



WE KEEP YOU RIDING

ANNUAL REPORT 2023

INDIVIDUAL FINANCIAL STATEMENT

Condensed Statement of Profit or Loss

January 1 to December 31, 2023 (in EUR)	1.1.2023 – 31.12.2023	1.1.2022 – 31.12.2022
Revenue	3,134,001.51	4,783,230.67
Other income from operations	116,620.83	86,772.53
Personnel expenses	- 3,905,516.58	- 3,606,875.00
a) Wages and salaries	- 3,405,816.58	- 3,114,548.46
b) social security contributions, expenses for pensions and other employee benefits	- 499,700.00	- 492,326.69
– thereof for pensions	- 26,805.71	- 13,158.09
Other operational expenses	- 3,816,531.78	- 2,413,479.89
Income from profit and loss transfer agreements	72,104.34	1,021,447.10
Expenses from loss transfer	- 41,221,093.69	- 964,951.06
Other interest and similar income	12,015,445.84	2,166,164.40
– thereof from affiliated companies	12,000,320.84	2,166,164.40
Depreciation and amortization of financial assets	- 35,342,000.00	- 62,159.07
Other interest and similar income	- 4,391,949.56	- 1,214,377.78
– thereof from affiliated companies	0.00	0.00
Taxes on income and earnings	76,255.24	401,526.46
Earnings after taxes	- 73,262,663.85	197,298.21
Other taxes	0.00	- 365.67
Net loss/profit for the year	- 73,262,663.85	196,932.54
Profit carried forward	12,322,511.96	12,125,579.42
Accumulated loss (profit)	- 60,940,151.89	12,322,511.96

Statement of Financial Position

December 31, 2023 (in EUR)	31.12.2023	31.12.2022
ASSETS		
Fixed assets		
Financial assets		
Interests in affiliated companies	114,100,218.99	149,442,218.99
Current assets		
Receivables and other assets		
Receivables from affiliated companies	126,449,893.76	126,247,910.28
Other assets	1,695,549.14	2,843,621.60
- thereof from taxes	1,210,028.60	2,367,603.00
	128,145,442.90	129,091,531.88
Cash and cash equivalents	3,292,020.28	4,153,401.03
	131,437,463.18	133,244,932.91
Prepaid expenses	249,600.36	643,272.26
	245,787,282.53	283,330,424.16
EQUITY AND LIABILITIES		
Eigenkapital		
Subscribed capital		
Subscribed capital	44,166,666.00	44,166,666.00
Nominal value of treasury shares	-1,239.00	-1,239.00
	44,165,427.00	44,165,427.00
Capital reserves	178,627,057.07	178,627,057.07
Retained earnings	-60,940,151.89	12,322,511.96
	161,852,332.18	235,114,996.03
Provisions		
Other provisions	1,060,200.55	994,801.95
Liabilities		
Liabilities to banks	38,051,217.24	40,015,898.09
Trade payables	117,079.77	27,955.34
Liabilities to affiliated companies	43,455,505.51	6,949,426.63
Other liabilities	238,298.27	227,346.12
- thereof from taxes	66,928.69	65,954.29
- thereof related to social security	1,036.63	231.25
	81,862,100.79	47,220,626.18
Deferred tax liabilities	1,012,649.01	0.00
	245,787,282.53	283,330,424.16

Notes for the financial year from January 1 to December 31, 2023

A. General information

1. Application of statutory provisions

These annual financial statements were prepared in accordance with Sections 242 et seq. and 264 et seq. HGB and in accordance with the relevant provisions of the German Stock Corporation Act (AktG) in conjunction with Article 61 of EU Regulation 2157/2001. The regulations for large corporations apply. The total cost method in accordance with Section 275 (2) HGB was applied to the income statement. The annual financial statements were prepared in euros.

Bike24 Holding AG, as the ultimate parent company, prepares consolidated financial statements as of December 31, 2023 in accordance with IFRS as adopted by the European Union. The annual financial statements and the combined management report in accordance with Section 315 (5) HGB for the 2023 financial year will be published in the company register together with the auditor's report.

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.

2. Accounting and valuation principles

The accounting and valuation methods applied to items in the balance sheet and income statement comply with the provisions of commercial law on the determination and classification of profits. The accounting is based on the going concern principle. With regard to the material uncertainty that represents a going concern risk, we refer to the presentation of risks in the combined management report.

