

ACCELL GROUP N.V.

EGM

20 MAY 2022

***ACCELL
GROUP***



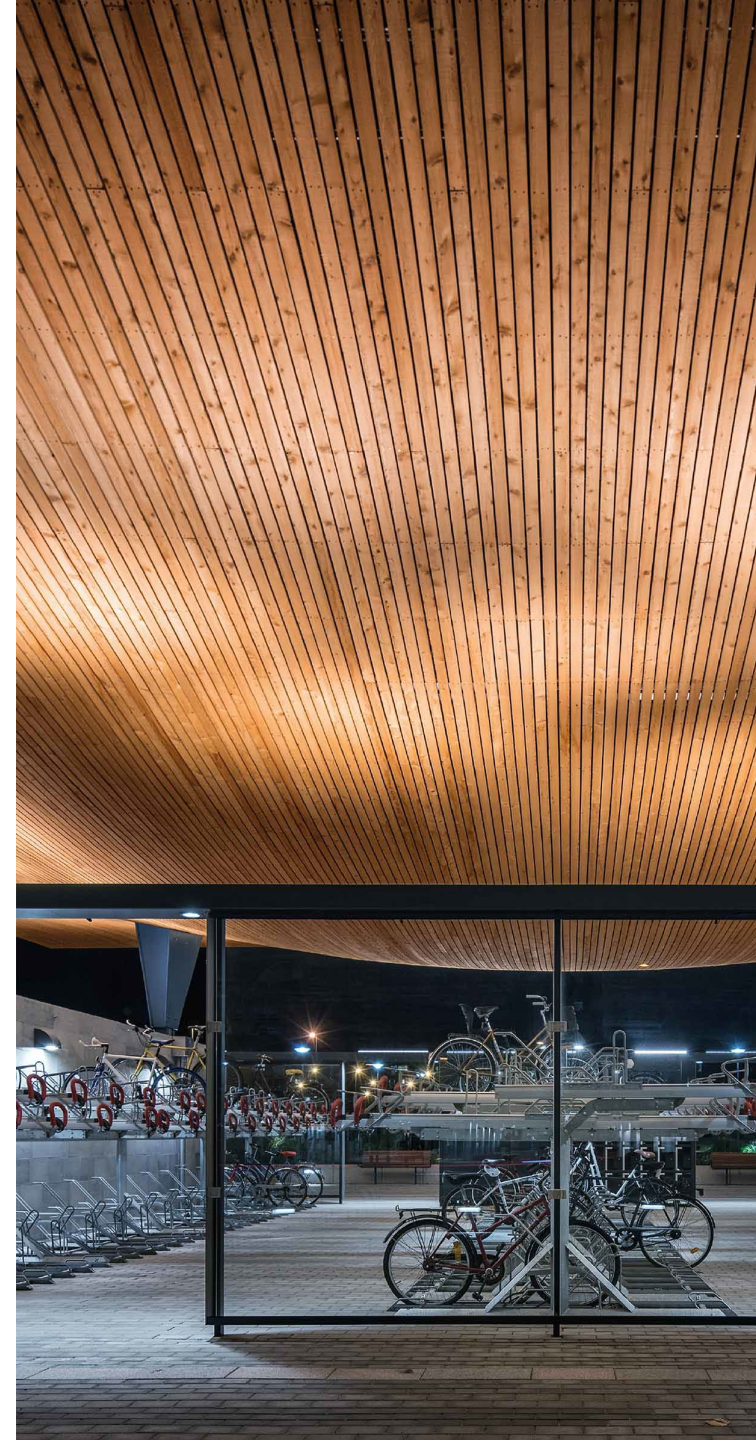
AGENDA

1 Opening and announcements

2 Recommended public offer

3 Any other business

4 Closure of the meeting



AGENDA

1 Opening and announcements

2 Recommended public offer

a Explanation of the recommended public offer by Sprint BidCo B.V. for all issued and outstanding ordinary shares in the capital of the Company

b Post-Settlement Restructuring Resolution (voting item)

c Composition of the Supervisory Board (voting item)

d Discharge (voting item)

e Amendments to the articles of association (voting item)

