

# CORPORATE GOVERNANCE STATEMENT 2021



# CORPORATE GOVERNANCE STATEMENT

AND COMPLIANCE STATEMENT

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The consolidated Corporate Governance Statement of Bike24 Holding AG and the group pursuant to Section 289f German Commercial Code (HGB) and Section 315d HGB includes the statement of compliance for the German Corporate Governance Codex ("DCGK") pursuant to Section 161 German Stock Corporation Act (AktG), relevant statements on the corporate governance practices, a description of the working practices of the management board and supervisory board as well as their composition and the working practices of the committees of the supervisory board, the setting of target values pursuant to Section 76 paragraph 4 and Section 111 paragraph 5 AktG and the report on achievement of such target values, a description of the diversity concept as well as the skills profile of the Supervisory Board and its implementation.

The working practices of the management board and supervisory board of Bike24 Holding AG as a listed German stock corporation are essentially governed by the German Stock Corporation Act and the provisions of the German Corporate Governance Codex in its respective current version. In addition, the company's articles of association as well as the rules of procedure for the management board and supervisory board contain further guidelines for the work of both bodies. Our business dealings are guided by groupwide standards, which exceed the legal requirements and those of the German Corporate Governance Codex. These also include trust, respect and integrity in interacting with each other.

BIKE24 is also aware of its social responsibility and in particular ensures that social and environmental matters are borne in mind not only as part of the sustainability agenda, but also in the corporate strategy and in operational decisions.

Compliance as a whole of the groupwide measures for complying with law, legislation and internal policies is an important governance and monitoring task at Bike24. The compliance officer installed in the second half of 2021 is responsible for supervising the compliance program. In this role he reports directly to the management board.

In 2021, the compliance program was supplemented in particular by compliance guidelines with regard to capital market compliance, which provide the employees of the group with guidance as to acting with integrity and the requirements imposed on listed companies in Germany. This applies in particular to dealing with potential inside information, managers' transactions, trade prohibitions and reporting obligations. The awareness of managers and employees is raised for the aforementioned topics as well as for other Compliance-related matters by trainings and further promoted by additional consultancy services.

## **STATEMENT ON THE CORPORATE GOVERNANCE PRACTICES**

Furthermore, a whistleblower system was implemented in the 2021 fiscal year, which allows staff and third parties to anonymously report breaches of compliance regulations. To this end, BIKE24 uses an established platform operated by an independent provider. All notifications are followed up on and if there are any concrete leads, internal investigations will be carried out.

Furthermore, we are currently compiling a comprehensive compliance manual. This compliance manual will establish a comprehensive code of conduct for our own behavior and that of our staff, based on the basic understanding that at the heart of all dealings stand integrity and a zero tolerance policy towards breaches of law. In addition, we also expect our suppliers and business partners to share our stance with regard to integrity and sustainability. We will make such non-negotiable values a precondition for future business relationships with suppliers and business partners by agreeing on a supplier code of conduct with them.

## MANAGEMENT AND CONTROL

Bike24 Holding has a dual management system. The division of responsibility between the management board and supervisory board is guided by the German Stock Corporation Act, the articles of association and the rules of procedure for the management board and supervisory board.

The management board jointly manages the operational business. In the 2021 fiscal year it consisted of two members, Mr Andrés Martin-Birner (CEO) and Mr Timm Armbrust (CFO). Both are intimately involved in the operational activities. Irrespective of the management board's overall responsibility, each management board member manages the business area assigned to him/her through the rules of procedure. A detailed account of the responsibilities can be found in the schedule of responsibilities (Section 8) of the board's rules of procedure, which are available on the company's website in the section Investor Relations/Governance & ESG. Information on management board remuneration can be found in the remuneration report according to Section 162 AktG. Information on the remuneration system is available on the company's website in the section Investor Relations/Governance & ESG.

The supervisory board monitors and advises the management board and is directly involved in decisions of fundamental importance to the company. It appoints and discharges members of the management board, determines the remuneration system for the management board members, which is submitted to the general meeting for approval pursuant to Section 120a AktG, and determines their respective total remuneration. The management board reports to the supervisory board regularly, in a timely manner and comprehensively, regarding all essential matters of business development, the corporate strategy as well as any possible risks. The supervisory board and management board work closely together for the benefit of the company and for sustainable creation of value. Certain decisions require the approval of the supervisory board in accordance with the management board's rules of procedure.

