

# REMUNERATION REPORT

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# Remuneration Report

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## 1. Introduction and review of the 2021 reporting period

### 1.1. Introduction

The remuneration report of Bike24 Holding AG (hereinafter "Bike24" or "Company") for the 2021 reporting year contains individualized information regarding the remuneration provided and owed to active and previous board members and the supervisory board of the company as well as notes on the underlying remuneration system. The group of active and previous board members includes former CEOs of Bike24 Support GmbH, which was merged with and into Bike24 Holding AG in April 2021 as part of the stock market launch. Within the remuneration report, Bike24 also describes how the remuneration of the bodies promotes the long-term development of the company. Preparing the remuneration report pursuant to Section 162 AktG (German Stock Corporation Act) is the responsibility of the board and supervisory board. The remuneration report of Bike24 as well as the annual auditor's endorsement regarding the completed formal audit are available on the company's website ([www.corporate.bike24.com](http://www.corporate.bike24.com)). Further information about the company's current remuneration system is also available on the website.

### 1.2. The 2021 fiscal year in review

In the 2021 reporting year, Bike24 developed and implemented a formalized remuneration system for members of the board in order to meet the requirements of the Stock Corporation Act. This is also guided by the recommendations of the German Corporate Governance Codex in its new version from December 16, 2019. The remuneration system is in accordance with these recommendations with specific exceptions, which are explained in the company's statement of compliance, available on the company's website ([www.corporate.bike24.com](http://www.corporate.bike24.com)). The following pages report on the design of the remuneration system. The remuneration system was submitted to the extraordinary general meeting on June 21, 2021, to vote on and unanimously approved. Against the background of changing the company's legal form into a stock corporation, the CEO contracts for the active board members were converted into contracts of employment for board members in 2021, so that the remuneration system was applied to both active board members. In addition, board members were granted individual remuneration components within the meaning of Section 162 AktG in the 2021 reporting year, which were not agreed on in the old contracts of employment for board members. These remunerations are also presented and explained in the following, if pertinent.

## 2. Remuneration system for the members of the board

The supervisory board of Bike24 is responsible for designing the structure of the board's remuneration system and determining the individual board emoluments. The system for remuneration to the members of the board of the company includes fixed and variable components. This is to ensure that the remuneration system contributes to furthering the business strategy and long-term and sustainable development of the company, in particular furthering a successful development of the company and the Bike24-stock after the stock market launch and thus being conducive to synchronizing the interests of stockholders and the board, as well as ensuring appropriate, but nonetheless competitive, remuneration to the board.

In order to further the long-term and sustainable development of the company, the remuneration to board members is linked to the business strategy and the corporate planning construed on this basis. The current strategy and planning are aimed at growth and thus serve the long-term development of the company. In addition, the share of the long-term variable remuneration clearly exceeds the share of the short-term variable remuneration. The short-term variable remuneration aims to secure the continuous implementation of the operational targets, the achievement of which as a basis for the long-term development of the group is of great significance. The long-term component of the variable remuneration allows the members of the board to participate in the relative and absolute development of the stock price, so that the interests of stockholders and the objectives of management are brought into line with each other. This gives the board an incentive to increase the company value both long-term and sustainably.

The supervisory board can grant compensation if before switching to the board of Bike24 Holding AG remuneration payments acquired lapse due to the switch. The supervisory board can decide on whether the compensation is to be invested in Bike24-stock in full or in part and is to be held over a minimum period.

The remuneration system shall be approved once more at this year's general assembly (the first general assembly as a publicly traded company) and then in case of significant changes to the remuneration system, but at least every four years, be submitted to the general assembly for approval.

### 3. Remuneration to members of the board

#### 3.1. Remuneration to the board in the 2021 reporting year at a glance

The following table provides an overall picture of the components of the remuneration system applicable to active members of the board for the 2021 reporting year, the configuration of the individual remuneration components, as well as the respective objectives underlying these.

