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# PRESS RELEASE

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*This is a press release by Accell Group N.V. ("**Accell Group**") pursuant to the provisions of article 18, paragraph 3 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft) (the "Decree") in connection with the recommended public offer by Sprint BidCo B.V. for all the issued and outstanding ordinary shares in the capital of Accell Group (the "**Offer**"). This press release does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer is made only by means of the offer memorandum dated 6 April 2022 (the "**Offer Memorandum**"). This press release is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, any jurisdiction in which such release, publication or distribution would be unlawful.*

## **SUPPLEMENTAL DISCLOSURE TO THE POSITION STATEMENT TO ADD COMPARATIVE FINANCIAL INFORMATION 2021**

**Heerenveen, the Netherlands, 6 May 2022** – Following the adoption of the financial statements for the financial year 2021 at the general meeting held on 20 April 2022, Accell Group hereby publishes supplemental disclosure (the "**Supplemental Disclosure**") to its position statement regarding the Offer (the "**Position Statement**") in accordance with article 18, paragraph 2 and Annex G of the Decree, comprising comparative financial information for the financial years 2021, 2020 and 2019. Terms not defined in this press release have the meaning as set forth in the Position Statement or, if not defined in the Position Statement, the Offer Memorandum.

**Selected consolidated financial information Accell Group N.V.**

***Basis for preparation***

The selected consolidated financial information of Accell Group included herein is that of Accell Group and its consolidated subsidiaries and comprises the consolidated balance sheet, the consolidated income statement and the consolidated statements of cash flows for the financial years ended 31 December 2021, 2020 and 2019. This selected consolidated financial information has been derived from:

- the consolidated financial statements for the financial year ended 31 December 2021 as audited by KPMG, who issued an independent auditor's report thereon, without qualification, on 3 March 2022;
- the consolidated financial statements for the financial year ended 31 December 2020 as audited by KPMG, who issued an independent auditor's report thereon, without qualification, on 4 March 2021; and
- the consolidated financial statements for the financial year ended 31 December 2019 as audited by KPMG, who issued an independent auditor's report thereon, without qualification, on 5 March 2020.

The financial statements from which the selected consolidated financial information has been derived were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and article 2:362(9) DCC. Reference is made to section 11.7 (*Financial statements for the financial year 2021 including independent auditor's report of KPMG*) of the Offer Memorandum for a summary of the significant accounting policies of Accell Group applicable to the financial year ended 31 December 2021.

The selected consolidated financial information of Accell Group included herein is excluding related note disclosures and a description of significant accounting policies. For a better understanding of Accell Group's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the unabridged audited financial statements for the financial years ended 31 December 2021, 2020 and 2019, including the related notes and description of significant accounting policies that were applied for each of these years (available at [www.accell-group.com/en/investor-relations/annual-reports/annual-reports-of-accell-group.htm](http://www.accell-group.com/en/investor-relations/annual-reports/annual-reports-of-accell-group.htm) and the AFM register of financial reporting).

## Comparative overview of consolidated balance sheets for the financial years 2021, 2020 and 2019

	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
	<i>(in thousands of Euro)</i>		
<b>ASSETS</b>			
Property, plant and equipment .....	67,003	66,152	64,426
Right-of-use assets.....	29,234	28,058	29,796
Goodwill and other intangible assets.....	126,579	127,001	132,617
Equity-accounted investees.....	8,294	6,433	5,469
Net defined benefit asset .....	8,816	21,096	22,383
Deferred tax assets .....	31,179	38,450	25,848
Other financial assets .....	1,818	1,958	4,369
<b>Non-current assets</b> .....	<b>272,924</b>	<b>289,148</b>	<b>284,907</b>
Inventories.....	556,761	285,314	386,830
Trade and other receivables .....	160,744	128,505	171,649
Current tax assets .....	2,688	3,068	1
Other financial instruments.....	18,076	164	4,284
Cash and cash equivalents.....	48,469	173,376	11,482
<b>Current assets</b> .....	<b>786,738</b>	<b>590,427</b>	<b>574,246</b>
<b>Total assets</b> .....	<b>1,059,662</b>	<b>879,575</b>	<b>859,154</b>
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
	<i>(in thousands of Euro)</i>		
<b>EQUITY</b>			
Share capital .....	268	268	268
Share premium .....	42,157	42,314	42,314
Reserves .....	413,723	333,370	280,614
<b>Total equity</b> .....	<b>456,149</b>	<b>375,953</b>	<b>323,196</b>
<b>LIABILITIES</b>			
Provisions .....	4,557	4,507	5,041
Borrowings .....	126,204	184,749	75,100
Lease liabilities.....	20,498	20,158	22,240
Net defined benefit obligation and other long-term employee benefits.....	8,072	8,657	8,718
Deferred tax liabilities.....	14,214	15,909	16,794
Deferred revenue .....	2,209	1,529	1,185
<b>Non-current liabilities</b> .....	<b>175,753</b>	<b>235,509</b>	<b>129,078</b>
Provisions .....	6,950	10,848	5,996
Contingent liabilities .....	-	-	2,889
Borrowings .....	60,670	19,822	126,868
Lease liabilities.....	9,726	8,799	7,983
Deferred revenue .....	11,348	2,226	486
Trade payables and other current liabilities .....	276,555	186,909	210,918
Current tax liabilities.....	11,312	4,620	3,842
Other financial instruments.....	2,933	15,843	3,296
Bank overdrafts .....	48,266	19,046	44,603
<b>Current liabilities</b> .....	<b>427,760</b>	<b>268,113</b>	<b>406,880</b>
<b>Total liabilities</b> .....	<b>603,513</b>	<b>503,622</b>	<b>535,958</b>
<b>Total equity &amp; liabilities</b> .....	<b>1,059,662</b>	<b>879,575</b>	<b>859,154</b>

