in accordance with Section 202 para. 3 sentence 1 AktG. The annual general meeting of the Company on June 17, 2021 resolved to increase the share capital by EUR 6,666,666.00 to EUR 44,166,666.00. Since then, the Company has not fully utilized the maximum nominal amount for the authorized capital provided for in Section 202 para. 3 sentence 1 AktG.

The management board has not yet made use of the existing authorization under the Authorized Capital 2021. In order for the Company to remain flexible in the future and be able to strengthen its equity in exchange for cash contributions and/or contributions in kind if necessary, the Authorized Capital 2021 should be cancelled and a new Authorized Capital 2024 should be adopted. The authorized capital proposed under agenda item 6 of the annual general meeting on June 14, 2024 should authorize the management board, subject to the approval of the

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supervisory board, to increase the share capital of the Company by up to EUR 22,083,333.00 at once or in stages by issuing up to 22,083,333 new no-par value bearer shares in exchange for cash contributions and/or contributions in kind by June 13, 2029 (“Authorized Capital 2024”).

The management board has not yet made use of the Authorized Capital 2021. The Company has no further authorized capital. To ensure that the Company remains flexible in the future in order to strengthen its own funds if necessary (including the issue of new shares in exchange for cash contributions with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG) and to provide the Company with authorized capital for a full five years in the amount of the maximum nominal amount, i.e. over half of the share capital existing at the time of this resolution, the resolution proposed under agenda item 6 of the annual general meeting on June 14, 2024 is intended to cancel the existing authorization and the existing Authorized Capital 2021 and replace it with new authorized capital (Authorized Capital 2024). For this purpose, Section 4 para. 4 of the articles of association is to be amended accordingly.

The Authorized Capital 2024 should also give the Company flexibility by making it possible to issue shares in exchange for cash contributions and excluding subscription rights pursuant to Section 186 para. 3 sentence 4 AktG if the proportionate amount of share capital attributable to the new shares issued without subscription rights does not exceed 20% of the share capital, neither when the authorization takes effect nor when it is exercised. It will also enable the Company to seize attractive investment opportunities as the subscription can be excluded when shares are issued in exchange for contributions in kind.

The new Authorized Capital 2024 will enable the Company to continue obtaining the capital necessary for the further development of the Company at short notice by issuing new shares and to cover its future financing requirements in a flexible and timely manner. As decisions on covering the Company’s future capital requirements generally have to be made at short notice, it is important that the Company is not dependent in this respect on the cycle of the annual general meeting or on the long notice period for convening an extraordinary general meeting.

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Legislators have taken these circumstances into account with the instrument known as authorized capital.

When the new Authorized Capital 2024 is used to issue shares in exchange for cash contributions, the shareholders generally have subscription rights (Section 203 para. 1 sentence 1 AktG in conjunction with Section 186 para. 1 AktG), although an indirect subscription right in the sense of Section 186 para. 5 AktG is also sufficient. The issuance of shares where such indirect subscription rights are granted already cannot be considered an exclusion of subscription rights in the eyes of the law. The shareholders are ultimately granted the same subscription rights as in the case of a direct subscription. For technical reasons, only one or more credit institution(s) will be involved in the process.

However, the management board should be authorized to exclude subscription rights in specific cases, subject to the approval of the supervisory board:

- a) The management board should be able to exclude subscription rights for fractional amounts with the approval of the supervisory board. The purpose of this exclusion of subscription rights is to make it easier to issue shares where the shareholders generally have subscription rights because a technically feasible subscription ratio can then be achieved. The value of the fractional amounts attributable to the individual shareholder is generally low, which is why the potential diluting effect should also be considered low. In contrast, significantly more work is involved in a share issue without such an exclusion. Therefore, the exclusion is for the sake of practicability and in order to facilitate a share issue more swiftly. The new shares to which, as fractional shares, the subscription rights of the shareholders are excluded shall be utilized in the best possible way for the Company either by being sold on the stock exchange or in any other way. For these reasons, the management board and supervisory board consider the potential exclusion of subscription rights objectively justified and, having weighed up the interests of the shareholders, also appropriate.

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- b) Furthermore, the subscription rights can be excluded as part of cash capital increases if the shares are issued at an amount that is not significantly lower than the price of the Company's shares on the stock exchange and such a capital increase does not exceed 20% of the share capital (simplified exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG). The authorization will enable the Company to react with flexibility to favorable situations that arise on the capital markets and issue the new shares even at very short notice (i.e. without requiring a subscription right offer that takes at least two weeks). The exclusion of subscription rights will enable the Company to act extremely quickly and issue shares at prices close to the stock exchange rates, i.e. without the usual discount for subscription right issues. This will pave the way to achieving the highest possible income from disposals and strengthening the Company's equity to the greatest possible extent. The authorization to exclude subscription rights more easily is also justified by the fact that such an approach can often generate a larger cash inflow.