The balance sheet items are valued individually as follows:

- Financial assets are recognized at the lower of cost on the reporting date or fair value in the event of permanent impairment.
- Receivables and other assets are generally recognized at their nominal value. The lower of cost or market value principle was observed.
- Cash and cash equivalents are recognized at their nominal value.
- Prepaid expenses were recognized for expenses that will be incurred in subsequent years for a specific period.
- Subscribed capital was recognized at nominal value. The notional value of treasury shares acquired is deducted from the "Subscribed capital" item. The difference between the notional value and the acquisition cost of treasury shares is offset against the freely available reserves.
- Provisions take into account all recognizable risks and uncertain obligations and are measured at the settlement amount that is necessary according to prudent business judgment. Provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term.
- Liabilities are recognized at their settlement amount.

- In 2023, a 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. In addition, target agreements were concluded with the members of the Executive 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 share options vest after one year and can be exercised after a vesting period of four years from the date of grant. Share-based compensation was not recognized in the annual financial statements as at 31 December 2023 in accordance with commercial law. The fair value of all share options issued and not yet exercised by December 31, 2023, calculated in accordance with IFRS 2, amounts to EUR k 2,974.
- When there are differences between the carrying amounts of assets and liabilities in the financial statements and their tax base that are expected to reverse in subsequent financial years, the resulting tax burden is recognized as a liability after netting.

B. Notes to the balance sheet

1. Fixed assets

Financial assets include shares in affiliated companies amounting to EUR 114.100.218,99 (previous year: EUR 149,442,218.99). Depreciation and amortization for the financial year amounted to EUR 35.342.000,00 (previous year: EUR 0.00) and result from the impairment of an investment.

The development of fixed assets is shown in the attached statement of changes in fixed assets. The shareholdings of the company as at the balance sheet date are as follows:

	Shares in the company	Result annual financial statements 2023	
		Equity in EUR	Annual result in EUR before profit transfer
Bike24 Service GmbH, Dresden	100 %	124,479,883.35	-3,886,391.24
Bike Best Brands GmbH, Dresden	100 %	24,210.53	- 707,628.63
Bike24 Retail GmbH, Dresden	100 %	24,211.93	72,104.34
Bike24 Support ES, SL, Barcelona, Spain	100 %	159,993.08	155,888.51

2. Receivables and other assets

in EUR	Total amount	thereof remaining term	
		up to 1 year	over 1 year
Receivables and other assets			
Receivables from affiliated companies	126,449,893.76	11,789,138.70	114,660,755.06
– thereof against shareholders	0.00	0.00	0.00
– previous year	126,247,910.28	6,987,155.22	119,260,755.06
Other assets	1,695,549.14	133,309.02	1,562,240.12
– previous year	2,843,621.60	128,834.07	2,714,787.53
Total	128,145,442.90	11,922,447.72	116,222,995.18
previous year	129,091,531.88	7,115,989.29	121,975,542.59

Receivables from affiliated companies relate to receivables from loans granted to subsidiaries (EUR k 114,661, previous year: EUR k 119,261), receivables from interest (EUR k 3,579, previous year: EUR k 863) and trade receivables (EUR k 8,138, previous year: EUR k 5,102) as well as from profit and loss transfer agreements (EUR k 72, previous year: EUR k 1,021).

Other assets mainly include receivables from income and sales taxes (EUR k 1,210, previous year: EUR k 2,368).

Other assets include a term deposit pledged as collateral (EUR k 450, previous year: EUR k 450).

3. Prepaid expenses and deferred

Prepaid expenses include EUR k 167 (previous year: EUR k 500) in deferred expenses from interest paid in advance in connection with an arrangement fee for the loan taken out in 2021.

4. Equity

On 10 May 2021, the Management Board was authorized, with the approval of the Supervisory Board, to increase the company's share capital once or several times by up to EUR 18,750,000 within 5 years of entry in the commercial register by issuing up to 18,750,000 new no-par value bearer shares against cash or non-cash contributions (Authorized Capital 2021).

