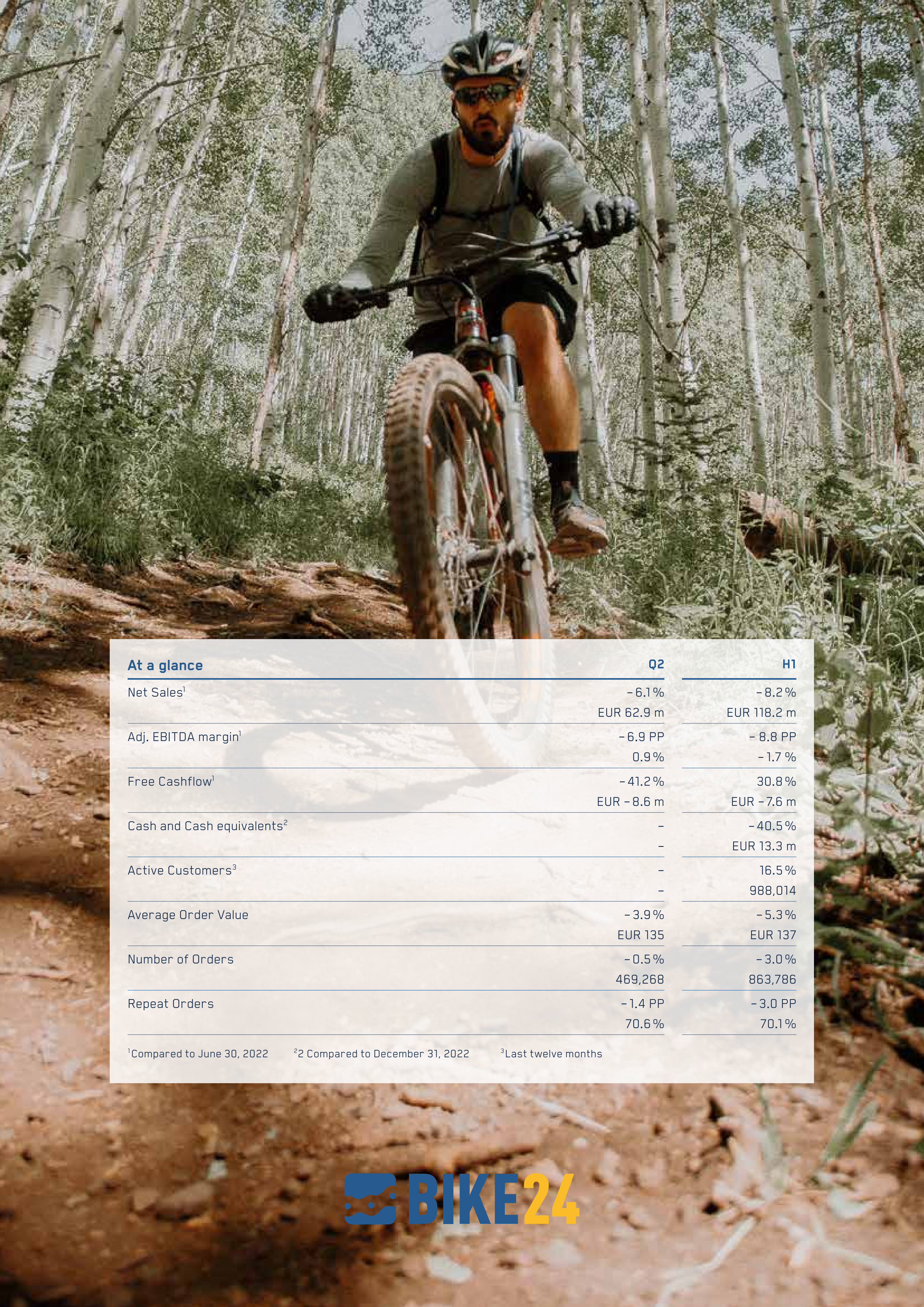
WE KEEP YOU RIDING

# HALF-YEAR REPORT

JUNE 30, 2023

BIKE24

# Content



| At a glance | Q2 | H1 |
|---|---|---|
| Net Sales[1] | -6.1 %<br>EUR 62.9 m | -8.2 %<br>EUR 118.2 m |
| Adj. EBITDA margin[1] | -6.9 PP<br>0.9 % | - 8.8 PP<br>-1.7 % |
| Free Cashflow[1] | -41.2 %<br>EUR -8.6 m | 30.8 %<br>EUR -7.6 m |
| Cash and Cash equivalents[2] | –<br>– | -40.5 %<br>EUR 13.3 m |
| Active Customers[3] | –<br>– | 16.5 %<br>988,014 |
| Average Order Value | -3.9 %<br>EUR 135 | -5.3 %<br>EUR 137 |
| Number of Orders | -0.5 %<br>469,268 | -3.0 %<br>863,786 |
| Repeat Orders | -1.4 PP<br>70.6 % | -3.0 PP<br>70.1 % |

[1]Compared to June 30, 2022 [2]2 Compared to December 31, 2022 [3]Last twelve months

BIKE24

# Interim group management report

## About this report

This interim group management report provides information on the first half of fiscal year 2023. In accordance with the option under section 52 (3) of the Exchange Rules for the Frankfurt Stock Exchange, the interim group management report and the condensed interim consolidated financial statements have not been reviewed in accordance with section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) or audited in accordance with section 317 of the German Commercial Code (Handelsgesetzbuch – HGB).