Any such capital increase may not exceed 20% of the share capital, neither when the authorization takes effect nor when it is exercised. The proposed resolution also provides for a deduction clause. Shares that are issued to service bonds with conversion or option rights or obligations pursuant to Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 3 sentence 4 AktG during the term of this authorization and to the exclusion of subscription rights or that will be issued on the basis of the valid conversion price at the time of the resolution of the management board on the utilization of the new Authorized Capital 2024 must be counted towards the limit of 20% of the share capital that this exclusion of subscription rights concerns, provided that the bonds are issued in application of Section 186 para. 3 sentence 4 AktG during the term of this authorization and excluding subscription rights. Furthermore, the disposal of treasury shares must be taken into account if it takes place during the term of this authorization and on the basis of an authorization pursuant to Section 71 para. 1

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no. 8 sentence 5 AktG in conjunction with Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights.

A mandatory requirement of the simplified exclusion of subscription rights is that the issue price of the new shares is not significantly lower than the stock exchange price. Any markdown from the current stock exchange price or from the volume-weighted stock exchange price during a reasonable period of time prior to the final definition of the par value of the new shares is not likely to be above approx. 5% of the stock exchange price, subject to the special circumstances of the individual case in question. As such, the interest of shareholders in avoiding the dilution of the value of their shareholding to the greatest possible extent is taken into account. Setting the par value of the new shares close to the price of the Company's shares on the stock exchange ensures that the value a subscription right to the new shares would have is very low in practical terms. Additionally, the shareholders have the option to maintain their relative shareholding by making an acquisition on the stock exchange.

- c) Subscription rights can also be excluded as part of capital increases in exchange for contributions in kind. The Company should continue to be able to acquire companies, parts of companies, interests in companies or other assets or respond to offers relating to acquisitions or mergers in order to strengthen its competitiveness and maximize its profitability and value. Furthermore, the exclusion of subscription rights should service conversion or option rights or obligations from bonds issued in exchange for contributions in kind.

Practical experience has shown that some shareholders of attractive acquisition targets have a strong interest in acquiring shares of the Company as consideration (e.g. in order to maintain a certain amount of influence over the object of the contribution in kind). In terms of an optimized financial structure, the option of providing consideration not only in cash, but also or exclusively in shares, is supported by the fact that the liquidity of the Company is preserved, and new debt is avoided in so far as new shares can be used as consideration in acquisitions,

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while the sellers can participate in future share price appreciation potential. This ultimately improves the competitive position of the Company during acquisitions.

The option of using Company shares as consideration in acquisitions will give the Company the necessary leeway to seize such opportunities with speed and flexibility and enable it to acquire even large companies, portfolios and properties in exchange for shares. It must be possible to exclude the subscription rights of shareholders in both cases. As such acquisitions often have to take place at short notice, it is important that they are not being resolved upon by the annual general meeting, which only takes place once per year. An authorized capital which the management board can access quickly and with the approval of the supervisory board is needed.

The same applies analogously to servicing conversion or option rights or obligations from bonds that, likewise, are issued for the purpose of acquiring companies, parts of companies, interests in companies other assets to the exclusion of the subscription rights of shareholders. In this regard, the new shares are issued in exchange for contributions in kind, either in the form of the bond or in the form of the contribution in kind made towards the bond. This increases the Company's flexibility when it comes to servicing the conversion or option rights or obligations. Offering bonds in lieu or alongside shares or cash payments can represent an attractive alternative that improves the Company's competitive opportunities as part of acquisitions due to its additional flexibility.

If opportunities arise to merge with other companies or acquire companies, parts of companies or interests in companies or other assets, the management board shall in all cases examine whether or not to make use of its authorization to carry out a capital increase by issuing new shares. In particular, this entails examining the value ratio between the Company and the acquired interest or other assets and defining the issue price of the new shares and the other conditions of the share issue. The management board shall only use the new Authorized Capital 2024 if it is certain that the merger or acquisition of the Company, part of the Company

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or interest in question in exchange for the issuance of new shares is in the best interests of the Company and its shareholders. The supervisory board shall only grant its approval if it shares this conviction.