An Extraordinary Annual General Meeting was held on 7 June 2021, at which the Management Board was authorized, with the approval of the Supervisory Board, to issue up to 1,558,092 share options with subscription rights to members of the Management Board, members of the management bodies of Group companies and key employees of the company or Group companies. To this end, the Extraordinary General Meeting resolved to conditionally increase the share capital of Bike24 Holding AG by up to EUR 1,558,092 by issuing up to 1,558,092 new no-par value ordinary bearer shares (Conditional Capital 2021/II). Furthermore, the Extraordinary Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to issue convertible bonds and/or bonds with warrants with a total nominal value of up to EUR 500 million until 6 June 2026 (inclusive) and to grant the holders or creditors of such bonds conversion or option rights to a total of up to 17,191,908 new ordinary bearer shares from conditional capital created by the Extraordinary Annual General Meeting for this purpose (Conditional Capital 2021/I).

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. All shares are ordinary shares without preferential rights, so that each share grants its holder one vote. Bike24 Holding AG bought back 17,000 shares in September 2021, 15,665 were issued to employees in 2021 and 96 shares in the first quarter of 2022. The remaining 1,239 shares were openly deducted from Subscribed capital as treasury shares as at the balance sheet date. The purchase price in excess of the nominal amount in EUR k 113 reduces the freely available reserves.

Capital reserves amounted to EUR k 178,627 as at the balance sheet date.

The result for the period of EUR k -73,263 (previous year: EUR k 197) was allocated to the accumulated deficit for the 2023 financial year. The company did not distribute any dividends in 2023.

5. Provisions

Provisions for personnel obligations (EUR k 276, previous year: EUR k 309) mainly include uncertain obligations from vacation and overtime entitlements as well as obligations from bonuses.

Provisions for outstanding invoices (EUR k 784, previous year: EUR k 686) include, in particular, expected expenses in connection with the preparation and audit of the annual financial statements, the tax return and the preparation of the annual report as well as consulting services.

6. Liabilities

Liabilities to affiliated companies consist of Trade payables (EUR k 1,416, previous year: EUR k 942), from the consolidated group VAT (EUR k 819, previous year: EUR k 5,042) and from the assumption of losses (EUR k 41,221; previous year: EUR k 965).

in EUR	Total amount	thereof remaining term		
		up to 1 year	over 1 year	thereof over 5 years
Liabilities				
Liabilities to banks	38,051,217.24	38,051,217.24	0.00	0.00
– previous year	40,015,898.09	40,015,898.09	0.00	0.00
Trade payables	117,079.77	117,079.77	0.00	0.00
– previous year	27,955.34	27,955.34	0.00	0.00
Liabilities to affiliated companies	43,455,505.51	43,455,505.51	0.00	0.00
– previous year	6,949,426.63	6,949,426.63	0.00	0.00
Other liabilities	238,298.27	235,716.76	2,581.51	0.00
– previous year	227,346.12	227,346.12	0.00	0.00
	81,862,100.79	81,859,519.28	2,581.51	0.00
previous year	47,220,626.18	47,220,626.18	0.00	0.00

7. Deferred tax liabilities

Temporary differences between the carrying amounts of assets and liabilities for commercial law and tax purposes are as follows:

Balance sheet items in EUR	As at balance sheet date	
	Deferred tax assets	Deferred tax liabilities
Intangible assets		3,042,395.19
Provisions	195,022.67	
Tax loss carryforwards	1,834,723.51	
Total	2,029,746.18	3,042,395.19
Balancing	-2,029,746.18	-2,029,746.18
Balance sheet approach	0	1,012,649.01

The measurement of the resulting deferred taxes was based on an average tax rate of 31.58 % (previous year: 31.58 %). The effective tax rate is based on the tax rate of the Bike24 Group and consists of corporate income tax of 15 %, solidarity surcharge of 5.5 % on the corporate income tax rate and trade tax of 15.75 %.

C. Notes to the income statement

The income statement is structured according to the nature of expense method.

1. Revenue

Revenue results from management service agreements with subsidiaries.

In EUR	2023	2022
Germany	2,916,612.30	4,461,810.87
Spain	217,389.21	321,419.80
Total	3,134,001.51	4,783,230.67

2. Other operating income

Other operating income includes prior-period income from the reversal of provisions (EUR k 63, previous year: EUR k 57).