3 Any other business

4 Closure of the meeting



STRATEGIC RATIONALE FOR THE TRANSACTION

The Boards reviewed and considered various **strategic options**, including a continuation as a listed company and operating in a private environment with a potential strategic or financial partner

- The Boards, including the **fully independent Supervisory Board**, have concluded unanimously that the **Transaction promotes the sustainable success** of Accell Group's business, taking into account the interests of Accell Group's shareholders, employees, customers, suppliers, creditors and other stakeholders
- **Consortium fully supports the current business strategy** of the Group and intends to make available its experience and resources to accelerate a successful execution of the Group's 'Lead Global. Win Local' strategy
- **Private ownership** will enable Accell Group to make **significant up-front investments** in a shorter timeframe to
 - Accelerate the execution of its strategy in the coming years through further **investment in long-term strategic growth initiatives**, including in innovation and brand development, digital marketing, direct to consumer / ecommerce platforms and capability, supply chain management and distribution capabilities, international expansion, bolt-on acquisitions and continued ESG improvement
 - **Improve and protect its market position** from increasing numbers of **new entrants** into the e-bike sector
 - Mitigate the **significant ongoing supply chain issues and inflationary pressures affecting the bicycle industry globally**

ATTRACTIVE OFFER PRICE PROVIDING A CERTAIN AND IMMEDIATE PREMIUM FOR SHAREHOLDERS

- Offer Price represents **attractive premia**:
 - 26.0% to the closing price on 21 January 2022 (last trading day prior to announcement of the Transaction)
 - 43.3% to the 6 months volume weighted average closing price¹
 - 20.8% to the all-time high closing price¹
- Offer Price of €58.00 is at a premium to the median of the research analyst price targets of €51.65
- Offer represents an **attractive LTM EV / EBITDA** multiple of 14x² vs. the average LTM EBITDA trading multiple of 11x over the past 10 years¹
- Supported by **fairness opinions** from AXECO and Rabobank
- Supported by the **irrevocable commitment** from Accell's second largest shareholder Hoogh Blarick to tender its 7.5% shareholding
- Presents Shareholders with the opportunity to **realise immediate value** for their Shares in a **highly uncertain market environment**
 - Since the announcement of the offer Giant and Merida have traded down 25% and 21% respectively³

¹ Prior to and including 21-Jan-2022. ² Based on EBITDA and net debt for twelve months ending 31-Dec-21. ³ As at 19-May-2022.

THE OFFER HAS BEEN EVALUATED BY CONSIDERING TODAY'S DYNAMIC AND VOLATILE GLOBAL ENVIRONMENT



- In evaluating the Offer, we have taken into consideration the challenges and opportunities we have faced and will continue to face in today's dynamic and volatile global environment
- This includes among others the **continued supply chain issues** that have not disappeared and are expected to last in any case throughout 2022 and most likely also in 2023, and in addition to that **significant inflation** on costs, wages and transport and overall **component availability** remain a concern
- In fact, events in recent weeks show that external risks for Accell Group persist among others through the rise in **geopolitical tensions** in light of the Russia/Ukraine war and the **COVID lockdowns** in China's Shenzhen manufacturing region (also impacting bike component suppliers)
- These events have contributed to the **continued supply chain volatility** and to further input **cost inflation pressures**, which may potentially affect Accell Group (and its peers in the bike industry, as already reflected in the decline of share prices of the listed peers since the announcement on 24 January 2022, which further declined in the last weeks)
- As a consequence of the above **consumer confidence** in many countries is **currently hitting all time lows**. It is unclear at this time how this impacts future demand.