## Foundations of the group

The statements made in the Annual Report 2022 on the Group's business model, strategy and objectives, management system, research and development, and sustainability are still accurate as of the date of preparation of this interim report.

There were no changes to the Group structure in the first half of 2023.

## Overall economic environment

The German economy remains in a difficult environment in the first half of 2023. The global economy continues to be generally weak amid the ongoing crisis in Ukraine and the resulting geopolitical tensions, as well as further significant monetary policies by central banks to reduce inflation. Although industrial production and consumer confidence are showing initial signs of stabilization, continued weak global demand and subdued domestic production are likely to hinder a stronger recovery.

The loss of purchasing power due to high, albeit declining, inflation continues to drag on the economy, particularly on demand for consumer and discretionary goods. According to the Bundesbank, consumer prices in Germany rose by an average of 7.4 % in the first half of the year. After peaking at 8.7 % in both January and February, the inflation rate fell to 6.1 % in May due to higher comparables, before rising slightly to 6.4 % in June.

According to Eurostat, inflation in the eurozone has also moved away from its peak, falling from 10.0 % in January and 9.9 % in February this year to 6.4 % in June.

Although the consumer sentiment index in Germany, as measured by the Gesellschaft für Konsumforschung (GfK), has improved from its lowest level ever in October 2022 at – 42.8 to – 24.4 in June 2023, a slight decline to – 25.4 is expected for July 2023. This is mainly due to a higher propensity for private households to save to have sufficient funds for non-deferrable purchases.

The persistently tensed consumer climate is also reflected in the latest figures from the German E-Commerce Association (bevh): in the first half of 2023, total online retail sales in Germany recorded a decline of around 13.7 %. Given these factors, the bevh sees little hope of an improvement over the year and has therefore revised its forecast for 2023. In January, the association predicted sales growth of 4.8 %. It now expects a decline of more than 5 % for the industry as a whole.

The cycling industry also continues to struggle with subdued consumer sentiment. In addition, this year's cycling season started unusually late, in mid-May, due to the cold and wet spring. This is reflected in the latest surveys by the German Cycling Industry Association (ZIV), which reported a 12 % decline in sales of e-bikes and a 20 % decline in sales of bio-bikes.

## Business performance

Despite the restrained consumer sentiment and the still existing overcapacities in the cycling market, the number of active customers increased to 988 thousand as of June 30, 2023 up 17% compared to the same date in the previous year (848 thousand). The number of orders in the reporting period was slightly lower (– 3 %) at 864 thousand compared to 891 thousand in the previous year, as was the average order value of EUR 137 in the first half of 2023 compared to EUR 145 in the first half of 2022, a decrease of around 5 %. Approximately 70 % of all orders were placed by returning customers, a decline of 3.00 pp due to an increased number of orders from new customers. The return rate was slightly lower at 16.9 % compared to 17.4 % in the previous year.

During the first quarter of 2023, localized online shops were also introduced for Belgium, the Netherlands, and Luxembourg. These sales will be combined with the previously localized markets of Spain, France, and Italy with immediate effect in order to present the operating development in these countries as a combined entity. Prior-year figures have been adjusted accordingly. Sales in these localized markets increased from EUR 16.0 million in the first half of 2022 to EUR 23.1 million, a growth of 44 %. The share of total sales increased accordingly from 12 % to 20 %.

## Revenue and earnings situation

BIKE24 generated revenues of EUR 118.2 million in the first half of 2023. Compared to the same period of the previous year, this corresponds to a decline of 8.2 % (2022: EUR 128.8 million). The cost of sales also decreased, but at a lower rate than sales, by 1.4 % from EUR 91.3 million to EUR 90.0 million. Consequently, the cost of sales ratio increased by 5.3 pp from 70.9 % to 76.2 %. The gross margin came in at 23.8 %, compared to 29.1 % in the same period of the previous year. The lower gross margin is primarily due to ongoing overcapacities in the cycling market which ultimately leads to increased promotional activities.

At EUR 13.4 million, personnel expenses were only slightly higher than in the same period of the previous year (2022: EUR 13.2 million). Other operating expenses increased significantly by 14 % to EUR 18.8 million (2022: EUR 16.5 million).

Earnings before interest, taxes and depreciation (EBITDA) decreased by 155.2 % to EUR -4.3 million (2022: EUR 7.7 million). Adjusted for extraordinary expenses, including in particular expenses in connection with the extension of the syndicated loan agreement and consulting costs for a planned IT system implementation as well as stock option plans and long-term bonus programs, the adjusted EBITDA amounted to EUR – 2.0 million, compared with EUR 9.1 million in the prior-year period. In relation to sales, this corresponds to an adjusted EBITDA margin of – 1.7 %, compared to 7.1 % in the previous year. This is primarily due to a significantly lower gross margin as well as higher operating expenses.

Taking depreciation and amortization into account, the operating result (EBIT) was EUR – 12.1 million, compared with EUR 0.3 million in the previous year. Adjusted for extraordinary expenses and regular amortization of the customer base and brand value, EBIT fell to EUR – 4.9 million, compared with EUR 6.7 million in the previous year. After deduction of interest and taxes, a net result of EUR – 12.8 million remains after EUR – 0.4 million in the first half of 2022.

## Net assets and financial position

### Net assets

The Group's total assets decreased by 2.5 % to EUR 331.4 million as of June 30, 2023, compared to EUR 339.9 million as of December 31, 2022.

Due to scheduled depreciation and amortization, non-current assets were below the level of the comparative reporting date (EUR 219.3 million) at EUR 215.6 million. This was mainly due to a decrease in intangible assets of EUR 3.5 million. Property, plant and equipment decreased slightly by EUR 0.2 million.