The supervisory board, in accordance with the articles of association, consists of four members who are elected at the general meeting. The chairperson of the supervisory board is elected by the members. The supervisory board regularly coordinates internally. It carries out its activities in accordance with the legal requirements, the articles of association, its rules of procedure and its decisions. The rules of procedure for the supervisory board are available on the company's website in the section Investor Relations/Governance & ESG. The supervisory board also reports on the scope of its work in its report to the general meeting.

The shareholders of Bike24 Holding AG exercise their rights of control and participation in the general meeting. The chairperson of the supervisory board presides as chair in the general meeting. The general meeting decides on all tasks assigned to it by law (including appropriation of net income, granting discharge to the management board and supervisory board, electing the supervisory board members, corporate action and changes to the articles of association). The shareholders can exercise their voting rights in the general meeting either by themselves, through an authorized person, or through a voting proxy nominated by Bike24 Holding AG.

The supervisory board is tasked with advising and monitoring the management board when managing Bike24 Holding AG. It has given itself rules of procedure. Pursuant to the legal and statutory regulations, the supervisory board appoints the members of the management board. It has issued rules of procedure for the management board, which contain a catalogue of business dealings requiring approval, as well as a distribution-of-business plan. The supervisory board holds meetings at least twice every six months. As a rule, five full sessions are held per calendar year. The focus areas of the meetings in the last fiscal year are summarized in the supervisory board's report, which is part of this annual report. The management board members usually take part in the meetings of the supervisory board and report in writing and verbally on the individual agenda items and draft resolutions and answer the questions of the supervisory board members.

The meetings of the supervisory board are called by the chairperson with a notification period of at least fourteen days, except in urgent cases, in which the chairperson can shorten the notification period. The chairperson of the supervisory board, as part of the general meeting, reports on the work of the supervisory board and its committees to the shareholders. The management board regularly briefs the chairperson of the supervisory board about current developments.

At least once a year, the supervisory board reviews the efficiency of its work by means of a structured questionnaire.

In order to efficiently exercise its duties, the supervisory board has formed committees: The general committee, which also assumes the duties of the nomination committee, and an audit committee.

The general committee consists of the chairperson, the deputy chairperson as well as a further member to be elected by the supervisory board. The chairperson of the supervisory board also presides as chair in the general committee. The current composition of the general committee is as follows: Ralf Kindermann (Chairman), Dr. Michael Weber (Deputy Chairman), Bettina Curtze (Member). The general committee, on the initiative of its chairperson, discusses important matters and prepares decisions to be taken by the supervisory board. It also discusses the management board's corporate planning and prepares personnel decisions of the supervisory board. Furthermore, it proposes to the supervisory board suitable candidates for the supervisory board's proposal to the general meeting for the election of new members of the supervisory board.

In addition, an audit committee was formed. The audit committee consists of three members and its composition is as follows: Sylvio Eichhorst (Chairman), Ralf Kindermann (Deputy Chairman) und Dr. Michael Weber (Member). The management board members and the auditor are called to meeting of the audit committee, if needed. The audit committee deals with matters of the financial reporting process, the effectiveness of the internal control system, the risk management system and the compliance management system. It is also responsible for monitoring the required independence of the auditor, the quality of the audit as well as of the additional services rendered by the auditor, the award of the audit assignment to the auditor, determining the focus areas for the audit and fee agreement. The audit committee also discusses semi-annual and any quarterly financial statements with the management board prior to their publication.

## OBJECTIVES FOR COMPOSING THE SUPERVISORY BOARD AND THE BOARD

The supervisory board, with regard to diversity, aims to allow for a wide range of professional and international experience and appropriate gender-independent participation at all levels of the organization.

The supervisory board has, however, with regard to the current composition of the company's management board, taken into account the specific character of Bike24, which has historically been strongly defined by its founders and by continuity. The supervisory board has given priority to the experience and expertise of Andrés Martin-Birner, who is also one of the company founders, and of Timm Armbrust. Both were already managing directors of the company before it transformed its legal form to a stock corporation. In addition, the supervisory board has held on to the lean and efficient management structure. For this reason, the supervisory board did not focus on the diversity concept when selecting members of the management board, but rather – also in view of the fact that the management board currently consists of only two persons – focused in particular on the knowledge, professional qualifications and personality of the persons being considered. The Supervisory Board has thus decided on a target value of 0% for the proportion of women on the management board until 31/12/2025. In its current composition, the management board is evidently very successful in acting for the company and the stakeholders. In this configuration, the board, beyond the successful stock market launch, is to continue guaranteeing a successful corporate development. The supervisory board, however, does not rule out setting a higher proportion of women in the board in due time, if a need for change in the board becomes apparent for any reason.