CAREFUL DECISION-MAKING PROCESS BY THE BOARDS

- The Boards followed a **diligent decision making process** giving careful consideration to the interests of Accell Group's stakeholders
 - Considered all circumstances and all aspects of the Transaction, including the strategic rationale and the **financial and non-financial aspects** of the Transaction as well as deal certainty
- A **Special Committee** of the Supervisory Board was formed to closely monitor the process and prepare the decision making for the full Supervisory Board
- Boards have given due consideration to conflicts of interest between any member of the Boards and Accell Group in respect of the potential transaction, and have established that such was not the case
- **Fully independent** Supervisory Board, supported by own **financial and legal advisors**
- **Extensive negotiations** with KKR on the offer price and non-financial terms where Accell Group managed to **negotiate the offer price up by 14%** in multiple steps from €51.00 per Share to €58.00 per Share
- In the last five years Accell Group had **not received a proposal** or letter of interest for a potential takeover or merger by a third-party with the exception of PON Holdings and even when PON Holdings as a shareholder put its strategic stake (20%) up for sale again no parties approached Accell Group
- **Third parties** are **open to make** a competing **offer** if certain market standard thresholds are met; **no third parties have approached Accell Group with an alternative proposal**

CUSTOMARY POST-OFFER MERGER AND LIQUIDATION STRUCTURE

- The agreed **Post-Offer Merger and Liquidation** to provide a path to full ownership in case the 95% threshold for a Buy-Out is not met, is a **customary, well-established feature** of public offers for Dutch companies
- **Accell Group has taken note of the feedback of stakeholders about the initial ability for Accell Group to agree with the Offeror prior to Settlement on a percentage below 80% for the implementation of the Post-Offer Merger and Liquidation. Accell Group has decided to forego this ability and has confirmed it will not agree to a lower percentage**
 - The Post-Offer Merger and Liquidation (voting item 2.b) may therefore be implemented only in the event that the Tendered, Owned and Committed Shares represent at least 80% but less than 95% of the Shares on a Fully Diluted basis
- **Upon the adoption of voting item 2.b and that resolution remaining in full force and effect on the Acceptance Closing Time, the percentage of Shares above which the Offeror must declare the Offer unconditional is reduced to 80%**



ROBUST SET OF NON-FINANCIAL COVENANTS FOR 3 YRS

1/2

STRATEGY	<ul style="list-style-type: none">• The Offeror <u>subscribes to the Group's Business Strategy</u>, will <u>support the Group to realise and accelerate the Business Strategy</u> and will work with the Group to grow the business in a manner that reflects such business strategy• The Offeror <u>intends to make additional equity capital available</u> if required to finance growth and acceleration through balanced combination of debt and equity• The <u>business of the Group will remain substantially intact</u> (no break-up)• The Offeror will <u>support the Group in furthering its current ESG goals</u>
FINANCING	<ul style="list-style-type: none">• The Offeror will procure that the Group will remain <u>prudently capitalised and financed</u>• The Group shall not attract additional incremental debt if the Group's net debt position exceeds <u>a maximum net leverage ratio of 5.0 times structuring EBITDA</u> from time to time, excluding the revolving credit facility• The <u>Group's net leverage ratio is anticipated to decrease over time</u>• The debt financing will exist of a term loan B structure and be based on a <u>covenant light structure and a 7-year maturity</u>• In addition,<ul style="list-style-type: none">• (I) as from the settlement of the Offer, the Group will have an <u>additional revolving credit facility at its disposal of EUR 165 million</u>, which will be available for working capital financing and general corporate purposes, and• (II) at the settlement of the Offer, the Offeror will use reasonable efforts to procure the deposit of <u>EUR 50 million cash</u>, which will be available for working capital purposes