Current assets decreased by 4.0 % or EUR 4.8 million from EUR 120.6 million to EUR 115.8 million in the first half of 2023. Within current assets, inventories increased by EUR 6.2 million from EUR 84.3 million to EUR 90.5 million due to seasonal factors. Cash and cash equivalents decreased by EUR 9.1 million to EUR 13.3 million (December 31, 2022: EUR 22.4 million), mainly due to the higher inventory intake.

On March 24, 2023, the existing syndicated loan agreement was extended with adjusted terms until December 31, 2024. Quarterly regular repayments are to be made on the loan agreement from December 31, 2023 onwards. Accordingly, as of June 30, 2023, EUR 6.0 million is recognized as current liabilities to banks, the remaining loan amount is recognized as non-current liabilities.

In the area of current liabilities, trade payables at EUR 10.8 million were EUR 3.6 million above the level of the comparative reporting date. The increase is mainly due to a stronger intake of inventories around the reporting date. Other liabilities, which mainly relate to provisions for personnel expenses, tax liabilities and returns, increased by EUR 2.3 million to EUR 17.9 million. Due to the extension of the syndicated loan agreement and the reclassification to non-current liabilities, current liabilities to banks decreased by EUR 33.5 million, which was the reason for the decrease in current liabilities by EUR 27.1 million to EUR 38.5 million.

Shareholders' equity decreased by EUR 12.7 million to EUR 205.1 million. This decrease also resulted in a lower equity ratio of 61.9 % at the reporting date compared to 64.1 % at December 31, 2022.

### Financial position

BIKE24 generated a negative cash flow from operating activities of EUR – 4.0 million in the first six months of 2023 compared to EUR – 10.9 million in the same period of the previous year. The change mainly resulted from lower inventory intake and tax refunds. Given lower inventory intake, cash outflow related to inventory was at EUR – 6.2 million compared to cash outflow of EUR – 24.2 million in the previous year period.

At EUR – 4.1 million, the cash outflow for investing activities was below the prior-year figure of EUR – 5.3 million. Investments in property, plant and equipment mainly relate to the new Southern European logistics center in Spain and, in the area of intangible assets, to own work capitalized for the online shop and other software.

BIKE24 recorded a cash outflow of EUR – 0.9 million from financing activities after a cash inflow of EUR 38.6 million in the prior-year period. The cash inflow in the previous year resulted primarily from the utilization of a loan (EUR 39.0 million). At EUR – 0.9 million, cash outflows from lease liabilities were at the level of the prior-year period (EUR – 0.8 million) and they also include lease payments for the Spanish warehouse.

As of the balance sheet date, cash and cash equivalents amounted to EUR 13.3 million, compared with EUR 32.5 million at the end of the previous year, ensuring sufficient solvency. Furthermore, BIKE24 has a credit line with a total volume of EUR 50.0 million, of which EUR 40.0 million had been drawn as of the balance sheet date.

## Overall assessment

The supply chain challenges of the previous year have recovered much faster than expected, resulting in overcapacities in almost all product categories. These overcapacities negatively impact the financial liquidity of smaller retailers in particular, who are clearing inventories through extensive promotional activities, which is negatively impacting margins across the entire cycling market. On the other hand, subdued consumer sentiment and persistent, albeit declining, inflation are creating less demand, as evidenced by the aforementioned figures from the German E-Commerce Association (bevh) and the German Cycling Industry Association (ZIV).

Despite the fact that the first two quarters of 2023 did not meet the targets set at the beginning of the year, the Management Board considers the company to be in a solid position. On operational basis, BIKE24 reached further important milestones in its international expansion strategy with the launch of its local online shops in Belgium, the Netherlands and Luxembourg and now has a total of nine localized online shops, including the two German-language online shops, the Spanish, French, Italian and the international online shop. The strong sales growth in the localized markets shows that this strategy has paid off. Overall, however, the challenging macroeconomic conditions have led to a reassessment of the business expectations for the current fiscal year 2023, with the result that the Management Board has adjusted its forecast accordingly after the balance sheet date.

## Forecast report

As the expected improvement in market sentiment takes longer than expected, the Management Board has adjusted its guidance for the 2023 financial year. Instead of revenue growth of 0 to + 10 %, the Board now expects a – 10 to – 5 % sales decline versus the previous year. The adjusted EBITDA margin is expected to come in at between – 1 and 1 % (previously: 0 to 3.5 %).

Management has already taken extensive steps to ensure ongoing profitability improvements. Particular attention is being paid to the pricing strategy, the areas of personnel costs and marketing.

## Opportunities and risks

The basic system of risk assessment has not changed compared to the presentation in the Group Management Report 2022. The macroeconomic situation continues to represent a significant risk for the Company's business. Consumer sentiment did not improve noticeably in the second quarter of the current fiscal year and there are still significant overcapacities in the market, which has a negative impact on sales and margins. This trend continued into the third quarter. Contrary to the Company's previous expectations, there are no signs of a significant improvement in consumer sentiment in the second half of the year due to the continuing adverse macroeconomic conditions, in particular the persistently high inflation rates, which weaken consumers' purchasing power.

Due to the high level of cash tied up in inventories and subdued consumer sentiment, the focus remains on cash flow management, including compliance with financial covenants as agreed with financial partners.

