

BIKEEXCHANGE (ASX: BEX) QUARTERLY APPENDIX 4C AND ACTIVITY REPORT

28th April, 2021

Melbourne, Australia - BikeExchange Limited (ASX: BEX) ('BikeExchange'), a leading global operator of online cycling marketplaces enabling brands, retailers and distributors to connect via single destination marketplaces, announced today its Appendix 4C and activity report for the March 2021 quarter.

HIGHLIGHTS

- IPO successfully completed with **\$20 million of growth capital** raised.
- Net cash of **\$18.9 million** at 31 March 2021.
- Solid growth across all sources of revenue with record lookthrough¹ **total transaction value (TTV), up 220%** for Q3 compared to pcp.
- **TTV growth** rate nearly **doubled** vs the first half of FY21.
- Total **active retail accounts² up 14%** compared to 31 December 2020.
- **Traffic sessions² of 7.0 million** for the quarter, **up 87% on pcp** and annualised **sales enquiry value² of over 1.6 Billion** delivered to retailers.
- **Lookthrough¹ revenue increased 54%** to \$1.4 million for the quarter.
- **Lookthrough¹ e-commerce commissions revenue grew 847%** on pcp in Q3 driven by stronger e-commerce transaction volumes which were up **142% on pcp and average order value up 85% on pcp**.
- Subscription revenue returned to **month on month growth** in the quarter, with **March 2021 monthly revenue up 6%** on December 2020.
- **Strategic partnership agreement** announced with Auteco, the leading Colombian motorcycle assembler and electric vehicle distributor.
- Started to build out sales capabilities with **5 new hires in the quarter**.

Commenting on the performance, Global CEO Mark Watkin said: "This quarter saw us achieve multiple milestones: record lookthrough total transaction value growth of 220%, a record number of consumers transacting on our marketplaces with 142% growth in transaction volume on pcp and active retail accounts up 14% from December 2020.

"In Q3 alone, we saw traffic sessions of 7.0 million up 87% on pcp and sales enquiry value of over \$400 million, reflecting strong consumer demand and increasing awareness of our marketplace business. Enquiry lead volumes continue to accelerate with an annualised run rate totalling \$1.6 billion in value.

"The Q3 growth has been achieved to date without real deployment of the capital raised. We are commencing investment in marketing and sales capabilities, website optimisation and key skill additions. We're now looking forward to further growth, helping us realise our purpose of making it easy for customers to buy and sell all things bike."

¹ Lookthrough Total Transaction Value and Revenue includes 50% of the Colombian Joint Venture's TTV.

² Includes BikeExchange Colombia

FINANCIAL PERFORMANCE - REVENUE & TTV BREAKDOWN

1. Revenue by geography

Biking demand strongest in Europe

BikeExchange saw progress across all four of its geographic hubs - ANZ, North America, Europe (Germany, Belgium and Netherlands), Latin America (Colombia). Europe was the standout, with Q3 revenue growth of 134% on pcp driven by growth across all categories, in particular e-commerce, reflecting strong demand for bikes. Australian and New Zealand saw revenue growth of 19% on pcp, with a strong contribution from a mix shift towards premium subscriptions (including Multistores) and improving commission rates on e-commerce. North America revenue run-rate improved in Q3 and growth is expected to accelerate over the coming quarter as retail account numbers increase.

2. Revenue by category

E-commerce growth accelerates

Lookthrough e-commerce commission revenue grew 847% in Q3 FY21 on pcp and up 17% on Q2 FY21, as the company successfully executed on its e-commerce conversion strategy. Underpinning the result was strong e-commerce transaction growth of 142% on pcp and improvements in average commission rates. E-commerce commission revenues now account for 41% of Group revenues, up from 7% in Q3 FY20 as the conversion initiatives begin to bear fruit.

Average commission rates increased from 3.4% to 7.9% in the quarter compared to pcp, reflecting improvements in retailer mix and improved operational processes. Average order value for Q3 was also up 85% on pcp and up 42% on Q2 FY21 principally reflecting the strong growth in order volumes in Europe which has a larger proportion of higher value bike orders.

Subscription revenues

Group subscription revenues returned to month-on-month growth from Feb 2021 with revenues 6% higher in March 2021 compared to December 2020. The growth rate is expected to accelerate in Q4.

Media and other services revenues

Lookthrough Media and Other Services revenues increased by 97% on pcp, reflecting increased contribution from BikeExchange Colombia leveraging the platform through industry partnerships, procurement contacts and Media revenues making a more positive contribution.

STRATEGIC INITIATIVES

BikeExchange has continued to add strategic resources across the business with new sales, concierge and customer success roles added in all regions. The search for key global executive candidates and skill areas is progressing, with the company looking to appoint further resources in Q4 to accelerate growth. Strategic planning is already underway for FY22 including deployment of capital on technology, customer experience and conversion optimisation across the network of sites.

The CycleSoftware partnership, which was entered into in Q2, has also delivered strong retail account additions in Europe for the quarter. The company's data and insights products have advanced in Q3, with the Single Customer View tool to be deployed for use in Q4. This tool will have the ability to segment our existing consumer audience and increase personalisation. A global SEO project is now underway to further strengthen the organic traffic across categories and content.

