



Half-year Report
as of 30 June 2021



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BIKE24 AT A GLANCE



	H1	Q2
Group Revenues	+44 % EUR 127.4 m	+26 % EUR 69.8 m
Adj. EBITDA Margin	+3.2 pp 14.9 %	+3.3 pp 16.7 %
Free Cash Flow	-79.2 % EUR 2.5 m	-80.1 % EUR 2.2 m
Cash and Cash Equivalents	+60.3 % EUR 24.6 m	- -
Active Customers	+41.8 % 791,650	- -
Average Order Volume	+4.6 % EUR 141	+7.0 % EUR 138
Number of Orders	+34.1 % 908,092	+16.3 % 506,381
Repeat Orders	+1.6 pp 74.4 %	+3.8 pp 74.5 %
Average Number of Orders per Active Customer	+3.2 % 2.15	- -

INTERIM GROUP MANAGEMENT REPORT

BIKE24 HOLDING AG

UNTIL 1 JUNE 2021 BIKE24 HOLDING GMBH | UNTIL 18 MAY 2021 REF BIKE HOLDING GMBH, DRESDEN

PRINCIPLES OF THE GROUP

Business model

Bike24 Holding AG (below also abbreviated as „BIKE24“) is, in its own estimation, one of the leading e-commerce platforms for cycling in Continental Europe with a clear focus on the premium segment. Founded in 2002 by Andrés Martin Birner, Falk Herrmann and Lars Witt, the company targets the growing community of cycling enthusiasts.

The BIKE24 online shop offers customers Europe’s most extensive range with 77,000 items from over 800 brand manufacturers. This includes numerous premium brands such as Specialized, Garmin, Santa Cruz, Assos and Castelli.

The state-of-the-art automated warehouse in Dresden, Germany, makes it possible for the company to process orders quickly. More than 80% of products can be shipped on the same day if ordered by 3 pm. Within Germany, they usually reach the customer the next day.

BIKE24’s current focus is on Continental Europe with its three online shops in Germany, Austria and Spain. In addition, the company’s international shop supplies cycling enthusiasts in more than 80 countries worldwide. We have identified growth opportunities in the selected expansion markets of Spain, France and Italy. To further develop these markets, we are pursuing a growth strategy that includes the localisation of our offer through websites in the respective national languages, the adaptation of our product mix to the needs of the individual target markets as well as locally customary payment systems, delivery options and regional customer service.

Group structure

The legal predecessor of the company, „REF Bike Holding GmbH“, was renamed „Bike24 Holding GmbH“ on 18 May

2021 and subsequently converted into a stock corporation under German law with the entry in the Commercial Register on June 1, 2021 when the company name changed to „Bike24 Holding AG“. Through a private placement, the company successfully went public during the reporting period and has been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since June 25, 2021.

Bike24 Holding AG is the holding company of the BIKE24 Group. The operational business of the Group is conducted by its wholly owned subsidiary Bike24 GmbH. The company and the BIKE24 Group operate under the business name BIKE24.

The governing bodies of the company are the Management Board, the Supervisory Board and the Annual General Meeting. The company has a dual management and control system consisting of the Executive Board and the Supervisory Board. The tasks and powers of these bodies are determined by the German Stock Corporation Act (AktG), the Articles of Association and the rules of procedure of the Supervisory Board and the Executive Board.

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

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

OVERALL ECONOMIC ENVIRONMENT

In the early summer of this year, economic development worldwide continued to be affected by the Corona crisis. COVID-19 infections reached new highs globally as well as in many European countries in the first quarter of 2021. As a result, strict containment measures were adopted in February and March, which again massively restricted business transactions in these countries. However, according to the German Institute for Economic Research (DIW) in Berlin, the economic losses were significantly lower than in spring 2020, mainly because industrial value creation was nearly unaffected by infection rates at the time.

With declining COVID-19 infection rates and increasing opening and easing steps in individual countries, the retail sector in Europe benefited significantly: In May 2021, seasonally adjusted retail sales volumes increased by 4.6% compared to April 2021 in both the euro area and the overall EU, according to estimates from Eurostat, the European Union's statistical office. In April 2021, the retail sales volume had fallen by 3.9% in the euro area and by 3.6% in the EU.

The trend towards online retail continues unabated: According to Germany's Bundesverband E-Commerce und Versandhandel Deutschland e.V. (German E-Commerce and Distance Selling Trade Association), e-commerce revenues in the first half of 2021 rose by 23.2% year-on-year to EUR 45.2 billion.

BUSINESS PERFORMANCE

The high demand for bicycles and related parts, equipment and clothing continued during the reporting period. Accordingly, we achieved a 44% increase in sales in the first half of 2021 compared to the same period last year. At the same time, less price-intensive competition had a positive impact on the earnings situation. The number of active customers as at the reporting date of 30 June 2021 was 792,000 – an increase of 41.8% compared to the previous year's reporting date. Accordingly, the number of orders increased to 908,000 over the reporting period, compared to 677,000 the previous year. This results in an increase of the average shopping basket

from EUR 134 in the first half of 2020 to EUR 141 in the first half of 2021. Around 74.4% of orders were placed by returning customers compared to 72.8% in the previous year. The return rate was again moderate at 17.8% after 16.8% in 2020.