## Comparative overview of consolidated income statements for the financial years 2021, 2020 and 2019

	2021	2020	2019
	(in thousands of Euro)		
	<b>CONTINUING OPERATIONS</b>		
<b>Net turnover</b> .....	<b>1,377,112</b>	<b>1,296,453</b>	<b>1,111,028</b>
Other income.....	1,088	127	12,282
Cost of materials and consumables.....	(955,794)	(934,703)	(769,493)
Personnel expenses.....	(168,908)	(148,922)	(150,053)
Depreciation, amortisation and impairment losses.....	(20,957)	(24,928)	(26,180)
Net impairment losses on financial assets.....	(224)	1,251	(2,233)
Other operating expenses.....	(122,262)	(114,546)	(115,394)
<b>Operating result</b> .....	<b>110,056</b>	<b>74,732</b>	<b>59,956</b>
Net finance cost.....	(23,690)	(12,825)	(9,262)
Share of profit from equity-accounted investees, net of tax.....	2,747	1,008	
Income from equity-accounted investees, net of tax.....			424
Result on the sale of subsidiaries, non-consolidated companies and other investments <sup>1</sup> .....	2,355	-	(60)
<b>Profit before taxes from continuing operations</b> .....		<b>62,915</b>	<b>51,058</b>
Income tax expense.....		1,914	8,241
<b>Result after taxes from continuing operations</b> .....		<b>64,829</b>	<b>59,299</b>
<b>Profit before taxes</b> .....	<b>91,467</b>		
Income tax expense.....	(21,493)		
<b>Result after taxes</b> .....	<b>69,974</b>		
	<b>DISCONTINUED OPERATIONS</b>		
Result after taxes from discontinued operations.....		-	(56,495)
<b>Net profit</b> .....	<b>69,974</b>	<b>64,829</b>	<b>2,804</b>
<b>EARNINGS PER SHARE (IN EURO)</b>			
Basic earnings per share from continuing operations.....		2.42	2.22
Basic earnings per share including discontinued operations.....		2.42	0.10
Basic earnings per share.....	2.61		
Diluted earnings per share from continuing operations.....		2.41	2.21
Diluted earnings per share including discontinued operations.....		2.41	0.10
Diluted earnings per share.....	2.60		

Note:

<sup>1</sup> Referred to in the consolidated financial statements for the financial years 2020 and 2019 as "Result on the sale of subsidiaries".

