

Annual Report

2022

We make the bike.

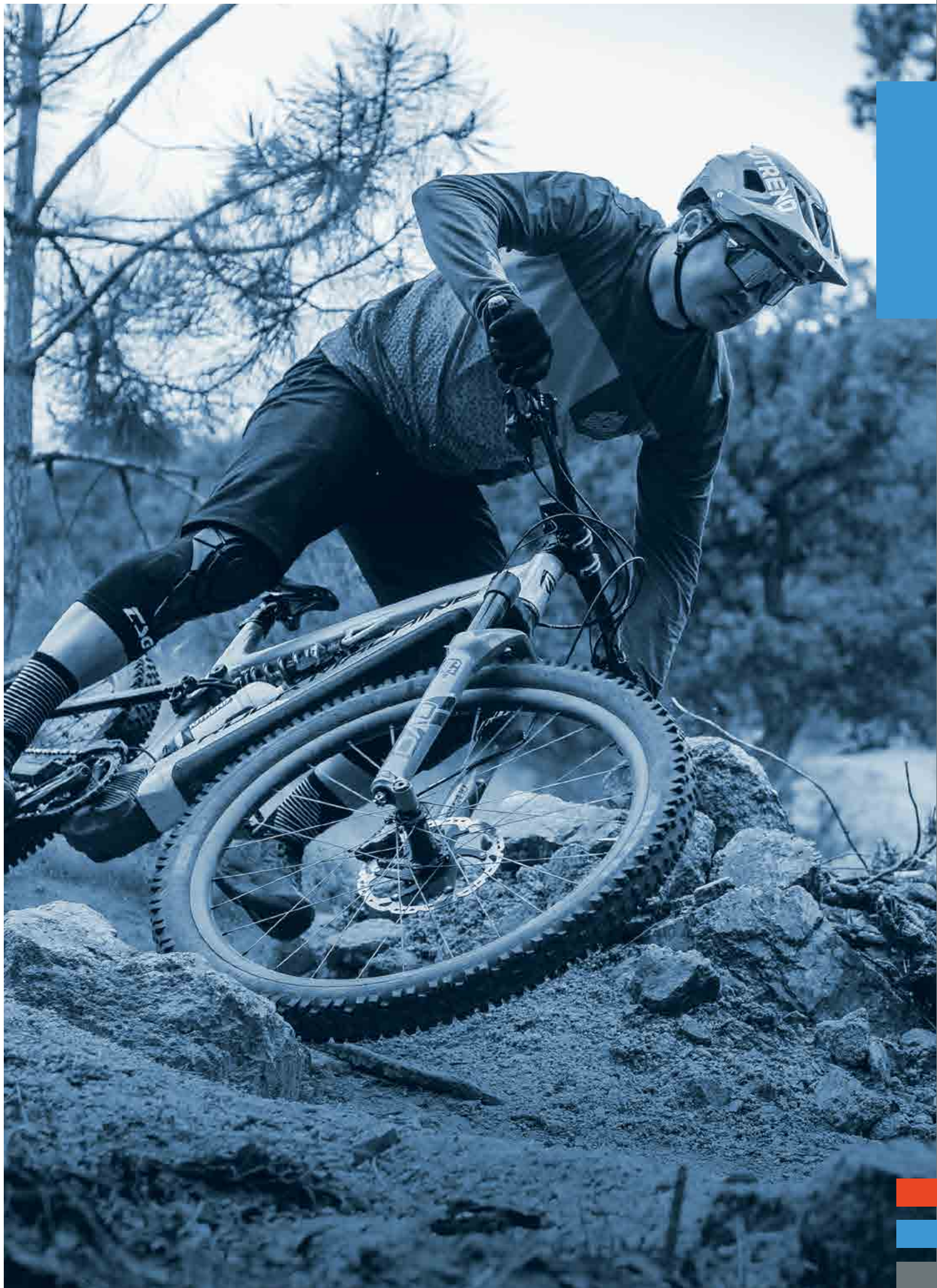


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Foreword by the CEO of BIKE FUN International

The 2022 fiscal year was an extremely dynamic period for markets in Europe. In the first half of the year, there was huge euphoria on the market due to consumer interest, which was hampered by problems in the supply chain. In the latter half of the year, especially towards the end, there was a partial sobering up and cooling of market growth dynamics.

For BIKE FUN International, 2022 was a period of records. We achieved our highest turnover ever – for the first time in the company's history exceeding CZK 2.5 billion. This was especially due to the production and sale of the largest number of electrical bikes in history. We successfully continued our brand growth strategy and we achieved the best results in this area too, better than ever before. We added new production lines and installed modern equipment to increase warehouse efficiency. However, not everything developed as we would have wished. In the area of inventory in particular, the price we paid for continuous production was increased stock.

It was confirmed again in 2022 that we have a strong team able to quickly respond to the changing market situation. Thanks to the approach of our employees, we managed changes, challenges, and emergencies in our supply chain and maintained interest in our products among our clients. Our people deserve great thanks for their hard work, engagement, and support. We extended our team in the course of the year to cover the increased production and reinforced professional staffing of several key positions.

Our ambition for next year is to continue the growth trend. Despite the worsening economic situation, we believe in our potential, mainly in the category of electric city bikes and premium mountain bikes, which are our key markets. At the same time, we would like to focus on process consolidation and cross-function collaboration, improvement of cash position and cost optimisation.

Tomáš Hájek | CEO of BIKE FUN International



Enjoy reading our annual report!



