

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

29th July, 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 June 2021 quarter, including full year metrics and revenue.

## HIGHLIGHTS

- **Strong growth FY21 on FY20** across all key metrics:
  - **93%** increase in **lookthrough<sup>1</sup> total transaction value (TTV)**.
  - **26%** increase in Full Year lookthrough<sup>1</sup> revenue to \$4.9m.
  - **60% increase in transaction volumes** with greater mix of bikes vs accessories.
  - **Traffic sessions<sup>2</sup> of 28 million** for the full year, **up 29% on pcp** and annual **sales enquiry value<sup>2</sup> of over 1.6 billion** delivered to retailers.
  - Total **active retail accounts<sup>2</sup> up 10%** to 1,600 compared to 31 December 2020.
- To facilitate accelerated growth in FY22 key **Executive Appointments** announced:
  - Appointed Sam Salter to Chief Sales & Partnerships Officer role.
  - Ryan McMillan to Global Head of Technology Operations.
  - Derek Colfer to Regional Lead of BikeExchange North America.
  - Chief e-Commerce Officer global role under offer.
- **Continued growth Q4 against Q3 Fy21:**
  - Record **lookthrough<sup>1</sup> TTV for the June quarter of \$8.0m, up 27%** for Q4 compared to pcp.
  - **Lookthrough<sup>1</sup> revenue increased 19%** to \$1.4 million for the quarter.
  - Record **lookthrough<sup>1</sup> TTV for the June quarter of \$8.0m, up 27%** for Q4 compared to pcp.
  - **Lookthrough<sup>1</sup> e-Commerce commissions revenue was \$0.6m, growing by 129%** on pcp in Q4 driven by average commission rates of 9.0% in the quarter and **average order value up 63% on pcp**.
  - **Subscription revenue returned to growth** in the quarter, with revenue up 9% on pcp and 5% up on Q3 FY21.
  - **Subscription ARPA was up 15% on pcp** for Q4 FY21
- **e-Commerce commission revenues** became the largest revenue contributor in the quarter at **46%** of lookthrough<sup>1</sup> revenue.
- **North American region returned to growth** in the quarter and is well positioned for FY22.

*The financial information included in this report represents lookthrough information comprising the BEX Group and 50% of the Colombian Joint Venture. The Directors believe this information better represents the aggregated activity and results on the platform.*

<sup>1</sup> Lookthrough Total Transaction Value and Revenue represents the BEX Group and includes 50% of the Colombian Joint Venture's results.

<sup>2</sup> Includes BikeExchange Colombia

**Commenting on the performance, Global CEO Mark Watkin said:** "Our business continues to experience strong growth, demonstrated by positive increases in key metrics both on a quarterly and annual basis. In addition to underlying organic growth, the business is benefiting from the targeted shift to e-Commerce and greater transactional volumes on the platform.

In particular, Q4 saw us achieve record e-Commerce commission revenue contribution, growing 129% on pcp and average order value increased by 63% on pcp. Lookthrough revenue increased 19% for the quarter to \$1.4m, while Total Transaction Value (TTV) increased 27%. The main drivers of the result were continued momentum in Europe, with Germany a highlight, as well as growing awareness of BikeExchange across all markets.

"Annually, we saw a 93% increase in TTV and a 26% increase in lookthrough revenue. Pleasingly, traffic increased 29% to over 28 million sessions. "Enquiry lead volumes, totaling over \$1.6 billion in value at 30 June, continue to grow and present significant e-Commerce conversion opportunities. We are already having success in this area demonstrated by the strong performance of our e-Commerce division, which saw 60% growth in transactions, increasing Average Order Value (AOV) by 46%. Commission rates were up by 3.2%.

"We have started to make significant investment into the business using capital raised in the IPO process. We are appointing four new senior executive roles, all of which have or are expected to begin in Q1 FY22. These roles are focused on delivering our e-Commerce first strategy through retailer sales acquisition, on site transactions and scalable technology operations, as well as new regional management in North America. The hires and structural changes ensure we are well placed for FY22, helping us realise our purpose of making it easy for customers to buy and sell all things bike."

## Q4 FINANCIAL PERFORMANCE - REVENUE & TTV

### 1. Revenue by geography

#### *Bike demand remains strong in Europe*

BikeExchange saw progress across all four of its geographic hubs - ANZ, North America, Europe (Germany, Belgium and Netherlands), and Latin America (Colombia). Europe was the strongest performer, with Q4 revenue growth of 100% on pcp, to \$0.8m, driven by growth across all revenue categories, in particular e-Commerce, reflecting continued strong demand for bikes.