##### Remuneration to the board 2021

Component	Configuration
<b>Performance-unrelated remuneration</b>	
Basic remuneration	<ul style="list-style-type: none"> <li>■ Fixed annual remuneration</li> <li>■ Payment in twelve monthly instalments</li> </ul>
Fringe benefits	<ul style="list-style-type: none"> <li>■ Company bicycle</li> <li>■ Insurance premium allowances</li> <li>■ Reimbursement of work-related expenses</li> </ul>
Pension scheme	<ul style="list-style-type: none"> <li>■ Monthly contribution to private pension scheme</li> <li>■ Monthly contribution to direct insurance</li> </ul>
<b>Performance-related remuneration</b>	
Short-term variable remuneration (annual bonus)	<ul style="list-style-type: none"> <li>■ Performance-oriented annual bonus</li> <li>■ Cap: 150 % of the target amount</li> <li>■ Target amount at 100 %</li> <li>■ Two target dimensions (weighting in %):               <ul style="list-style-type: none"> <li>□ Quantitative performance targets (70 %):                   <ul style="list-style-type: none"> <li>- Consolidated EBITDA (see definition below)</li> <li>- Sales targets</li> </ul> </li> <li>□ Qualitative performance targets (30 %):                   <ul style="list-style-type: none"> <li>- Strategic targets</li> </ul> </li> </ul> </li> </ul>
Long-term variable remuneration (Equity-Settled Stock Options Program)	<ul style="list-style-type: none"> <li>■ Stock-related long-term remuneration</li> <li>■ Term of 10 years</li> <li>■ Waiting period of 4 years</li> <li>■ Three equal-weighted target dimensions:               <ul style="list-style-type: none"> <li>□ Strategic targets</li> <li>□ Financial targets and</li> <li>□ Specific price increase of the Bike24-stock within the previous calendar year</li> </ul> </li> </ul>
<b>Further remuneration regulations</b>	
Post-contractual restraint on competition	<ul style="list-style-type: none"> <li>■ Two-year restraint on competition after leaving the board with payment of a waiting allowance of 50 % of the contractual remuneration last drawn.</li> </ul>
Benefits in case of early termination	<ul style="list-style-type: none"> <li>■ Any severance payments are limited to two annual compensations and must not remunerate more than the remaining term of the contract of employment</li> </ul>

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## 3.2. Performance-unrelated remuneration

Apart from basic remuneration, fringe benefits and pledges for pension schemes are also part of the performance-unrelated remuneration.

The basic annual salary is paid out monthly in twelve equal instalments. Departing from the remuneration system, each board member received basic remuneration of EUR 225k in the year 2021. The reason for this was that the appointment to the board for both members took place in June 2021, and remuneration until that point was still paid as CEO.

In addition to the basic remuneration, the members of the board receive fringe benefits in form of insurance allowances, reimbursement of work-related expenses and a company bicycle. The total value of all fringe benefits granted must not exceed 25 % of the basic remuneration for the relevant reporting year. In 2021 the board did not receive any allowances for insurance.

Furthermore, the company bears the premiums for any existing direct insurance for all board members. In addition, the board member is provided with a fixed monthly amount to be used for private pension schemes. This amount is calculated from the maximum amount of the employer's contribution to the German pension insurance, with the contribution assessment ceiling (East) being applicable. The value of all pension commitments for a reporting year must not exceed 10 % of the basic remuneration.

## 3.3. Variable remuneration

### 3.3.1. Short-term variable remuneration (annual bonus)

The annual variable remuneration is provided to the members of the board in form of an annual bonus. The amount of the annual bonus results from the achievement of the targets agreed on with the supervisory board. These are agreed on annually by 31 March of the current reporting year and are proportionally composed to 70 % from the achievement of quantitative targets as well as to 30% from the achievement of qualitative targets. Performance criteria or quantitative targets consist of consolidated EBITDA-value ("Consolidated EBITDA"), adjusted for one-off effects, and part of or all of the following sales targets: (i) group sales acc. to IFRS; (ii) sales in region DACH and (iii) sales in the expansion markets. The qualitative targets consist of the strategic targets, the rolling out of the business in other European bicycle markets and the development of the product segment "full-bikes".

Target achievement is calculated separately for all target figures. For the individual strategic targets, the supervisory board – based on the corporate planning – defines milestones (implementation ratio for specific points on the time axis). The rate of target achievement is determined by means of these milestones. Unless at least 70% is achieved in a target category, the board member does not receive a bonus. The target achievement is determined after the end of the reporting year. This is done by calculating a weighted percentage of target achievement from both aforementioned target dimensions, and then multiplying this first by itself and then with the target bonus. The bonus is limited to 150 % of the target bonus.

The performance criterion for the remuneration granted within the meaning of Section 162 par. 1 AktG in the 2021 reporting year (annual bonus 2020) can be seen in the following summary:

Performance criterion	Target values in EUR k (100 % target achievement)	Actual values reporting year 2020 in EUR k	Target achievement
Consolidated EBITDA 2020	18,054	26,719	148 %

Departing from the remuneration system recently decided on, the annual bonus granted within the meaning of the Stock Corporation Act is calculated based on the old remuneration system. In doing so, the consolidated EBITDA formed the financial performance criterion as an assessment basis for the 2020 annual bonus. The target achievement determined, analogous to the new remuneration system, is multiplied by itself and then with the target amount. The annual bonus is also limited to 150 % of the target amount.