The Group's partnership with Trek in North America continues to progress well. Store sign ups continued during the quarter, albeit slower than originally anticipated due to continuing challenges with stock levels in the market. Other brand partnership discussions are underway to further scale the business.

In February BikeExchange announced a strategic partnership agreement with the Latin American (LatAm) based Auteco Mobility, to help scale the BikeExchange business in both Colombia and other LatAm countries. Work is now underway to deliver on the growth plan for the region.

QUARTERLY CASHFLOW REPORT

Cash receipts from customers of \$9,382k in the quarter were up 64% from the average quarterly run-rate for the first half of FY21 principally reflecting the strong growth in e-commerce gross transaction values in Q3. Cash receipts from customers are stated gross of relevant sales taxes customers refunds.

Product Manufacturing and Operating Costs reflect payments to retailers for fulfilment of completed e-commerce orders on the platform. Cash outflows of \$6,938k up 46% from the average quarterly run-rate for the first half of FY21 principally reflecting the strong growth in e-commerce gross transaction values in Q3, as well as positive working capital movements on the timing of payments made to retailers.

Payments for staff costs were \$1,176k for the quarter, up slightly on the first half run-rate reflecting new hires (particularly in sales, customer success, concierge and customer experience) in Q2 and Q3.

Administration and corporate cash costs were \$1,407k for the quarter, up on the first half run-rate, reflecting one-off costs associated with the IPO and other transaction related amounts.

Net cash on the acquisition of entities of \$595k represents cash balances in BikeExchange Ltd (previously RPro Holdings Ltd) which acquired the legacy BikeExchange Group prior to the combined Group listing on the ASX on 9 February 2021 as set out in the ASX admission prospectus. The pre-listing acquisition transaction between BikeExchange Ltd and the legacy BikeExchange Group is treated as a reverse acquisition for accounting purposes and therefore cash balances in BikeExchange Ltd are treated as "acquired" by the combined Group at the date of the transaction.

Cash out-flows on loans to other entities of \$152k in the quarter represent funding loans to BikeExchange Colombia, which the Group owns a 50% stake in.

BikeExchange is well-capitalised for growth with a cash and equivalents balance of \$18.9 million as at 31 March 2021, following the \$20 million IPO capital raise from new institutional and retail investors at \$0.26 per share.

Payments to related parties and their associates during the Quarter totalled \$471k, comprising Directors' fees and expenses as well as Key Management Personnel's base remuneration for Q3 FY21. Also included were payments to Marketplacer Pty Ltd under the business services agreements to provide the platform services for the Group's network of marketplaces.

USE OF FUNDS STATEMENT

Uses of Funds	Total use of funds included in BEX prospectus (\$)	Expenditure in Q3 FY21 post admission to the ASX (\$)	Total Expenditure post admission to the ASX (\$)
Brand and Customer Acquisition marketing	6,000,000	58,000	58,000
Working Capital	5,000,000	-	-
Product Development and Technology	3,000,000	-	-
Investment in Resources to scale the Business	3,000,000	30,000	30,000
Costs of the Offer and Listing	3,000,000	2,140,000	2,521,000
Total	20,000,000	2,228,000	2,609,000

The use of funds in the quarter reflects the investment in initiatives post the admission to the ASX on 9 February 2021 and is anticipated to ramp up over coming quarters.

Costs of the Offer and Listing set out above are on a cash basis (excluding recoverable GST) and include costs incurred by both the legacy BikeExchange Group and BikeExchange Ltd (formerly Rpro Holdings Ltd) which acquired the legacy BikeExchange Group prior to the combined Group listing on the ASX on 9 February 2021 as set out in the ASX admission prospectus.

The pre-listing acquisition transaction between BikeExchange Ltd and the legacy BikeExchange Group is treated as a reverse acquisition for accounting purposes and therefore any offer/listing costs paid by BikeExchange Ltd prior to the legal acquisition of the legacy BikeExchange Group are treated as pre-acquisition transactions and not included within the 4C Quarterly Cashflow Report.

The 'Total Expenditure post admission to the ASX' column includes cash costs incurred prior to the admission to the ASX that were solely incurred to facilitate the offer and listing by BikeExchange Ltd.

For personal use only

OUTLOOK: POSITIONED FOR GROWTH

Commenting on the outlook, Mark Watkin said, "Q4 trading is off to a strong start, with April 2021 e-commerce transactions showing strong growth on pcp.

"We are working closely with our retailer and brand customer base to assist and enable them further with conversion, consumer engagement and organic growth. We anticipate further, strong growth in e-commerce transaction volumes and improvements in conversion and commission rates, with the benefits of investment in our concierge service and performance marketing.

"At the macro-economic level, our addressable market continues to grow as trends in the industry accelerate. We are strongly positioned to benefit from the global movement for greener modes of transport; continued growth in consumers shopping online; as well as health and wellbeing trends."