ROBUST SET OF NON-FINANCIAL COVENANTS FOR 3 YRS

2/2

STRUCTURE AND GOVERNANCE	<ul style="list-style-type: none">• <u>Existing Board of Management will continue to lead the Group</u>• Two Independent SB Members (Rob ter Haar and Luc Volatier) will be tasked in particular with monitoring compliance with the Non-Financial Covenants and <u>any deviation from the Non-Financial Covenants will require the approval of the Supervisory Board, including the affirmative vote of at least one of the two Independent SB Members</u>• As long as Accell Group remains listed, it will <u>continue to adhere to the Dutch Corporate Governance Code</u> (except for current deviations or as agreed in the Merger Agreement)• Accell Group will remain a separate legal entity and will continue to <u>apply the full large company regime</u>• The Group will <u>continue to have its own operating and reporting structure, and its headquarters, central management and key support functions will remain in Heerenveen, the Netherlands</u>• The Group will <u>maintain its corporate identity, integrity, values and culture</u>• <u>The Offeror envisages holding its shareholding in the Group for long-term value enhancement purposes</u>
EMPLOYEES	<ul style="list-style-type: none">• <u>The existing rights and benefits of the employees of the Group will be respected</u>, as will the Group's current employee consultation structure and existing arrangements with any employee representative body within the Group• <u>No reduction of the workforce of the Group is envisaged</u> as a direct consequence of the Transaction or completion thereof
NON-TENDERING MINORITY SHAREHOLDERS	<ul style="list-style-type: none">• As long as Accell Group has any minority shareholders, it shall not<ul style="list-style-type: none">• issue additional shares for cash (except intra-Group) <u>without offering pre-emption rights</u> to the minority shareholders• agree to or enter into a transaction with the Consortium, which is <u>not at arm's length terms</u>• take any other action that <u>disproportionately prejudices or disproportionately negatively affects</u> the value of, or the rights relating to, the minority shareholders' shareholding

Q&A

***ACCELL
GROUP***

AGENDA

1 Opening and announcements

2 Recommended public offer

- a Explanation of the recommended public offer by Sprint BidCo B.V. for all issued and outstanding ordinary shares in the capital of the Company
- b Post-Settlement Restructuring Resolution (voting item)
- c Composition of the Supervisory Board (voting item)
- d Discharge (voting item)
- e Amendments to the articles of association (voting item)