3. Personnel expenses

In 2023, current personnel expenses amounted to EUR k 3,687 (previous year: EUR k 3,431). Other personnel expenses relate to bonuses and profit-sharing amounted to EUR k 219 (previous year: EUR k 175).

4. Other operating expenses

Other operating expenses include expenses in the amount of EUR k 95 (previous year: EUR k 133) for Supervisory Board remuneration still to be paid and expenses in the amount of EUR k 781 (previous year: EUR k 605) for services purchased from affiliated companies. A further EUR k 581 (previous year: EUR k 553) relates to expenses still to be expected in connection with the preparation and audit of the annual and consolidated financial statements and the preparation of the annual report. Also included are expenses for consulting services in the amount of EUR k 1,439, which were incurred in connection with the Annual General Meeting in June 2023, among other things.

5. Income from profit transfer

The income from profit transfer amounting to EUR k 72 (previous year: EUR k 1,021) results from the profit and loss transfer agreement with Bike24 Retail GmbH.

6. Expenses from loss transfers

The expenses from loss transfers in the amount of EUR k 41,221 (previous year: EUR k 965) result from the existing profit and loss transfer agreements with Bike24 Service GmbH and Best Bike Brands GmbH.

7. Depreciation and amortization of financial assets

Due to expected permanent impairment, impairment losses of EUR 35,342 thousand were recognized on financial assets in the 2023 financial year. This relates to an investment that was written down to the lower fair value as part of an impairment test.

8. Income from taxes on income and earnings

In 2023, the expense from taxes on Income amounted to EUR k 76. Of this amount, EUR k 1,013 resulted from the change in deferred taxes.

9. Proposed appropriation of earnings

The Management Board will propose to the Annual General Meeting that the entire accumulated loss of EUR 60,940,151.89 will be carried forward to new account.

D. Further information

During the 2023 financial year, the company had an average of 44 employees (previous year: 56).

of which industrial employees	1
– previous year	2
thereof salaried employees	29
– previous year	31
thereof part-time employees	14
– previous year	23

The total auditor's fee recognized as an expense in accordance with Section 285 No. 17 HGB is included in the corresponding notes to the consolidated financial statements.

Remuneration expenses of EUR k 142 (previous year: EUR k 133) are included for the Supervisory Board for the 2023 financial year. The remuneration will be paid out in the following year. The remuneration deferred in 2022 was therefore paid out in the current financial year. Beyond this, the Supervisory Board did not receive any remuneration in 2023.

The members of the Management Board are listed below. The members of the Management Board and the former managing directors received cash remuneration totaling EUR k 554 (previous year: EUR k 639) in the 2023 financial year. Of this amount, EUR k 504 (previous year: EUR k 608) is attributable to the Management Board. The fair value of the share-based compensation determined in analogous application of IFRS 2 amounted to EUR k 30 (previous year: EUR k 224) with 45,914 options granted and 47,226 options potentially granted, depending on the achievement of the targets set in the target agreement. Total remuneration from share-based compensation, including options granted in previous years, amounted to EUR k 37.

The parent company of the largest and smallest group of companies for which consolidated financial statements are prepared is Bike24 Holding AG, Dresden. The consolidated financial statements are published in the company register. Bike24 Holding AG is not included in the consolidated financial statements as a subsidiary.

Contingent liabilities in accordance with Section 268 (7) HGB exist vis-à-vis the subsidiaries to provide them with financial resources to the extent that all financial obligations can always be met. Liabilities to banks are secured by the Bike24 Group's existing and future bank balances, the assignment of trade receivables and the transfer of ownership of movable assets in Bike24 GmbH's warehouse. The probability of utilization is estimated 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 year, minimum liquidity had to be secured on a monthly basis. This key figure was met every month. There was also a minimum EBITDA ratio 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.

A significant event after the balance sheet date was the extension of the existing syndicated loan agreement until April 30, 2025. The conditions were adjusted to the current market situation.