Dresden, August 9, 2023

The Management Board

Andrés Martin-Birner Timm Armbrust

# Consolidated interim financial statements

## January 1, 2023 to June 30, 2023

Unaudited condensed consolidated interim financial statements pursuant to § 115 WPHG
for the half-year from january 1, 2023 to june 30, 2023 and the quarter ended june 30, 2023
in accordance with International Financial Reporting Standards (IFRS)
as adopted by the European Union, for Bike24 Holding AG

BIKE24

# I. Condensed consolidated interim statements of profit or loss and other comprehensive income or loss

| in EUR k, except share and per share data<br>unaudited | Note | January 1, 2023<br>– June 30, 2023 | January 1, 2022<br>– June 30, 2022 | April 1, 2023<br>– June 30, 2023 | April 1, 2022<br>– June 30, 2022 |
|---|---|---|---|---|---|
| **Revenue and other income** | | | | | |
| Revenue | D.1 | 118,164 | 128,764 | 62,897 | 67,003 |
| Other income | | 75 | 150 | 35 | 120 |
| **Total income** | | **118,238** | **128,914** | **62,933** | **67,123** |
| **Operating expenses** | | | | | |
| Personnel expenses | D.2 | – 13,380 | – 13,183 | – 6,909 | – 6,588 |
| Expenses for merchandise, consumables and supplies | D.3 | – 90,045 | – 91,315 | – 46,673 | – 47,048 |
| Impairment loss on trade receivables | | – 244 | – 169 | – 141 | – 91 |
| Other expenses | D.4 | – 18,835 | – 16,519 | – 9,848 | – 8,859 |
| Depreciation and amortization | D.5 | – 7,832 | – 7,435 | – 3,978 | – 3,781 |
| **Total expenses** | | **– 130,336** | **– 128,622** | **– 67,549** | **– 66,367** |
| **Earnings before interest and taxes (EBIT)** | | **– 12,098** | **292** | **– 4,616** | **756** |
| **Finance income and expense** | | | | | |
| Finance income | | – | 0 | – | 0 |
| Finance expense | | – 4,084 | – 732 | – 974 | – 419 |
| Finance expense, net | | – 4,084 | – 732 | – 974 | – 419 |
| **Loss/Profit before tax** | | **– 16,182** | **– 439** | **– 5,590** | **336** |
| Income tax income (expense) | D.6 | 3,367 | 35 | 2,824 | – 154 |
| **Result for the period** | | **– 12,815** | **– 404** | **– 2,766** | **183** |
| Other comprehensive result | | 0 | 0 | 0 | 0 |
| **Total comprehensive result** | | **– 12,815** | **– 404** | **– 2,766** | **183** |
| **Earnings per share** | D.7 | | | | |
| Basic earnings per ordinary share | | – 0.29 € | – 0.01 € | – 0.06 € | 0.00 € |
| Diluted earnings per ordinary share | | – 0.29 € | – 0.01 € | – 0.06 € | 0.00 € |
| Weighted average number of ordinary shares outstanding (basic) | | 44,165,427 | 44,165,331 | 44,165,427 | 44,165,331 |
| Weighted average number of ordinary shares outstanding (diluted) | | 44,165,427 | 44,165,331 | 44,165,427 | 44,165,331 |


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

# II. Condensed consolidated interim statements of financial position

| in EUR k<br>unaudited | Note | June 30, 2023 | December 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | E.1 | 122,984 | 126,461 |
| Goodwill | E.1 | 56,753 | 56,753 |
| Property, plant and equipment | E.2 | 35,880 | 36,088 |
| Financial assets | | 6 | 6 |
| **Total non-current assets** | | **215,622** | **219,307** |
| Inventories | E.3 | 90,480 | 84,298 |
| Other assets | E.4 | 9,454 | 8,724 |
| Income tax receivables | | 724 | 2,224 |
| Trade and other receivables | | 1,817 | 2,978 |
| Cash and cash equivalents | | 13,307 | 22,375 |
| **Total current assets** | | **115,783** | **120,598** |
| **Total assets** | | **331,405** | **339,905** |
| **Equity** | | | |
| Subscribed capital | | 44,165 | 44,165 |
| Capital reserves | | 180,144 | 180,007 |
| Retained Loss (Earnings) | | – 19,225 | 6,410 |
| **Total Equity** | | **205,085** | **217,762** |
| **Liabilities** | | | |
| Liabilities to banks | E.5 | 35,063 | – |
| Other financial liabilities | E.8 | 16,536 | 17,449 |
| Provisions | E.6 | 433 | 412 |
| Deferred tax liabilities | | 35,824 | 38,681 |
| **Total non-current Liabilities** | | **87,856** | **56,541** |
| Liabilities to banks | E.5 | 6,040 | 39,503 |
| Other financial liabilities | E.8 | 1,819 | 1,803 |
| Provisions | E.6 | 1,919 | 1,492 |
| Other liabilities | E.7 | 17,861 | 15,590 |
| Trade payables | E.9 | 10,825 | 7,215 |
| **Current liabilities** | | **38,464** | **65,602** |
| **Total liabilities** | | **126,320** | **122,143** |
| **Total equity and liabilities** | | **331,405** | **339,905** |