After launching the online shop for the Spanish market last summer, we founded a subsidiary in Spain in May 2021. A logistics centre is to be built in the Barcelona area in the coming financial year in order to further boost deliveries to customers in Spain and Southern Europe. In addition to our presence in Spain, we are currently preparing country-specific online shops for France and Italy as part of our European expansion strategy.

TURNOVER AND EARNINGS SITUATION

BIKE24 generated revenues of EUR 127.4 million in the first half of 2021. Compared to the same period the previous year, this corresponds to an increase of 44% (2020: EUR 88.4 million). At the same time, the cost of sales rose disproportionately by 36% from EUR 62.4 million to EUR 85.0 million. The cost of sales ratio improved by 3.9 pp from 70.6% to 66.7%. The gross margin was 33.3% after 29.4% for the same period last year. Other operating expenses rose by 82% from EUR 10.1 million to EUR 18.3 million largely due to increased consulting costs in connection with the IPO for Bike24 Holding AG.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) nevertheless rose by 51% to EUR 13.1 million (2020: EUR 8.7 million). Adjusted for extraordinary expenses – including in particular consulting costs in connection with the IPO – earnings before interest, taxes, depreciation and amortisation (the adjusted EBITDA) amounted to EUR 18.9 million compared to EUR 10.4 million for the same period 2020. This corresponds to an adjusted EBITDA margin of 14.9% – an improvement of 3.2 pp compared to the previous year's 11.7%.

Taking depreciation and amortisation into account, the operating result (EBIT) was EUR 6.2 million after EUR 1.9 million – an increase of 230%. Adjusted for extraordinary expenses and amortisation on customer base

and brand value, EBIT rose to EUR 17.0 million after EUR 8.5 million the previous year. After deducting interest and taxes, the net result was EUR 2.8 million, compared to EUR –0.6 million in the first half of 2020.

NET ASSETS AND FINANCIAL POSITION

Net assets

The Group's total assets increased by 8% to EUR 308.4 million as of 30 June 2021, compared to EUR 285.8 million as of 31 December 2020.

At EUR 211.2 million, non-current assets were slightly below the level of the previous year's reporting date (EUR 215.8 million), mainly due to a decrease of EUR 4.6 million in intangible assets.

Current assets increased by 39% or EUR 27.1 million in the first half of 2021, from EUR 70.1 million to EUR 97.2 million. Within current assets, the partly seasonal increase in inventories led to an increase in inventories of EUR 22.6 million, from EUR 38.2 million to EUR 60.8 million. In addition, the increase in inventory is also attributable to the Group's sales growth. Other assets increased by EUR 5.2 million to EUR 9.9 million. This was mainly due to the charging of costs in connection with the IPO and prepaid expenses.

In terms of optimised financial management, BIKE24 initially used part of the proceeds from the IPO to repay loan liabilities. Accordingly, cash and cash equivalents of EUR 24.6 million were slightly below the level of EUR 25.2 million as of the reporting date of 31 December 2020.

Non-current liabilities decreased significantly, from EUR 142.6 million to EUR 49.6 million. The main drivers were the above-mentioned loan repayments, which meant that liabilities to banks fell by EUR 87.9 million to EUR 1.0 million.

In the area of current liabilities, trade payables increased by EUR 8.4 million to EUR 16.6 million and other liabilities – which primarily relate to obligations to employees and the Supervisory Board, tax liabilities

and returns, – increased by EUR 11.0 million to EUR 17.4 million. Overall, current liabilities were EUR 15.0 million above the level of the comparative 2020 reporting date and amounted to EUR 37.3 million as of 30 June 2021.

Equity increased by EUR 100.6 million to EUR 221.5 million, mainly as a result of the capital increase in the course of the IPO. As a result, the equity ratio improved by 29.5 pp, from 42.3% to 71.8% compared to the balance sheet date of 31 December 2020.

Financial position

BIKE24 generated a negative cash flow from operating activities of EUR –5.7 million in the first six months of 2021 compared to EUR 9.1 million for the same period last year. The change is mainly due to the increase in inventories, which led to a cash outflow of EUR –22.6 million compared to a cash outflow of EUR –3.8 million the previous year. The high increase in inventory was related to the early securing of goods against the backdrop of the current tense supply situation.

At EUR –2.3 million, the cash outflow for investment activities was above the previous year's value of EUR –1.2 million. The change of EUR 1.1 million results from higher investments in property, plant and equipment and intangible assets. The latter include, among other things, own work capitalised for the webshop in the amount of EUR 0.4 million.

BIKE24 recorded a cash inflow of EUR 7.3 million from financing activities after a cash outflow of EUR –0.8 million during the same period of the previous year. Financial liabilities decreased by a net amount of EUR 88.7 million in the reporting period while equity was increased by a total of EUR 96.0 million (after transaction costs) in the course of the Stock Exchange listing.