The company expects H2 FY21 to demonstrate meaningful TTV and revenue growth on H1 FY21, with the launch of new products and functionality expected to be positive for the next financial year.

Subscription revenue growth is expected to accelerate in Q4 – with increases in Brand Stores and retailers from partnerships such as Cycle Software in Europe and Trek in North America providing an increasing contribution, supported by additional sales headcount.

Ends

INVESTOR CALL

BikeExchange will be hosting an investor call at **11am on 29th April**.

To join the Zoom Meeting please use this link / details:

<https://us02web.zoom.us/j/85153569570>

Meeting ID: 851 5356 9570

Or dial +61 2 8015 6011 if in Australia

Or to find your local number, look here: <https://us02web.zoom.us/u/kcdG7aLpno>

MEDIA ENQUIRIES:

Susie Reinhardt / Lucy Wigney
Cannings Strategic Communications
Mobile: +61 401 399 781 / +61 438 960 201

INVESTOR RELATIONS: investorrelations@bikeexchange.com.au

ABOUT BIKEEXCHANGE

BikeExchange Limited (ASX: BEX) is a leading operator of global online cycling focussed marketplaces that enable a dedicated and growing global audience of consumers to connect and transact with thousands of retailers and brands. The Company was founded in Melbourne in 2007 by Sam Salter and Jason Wyatt, with the aim of bringing together the fragmented global cycling industry to trade and scale. Today, it hosts over 1500 brands, 1640+ retailers and 900,000+ products globally, with an annual audience of 28 million consumers.

AUTHORISED BY BikeExchange Ltd Board of Directors.

For personal use only

APPENDIX - Q3 FY21 KEY METRICS

Q3 Metrics

Q3 FY21 (3M) in \$ thousands	ANZ	Europe	North America	Colombia	Total
Lookthrough TTV ¹	1,162	5,523	965	196	7,845
Growth on pcp	40%	489%	66%	101%	220%
Lookthrough Revenue ¹	410	635	201	103	1,350
Growth on pcp	19%	134%	(17%)	395%	54%

Selected Operational Metrics	Q3 FY21	% growth on pcp
Traffic Sessions*	7,039,000	87%
Total Active Retail Accounts	1,643	Up 14% from 31 December 2020
e-commerce Transaction volume	9,093	142%
Average Order Value	\$764	85%
Average Commission Rate	7.9%	Up from 3.4% Q3 FY20
Enquiry Value*	Over \$400m	132%

FY21 Year to Date Metrics

Q3 FY21 YTD in \$ thousands	ANZ	Europe	North America	Colombia	Total
Lookthrough TTV ¹	3,860	9,970	2,635	829	17,294
Growth on pcp	65%	322%	50%	140%	154%
Lookthrough Revenue ¹	1,159	1,539	550	287	3,536
Growth on pcp	6%	107%	(34%)	398%	30%

Selected Operational Metrics	Q3 FY21	% growth on pcp
Traffic Sessions*	21,585,000	80%
Total Active Retail Accounts	1,643	Up 14% from 31 December 2020
e-commerce Transaction volume	24,740	139%
Average Order Value	\$580	51%
Average Commission Rate	7.8%	Up from 4.7% YTD FY20
Enquiry Value*	Over \$1,150m	90%

¹ Lookthrough Total Transaction Value and Revenue includes 50% of the Colombian Joint Venture's TTV.

* Includes BikeExchange Colombia marketplace (50% owned by the Group)

For personal use only

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BikeExchange Ltd

ABN

24 625 305 240

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,382,555	20,853,338
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,938,353)	(16,421,874)
(c) advertising and marketing	(621,086)	(1,139,742)
(d) leased assets	-	-
(e) staff costs	(1,175,917)	(2,781,468)
(f) administration and corporate costs	(1,406,876)	(3,250,946)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	2,318	3,945
1.5 Interest and other costs of finance paid	(1,876)	(28,620)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(759,235)	(2,765,367)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	594,838	594,838
(g) businesses	-	-
(h) property, plant and equipment	(4,477)	(34,046)
(i) investments	-	(1,564)
(j) intellectual property	(6,825)	(73,127)
(k) other non-current assets	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(l) businesses	-	-
	(m) property, plant and equipment	-	5,091
	(n) investments	-	-
	(o) intellectual property	-	-
	(p) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(152,350)	(367,750)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	431,186	123,442

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,000,000	21,491,416
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,220,581)	(2,329,294)
3.5	Proceeds from borrowings	-	2,150,000
3.6	Repayment of borrowings	-	(698,844)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(19,555)	(60,070)
3.10	Net cash from / (used in) financing activities	17,759,864	20,553,208

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,478,979	1,061,062
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(759,235)	(2,765,367)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	431,186	123,442
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,759,864	20,553,208
4.5	Effect of movement in exchange rates on cash held	(31,114)	(92,665)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.6	Cash and cash equivalents at end of period	18,879,680	18,879,680
------------	---	-------------------	-------------------

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	18,879,680	1,478,979
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18,879,680	1,478,979

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	471,431
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(759,235)
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,879,680

8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,879,680

8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	25
-----	---	----

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2021

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

[name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only