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Foreword by the managing director of Consillium

The world of cycling has changed

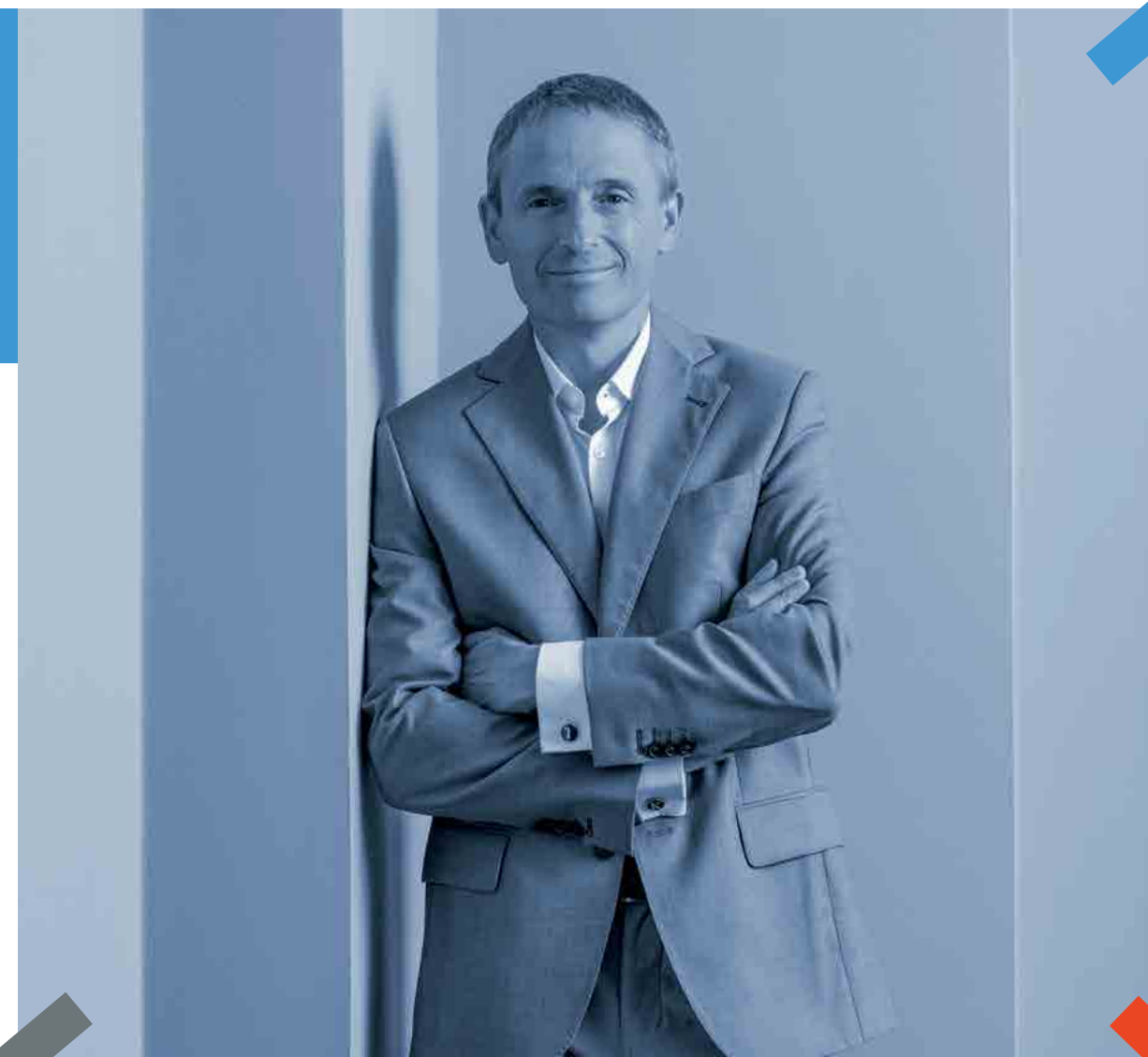
Time is flying. BIKE FUN International ("BFI") and Consillium joined paths 2 years ago already. During that time, the world of cycling has changed in an unprecedented way. The whole market resembles the 11th and 12th Alpine stage of this year's Tour de France. Up and down, high temperatures, a protest that stopped the peloton. Excess demand, reduced demand, Covid closures, component shortages. Just like the racers did not stop for anything and the Tour will be here for ever, and for ever famous, the bicycle market will not stop either. Bikes are part of everyday life. They take you wherever you need. We have fun. They help us exercise. You can ride alone or in a team.

The purpose of this foreword is to express my optimism about the bright future of the cycling industry in general and BFI in particular, because bad news can be found all over the internet. I firmly believe that the excellent result of 2021, when BFI produced and sold over 189,000 bikes, will be followed by further successful years and BFI will achieve its goal expressed in their Vision for 2030, to sell 400,000 bikes, a couple of years earlier. Why do I believe that?

The BFI team, in combination with their technological background, extended step by step with further investments in the Air lines and other equipment and technologies, is like our best racing bike, the Team Issue R: the right components, which are well treated, a dynamic frame, and correctly inflated tyres. That is why we have to develop the skills of all of our team members, enable their growth, learning, and last but not least, ensure fair remuneration for their work. This is a big challenge, among other things with regard to the increasing number of employees working at BFI, which should soon exceed 600. I hope we will all fit in at the Fox Mill for next year's corporate event.

The bicycle – a part of everyday life

The structure of our bike production reflects the market demand – the importance of bikes as a means of transport is still growing in Europe,



so two thirds of our sales revenue comes from city bikes. Interest in electric bicycles keeps growing too and their share in our production has already reached one third and is continuing to grow. Electric city and road bikes have become a key BFI product.

Another piece of good news is that demand for our in-house brands, Superior, Rock Machine, Frappé, and ONE Bikeparts, keeps increasing, earning our company over CZK 1 billion in revenue last year for the first time. Utilisation of the synergies from production and sales of in-house brands and Cortina, and of course also brands by other customers, is key for the company's economy in the long run.

And because repetition is the mother of learning, it is necessary to emphasise the quality of our products, their innovative spirit and, last but not least, seek cost savings in all processes carried out in our company.

Tomáš Klápště | Managing Director of Consillium



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Selected Economic Data












“Our company has just achieved a record turnover in its history. The turnover was supported by the largest ever sales of our in-house brands and increased sales of electric bikes in general. This success was achieved despite the very difficult situation in our supply chain.”