For the 2020 annual bonus, the following target achievement per active board member thus resulted:

Name of board member	Target amount in EUR k (100% target achievement)	Target achievement	Amount paid in EUR k
Andrés Martin-Birner	50	148 %	75
Timm Armbrust	50	148 %	75

The amounts paid in 2021 of the 2020 annual bonus are included with the remuneration granted and owed in the 2021 reporting year within the meaning of Section 162 par. 1 AktG.

In accordance with interpretation of Section 162 par. 1 AktG taken as a basis here, the 2021 annual bonus is "granted" or "owed" in the 2022 reporting year, which is why we will report on the 2021 annual bonus in the 2022 annual report.

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

Bike24, under the stock option program newly drafted in 2021, can issue options to board members and other allottees. Bike24, at its own discretion, can also settle the exercised stock options, in part or in full, in cash. The stock options are issued in four tranches. The first tranche was issued on the day of Bike24's stock market launch on June 25, 2021. The remaining tranches will be issued annually in the first quarter of 2022, subject to achievement of the performance targets.

The number of stock options of tranches 2 to 4 to be granted for a reporting year is dependent on the following targets:

1. Strategic targets
2. Financial targets and
3. Specific increase of the exchange price of the Bike24-stock within the previous calendar year.

The targets are set in the respective calendar year preceding the issue and are incorporated to equal parts (one third each) into the overall target achievement.

Strategic targets set are such targets which involve future measures for implementing the business strategy, which have been incorporated into the corporate planning. These are intermediary targets related to opening up new European bicycle markets and developing the product segment "full-bikes". In doing so, the supervisory board defines milestones for the individual targets which are used to assess the target achievement.

For the financial targets, performance criteria used are the organic group sales growth as well as the consolidated EBITDA-margin. In doing so, target values are set that correspond to 100 % target achievement and, based on this, the values are determined that correspond to higher or lower target achievement. As actual values, the values from the consolidated accounts and group management report, respectively, for the relevant reporting year are used.

For the target related to the stock price, a price increase (which lies below the expected price increase) is determined over the reporting year, the achievement of which corresponds to 100 % target achievement. Based on this, the values that correspond to a higher or lower target achievement are determined. The degree of target achievement is determined on basis of the actual percentual difference of the applicable final quotation, i.e. the volume-weighted mean value of the closing price of the Bike24-stock in Xetra-trading during the last month of the respective reporting year, compared to the relevant opening quotation.

A target-grant amount is agreed for determining the actual number of stock options to be granted. If and when the target achievement for all targets in the respective reporting year is 100 %, the number of the stock options to be granted for the respective reporting year is determined by dividing the target-grant amount by a specific profit to be expected from a stock option (anticipated option profit) granted for the reporting year. The target-grant amount is apportioned in equal parts to the financial and strategic targets and to the target price agreed on for the Bike24-stock and is multiplied by the respective target achievement factor and rounded off to full EUR-amounts. Then the amounts are added up. The resulting grant-value is divided by the anticipated option profit and the number of stock options to be granted for the respective reporting year is determined in this way. In all cases, the maximum number of stock options to be granted to a board member for a reporting year, without taking into account the stock options granted in connection with the stock market launch, is 64,517. In total, a maximum of 258,068 stock options per board member are granted under the stock program of Bike24 Holding AG.

The exercise price for the stock options for the first tranche is equal to the issuing price of EUR 15.00 and for the following tranches to the average price of the last three months before December 31 of the calendar year preceding the year of issue.

The stock options are subject to a waiting period of four years until the initial exercise and have a total term of ten years, from the respective issue date. After the end of the waiting period, the stock options can be exercised outside of defined vesting periods. The stock options become vested one year after the issue date until the end of their term. After this, they expire without question and without compensation.

The stock options of boards are truncated pro rata temporis if these resign from office or their board work ends due to, e.g., scheduled expiration of the contract without reappointment. In case of change of control, the waiting period is reduced to the time of the change of control. Stock options that are still subject to the waiting period are settled either in cash or shares of the acquirer, based on the decision of the company.