## Comparative overview of consolidated statements of cash flows for the financial years 2021, 2020 and 2019

	2021	2020	2019
	(in thousands of Euro)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period.....	69,974	64,829	2,804
<b>Adjustments for:</b>			
- Depreciation, amortisation and (reversal of) impairments.....	20,950	24,928	27,599
- Net finance cost.....	23,690	12,825	9,262
- Share of profit from equity-accounted investees, net of tax <sup>1</sup> .....	(2,747)	(1,008)	(424)
- Equity-settled share-based payment transactions .....	619	351	40
- Loss on divestments of property, plant and equipment (US business) .....			543
- Gain on sale of property, plant and equipment.....			(351)
- Gain or loss on sale of property, plant and equipment .....	(18)	(10)	
- Loss on divestment of intangible assets (US business) .....			2,290
- Gain on the sale of trademarks (Canada) .....			(14,341)
- Gain or loss on divestment of intangible assets.....	20	-	
- Result on the sale of subsidiaries, non-consolidated companies and other investments <sup>2</sup> .....	(2,355)	-	1,506
- Recycling of currency translation adjustment on sale of subsidiaries.....		-	7,888
- Tax expense .....	21,493	(1,914)	(8,256)
	<b>131,627</b>	<b>100,001</b>	<b>28,560</b>
<b>Change in:</b>			
- Inventories.....	(299,746)	102,951	(44,761)
- Trade and other receivables .....	(35,658)	39,694	(22,809)
- Trade and other payables .....	96,063	(20,828)	(1,779)
- Provisions, employee benefits and deferred revenue .....	5,862	5,825	(1,166)
<b>Cash flows from operations .....</b>	<b>(101,853)</b>	<b>227,643</b>	<b>(41,955)</b>
Interest received.....	8,389	8,309	3,125
Interest paid .....	(16,802)	(18,688)	(10,618)
Taxes paid .....	(10,412)	(10,796)	(13,197)
<b>Net cash from operating activities<sup>3</sup> .....</b>	<b>(120,678)</b>	<b>206,468</b>	<b>(62,645)</b>
<i>of which is attributable to discontinued operations<sup>4</sup> .....</i>		-	(23,322)

Notes: Certain line items included in the table above have been reclassified in the audited financial statements for the subsequent financial year. In the table above, these reclassifications have not been made.

<sup>1</sup> Referred to in the consolidated financial statements for the financial year 2019 as "Income from equity-accounted investees, net of tax".

<sup>2</sup> Referred to in the consolidated financial statements for the financial years 2020 and 2019 as "Loss on the sale of subsidiaries".

<sup>3</sup> Referred to in the consolidated financial statements for the financial year 2019 as "Cash from operating activities".

<sup>4</sup> The discontinued operations concern, in short, the sale of Accell Group's loss-making North American operations. Reference is made to note 6.16.1 of Accell Group's annual report 2019.

	2021	2020	2019
	(in thousands of Euro)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from equity-accounted investees .....	886	-	343
Proceeds from sale of property, plant and equipment.....	1,492	76	2,046
Acquisition of property, plant and equipment.....	(11,187)	(10,339)	(9,301)
Acquisition of intangible assets .....	(1,111)	(1,072)	(4,234)
Proceeds from sale of intangible assets.....	-	-	-
Proceeds from the sale of trademarks (Canada) .....	-	-	14,341
Acquisition of other financial fixed assets .....	(307)	(413)	(1,949)
Disposal of other financial fixed assets .....	3,678	876	542
Development expenditure .....	(170)	(226)	(759)
<b>Free cash flow*</b> .....	<b>(127,396)</b>	<b>195,369</b>	<b>(61,616)</b>
Proceeds from sales of subsidiaries .....	3,338	-	360
Acquisition of subsidiaries, net of cash acquired .....	-	-	-
<b>Net cash from (used in) investing activities</b> .....	<b>(3,380)</b>	<b>(11,098)</b>	<b>1,389</b>
<i>of which is attributable to discontinued operations</i> .....	-	-	2,965
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings .....	105,149	197,736	-
Proceeds from interest-bearing loans.....	-	-	134,090
Proceeds from revolving credit facility .....	-	-	(175)
Transaction costs related to borrowings <sup>1</sup> .....	(7)	(1,767)	(25,201)
Repayment of term loans and other loans .....	-	-	(55,000)
Repayment of revolving credit facility .....	(122,405)	(190,227)	-
Payment of lease liabilities .....	(10,065)	(10,149)	(10,401)
Dividends paid .....	-	-	(8,532)
Contingent liabilities paid <sup>2</sup> .....	-	(2,932)	(2,443)
<b>Net cash from (used in) financing activities</b> .....	<b>(27,327)</b>	<b>(7,339)</b>	<b>32,337</b>
<i>of which is attributable to discontinued operations</i> .....	-	-	(954)
<b>Net increase (decrease) in cash and bank overdrafts</b> .....	<b>(151,385)</b>	<b>188,030</b>	<b>(28,919)</b>
Cash and bank overdrafts at 1 January .....	154,330	(33,121)	(2,177)
Effect of exchange rate fluctuations on cash and bank overdrafts held	(2,742)	(579)	(2,025)
<b>Cash and bank overdrafts at 31 December</b> .....	<b>203</b>	<b>154,330</b>	<b>(33,121)</b>

\* Free cash flow is defined as the balance of net cash from operating activities and net cash used in investment activities excluding acquisitions and disposals of subsidiaries.

Notes: Certain line items included in the table above have been reclassified in the audited financial statements for the subsequent financial year. In the table above, these reclassifications have not been made.

<sup>1</sup> Referred to in the consolidated financial statements for the financial year 2019 as "Transaction costs related to loans and borrowings".

<sup>2</sup> Referred to in the consolidated financial statements for the financial year 2019 as "Contingent consideration paid".