3 Any other business

4 Closure of the meeting



Q&A

***ACCELL
GROUP***

POST-SETTLEMENT RESTRUCTURING RESOLUTION

VOTING ITEM

VOTING

***ACCELL
GROUP***

AGENDA

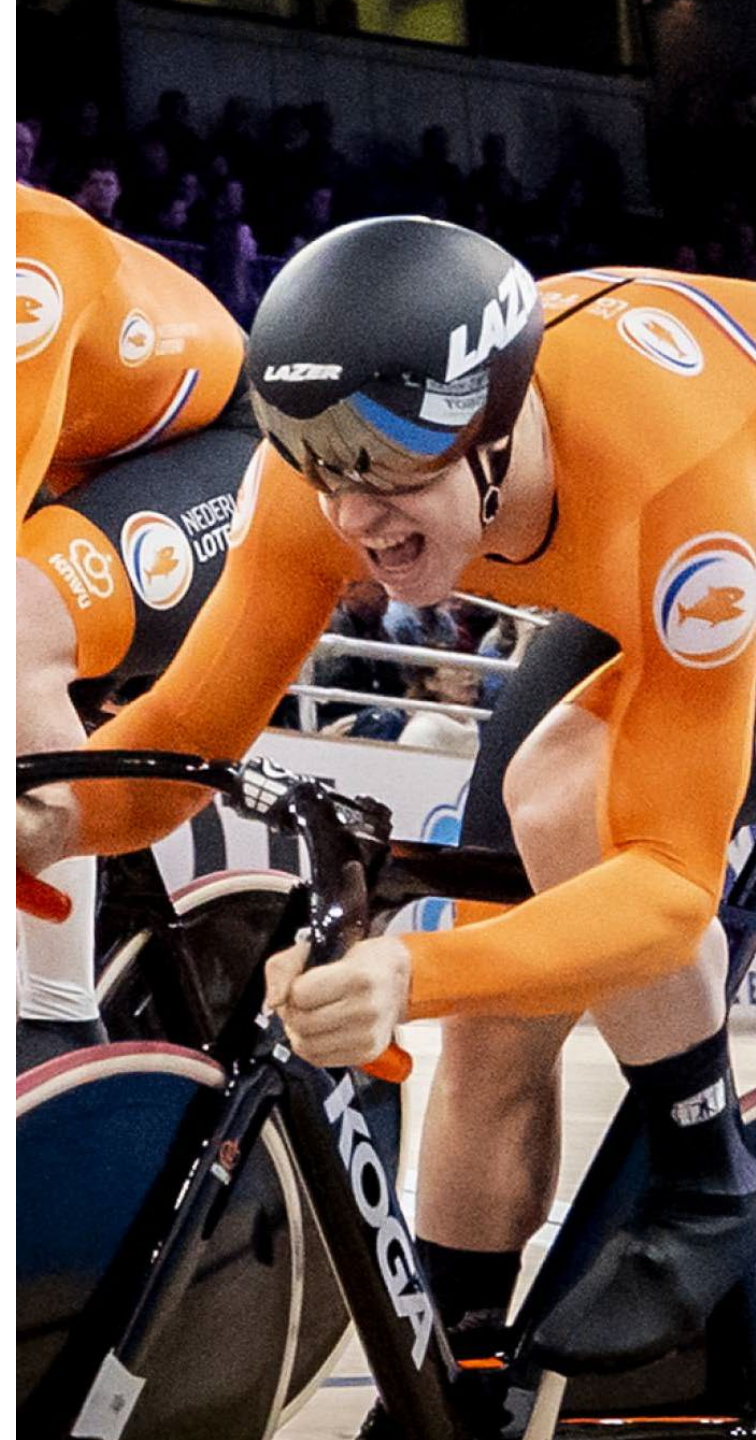
1 Opening and announcements

2 Recommended public offer

- a Explanation of the recommended public offer by Sprint BidCo B.V. for all issued and outstanding ordinary shares in the capital of the Company
- b Post-Settlement Restructuring Resolution (voting item)
- c Composition of the Supervisory Board (voting item)
- d Discharge (voting item)
- e Amendments to the articles of association (voting item)

3 Any other business

4 Closure of the meeting



I NOTICE OF CONDITIONAL VACANT POSITIONS ON THE SUPERVISORY BOARD

- Mr. Van de Weerdhof, Ms. Jansen Heijtmajer and Ms. Van Wiechen have each indicated to resign as members of the Supervisory Board effective as per the Delisting.
- When these resignations become effective, there will be three (3) vacancies on the Supervisory Board.

II OPPORTUNITY FOR THE GENERAL MEETING TO MAKE CONDITIONAL RECOMMENDATIONS

(CONTINGENT VOTING ITEM)

Q&A

***ACCELL
GROUP***



NOTIFICATION BY THE SUPERVISORY BOARD OF THE NAMES OF THE PERSONS NOMINATED FOR APPOINTMENT 1/4

- The appointment of the three Supervisory Board nominees designated by KKR or Teslin as per delisting, is one of the Offer Conditions.
- If any of these resolutions would be rejected, the Offeror would not be required to declare the Offer unconditional.



NOTIFICATION BY THE SUPERVISORY BOARD OF THE NAMES OF THE PERSONS NOMINATED FOR APPOINTMENT 2/4



Mr. Knottenbelt

Year of birth:

1967

Nationality:

Dutch

Current position(s):

Partner and Head of Benelux at KKR

Previous position(s):

- Mr. Knottenbelt joined KKR from Palamon Capital Partners in London in 2018, where he was a partner and member of the firm's operating committee.
- Mr. Knottenbelt joined Palamon in 2000 from McKinsey, where he worked in the U.K., U.S., the Netherlands, and Belgium.

Supervisory directorships and other positions:

- Mr. Knottenbelt currently serves on the board of directors of Soderberg, Unzer (formerly Heidelpay), Avida, Exact, and Roompot.
- He is a member of KKR's European Private Equity Investment Committee, European Portfolio Management Committee, and Private Credit Opportunities Partners Investment Committee.
- He also serves on KKR's Global Inclusion and Diversity Council.

