

HALF-YEAR REPORT

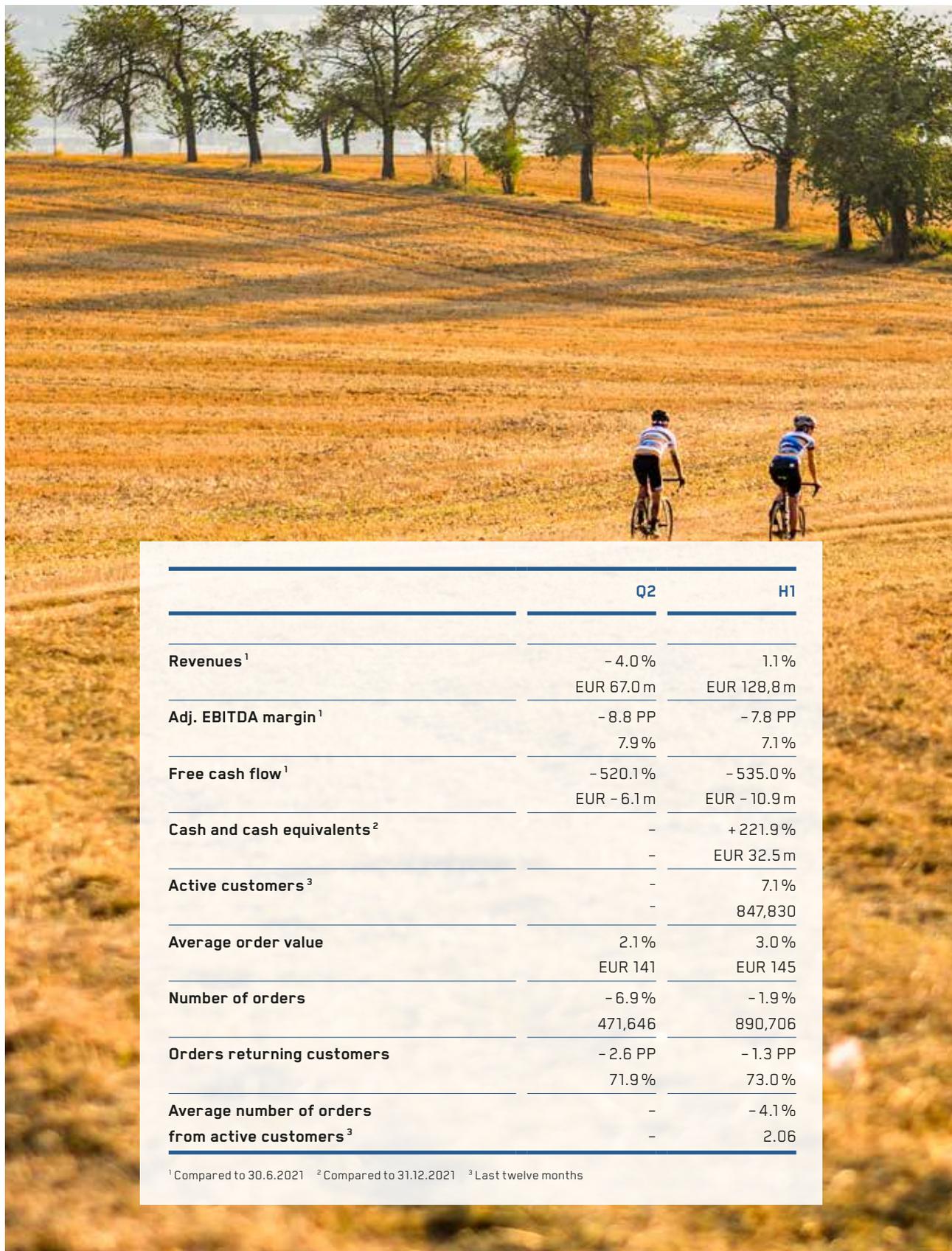
30 JUNE 2022



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BIKE24 AT A GLANCE



	Q2	H1
Revenues¹	- 4.0 % EUR 67.0 m	1.1 % EUR 128,8 m
Adj. EBITDA margin¹	- 8.8 PP 7.9 %	- 7.8 PP 7.1 %
Free cash flow¹	- 520.1 % EUR - 6.1 m	- 535.0 % EUR - 10.9 m
Cash and cash equivalents²	-	+ 221.9 % EUR 32.5 m
Active customers³	-	7.1 % 847,830
Average order value	2.1 % EUR 141	3.0 % EUR 145
Number of orders	- 6.9 % 471,646	- 1.9 % 890,706
Orders returning customers	- 2.6 PP 71.9 %	- 1.3 PP 73.0 %
Average number of orders from active customers³	-	- 4.1 % 2.06

¹ Compared to 30.6.2021 ² Compared to 31.12.2021 ³ Last twelve months

INTERIM GROUP MANAGEMENT REPORT

ABOUT THIS REPORT

This interim group management report provides information on the first half of 2022. In accordance with the option provided by section 52 (3) of the rules and regulations of the Frankfurt Stock Exchange, this 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 2021 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.