## **Report of the independent auditor**

To: The Board of Management of Accell Group N.V.

### ***Our opinion***

The selected consolidated financial information of Accell Group N.V., included in the 'Supplemental disclosure to the position statement to add comparative financial information 2021', for the financial years 2021, 2020 and 2019 (hereafter 'the summary consolidated financial statements') are derived from the audited financial statements of Accell Group N.V. for the financial years 2021, 2020 and 2019.

In our opinion the accompanying summary consolidated financial statements are consistent, in all material respects, with those financial statements, on the basis described in the section 'Basis for preparation'.

The summary consolidated financial statements comprise:

- 1 the comparative overview of consolidated balance sheets for the financial years 2021, 2020 and 2019;
- 2 the following comparative overviews of consolidated statements for the financial years 2021, 2020 and 2019: the consolidated income statements and the consolidated statements of cash flows; and
- 3 the accompanying other explanatory information.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and by Part 9 of Book 2 of the Dutch Civil Code. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited financial statements of Accell Group N.V. and our report thereon.

The summary consolidated financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our reports on those financial statements of 3 March 2022, 4 March 2021 and 5 March 2020 respectively.

### ***The audited financial statements and our report thereon***

We expressed an unmodified audit opinion on the audited financial statements of Accell Group N.V. for the financial years 2021, 2020 and 2019 in our reports dated 3 March 2022, 4 March 2021 and 5 March 2020 respectively.

Our auditor's report also includes communication of materiality, scope of the group audit and key audit matters.

***Responsibilities of the Board of Management and the Supervisory Board for the summary consolidated financial statements***

The Board of Management is responsible for the preparation of the summary consolidated financial statements on the basis described in the section 'Basis for preparation'.

The Supervisory Board is responsible for overseeing the financial reporting process of the summary consolidated financial statements.

***Our responsibilities for the audit of the summary consolidated financial statements***

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respect, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

Groningen, 6 May 2022

KPMG Accountants N.V.

R.W. van Dijk RA



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## ABOUT ACCELL GROUP

We believe cycling moves the world forward. We design simple and smart solutions in order to create a fantastic cycling experience for everyone who uses our bikes. Accell Group makes bicycles, bicycle parts and accessories. We are the European market leader in e-bikes and second largest in bicycle parts and accessories, with numerous leading European bicycle brands under one roof. These brands were built by pioneers for whom the best was not good enough. We still embody the entrepreneurial spirit of those family businesses to this day. We keep pushing ourselves to create high-quality, high performance, cutting-edge products driven by the continuous exchange of know-how and craftsmanship. Well-known bicycle brands in our portfolio include Haibike, Winora, Ghost, Batavus, Koga, Lapierre, Raleigh, Sparta, Babboe and Carqon. XLC is our brand for bicycle parts and accessories. Accell Group employs approximately 3,500 people across 15 countries. Our bikes and related products are sold to dealers and consumers in more than 80 countries. In 2021, we sold around 856 thousand bicycles and recorded a turnover of € 1.4 billion. [www.accell-group.com](http://www.accell-group.com)

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## FOR MORE INFORMATION

CFF Communications, Frank Jansen / Uneke Dekkers: + 31 6 21 54 23 69 / + 31 6 50 26 16 26  
[frank.jansen@cffcommunications.nl](mailto:frank.jansen@cffcommunications.nl) / [uneke.dekkers@cffcommunications.nl](mailto:uneke.dekkers@cffcommunications.nl)

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*The information in this press release is not intended to be complete. This press release is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.*

*The Supplemental Disclosure contains certain selected consolidated financial information relating to Accell Group. Reading the selected consolidated financial information is not a substitute for reading the audited financial statements of Accell Group for the financial years 2021, 2020 and 2019. The Supplemental Disclosure is supplemental to, and should be read jointly with, the Position Statement. The Supplemental Disclosure is governed by and shall be construed in accordance with the laws of The Netherlands. The District Court of Amsterdam (Rechtbank Amsterdam), The Netherlands, and its appellate courts shall have exclusive jurisdiction to settle any disputes that might arise out of or in connection with the Supplemental Disclosure. Accordingly, any legal action or proceeding arising out of or in connection with the Supplemental Disclosure shall be brought exclusively in such courts.*

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*Certain statements in this press release may be considered forward-looking statements. These forward-looking statements speak only as of the date of this press release. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Accell Group cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to Accell Group or are within its control, could cause actual results or outcomes to differ materially from those expressed in*

*any forward-looking statement. Accell Group expressly disclaims any obligation or undertaking to publicly update or revise any forward looking statements, whether as a result of new information, a change in expectations or for any other reason.*