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

# III. Condensed consolidated interim statements of cash flows

| in EUR k<br>unaudited | Note | January 1, 2023<br>– June 30, 2023 | January 1, 2022<br>– June 30, 2022 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Result for the period | | – 12,815 | – 404 |
| *Adjustments:* | | | |
| – Depreciation and amortization | D.5 | 7,832 | 7,435 |
| – Losses from the disposal of fixed assets | | 2 | – |
| – Write-ups | | – | – 2 |
| – Finance expense | | 4,084 | 732 |
| – Income tax income | D.6 | – 3,367 | – 35 |
| – Share-based compensation expenses | | 138 | 801 |
| – Employee stock expenses | | – | 2 |
| **Result of the period after adjustments** | | **– 4,127** | **8,528** |
| *Changes in:* | | | |
| – Inventories | E.3 | – 6,182 | – 24,195 |
| – Trade and other receivables | | 1,161 | – 113 |
| – Other assets | E.4 | – 656 | – 3,160 |
| – Trade and other payables | E.9 | 3,610 | 9,537 |
| – Other liabilities | E.7 | 2,308 | 1,436 |
| – Provisions | E.6 | 449 | 244 |
| **Cash generated from operating activities** | | **– 3,436** | **– 7,722** |
| Interest paid | | – 2,559 | – 569 |
| Income taxes refunded (PY: income taxes paid) | | 1,972 | – 2,635 |
| **Net cash used in operating activities** | | **– 4,023** | **– 10,926** |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | E.2 | – 2,065 | – 3,070 |
| Acquisition of intangible assets | E.1 | – 2,083 | – 2,211 |
| **Net cash used in investing activities** | | **– 4,149** | **– 5,281** |
| **Cash flows from financing activities** | | | |
| Proceeds from transactions with owners | | – | 352 |
| Proceeds from liabilities to banks | | – | 39,000 |
| Payment of lease liabilities | | – 896 | – 763 |
| **Net cash used in/from financing activities** | | **– 896** | **38,589** |
| Decrease (increase) in cash and cash equivalents | | – 9,068 | 22,382 |
| Cash and cash equivalents at the beginning of the period | | 22,375 | 10,086 |
| **Cash and cash equivalents at the end of the period** | | **13,307** | **32,468** |



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

# IV. Consolidated Statement of changes in equity

| in EUR k<br>unaudited | Subscribed capital | Capital reserves | Accumulated loss | Total equity |
|---|---|---|---|---|
| **Balance as of January 1, 2023** | **44,165** | **180,007** | **– 6,410** | **217,762** |
| Share-based compensation | – | 138 | – | 138 |
| Issue of employee shares | – | – | – | – |
| Result for the period | – | – | – 12,815 | – 12,815 |
| Total comprehensive result | – | – | – | – |
| **Comprehensive result** | **–** | **138** | **– 12,815** | **– 12,677** |
| **Balance as of June 30, 2023** | **44,165** | **180,145** | **– 19,225** | **205,085** |
| **Balance as of January 1, 2022** | **44,165** | **178,873** | **216** | **223,254** |
| Share-based compensation | – | 1,132 | – | 1,132 |
| Issue of employee shares | 0 | 2 | – | 2 |
| Result for the period | – | – | – 6,626 | – 6,626 |
| Total comprehensive result | – | – | – | – |
| **Comprehensive result** | **0** | **1,134** | **– 6,626** | – 5,492 |
| **Balance as of June 30, 2022** | **44,165** | **180,007** | **– 6,410** | **217,762** |



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. Principles of interim consolidated financial statements

### A.1 Company information

Bike24 Holding AG (hereinafter referred to as the „Company" or, together with its subsidiaries, as the „Bike24 Group") is a stock corporation incorporated in Germany on August 22, 2019 and registered with the Commercial Register of the Dresden Local Court Department B under the official number 41483. The Company has its registered office at Breitscheidstrase 40, 01237 Dresden, Germany.

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

The condensed consolidated interim financial statements of the Bike24 Group were neither audited under Section 317 of the German Commercial Code (HGB) nor reviewed in accordance with Section 115 of the German Securities Trading Act (WpHG) and were authorized for issue by the Management Board on August 9, 2023.

### A.2 Basic principles of financial reporting

These condensed consolidated interim financial statements as of June 30, 2023 and June 30, 2022 have been prepared in accordance with International Financial Reporting Standard ("IFRS") 34 "Interim Financial Reporting" as adopted by the European Union ("EU"). The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS as adopted by the EU, taking into account the recommendations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial year of the subsidiaries of the Bike24 Group ends on December 31. All intercompany transactions are eliminated in the preparation of the consolidated financial statements.

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

The condensed consolidated interim financial statements have been prepared on a going concern basis. Management believes that the Bike24 Group has sufficient resources to continue as a going concern for the foreseeable future. The Group's main sales season is spring and summer, therefore the quarterly results fluctuate.

The ongoing high inflation rates and overcapacities in the market, leading to lower growth expectations in the future, were used to carry out an impairment test in accordance with IAS 36.

## B. Summary of significant accounting policies

The accounting policies applied by the Bike24 Group in these condensed consolidated interim financial statements are consistent with those applied by the Bike24 Group in its consolidated financial statements for the fiscal year 2022.

**Significant accounting estimates, assumptions and estimation uncertainties**

The preparation of the condensed consolidated interim financial statements of the Bike24 Group 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 related disclosures in the notes and disclosure of contingent liabilities. As these assumptions and estimates are subject to uncertainty, actual events may occur that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

While preparing the condensed consolidated interim financial statements, the significant judgments made by management in the process of applying the Bike24 Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the consolidated financial statements for the year ended December 31, 2022.

## C. Segment reporting

The Bike24 Group consists of an operating and reportable segment, which is based on how the chief operating decision maker (CODM) assesses the Bike24 Group's profitability and allocation of resources. Net sales are used to measure performance, as management believes that this information is most relevant for evaluating the Bike24-Group in comparison to other companies operating in the same industry.