Shares:

0

Reason(s) for appointment:

- The Supervisory Board has nominated Mr. Knottenbelt upon designation of KKR.
- With his 22 years of experience serving on private equity backed boards and his role as supervisory board member of Roompot, Mr. Knottenbelt is believed to fit the Supervisory Board profile and complement the Supervisory Board with his expertise.
- Mr. Knottenbelt has a MSc in Electrical Engineering from Delft University of Technology (the Netherlands) and an MBA from INSEAD (France).



NOTIFICATION BY THE SUPERVISORY BOARD OF THE NAMES OF THE PERSONS NOMINATED FOR APPOINTMENT 3/4



Mr. Lewis-Oakes

Year of birth:

1985

Nationality:

British

Current position(s):

Director and member of Consumer and Retail sector team at KKR

Previous position(s):

- Mr. Lewis-Oakes joined KKR in 2011.
- Prior to joining KKR, he spent four years in the U.K. mergers and acquisitions team at Goldman Sachs in London.

Supervisory directorships and other positions:

- Mr. Lewis-Oakes currently serves on the boards of Upfield and Wella as a director.

Shares:

0

Reason(s) for appointment:

- The Supervisory Board has nominated Mr. Lewis-Oakes upon designation of KKR.
- With his experience evaluating and supervising businesses in the consumer and retail space, including KKR's investments in Pets at Home, Upfield and Wella, Mr. Lewis-Oakes is believed to fit the Supervisory Board profile and complement the Supervisory Board with his expertise.
- Mr. Lewis-Oakes holds a B.A. (Hons) in Classics from Balliol College, Oxford.



NOTIFICATION BY THE SUPERVISORY BOARD OF THE NAMES OF THE PERSONS NOMINATED FOR APPOINTMENT 4/4



Mr. Van Beuningen

Year of birth:	1970
Nationality:	Dutch
Current position(s):	CEO, Teslin Capital Management
Previous position(s):	<ul style="list-style-type: none">• Mr. Van Beuningen joined Teslin Capital Management in 2015 from strategy consulting firm Booz & Company, where he served as partner in the Consumer & Retail practice and the Financial Services practice, based in Amsterdam.• Prior to joining Booz & Company, Mr. Van Beuningen worked as a marketing officer at Orient Overseas Container Lines Ltd in Hong Kong.
Supervisory directorships and other positions:	<ul style="list-style-type: none">• Mr. Van Beuningen served as supervisory board member of Royal Reesink NV, the Van Gogh Museum and Plan International.• He currently serves as chairman of the supervisory board of a large agricultural company, is (advisory) board member of two family investment firms and a board member of two Dutch charity foundations.
Shares:	0
Reason(s) for appointment:	<ul style="list-style-type: none">• The Supervisory Board has nominated Mr. Van Beuningen upon designation of Teslin.• With his investment and strategy development experience, Mr. Van Beuningen is believed to fit the Supervisory Board profile and complement the Supervisory Board with his expertise.• Mr. Van Beuningen holds an MA in Civil Law from Rijksuniversiteit Leiden (the Netherlands) and an MBA from INSEAD (France).

Q&A

***ACCELL
GROUP***

IV

CONDITIONAL APPOINTMENT OF MR. KNOTTENBELT AS MEMBER OF THE SUPERVISORY BOARD, WITH EFFECT AS PER THE DELISTING

(VOTING ITEM)

VOTING

V

**CONDITIONAL APPOINTMENT
OF MR. LEWIS-OAKES AS
MEMBER OF THE SUPERVISORY
BOARD, WITH EFFECT AS PER
THE DELISTING**

(VOTING ITEM)

VOTING

VI

CONDITIONAL APPOINTMENT OF MR. VAN BEUNINGEN AS MEMBER OF THE SUPERVISORY BOARD, WITH EFFECT AS PER THE DELISTING

(VOTING ITEM)