- d) In addition, the management board shall be able to exclude subscription rights with the approval of the supervisory board if this is necessary in order to grant the holders or creditors of convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (“Bonds”) subscription rights to new shares. Bonds with conversion or option rights or obligations regularly provide for dilution protection in their issue conditions, which grants the holders or creditors a subscription right to new shares in the event of subsequent share issues and certain other measures. This puts them in the same position as if they were already shareholders. In order to provide the Bonds with such protection against dilution, the subscription rights of shareholders to these shares must be excluded. This serves to facilitate the placement of the Bonds and thus the interests of the shareholders in an optimal financial structure for the company. In addition, the exclusion of subscription rights in favour of the holders or creditors of Bonds has the advantage that, if the authorization is exercised, the option or conversion price for the holders or creditors of existing Bonds does not have to be reduced in accordance with the respective terms of the Bonds.
- e) Furthermore, the Authorized Capital 2024 can be used with the exclusion of subscription rights in order to generate new shares to service employee participation programs. The shares will be issued in exchange for cash contributions and/or contributions in kind as part of a participation program and/or as share-based remuneration exclusively to persons who are employed by the Company or a company dependent on it or (indirectly) majority-owned by it, to members of the Company’s management board and/or members of the management bodies of dependent or (indirectly) majority-owned companies (or

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to third parties who transfer beneficial ownership and/or the economic benefits from the shares to these persons).

Insofar as new shares are to be granted to members of the Company's management board as part of this authorization, the supervisory board of the Company shall decide on the allocation in accordance with the allocation of responsibilities under stock corporation law. In particular, the new shares may also be issued at preferential conditions (including an issue at the lowest issue price within the meaning of Section 9 para. 1 AktG) and/or in exchange for the contribution of remuneration entitlements. However, the shares issued on the basis of this authorization to exclude subscription rights may not exceed a total of 4% of the Company's share capital, neither when this authorization takes effect nor when it is exercised.

It is both nationally and internationally customary to offer performance incentives to the managers and employees of a company, which bind them to the company in the long term. Furthermore, participation programs and stock-based compensation serve to strengthen the motivation of managers and employees, as well as their identification with the company, in whose development they can participate by holding shares. By implementing suitable retention or waiting periods, it can also address the concern of promoting sustainable company development and allowing participants to benefit from both increases and decreases in stock prices appropriately. The use of shares for these purposes is only possible if the shareholders' subscription rights can be excluded in this regard. Thus, the proposed authorization to exclude subscription rights is intended to expand the Company's ability to offer participation programs and performance-based compensation packages to managers and employees, which promote sustainable company development and simultaneously attract and retain qualified employees and managers. Limiting the volume of the authorization to a total of 4% of the share capital (both at the time of taking effect and at the time of utilizing this authorization) serves the shareholders' interest in minimizing

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dilution of their stakes. For these reasons, excluding shareholders' subscription rights for the mentioned purposes—subject to review based on the details of a respective program when utilizing the authorization—is in the interest of the Company and its shareholders and is materially justified. Currently, there are no specific plans for which this authorization is to be used. The (still) existing stock option program of the company is served under the Conditional Capital 2021/II; the use of new shares from authorized capital is not envisaged for the time being. This also applies to the Stock Option Program 2024, which is to be serviced from the Conditional Capital 2024, which will be proposed to the Company's annual general meeting for resolution on June 14, 2024 under agenda item 7. The Company should be able, through the present authorization, as was already the case under the Authorized Capital 2021, to potentially serve future stock-based programs with shares from authorized capital. The management board will then carefully consider whether to make use of the authorization to exclude subscription rights. This will only be done if the design of the respective program adequately takes into account the interests of the Company and its shareholders—considering the legal requirements for the pricing of the new shares (Section 255 para. 2 AktG).

- f) Subscription right may also be excluded in the case the execution of stock dividends (also known as *Scrip Dividends*), in the context of which shares in the Company are used (either partially and/or optionally) to fulfill dividend claims of shareholders. This allows the Company to distribute a stock dividend under optimal conditions. Within a stock dividend, shareholders are offered the option to convert their dividend entitlements, created by the profit allocation resolution of the general meeting, into a contribution in kind to the Company, in return for receiving new shares. The distribution of a stock dividend can be carried out as a rights issue, particularly observing the provisions of Section 186 para. 1 AktG (minimum subscription period of two weeks) and Section 186 para. 2 AktG (announcement of the issue amount at least three days before the expiration of the subscription period). In individual cases, however, depending on the capital