Australia and New Zealand made headway despite a revenue decline of 8% on pcp, impacted by lower e-Commerce volumes which have slowed down compared to their peak during the COVID lockdown in Q4 FY20. This was partly offset by increased subscription revenues. North America revenues grew 31% on pcp with the run-rate improving from Q3. Growth for the region is expected to accelerate over the coming quarter as retail account numbers increase and e-Commerce volumes grow.

### 2. Revenue by category

#### *e-Commerce growth continues*

Lookthrough e-Commerce commission revenue grew by 129% in Q4 FY21 on pcp and up 276% for the whole of FY21 on FY20, as the company successfully executed on its e-Commerce first strategy. e-Commerce commission revenues now account for 46% of Group revenues, the largest single revenue contributor in the quarter.

Average commission rates increased from 5.2% to 9.0% in the quarter compared to pcp, and up from 7.9% in Q3 FY21, reflecting improvements in retailer mix and improved operational processes. Average order value for Q4 was also up 63% on pcp and up 4% on Q3 FY21, principally reflecting the strong growth in order volumes in Europe which has a larger proportion of higher value bike orders. Traffic and order volumes were broadly consistent on Q3 FY21.

#### *Subscription revenues*

Group subscription revenues returned to growth, with Q4 revenues up 9% on pcp and 5% higher than Q3 FY21. This was supported by improvements in underlying Active Retail Accounts being ~8% up on 31 March 2021 (excluding the impact of some rationalisation of non-revenue generating multistore linked accounts) and 15% Q4 growth on pcp of Average Revenue Per Account.

#### *Media and other services revenues*

Lookthrough Media and Other Services revenues decreased by \$225k on pcp, largely due to delays in the delivery of several significant industry partnership procurement contracts in BikeExchange Colombia.

## STRATEGIC INITIATIVES

A focus for Q4 has been on the search for and hiring of key executive resources across the business, with a focus on retailer sales acquisition, on-site e-Commerce transactions and scalable operations technology. This is in line with the e-Commerce first strategy initiated last quarter. The other key hire will be the new regional leadership in the North American market to compliment our executive leadership team.

Key appointments and activity in the quarter includes:

- **Sam Salter appointed to Chief Sales & Partnerships Officer** - Co Founder and previously Sales Lead at Marketplacer.
- **Ryan McMillan appointed Global Head of Technology Operations** - 8+ years with BikeExchange, Currently BikeExchange Europe Lead.
- **Derek Colfer appointed Regional Head of North America** - Ex Head of Digital Product & Innovation for Visa North America. Commencing in August.
- **Chief e-Commerce Officer** - Global Ecommerce / Consumer Executive role currently under offer.
- Sales Team in USA bolstered to 5; Additional Senior Sales & Management Roles added in Europe.
- Other key hires around technology, marketing and the Chief People Officer are currently being recruited.

The CycleSoftware partnership, which started in Q2, has continued to deliver above run rate growth in Europe with new account sign ups in the Netherlands region.

An SEO project commenced in Q3 has shown good results in Q4 and is being extended across the North American and European regions to further strengthen the organic traffic for the BikeExchange sites.

The Group's partnership with Trek in North America continued in FY21 with slower than anticipated sign ups due to continuing challenges with stock levels in the market being felt by retailers. It is anticipated this will pick up over the course of FY22. Other brand partnership discussions are underway to further scale the business.

The Group is active in discussions around strategic acquisitions and the regional expansion and approach for the BikeExchange business in Latin America.

## QUARTERLY CASHFLOW REPORT

Cash receipts from customers of \$10,074k in the quarter were up 7% from Q3 FY21 principally reflecting the continued strong e-Commerce gross transaction values in Q4.

Product Manufacturing and Operating cash outflows (payments to retailers for fulfilment of completed e-Commerce orders) were \$9,181k in the quarter up 32% from Q3 FY21 principally reflecting the continued strong e-Commerce gross transaction values in Q4, offset by adverse working capital movements on the timing of payments made to retailers at the end of the financial year.

Payments for staff costs were \$1,441k for the quarter, up 23% on Q3 FY21 reflecting new hires (particularly in sales, customer success, concierge and customer experience) and Director remuneration costs in Q3 and Q4.

Administration and corporate cash costs were \$1,083k for the quarter, down 23% on Q3 reflecting one time IPO related costs incurred in Q3.

Cash out-flows on loans to other entities of \$277k 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 \$15.9 million as at 30 June 2021.

Payments to related parties and their associates during the Quarter totalled \$559k, comprising Directors' fees and expenses as well as Key Management Personnel's base remuneration for Q4 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 (\$'000)	Expenditure in Q4 FY21 (\$'000)	Total Expenditure post admission to the ASX (\$'000)
Brand and Customer Acquisition marketing	6,000	250	30
Working Capital	5,000	550	550
Product Development and Technology	3,000	-	-
Investment in Resources to scale the Business	3,000	110	140
Costs of the Offer and Listing	3,000	422	2,943
<b>Total</b>	<b>20,000</b>	<b>1,332</b>	<b>3,941</b>

The use of funds in the quarter reflects the investment in initiatives and projects and is anticipated to ramp up over coming quarters.