The following changes have occurred with regard to the Group's structure: A profit and loss transfer agreement was concluded between Bike24 Holding AG as the controlling entity and Best Bike Brands GmbH as the dependent entity on May 2, 2022, which was approved by the shareholders' meeting of Best Bike Brands GmbH in notarized form on May 5, 2022 and by the annual general meeting of Bike24 Holding AG on June 21, 2022. The profit and loss transfer agreement serves to establish a fiscal unity and was entered in the commercial register on June 29, 2022. Furthermore, a profit and loss transfer agreement was concluded between Bike24 Holding AG as the controlling entity and Bike24 Retail GmbH as the dependent entity on May 5, 2022, which was approved by the shareholders' meeting of Bike24 Retail GmbH in notarized form on May 5, 2022 and by the annual general meeting of Bike24 Holding AG on June 21, 2022. The profit and loss transfer agreement serves to establish a fiscal unity/tax group and was entered in the German commercial register on June 28, 2022.

OVERALL ECONOMIC ENVIRONMENT

Supply chains worldwide continue to be affected by bottlenecks in connection with the Covid-19 pandemic. In addition, the supply of certain inventory has become even more restricted as a result of the war against Ukraine in the first half of 2022. This has led to rising inflation in many areas and is placing a noticeable burden on both companies and private households. According to the DIW Berlin (German Institute for Economic Research), the consumer price index of the Federal Statistical Office, which measures the price development of goods and services purchased by private households for consumption purposes, recorded the highest rates ever measured in Germany since reunification.

Consumer prices in Germany, by far the most important market for BIKE24, rose by 7.5% year-on-year in July. This was announced by the Federal Statistical Office at the end of July on the basis of a preliminary estimate. In May 2022, inflation reached a new high of 7.9% year-on-year; in June, that figure was 7.6%. According to the Federal Statistical Office, the reason for the recent slightly weaker inflation were primarily short-term effects from temporary government relief measures. Consumer prices already rose noticeably by 3.1% last year. For 2022, current forecasts by the German Bundesbank predict overall inflation of 7.1%. This means that inflation would jump by almost six percentage points (pp) compared to the average of the last two decades.

Inflation in the euro zone accelerated in July as well and reached a record level. Compared with the same month a year earlier, consumer prices rose by 8.9%, according to Eurostat.

As cost-of-living rises, consumer sentiment is falling too. At minus 27.4, the consumer climate index surveyed in Germany by the Gesellschaft für Konsumforschung (GfK) reached its lowest level in July since 1991.

Even the e-commerce sector cannot escape the effects of war, rising utility prices and worried consumers, reports the industry association bevh. In January, bevh had still forecasted gross sales growth in the German e-commerce sector of 12 % to EUR 111 billion for 2022. This estimate can now no longer be maintained due to the Ukraine war. According to the report, revenues in the German e-commerce sector fell by 6.7 % from the beginning of April to mid-May, compared to the same period of the previous year.

BUSINESS PERFORMANCE

A tight supply situation and the generally challenging economic environment limited our growth in the first half of 2022. The number of active customers amounted to 848 thousand as of the reporting date June 30, 2022, an increase of 7.1% compared to the prior-year reporting date. While the number of orders declined slightly from 910 thousand in the previous year to 891 thousand, the average order volume increased from EUR 141 in the first half of 2021 to EUR 145 in the first half of 2022, an increase of 3%. Around 73% of orders (-1.3 pp) were placed by returning customers. The return rate of orders was again moderate at 17.4% after 17.8% in the previous year.

The Spanish, French and Italian markets, with their localized online stores, made an above-average contribution to the Group's growth, with business volumes rising by an average of around 102% to EUR 10.3 million.

REVENUE AND EARNINGS SITUATION

The Group generated revenues of EUR 128.8 million in the first half of 2022. Compared to the prior-year period, this corresponds to an increase of 1.1% (2021: EUR 127.4 million). At the same time, the cost of sales increased by 7.4% from EUR 85.0 million in H1 2021 to EUR 91.3 million. Accordingly, the cost of sales ratio rose by 4.2 pp from 66.7% to now 70.9%. The gross margin thus amounted to 29.1%, after 33.3% in the same period of the previous year.