Petr Sazovský | Finance Director








NUMBER OF BICYCLES PRODUCED

	FY 2020	BICYCLES → 116,403 units		165,768
		ELECTRIC BICYCLES → 49,365 units		Total units
	FY 2021	BICYCLES → 122,852 units		152,530
		ELECTRIC BICYCLES → 29,678 units		Total units
	FY 2022	BICYCLES → 127,359 units		189,182
		ELECTRIC BICYCLES → 61,823 units		Total units

NUMBER OF BICYCLES SOLD










 	FY 2020	BICYCLES → 122,876 units		172,639
		ELECTRIC BICYCLES → 49,763 units		Total units
 	FY 2021	BICYCLES → 123,658 units		156,699
		ELECTRIC BICYCLES → 33,041 units		Total units
 	FY 2022	BICYCLES → 133,343 units		190,664
		ELECTRIC BICYCLES → 57,321 units		Total units

BICYCLE SALES

 	FY 2020	BICYCLES → CZK 1,158 million	2,172
		ELECTRIC BICYCLES → CZK 1,014 million	In total in CZK million
 	FY 2021	BICYCLES → CZK 1,054 million	1,849
		ELECTRIC BICYCLES → CZK 794 million	In total in CZK million
 	FY 2022	BICYCLES → CZK 1,046 million	2,513
		ELECTRIC BICYCLES → CZK 1,467 million	In total in CZK million

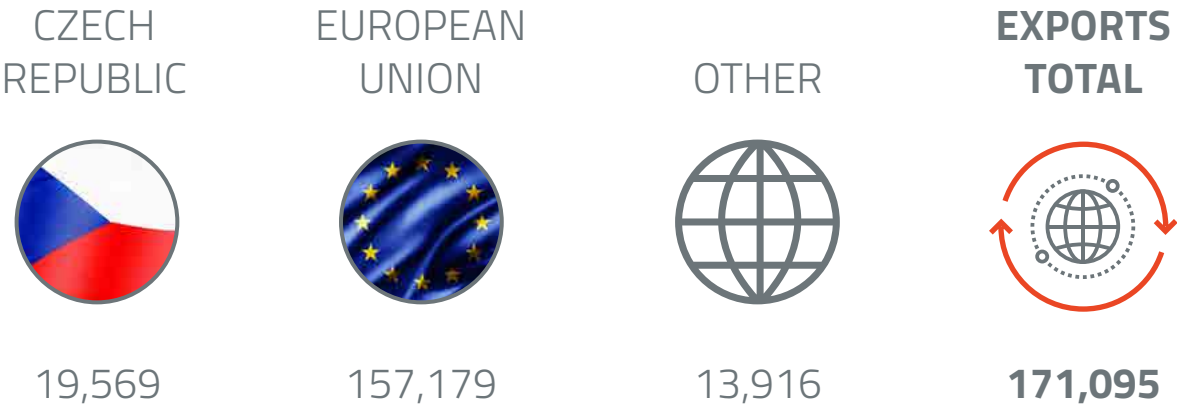
FY = Fiscal Year

SALES OF OUR BRANDS

  	FY 2020	BICYCLES	→ 42,863 units	CZK 462 million
		ELECTRIC BICYCLES	→ 12,302 units	CZK 387 million
		ALL BICYCLES	→ 55,165 units	CZK 849 million
  	FY 2021	BICYCLES	→ 40,921 units	CZK 506 million
		ELECTRIC BICYCLES	→ 7,544 units	CZK 266 million
		ALL BICYCLES	→ 48,465 units	CZK 772 million
  	FY 2022	BICYCLES	→ 44,951 units	CZK 435 million
		ELECTRIC BICYCLES	→ 18,292 units	CZK 606 million
		ALL BICYCLES	→ 63,243 units	CZK 1,041 million



MARKET SURVEY



RIDGEBACK
CONWAY

WE SOLD **127,421 BICYCLES**
TO OUR OEM CUSTOMERS

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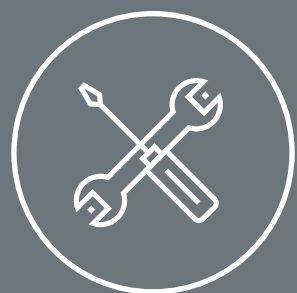
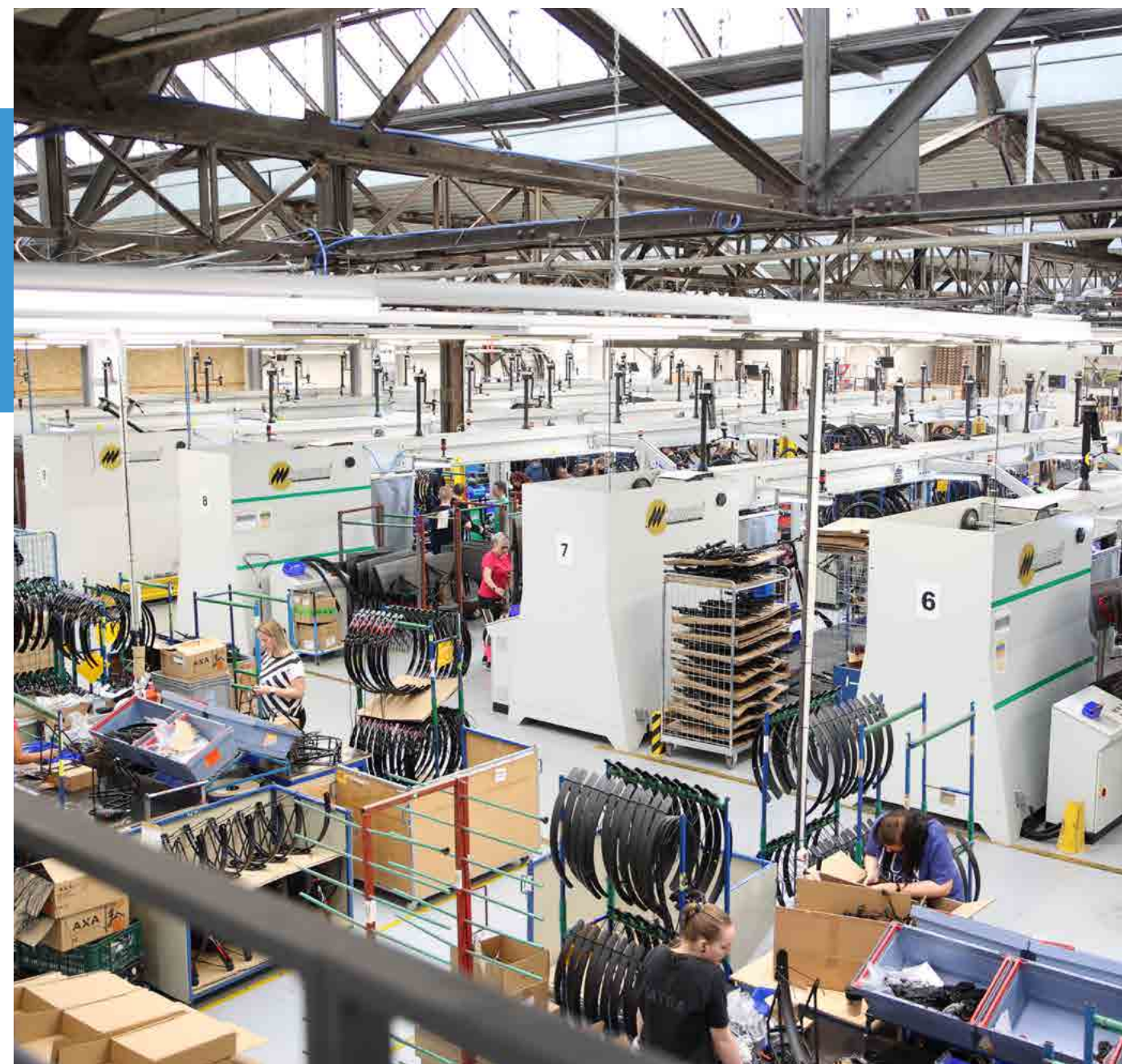
Production – Summary