VOTING

AGENDA

1 Opening and announcements

2 Recommended public offer

a Explanation of the recommended public offer by Sprint BidCo B.V. for all issued and outstanding ordinary shares in the capital of the Company

b Post-Settlement Restructuring Resolution (voting item)

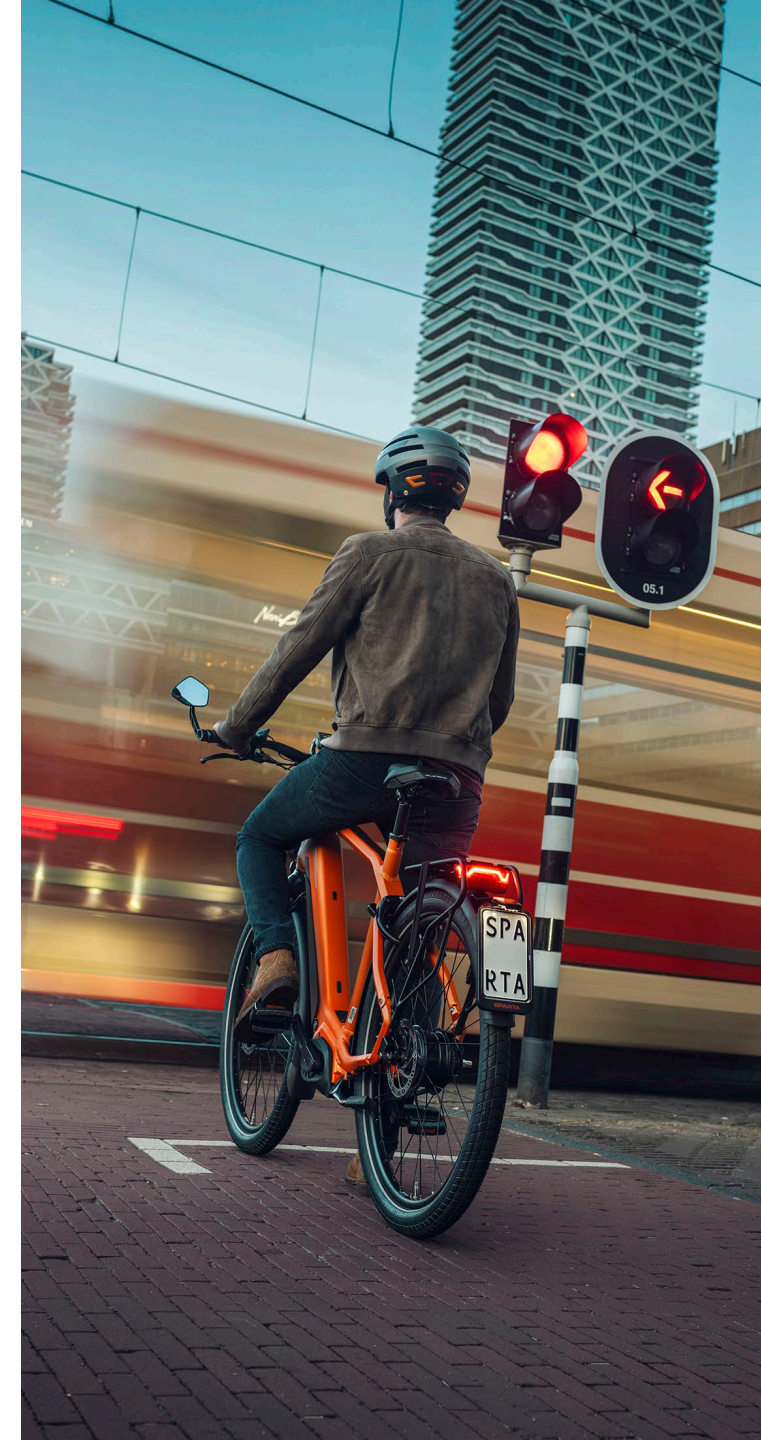
c Composition of the Supervisory Board (voting item)

d Discharge (voting item)

e Amendments to the articles of association (voting item)