Significant investments in the second management level in the second half of 2021 as well as one-off expenses for additional temporary staff to compensate for the Covid-related high level of sick leave in the first and second quarter of 2022 caused personnel expenses to increase by 20% to EUR 13.2 million (2021: EUR 10.9 million). Other operating expenses decreased by 10% to EUR 16.5 million (2021: EUR 18.3 million). In the previous year, other operating expenses included transaction costs related to the IPO of Bike24 Holding AG.

Earnings before interest, taxes and depreciation (EBITDA) decreased by 41% to EUR 7.7 million (2021: EUR 13.1 million). Adjusted for extraordinary expenses, which were expenses related to stock option plans and long-term bonus programs and, in the prior-year period, mainly consulting costs related to the IPO, the adjusted EBITDA amounted to EUR 9.1 million, compared to EUR 19.0 million in the prior-year period. As a percentage of sales, this corresponds to an adjusted EBITDA margin of 7.1%, compared to 14.9% in the previous year.

Depreciation and amortization resulted in an operating result (EBIT) of EUR 0.3 million after EUR 6.2 million. Adjusted for extraordinary expenses and amortization of customer base and brand value, EBIT decreased to EUR 6.7 million after EUR 17.0 million in the previous year. After deduction of interest and taxes, the Group recorded a net result of EUR -0.4 million after EUR 2.8 million in the first half of 2021.

NET ASSETS AND FINANCIAL POSITION

Net assets

The Group's total assets increased by 17 % to EUR 352.7 million as of June 30, 2022, compared to EUR 301.6 million as of December 31, 2021.

Non-current assets amounted to EUR 210.6 million, slightly above the level of the comparative reporting date as of December 31, 2021 (EUR 209.0 million), mainly due to an increase in property, plant and equipment of EUR 5.0 million, while intangible assets decreased by EUR 3.3 million. The increase in property, plant and equipment is related to investments in the new Southern European logistics center in Spain, which is currently under construction.

Current assets increased by 53 % or EUR 49.4 million from EUR 92.7 million to EUR 142.0 million in the first half of 2022. Within current assets, the partly seasonal hike in inventories led to an increase of EUR 24.2 million from EUR 68.2 million to EUR 92.4 million. Cash and cash equivalents increased by EUR 22.4 million to EUR 32.5 million due to the utilization of credit lines.

Non-current liabilities increased significantly by EUR 39.3 million, from EUR 50.3 million to EUR 89.6 million. The main driver was the aforementioned utilization of a credit line, which led to an increase in liabilities-to-banks of EUR 38.4 million to EUR 39.4 million.

Within current liabilities, trade payables amounted to EUR 20.8 million, EUR 9.5 million above the level of the comparative reporting date. The increase is mainly due to the higher level of inventories in current assets. Other liabilities, which mainly relate to provisions for personnel expenses, tax liabilities and returns, increased by EUR 1.4 million to EUR 15.3 million. Overall, current liabilities were EUR 11.4 million above the level of the comparative reporting date and amounted to EUR 39.4 million as of June 30, 2022.

Own equity increased slightly by EUR 0.4 million to EUR 223.7 million. However, due to the increases in non-current and current liabilities, the equity ratio decreased to 63.4 % as of the reporting date compared to 74.0 % as of December 31, 2021.

Financial position

BIKE24 generated a negative cash flow from operating activities of EUR - 10.9 million in the first six months of 2022, compared to EUR - 5.7 million in the same period of the previous year. The change is partly due to the lower net result for the period. The increase in inventories led to a cash outflow of EUR - 24.2 million compared to a cash outflow of EUR - 22.6 million in the previous year. The high increase in inventories is related to the early securing of goods due to still tensed supply situation.

At EUR - 5.3 million, the cash outflow for investing activities was higher than for the prior-year period of EUR - 2.3 million. The investments mainly relate to the new Southern European logistics center in Spain and, in the area of intangible assets, own work capitalized for the webshop and software.

BIKE24 recorded an inflow of funds from financing activities in the amount of EUR 38.6 million, compared to EUR 7.3 million in the prior-year period. The cash inflow resulted primarily from the utilization of a loan (EUR 39.0 million). Leasing liabilities of EUR - 0.8 million were exactly at the level of the prior-year period.

As of the balance sheet date, cash and cash equivalents amounted to EUR 32.5 million, compared to EUR 24.6 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, which was used up to the amount of EUR 40.0 million as of June 30, 2022.