The supervisory board of Bike24 Holding AG consists of four members being three men and one woman. The supervisory board is required by law to set a self-determined target value, which it has set at 25%. The target value corresponds to the current share of women in the supervisory board and has thus currently been achieved.

## TARGETS FOR FILLING MANAGERIAL FUNCTIONS

In Bike24 Holding AG as parent company of the Bike24-Group and pure holding company, no independent organizational structure existed in the reporting period. The management board has thus, based on a job evaluation for the staff directly employed in Bike24 Holding AG, defined a management level and set a target value for this management level for the share of women of at least 30% by December 31, 2025. The share of women is currently 33.3%. When filling managerial positions in the company, the board pays attention to diversity.

If further group companies apart from Bike24 Holding AG are subject to requirements for the equal participation of men and women in managerial positions, these requirements remain unaffected.

## DIVERSITY CONCEPT AND SUCCESSION PLAN

Bike24 makes diversity a company-wide priority. The management board and supervisory board believe that adequate diversity in relation to vocational training and professional experience, cultural imprint, international character, gender and age will promote the long-term development of the company and keep it sustainable. This applies with regard to the supervisory board, the management board and the following management levels, as well as for employees of Bike24 Holding AG and the Bike24-Group as a whole.

## DIVERSITY CONCEPT FOR THE SUPERVISORY BOARD

The supervisory board should specify concrete objectives for its composition and develop a skills profile for the entire supervisory board. In doing so, the supervisory board should pay attention to diversity. The aim is for the supervisory board, despite its numerically small size, to become more efficient through adequate diversity as well as skills and mindsets which complement each other. The supervisory board shall, in particular, stay abreast of this by means of appropriate targets for its composition and the skills profile it has developed for the supervisory board as a whole. Among the

targets for its composition, the supervisory board particularly specified that at least 25% of supervisory board members should be female. With the current four-member supervisory board, this corresponds to at least one woman. Furthermore, the supervisory board, within the scope of its skills profile for the board as a whole, has taken the aspects of internationality and various backgrounds and experience (know-how and expertise) into account. The present composition of the supervisory board complies with the objectives and fully meets the skills profile. In this respect, the current composition of the Supervisory Board also implements the diversity concept.

In future supervisory board elections, the supervisory board shall pay attention to diversity and the implementation of the applicable diversity concept when making election proposals to the general meeting. In addition, when reviewing potential candidates for a by-election or reappointment of vacant supervisory board positions, the aspects of diversity shall be adequately taken into consideration, early on in the selection process.

Bike24 Holding AG was first formed through a change of legal form in 2021, a short time before going public. The supervisory board has, however, with regard to the current composition of the management Board of Bike24 Holding AG, made allowances for the specific character of Bike24, which has historically been strongly defined by its founders and by continuity. The supervisory board has given priority to the experience and expertise of Andrés Martin-Birner, who is also one of the company founders, and of Timm Armbrust. Both were already managing directors of the company before it transformed its legal form to a stock corporation. In addition, the Supervisory Board has held on to the lean and efficient management structure. Against this background, a deviation from recommendation B.1 of the German Corporate Governance Code Codex was explained and a target value for the women's quota of 0% decided upon for the management board.

On recommendation of the German Corporate Governance Codex the supervisory board introduced an age limit for members of the management board. Accordingly, members of the management board should generally not be older than 63 years.

The management board and the supervisory board consider it an important goal to promote diversity throughout the entire company. The management board should pay attention to diversity, particularly when filling management positions within the company. The management board has specified a target value of 30% for the women's quota at the management level in Bike24 Holding AG. However, at this company level, just as much as at subsequent ones, diversity should not only relate to gender, but also to vocational training and professional experience, cultural imprint, international characteristics and age. Such comprehensive diversity will not only promote the long-term, sustainable development of the company in general, but also lay the foundations for adequate diversity in the management board with possible future appointments of in-house candidates for members of the management board.