3 Any other business

4 Closure of the meeting



**CONDITIONAL GRANT OF FULL
AND FINAL DISCHARGE TO
MEMBERS OF THE BOARD OF
MANAGEMENT FOR THE
PERFORMANCE OF THEIR
DUTIES UP TO AND INCLUDING
THE DATE OF THIS EGM**

(VOTING ITEM)

VOTING

Q&A

***ACCELL
GROUP***



VOTING



**CONDITIONAL GRANT OF FULL
AND FINAL DISCHARGE TO
MEMBERS OF THE
SUPERVISORY BOARD FOR
THE PERFORMANCE OF THEIR
DUTIES UP TO AND INCLUDING
THE DATE OF THIS EGM**

(VOTING ITEM)

VOTING

Q&A

***ACCELL
GROUP***



VOTING

AGENDA

1 Opening and announcements

2 Recommended public offer

a Explanation of the recommended public offer by Sprint BidCo B.V. for all issued and outstanding ordinary shares in the capital of the Company

b Post-Settlement Restructuring Resolution (voting item)

c Composition of the Supervisory Board (voting item)

d Discharge (voting item)

e Amendments to the articles of association (voting item)

3 Any other business

4 Closure of the meeting



CONDITIONAL AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY FOLLOWING SETTLEMENT

(VOTING ITEM)

VOTING

Q&A

***ACCELL
GROUP***



VOTING

CONDITIONAL CONVERSION AND AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY AS PER THE DELISTING

(VOTING ITEM)

VOTING

Q&A

***ACCELL
GROUP***



VOTING

AGENDA

1 Opening and announcements

2 Recommended public offer

3 Any other business

4 Closure of the meeting



Q&A

***ACCELL
GROUP***

AGENDA

1 Opening and announcements

2 Recommended public offer

3 Any other business

4 Closure of the meeting





ACCELL GROUP

LAPIERRE

RALEIGH

HAIBIKE

 **CARQON**

SPARTA 

XLC

GHOST

 ***WINORA***

BATAVUS 

BABBOE

KOGA

DISCLAIMER

- The information in this document is not intended to be complete. This document is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Shareholders are advised to review the Offer Memorandum and the Position Statement in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the Offer and the content of the Offer Memorandum and the Position Statement. In addition, Shareholders are urged to consult their tax advisors regarding the tax consequences of tendering their Shares in the Offer and, in case Shareholders contemplate not tendering their Shares in the Offer, the tax consequences of the Buy-Out, the Post-Offer Merger and Liquidation or any Other Post-Offer Measure.
- The distribution of this document may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Accell Group disclaims any responsibility or liability for the violation of any such restrictions by any person.
- Certain statements in this document may be considered forward-looking statements. Generally, words such as “may”, “will”, “should”, “continue”, “believes”, “aims”, “intends”, “expects”, “anticipates”, “targets”, “plans”, “seeks”, “estimates” and similar words identify forward-looking statements. 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. These risks and uncertainties are difficult to predict and many are outside the control of Accell Group. A number of factors could cause actual results or outcomes to differ materially from historical experience or those expressed or implied in said forward-looking statements. Factors that may cause actual results or outcomes to differ from current expectations include but are not limited to (macro)economic, market, societal and business trends and conditions, changes and developments in legislation, technology, taxes, jurisprudence and regulations, share price fluctuations, supply chain disruptions, component shortages, legal claims, investigations by regulatory bodies, the effects of competition and competitive developments, the ability to attract and retain personnel, risks and uncertainties surrounding or stemming from the public offer for Accell Group and general economic and/or political changes and other developments in countries or markets in which Accell Group operates. The forward-looking statements contained in this document speak only as at the date of this document. Accell Group does not accept any liability for any forward-looking statement contained in this document and expressly disclaims any obligation to update or revise any forward-looking statement contained in this document, whether as a result of any new information, future events, a change in expectations or for any other reason, unless Accell Group is under a legal obligation to do so.
- The data in this document has not been audited.