OVERALL ASSESSMENT

Supply chain challenges or interruptions in the supply chain have eased in part, but the economic environment nevertheless remains very challenging, particularly due to rising inflation and the weakening consumer sentiment. Against this backdrop and in view of the high comparable period of the previous year, the management board assesses the development in the first two quarters of 2022 as solid. In operational terms, BIKE24 achieved two important milestones in its international expansion strategy with the launch of its local online shops in France and Italy. The strong revenue growth in the localized markets of more than 100% on average shows that the initial strategy is working. Overall, however, the challenging macroeconomic conditions led to a reassessment of the expectations for the current fiscal year 2022, so the Group has adjusted its forecast accordingly after the balance sheet date.

FORECAST REPORT

Business in the first half of the year was impacted by the war in Ukraine and its effects on the overall economic environment. The geopolitical tensions and uncertainties are having a negative impact on the global economy. This has resulted in supply bottlenecks, inflation and fears of recession.

The worsening of the overall economic situation meant that the Group had to adjust its previous forecast, which originally stated sales growth of +10% to +17% and an adjusted EBITDA margin of between 9% and 10%. Already in the course of publication of the results for the first quarter of 2022 in May 2022, the forecast was specified to the effect that, due to the difficult overall macroeconomic situation, results were expected to come in at the lower end of the forecasted ranges. Due to the further worsening of macroeconomic conditions since then, the Group now expects sales growth of -5% to +5% and an adjusted EBITDA margin of between 3% and 6% for fiscal year 2022.



EVENTS AFTER THE BALANCE SHEET DATE

On July 20, 2022, the Group revised its guidance. The forecast report reflects the adjusted expectations.

OPPORTUNITIES AND RISKS

The risk assessment system has not changed compared to the one used for the preparation of the Annual Report 2021. Regarding the assessment of individual risks, our regular risk update has resulted in a significant addition to the presentation of the main opportunities and risks in the Annual Report 2021; We have now included the risk "macroeconomic trends" under strategic risks, which we currently classify as "very high".

The war in Ukraine has caused great uncertainty among consumers. As a direct result of the war, consumer prices for energy and other utilities have risen significantly. In the event of a Russian gas boycott, heating and energy prices could be expected to rise even further. The increase in utility costs accelerates the already existing inflation trend and weakens customers' purchasing power. This could lead to a further drop in demand for discretionary products.

Dresden, August 9, 2022

Andrés Martin-Birner
CEO

Timm Armbrust
CFO



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

JANUARY 1, 2022 TO
JUNE 30, 2022

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS PURSUANT
TO § 115 WPHG FOR THE HALF-YEAR FROM JANUARY 1, 2022 TO JUNE 30, 2022
AND THE QUARTER ENDED JUNE 30, 2022

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS),
AS ADOPTED BY THE EUROPEAN UNION FOR THE BIKE24 HOLDING AG



I. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS (UNAUDITED)

in EUR k, except share and per share data	Note	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Revenue and other income					
Revenue	D.1	128,764	127,386	67,003	69,822
Other income		150	91	120	44
Total income		128,914	127,477	67,123	69,866
Operating expenses					
Personnel expenses	D.2	-13,183	-10,944	-6,588	-5,936
Expenses for merchandise, consumables and supplies	D.3	-91,315	-85,020	-47,048	-45,092
Impairment loss on trade receivables		-169	-91	-91	-56
Other expenses	D.4	-16,519	-18,299	-8,859	-11,175
Depreciation and amortization	D.5	-7,435	-6,965	-3,781	-3,545
Total expenses		-128,622	-121,319	-66,367	-65,803
Earnings before interest and taxes (EBIT)		292	6,158	756	4,063
Finance income and expenses					
Finance income		0	1	0	0
Finance expenses		-732	-1,953	-419	-851
Finance expenses, net		-732	-1,953	-419	-851
Loss/Profit before tax		-439	4,205	336	3,213
Income tax income (expense)	D.6	35	-1,366	-154	-1,044
Result for the period		-404	2,839	183	2,169
Other comprehensive result		0	0	0	0
Total comprehensive result		-404	2,839	183	2,169
Earnings per share					
Basic earnings per share	D.7	-0.01 €	0.08 €	0.00 €	0.06 €
Diluted earnings per share		-0.01 €	0.07 €	0.00 €	0.06 €
Weighted average ordinary shares outstanding (basic)		44,165,331	37,759,259	44,165,331	38,018,518
Weighted average ordinary shares outstanding (diluted)		44,165,331	37,769,342	44,165,331	38,038,684

II. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

in EUR k	Note	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Assets			
Intangible assets	E.1	128,809	132,135
Goodwill	E.1	56,753	56,753
Property, plant and equipment	E.2	25,043	20,065
Financial assets	E.3	6	3
Total non-current assets		210,610	208,955
Inventories	E.4	92,354	68,160
Other assets	E.5	12,225	10,197
Income tax receivables		3,032	2,352
Trade and other receivables		1,969	1,856
Cash and cash equivalents		32,468	10,086
Total current assets		142,049	92,651
Total assets		352,659	301,606
Equity			
Subscribed capital		44,165	44,165
Capital reserves		179,675	178,873
Retained Earnings		- 188	216
Total equity		223,652	223,254
Liabilities			
Liabilities to banks	E. 6	39,369	995
Other financial liabilities	E. 9	10,236	7,493
Provisions	E. 7	805	641
Deferred tax liabilities		39,178	41,168
Total non-current liabilities		89,588	50,296
Liabilities to banks	E. 6	19	11
Other financial liabilities	E. 9	1,879	1,577
Provisions	E. 7	1,384	1,304
Other liabilities	E. 8	15,301	13,866
Trade payables	E. 10	20,835	11,298
Total current liabilities		39,419	28,056
Total liabilities		129,007	78,352
Total equity and liabilities		352,659	301,606

III. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

in EUR k	Note	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021
Cash flow from operating activities			
Result for the period		- 404	2,839
<i>Adjustments:</i>			
- Depreciation and amortization	D.5	7,435	6,965
- Write-ups	E.3	-2	-3
- Finance income		-	-1
- Finance expenses		732	1,953
- Income tax (income) expense	D.6	-35	1,366
- Share-based compensation expenses		801	40
- Employee stock expenses		2	-
- Transaction costs		-	3,651
		8,528	16,811
<i>Changes in:</i>			
- Inventories	E.4	-24,195	-22,628
- Trade and other receivables		-113	82
- Other assets	E.5	-3,160	-3,910
- Trade and other payable	E.10	9,537	8,348
- Other liabilities	E.8	1,436	6,702
- Provisions	E.7	244	-1,176
Cash generated from operating activities		-7,722	4,229
Interest paid		-569	-2,641
Income taxes paid		-2,635	-7,319
Net cash from operating activities		-10,926	-5,731
Cash flow from investing activities			
Acquisition of property, plant and equipment	E.2	-3,070	-1,609
Acquisition of intangible assets	E.1	-2,211	-655
Net cash used in investing activities		-5,281	-2,264
Cash flow from financing activities			
Proceeds from the issue of shares (less costs)		-	97,000
Payments related to the issue of shares		-	-975
Proceeds from transactions with owners		352	-
Proceeds from liabilities to banks		39,000	980
Repayment of liabilities to banks		-	-88,880
Payment of lease liabilities		-763	-786
Net cash used in/from financing activities		38,589	7,339
Increase (decrease) in cash and cash equivalents, net		22,382	-657
Cash and cash equivalents at beginning of the period		10,086	25,235
Cash and cash equivalents at the end of the period		32,468	24,579

IV. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

in EUR k	Subscribed capital	Capital reserves	Retained Earnings	Total equity
Balance as of January 1, 2022	44,165	178,873	216	223,254
Share-based compensation	-	801	-	801
Issue of employee shares	0	2	-	2
Result for the period	-	-	- 404	- 404
Total comprehensive result	-	-	-	-
Comprehensive result	0	802	- 404	398
Balance as of June 30, 2022	44,165	179,675	- 188	223,652

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

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

A. Principles of the interim consolidated financial statements

A.1 Company information

Bike24 Holding AG (hereinafter referred to as the "Company" or, together with its subsidiaries, "Bike24 Group") is a stock corporation formed by conversion of Bike24 Holding GmbH, with its registered office in Dresden (Dresden Local Court, HRB 41023) and entered in the Commercial Register of the Dresden Local Court Department B under the official number 41483 on June 1, 2021. The Company has its headquarter at Breitscheidstraße 40, 01237 Dresden, Germany.

The Bike24 Group runs an e-commerce store and a local store (two stores since July 2022) and is primarily involved in the trade of high-quality bicycles, bicycle parts, bicycle accessories, bicycle clothing as well as running, swimming and outdoor articles.

The condensed consolidated interim financial statements of the Bike24 Group were neither audited within the meaning of section 317 of the German Commercial Code (HGB) nor reviewed in accordance with section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) and were authorized for issue by the Executive Board on August 10, 2022.