Management Board

The company is represented by the members of the Management Board:

- Andrés Martin-Birner, Dresden, Chairman of the Management Board/CEO
- Timm Armbrust, Dusseldorf, Chief Financial Officer/CFO

Supervisory Board

The company's Supervisory Board had the following members in the 2023 financial year:

- Ralf Kindermann (Chairman of the Supervisory Board), Reutlingen, Managing Director of Kindermann Value Creation GmbH; Member of the Advisory Board of Horze International GmbH, Toner Partner GmbH, Dantherm Group, Van Raam BV and 8a.pl; Chairman of the Advisory Board of Simplon Fahrrad GmbH; President of the Board of Directors of ProduceShop; Member of the Supervisory Board of JobRad Holding SE
- Michael Weber (Deputy Chairman of the Supervisory Board), Munich, Senior Partner of Riverside Europe Partners GmbH; Managing Director of Riverside Europe GmbH; Managing Director of Oberon Capital GmbH; Member of the Advisory Board of REF HCM Holding GmbH and Fobizz 101skills GmbH; Chairman of the Advisory Board of Compleet Group GmbH
- Sylvio Eichhorst, Berlin, Head of Global Finance & Procurement at KWS SAAT SE & Co. KGaA and Managing Director of KWS Berlin GmbH
- Bettina Curtze, Zurich, Partner & CFO Redalpine Venture Partners AG; Member of the Supervisory Board of JobRad Holding SE

The Compliance Statement on the German Corporate Governance Code issued by the Management Board and Supervisory Board in accordance with Section 161 AktG has been made permanently available on the company's website.

Declaration and disclosures pursuant to Section 160 (1) No. 8 AktG

There are shareholdings in Bike24 Holding AG that have been reported in accordance with Section 33 of the German Securities Trading Act (WpHG) and Section 38 I No. 1, No. 2 WpHG and published in accordance with Section 40 I WpHG.

Pursuant to Section 160 (1) No. 8 AktG, information must be provided on the existence of shareholdings that have been notified to Bike24 Holding AG in accordance with Section 33 (1) or (2) WpHG. The following table shows the reportable shareholdings that have been notified to Bike24 Holding AG in writing by March 20, 2024. The information relates in each case to the last notification of a notifying party to Bike24 Holding AG. All publications by Bike24 Holding AG on notifications of shareholdings in the reporting year and beyond are available on the company's website:

<https://ir.bike24.com/websites/bike24/English/2000/news.html#votingrights>

It should be noted that the information on the percentage shareholding and voting rights may be outdated in the meantime.

otifier	Date of the threshold contact	Publication by Bike24 Holding AG	Reporting threshold	Participation in %	Participation in voting rights
Janus Henderson Group Plc	23.01.2023	30.01.2023	5 % shortfall	4.996922339576 %	2,206,974
Janus Henderson Group Plc	10.07.2023	14.07.2023	5 % shortfall	5.09 %	2,249,540

Development of fixed assets in fiscal year 2022

in EUR	Financial assets – Interests in affiliated companies
Acquisition and manufacturing costs	
1.1.2023	149,442,218.99
Additions	0.00
Disposals	0.00
31.12.2023	149,442,218.99
Cumulated depreciation	
1.1.2023	0.00
Depreciations of fiscal year	35,342,000.00
Disposals	0.00
31.12.2023	35,342,000.00
Book values	
31.12.2023	114,100,218.99
31.12.2022	149,442,218.99

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 Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of Bike24 Holding AG, Dresden, which comprise the balance sheet as at 31 December 2023, and the income statement for the financial year from 1 January to 31 December 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of the Company and the Group (combined management report) of Bike24 Holding AG for the financial year from 1 January to 31 December 2023.

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

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

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023, in compliance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual 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 (Handelsgesetzbuch: German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual 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 Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company 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 annual 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 2 "Accounting and valuation policies" of the notes to the annual financial statements as well as the information in the Sections "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 will develop and, as a result, the business of the Bike24 Group. 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 2 "Accounting and valuation policies" of the notes to the annual financial statements as well as in the Sections "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 Company'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 Company's revenue and cost development, made by management and the 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 Company's forecasts.

Furthermore, we especially assessed the significant assumptions in liquidity planning, such as the Group's revenue and cost development. We also compared revenue 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 on liquidity planning that could arise for Bike24 GmbH from the overcapacities in the bicycle market and the macroeconomic situation.

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 annual financial statements are reasonable.