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## FY22: POSITIONED FOR GROWTH

Commenting on the Group's strategy, Mark Watkin said, "At BikeExchange, our purpose is to fuel a passion for riding by making it easy to buy and sell all things bike. In the last year, we have made considerable progress building our business in the various markets we operate and ensuring we have the right capabilities to take us into the next stage of growth.

"The work to attract and appoint highly capable executives has set the Business up for success in FY22 with all roles expected to commence in Q1 FY22. This will help drive our eCommerce first strategy through retailer sales acquisition, on-site transactions and scalable technology operations to build off the foundation that is in place.

"The business is well positioned to benefit from the continued macro trends towards active modes of transport; continued growth in consumers shopping online; as well as health and wellbeing trends.

"July 2021 e-Commerce transactions and retail account numbers are showing robust growth on pcp and the Group expects FY22 growth rates to be significantly above FY21, supported by a number of M&A opportunities that are being pursued."

A more detailed update on outlook and strategy will be provided with the release of the FY21 Annual Report in August 2021.

**Ends**

## INVESTOR CALL

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

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

<https://us02web.zoom.us/j/82177493603>

Meeting ID: 821 7749 3603

Or dial +61 2 8015 6011 if in Australia

Or to find your local number, look here: <https://us02web.zoom.us/u/kq65hHUGs>

## 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, 1600+ retailers and 900,000+ products globally, with an annual audience of 28 million consumers.

**AUTHORISED BY** BikeExchange Ltd Board of Directors.

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## APPENDIX - Q4 FY21 KEY METRICS

### FY21 Full Year Metrics

FY21 in \$ thousands	ANZ	Europe	North America	Colombia	Total
Lookthrough TTV <sup>1</sup>	5,120	15,376	3,646	1,165	25,307
Growth on pcp	33%	165%	37%	41%	93%
Lookthrough Revenue <sup>1</sup>	1,538	2,312	755	333	4,939
Growth on pcp	2%	104%	(24%)	19%	26%

Selected Operational Metrics	FY21	% growth on pcp
Traffic Sessions*	28,200,000	29%
Total Active Retail Accounts*	1,600	Up 10% from 31 December 2020
e-Commerce Transaction volume	33,473	60%
Average Order Value	\$636	46%
Average Commission Rate	8.2%	Up from 5.0% FY20
Enquiry Value*	Over \$1,600m	53%

### Q4 FY21 Metrics

Q4 FY21 (3M) in \$ thousands	ANZ	Europe	North America	Colombia	Total
Lookthrough TTV <sup>1</sup>	1,260	5,406	1,011	337	8,013
Growth on pcp	(16%)	57%	11%	(30%)	27%
Lookthrough Revenue <sup>1</sup>	379	773	205	46	1,403
Growth on pcp	(8%)	100%	31%	(79%)	19%

Selected Operational Metrics	Q4 FY21	% growth on pcp
Traffic Sessions*	6,625,000	(32%)
Total Active Retail Accounts*	1,600	Down 3% from 31 March 2021
e-Commerce Transaction volume	8,733	(18%)
Average Order Value	\$796	63%
Average Commission Rate	9.0%	Up from 5.2% Q4 FY20

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

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

## 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")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	10,074	30,927
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(9,181)	(25,603)
(c) advertising and marketing	(651)	(1,791)
(d) leased assets	-	-
(e) staff costs	(1,441)	(4,222)
(f) administration and corporate costs	(1,083)	(4,407)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	8
1.5 Interest and other costs of finance paid	(14)	(43)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,292)</b>	<b>(5,131)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	595
(b) businesses	-	-
(c) property, plant and equipment	(33)	(67)
(d) investments	-	(2)
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	4	9
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(277)	(645)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	20	20
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(286)</b>	<b>(90)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	21,491
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	(422)	(2,751)
3.5	Proceeds from borrowings	-	2,150
3.6	Repayment of borrowings	(47)	(750)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(20)	(80)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(489)</b>	<b>20,060</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	18,880	1,123
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,292)	(5,131)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(286)	(90)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(489)	20,060
4.5	Effect of movement in exchange rates on cash held	112	(37)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>15,925</b>	<b>15,925</b>

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	15,925	15,925
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>		

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	559
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,292)
8.2 Cash and cash equivalents at quarter end (item 4.6)	15,925
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	15,925
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	7
<i>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.</i>	
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	
<i>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.</i>	

## Compliance statement

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

Date: 29 July 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.