The following table presents the Bike24 Group's revenues by region. The regions include the country in which the Company is headquartered and other main markets. For the presentation of geographical information, revenue has been broken down based on the geographical location of customers.

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 | April 1, 2023 – June 30, 2023 | April 1, 2022 – June 30, 2022 |
|---|---|---|---|---|
| Germany | 63,884 | 71,862 | 34,179 | 37,940 |
| Austria and Switzerland | 12,244 | 13,598 | 6,707 | 7,127 |
| Rest of European Economic Area | 36,439 | 33,628 | 19,431 | 17,770 |
| Rest of world | 5,597 | 9,677 | 2,580 | 4,166 |
| **Total** | **118,164** | **128,764** | **62,897** | **67,003** |

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

Substantially all amounts included in revenue are derived from the sale of goods. No single customer contributed more than 10 % to the revenues of the Bike24 Group in the fiscal years presented.

Non-current assets of the Bike24 Group valued at EUR 202,533 k (December 31, 2022: EUR 206,550 k) are located in Germany, in Spain this value amounts to EUR 13,089 k (December 31, 2022: EUR 12,757 k).

# D. Notes to the condensed consolidated interim statements of profit or loss and other comprehensive income

## D.1 Revenue

Revenue by product category is as follows:

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 | April 1, 2023 – June 30, 2023 | April 1, 2022 – June 30, 2022 |
|---|---|---|---|---|
| Parts, accessories and clothing | 98,119 | 112,460 | 51,687 | 58,064 |
| Traditional and e-bikes | 20,045 | 16,303 | 11,210 | 8,939 |
| **Total** | **118,164** | **128,764** | **62,897** | **67,003** |

Negatively impacted by depressed consumer sentiment, revenues decreased by 8.2 % to EUR 118.2 million compared to the same period of the previous year.

## D.2 Personnel expenses

Personnel expenses consist of the following:

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 | April 1, 2023 – June 30, 2023 | April 1, 2022 – June 30, 2022 |
|---|---|---|---|---|
| Wages and salaries | - 9,498 | - 7,854 | - 4,916 | - 4,008 |
| Social security expenses | - 2,151 | - 1,637 | - 1,146 | - 847 |
| Other personnel expenses | - 1,594 | - 2,752 | - 678 | - 1,340 |
| Long-term incentive plans | – | - 139 | – | - 71 |
| Share-based compensation expenses | - 138 | - 801 | - 169 | - 321 |
| **Total** | **- 13,380** | **- 13,183** | **- 6,909** | **- 6,588** |

In the half-year and quarterly periods ending June 30, 2023, wages and salaries increased due to the increased number of employees and the adjustment of wages and salaries due to high inflation. The decrease in other personnel expenses resulted mainly from the heavy use of additional temporary staff in the prior-year period to compensate for covid-related high absent rates.

In the first half of 2023, a tranche of stock options under the existing stock option program was granted to two members of the Management Board and 24 other persons entitled to share options. The respective grant dates were between March 16 and April 29, 2023. In addition, target agreements were concluded with the members of the Management Board and 26 other persons entitled to share options regarding a possible grant of stock options in the financial year 2024, which is dependent on the achievement of the targets set out in the target agreement. The signing date of the respective target agreements, March 29 and May 9, 2023, serve as the provisional grant date.

For each employee, the weighted fair value of his or her stock options was determined using the Black-Scholes formula with the respective daily share price at the grant date or provisional grant date. A total of 259,977 stock options with a weighted average fair value of EUR 0.94 were granted and target agreements were concluded for 409,600 stock options with a weighted average fair value of EUR 1.24. No stock option was exercised as of June 30, 2023. The expense in the first half of 2023 amounts to EUR 138 thousand.

### D.3 Expenses for merchandise, consumables and supplies

The decrease in costs of merchandise, consumables and supplies in the first half of 2023 and the second quarter of 2023 compared to the same periods in 2022 is related to the decrease in revenues. The increased price pressure could not be fully passed on to customers, resulting in a deterioration of the material usage ratio (cost of merchandise, consumables and supplies divided by sales) and margins.

Write-downs of inventories in the amount of EUR 320 k were recognized in the first half of 2023 (previous year EUR 70 k). These are classified as expenses for merchandise, consumables and supplies.

### D.4 Other expenses

Other expenses break down as follows:

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 | April 1, 2023 – June 30, 2023 | April 1, 2022 – June 30, 2022 |
|---|---|---|---|---|
| Selling expenses | – 11,100 | – 10,462 | – 5,956 | – 5,400 |
| Performance marketing costs | – 1,625 | – 1,762 | – 885 | – 1,144 |
| Other operating expenses | – 6,109 | – 4,295 | – 3,007 | – 2,315 |
| **Total** | **– 18,835** | **– 16,519** | **– 9,848** | **– 8,859** |

An increase in selling expenses compared to the same period of the previous year was mainly due to a price increase in the cost of packaging materials and shipping.

At EUR 1,625 k, performance marketing costs were slightly lower than in the prior-year period (EUR 1,762 k).

At EUR 6,109 k, other operating expenses were higher than in the same period of the previous year (EUR 4,295 k). In particular, the costs for consulting in connection with the extension of the syndicated loan agreement and the planned IT system implementation are the cause of this increase.