”

Production capacity fluctuated between 6 and 9 lines in accordance with individual Covid waves and material availability. After the summer holiday period, we launched production line No. 10. We introduced the new position of TWI trainer for quicker and more consistent onboarding, and for training new employees. We also created a new team of process technologists. They take care of work procedures, line balancing, and better workplace creation, including instruments and tools.

“

Martin Kocúrek | Operations Director



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Sales – Summary

”

The total number of bicycles sold was 22% higher in FY 2022 than in FY 2021, with a total of 190,664 units. The number of e-bikes sold increased by 73% to a total 57,321 units in terms of units sold, and even by 85% in terms of generated turnover compared to FY 2021. Our bicycles were exported to 28 countries, with the largest markets being the Netherlands with nearly 52%, followed by the Czech Republic with a 10% share, and France with 7.5%.

“

Martin Guráš | Sales Director



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Our Brands

SUPERIOR

ROCK MACHINE

Frappé

ONE
BIKEPARTS



B2B Presentation

Distributors' meeting

In June 2022, we welcomed our distributors in Prague. In the spirit of our motto **"Ride together, grow together"**, we introduced them to the 2023 collection of our brands, including Superior, Rock Machine, Frappé, Sport Drive, and ONE Bikeparts.

5 days of meetings and get-togethers

150 new bicycle models for 2023

27 distributors

500 + guests

10 cycling magazine editors

+ Introduction of our product visions for the future
(Superior Future Corner and Rock Machine Black Box Room)

Eurobike

Our brands were presented at the world's largest bike fair. Over 60,000 visitors saw our exhibition focused on our Superior, Rock Machine, Frappé, Sport Drive, and ONE Bikeparts brands.





Superior

SUPERIOR





MISSION
PARIS 2024
SUPERIOR

Superior proves that
it's one of the top world
bicycle brands



Superior supports several
successful athletes, such as
alpine skiing champion
Martina Dubovská



Ramona Forchini
on a Superior finished
in 3rd at the World Cup



The riders of the jb Brunex
Superior Factory Racing team,
supported by Superior, have
a chance to be on the starting line
of the Olympic bike race



Superior presents
a new positioning
and a new campaign,
Superior Moments



Superior can be seen
at international events,
such as Pro Days,
Happy Bikes





Rock Machine

ROCK
MACHINE





Rock Machine focuses on popular e-bikes, adhering to the philosophy of "FUN FIRST"



The "Quentin RockMachino" campaign scored success



The professional public appreciated Rock Machine for its "WHISION" concept



In the spirit of the "FUN FIRST" motto, a new division was introduced on April Fool's Day, called Rock Marine, and even Mother's Day was not forgotten



The Blizzard model scores in racing fields



A combination of 3D printing and CGI technology can be an effective tool for brand promotion



Rock Machine has reached millions on social media





Frappé

Frappé





Ladies' city bikes enjoy constant customer favour



Fuzed is praised at a trade fair, customers will ride it in 2024



The portfolio of city e-bikes will be extended with bikes based on a proprietary drive solution - the 4th generation Sport Drive



Frappé makes its mark on the world



Frappé has a new logo - with its own symbol



For 2023, there is a scheduled online campaign called Discover Places to address end customers in Benelux





ONE Bikeparts

ONE
BIKEPARTS

Fit to you and your bike

The scope of our activity is enormous:
The cycling accessories and equipment market
in the EU reaches **EUR seven billion**.

That is why the **accessory programme** is one of the
pillars of the future strategy of BFI.

The ONE Bikeparts brand offers a number of unique
products that perfectly fit **Superior and Rock Machine**
bikes **and their users** – and not only in the physical
sense, but also in the sense of meeting all their needs
in any situation.

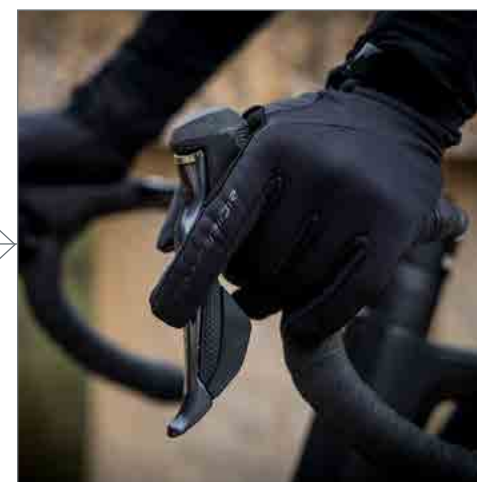


We're growing! In the 2022
fiscal year, we achieved
a **record turnover**
in the brand's history