For the first tranche issued in the 2021 reporting year, board members were allocated a total of 129,034 stocks:

Name of board member	Number as at January 1, 2021	Options granted or pledged in the 2021 reporting year	Fair value when granting in EUR k	Options exercised in the 2021 reporting year	Options expired in the 2021 reporting year	Number as at December 31, 2021
Andrés Martin-Birner	-	64,517	617	-	-	64,517
Timm Armbrust	-	64,517	617	-	-	64,517

The options outstanding of the board members are divided into the different issue tranches as follows:

Tranche	Exercise price in EUR	Andrés Martin-Birner Number of options outstanding	Timm Armbrust Number of options outstanding
06-25-2021	15.00	64,517	64,517

In the second tranche issued for the 2021 reporting year, board members will be allocated further stocks in April 2022. This allocation, in accordance with the interpretation of Section 162 par. 1 AktG taken as a basis here, will be "granted" or "owed" in the 2022 reporting year. The relevant reporting will be done in the 2022 remuneration report.

### 3.4. Remuneration by third parties for board work

The members of the board with regard to their work in the board of Bike24 have received neither benefits from third parties nor have such benefits been pledged to them in the 2021 reporting year.

### 3.5. Target and maximum remuneration

The remuneration system sets the total target remuneration accrued to a board member for a reporting year at EUR 1,302k, if the target achievement for all performance-related remuneration components is 100%. Departing from this, total target remuneration of up to EUR 2,500k for the reporting year in which Bike24 Holding AG went public is permissible with regard to the stock options.

The table below illustrates the respective target remuneration, without taking into account fringe benefits, pension commitments, compensatory payments as well as the granting of stock options in connection with the stock market launch, for active board members for the 2021 reporting year.

#### Target remuneration

	Andrés Martin-Birner		Timm Armbrust	
	2021 in EUR k	2021 in %	2021 in EUR k	2021 in %
<b>Performance-unrelated remuneration</b>				
Basic remuneration	252	19	252	19
<b>Total</b>	<b>252</b>	<b>19</b>	<b>252</b>	<b>19</b>
<b>Performance-related remuneration</b>				
Annual bonus	50	4	50	4
Equity-Settled Stock Options Program	1,000	77	1,000	77
<b>Total</b>	<b>1,050</b>	<b>81</b>	<b>1,050</b>	<b>81</b>
<b>Total remuneration</b>	<b>1,302</b>	<b>100</b>	<b>1,302</b>	<b>100</b>

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The supervisory board has set aside maximum remuneration for board members, pursuant to Section 87a par. 1 line 2 no. 1 AktG. Maximum remuneration for a board member is assessed in accordance with the pledged remuneration components. Maximum remuneration for both board members is EUR 2,000k. Departing from this, maximum remuneration for the 2021 reporting year, in which Bike24 Holding AG went public, with regard to the granting of stock options in connection with the stock market launch is EUR 4,000k. Adhering to the maximum remuneration can thus only be verified or ensured in the 2025 reporting year, as this is when the last remuneration component for the 2021 reporting year will be known.

### **3.6. Malus- and Clawback-regulations**

In case of significant breaches by members of the board against current law or against corporate conduct policy guidelines, the supervisory board has the option of withholding or calling in, in part or in full, variable remuneration components not yet paid out. Withholding or calling in as above is at the discretion of the supervisory board.

In the 2021 reporting year, the supervisory board found no reason to make use of this option provided for in the remuneration system.

### **3.7. Benefits in case of early termination**

The claims, in case of early termination of employment, are limited to the remaining term of the contract, whereat a maximum limit of two annual remunerations will be set. The severance payment is to be credited to any waiting allowance to be paid, which the company is obligated to pay due to a post-contractual restraint on competition.

### **3.8. Post-contractual restraint on competition**

When leaving the board, members of the board of Bike24 are subject to a two-year restraint on competition. Members of the board who have left will be paid half of the last contractual remuneration paid as waiting allowance, for the duration of the restraint on competition.

### **3.9. Amount of individual remuneration for board members in the 2021 reporting year**

The table below illustrates the remuneration granted and owed within the meaning of Section 162 par. 1 AktG to each board member in the 2021 reporting year. In doing so, the remuneration granted and owed within the meaning of Section 162 par. 1 AktG includes the annual basic remuneration paid in the 2021 reporting year, the accrued fringe benefits, the pension plan contributions, the 2020 annual bonus paid and the, determined pursuant to IFRS, fair value of the granted stock options.