## D.5 Depreciation and amortization

Depreciation and amortization are composed as follows:

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 | April 1, 2023 – June 30, 2023 | April 1, 2022 – June 30, 2022 |
|---|---|---|---|---|
| Amortization of Intangible assets | – 5,499 | – 5,536 | – 2,743 | – 2,789 |
| Depreciation of property, plant and equipment | – 2,333 | – 1,899 | – 1,235 | – 992 |
| **Total** | **– 7,832** | **– 7,435** | **– 3,978** | **– 3,781** |

## D.6 Income tax

Current taxes for the first half of 2023 have been determined by calculating Profit/Loss before tax in accordance with local accounting principles, eliminating the amortization of goodwill in accordance with local accounting principles, to arrive at the tax benefit. Income tax expense is recognized based on management's estimate of the weighted average annual effective income tax rate expected for the full fiscal year. The Bike24 Group tax rate of 31.58 % (2022: 31.58 %) has been applied to the tax loss to calculate the current tax benefit. The tax rate is applicable for the entire year 2023.

## D.7 Earnings per share

For the calculation of diluted earnings per share as of June 30, 2023, 890,663 (June 30, 2022: 531,335) options from the stock option program were excluded as they would have been anti-dilutive.

# E. Notes to the condensed consolidated Interim Statements of financial position

## E.1 Intangible assets and goodwill

Additions to intangible assets amounted to EUR 2,083 k in the first half of 2023 and to EUR 897 k in the second quarter of 2023. EUR 1,898 k was invested in internally generated intangible assets, which mainly relate to own work capitalized for the online shop and the order management system, in the first half of 2023 and EUR 768 k in the second quarter of 2023. Additions to non-current assets in the first quarter were reclassified between intangible assets and property, plant and equipment in the amount of EUR 301 k.

### Goodwill

Due to the continued low market capitalization, the Bike24 Group performed an impairment test at the level of cash-generating units (CGUs) as of June 30, 2023.

The recoverable amount of the CGU group is determined based on fair value less costs to sell. The fair value is based on discounted cash flows and is classified as Level 3. The key assumptions used in determining fair value less costs to sell are the underlying discount rates and growth rates of revenue, the development of the EBITDA margin and the perpetual annuity on free cash flow after tax. The values assigned to the key assumptions represent the Management Board's assessment of future trends in the relevant industries and are based on historical data from both external and internal sources. Management estimates discount rates as after-tax rates based on historical industry averages of the weighted average cost of capital. In addition, a market risk premium and the risk-free interest rate for Germany were used for the calculation. The growth rates are based on the expectations of the Management Board, taking into account industry growth forecasts.

The cash flow forecasts determined by the Bike24 Group are based on the current business plan approved by the Management Board for the next 5 years and revenue forecasts for the further 10 years, with cost rates remaining unchanged. This includes the following growth assumptions: Sales growth over the next 5 years of approximately 16 % p. a. due to the growth strategy in the European market. The perpetual annuity is assumed to be 2 %.

The assumed growth rate in perpetuity and the discount rates used to assess the impairment of the Bike24 Group's goodwill were as follows:

| in percent | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Discount rate | 10.76 | 10.22 |
| Perpetual annuity | 2.00 | 2.00 |
| Estimated sales growth rate (average of the next 5 years) | 16.66 | 15.30 |
| Estimated sales growth rate (average of the following 10 years) | 5.00 | 5.00 |
| Estimated EBITDA margin (average of the next 5 years) | 7.83 | 7.03 |
| Estimated EBITDA margin (average of the subsequent 10 years) | 11.18 | 11.62 |
| Estimated costs of disposal | 1.00 | 1.00 |

Despite the continued low market capitalization there were no indications of goodwill impairment as of June 30, 2023.

## E.2 Property, plant and equipment

The investments in property, plant and equipment in the second quarter of 2023 in the amount of EUR 906 k and EUR 2,065 k in the first half of 2023 mainly relate to investments for the warehouse in Spain and technological innovations.

## E.3 Inventories

Inventories increased by EUR 6,182 k to EUR 90,480 k in the first half of 2023 due to seasonal factors.

## E.4 Other assets

The increase in other assets is mainly due to the increase in pre-tax receivables.

### E.5 Liabilities to banks

Liabilities to banks relate to the syndicated loan agreement extended on March 24, 2023. Quarterly regular repayments are to be made on the loan agreement from December 31, 2023 onwards; accordingly, EUR 6.0 million are reported as a current liability to banks as of June 30, 2023, while non-current liabilities amount to EUR 35,0 million as of June 30, 2023. The restructuring of the loan agreement resulted in a modification of the contractual payments due to adjusted conditions, which was reflected in the interest expense as a one-time effect in the amount of EUR 2.3 million.

### E.6 Provisions

Non-current other provisions include the non-current portion of the warranty provision in the amount of EUR 367 k; the current portion of this provision in the amount of EUR 1,415 k is included in current provisions.

### E.7 Other liabilities

The increase in other liabilities is mainly due to the increase in contractual obligations of EUR 952 k, the increase in return obligations of EUR 551 k and the increase in VAT liabilities to foreign tax authorities of EUR 513 k as of the balance sheet date.

### E.8 Other financial liabilities

Other financial liabilities exclusively comprise lease liabilities.

### E.9 Trade payables

Trade payables increased due to the increase in Inventories since December 31, 2022. For information on inventories, please refer to Note E.3.

## F. Financial instruments and financial risk management

### F.1 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 does not include fair value information for financial assets and financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value.