Together with the management board, the supervisory board shall come up with a long-term succession planning. Candidates for all future reappointments of management board members should primarily come from within the company. For this reason, the supervisory board shall keep itself regularly informed about the management levels of Bike24 Holding AG and the Bike24 Group, and the development thereof. However, the requirement profile, being compiled by the supervisory board for any candidate search, will be finally the decisive factor, so that future candidates for the management board could, where appropriate, also come from outside the company. The Supervisory Board shall derive the requirement profile for an individual member of the management board from a skills profile, which it shall compile in good time for the entire management board.

## **DIVERSITY CONCEPT AND SUCCESSION PLAN FOR THE EXECUTIVE BOARD**

## SKILLS PROFILE OF THE SUPERVISORY BOARD

The supervisory board of Bike24 Holding AG is to be composed in a way, that its members together have the required knowledge, capabilities and professional experience to properly carry out their tasks. At least one member of the supervisory board of Bike24 Holding AG must have expertise in financial reporting and at least one other member must have expert knowledge in auditing. The members as a whole must be familiar with the sector in which the company operates. In addition to these legal requirements, the supervisory board of Bike24 Holding AG has defined the following objectives for its members:

- The members of the supervisory board should have sufficient time available for exercising their duties. In this respect, the following applies in particular:
  - A member of the supervisory board who is not a member of the management board of a listed company shall not hold more than five supervisory board mandates at non-Group listed companies or comparable functions, with one supervisory board chair counting twice.
  - Whoever is a member of the management board of a listed company shall not hold more than two supervisory board mandates at non-Group listed companies or comparable functions and should not chair the supervisory board of a listed company outside the Group.
- More than half of the members of the supervisory board shall be independent of the company and its management board and be independent of a controlling shareholder. With the current supervisory board of four people, three of them are independent members in this sense. In this respect, the following applies in particular:
  - A member of the supervisory board is independent of the company and its management board when they have no personal or business relationship to the company or its management board that would be a reason for a significant and not just temporary conflict of interest.
  - When answering the question whether a member of the supervisory board is independent of the company and its management board, particular consideration shall be given to whether the supervisory board member themselves or a close family member of that member of the supervisory board
    - was a member of the management board in the two years prior to appointment,
    - whether they currently, or in the year leading up to their appointment, maintain or have maintained a significant business relationship with the company or one of its dependent companies (e. g. as a customer, supplier, lender or consultant), either directly or as a shareholder or in a responsible function of a company outside of the group,
    - whether a close family member is a member of the management board or
    - has been a member of the supervisory board for more than 12 years.
- The chairman of the supervisory board, the chairman of the audit committee and the chairman of the general committee dealing with management board remuneration should be independent of the company and the management board. The chairman of the audit committee should also be independent of a controlling shareholder.
- No more than two former members of the management board should be members of the supervisory board.
- Members of the supervisory board should not hold any executive or advisory functions at any of the company's major competitors and should not have a personal relationship with a major competitor.
- As a rule, members of the supervisory board should not be older than 65 years when they are appointed.
- At least 25 % of the members of the supervisory board should be women. With the current four-member supervisory board, this corresponds to at least one woman.
- The composition shall take the ownership structure into account.

Likewise, the supervisory board of Bike24 Holding AG compiled the following skills profile for the entire board.

- Expertise in financial reporting,
- Expertise in financial auditing,
- Knowledge on the internal control system, risk management system, internal review system, compliance and ESG,
- Expertise in the digital economy,
- Expertise in the bicycle market,
- International experience/experience in companies that operate internationally,
- Marketing expertise,
- Experience in managing a company.

The present composition of the supervisory board corresponds to the objectives and fully meets the skills profile. In the opinion of the members of the supervisory board, who are all shareholder representatives at Bike24 Holding AG, the appropriate number of independent shareholder representatives is three. This requirement is met by the chairman of the supervisory board, Ralf Kindermann, the chairman of the audit committee, Sylvio Eichhorst and by Bettina Curtze.

Open, transparent corporate communications are an essential part of good corporate governance. In addition to clear and comprehensible content, this aspect also requires equal access by all target groups to the information of the company. Bike24 Holding AG informed shareholders, financial analysts, the media and the interested general public, equally and up-to-date, about the development of the company and significant events in the reporting year.