A.2 Basic principles of financial reporting

These condensed consolidated interim financial statements as of June 30, 2022 and June 30, 2021 have been prepared in accordance with International Financial Reporting Standard 34 "Interim Financial Reporting" as adopted by the European Union ("EU") ("IFRS"). The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS as adopted by the EU, taking into account the recommendations of the International Financial Reporting Standards 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 otherwise stated. The condensed consolidated interim financial statements have been prepared in Euro ("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 profit or loss has been prepared using the nature of expense method.

The condensed consolidated interim financial statements are 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 Bike24 Group's main season is spring and summer, therefore the quarterly results fluctuate.

The Ukraine crisis prevailing since the end of February 2022 had a minor direct impact on the business activities of the Bike24 Group in the first half of the year. Deliveries to Russia, Belarus and Ukraine have been suspended since the beginning of March 2022; due to the low share of sales in the past (< 2%), this has no significant impact. Impairments of transport routes or delivery interruptions could be avoided as far as possible.

Indirect consequences of the war in Ukraine are economic downturns and reduced growth expectations. These were used as the basis for conducting 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 2021, except for:

Cash and cash equivalents

Cash and cash equivalents as of June 30, 2022 include cash at banks, cash equivalents and short-term financial investments.

Significant accounting estimates, assumptions and estimation uncertainties

The preparation of Bike24 Group's condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the 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.

In 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 financial year ended December 31, 2021.

C. Segment reporting

The Bike24 Group consists of a single operating and reporting segment, which is based on how the chief operating decision maker (CODM) assesses the Bike24 Group's performance 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 industries.

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

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Germany	71,862	73,756	37,940	41,211
Austria and Switzerland	13,598	13,202	7,127	7,193
Rest of European Economic Area	33,628	30,678	17,770	16,390
Rest of the world	9,677	9,749	4,166	5,028
Total	128,764	127,386	67,003	69,822

With the exception of Germany, no other country accounted for more than 10% of the Bike24 Group's revenue.

Substantially all amounts classified within revenues are derived from the sale of goods. No single customer accounted more than 10% to the Bike24 Group's revenues in the fiscal years presented.

Non-current assets of the Bike24 Group valued at EUR 204,802 k are located in Germany, the portion located in Spain amounts to EUR 5,803 k. In the previous year, all significant non-current assets were located in Germany.

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

D.1 Revenue

Revenue by product category are as follows:

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Parts, accessories and clothing	112,460	112,782	58,064	62,364
Traditional and e-bikes	16,303	14,604	8,939	7,458
Total	128,764	127,386	67,003	69,822

The first half of 2021 was still influenced by the effects of the COVID 19 pandemic and the associated shift from offline to online business. From the third quarter of 2021, the COVID-19 effect declined. In addition, customer demand decreased in H1 2022 due to the significant deterioration in macroeconomic conditions.

In the previous year, "Parts, accessories, and apparel" were reported separately for the cycling segment and the Outdoor, running, and swimming segment ("Other"). For the first half of 2022, "Other" accounted for EUR 28,790 k (first half of 2021: EUR 28,719 k) and for the second quarter of 2022, EUR 14,432 k (Q2 2021: EUR 15,175 k). For better comparability of the published financial data, these areas have been combined as "Parts, accessories and apparel".

D.2 Personnel expenses

Personnel expenses consist of the following:

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Wages and salaries	-7,854	-5,640	-4,008	-2,858
Social security costs	-1,637	-1,179	-847	-621
Other personnel expenses	-2,752	-2,819	-1,340	-1,606
Expenses for LTIP	-139	-162	-71	-111
Expenses for growth bonuses/IPO bonuses	-	-1,104	-	-700
Expenses for share-based payments	-801	-40	-321	-40
Total	-13,183	-10,944	-6,588	-5,936

During the six-month and quarterly periods ended June 30, 2022, wages and salaries increased due to increased headcount. Furthermore, additional temporary staff were deployed to compensate for the Corona-related level of sick leave. Expenses for growth bonuses and non-recurring bonuses in the previous year were related to the successful IPO.

In the first half of 2022, a further tranche of stock options was granted to two Executive Board members and one employee in management position under the existing stock option program. The grant date corresponds to the date of signing of the subscription declaration by the Executive Board members and was between March 20 and April 2, 2022. In addition, the executive board and 14 employees in management positions were informed about a possible grant which is dependent on target achievement, in fiscal year 2023. The dates of the information letters, April 5, and June 28, 2022, serves as the provisional grant date.