As of the balance sheet date, cash and cash equivalents amounted to EUR 24.6 million, compared to EUR 15.8 million for the previous year's balance sheet date, ensuring sufficient solvency. Furthermore, BIKE24 has a credit line with a total volume of EUR 50 million of which EUR 1 million had been used as of 30 June 2021.

OVERALL ASSESSMENT

The Management Board assesses the development during the first two quarters of 2021 as positive. Despite the challenging business environment related to isolated supply bottlenecks or interruptions in the supply chain, BIKE24 has achieved a significant increase in sales of 44% while at the same time significantly improving its key earnings figures. With the successful execution of the IPO, the Group has also significantly expanded its financial flexibility and increased its visibility in the European bicycle market. Overall, BIKE24 can thus look back on a challenging but successful first half of 2021.

FORECAST

The high demand led to strong sales growth as well as a positive effect on sales prices. This resulted in what is expected to be a temporary one-off effect on profitability.

A challenging market environment is expected in the second half of the year. After the easing of the Corona pandemic, the company expects a change in consumers' leisure and spending behaviour which may also impact the cycling market. At the same time, the procurement situation continues to be tight, especially for complete bikes. Accordingly, BIKE24 expects a double-digit revenue growth rate for the second half of the year compared to the same period last year, albeit with a lower EBITDA margin. For the full year 2021, the Management Board expects sales growth between 23% and 30% and an adjusted EBITDA margin between 12% and 13%.

OPPORTUNITIES AND RISKS

The assessment of the company's opportunities and risks has not changed significantly compared to the 2020 Group Management Report.

Dresden, Germany, August 5, 2021

Andrés Martin-Birner
CEO

Timm Armbrust
CFO

CONSOLIDATED FINANCIAL STATEMENTS

January 1 – June, 30 2021

Unaudited Condensed Consolidated Interim Financial
Statements pursuant to § 115 WpHG

As of and for the three and the six months ended June 30, 2021
in accordance with International Financial Reporting Standards
(IFRS), as adopted by the European Union for the

Bike24 Holding AG (until June 1, 2021 Bike24 Holding GmbH,
until May 18, 2021 REF Bike Holding GmbH)

I. UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COM-PREHENSIVE INCOME OR LOSS

in EUR thousands, except share and per share data	Note	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Revenue and other income					
Revenue	D.a	127,386	88,441	69,822	55,426
Other income		91	53	44	33
Total income		127,477	88,494	69,866	55,459
Operating expenses					
Personnel expenses	D.b	-10,944	-7,314	-5,936	-4,069
Expenses for merchandise, consumables and supplies	D.c	-85,020	-62,410	-45,092	-38,687
Impairment loss on trade receivables		-91	-42	-56	-35
Other expenses	D.d	-18,299	-10,059	-11,175	-5,797
Depreciation and amortization	D.e	-6,965	-6,791	-3,545	-3,406
Total expenses		-121,319	-86,616	-65,803	-51,994
Earnings before interest and taxes (EBIT)		6,158	1,878	4,063	3,465
Finance income and expense					
Finance income		1	0	0	0
Finance expense		-1,953	-2,625	-851	-1,842
Finance expense, net		-1,953	-2,625	-851	-1,842
Profit/Loss before tax		4,205	-747	3,213	1,623
Income tax (expense) income	D.f	-1,366	192	-1,044	-365
Result for the period		2,839	-554	2,169	1,258
Other comprehensive result		0	0	0	0
Total comprehensive result		2,839	-554	2,169	1,258
Earnings per share					
	D.g				
Basic earnings per share		0.08	-0.01	0.06	0.03
Diluted earnings per share		0.07	-0.01	0.06	0.03
Weighted average ordinary shares outstanding (basic)		37,759,259	37,500,000	38,018,518	37,500,000
Weighted average ordinary shares outstanding (diluted)		37,769,342	37,500,000	38,038,684	37,500,000

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

II. UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

in EUR thousands	Note	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Assets			
Intangible assets	E.a	134,891	139,531
Goodwill	E.a	56,753	56,753
Property, plant and equipment	E.b	19,539	19,468
Financial assets	E.c	3	0
Non-current assets		211,187	215,752
Inventories	E.d	60,780	38,152
Other assets	E.e	9,918	4,700
Trade and other receivables		1,909	1,991
Cash and cash equivalents		24,578	25,235
Current assets		97,186	70,078
Total assets		308,372	285,831
Equity			
Subscribed capital		44,167	25
Capital reserves		176,484	122,879
Retained Earnings		823	-2,016
Total Equity		221,474	120,888
Liabilities			
Liabilities to banks	E.f	980	88,880
Other financial liabilities		7,595	8,167
Provisions	E.g	1,133	2,312
Deferred tax liabilities		39,845	43,236
Non-current Liabilities		49,552	142,595
Liabilities to banks	E.f	32	720
Other financial liabilities		1,443	1,526
Provisions	E.g	653	650
Other liabilities	E.h	17,383	6,345
Income tax liabilities		1,255	4,875
Trade payables	E.i	16,578	8,230
Current liabilities		37,345	22,347
Total liabilities		86,898	164,942
Total equity and liabilities		308,372	285,831