Our products are being
sold on **22 European**
markets

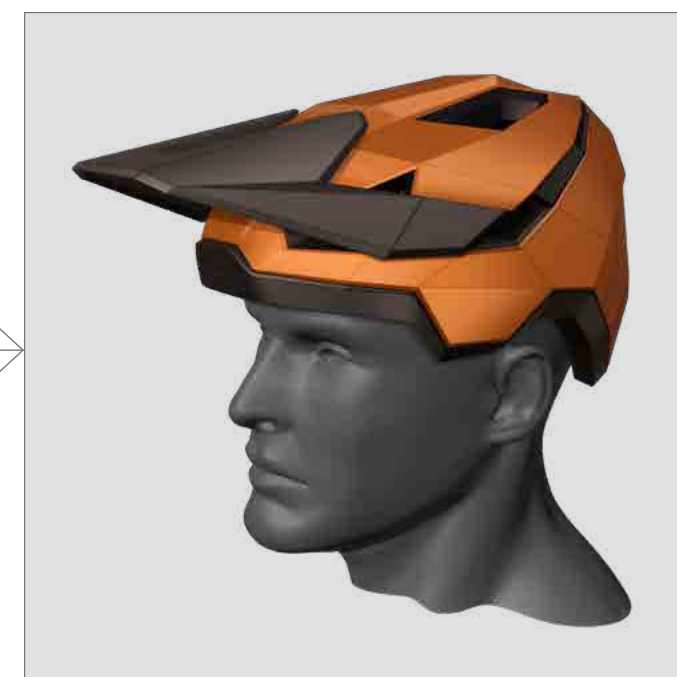




Best-selling categories:

- ① clothing
- ② helmets
- ③ satchels

Unique products are our priority. That is why we have launched several new projects in the area of development: for example our trail helmet project.



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Purchasing

Fiscal Year 2022



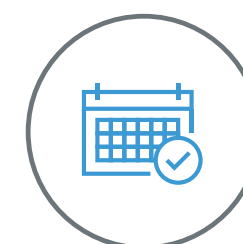
- We deployed **KARDEX** in the warehouse to improve automation in picking connection materials and stickers. The innovation will shortly be put into operation. We also completed changes in the process of material picking for production lines. Thanks to six order pickers our picking **effectiveness increased** in the area of material supply to production lines **by 20%**.
- We also accelerated and simplified the unloading of containers with the help of a **CartonMover**, which cannot be used as we would like, though, because unfortunately we don't just unload materials at the loading ramp. Luckily, this condition is temporary. To be on time with materials is a miracle.
- Not a single outage in the supply chain area for the whole year. In FY 2022, purchasing was implemented in fire fighting mode.
- We completed the first part of the **planning process improvement**, project including **digitisation** and conversion to capacity planning. We know where we want to improve, and in 2023 we would like to take the first steps towards implementing capacity planning and APS. This department, too, is under extreme pressure due to the unstable supply chain.



Thanks to new developments in the warehouse, its effectiveness was **increased by 20%**



Soon, we will use the **CartonMover 100%**



Despite difficult times, our planning is **moving forward**

Types of transport/comparison to 2021



	2021	2022
Road transport	1,342	1,588
Parcel services	1,148	827
Sea transport	498	515
Air transport	32	70
Rail transport	18	36
Other transport modes	17	5
TOTAL	3,055	3,041

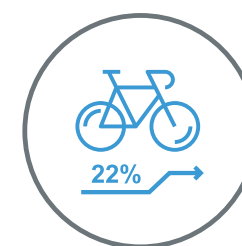
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Sales

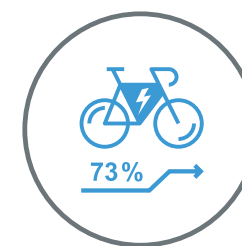
Fiscal Year 2022



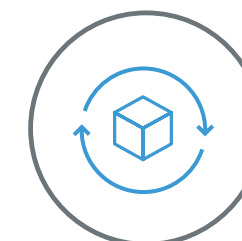
- In FY 2022, the total number of bicycles sold was 22% higher than in FY 2021, with a total of **190,664 units**.
- The number of e-bikes sold increased by 73% in terms of units sold, with a total of **57,321 units**. In terms of turnover, the increase in e-bikes even reached 85% compared to FY 2021.
- Our bikes were exported to **28 countries**, the largest market being the **Netherlands** with a 52% share, followed by the Czech Republic with a 10% share, and France with a 7.5% share.
- This year, towards the end of our FY, we achieved the historically lowest bike stock of **12,484 bikes** in total, and only **72 bikes in free-sale stock**.
- The number of e-bikes sold increased by **74% in terms of units sold** (57,321 units), and by **85% in terms of turnover**.
- The highest increase in sales of our brands was achieved by **Rock Machine** thanks to the adopted strategy of replacing the **Shimano** parts in shortage. The increase reached 58% (34,191 units), in terms of turnover, meaning +70%.
- The biggest distributor of our in-house brands was not a Czech distributor but, for the first time, a **Frenchone**.



The number of bikes sold was **22% higher**



The number of e-bikes sold **increased by 73%**



Our bikes were **exported to 28 countries**

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Production

Fiscal Year 2022



- During FY 2022, **four new Air assembly lines** were added, roughly one per quarter.
- The digitisation project included the introduction of **online reporting of pre-assemblies** by readers.
- Our paint shop was modernised by **increased cooling** after the final paint application.



We have **4 new** assembly **lines**



Online readers



Modernised **cooling** after painting



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Our People

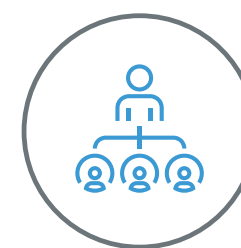
Fiscal Year 2022



- During FY 2022, we managed to find, recruit, and maintain a lot of **skilled people**.
- Thus, we stabilised line 6 and were able to launch lines 7, 8, and 9, one after the other. In total, we **increased our staff numbers by more than 22%** (105 employees).
- A great help in new employee orientation, stabilisation, and training was the newly established position of **TWI trainer**. Thanks to this, we managed to decrease employee fluctuations (from 5.9% in Q3 2021 to 3.9% in Q2 2022) and improve the quality of their onboarding.
- The training and development of our employees are areas of prime importance for us and therefore we continued with other development projects – we organised a third edition of the **BFI TOUR** and launched a cross-company educational project for managers. In the following period, we plan to extend this project further with individual **development activities** tailored to their participants.
- In connection with investment in the new production lines, which are more ergonomic for our employees, we started an **ergonomics project**. In the first stage, we performed an ergonomic audit of all work sites, followed by training of all staff in this area. We further plan to



invest into ergonomic adaptations of selected workplaces to **improve our employee's work experience**, and at the same time to **reduce the risk** of local muscle load and overall physical strain.