For each employee, the weighted fair value of their stock options was determined using the Black-Scholes formula with the respective daily share price on the grant date or provisional grant date. A total of 462,232 additional stock options with a weighted average fair value of EUR 1.33 were granted. No stock option was exercised as of June 30, 2022. The expense in the first half year of 2022 amounts to EUR 801k.

D.3 Expenses for merchandise, consumables and supplies

The increase in the cost of merchandise, consumables and supplies in the first half of 2022 and the second quarter of 2022 compared with the same periods of 2021 is related to the extensive inventory build-up to ensure delivery capability. The increased price pressure could not be passed on to customers in full, as a result of which the materials usage ratio (cost of merchandise, consumables and supplies divided by sales) and the margin deteriorated.

In the first quarter of 2022, impairment losses of EUR 262k were recognized on inventories. The sale of old inventories resulted in a reversal of valuation allowances in the second quarter of 2022 of EUR 191k. This results in impairment losses on Inventories classified as Expenses for merchandise, consumables and supplies of EUR 70k for the first half of 2022.

D.4 Other expenses

Other expenses consist of the following:

EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Selling expenses	-10,462	-9,993	-5,400	-5,515
Performance marketing expenses	-1,762	-524	-1,144	-382
Transaction costs	-	-3,651	-	-2,769
Other operating expenses	-4,295	-4,131	-2,315	-2,509
Total	-16,519	-18,299	-8,859	-11,175

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

Due to numerous marketing campaigns in the context of internationalization and new customer acquisition, as well as a major image campaign in the first quarter of 2022, performance marketing costs are significantly higher than in the prior-year period.

Transaction costs in the first half of 2021 mainly comprise consulting fees and audit fees for the IPO. Recoverable transaction costs according to IAS 32 amounted to EUR 397k.

At EUR 4,295k, other operating expenses were slightly higher than in the prior-year period (EUR 4,131k). In particular, the costs for software rental and maintenance as well as travel expenses are the reason for this increase.

D.5 Depreciation and amortization

Depreciation and amortization consist of the following:

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Amortization of intangible assets	-5,536	-5,294	-2,789	-2,650
Depreciation of property, plant and equipment	-1,899	-1,671	-992	-895
Total	-7,435	-6,965	-3,781	-3,545

D.6 Income tax expenses

Current taxes for the first half of 2022 have been determined by calculating the earnings before tax according to local generally accepted accounting principles eliminating goodwill amortization according to local generally accepted accounting principles to obtain the tax expense. 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% (2021: 31.58%) has been applied to calculate the current tax expense. The tax rate is applicable for the full year 2022.

D.7 Earnings per share

In the calculation of diluted earnings per share as of June 30, 2022, 531,335 (June 30, 2021: 10,036) options from the stock option program were not taken into account, as it would have a non-dilutive effective.

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

E.1 Intangible assets and goodwill

Investments in intangible assets amounted to EUR 2,211 k for the first half of 2022 and EUR 1,172 k for the second quarter of 2022 relate to internally generated software under development in the amount of EUR 821 k for the half-year and EUR 431 k for the second quarter of 2022.

Goodwill

Due to the development of macroeconomic conditions and decrease in market capitalization, the Company considered this as a "triggering event" as the market capitalization was lower than the carrying amount of equity. As a result, Bike24 Group performed an impairment test at the cash generating units (CGU) level as of June 30, 2022.

The recoverable amount of the CGU group is determined on the basis of fair value less costs to sell. The fair value is based on discounted cash flows. The key assumptions used in determining fair value less costs to sell are the underlying discount rates and growth rates of Revenue and the perpetual annuity on profit 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 industry growth forecasts.

The cash flow forecasts determined by the Bike24 Group are based on the current business plan approved by the Board of Directors for the next five years and revenue forecasts for the further ten years, with cost rates remaining the same. This includes the following growth assumptions: revenue growth in the next five years of approximately 20 % p. a. based on the growth strategy in the European market. The growth rate in perpetuity is set at 2 %.

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

in per cent	June 30, 2022	December 31, 2021
Discounted interest rate	9.23	7.84
Perpetual annuity	2.00	2.00
Estimated revenue growth rate (average over the next five years)	20.40	24.04
Estimated revenue growth rate (average over the next ten years)	5.00	5.00
Estimated costs of disposal	1.00	1.00

Despite the significant decline in market capitalization and the significant deterioration in future business developments there were no indications of goodwill impairment as of June 30, 2022.