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

III. UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

in EUR thousands	Note	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020
Cash flows from operating activities			
Result for the period		2,839	-554
Adjustments for:			
– Depreciation and amortization	D.e	6,965	6,791
– Write-ups		-3	-
– Finance income		-1	0
– Finance expense		1,953	2,625
– Income tax expense (income)	D.f	1,366	-192
– Share-based compensation expenses		40	-
– Transaction costs		3,651	-
		16,811	8,669
Changes in:			
– Inventories	E.d	-22,628	-3,823
– Trade receivables		82	989
– Other assets	E.e	-3,910	-2,612
– Trade and other payables	E.i	8,348	5,721
– Other liabilities	E.h	6,702	2,166
– Provisions	E.g	-1,176	1,435
Cash generated from operating activities		4,229	12,544
Interest paid		-2,641	-2,427
Income tax paid		-7,319	-1,005
Net cash from operating activities		-5,731	9,111
Cash flows from investing activities			
Acquisition of property, plant and equipment		-1,609	-1,136
Acquisition of intangible assets		-655	-37
Net cash used in investing activities		-2,264	-1,173
Cash flows from financing activities			
Payments related to the initial public offering		-975	-
Proceeds from the issue of shares (less costs)		97,000	-
Proceeds from liabilities to banks		980	4,250
Repayment of liabilities to banks		-88,880	-4,250
Payment of lease liabilities		-786	-763
Net cash used in/from financing activities		7,339	-763
Net increase (decrease) in cash and cash equivalents		-657	7,175
Cash and cash equivalents at the beginning of the period		25,235	8,616
Cash and cash equivalents at the end of the period		24,579	15,791

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

IV. UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

in EUR thousands	Subscribed capital	Capital reserve	Retained Earnings	Total equity
Balance as of January 1, 2021	25	122,879	-2,016	120,888
Capital increase from initial public offering ("IPO")	6,667	93,333	-	100,000
IPO related transaction costs, net of taxes (1,183)	-	-2,564	-	-2,564
Reimbursable IPO related transaction costs, net of taxes (125)	-	272	-	272
Conversion of capital reserve to subscribed capital	37,475	-37,475	-	0
Share-based compensation	-	40	-	40
Result for the period	-	-	2,839	2,839
Other comprehensive result	-	-	-	-
Comprehensive result	-	-	2,839	2,839
Balance as of June 30, 2021	44,167	176,485	823	221,475

in EUR thousands	Subscribed capital	Capital reserve	Retained Earnings	Total equity
Balance as of January 1, 2020	25	122,879	-2,575	120,328
Result for the period	-	-	-	-
Other comprehensive result	-	-	-554	-554
Total comprehensive result	-	-	-554	-554
Balance as of June 30, 2020	25	122,879	-3,129	119,774

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

V. SELECTED EXPLANATORY NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. BASIS OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

a. Corporate information

Bike24 Holding AG (formerly REF Bike Holding GmbH, hereafter referred to as the “Company” or, together with its subsidiaries, “Bike 24 Group”) is a stock corporation incorporated in Germany, founded on August 22, 2019. The Company is registered at the Amtsgericht Dresden commercial register under section B, with the official number 41483 (formerly 41023). The Company is headquartered at Breitscheidstraße 40, 01237 Dresden, Germany.

On April 27, 2021 a merger regarding two fully owned subsidiaries of Bike24 Holding AG was registered at Amtsgericht Dresden commercial register. With merger agreement dated December 3, 2020 and the resolutions of the shareholders’ meetings of the legal entities involved on the same day, Bike24 Service GmbH was merged with Peloton MidCo2 GmbH by way of absorption. On the same day, Peloton MidCo2 GmbH was renamed to Bike24 Service GmbH.

On May 10, 2021, a general meeting was held, which authorized the Management Board, with the consent of the Supervisory Board, to increase the subscribed capital of the Company within 5 years from the entry as a stock corporation with the commercial register once or several times by up to EUR 18,750,000 by issuing up to 18,750,000 new no-par value bearer shares against a contribution in cash or in kind (authorized capital 2021).

On May 18, 2021, the Company effectuated an increase of the Company’s subscribed capital from own resources from EUR 25 thousand by EUR 37,475 thousand to EUR 37,500 thousand, resulting in a corresponding increase and decrease in subscribed capital and capital reserve, respectively. As part of this capital increase, the preference rights of the preferred shares were eliminated, and the preferred shares became ordinary shares.

On June 1, 2021, the legal form of the Company (formerly REF Bike Holding GmbH, which was renamed on May 18, 2021 to Bike24 Holding GmbH) was converted from a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) into a stock corporation (Aktiengesellschaft – AG) and registered at the Amtsgericht Dresden with the commercial register.