## Remuneration granted and owed to active board members

	Andrés Martin-Birner		Timm Armbrust	
	2021 in EUR k	2021 in %	2021 in EUR k	2021 in %
<b>Performance-unrelated remuneration</b>				
Basic remuneration	225	24	225	24
Fringe benefits	0	0	0.3	0
Pension plan	6	1	8	1
<b>Total</b>	<b>231</b>	<b>25</b>	<b>233</b>	<b>25</b>
<b>Performance-related remuneration</b>				
Annual bonus	75	8	75	8
Equity-Settled Stock Options Program	617	67	617	67
<b>Total</b>	<b>692</b>	<b>75</b>	<b>692</b>	<b>75</b>
<b>Total remuneration</b>	<b>923</b>	<b>100</b>	<b>925</b>	<b>100</b>

The following table contains the remuneration granted and owed to every individual former member of the board within the meaning of Section 162 par. 1 AktG in the 2021 reporting year. In doing so, the remuneration granted and owed within the meaning of Section 162 par. 1 AktG includes the annual basic remuneration paid in the 2021 reporting year. No further remuneration components have been granted until leaving the board.

## Remuneration granted and owed to former board members

	Lars Witt until April 2021		Carsten Wich until April 2021	
	2021 in EUR k	2021 in %	2021 in EUR k	2021 in %
<b>Performance-unrelated remuneration</b>				
Basic remuneration	66	100	53	44
<b>Performance-related remuneration</b>				
Growth bonus	-	-	67	56
<b>Total</b>	<b>66</b>	<b>100</b>	<b>120</b>	<b>100</b>

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#### 4. Remuneration to members of the supervisory board

The full members of the supervisory board receive fixed remuneration in the amount of EUR 20 k for every reporting year pursuant to Section 12 of the articles of association of Bike24. The chairperson of the supervisory board receives fixed remuneration in the amount of EUR 35 k and his/her deputy in the amount of EUR 25 k. Supervisory board members who were not in office during the entire reporting year, receive a twelfth of the remuneration agreed on for every month or part thereof that they work.

Supervisory board members who hold the chair in a committee receive additional annual fixed remuneration of EUR 7.5 k for this. The chairperson of the audit committee receives EUR 10 k. Supervisory board members who are members in a committee, but do not hold the chair in a committee, receive additional annual remuneration of EUR 5 k for this membership. If the capacity of the chairperson or membership is not practiced for the entire reporting year, remuneration will be granted pro rata temporis.

In addition to this, board members will be reimbursed any expenses and sales tax due on their earnings.

The fixed remuneration as well as the remuneration for committee work fall due at the end of the respective reporting year and will be paid in the following reporting year. By decision of the stockholders' meeting on May 10, 2021, the legal form was changed into a stock corporation. With the change of legal form a supervisory board was appointed for the first time, and in the 2021 reporting year there is no remuneration granted or owed from the work as supervisory board or supervisory committee within the meaning of the Stock Corporation Act. Payment of the fixed remuneration and the committee remuneration for the 2021 reporting year is made, by decision of the general assembly, pursuant to Section 113 par. 2 AktG, in the 2022 reporting year and will, within the meaning of Section 162 par. 1 AktG, be assigned to the remuneration granted and owed in the remuneration report for the 2022 reporting year.



## 5. Comparative view of the remuneration and growth in earnings (vertical comparison)

The table below illustrates the relative development of remuneration for board members, the supervisory board, other personnel, as well as the company's growth in earnings based on the selected earnings indicators.

### Comparative view of annual changes (vertical comparison)

Annual change in %	Change 2021 reporting year compared to 2020 reporting year
<b>Board</b>	
Andrés Martin-Birner	+ 30.2
Timm Armbrust	+ 30.6
<b>Supervisory board</b>	
Ralf Kindermann (Chairperson)	-
Dr. Michael Weber (Deputy chairperson)	-
Bettina Curtze	-
Sylvio Eichhorst	-
<b>Earnings indicators</b>	
Net income for the year of Bike24 Holding AG <sup>1</sup>	- 20,562.1
Consolidated EBITDA <sup>2</sup>	+ 14.5
<b>Average remuneration on full-time equivalence basis of employees</b>	
The company's employees <sup>3</sup>	+ 11.7

<sup>1</sup> Due to the merger of Bike24 Support GmbH with Bike24 Holding AG the financial performance cannot be compared to the previous year.

<sup>2</sup> Adjusted for one-off effects

<sup>3</sup> All employees in the group except management body/board

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

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To Bike24 Holding AG, Dresden,

## Opinion

We have formally examined the remuneration report of Bike24 Holding AG, Dresden, for the financial year from January 1, 2021 to December 31, 2021 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

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

## Basis for Opinion

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

## Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

## Our Responsibilities

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

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

## Handling Potential Misleading Presentations

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

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

Dresden, 30 March 2022

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Lucas                                    Leser  
Wirtschaftsprüfer                    Wirtschaftsprüfer

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