We increased our staff numbers **by 22%**



We are **organising** developmental and educational **projects**



New employees are assisted by our new **TWI trainer**



We perform audits and **invest in ergonomic adaptations** of our work environment

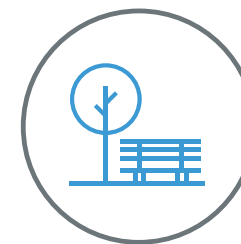


- The bicycle itself is seen as a **sustainable product**. However, its development, production, and market delivery involves a certain negative environmental impact, which can be measured and reduced.
- We have calculated this impact and defined a year-on-year objective of **greenhouse gas emission reduction by 10%**.
- Our baseline assessment of our corporate carbon footprint suggests that our **category 1** emissions (i.e. direct greenhouse gas emissions from BFI plants – our paint shop, boiler room, hot air units, and vehicles) amount to 15%.
- 85% of our CO2 emissions are represented by **category 2** emissions, i.e. indirect emissions, such as power consumption (including electricity and gas for heating or cooling and operations), which are generated and released outside BFI in connection with the generation of energies purchased by BFI.
- It is the reduction of these emissions that will have the biggest impact on our objective of a year-on-year greenhouse gas emission decrease. To support this objective, **BFI launched two projects**. In August 2022, BFI built a new **1 MW transformer station** with low-loss transformers, which will help reduce electricity

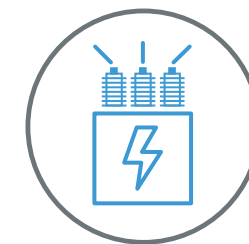


consumption, and launched a project of **central control** of all hot air units, which should result in reduced gas consumption.

- Our greatest challenge will be working on a decrease of **category 3** emissions, including all supplier chain generated emissions related to the production of our bicycles from **raw material extraction via transport to distribution** and end-of-life disposal operations with our products. The most complex task will therefore be cooperation with the whole supply chain aimed at reducing this impact.



We have set a **task to reduce** emissions by 10%



In 2022, we **built a 1 MW** transformer station

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Financial Statements

Full-scope balance sheet in ths. CZK as of 30 June 2022

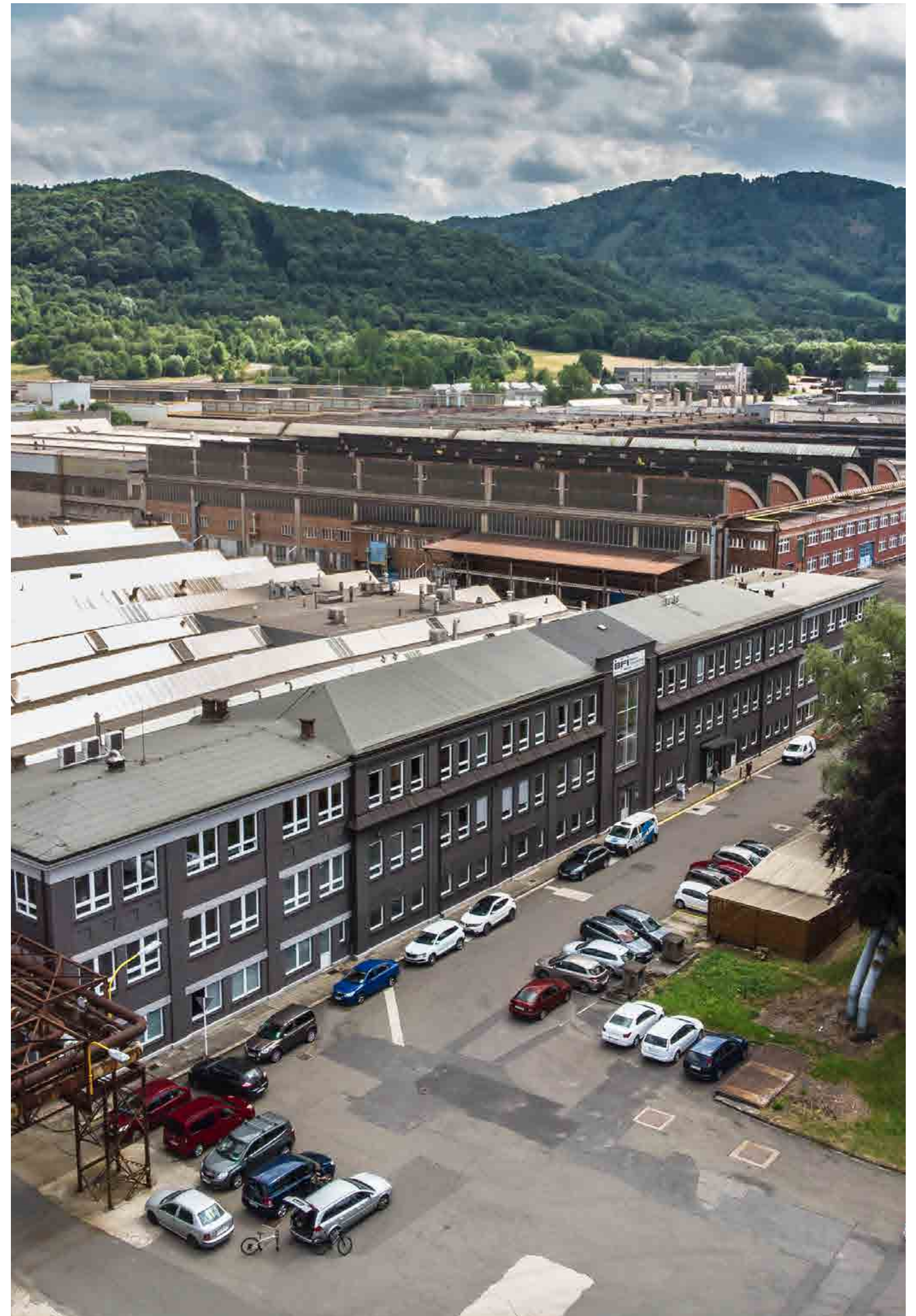
ID	ASSETS	ACCOUNTING PERIOD			ACCOUNTING PERIOD
		Current accounting period			Past accounting period
		Gross	Correction	Net	Net
	ASSETS TOTAL	2,501,671	-332,174	2,169,497	1,441,630
B.	Fixed assets	456,846	-268,114	188,732	175,067
B.I.	Fixed intangible assets	55,122	-51,413	3,709	2,654
B.I.1.	Intangible results of development	14,617	-13,835	782	1,565
B.I.2.	Valuable rights	39,147	-37,474	1,673	970
B.I.2.1.	Software	12,145	-10,472	1,673	970
B.I.2.2.	Other valuable rights	27,002	-27,002	0	0
B.I. 4.	Other fixed intangible assets	189	-104	85	0
B.I.5.	Advances provided for fixed intangible assets and work in progress	1,169	0	1,169	119
B.I.5.2.	Fixed intangible assets - work in progress .	1,169	0	1,169	119
B.II.	Fixed tangible assets	401,167	-216,144	185,023	172,413
B.II.1.	Land and buildings	208,764	-62,663	146,101	139,309
B.II.1.1	Land	17,054	0	17,054	13,675
B.II.1.2	Buildings	191,710	-62,663	129,047	125,634
B.II.2.	Tangible movables and sets of movables	156,276	-134,043	22,233	19,560
B.II.4.	Other fixed tangible assets	22,679	-19,438	3,241	2,669
B.II.4.3	Other fixed tangible assets	22,679	-19,438	3,241	2,669
B.II.5.	Advances provided for fixed tangible assets and work in progress	13,448	0	13,448	10,875
B.II.5.1	Advances provided for fixed tangible assets	3,231	0	3,231	1,583
B.II.5.2	Fixed tangible assets - work in progress	10,217	0	10,217	9,292
B.III.	Long-term financial assets	557	-557	0	0
B.III.1.	Shares - controlled or controlling entity	557	-557	0	0