On June 7, 2021 an extraordinary general meeting was held, which authorized the Management Board, with the consent of the Supervisory Board, to issue up to 1,558,092 stock options with subscription rights to members of the management bodies. Similarly, the Supervisory Board was authorized to issue up to 780,000 stock options with subscription rights to up to 780,000 ordinary bearer shares with no par value of Bike24 Holding AG to the members of the Management Board. The stock options can be exercised after a waiting period of four years from the date of issue. The extraordinary general meeting approved to increase the registered share capital of Bike24 Holding AG by up to EUR 1,558,092 through the issue of up to 1,558,092 new ordinary bearer shares with no par value (conditional capital 2021/II). Furthermore, the extraordinary general meeting authorized the Management Board, with the consent of the Supervisory Board, to issue convertible and/or option bonds with a total nominal amount of up to EUR 500 million under exclusion of subscription rights and to grant the holders or creditors of such bonds conversion or option rights for a total of up to 17,191,908 new ordinary bearer shares from a conditional capital (conditional capital 2021/I) created by the extraordinary general meeting for such purpose and authorized the Supervisory Board to amend the Articles of Association accordingly.

On June 25, 2021 the Company completed its initial public offering („IPO“) of 6,666,666 newly issued ordinary shares at a public offering price of EUR 15,00 per share as well as the listing of 37,500,000 existing shares on the Frankfurt Stock Exchange. The Company received proceeds of EUR 100,000 thousand before underwriting discounts and related expenses.

Directly attributable IPO costs of EUR 3,351 thousand (net of taxes of 1,058 thousand) have been deducted from capital reserves. Please refer to Note B. In an amount of EUR 945 thousands IPO costs were reimbursable from related parties. Please refer to Notes B and G.a.ii. The remaining costs in connection with the initial public offering of EUR 3,651 thousand are included in other expenses, please refer to Note D.d.

Bike24 Group runs an e-commerce store and one local store (first six months of 2020: two local stores) and is primarily involved in the trade of high-quality bicycles, bicycle parts, bicycle accessories, bicycle clothing as well as running, swimming and outdoor articles.

The condensed consolidated interim financial statements of Bike24 Group were neither audited nor reviewed by an auditor and were authorized for issue by the Management Board on August 5, 2021.

b. Basis of accounting

The accompanying condensed consolidated interim financial statements as of June 30, 2021 and the six and three months ended June 30, 2021 have been prepared in accordance with International Financial Reporting Standard 34 “Interim Financial Reporting” as adopted by the European Union („EU“) (“IFRS”). The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the financial year ended December 31, 2020, which has been prepared in accordance with IFRS as adopted by the EU, taking into account the interpretations of the International Financial Reporting Standards Interpretations Committee (“IFRIC”).

Bike24 Group’s financial year ends December 31. All intercompany transactions are eliminated during the preparation of the consolidated financial statements.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except stated otherwise. The condensed consolidated interim financial statements are presented in Euro (“EUR”), which is the functional currency of the subsidiaries of Bike24 Group. All amounts are rounded to the nearest thousands, except when otherwise indicated. Due to rounding, differences may arise when individual amounts or percentages are added together. A Hyphen (“-“) indicates that a position is not applicable, a zero (“0“) indicates that a position has been rounded to zero. The condensed consolidated interim statements of profit or loss is presented based on the nature of expense method.

The condensed consolidated interim financial statements are prepared under the assumption that the business will continue as a going concern. Management believes that Bike24 Group has adequate resources to continue operations for the foreseeable future.

Bike24 Group’s main season is spring and summer and, thus, quarterly results are fluctuating.

The COVID-19 pandemic positively impacted the revenues throughout financial year 2020 due to the increase in online retailing demand, the same applies to the half year of 2021.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by Bike24 Group in these condensed consolidated interim financial statements are the same as those applied by Bike24 Group in its consolidated financial statements for the fiscal year 2020, except for:

Other long-term employee benefits

The Company launched another long-term employee benefits programme (Long Term Incentive Plan 2021, "LTIP 2021") for key employees in the first quarter of 2021. The programme is structured over a holding period of 4 years and is serviced in cash. In accordance with IAS 19, the personnel expenses resulting from the programme in the amount of EUR 1,789 thousand are distributed over the holding period. Provisions for other long-term employee benefits comprise the present value of the obligation to employees.

With the initial public offering, two members of the Management Board have been granted stock options. The stock options vest after one year and can be exercised after a waiting period of 4 years from the grant date. The expenses as of June 30, 2021 amount to EUR 40 thousand (2020: EUR -).

Current taxes

The quarterly current taxes have been determined by calculating the earnings before tax according to local generally accepted accounting principles ("GAAP"), eliminating amortization of goodwill according to local GAAP, to obtain the tax income. Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. On this taxable profit, Bike24 Groups tax rate of 31.58% (2020: 31,58%) has been applied to calculate the current tax expense. The tax rate is applicable for the whole year 2021.