By their nature, the carrying amounts of cash and cash equivalents, trade and other receivables, other assets, other financial liabilities and trade payables approximate their fair values.

| Balance as of June 30, 2023<br>in EUR k | Carrying amount<br>Total | IFRS 9 category | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| Financial assets | | | | | | |
| **Non-current financial assets** | | | | | | |
| Financial assets | 6 | FVTPL | – | – | 6 | 6 |
| **Current financial assets** | | | | | | |
| Trade and other receivables | 1,817 | AC | – | – | – | – |
| Other assets | 9,454 | AC | – | – | – | – |
| Thereof deposits | 848 | AC | – | – | – | – |
| Cash and cash equivalents | 13,307 | AC | – | – | – | – |
| **Total** | **24,584** | | **–** | **–** | **6** | **6** |
| Financial Liabilities | | | | | | |
| **Non-current financial liabilities** | | | | | | |
| Liabilities to banks | 35,063 | AC | – | – | – | – |
| Other financial liabilities | 16,536 | N/A | – | – | – | – |
| **Current financial liabilities** | | | | | | |
| Liabilities to banks | 6,040 | AC | – | – | – | – |
| Other financial liabilities | 1,819 | N/A | – | – | – | – |
| Trade payables | 10,825 | AC | – | – | – | – |
| **Total** | **70,283** | | **–** | **–** | **–** | **–** |

| Balance as of June 30, 2022<br>in EUR k | Carrying amount<br>Total | IFRS 9 category | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| Financial assets | | | | | | |
| **Non-current financial assets** | | | | | | |
| Financial assets | 6 | FVTPL | – | – | 6 | 6 |
| **Current financial assets** | | | | | | |
| Trade and other receivables | 1,969 | AC | – | – | – | – |
| Other assets | 12,225 | AC | – | – | – | – |
| Thereof deposits | 931 | AC | – | – | – | – |
| Cash and cash equivalents | 32,468 | AC/FVTPL | – | – | – | – |
| Thereof Cash | 17,727 | AC | | | | |
| Thereof Securities | 14,741 | FVTPL | 14,741 | | | |
| **Total** | **46,668** | | **14,741** | **–** | **6** | **14,747** |
| Financial Liabilities | | | | | | |
| **Non-current financial liabilities** | | | | | | |
| Loan liabilities | 39,369 | AC | – | – | – | – |
| Other financial liabilities | 10,236 | N/A | – | – | – | – |
| **Current financial liabilities** | | | | | | |
| Loan liabilities | 19 | AC | – | – | – | – |
| Other financial liabilities | 1,879 | N/A | – | – | – | – |
| Trade payables | 20,835 | AC | – | – | – | – |
| **Total** | **72,338** | | **–** | **–** | **–** | **–** |

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

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

Where quoted prices in an active market are not available, the Bike24 Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique used incorporates all factors that market participants would consider in pricing such a transaction. 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 reclassifications between the various levels of the fair value hierarchy in the first half of 2023.

### F.2 Capital Management

The Bike24 Group is financed through its ongoing business operations. In the short term, it is possible to draw on further revolving credit lines based on the existing revolving credit line agreements.

For capital management purposes, management monitors the cash flows on a weekly basis. Thus the decrease and increase in cash and cash equivalents, as presented in the consolidated statement of financial position, and the ratio of total net debt to consolidated earnings before interest, taxes, depreciation and amortization, is monitored.

In addition, the management prepares a financial resources plan, which is updated on an ongoing basis. In the periods presented, the Bike24 Group had sufficient cash and cash equivalents at all times to maintain operations, so that the objectives of capital management were met.

Target figures used to monitor capital management are sales growth, changes in inventories, payment terms, as well as interest and tax payments.

## G. Other information

### G.1 Transactions with related parties

*a) Remuneration of the management body of the parent company*

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 |
|---|---|---|
| Short-term employee benefits | 302 | 356 |
| Expenses for stock options | 49 | 308 |
| **Total** | **351** | **664** |

*b) Compensation of key management personnel and transactions with them*

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 |
|---|---|---|
| Short-term employee benefits | 258 | 392 |
| Expenses for stock options | 30 | 377 |
| **Total** | **288** | **769** |

Members of the executive body and key management personnel or persons closely related to them may purchase goods from the Bike24 Group at discounted terms.

*c) Other business transactions with related parties*

| | Amount of transaction for the period | | Outstanding balances as of | |
|---|---|---|---|---|
| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 | June 30, 2023 | December 31, 2022 |
| Services from related companies | 34 | 86 | – 1 | – 2 |
| **Total** | **34** | **86** | **– 1** | **– 2** |

The services from related parties relate to deliveries of goods. The balances are not collateralized and were not impaired in the periods presented.

*d) Transactions with members of the Advisory Board*

| in EUR k | January 1, 2023 – June 30, 2023 | January 1, 2022 – June 30, 2022 |
|---|---|---|
| Services due at short notice | 73 | 58 |
| **Total** | **73** | **58** |

Other liabilities include EUR 103 k in outstanding payments to the Supervisory Board.

## G.2 Subsequent events

On July 18, 2023 Bike24 Holding AG adjusted its forecast for the current year due to the difficult macroeconomic conditions. The board of directors assumes that the originally expected revenue growth of 0 to + 10 % cannot be achieved due to adverse macroeconomic conditions persisting in the longer term and subdued consumer sentiment. The updated forecast assumes sales growth of – 10 to – 5 %. The adjusted EBITDA margin is expected to be between – 1 and 1 % (original forecast: 0 to 3.5 %).

Dresden, August 9, 2023

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 condensed consolidated interim 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.

Dresden, August 9, 2023

The Management Board

Andrés Martin-Birner    Timm Armbrust

## CONTACT

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BIKE24