Full-scope balance sheet in ths. CZK as of 30 June 2022

ID	ASSETS	ACCOUNTING PERIOD			ACCOUNTING PERIOD
		Current accounting period			Past accounting period
		Gross	Correction	Net	Net
C.	Current assets	2,030,286	-64,060	1,966,226	1,257,881
C.I.	Inventories	1,640,181	-19,673	1,620,508	1,074,140
C.I.1.	Materials	1,372,938	-18,877	1,354,061	905,588
C.I.2.	Work in progress and half-products	51,409	0	51,409	57,247
C.I.3.	Products and goods	208,450	-796	207,654	111,068
C.I.3.1	Products	207,226	-796	206,430	110,170
C.I.3.2	Goods	1,224	0	1,224	898
C.I.5.	Advances provided for inventories	7,384	0	7,384	237
C.II.	Receivables	350,585	-44,387	306,198	181,032
C.II.1.	Long-term receivables	6,837	0	6,837	5,707
C.II.1.4.	Deferred tax receivable	0	0	0	5,612
C.II.1.5.	Receivables - other	6,837	0	6,837	95
C.II.1.5.2	Long-term advances provided	5	0	5	5
C.II.1.5.4	Other receivables	6,832	0	6,832	90
C.II.2.	Short-term receivables	343,748	-44,387	299,361	175,325
C.II.2.1	Receivables from business contact	231,809	-44,387	187,422	127,263
C.II.2.4	Receivables - other	111,939	0	111,939	48,062
C.II.2.4.3	State - tax receivables	22,613	0	22,613	24,593
C.II.2.4.4	Short-term advances provided	672	0	672	208
C.II.2.4.5	Estimated asset accounts	7,982	0	7,982	4,177
C.II.2.4.6	Other receivables	80,672	0	80,672	19,084
C.IV.	Cash	39,520	0	39,520	2,709
C.IV.1.	Cash in hand	69	0	69	257
C.IV.2.	Cash in banks	39,451	0	39,451	2,452
D	Accruals	14,539	0	14,539	8,682
D.I.1.	Costs of future periods	14,539	0	14,539	8,682

Full-scope balance sheet in ths. CZK as of 30 June 2022

ID	LIABILITIES	ACCOUNTING PERIOD	
		Current accounting period	Past accounting period
	LIABILITIES TOTAL	2,169,497	1,441,630
A.	Equity	723,195	587,342
A.I.	Registered capital	38,595	38,595
A.I. 1.	Registered capital	38,595	38,595
A.II.	Premium and capital funds	66,762	15,297
A.II.2.	Capital funds	66,762	15,297
A.II.2.2	Valuation differences from revaluation of assets and liabilities	66,762	15,297
A.IV.	Economic earnings of past years	501,859	428,144
A.IV.1.	Undivided profit or uncovered loss of past years (+/-)	501,859	428,144
A.V.	Economic earnings in current accounting period	115,979	105,306
B+C	Foreign resources	1,445,889	853,903
B.	Provisions	49,960	32,631
B.I.2.	Income tax provision	29,134	20,600
B.I.4.	Other reserves	20,826	12,031
C.	Liabilities	1,395,929	821,272
C.I.	Long-term liabilities	34,628	34,808
C.I.2	Liabilities - towards credit institutions	18,555	34,660
C.I.8	Deferred tax liability	5,606	0
C.I.9	Liabilities - other	10,467	148
C.I.9.3	Other liabilities	10,467	148
C.II.	Short-term liabilities	1,361,301	786,464
C.II.2	Liabilities - towards credit institutions	1,012,149	529,697
C.II.3	Short-term advances received	11,926	25,715
C.II.4	Liabilities from business contact	284,491	199,062
C.II.8	Liabilities - other	52,735	31,990
C.II.8.3	Liabilities towards employees	17,682	11,914
C.II.8.4	Liabilities related to social security and health insurance	9,243	5,993
C.II.8.5	State - tax liabilities and subsidies	2,494	820
C.II.8.6	Estimated liability accounts	8,365	9,207
C.II.8.7	Other liabilities	14,951	4,056
D.	Accruals	413	385
D.I.1.	Costs of future periods	413	385