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market situation, it may be preferable to design the distribution of a stock dividend in such a way that the management board offers all shareholders entitled to dividends new shares for subscription in return for the contribution of their dividend claims, thereby granting shareholders a subscription right in economic terms, but legally excluding the subscription rights of shareholders to new shares altogether, while observing the general principle of equal treatment (Section 53a AktG). Such an exclusion of subscription rights enables the distribution of the stock dividend without the aforementioned restrictions of Section 203 para. 1 AktG in conjunction with Section 186 paras. 1 and 2 AktG, thus under more flexible conditions. Given that all shareholders are offered the new shares and any excess dividend amounts are compensated by cash payment, such an exclusion of subscription rights in this case appears justified and appropriate.

- g) In the context of foreign capital markets, a broader investor access to the Company's shares can sometimes only be achieved through a stock placement that requires the shares to be listed on a stock exchange in the respective country. The proposed authorization of the Authorized Capital 2024 aims to enable the issuance of the Company's shares on foreign stock exchanges, as long as the management board believes that market conditions permit and that it will aid in the further development of the Company. This will create the option of a so-called dual listing on a foreign stock exchange. The exclusion of subscription rights ensures a market-standard approach to investors, a sensible placement volume, and optimal utilization of the new shares. Granting subscription rights to shareholders, on the other hand, would lead to significant difficulties in placing the new shares and achieving the best possible issue price; it would also prevent the Company from responding flexibly and adequately to demand fluctuations and market volatility. Moreover, the exclusion of subscription rights allows the shares to be offered to and accessed by a new, international circle of investors. A more internationalized investor structure contributes to higher market liquidity, benefiting all shareholders and enhancing value. In the international environment of e-commerce in the cycling industry, an additional listing on a foreign stock

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exchange would also facilitate the acquisition of corporate participations through a stock swap.

- h) Finally, the exclusion of subscription rights is also permissible in order to fulfill a so-called Greenshoe Option agreed with the issuing banks when shares are issued as part of cash capital increases. A capital increase in exchange for cash contributions allows the Company to meet its capital needs in a simple and flexible manner, which is particularly important given the option of further future expansion of the Company. The Greenshoe is an over-allotment option used particularly when issuing shares of the Company to precisely determine the placement volume and to stabilize the share price. The issuing banks allocate not only the planned placement volume, but also a certain number of additional shares made available elsewhere (usually up to 15% of the planned placement volume). For companies that have only recently become operational, significant price fluctuations can occur following stock issuances, as a stable market equilibrium has not yet formed. This can lead to selling pressure, which is undesirable from the perspective of the company and its shareholders. Therefore, it is sensible for the managing issuing bank(s) to undertake price stabilization measures. During the issuance process, the issuing banks may purchase shares in the market to cushion any immediate post-placement declines in the stock price. Regarding such stabilization measures, investors can be allotted additional shares from the Company on top of the new shares offered in the framework of the offering (“over-allotment”). To cover this over-allotment, shares are typically made available to the issuing banks from the stock holdings of existing shareholders through securities lending. If the issuing banks do not repurchase shares in the market, then the cash capital increase from authorized capital with the exclusion of subscription rights serves the purpose of enabling the issuing bank(s) to fulfill their obligation to transfer back the shares from the securities loans, either wholly or partially. The required number of shares for this cannot usually be obtained as cost-effectively by other means. Market cover purchases at higher prices and the resulting losses can thus be avoided. This strategy does not only help to manage

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market dynamics post-issuance but also ensures that the issuing bank(s) can meet their obligations without incurring additional costs that might ultimately affect the overall financial stability of the share issuance.

Consequently, a Greenshoe over-allotment option allows for better exploitation of the market potential during price determination. Since this approach provides investors with a certain degree of security regarding price development, they are generally willing to pay a higher subscription price. Therefore, the over-allotment option does not only stabilize but also increases the revenue generated from the issuance, which aligns with the interests of both the Company and its shareholders. This exclusion of subscription rights is thus suitable and necessary for achieving the intended purpose and should be considered appropriate when balancing the interests of the Company with those of the shareholders. It facilitates a strategic use of financial tools to optimize the outcomes of public offerings, supporting overall corporate growth and shareholder value enhancement.

Should the management board utilize one of the aforementioned authorizations to exclude subscription rights during a fiscal year as part of a capital increase from the new Authorized Capital 2024, it will report on this at the following annual general meeting.



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Dresden, May 2024

Bike24 Holding AG

The Management Board

signed Andrés Martin-Birner

signed Timm Armbrust