All mandatory publications as well as detailed additional supplementary information were made available on the company's website in a timely manner. The corporate publications, such as ad-hoc announcements, press releases, interim reports as well as the annual report and managers' transactions, were and are published simultaneously in German and English. Presentations for analysts as well as investors are also available on the company's website.

Dates for the significant recurring events, e. g. publication dates for the annual report and the interim reports as well as the date for the general meeting, are compiled in a financial calendar. This is continuously updated and can be found in the IR-section of the website. The dates for the publications are determined by the requirements of the stock exchange regulations of the Frankfurt Stock Exchange for titles of the segment Prime Standard.

**TRANSPARENT  
CORPORATE  
COMMUNICATIONS**

# COMPLIANCE STATEMENT 2021

## STATEMENT BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF BIKE24 HOLDING AG PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ; AKTG) ON COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (DEUTSCHER CORPORATE GOVERNANCE KODEX)

The Management Board and the Supervisory Board of Bike24 Holding AG (**Bike24**) hereby declare pursuant to section 161 AktG that, since the listing on 24 June 2021 (the **Listing**), the recommendations contained in the German Corporate Governance Code, as amended on 16 December 2019 and published in the German Federal Gazette (Bundesanzeiger) on 20 March 2020 (the **Code**), have been and continue to be complied with, with the following exceptions:

### SECTION B.1 OF THE CODE

According to the recommendation under Section B.1 of the Code, when appointing Management Board members, the Supervisory Board shall take diversity into account.

Bike24 values diversity across its entire organization. However, with respect to the current composition of the Management Board, the Supervisory Board of the Company took into account the specific character of Bike24 as a business that is historically strongly influenced by its founders as well as by continuity. The Supervisory Board prioritized the experience and expertise of Andrés Martin-Birner as one of our co-founders and Timm Armbrust, who both also previously served as managing directors of the Company before its change in legal form into a German stock corporation (Aktiengesellschaft), also with a view on maintaining a lean and efficient management structure.

### SECTIONS G.7, G.8 AND G.9 SENTENCE 1 OF THE CODE

According to the recommendation under Section G.7 of the Code, referring to the forthcoming financial year, the Supervisory Board shall establish performance criteria for each Management Board member covering all variable remuneration components; besides operating targets, such performance criteria shall be geared mainly to strategic goals. The Supervisory Board shall determine to what extent individual targets for each Management Board member – or targets for the Management Board as a whole – are decisive for the variable remuneration components. According to Section G.8 of the Code, subsequent changes to the target values or comparison parameters shall be excluded. According to Section G.9 sentence 1 of the Code, after the end of every financial year, the Supervisory Board shall establish the amount of individual variable remuneration components to be granted for the relevant year, depending on target achievement.

When deciding on the remuneration of the Management Board, the Supervisory Board took into account the character of Bike24 as a business that has grown organically and historically has been managed by its founders, and is currently undergoing an evolutionary process due to the implementation of its growth strategy. Against this background, the Supervisory Board essentially adopted the historic structure of variable remuneration that was previously existing with respect to the managing directors of the Company before its conversion into a German stock corporation. The Supervisory Board there-

fore technically did not establish such remuneration structure based on the recommendation under Section G.7 of the Code. Instead, the intention is to maintain the existing remuneration practice, with the Supervisory Board generally agreeing with the Management Board the relevant performance targets of the variable remuneration by March 31 of each year or, under certain circumstances, in the later course of the relevant financial year. The existing remuneration practice also generally allows for subsequent adjustments of performance targets. Further, the members of the Management Board shall receive stock options as a new remuneration component to be implemented in connection with the Listing. Such stock options shall be generally granted based on the achievement of certain performance targets which is determined after the respective financial year has ended. In certain cases, particularly in connection with the Listing and the accession of new Management Board members however, such stock options are to be granted to the members of the Management Board in the course of the relevant financial year irrespective of the achievement of any performance targets.

The Supervisory Board intends to also comply with the recommendations under Sections G.7, G.8 and G.9 sentence 1 of the Code in the future.

Dresden, November 2021

For the Management Board  
Andres Martin-Birner

Timm Armbrust

For the Supervisory Board  
Ralf Kindermann

The 2021 statement of compliance has also been made permanently available to the public on the company's website at <https://ir.bike24.com/> in the section ESG & Compliance.

## contact

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