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

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual 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 annual 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 the investment carrying amount of Bike24 Service GmbH

Please refer to Section „2. Accounting and valuation policies“ in the notes to the annual financial statements for more information on the accounting policies applied. Explanatory notes on the business development can be found in the sections "Business performance" and "Condensed report on the Annual Financial Statements" of the combined management report.

The financial statement risk

In the annual financial statements of Bike24 Holding AG as at 31 December 2023, interests in the affiliated company Bike24 Service GmbH in the amount of EUR 114.1 million were recognised under financial assets. Bike24 Service GmbH is sole shareholder of Bike24 GmbH, which in turn is the only company in the Group to generate a significant amount of revenue from third parties. The proportion of total assets made up by financial assets totals 46% and thus has a material effect on the Company's net assets. Financial assets are recognised at cost or, if they are expected to be permanently impaired, at their lower fair value. The Company calculates the fair value of the interests in affiliated companies using the discounted cash flow method.

The cash flows used for the discounted cash flow method are based on individual projections for each investment for the next five years, which are extrapolated based on assumptions regarding long-term growth rates. The respective discount rate is derived from the return on a risk-appropriate alternative investment. If the fair value is lower than the carrying amount, qualitative and quantitative criteria are used to examine whether the impairment is expected to be permanent.

Impairment testing including the calculation of the fair value in line with the discounted cash flow method is complex and the assumptions made depend to a high degree on assessments and judgements of the Company. This applies (among other things) to the estimate of future cash flows and long-term growth rates, the determination of discount rates as well as the assessment of whether impairment is expected to be permanent.

The business outlook for Bike24 GmbH has deteriorated in the past two years as a result of overcapacities in the bicycle market and the difficult macroeconomic environment. Bike24 GmbH was unable to achieve the revenue and earnings growth budgeted for financial year 2023. In view of an expected permanent impairment, the Company recorded an impairment loss of EUR 35.3 million on the investment carrying amount of Bike24 Service GmbH in financial year 2023.

There is a risk for the financial statements that the recognition of impairment losses is insufficient and that the financial assets are therefore impaired.

Our audit approach

First, we referred to explanations of management and assessed documentation to obtain an understanding of the Company's process for impairment testing of the financial assets held. In doing so, we examined the Company's approach to determining the need to recognise impairment and, based on the information obtained during our audit, assessed whether there were any indications of further impairment that had not been identified by the Company.

With the involvement of our valuation and restructuring experts, we then assessed the appropriateness of significant assumptions and the valuation method used by the Company to determine fair value. For this purpose, we discussed the expected cash flows and 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 actual earnings and by analysing deviations.

We compared the assumptions and data underlying the discount rate, especially the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data. In order to take account of forecast uncertainty, we also examined the impact of potential changes in the discount rate, expected cash flows and the long-term growth rate on fair value (sensitivity analysis) by calculating alternative scenarios and comparing these with the Company's measurements. We verified the Company's calculations to ensure the computational accuracy of the valuation method used.

Our observations

The approach used for impairment testing the interests in Bike24 Service GmbH is appropriate and in line with the accounting policies. The Company's assumptions, estimates and data 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.

Our opinions on the annual 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 annual 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 Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual 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 annual financial statements, management is responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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 Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 Company's position and, in all material respects, is consistent with the annual 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 annual 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 annual 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 annual 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 annual 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 Company'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 annual 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 Company to cease to be able to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
 - Evaluate the consistency of the combined management report with the annual financial statements, its conformity with (German) law, and the view of the Company'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 annual 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 Annual 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 annual financial statements and the combined management report (hereinafter the „ESEF documents“) contained in the electronic file 894500FCLU2M5GTUUR76-2023-12-31-de 4.zip“

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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 annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual 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 annual 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 Annual Financial Statements and of 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 annual 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 renderings of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as 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 annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as 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 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 subsidiaries the following services that are not disclosed in the annual financial statements or in the combined management report:

Besides the annual financial statements and the combined management report, we also audited the consolidated financial statements 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 annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the German Company Register (Unternehmensregister) – are merely electronic renderings of the audited annual 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 provided 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	Leser
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(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.



CONTACT

Bike24 Holding AG, Breitscheidstrasse 40, 01237 Dresden, Germany

ir@bike24.net