Deferred Offering Costs

Deferred offering costs which have been included the other assets as of March 31, 2021 and further directly attributable public offering costs in total in an amount of EUR 3,351 thousand (net of taxes of EUR 1,058 thousand) have subsequently been recognised directly in equity.

Significant accounting estimates, assumptions and estimation uncertainties

The preparation of Bike24 Group's condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying notes disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In preparing the condensed consolidated interim financial statements, the significant judgments made by management in applying Bike24 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the financial year ended December 31, 2020.

C. SEGMENT REPORTING

Bike24 Group consists of a single operating and reporting segment, which is based on how the Chief Operating Decision Maker assesses the performance of the total Bike24 Group. Net sales are used to measure performance because management believes that this information is the most relevant in evaluating Bike24 Group relative to other entities that operate in the same industries.

The geographic information analyses Bike24 Group's revenue by the Company's country of domicile and other countries. In presenting the geographic information, revenue has been based on the geographic location of customers.

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Germany	73,756	50,077	41,211	32,312
Austria and Switzerland	13,202	10,679	7,193	7,219
Rest of European economic Area	30,678	21,393	16,390	12,917
Rest of World	9,749	6,292	5,028	2,978
Total	127,386	88,441	69,822	55,426

In the previous financial statements, the UK was assigned to Europe, in these interim financial statements the UK is assigned to the group "Rest of world". The amounts of the comparison periods have not been adjusted. Sales to customers in the UK (included in European economic area) were EUR 1,572 thousand in the six months period ended June 30, 2020 and EUR 1,045 thousand in the three months period ended June 30, 2020.

No individual country accounted for more than 10% of the Bike 24 Group's revenues, except for Germany.

Substantially all amounts classified within revenues are derived from the sale of goods, mainly in the field of parts, accessories and clothing. No single customer accounted for more than 10% of Bike24 Group's revenues in any of the periods presented. All long-lived assets are located in Germany.

D. NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COM-PREHENSIVE INCOME

a. Revenue

Revenue per product category:

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Bike-Parts, -accessories and -clothing	84,063	58,828	47,186	36,868
Traditional and e-bikes	14,604	8,268	7,461	5,182
Adjacent	28,719	21,344	15,175	13,377
Total	127,386	88,441	69,822	55,426

The effects of the COVID-19 pandemic and the associated shift from offline to online business led to a strong revenue growth from April 2020 onwards. This growth also continued in the first three months of 2021, in the second quarter of 2021 the COVID-19 effect declined in comparison to the previous quarter.

b. Personnel expenses

Personnel expenses consist of the following:

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Wages and salaries	-5,640	-5,116	-2,858	-2,763
Social security costs	-1,179	-953	-621	-486
Other personnel expenses	-2,819	-1,138	-1,606	-715
Expenses for LTIP 2021	-162	-	-111	-
Expenses for growth bonuses/IPO bonuses	-1,104	-107	-700	-105
Expenses for stock option program	-40	-	-40	-
Total	-10,944	-7,314	-5,936	-4,069

In the six and three-month period ended June, 30 2021 wages and salaries increased due to the increased number of employees. Expenses for growth bonuses and one-time bonuses related to the successful IPO were partially paid out with the June salary. The increased use of temporary workers results in increased other personnel expenses.

An amount of EUR 378 thousand of own IT development expenses as well as EUR 120 thousand of temporary workers expenses were incurred in the first six months of 2020 for the development of an ERP-software-module named "Product Information Management".

c. Expenses for merchandise, consumables and supplies

During the six months ended June 30, 2021, write-downs on inventories classified as expenses for merchandise, consumables and supplies amounted to EUR 98 thousand (three month ended June 30, 2021 EUR 20 thousand). Value recovery of inventories from the sale of old stock led to reversals of write-downs in the first quarter of 2020. As a result, the write-downs on inventories classified as expenses for merchandise, consumables and supplies are higher in the three-month period ended June 30, 2020 (EUR 86 thousand) than those in the six-month period ended June 30, 2020 (EUR 21 thousand).

The increase in expenses for merchandise, consumables and supplies in the first six and three-month period ended June 30, 2021 compared to the comparative periods in 2020 is linked to the revenue growth. However, due to the high demand from customers, the material deployment ratio (Expenses for merchandise, consumables and supplies divided by Revenue) and margin could be improved, as the price pressure was less strong in the first six and three-month period ended June 30, 2021 compared to the comparative periods in 2020. In addition, there was a sell-out of items in January and February of 2020, which was significantly smaller in the first six months of 2021. For information on revenue growth, please refer to Note D.a.

d. Other expenses

Other expenses consist of the following:

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Selling expenses	-9,993	-7,160	-5,515	-4,479
Performance marketing expenses	-524	-208	-382	-139
Transaction costs	-3,651	-471	-2,769	-53
Other operating expenses	-4,131	-2,220	-2,509	-1,127
Total	-18,299	-10,059	-11,175	-5,797

In the first six month of 2021 the transaction costs are mainly comprised of consultancy fees and audit fees for the initial public offering. Reimbursable transaction costs in accordance with IAS 32 in an amount of EUR 397 thousand are also included. In the first six month of 2020 the transaction costs related to the acquisition of Peloton MidCo2 GmbH in 2019.