E.2 Property, plant and equipment

Investments in property, plant and equipment of EUR 833 k in the second quarter of 2022 and EUR 3,070 k in the first half of 2022 mainly relate to investments for the warehouse in Spain and advance payments for the remodeling of office space.

E.3 Financial assets

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

E.4 Inventories

The significant increase of inventories is partly due to seasonal factors and partly to ensure delivery capability vis-à-vis our customers due to the tight situation on the procurement markets.

E.5 Other assets

The increase in other assets is mainly due to the increase in prepayments for Inventories and higher pre-tax receivables.

E.6 Loan liabilities

As of June 30, 2022, non-current liabilities to banks of EUR 39,369k relate to a new loan agreement concluded in June 2021; the increase compared with December 31, 2021 results from further loan drawings in the first half of 2022.

E.7 Provisions

In accordance with IAS 19, non-current other provisions include provisions for other long-term employee benefits (LTIP) in an amount of EUR 325k as of June 30, 2022. In addition, the non-current portion of the warranty provision in the amount of EUR 418k is included in other non-current provisions, while the current portion of this provision in the amount of EUR 1.354k is included in current provisions.

E.8 Other liabilities

The increase of EUR 778k in obligations for returns and the EUR 1,280k increase in VAT liabilities to foreign tax authorities are the main reasons for the increase in other liabilities.

This is offset by the reduction of liabilities recognized in the previous year for growth bonuses in the amount of EUR 1,000k, which are related to the successful IPO and were paid out in June 2022.

E.9 Other financial liability

The obligation from unrecognized leases reported in the 2021 financial statements has been recognized as a lease liability in these financial statements due to the contractual fulfillment, resulting in a significant increase in value compared with the value reported in the 2021 financial statements.

E.10 Trade payables

Trade payables increased due to the increase in inventories since December 31, 2021. For information on inventories, please refer to Note E. 4.

F. Financial instruments and financial risk management

F.1 Classification 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 that are not measured at fair value if 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, 2022 in EUR k	Carrying amount 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	-	-	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		-	-	-	-

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

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

Financial instruments are not offset because 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 takes into account all factors that market participants would consider when pricing such a transaction. The valuation model for investments is based on expected future cash flows. The fair value of the loan liabilities 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 2022.

F.2 Capital Management

The Bike24 Group is financed by current 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 and releases weekly bank transfers, thus monitoring 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. In addition, management prepares a cash budget, 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 capital management objectives were met.

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

G. Other information

G.1 Related parties and companies

G.1.1 Transactions with related parties and companies

a) Compensation of and business transactions with key management personnel.

Compensation of key management personnel is as follows:

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Services due at short notice	747	632	258	337
Expenses for stock options	685	-	282	-
Other services		457	0	243
Total	1,433	1,089	539	580

Other employee benefits include liabilities for profit and loss sharing.

Members of the management in key positions or persons closely related to them can purchase goods from the Bike24 Group at employee conditions.

b) Other business transactions with related parties

in EUR k	Amount of the transaction for the period from				Outstanding balances as of	
	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021	June 30, 2022	December 31, 2021
Services from related companies	86	136	49	67	34	-
Income from the recharging of IPO-related costs	-	-795	-	-795	-	419
Total	86	-658	49	-727	34	419

Services from related parties mainly comprise service fees for management services and supplies of goods. The balances are not collateralized and were not impaired in the periods presented.

c) Transactions with members of the Advisory Board

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Services due at short notice	0	9	0	1
Other services	0	1,046	0	581
Total	0	1,055	0	582

The Advisory Board was active until May 31, 2021 and was replaced by the Supervisory Board in the course of the IPO.

In the previous year, other benefits included growth bonuses that were partially paid out in the second quarter of 2021 following the successful IPO. The outstanding liabilities of the previous year were settled in the second quarter of 2022.

d) Remuneration of members of the Supervisory Board

The compensation of the members of the Supervisory Board is as follows:

in EUR k	January 1, 2022 - June 30, 2022	January 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	April 1, 2021 - June 30, 2021
Services due at short notice	58	0	25	0
Total	58	0	25	0

Other liabilities include EUR 58 k in outstanding payments to the Supervisory Board.

G.3 Subsequent events

On July 20, 2022, the Bike24 Group adjusted its forecast for the current year due to the difficult macroeconomic conditions. The management assumes that the originally expected revenue growth of +10% to +17% will not be achievable due to longer-term adverse macroeconomic boundary conditions and clouded consumer sentiment. The current forecast assumes sales growth of -5% to +5%.

Dresden, August 9, 2022

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, 2022

The Management Board

Andrés Martin-Birner Timm Armbrust