Full-scale profit and loss sheet in ths. CZK as of 30 June 2022

ID	TEXT	ACCOUNTING PERIOD	
		Currentaccounting period	Past accounting period
I.	Revenues from sales of products and services	2,555,669	1,882,414
II.	Revenues from sales of goods	135,412	24,964
A.	Performance consumption	2,326,071	1,482,709
A.1.	Costs of goods sold	107,873	19,234
A.2.	Material and energy consumption	2,081,789	1,362,648
A.3.	Services	136,409	100,827
B.	Change in in-house product stock (+/-)	-93,112	85,914
C.	Activation (-)	-24,890	-13,072
D.	Personnel costs	278,039	230,468
D.1.	Wage costs	204,090	170,141
D.2.	Costs of social security and health insurance and other costs	73,949	60,327
D.2.1.	Costs of social security and health insurance	65,153	54,222
D.2.2.	Other costs	8,796	6,105
E.	Value adjustments in operation area	9,337	20,231
E.1.	Value adjustments in fixed intangible and tangible assets	18,208	20,410
E.1.1.	Value adjustments in fixed intangible and tangible assets - permanent	18,208	20,410
E.2.	Inventory value adjustments	5,209	2,141
E.3.	Receivable value adjustments	-14,080	-2,320
III.	Other operation gains	526,868	497,070
III.1.	Revenues from fixed asset sales	14,475	8,063
III.2.	Revenues from material sales	89,340	90,147
III.3.	Other operation gains	423,053	398,860
F.	Other operational costs	546,875	489,831
F.1	Residual price of fixed assets sold	14,377	8,142
F.2	Materials sold	80,798	74,316
F.3.	Taxes and levies	645	651
F.4.	Provisions in operational areas and complex costs of future periods	8,795	-4,205
F.5.	Other operational costs	442,260	410,927
*	Earnings from operations	175,629	108,367
VI.	Interest income and similar interest	4	10
VI.2.	Other interest income and similar interest	4	10

Full-scale profit and loss sheet in ths. CZK as of 30 June 2022

ID	TEXT	ACCOUNTING PERIOD	
		Currentaccounting period	Past accounting period
I.	Value adjustments and provisions in the area of finance	-38	-38
J.	Interest expense and similar costs	10,349	5,219
J.2.	Other interest expense and similar costs	10,349	5,219
VII.	Other financial gains	161,482	99,526
K.	Other financial costs	170,499	68,296
*	Earnings from financial operations (+/-)	-19,324	26,059
**	Economic earnings before tax (+/-)	156,305	134,426
L.	Income tax	40,326	29,120
L.1.	Income tax payable	29,108	22,201
L.2.	Income tax deferred (+/-)	11,218	6,919
**	Economic earnings after tax (+/-)	115,979	105,306
***	Economic earnings for the accounting period (+/-)	115,979	105,306
*	Net turnover in the accounting period	3,379,435	2,503,984

BIKE FUN INTERNATIONAL S.R.O. REPORT ON RELATIONSHIPS WITH RELATED ENTITIES IN THE 2022 FISCAL YEAR

BIKE FUN International s.r.o. | Company ID No.: 26462346, registered seat at Kopřivnice | Areál Tatry 1445/2 | postcode: 74221 | Nový Jičín district | Czech Republic | (hereinafter referred to as the **"Company"** or the **"Controlled Company"**) had a single partner with a share of over 20 % in the company equity in the 2022 fiscal year (i.e. in the period from 1 July 2021 to 30 June 2022), ConsilTech a.s. (hereinafter referred to as **"CT"**, or the **"Controlling Company"**), with its registered seat at Purkyňova 2121/3, Nové Město, 110 00 Prague 1, holder of a 100 % share in the Company equity. The holder of a 100 % share in the equity of CT and the beneficial owner of the Company is Ing. Tomáš Němec.

CT is the Controlling Entity for other companies:

BioVendor - Laboratorní medicína a.s., company ID No. 63471507, with its registered seat at Karásek 1767/1, Řečkovice, 621 00 Brno, a company entered in the Commercial Register maintained by the Regional Court in Brno, Section B, File number 3917

ConsilSport s.r.o., company ID No. 05404321, with its registered seat at Purkyňova 2121/3, Nové Město, 110 00 Prague 1, a company entered in the Commercial Register maintained by the City Court in Prague, Section C, File number 263156

Kästle GmbH, VAT No.: ATU66968105, with its registered seat at Kaiser Franz Josef Strasse 61, AT 6845 Hohenems, Austria

Úněšovský statek a.s., company ID No. 49790277, with its registered seat at land registry number 76, 330 38 Úněšov, a company entered in the Commercial Register maintained by the Regional Court in Plzeň, Section B, File number 372

KÄSTLE CZ, a.s., company ID No. 15531457, with its registered seat at U Pohledce 1347, 592 31 Nové Město na Moravě, a company entered in the Commercial Register maintained by the Regional Court in Brno, Section B, File number 380

PANORAMA S.A.

Role of the Controlled Entity

The controlled entity has no particular controlling role within the business group of which it is a part. Its sole role is to do business for profit.

Methods and Means of Control

Control of the Controlled Entity is exercised through a resolution of the sole shareholder (the Controlling Company) acting as the General Meeting of the Controlled Entity.

There was a relationship between the Company and CT in the 2022 fiscal year in the sense of Section 82 of Act No. 90/2012 Coll., on Business Corporations, as amended, which are described in greater detail in this report below.

During the 2018 fiscal year, the Company acquired a 34 % share in Total sport zp. z o., with its registered seat at Glogowska 157, Poznań, Republic of Poland (hereinafter referred to as "TS"). There were no supplier-customer relationships between the Company and TS in the 2022 fiscal year.

This report therefore provides an overview of the relationships between the Company and its affiliates active in the Company's most recent accounting period, i.e. 1 July 2021 to 30 June 2022.

1 Characteristics of Relations between the Related Entities in the Period of 1 July 2021 to 30 June 2022

Mutual relations between the Company, CT, and other related companies are based on a temporary supplier-customer relationship.

The related companies covered about 0.01 % of all supplies of materials and services to the Company in the 2022 fiscal year and 2.65 % of all sales in the same fiscal period.

In the 2022 fiscal year, no action exceeding 10 % of the controlled entity's equity took place.

2 Relationships between the Company and the Related Entities Active in the Most Recent Accounting Period

The subject matter of all contractual relationships between the Company and the other related entities effective in the 2022 fiscal year was mutual supplies by both parties and therefore did not create any unilateral obligations on the Company. The Company did not suffer any loss based on these relationships. They were standard supplier-customer relationships.

3 Measures taken by the Company in the interest or on the request of the related entities and other legal acts in the interest of the related entities.

In the past accounting period, the Company did not take any other measures on the request of the related entities and did not make any other acts in their interest except for those mentioned above.

All relationships between the Company and the related entities active in the 2022 fiscal year were established as bilateral relationships with mutual supplies by both parties. The Company believes that it has suffered no loss based on these relationships.

In Kopřivnice, on 30. 9. 2022

Petr Sazovský
Tomáš Hájek

Executive Directors
BIKE FUN International s.r.o.

BFI BikeFun
International