The selling expenses increased due to the revenue growth. The other operating expenses increased due to the growth bonus of the advisory board.

In Q1 2020 EUR 190 thousand relating to a write-off of intangible assets relate to the ERP-software-module named "Product Information Management" and have been recognized in other operating expenses.

e. Depreciation and amortization

Depreciation and amortization consist of the following:

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Amortization	-5,294	-5,245	-2,650	-2,629
Depreciation	-1,671	-1,546	-895	-777
Total	-6,965	-6,791	-3,545	-3,406

f. Income tax expenses

In the first six month of 2020 the effective tax rate was impacted by prior-period expenses and was therefore lower (25,8%) than in the first six month of 2021 (32,5%).

g. Earnings per share

Until May 18, 2021, Bike24 had two classes of shares, 24,000 ordinary shares and 1,000 preferred shares. As part of a capital increase, the preference rights of the preferred shares were eliminated, and the preferred shares became ordinary shares (see Note A.a). This change was applied retrospectively.

Basic Earnings per share is calculated as follows:

in EUR thousands, except share and per share data	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Result for the period	2,866	-554	2,196	1,258
Average number of ordinary shares outstanding	37,759,259	37,500,000	38,018,518	37,500,000
Earnings per share	0.08	-0.01	0.06	0.03

Diluted earnings per share is calculated as follows – after adjustment for the effects of all dilutive potential ordinary shares:

in EUR thousands, except share and per share data	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Result for the period	2,866	-554	2,196	1,258
Dilutive effect of share-based compensation	40	-	40	-
Diluted result of the period	2,906	-	2,236	-
Average number of ordinary shares outstanding	37,759,259	37,500,000	38,018,518	37,500,000
Average number of dilutive shares	10,036	-	20,072	-
Average number of ordinary shares outstanding (diluted)	37,769,295	37,500,000	38,038,590	37,500,000
Earnings per share	0.07	-0.01	0.06	0.03

E. NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

a. Intangible assets and goodwill

For the new web shop, additions to advance payments in the three-month period ended June 30, 2021 amounted to EUR 123 thousand and in the half year amounted to EUR 187 thousand. EUR 357 thousand in development in progress were capitalized as of June 30, 2021, of which EUR 179 thousand were additions in the second quarter.

b. Property, plant and equipment

Investments in property, plant and equipment amounted to EUR 1,475 thousand in the three-month period ended June 30, 2021 and EUR 1,829 thousand in the six-month period ended June 30, 2021 and mainly relate to prepayments for the expansions of the bearing technology and the conversion of offices.

c. Financial assets

The addition to financial assets results from the write-up of an equity investment.

d. Inventories

During the first three months of 2021, large pre-ordered quantities for the spring and summer business were delivered on a regular basis. Since April 2021, the development of inventories is comparable with the development of sales. Inventory levels had to be increased to meet and service the increase in customer demand. For information on revenue growth, please refer to Note D.a.

e. Other Assets

The increase in other assets mainly results on the one hand from recharging of cost attributable to the initial public offering in an amount of EUR 945 thousand and on the other hand from prepaid expenses for loan processing fees.

f. Liabilities to banks

The non-current loan amounting to EUR 88,880 thousand, that existed in the comparative period was fully repaid. As of June 30, 2021 the non-current liabilities to banks in an amount of EUR 980 thousand relate to a new loan agreement concluded in June 2021.

g. Provisions

In accordance with IAS 19, non-current other provisions include provisions for other long-term employee benefits (LTIP 2021) in an amount of EUR 162 thousand as of June 30, 2021.

Provisions for Growth bonuses, which are included in the comparative period, were partially paid due to the successful initial public offering, the remaining accruals in an amount of EUR 1,608 thousand were allocated to current other liabilities.

h. Other liabilities

Liabilities for audit and consulting fees in connection with the IPO are included in other liabilities in the amount of EUR 4,334 thousand as of June 30, 2021. Furthermore, as of June 30, 2021, liabilities of EUR 1,608 thousand are included for the growth bonus for employees and Supervisory Board members as well as liabilities for one-time bonuses in connection with the successful IPO.

In addition, the EUR 921 thousand increase of the refund liability and the EUR 3,014 thousand increase in sales tax liabilities to foreign tax authorities led to the increase in other liabilities.

i. Trade payables

Trade payables increased due to the increase of inventories since December 31, 2020. For information on inventories, please refer to Note E.d.

F. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a. Accounting classifications 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 excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Due to 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 June 30, 2021 in EUR thousands	Carrying amount	IFRS 9 category	Level 1	Level 2	Level 3	Total
Financial assets						
Non-current financial						
Investments	3	FVTPL ¹⁾	-	-	3	3
Non-current financial assets						
Trade and other receivables	1,909	AC ²⁾	-	-	-	-
Other assets	9,918	AC	-	-	-	-
Thereof deposits	325	AC	-	-	-	-
Cash and cash equivalents	24,578	AC	-	-	-	-
Total	36,733		-	-	3	3
Financial liabilities						
Non-current financial liabilities						
Liabilities to banks	980	AC	-	-	980	980
Other financial liabilities	7,595	N/A	-	-	-	-
Current financial liabilities						
Liabilities to banks	32	AC	-	-	32	32
Other financial liabilities	1,443	N/A	-	-	-	-
Trade payables	16,578	AC	-	-	-	-
Total	26,628		-	-	1,012	1,012

¹⁾ Fair Value Through Profit and Loss | ²⁾ AC = at cost

Balance as of December 31, 2020 in EUR thousands	Carrying amount	IFRS 9 category	Level 1	Level 2	Level 3	Total
Financial assets						
Non-current financial assets						
Derivatives	-	FVTPL	-	-	-	-
Investments	0	FVTPL	-	-	0	0
Non-current financial assets						
Trade and other receivables	1,991	AC	-	-	-	-
Other assets	4,700	AC	-	-	-	-
Thereof deposits	325	AC	-	-	-	-
Thereof interest cap	11	FVTPL	-	-	11	11
Cash and cash equivalents	25,235	AC	-	-	-	-
Total	31,926		-	-	11	11
Financial liabilities						
Non-current financial liabilities						
Liabilities to banks	88,880	AC	-	-	88,880	88,880
Other financial liabilities	8,167	N/A	-	-	-	-
Current financial liabilities						
Liabilities to banks	720	AC	-	-	720	720
Other financial liabilities	1,526	N/A	-	-	-	-
Trade payables	8,230	AC	-	-	-	-
Total	107,523		-	-	89,600	89,600

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

As Bike24 Group does not meet the criteria for offsetting, no financial instruments are netted.

Where quoted prices in an active market do not exist, 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. The valuation model for investments is based on expected future cash flows. The fair value of the liabilities to banks approximates the carrying amount due to the variable interest rate, taking into account the credit risk.

There were no transfers between the different levels of the fair value hierarchy as of June 30, 2021 and December 31, 2020. Bike24 Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

b. Capital risk management

Bike24 Group's financing is secured through the business operation. At short notice it is possible, to draw further revolving credit facilities, based on the revolving credit facility agreement in place.

Management monitors capital usage by overseeing and confirming the weekly bank transfers and as such manages capital by monitoring the decrease and increase of cash and cash equivalents as presented in the consolidated statement of financial position. Additionally, management conducts a budget which is regularly updated. In the periods presented, Bike24 Group always had sufficient liquid funds to maintain the operating business, thus the objectives of capital management were met.

Targets used to monitor capital risk management are revenue growth, change in inventory stock, payment conditions as well as interest and tax payments.

G. OTHER INFORMATION

a. Transactions with related parties

i) Key management personnel compensation and transactions

Compensation of the members of the Board of Management and the management of the subsidiaries comprised the following:

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Short-term employee benefits	632	426	337	234
Other employee benefits	457	84	243	84
Total	1,089	510	580	318

Other employee benefits include expenses for Growth bonuses and bonuses for LTIP.

ii) Other related party transactions

in EUR thousands	Amount of transactions in		Amount of transactions in		Outstanding balances as of	
	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020	June 30, 2021	December 31, 2020
Services by related parties	-658	181	-727	39	-803	9
Total	-658	181	-727	39	-803	9

Related party services mainly comprise service fees for management services and reimbursable costs for the initial public offering, in an amount of EUR 945 thousand. The balances are not collateralized and were not impaired in the periods presented.

b. Compensation of members of the advisory board

The compensation of the members of the advisory board is as follows:

in EUR thousands	January 1, 2021 – June 30, 2021	January 1, 2020 – June 30, 2020	April 1, 2021 – June 30, 2021	April 1, 2020 – June 30, 2020
Short-term benefits	9	39	1	20
Other benefits	1,046	425	581	261
Total	1,055	464	582	282

The other benefits increased mainly due to the growth bonus, which became payable in the second quarter of 2021 following the successful IPO.

c. Contingencies and Commitments

The purchase commitments related to the purchase of goods as of June 30, 2021 and December 31, 2020 were EUR 143,889 thousand and EUR 62,680 thousand, respectively.

In the consolidated financial statements as of December 31, 2020, Bike24 Group reported purchase commitments of EUR 44,924 thousand. This amount was corrected in accordance with IAS 8,41 et seq. to EUR 62,680 thousand as a result of incorrect data collection.

d. Subsequent events

There have been no events after June 30, 2021 that have a material impact on the condensed consolidated interim financial statements of the Bike24 Group.

Dresden, August 5, 2021

The Management Board

Andrés Martin-Birner Timm Armbrust

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group 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 for the remaining months of the financial year and the situation of the Group are presented in such a way that a true and fair view is given, and the material opportunities and risks of the expected development of the Group in the remainder of the financial year are described.

Dresden, August 5, 2021

The Management Board

Andrés Martin-Birner Timm Armbrust

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